

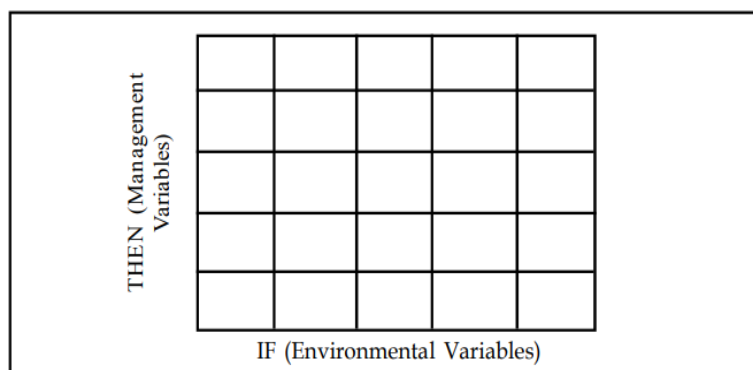
Contingency Approach to Management:

A review of the earlier schools of management helps us to place the current approach to management in perspective. The performance results of the management process school's universalist assumptions were generally disappointing. The behavioural approach to management was incomplete. Certain quantitative techniques worked in some situations and not in others. The quantitative people could not solve behavioural problems and behavioural people could not overcome operations problems adaptable to quantitative solutions. Many authors believe that systems based theory could solve this dilemma. But this approach is also as yet incomplete. The latest approach to management which integrates the various approaches to management is known as 'contingency' or 'situational' approach.

The contingency approach is not new. Pigors and Myers propagated this approach in the area of personnel management as early as in 1950. However, the work of Joan Woodward in the 1950s marked the beginning of the contingency approach to organisation and management. Other contributors include Tom Burns, G.W. Stalker, Paul Lawrence, Jay Lorsch, and James Thompson. They analyzed the relationship between the structure of the organisation and the environment. Thus, contingency approach incorporates external environment and attempts to bridge the theory-practice gap. It does so in the systems framework. In other words, contingency approach as regards organisation as an open and dynamic system which has continuous interaction with environment.

The contingency theory stresses that there is no one best style of leadership which will suit every situation. The effectiveness of a particular leadership style will vary from situation to situation. For instance, participative leadership may be more effective in an organisation employing professional personnel in a high technology operation in an atmosphere of non materialistic orientation and free expression. On the other hand, authoritarian leadership would be more effective in an organisation which employs unskilled personnel on routine tasks in social values oriented towards materialism and obedience to authority

Figure 2.2: Conceptual Framework of Contingency Model



Evaluation of Contingency Approach :

Contingency approach guides the managers to be adaptive to environmental variables. In other words, the managers should develop situational sensitivity and practical selectivity. Contingency approach suggests the managers to condone environmental contingencies while choosing their style and techniques. Contingency approach is an improvement over systems approach. It not only examines the relationships of sub-systems of the organisation, but also the relationship between the organisation and its environment.

Systems Approach	Contingency Approach
1. It lays emphasis on the inter-dependencies and interactions among systems and sub-systems.	1. It identifies the nature of inter-dependencies and the impact of environment of organisational design and managerial style.
2. It treats all organisations alike. Size of the organisation, and its socio-cultural setting are not considered.	2. Each organisation is to be studied as a unique entity.
3. It studies organisation at the philosophical level.	3. It follows an action-oriented approach and so is pragmatic. It is based on empirical studies.
4. It does not comment on the validity of the classical principles of management.	4. It rejects the blind application of the classical principles of management.
5. It simply lays down that the organisation interacts with the environment.	5. The impact of environment on the organisation structure and managerial style is the major concern of contingency approach.

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