

# Contingency Approach in Nigeria Management System

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## INTRODUCTION

Contingency approach also known as situational approach, is a concept in management stating that there is no universally applicable set of management principles (rules) by which to manage organizations. Organizations are individually different face different situations (contingency variables), and require different ways of managing. Contingency approach remains less common than change management approaches. The contingency approach management is a view that the organization recognizes and responds to situation variable as they arise. The contingency approach, which can be seen as an extension of the systems approach, highlights possible means of differentiating among alternative forms of organization structures and systems of management. There is no optimum state. For example, the structure of the organization and its success are dependent, that is contingent upon, the nature as tasks with which it is designed to deal and the nature of environmental influences. The most appropriate structure and system of management is therefore dependent upon the contingencies of the situation for each particular organization. The contingency approach implies the organizations should provide insights into the situational and contextual factor which influence management decisions. This approach emphasized the fact that what managers do in practice depends on a given set of circumstances - the situation. Contingency management is akin to situational management and the two terms are often used synonymously. Some scholars distinguished between the two on the basis that, while situational management merely implies that what managers do depends on a given situation, contingency management implies an active interrelationship between the variables in a situation and the managerial solution devised. Thus, under a contingency approach, managers might look at an assembly line situation and conclude that a highly structured organization pattern would best fit and interact with it.

## CONTINGENCY THEORY

The essence of contingency theory is that best practices depend on the contingencies of the situation. Contingency theory is often calling the “it all depends” theory, because when you ask a contingency theorist for an answer, the typical response is that it all depends. While this may sound simplistic, assessing the contingencies on which decision depends can be a very complex. Contingency theories try to identify and measure the conditions under which things will likely occur. Since human service practices vary substantially, contingency theory offers a useful approach to model and predicts CAP practice.

The term contingency as used in contingency theory is similar to its use in direct practice; A contingency is a relationship between two phenomena. If one phenomenon exists, then a conclusion can be drawn about another phenomenon. For example, if a job is highly structures, then a person with a freewheeling disposition will have problems with the job. Contingencies can sometimes be considered conditions.

Contingency theory was developed by improving previous concepts (Tayler, Fayol and Weber), which described recommendations that appeared effective under any circumstances, however, contingency approach theory supposes that under different circumstances different solution may prove effective (Dobak-Antal, 2010). This can be considered one of the primary in sight of the theory, because instead of propagating universally applicable organization – management principles, the theory tries to demonstrate that different organizational structures (Baraniyi, 2001). The fact that Dobak-Antal (2010) use the contingency approach (with the opportunity for strategic choice? Also highlights the theory’s relevance. The term “contingency theory” was first mentioned in the literature by Lawrence and Lersch in 1967, in the context of organizational structure, unfortunately, the exact date of the concepts organization is unknown (Donaldson, 2001).

Contingency theory played a leading role in the organizational practice of the 1970s. It typically examined the relationship between organizational structure and the operating conditions (in other words, the contextual totality of contingency factors), using the method of empirical comparative analysis. This analytic approach emphasizes the interaction between the organization and the environment and the importance of adoption to the environment. The hypotheses are as follows;

- The formal organizational structure has a significant effect on an organizations effectiveness;
- There is no universally effective organizational structure ; and
- The effectiveness of different structures are empirically analyzable.

Using these hypotheses as starting points, contingencies theory was supposed to;

1. Explain the differences between organizational structures
2. Identify necessary organizational changes in accordance with changing situations.

### 3. Narrow down the set of optional organizational models (Dobak – Natab 2010).

Contingencies theories dealing with organizational structures (So-called structural contingency) theories) consider the environment, the organizational size and the strategy of the organizations as contingency factors. These are the factors that an organizational structure must be adapted to of course, there are other contingency factors as well; however, only these three are significant from this perspective. Beyond structural contingency theories, there are additional theories that focus on organizational characteristics such as management, human resources and strategic decision making (Donaldson, 2001). The schools of structural contingency theory can be divided into three groups;

- Harmonization of organizational structures and environmental conditions (variability complexity);
- The modifying effect of the applied technology on the organization;
- The relationship between organizational size and structure.

