

Development of Contingent/Contextual Theory: A State-of-the-Art Review

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The contingent/contextual approach to the theory and practice of the organization arose in the 60s of the previous century, and its verification and empirical improvement are still ongoing, with increasing topicality and the presence of an increasingly strong trend of quantifying the influence of contingent/contextual factors and the increasing complexity of research with the same aim - it is expected that by mastering the effect of given factors, the overall efficiency of the company can be increased and that standardization in this field can bring great benefits. So far, the best researched and quantified is the impact of company size and technology on organizational structure factors. However, a large number of interdependencies are still not resolved among contingent factors, such as: a) the connection of decentralization with other contingent factors - company size, environment, etc., b) the influence of digitalization on the range of management, c) the direction of the influence of the degree of mass production on the number of hierarchical levels, d) the impact of innovation as a part of strategy on the organizational structure and many others. Various authors try to solve the above-mentioned questions, but the conclusions between them have not been confirmed so far; what's more, numerous results are released to the scientific public, which are mutually contradictory, as shown in the tabular presentation in the paper. In particular, the contribution of the latest version of the ISO 9001 standard from 2015, which for the first time recognizes the context in the given area, should be highlighted. Finally, it can be concluded that the empirical verification and theoretical enrichment of the contingent theory has been going on for decades, with the presence of an increasingly strong trend of quantifying the impact of contingent factors and the increasing complexity of research with the same goal - it is expected that mastering the effect of contingent factors can increase the overall efficiency of the company.

Key Words: *Contingent/contextual approach, factor, contribution*

1. INTRODUCTION

The central problem, studied by experts and scientists in the last decades, according to Ridderstrale and Engstrom [1], was the optimal way of organizing in order to achieve the highest possible efficiency of the company, and the situation is not different even today.

Until today, a universal theory, which would describe organizational changes and predict the behavior of people working in the organization, in order to achieve the greatest possible efficiency and effectiveness, has not been established. The number of schools developed to date, that is, the directions of organi-

zation theory, is difficult to determine considering the expansion of works and new approaches in the field. However, it is evident that special attention is attracted by the school of contingent/contextual management, which arose in the 60s of the previous century and has as its basic premise the fact that there is no universal, generally acceptable organizational theory, but when designing an organization, it is necessary to take into account external and internal factors which affect parts of the organization or the organization as a whole. In addition, schools of organization theory that arise after the development of contingent theory rely entirely on its principles and most often only single out certain contingent factors as more significant, and enter into their detailed consideration [2, 3].

In the school of innovation management it is the strategy of innovating, in Japanese management it is the organizational culture, in the school of environmental management it is the demand of the

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environment for ecological products, etc. The innovation-oriented school was developed in the 1970s as a response to the demands of the rapidly changing business environment. Then the directions of strategic management, technological management, competitive engineering, benchmarking, reengineering, etc. are developed. Ansoff, Drucker, Champy, Ouchi and others make a significant contribution in the field [4]. The Japanese School of Management was born in the 80s of the previous century and its basic concepts are the lifelong employment system, collective decision-making, autonomous work groups and organizational culture, which were later supplemented by resource-efficient production and quality management principles. Shingo, Schonberger, Ouchi, Ishikawa and others make a special contribution in the field [4, 5]. The school of environmental management was created in the 90s of the 20th century at the request of the environment for environmentally acceptable products and processes. One of the directions of the school is the concept of sustainable development. The works of Carson, Medows, Roy and others should be highlighted [4].

After the intensive development of contextual theory during the 60s and 70s of the previous century, works on a given topic become increasingly rare in the period of the 80s and 90s, and the topic enters a stage of maturity, when they come to the scientific and professional public works of some new theories and concepts, among which is quality management. The real expansion of works in the field of quality arose in the 90s on the following topics (according to Sila and Ebrahimpour [5]): a) Identification of critical factors of quality management, b) Recommendations for the application of quality management, c) Connection between quality management and company performance. d) Human resource management in the context of quality management and e) The connection between the ISO 9000 standard and total quality management. The concept of quality management has been developing for a long time on the basis of universal application (the works of Deming, Crosby, Feigenbaum, Crosby, Ishikawa, an attempt to standardize the basic principles through a large number of standards, including ISO 9000, etc.). The universality of the concept has been an argument for its wider application for many years. However, in the early 1990s, Saraph, Benson (1991), Schroeder, Sitkin and Sutcliffe [6-8] doubted the universality of the quality management approach, considering that „the universality of application is the cause of major problems, because quality management cannot be apply the same way in all situations“ (according to [8]). In the same period, Watson and Korukonda [9] state that an extremely large number of works on the topic of quality

management represent a "theoretical jungle", which does not provide an answer about the basic characteristics of the theory, such as the universality or contextuality of approaches that were not clearly defined until then, insufficient definition nature of the concept as organic or mechanistic, and it is further unclear whether the approach is theoretical or practical in essence. Jack et al. [10] note that the given questions were not resolved in papers or doctoral dissertations until 2001. Then the contingent theory, suppressed for years, returns to the scientific scene in an attempt to solve problems in the field of the new theory. Both theories, contingent and quality management, have the same final goal, which is to increase the overall efficiency of the company, so it is logical that their combination gives a synergistic effect, just as recognized in the ISO 9001:2015 standard [11].

