

THE DEVELOPMENT OF AN INSTRUMENT FOR MEASURING
ORGANIZATIONAL CLIMATE AND ITS USE IN
A STUDY OF THE OC OF THE SUGAR MILLING
INDUSTRY IN WESTERN VISAYAS

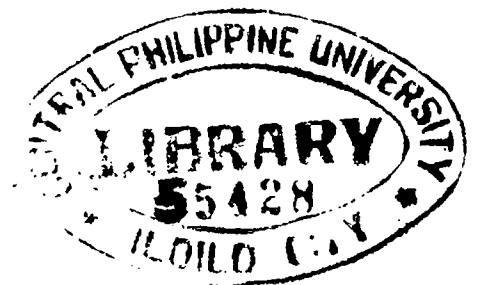
A Dissertation

Presented to

the Faculty of the School of Graduate Studies
Central Philippine University

In Partial Fulfillment
of the Requirement for the Degree
DOCTOR OF EDUCATION

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by

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June 1981

CHAPTER I

INTRODUCTION

Man-in-the-organization has been the subject of concern, inquiries, and investigations by social science scholars and management practitioners alike. Questions have been raised on how the individual affects or is being affected by organizations. His perception of what is going on inside the organization or his perception of the organizational climate determines, to a certain extent, his well being.

Chester I. Barnard regarded organizations as "social creatures and alive" like individual human beings who are composed of a complex of partial systems. Barnard defines organization as a system which is not just an aggregate of its components but is more than the total of its parts for "there emerge from the system properties which are not inherent in the parts."¹

Some writers wrote that the effect of organization is pervasive. Peter F. Drucker, for example, wrote:

"In fine, it is the large corporation,

¹Chester I. Barnard, The Functions of the Executive (Cambridge, Mass. : Harvard University Press, 1968) p.79.

the specific form in which big business is organized in free enterprise economy -- which has emerged as the representative and determining socio-economic institution which sets the pattern and determines the behavior even of the owner of the corner cigar store who never owned a share of stock, or his errand boy who never set foot in a mill. And thus the character of our society is determined and patterned by business, the technology of the mass production plant and the degree to which our social beliefs and promises are realized in and by the large corporation."²

Another writer has expressed fear of the exploitation of man in the organization. Eric Fromm wrote that organization in the capitalistic society is run by a system with no purpose and goal transcending it.³ The market theory is said to regulate and distribute resources without an authoritarian dictator. In reality, a force is felt behind a worker accepting a salary which could hardly feed him. There is an overwhelming force which could shut up his mouth and not say something against the "administration" or the "big boss" for fear of reprisal. There is also a force which makes young persons buy "useless" or even

²Peter F. Drucker, Concept of the Corporation (New York: The John Day College, 1946), pp. 8 - 9.

³Eric Fromm, The Sane Society (Greenwich, Conn.: Fawcett Publications Inc., 1955), p. 82.

dangerous commodities, drugs, or foods. There is a force which makes a businessman move in frenzied activity without having time for real personal relationships. There is a force which makes the poor farmer or the small-time seller sell his wares at low prices even though he knows that the low price he is accepting will erode his small capital.

People talk about free enterprise where there is no authoritarian dictator whom they can see and put the blame on. But a question is asked: where is the source of that force which dictates man's every move and his way of life and his thinking?

Eric Fromm, a psychoanalyst,⁴ wrote that there is a system capable of recharging, reinvigorating and maintaining itself. He said that this is the circular cycle of "profit feeding on capital and capital feeding on profit." Profit becomes the end of the system. Everything else is means, including man. Even that man who owns the capital becomes the slave of his creation.

⁴Ibid.

Several writers and scientists have associated the concept of anomie, which came from Emile Durkheim's study on suicide*, with division of labor, a principle of scientific management. Hugo Munsterberg conducted a study on accidents, fatigue, monotony, and boredom caused by specialization in mass production.⁵ In another work, Whyte showed the strains and tension created by division of labor in a restaurant business.⁶

There are other studies on psychological effect of big business on workers. These studies became the basis of the neoclassicists' criticism against the classical or traditional concept of organization and management. The focus of the contention was on alienation as the psycho-social effect of big business on society.

Marx defined alienation as that condition of man where his "own act becomes to him an alien power standing over

⁵W. Scott & T. Mitchell, Organization Theory: A Structural & Behavioral Analysis (Ontario: Irwin Dorso Ltd., 1972), p. 44.

⁶William Whyte, F., Human Relations in the Restaurant Business (New York: McGraw Hill Publishing Co., 1948).

and against him, instead of being ruled by him."⁷ In another work, Marx continued to say that alienation resulted from the worker's lack of ownership of the equipment and means of production as well as the lack of opportunity to enjoy the benefits of work.⁸

Browning, et al, in their work "On the Meaning of Alienation."⁹ attributed alienation to three factors, namely: powerlessness, normlessness, and meaninglessness. Powerlessness was defined as "a person's feeling that he or she is an object almost completely under the control of other person or a system." Normlessness was defined as "that state of ambiguity about the behavior necessary for attaining organizational rewards which occurs when the psychological contract has broken down and there is little

⁷K. Marx, Capital in K. Marx, Der Historische Materialismus, Die Frühschriften, S. Lanshut and D. L. Payer, Leipzig, 1932, II, p. 25 as mentioned by Eric Fromm in The Sane Society (Greenwich, Conn.: Fawcett Publications Inc., 1955,) p. 11.

⁸Karl Marx; "Economic and Philosophical Manuscripts" in E. Fromm Ed., Marx's Concept of Man (New York: Unger, 1961).

⁹Browning, C. J. et al, "On the Meaning of Alienation," American Sociological Review, 26: 780, October, 1961.

agreement between management and the worker on issues confronting them." Meaninglessness is experienced when a worker does not comprehend the purpose of the coordinated activity surrounding his or her work experience.¹⁰

From the foregoing readings, there is evidence that people are concerned about the increasing trend in deindividualization as brought on by organizations. The writer is of the opinion that an individual will not simply sit back and enjoy the sadism of his situation, nor will he forever remain as an appendix of an organizational or corporational system. The writer believes that man transcends system.

People are eager to have change but their approaches to initiate it vary. Some use moral suasion or preaching; some, terrorism; some, science; and others, superstitions.

Business and management, as a discipline in the field of science, has also made big leaps in its desire to reverse the trend of deindividualization. It is along this line that the researcher would like to make a little contribution.

¹⁰Edgar F. Huse & J. L. Bowditch, Behavior in Organizations: A Systems Approach to Managing (Reading, Mass. Addison-Wesley Publishing Co., 1977), pp. 291-292.

I. The Problem

Statement of the Problem. This study is an attempt to construct a valid instrument to measure organizational climate and to use it to describe the climate of one industry.

The assumed determinants of Organizational Climate, as gathered from the survey of literature, are Managerial Leadership, Peer Leadership, and Organization Process. These factors are defined in the section on Definitions. Organizational Climate is a relatively enduring quality of internal environment of an organization that (a) is expressed by its members, (b) influences their behavior, and (c) can be described in terms of a particular set of characteristics of the organization.¹¹ Organizational climate is the perception of the members of an organization about how things are inside the organization.

The question's that will be answered by this study, therefore, are:

1. Can an instrument which is reliable as well as valid be constructed for use in describing the organizational climate of institutions?

¹¹R. Taguiri and G. H. Letwin Ed. Organizational Climate: Explanation of a Concept (Boston: Harvard University Press, 1968), p. 27.

2. What would such an instrument reveal about the climate of the sugar milling industry the biggest industry in Western Visayas?