These theories only address a single factor at a time; however, other multi-factor theories were developed that described structural changes as the joint effect of two or more factors (e.g, environment and size), creating an integrated concept (Baranyi, 2001; Dobak, 2006; Dobak Antal, 2010).

The most significant contemporary research fields of contingency theory are the following (Donaldson, 2001)

- Comparing the final effectiveness to the expected performance relative to the contingency factors; i.e. to what degree did the performance realized, as forecast by a theory based on contingency factors;
- Research of organizational elements affected by contingency factors; and
- Inclusion of contingency theory into other disciplines.

Certain elements of contingency theory are also represented in this research; therefore, this research fits into the contemporary research fields, especially into the third one of the above mentioned.

### **THE MOST INFLUENTIAL RESEARCHERS OF CONTINGENCY THEORY**

The most influential researchers and the background of their work will now be introduced. The results of their studies will be detailed later, along with an examination of the different contingency factors. The Aston studies, cornerstones of contingency theory literature, were published in three different waves as the research progressed. Because the literature lacked a systematic analysis of the correlation between contingency factors, administrative systems and individual behaviour, the first study (Dign et al, 1963) examined labour organization and behaviour. Moreover, the existing studies were incomparable because the results were generalized from single case studies. The first study was highly theoretical and provided an overview of the bureaucracy literature, recommending possible new methods of improvement. Pugh et al (1968) studies these recommendations empirically, with a sample of 32 large organizations (employing more than 250 people with different environmental and ownership backgrounds from the Birmingham area. The study found that organizational bureaucracy system were not standardized and that the different organizations were structured in different ways.

Consequently, Weber's term of the bureaucratic ideal was not adequate anymore. Pugh et al (1969) continued the same research one year later by classifying the previously examined 52 organizations into clusters, according to their bureaucracy systems. Four pure and three transitional clusters were created, and a possible method of development was also included among the different bureaucratic solutions. The subsequent study of Pugh et al (1969b) completed the research with previously identified contingency factors. Woodward (1965) examined 203 manufacturing companies from south Essex in her research. 46% of the companies in the sample employed 100 or less people, 24% employed 101-250 people and the other 30% of the companies employed more than 250 people. Finally, 100 companies took part in the survey, analyzing the dimension of organizational differences by filling out questionnaires. The primary questions of the survey were the following; why and how does the structure of industrial organizations differ from each other, and why are certain structures more successful than others?

Lawrence – Lorsch (1967) compared six different organizations operating in the same industrial environment. According to their starting point, an organization consists of several significant sub-systems, and they investigated the integration and differentiation of these sub-systems. Integration was defined as the process of achieving unity of effort among the subsystems in the accomplishment of the organization's task. Differentiation was defined as the state of segmentation of the system into subsystems. The organizations were all operating in the chemical processing industry, which was characterized by relatively rapid technological change, innovation and product modification. The source of competitive advantage was the development of new and improved products and processes. The reason for the examination of this industry was the high level of organizational integration and difference required by the environment. The results supported the hypothesis, suggesting that highly differentiated subsystems have more difficulties in achieving integration than less highly differentiated ones. Correlation was found between the performance of subsystems and sub-environments, through the measurement of change in profit, sales volume and sales volume of currently developed products. In conclusion, highly performing organizations subsystems differed from each other significantly, showing higher consistence with their sub-environmental requirements.

Perrom ((67) investigated technology as a contingency factor and based his research on four basic

assumptions:

- Technology is a defining parameter of organizations
- Examine a company as a whole
- The technological aspect is the best way to compare organizations drawn by perrom will be introduced later; however, his concepts were not empirically supported.

