

TALKING ABOUT ORGANIZATIONS



PODCAST

presents

**ACADEMY OF MANAGEMENT 2019
PROFESSIONAL DEVELOPMENT WORKSHOP**

CLASSICS OF MANAGEMENT AND ORGANIZATION THEORY

THE CONTINGENCY APPROACH

Featuring presentations by:

*Bob Hinings (on the Aston School),
Gino Cattani (on James D. Thompson),
Sarah Kaplan (on Joan Woodward), and
Signe Vikkelso (on Tavistock Institute),
followed by roundtables mediated by the
speakers and a plenary discussion.*

This PDW represents the second edition of what we hope to be a standing series showcasing the enduring relevance of earlier organizational research and raise interest for it. We believe that paying attention to the classics of our field may complement the strong emphasis (at AOM and beyond) on new/disruptive ideas, enable cumulative insights, and promote the value of research committed to theorizing core organizational dynamics.

This edition focuses on the contingency approach as exemplary of classic scholarship in organization and management theory. We focus on the historical context of the contingency approach, the main ideas of authors and traditions associated with it, and their connections with contemporary research.

THE CONTINGENCY APPROACH: AN OVERVIEW

The contingency approach gained in popularity during the 1960s and 1970s. Contingency theorists disputed the assumption at the time that a single form of organization is best for all firms and in all circumstances. They posited instead that the most appropriate organizational form is the one that is best suited to the kinds of actions a firm undertakes. In brief, scholars suggested that organizational effectiveness results from the fit between characteristics of the organization, such as its structure, and contingencies that reflect the particular situation of the organization. Contingencies can for instance include the size of an organization, its strategy, and its environment. Because it is the fit between organizational characteristics and contingencies that leads to high performance, organizations seek to attain fit while avoiding misfit when confronted with changes in contingencies. They do so by adopting new organizational characteristics that fit new levels of the contingencies.

The contingency approach is associated with various scholars and research groups with divergent orientations and sensitivities. Some focused primarily on structure (e.g., the Aston School) while other were also interested in social relations (e.g., the Tavistock institute); many were concerned about the link between organization structure and demands from the environment, whereas others have a more discreet focus on the work process and its fit with internal conditions.

The contingency approach occupies an ambiguous position in today's organizational scholarship. While some people see it as dated and surpassed, some of its key insights still underpin contemporary organizational research. Arguably, we all operate under the central contingency assumption that there is no 'one best way' (Donaldson, 2001); that structures and processes depend on certain conditions (Van de Ven, Ganco, & Hinings, 2013); and that organizing is about adjusting to circumstances and balancing competing demands (Lawrence and Lorsch, 1967). Besides, specific insights from the contingency approach continue to inform contemporary research on organization design (Grandori & Furnari, 2008), organizational change (Battilana & Casciaro, 2012), and other themes.

Our community as a whole does not always recognize how much contingency theory still matters. Worried about novelty and disruption, we sometimes lose

sight of continuity (and our history) even though we are a somewhat new field in the social sciences. As a consequence, some critical aspects of the contingency approach — such as its attention to formal organizational structures (visible in the work of the Aston School, Joan Woodward, and James D. Thompson) and the task/work level of analysis (explored by researchers from the Tavistock Institute) — seem to have withered as organization theory became more interested in fields and macro dynamics. Much can, therefore, be gained by looking back to reflect on the importance of this approach in the development of our field and (re-)considering the analytical value of some of its axioms and insights!

In this PDW we pay particular attention to the European(/UK) tradition as this is usually overlooked in our area (especially the work of the Tavistock Institute). We have selected four authors/groups representing different aspects of this approach with presentations by Gino Cattani (on James D. Thompson), Bob Hinings (on the Aston School), Sarah Kaplan (on Joan Woodward), and Signe Vikkelso (on Tavistock and Socio-Technical Systems). This will be followed by roundtables mediated by the speakers and a plenary discussion.

- Battilana, J., & Casciaro, T. (2012). Change Agents, Networks, and Institutions: A Contingency Theory of Organizational Change. *Academy of Management Journal*, 55(2), 381–398.
- Donaldson, L. (2001). The contingency theory of organizations. Sage.
- Grandori, A., & Furnari, S. (2008). A Chemistry of Organization: Combinatory Analysis and Design. *Organization Studies*, 29(3), 459–485.
- Lawrence, P. R., & Lorsch, J. W. (1967). Differentiation and integration in complex organizations. *Administrative science quarterly*, 1-47.
- Van de Ven, A. H., Ganco, M., & Hinings, C. R. B. (2013). Returning to the Frontier of Contingency Theory of Organizational and Institutional Designs. *The Academy of Management Annals*, 7(1), 393–440.



Want to learn more about Contingency Theory?

Check out Episode 16
on Lawrence and Lorsch!



