

# Management Aspects of Committees in Formal Organizational System

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**Abstract:** The committees are an important part of the formal organizational structure of the system and are essential for achieving the objectives. They differ from other business units within the hierarchy of the organization and influence its management. The aim of the publication is to highlight some aspects of managerial work of the committees and their significance.

**Index terms:** organization, committees, management aspects.

**JEL:** D74, M12, M54

## I. INTRODUCTION

Committees are specific body and often arise in large organizations (Tillman, 1960, pp. 6-12, 162-172), where you have to solve complex problems (mainly in the matrix structure). They build vertically in the organization (chain of command) and horizontally (cross-functional processes – by functions). Committees have a limited or unlimited power to make decisions according to the characteristics of the problem and the competence of their members.

## II. MANAGEMENT ASPECTS OF COMMITTEES IN FORMAL ORGANIZATIONAL SYSTEM

When the committees are established, there can be detected first two key moments. First, committees required to achieve a synergistic effect of the work of different people (group decision making, group performance, etc.). Second, the committee must respond to complicate an organizational and business environment, which requires appropriate action to the situation. According to the second feature types are recorded and committees, which generally have the following (Hodgetts & Kuratko, 1988, pp. 195-197; Filley, 1970, pp. 13-21):

### 1. Standing/permanent Committees

These committees are an integral part of the structure of the organization (in finance, marketing, production, etc.) that have important support (counseling) to senior management. Have a certain number of specialists, whose number is changed regularly (at certain times). Some committees may issue and execute orders when authorized to do so, i.e. they have a certain power.

### 2. Temporary committees

These are committees that have been established spontaneously, they have their objective and after its implementation, they stop functioning and are dismissed.

They are created to offer an expert opinion on a particular issue (in units or smaller departments of the organization), which makes it difficult for senior management to solve it or when no resources available. Often temporarily created committees have the power to make decisions, report to and advise management on how to ignore the problem.

When using committees as a form of government in the formal organizational system it is necessary to make a justification of the benefits and drawbacks of their implementation. This is a difficult process because various factors influence the assessment - response time of issue, type of target, experience and qualifications of the individual members, etc. However, we can cite some benefits and negatives using the Committees (Dale, 1952, pp. 85-102; Mylander, 1955, pp. 51-58):

#### A. Advantages of the work of the committees

##### • Solving problems

Today the problems of the organizations are getting complicated by the dynamics of the business environment and the response of management should be adequate to the situation. Such decisions are usually not within the power of one person and require group coordination of ideas and expertise. Even if this happens on the level of consultation between several units to eliminate the responsibility of the decision of one person. The Committee's work is based on the opinion of experts from different areas of the organization (marketing, engineering, finance, etc.) who analyze the problem from a different angle. Committees create conditions for an objective assessment of views on controversial issues, which prevents its members from making wrong decisions. This enhances the quality of recommendations and guidelines to the senior management of the organization.

##### • Effective communication with staff

Committees can quickly disseminate information that is needed by staff when people do not have access to important instructions or decisions. This is done through two-way communication that is possible on specially arranged meetings. This happens in the real environment (offices, industrial premises, etc.) where important procedures or methods of work are specified. Committees may require employees to comply with formal rules of

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conduct or promote the opinions, suggestions and recommendations to other important work, including information about problems that have come up.

- *Synchronize activities*

Members of the committees meet and listen to the heads of other departments and divisions in existing or potential problems at work. Information gathered by the Committee determines how the activity is carried out in other parts of the organization and what measures should be taken. The result of these observations is aimed at synchronizing the activities and overcoming disparities in the overall organizational structure of the formal system.

- *Adjusting the power*

Although in most cases the committee has no real power to make management decisions, they are a regulator of its use. When power is concentrated in one person, then personal interests and aspirations to influence and manipulate others may easily be created. To some extent this can be regulated by the committees that monitor and recommend what is right or wrong in the organization.

- *Increasing motivation*

Committees are adequate supporters of behavior, attitudes and rules of the organization and have a moral dimension for the majority of its people. It also helps staff to better fulfill the goals and objectives, to participate in decision making and have and bear the collective responsibility for errors. This increases the motivation of people who feel involved with the initiatives of the organization and its development.