According to Thompson (1967), the significant challenges for complex organizations are posed by uncertainties, companies handle uncertainty by instructing certain parts to specifically address it, while other parts are operating under (more or less) certain conditions. The two basic sources of uncertainty are technology and environment, and the differences between these dimensions result in extra-organizational differences. Similarly to perrom (1967), the results of the research are not empirically supported. Child (1972) introduced the term "Strategic choice" to contingency theory, and criticized the results of Pugh et al. (1969 b) in his paper. Duncan (1972) emphasized that the relevant dimensions and elements of the environmental concept had not been defined in previous studies. He tried to do this based on the perceptions of organizational members in 22 decision making units in three manufacturing and three R & D organizations.

### **STRENGTHS OF CONTINGENCY THEORY**

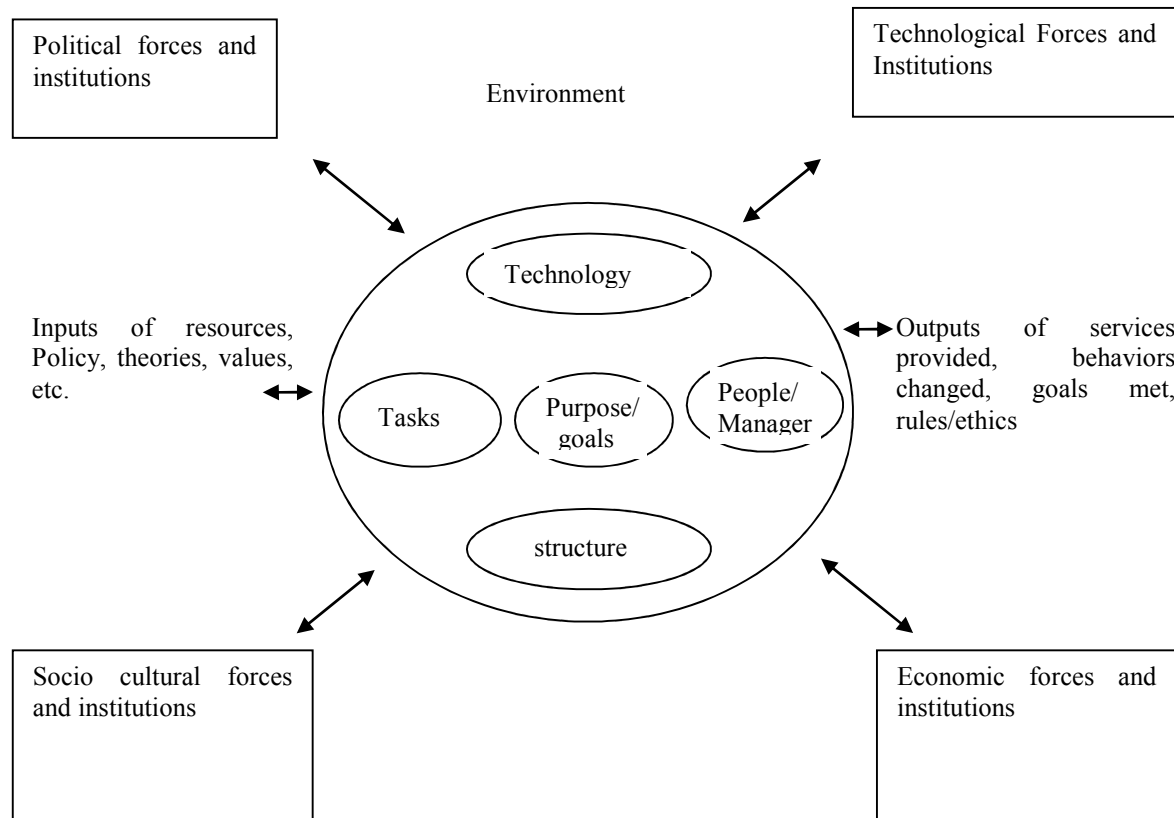
The strength of contingency theory are that the theory is straight forward and the methodology through complex, is highly standardized. The various dependent and independent variables are operationalized so that they can be qualified and measured in a precise way (i.e by size or number of employees engaged). These strengths gave the contingency approach considerable influence, and for a longtime, it gave the approach advantage over culture, which had remained both theoretically and methodologically sophisticated.