**Episode 34:
Trist & Bamforth**



**Episode 46:
Elliott Jaques**

THE TAVISTOCK INSTITUTE®

THE TAVISTOCK INSTITUTE

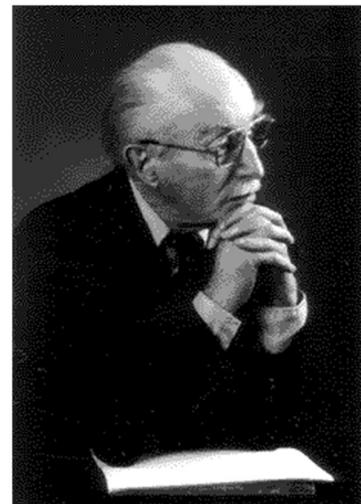
The Tavistock Institute of Human Relations is a British not-for-profit organisation, initiated in 1946, that applies social science theories to tackle contemporary issues and problems. The journal *Human Relations* is published on behalf of the Tavistock Institute by Sage Publications. The Institute was founded by a group



Elliott Jaques

of key figures from the Tavistock Clinic and British Army psychiatry, including Elliott Jaques, Henry Dicks, Leonard Browne, Ronald Hargreaves, John Rawlings Rees, Mary Luff and Wilfred Bion, and with Tommy Wilson as chairman. Other well-known people that joined the group shortly after were Isabel Menzies Lyth, J. D. Sutherland, John Bowlby, Eric Trist, and Fred Emery.

The Tavistock Institute led a series of remarkable experiments and research projects during the 1950s and 1960s, which aimed to better understand the interrelations between individuals, groups, and organizations. At the core of these studies were the notions of 'primary task' and conceptualizing the organization as a 'socio-technical system' where (technical) requirements stemming from tasks must be balanced against human needs. Understanding what the primary tasks were, how they changed, and how people related to them was seen as key to understanding, designing, and intervening in organizations. Tavistock members furthermore united around a concern for human relations, for requisite organization and management, and for social engagement of social science. Following the footsteps of Tavistock members, much can be gained – for management practice as well as for organization theorists – by reviving tasks as a key focus and mode of inquiry.



Eric Trist

- Trist, E. L., & Bamforth, K. W. (1951). Some social and psychological consequences of the longwall method of coal-getting: An examination of the psychological situation and defences of a work group in relation to the social structure and technological content of the work system. *Human relations*, 4(1), 3-38.
- Trist, E. (1981). The evolution of socio-technical systems. *Occasional paper*, 2.



THE ASTON GROUP

The Aston Group is the designation of a group of organizational researchers working between 1961 and 1970 under the leadership of Derek S. Pugh. The official name was Industrial Administration Research Unit of the Birmingham College of Advanced Technology, renamed to Aston University in 1966. Members of the group originated in different areas of research such as psychology, economics, political sciences and sociology and included John Child, David Hickson, Bob Hinings, Diana Pheysey, Charles McMillan, and Lex Donaldson.

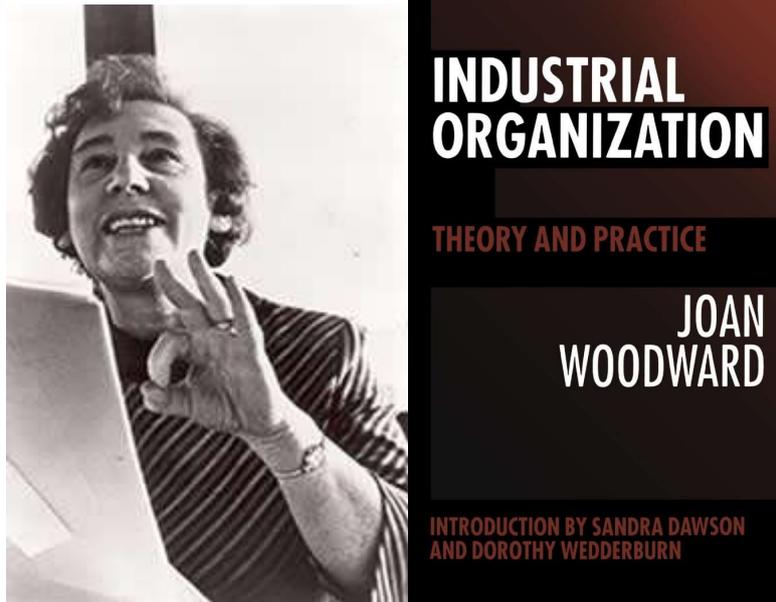
The Aston studies consisted of a series of comparative studies to produce generalizable insights into the relationship between organizational structure and context. They systematized the ideas and explanations that had been developed from the study of bureaucracy in particular, and also



Derek Pugh

from comparative management. The framework drew on Weber to analyze organizational structure using the elements of specialization, standardization, formalization, and centralization. Organizational context was conceptualized as ownership and control, origins and history, dependence, technology and size. The key predictors of organizational structure were size, dependence on other organizations and integrated technology. The research also developed four distinctive types of organization, the full bureaucracy, the workflow bureaucracy, the personnel bureaucracy, and the simple structure. These studies and the concepts used were an important basis for the development of contingency theory.

