

A Survey of Types of Organization and Decision-Making in Business Establishments in Iloilo City *

Rodolfo Gumabong

For this study, two main objectives were set; namely, determining the types of organization found among Iloilo City business establishments and determining the distribution of decision-making in each type of organization.

Specifically, the first objective was to find out what the prevailing legal forms were and what relationship obtains between legal form and type of organization.

The second objective was to find out information about (1) who the decision-maker(s) were in each type of organization and the extent of decisions made by each, (2) whether decision-making was too centralized, too dispersed, or well-distributed, and (3) what relationships obtained between organizational form and decision-making.

For gathering data, the ques-

tionnaire was used, the responses to which were verified by conferences with the business executives concerned or their appointed representatives.

Important decision-makers were determined by the number of decisions each official had to make. The type(s) of decision made by each official revealed which decisions were characteristic decisions or less frequent decisions. Since the number of corporations was relatively large, it was sought to find out whether the distribution of responsibility for decisions was in any way related to size of organization.

Finally, a definition of each type of official in business establishments was attempted on the basis of his characteristic decisions(s).

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FINDINGS

Findings showed that the corporation was the prevalent legal form of business establishment in Iloilo City, followed by the single proprietorship. Corporations tended to be small and to be organized along the lines of functional and line-staff types. Their decision-makers were the president, the general manager, the department or section heads, the supervisor(s), and the foremen. In the corporation, the general manager made the most decisions, though both positions of president and general manager were to be found in it.

The single proprietorship tended to be of the line type of organization where the decision-makers were the owner, the general manager, the department or section head(s) and the supervisor(s), but the one who made the most decisions was the owner.

Several business establishments in Iloilo City appeared to have no job descriptions for the different positions in their set-ups. As a consequence, there were overlaps in decision-making in corporations, particularly in the top management level. Too many decisions were made by the president and the

general manager while subordinate officials had too few decisions.

On the basis of the most frequent decisions made by each, the president can be defined as the official who usually decides on how to interpret the policies of the corporation regarding general operation and expansion; the general manager is the one who decides on what policies to adopt for the branches; the department head is the one who decides on what policies to adopt for the branches; the department head is the one who enforces company policies; the supervisor is the one who decides on how to ensure worker efficiency.

RECOMMENDATIONS

The findings suggest the following recommendations: (1) that officials study present practices on decision-making in order to effect any necessary improvement, (2) that officials study how to relieve high officials of minor decision-making, (3) that a job description of each position be drawn in order to mark off positions according to duties and responsibilities, and (4) that a leadership seminar on decision-making be held among executives of business firms in Iloilo City.

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Types of Organizations

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Two studies are hereby recommended: (1) a study on the techniques of decision-making presently used and the bases chosen for decisions, and (2) the extension of the present study to include other places in the Western Visayas, for purposes of comparison. □