### **WEAKNESSES OF THE CONTINGENCY THEORY**

The contingency approach, however, also has numerous weak points and blind spots. It has been pointed out that, although, this theory is able to show the consistency and strength of correlation between the two sets of variables. That is between contingency variable such as size, or technology and the structural features of an organization, it has never provided an adequate explanation for this. Furthermore, the theoretical status or contingencies has remained uncertain. For instance, are they imperatives or do they merely have the force of implication, the contingency approach only elucidates properties of formal structure and neglected informal structure.

### **APPLICATION OF CONTINGENCY THEORY TO HUMAN SERVICE MANAGEMENT**

Contingency theory attempts to relate research on many management variables, for example, research on professionalism and centralized decision making or worker education and task complexity. It allows you to analyze a situation and determine what variables influence the decision with which you are concerned. A management contingency model is below. The centre circle represents the agency. Notice that the primary internal contingency on which management depends is the agency's purpose or goals. The people hired, technology used, tasks performed, and organizational structure is all influenced by an agency's goals. This contingency model is based on Carlisle, H.M (1976) Management concepts and situations, science Research Associates Inc.



Source: UTA School of social work, community and Administrative practice, (2006)

### CONTINGENCY APPROACH IN NIGERIA; THE POLITICAL PARTY SYSTEM AND EFFECTIVE LEADERSHIP IN NIGERIA

In Africa there is the popular saying that the golden fish had no place to hide, so also is the concept of leadership. Leadership as a concept is dynamic, fluid and complex hence in spite of its popularity, wide use and over 40,000 studies and writings on the subject, there is yet to emerge a universally accepted definition. Its popularity among the learned, literate and illiterate is due to the fact that the success or failure of any nation for profit, public or private; is attributed to good leadership or poor leadership. The failure to have one generally accepted definition of the term could also be attributed to the argument made by McNamara (1992, 2009) that the concept of leadership is like a big “Elephant” and each person standing around it has his or her own unique view, and each person feels very strong about his/her own view. Similarly, an anonymous writer says leadership is like pornography, hard to define but easy to recognize”. Lo Bennis (1999). Leadership is like beauty, it is hard to determine, but you know it when you see it.

Leadership, therefore can be defined comprehensively as; an art or process by which a member of a group or organization perseveres, inspires influences the attitudes, behaviours and actions of others and direct their activities so that the group or organization members work willingly, co-operatively and enthusiastically toward the accomplishment of goals and a new improved position. (Perotomode, 2012:10).

Leadership from this definition is different from management, or administration or the “boss”, the head. It implies that the boss may not necessarily be the leader. This, however, does not preclude the fact that the boss who is the head by virtue of the position he or she occupies cannot transit to become a leader. It points, though to one basic fact of life, that the leader could be a person who does not necessarily occupy a position of pioneer or authority. Such a person may be regarded as the informal leader in the organization.

A number of what could be considered as the features of leadership are self-evident from the definition given above and that is leadership.

- Involves other people without followers there can be no leader
- It entails influence rather than authority
- It involves showing subordinates/followers the right way to go
- It focuses on achieving set goals.
- It is an on-going activity, a process. It is continuous.
- It involves an unequal distribution of influence between the leader and followers/subordinates. It is thus a social influence relationship.

- It is a means to an end; rather than an end in itself.
- It produces positive change/improvement and not concerned with maintaining the status quo.

