

# Chapter Review

10

## Contingency Approaches to Management

### Objectives...

- 2 contrast mechanistic and organic systems
- 1 discuss what is meant by the contingency approach to management
- 3 distinguish six primary variables of structure
- 4 explain the congruence model of organisational behaviour based on the system paradigm
- 5 evaluate the contribution of systems theory to theories of management and organization

### Key Terms

<b>contingency approach</b>	An extension of the systems approach that implies organisational variables (e.g. strategy, structure, and systems) and its success or performance is dependent upon environmental influences (forces). There is, therefore, no one best way to structure or manage organisations; rather it must be dependent upon the contingencies of the situation.
<b>Differentiation</b>	the degree to which the tasks and the work of individuals, groups and units are divided up within an organization
<b>Integration</b>	The required level to which units in an organization are linked together, and their respective degree of independence (Integrative mechanisms include rules and procedures and direct managerial control)
<b>mechanistic system</b>	A rigid system of management practice and structure which is characterised by a clear hierarchical structure, specialisation of task, defined duties and responsibilities and knowledge centred at the top of the hierarchy.
<b>Organic system</b>	"A fluid and flexible system of management practice and structure which is characterised by the adjustment and continual redefinition of tasks, a network structure of control, authority and communication and where superior knowledge does not necessarily coincide with positional authority."
<b>situational approach</b>	A viewpoint that emphasizes the importance of the environmental situation in determining (organization) behaviour

[Insert Figure 10.2 the principal systems and contingency approaches to organisation and management theory here]

32. In summary the contingency approach is an extension of the systems approach that implies organisational variables (e.g. strategy, structure, and systems) and its success or performance is dependent upon environmental influences (forces). There is, therefore, no one best way to structure or manage organisations; rather it must be dependent upon the contingencies of the situation (see also environmental determinism). The table (Figure 10.2) summarises the principal systems and contingency approaches to organisation and management theory. The dates refer to the first publication of the relevant theory or research report. The general model implicit in contingency theory is shown in figure 10.3.

[Insert Figure 10.3 General model of contingency theory here]

33. Whilst the classical theorists argued for universal principles of administration, the simple idea behind Contingency theory is that organization structure should be dependent upon the organization context i.e. it should be regarded as a contingent variable. Organization theory is not therefore about one-best-way to manage but to guide managers through insights that enable the formulation of responses enabling their organizations to fit their specific internal and external context. The contingency approach emphasises the need for flexibility. Later theorists (see Child in particular) developed the view that an organization's environment, market and technology is the result of senior management decisions (strategic choice).