2. DEVELOPMENT OF CONTINGENT/CONTEXTUAL THEORY AND OVERVIEW OF THE STATE OF THE FIELD

The term contingency (synonyms are context or situation) means that the organization depends on the events in the environment, so that the shaping and adaptation of the organization and its parts are performed according to the changing characteristics of the environment [12]. The idea of a contingent approach was put forward by Simon (a member of the classical school of organization) back in 1940, noting that the principles of organization are nothing more than mutually contradictory proverbs [13]. Only 20 years later, Katz and Khan [13] promote the fact that the organization is an open and rational system. The term „contingent theory“ was first used by Lawrence and Lorsch in 1967 [14], studying the mechanisms of differentiation and integration in six companies in the plastics industry. Contingent theory does not aim to challenge the previous conclusions of management theory, but combines them into a "mix", which should ensure optimal results of the organization's operations in, for it, specific conditions. According to Khandwalla [15], the basic idea of the contingent theory is that certain factors (technology, size, strategy, market, etc.) enable or hinder the adaptation of the organization, usually through the organizational structure, in order to achieve the goals of the organization. Cvijanović [12], clarifies Khandwalla's words by stating that „the basic idea of the situational model is that technology, the size of the organization, the incorporation of the organization into its environment, the character of the market and other factors face the organization with some advantages, but also with limitations and problems, so differences in organizational situations, i.e. differences in the possibilities of various responses of the organization to changes in the environment that

it may face, are solved primarily by differentiating the structure of the organization, i.e. by initiating those types of structures that can represent appropriate responses to several different organizational situations, or at least to the most important and most often while respecting all the specifics of the adaptation process.“ Donaldson [16], points out that the essence of the contingent theory is the concept of harmonizing the characteristics of the organization with the situation in which it currently finds itself.

The contingent theory of organization should be distinguished from universal theories of organization, according to which there is only one optimal way to achieve maximum organizational performance (e.g. according to the representative of the classical school Taylor 1947, maximum specialization gives maximum results or according to the representative of the neoclassical school Likert, maximum participation brings maximum performance). Contingent theory searches for the level of a certain factor that will be in harmony with other factors and thus give maximum results of the company's performance. The definition of the term contingent factor follows from the above sentence. The term contingent factor refers to a variable that determines the effect of an organizational characteristic on organizational performance. The identification of contingent factors that influence the formation and functioning of the organization is considered a particularly great contribution of the contingent theory, among which the most important are: environment, size, age and type of organization, strategy, management and leadership style, technology, organizational structure, motivation, conflicts and cooperation. employees. Proponents of this approach sometimes define the organization by means of one factor (monocausal understanding [13]), or by considering a larger number of interdependent factors in order to better adapt the organization and achieve greater organizational effectiveness. The organization, in the light of the contingent theory, is defined by Luthans and Stewart [15], as a social system made up of subsystems, which are described by variables interconnected with management policies, practices and techniques, which interact with environmental variables.

A significant contribution to the development of contingent theory was made by the works of Katz, Khan, Lowrens, Lorsch, Burns and Stalker, Woodward, Thomson, Perrow, Child, Blau and Schoenherr, Aston Group, Chandler, Mintzberg, Khandwalla and others. [4, 14 - 17].

Until now, the influence of company size and technology on organizational structure factors has been in the best manner investigated and quantified [13,18,19, 20, 21].