## **LEADERSHIP THEORIES AND THEIR BROAD CATEGORIZATION**

In an effort to provide insight to the study and understanding of the complex phenomenon of leadership, over the years, there have been developed or pronounced various perspectives, approaches, models and theories of leadership. Scholars have also made efforts to classify these theories in various ways namely; classical, behavioral, situational contingency and emerging or contemporary theories and more. But while authors easily distinguished clearly between classical, behavioral/style and situational approaches to the study of leadership, they often do not attempt to make clearly between classical, behavioral style and situational and contingency theories or leadership. Leadership problems have plagued Nigeria since national independence in 1960. The results have been massive corruption, mismanagement of natural and human resources and the loss of over 2 million lives. Despite abundant literature on leadership and political parties, no work has critically analyzed the various party systems in the context of the Nigerian environment. The purpose of this study was to determine the ideal party system for producing effective leadership in Nigeria. The research questions focused on how the number of political parties could affect democracy and organizational leadership. The qualitative research consisted of reviewing existing electoral data, interviewing 30 leaders, and holding a focus group of 12 different leaders selected from a diverse group of Nigerian socio-political elites. Data analysis included extracting and organizing information from the different cases into a cross case comparative format and categorizing them into common pattern and themes. The results of the study identified the lack of an effective party system and weak opposition as major contributors to leadership problems. As result, it is recommended that a balanced 2 party systems with full public funding and a truly independent electoral commission, be developed. The presence of a 2-party system could lead to a dynamic legislature, improved checks and balances, and more effective legislative leadership. Nigeria is the world's 6<sup>th</sup> largest producer of crude oil and strategically important to the continued development of Africa. Developing a vibrant system that fosters effective solutions to long term problems could have a positive impact on the country and the African continent.

Contingency theories examine the interaction of characteristics of the leaders and the situation, stating that effective leadership depends on the proper match between the two. Many of the contingency theories do, however build on the behavioural theories, using the teacher behaviour dichotomies – task oriented/initiating structure and relationship – oriented/consideration as a starting point – contingency theories, however, recognize no one best style of leadership behaviour rather, leadership effectiveness depends or is contingent upon the interaction of leader behaviour and the situation – four of the more popular contingency theories of leadership are: Fiedler's contingency model, the path – goal theory. Vroom and Yetton's decision making model, and the leader – member exchange model. Fiedler's contingency model argues that effective leadership depends on a match between a leader's behavioural style and the degree to which the work situation gives control and influence to the leader. In other words, the leader's style of behaviour must fit with the amount of control and power the leader will have in the work situation. The path goal theory states that a leader's job is to help the work group overcome the various barriers and road blocks they may encounter on the way to achieving their goals. To help the group reach its goals, the leader may adopt one of four categories of behaviour – directive, achievement oriented, supportive and participative – the selection of which depends on the characteristics of the situation. Vroom and Yetton (1973) have developed a contingency theory of leadership that is based on the premise that leaders are basically decision makers. The decision making theory holds that a leader can make work decisions using a number of strategies, ranging from acting along (purely autocratic decision making) to arriving at a decision on the basis of group consensus (Completely participative decision making). The leader – member exchange model takes a different approach and consideration that effective leadership is determined by the quality of the interaction between the leader and a particular work group (Dansereau; Graen & Itaya; 1975). According to this theory, the worker is the situation. The model states that the types of one-on-one, or dyadic relationships that develop between the leaders and each follower will be somewhat different. In any work group, the leader tends to develop better relationships with a few subordinates (The in group), while the rest receive less attention or concern from the leader (the out group). The character of the leader member exchange can range from low quality; in which the leader has a positive view of the worker and the worker feels that the leader is supportive and provides encouragement.