- *Advising superiors and staff*

Committees help managers and staff (especially inexperienced) to increase its coefficient of efficiency, by giving advice and guiding them by giving knowledge that is outside the scope of their competence and responsibility. Through the experience of the committee members, people can acquire new ideas for work (tactics, relationships, etc.). To structure your professional goals and effectively implement them.

- *Protecting the interests of stakeholders*

Committees are often used to protect the interests of the parties involved in the activities of the organization (customers, creditors, investors, etc.). The aim of the committee is to monitor any problems that may have an adverse effect on the rights and benefits to stakeholders.

## **B. Disadvantages of the work of the committees**

- *High cost (time and money)*

Work of the committees is associated with high costs for their maintenance in the structure of the formal organizational system (organizing meetings, remuneration of the individual members, travel, etc.). On the one hand - discussing the problem needs time and on the other - purchasing of automated systems for the rapid exchange of information and their use means expenses to be spent.

- *Risk of compromise decisions*

Committees and their members may have significant differences on an issue or problem that needs looking for a

compromise on taking the right decision. This affects the efficiency of the work because they do not choose the best solution for the situation, and what will satisfy everyone in the committee. The reasons may be different - pressure on people, lack of competence, misunderstandings, conflicts, etc.

- *Unclear responsibilities or lack of responsibilities*

A significant problem that may arise in the work of committees is the responsibility of its members. Each is personally liable when participating in discussions and decision-making on an issue or a problem, but it is possible to distinguish the general opinion of the committee. Justifiably applies the phrase „I told you, but here's what happens," which blurs the personal responsibility of the individual, unless no apparent vote with established positions ("yes" or "no"). Committees which often make wrong decisions and take no responsibility for their consequences should be dismissed or closed.

- *Domination of a powerful personality*

Dominant figure in the Committee must be the Chairman, who leads the people with democratic principles of governance. Otherwise the possible to witness a collapse of the communication flow and interpersonal conflicts. This will reflect not only the behavior of the members of the committee, but will negatively influence the decisions (will quickly deteriorate their quality).

Here were mentioned some advantages and disadvantages which determine the specificity of the work of the committees in the formal organizational system. Before designing their structure and management mechanism it is important to take stock of whether they are useful or not for the organization.

Each committee operates under a defined structure and regulations that determine its function, scope and effectiveness. The following features are reported and marked (Bales, 1954, pp. 44-50; Cartwright & Zander, 1962, pp. 80-81; Filley, 1970, pp. 13-21):

### **1. Determining the amount of committees**

The size of the committees is important in terms of behavioral aspects in achieving set goals. The main question is what is the optimum size of its members? Of course, this will depend on the priorities of the Committee and the qualification of people. Too large committees are not comfortable because they lose the connection between the individual members who have difficulty reaching a consensus as possible divided into smaller groups. Small committees of the order of three to five members are ineffective due to lack of sufficient number of objective views, there is a danger of conflict and discord (power, imposition of personal opinion, etc.). Therefore, the size of the committee is determined primarily by the situation, the type of problem, the available resources, powers of individual members, their experience, routine and other relevant factors.

## 2. The Role of the Chairman of the Committee

Each Committee must have a Chairman who conducts the work in its functioning. Usually people elect an experienced person with solid experience in a professional field that has the charisma and influence the work of other members. His/her status in the organization is high, and his reputation is impeccable. The responsibility of the job the President is quite high as it is necessary to assign tasks (delegate rights), coordinate activities, monitor its implementation and to make important decisions. In any case it should not put pressure on the group or impose his personal opinion and seek general views of the committee members. It is important that this person be tactful, to stimulate people to seek consensus if the decision does not coincide with his views on the issue. It is necessary to adopt the position of each member of the committee, if it is valid and practically justified.

In practice it often happens with the appropriate committee chairman to have much better results than those in which it is formal or for various reasons abdicate his duties. In most cases, there comes the organizational role of the President - how the tasks are formulated, the way a discussion is led when regulating pauses for rest, etc. The Chairman of the committee should be a good psychologist, he should know the work and character of each member and know how to use their creative potential.