- Pugh, D. S., Hickson, D. J., Hinings, C. R., & Turner, C. (1968). Dimensions of organization structure. *Administrative science quarterly*, 65-105.
- Pugh, D. S., Hickson, D. J., & Hinings, C. R. (1969). An empirical taxonomy of structures of work organizations. *Administrative science quarterly*, 14(1).
- Pugh, D. S., & Hickson, D. J. (1976). *Organizational structure in its context: The Aston Programme I (Vol. 1)*. Lexington Books.

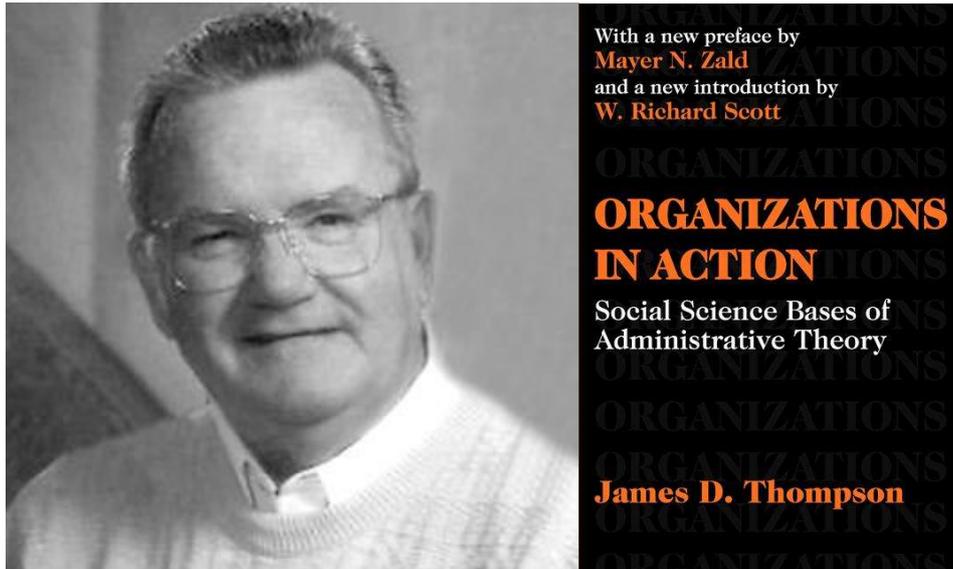


JOAN WOODWARD (1916-1971)

Joan Woodward's primary contribution to organizational theory is the idea that organizational structure is contingent on the types of production technologies employed by firms. Her detailed fieldwork in hundreds of post-war organizations in the UK advanced management and organizational scholarship and practice by shedding light on how work was conducted inside firms, how work was shaped by organizational structure, and why firms that matched their structure to technical requirements were the most successful ones. This idea of the link between structure and technology became an important foundation of contingency theory. It has had a sustained impact on the fields of innovation and management.

In her short life, Joan Woodward achieved tremendous success both in academia and in practice. She was the second woman ever to be appointed as a chaired full professor at Imperial College London, was a highly sought-after consultant to firms, and served as policy advisor to governments.

- Woodward, J. (1965). *Industrial Organization: Theory and Practice*. Oxford: Oxford University Press.
- Woodward, J. (1970). *Industrial Organization: Behaviour and Control*. Oxford: Oxford University Press. [[L]]
[SEP]



JAMES D. THOMPSON (1920-1973)

James D. Thomson helped found *Administrative Science Quarterly* in 1956, and of which he was the first editor. He also became the director of the Administrative Science Center at the University of Pittsburgh. In 1967, he published the book 'Organizations in Action: Social Science Bases of Administrative Theory', which became one of the most influential books on organizations and management. It offers a systematic investigation into the reasons why uncertainty is the fundamental problem for complex organizations, and how coping with uncertainty is the essence of the administrative process.

Complex organizations, Thompson posits, can be viewed as open systems, that are indeterminate and faced with uncertainty. At the same time, however, they are also subject to criteria of rationality, needing determinateness and certainty. Under norms of technical rationality (knowledge of cause/effect relations and control over all of the relevant variables, or closure), organizations seek to seal off their core technologies from environmental influences. But since complete closure is impossible, organizations must adopt a variety of strategies to reduce such influences.

Building on – but also moving beyond – contingency theory, Thompson's book still surprises us for its multidisciplinary perspective, its unique – and yet not fully exploited – insights, and its ability to anticipate themes that have taken hold in subsequent developments in organizational theory.

- Thompson, J. D. (2017). *Organizations in action: Social science bases of administrative theory*. Routledge.
- Thompson, J. D. (1956). On Building an Administrative Science. *Administrative Science Quarterly*, 1(1).
- Thompson, J. D., & Bates, F. L. (1957). Technology, organization, and administration. *Administrative Science Quarterly*, 325-343.