## **WHY AN UNDERSTANDING OF THE DIFFERENCES BETWEEN THE CATEGORIES OF SITUATIONAL AND CONTINGENCY LEADERSHIP THEORIES IS NECESSARY**

The importance of clearly understanding the differences between the categories of leadership theories referred to as situational and that category called contingency theories in developing countries such as Nigeria cannot be over emphasized. The universal basic education (That is the six years primary and first three years of secondary education) and senior secondary schools are under the supervision of the universal basic Education Board and the

Secondary Education Board respectively, (i.e. Basic and secondary Education Board) in each state in Nigeria. The boards are in turn under the supervision of the ministry of education in each state. The three situations identified, for example, by Fiedler can be associated with our secondary schools – those that are very good schools with dedicated teachers, serious students, good facilities and good governance) – There are also those which are “bad and Ugly” – very unfavorable schools, with poor leadership, uncommitted staff, poor facilities and unserious students with uncooperative communities – in such schools, students either refuse to go school, or go to school late every day, get to class late and unprepared to learn, and with serious disciplinary problems. There is also a third category with, maybe a poor school head, fairly committed teachers and average students and co-operative community. According to Fiedler, this is typically an example of an intermediate favorable school. The ideas from situational and contingency theories will enable officials of the ministry of education; if they are trained professional educational administrators, to know what to do in the interest of education and our children. From the personal experience of the author; the Fiedler’s contingency theory holds sway here as a useful framework and a guide to educational managers

### **CURRENT PERSPECTIVES ON THE CONTINGENCY APPROACH**

As derived from these conceptual antecedents, the essential premise of the contingency approach is that effectiveness, broadly defined as organizational adaptation and survival, can be achieved in more than one way. For example, management theorists and researchers have recognized more than one way to organize effectively, more than one strategy that maximizes profitability and market position; and more than one leadership style that achieves organizational actions or responses are more appropriate than others, depending on the situation. The contingency approach suggests, therefore, that we can observe wide variation in effectiveness but that these variations are not random of contingency factors with internal organizational designs that can allow appropriate responses to the environment. Theoretical and practical contributions are achieved through:

1. Identifying important contingency variables that distinguished between contexts;
2. Grouping similar contexts based on these contingency variables and
3. Determining the most effective internal organizational designs or responses in each major group.

These contingency theory building steps involve three types of variables; contingency variables, response variables and performance variables. Contingency variables represent situational characteristics usually exogenous to the local organization or manager. In most instances, the opportunity to control or manipulate these variables is, at best, limited and indirect. In contrast, response to current or anticipated contingency factors. Performance variables are the dependent measures and represent specific aspects of effectiveness that are appropriate to evaluate the fit between contingency variables and response variables for the situation under consideration.

These steps typically result in contingency theories that focus primarily on outcome or content issues, rather than on processes. They attempt to determine the organization structure, strategy or leadership style to be used in a particular situation, but do not emphasize the dynamics of the process by which an organization adapts or a leader becomes effective. Specific contingency frameworks have been conceptually derived and empirically derived. Considerable effort in many of these works has been directed towards the identification of important contingency variables within the major sub-disciplines of management. Many contingency frameworks, particularly in the early phases of development, employ a single dimension (e.g. level of environmental uncertainty, type of technology, organizational size, stage of the product life cycle). The current trend, however, is to expand these frameworks through the development of contingency theories that employ multiple dimensions or contingency variables.

Although the added complexity of these recent formulations may lessen the straight forward appeal of simpler frameworks, they allow greater precision in the determination of high performance response variables.

### **CONCLUSION**

The paper discusses contingency theory of management that there is no best way to practice and have an excellent management that the best approach to management is that which is able to solve a problem based on the situation at hand. Contingency management theory is also known as situational management theory. That Nigerians should by this paper learn how to apply this theory to manage any situation they may find themselves in Organization. Also, organizational managers should be able to design means through which they can help to solve the problem at hand this is what makes individual a successful manager in any given firm. That for management to be effective and efficient, it must be able to adapt new dimensions of handling management issues in production, marketing, finance and personnel. So, the paper suggested that contingency management theory should be adopted in managing situations in the Nigerian Business Organization. That this will enhance organizational effectiveness and efficiency in the economy.

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