## 3. Role of the Secretary of the Committee

Each committee has a secretary who records the conversations of the participants or, if this is done by technical devices, s/he helps the President to lead the discussion, regulates the procedure and how to speak to people. Secretary has no special role in the discussions because s/he collects and documents data generated on workshops (meetings). Furthermore, s/he prepare reports or reports of committee and decisions.

## 4. Choosing appropriate committee members

Committee members must be proven specialists in a particular professional field, but in order to get good performance they need to work together. Therefore, adequate communication skills, tolerance and tolerance of others' behavior are required. It is important for people to make compromises where necessary, to respect each other and help each other professionally. Informal relationships between members are the foundation for friendly relations and understanding. Usually they are one rank in the organization, but in different functional areas, which ignores the connection manager - subordinate. The choice of people from different departments is suitable when they can offer logical ideas and creative solutions to different situations and problems. The selection must be based on the right people - those who know the specifics of the organization, its problems and how it functions. Moreover, people should be allowed to speak or discuss problems effectively understandable for everyone else.

## 5. Rules and procedures in the committees

Before the meeting of the Committee, it is necessary to clarify the rules and procedures which are to be followed. They are important from the viewpoint of the order that is

to be achieved during the meetings, and their flow. This can be done in written form (rules, guidelines, leaflets, etc.) that must be followed. Of course, not exclusive are the options, when the President can change some instructions or can add some new ones. To structure the most essential procedures of the scheduled meetings there should be:

### • *Working documents*

The generated information is presented in a working documentation, which is described in individual activities and directions. This can facilitate the participants in the meeting, because the data is grouped by priority. When solving problems, i.e. you need expert advice to members of the committee, it is synthesized in working form which contains the following details:

- type of problem;
- name the problem;
- date of establishment of the problem and date of the solution;
- a description of the problem, short or detail (according to the situation);
- priority to solve the problem (urgent, not so urgent or minor);
- ways to solve the problem (ideas are required by the participants);
- the names of the participants and their functional units;
- other requirements, if needed;
- date, telephone number and signature of participants.

### • *Scenarios of the work*

To be effective, the meeting of the Committee, each activity must be pre-described and regulated. This allows the logic of the debate to be followed, which is defined according to the objectives and priorities of the committee. In this case, the form includes the following details:

- fixing the beginning and end of the debate;
- introducing issues in the debate;
- instructions for conducting the meeting;
- determination of the priority axis;
- debate on the established routes/directions;
- final fragments of the work.

### • *Supporting Activities*

Each meeting of the committee must be physically organized, making all the necessary things to carry out support activities. They can be different, since they depend on the situation and the problem of specificity. Here we consider the following activities:

- locating the meeting place;
- choosing the right room (size, air conditioning, etc.);
- providing of technical equipment in the room.

## 6. Preparation and organization of meetings of committees

Committee meetings are important for the final result, as they suggest and decide on a particular issue or problem at hand. This is not chaotic, but consciously planned process

that requires conformity to different steps and criteria. The most important of them are:

**A) Determination of the time and place of meeting of the Committee**

To be effective, the meeting of the committee, it is first necessary that members would be notified in time to plan their commitments to other tasks within the organization. Second, all the necessary materials and documents for the meeting must be available to enable the committee members to get acquainted with the facts, to reflect and analyze.

**B) Identifying the participants of the meeting of the Committee**

To provide the necessary quorum at a meeting of the Committee and to provide the necessary materials to establish the exact number of members attending. If it is necessary to make difficult decisions and important members of the committee are absent, it is better to postpone the meeting indefinitely - until their participation is confirmed. Otherwise, errors may occur, with irreversible consequences – because of lack of trained professionals who should make the key decisions in critical areas of work of the Committee.

**C) Keeping a record of the order at the meeting of the Committee**

To hold a meeting of the committee in a relaxed atmosphere according to the planned activities, there should be a planned/scheduled order. It is recorded in written form and sent to the participants in advance. A list of all events is made that will be discussed and procedures for their implementation. If corrections are necessary (inserting new points or removing already existing) participants shall be notified promptly.

**D) Procedure for the conduct of the meeting of the Committee**

Committee meetings must be conducted in accordance with documented above order, but parallel to impose some technological procedures, the most important of which are the following:

• *Opening of the meeting of the Committee*

Opening of the meeting of the Committee is made by the chairman who (in a summary) reports to the participants the order and sequence of points that lie in the preliminary plan.

• *Set up a discussion on the problems*

The Chairman of the Committee formally introduces the participants to the problem and requires feedback from them if there are any questions. In order to establish the idea of the problems, the President must skillfully focus on the essential aspects, without omitting unimportant details. It is best to break the problem into its constituent parts and to analyze carefully.

• *Focusing on the priorities of problems*

After diagnosing problem areas, the members of the committee must decide which ones have higher priority

over others. This is not easy because it takes concentration and competencies that are needed to refine the issues. If not selected the optimal option (most critical) there are further obstacles possible for the rational ignoring of the problem. This will affect the competitiveness of the organization and its performance.

• *Debates to solve problems (generating ideas)*

The Real part in solving the problem is to generate ideas from committee members. Everyone should listen carefully to the statements of others, what their reactions and feelings are. Here it is necessary to pay attention to two situations. Of particular importance is how to start the discussion and who will speak first. This may be the chairman of the committee, but it is not a must because finally, when summarizing the ideas the Chairman has the opportunity to present its observations and statements. Therefore, the first to speak should be the man who is most familiar with the problem and is the leading expert in the field. Second, the influence of one or more persons on the other must be ignored. Often the case is, that some support the position of another, just because he thinks is right without being acquainted in detail with the facts of the problem.

In the course of discussions, people can approach aggressively, everyone is keen to promote its ideas and to criticize others. The President should listen to the view of everyone in the committee and refine different opinions. Then on the basis of consensus the President must unite all proposals in a joint initiative - the optimum for a particular situation. When people agree on an acceptable option for all, the final decision is made (usually by a clear majority). The President shall announce the result and provides further guidance on subsequent performance.

• *Closing of the meeting of the Committee*

When the agenda is fully-covered and there are no other priorities that require continuation of the meeting, the President reports its end. He can then thank the participants for showing initiative and thanks for their fruitful meeting with hope for more success in the next.

• *Documenting the results of the meeting of the Committee*

The results that are achieved at the meeting the committee should find their application in the official documents confirming the decisions made. All documentation should be brought to the attention of the participants in the meeting who must sign that they are familiar with its contents. Some technological time is required for this purpose, it should not be too long - two to seven days after the meeting. Documentation, except that it must be perfect, it is important to be understandable to all participants in the meeting, taking into account the following recommendations:

- the presence of important details ( time, date, place, logical structure, etc.);
- explicit argument (on the issue being discussed);
- meaningful written sentences without controversy;
- good graphics/graphic design (where applicable);
- recommendations, conclusions and judgments.

### 7. Performance criteria for committees

The Effectiveness of the committees depends on the following major requirements (Dale, 1952, p. 186; Drought, 1967, pp. 153-163):

- clearly regulated rights and duties of the committees;
- appropriate structure of the committee;
- committee members should be carefully selected;
- committee members clearly communicate their objectives;
- the committee is comprised of specialists with different skills;
- committees require time for their members to start working as a unity;
- the committee must fulfill the tasks inherent to them.

The work of the committees in the organization will periodically be evaluated through appraisal of its efficiency. This is a formal control mechanism that determines whether committees fulfill the goals and objectives. The Chairman of the Committee is to report back to a period of time that describe the number of meetings, their attendance, working hours, changing members (if any ), accomplished and failed goals, etc.

### III. CONCLUSION

In the formal organizational system, the committees are made up of a group of experts with similar or different backgrounds and qualifications (depending on purpose) who perform activities in connection with the management. Committees are formally established mechanism in the structure of the organization and have a permanent or temporary status. They are a group that coordinates the work, provides important recommendations to superiors, make decisions and control business processes, taking into account the strategic and tactical priorities of the organization. By this publication, the following results were achieved:

- the influence of committees in the formal organizational system is well-stated and reasoned;
- some management aspects of the work of the committees in the formal organizational system have been established.

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