Woodward [22] was among the first to publish her study conducted on a sample of 100 English industrial companies. The original goal of her research was to confirm the principles of management, which were promoted by Urwick, Gulick and Mooney, however she did not reach that confirmation in the research. Evidence of the impact of technology on the organizational structure of the company is considered a significant conclusion of her research. Woodward's [12] establishes a scale for measuring the influence of the dominant type of technology through the influence of customers on the production process, from the individual type of production, through serial and mass production, all the way to process production, and comes to conclusions about the influence of the type of production on the average number of hierarchical level, on the average number of employees controlled by the production supervisor and on the proportion of master staff in relation to the total number of employees. Woodward states that the propositions of classical organization theory can be found in enterprises with serial and mass production, but not in cases of individual, small-batch or process production [16]. Also, even 80 years ago, he notes that the more advanced type of technology is, as a rule, more continuous, with a higher degree of automation and more capital intensive. At the time when Woodward's work was created, it was often criticized as methodologically weak, and some later attempts to repeat her research did not lead to the same or similar conclusions, which certainly does not diminish the importance of her pioneering effort to establish technology as a determinant of organizational structures. In fact, Zwerman in 1970 confirms Woodward's research, and Hickson, Pugh and Phezsey in 1969, Child and Masfield in 1972, and Donaldson in 1976 do not confirm the research [16]. Klarin [13] adds that even Schiller does not confirm Woodward's conclusions. A possible shortcoming of Woodward's research can be considered the neglect of the effect of other factors (e.g. company size), which together with technology affect the organizational structure, but given that the initial goal of her research was the analysis of management principles, this was not realistic to expect. Klarin [13] believes that the impact of production technology should be limited to the production sector, so Woodward's conclusions are logically confirmed in cases where the production sector makes up the largest part of the organization, which is usually the case in smaller companies, and not otherwise. Woodward conducted her next research in 1970, by analyzing the management style in companies and the relationship between technology and management style, but that research did not attract more attention from the scientific and professional public [16]. In 1961, Burns

and Stalker [15, 16] researched 20 electronic industry companies and came to significant conclusions in the field of management style and organizational structure, although they did not confirm these conclusions quantitatively in the research. They identify two basic leadership styles and organizational structures: mechanistic and organic. The mechanistic style contains elements of bureaucracy, strictly defined rules, responsibilities and authority, clearly structured information transmission channels, highly formalized authorities, etc.

Organic leadership style implies flexibility and informal style, and is especially suitable in conditions of unstable and often changing environment. They propose the application of an organic style whenever the environmental conditions require it, through the application of vertical and horizontal interaction of employees in a clearly defined organizational structure. They also note the difficulties in introducing technological innovations in mechanistically managed enterprises. Burns and Stalker define [16] a mechanistic organizational structure as hierarchically differentiated with the division of tasks into specialized functions with centralized decision-making, and organic as the division of tasks among employees with the assumption of joint responsibility with employee flexibility. They propose a mechanistic organizational structure in cases of strong influence of technology,

and an organic one in situations where the influence of uncertainty and unpredictability of the environment is dominant. In fact, organic and mechanistic leadership styles should be seen as the ends of a continuum, while in real situations, combinations of elements of both leadership styles should be expected.

Today, it is difficult to find a company that strictly adheres to only one of the above two leadership styles. The given analogy should be transferred to organizational structuring in order to achieve the highest possible performance indicators of the company.

In their first research in 1967, Lawrence and Lorsch [12, 15] started from the assumption that different parts of the organization face different characteristics of the environment depending on the defined tasks (the environment of the marketing function is competitors and customer requirements, the environment of the research function and development are trends in product and process innovation among competitors, etc.).

They analyze only 10 industrial companies and conclude that as a result of the differentiation of the environment of work tasks, the differentiation of the organizational structure must occur, which then requires activities of integration and coordination in order to achieve greater effectiveness, as shown in Figure 1.

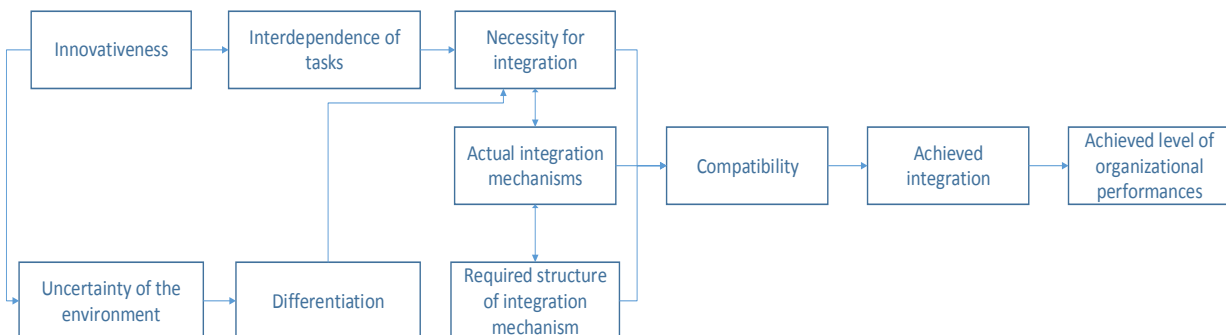


Figure 1 - Dependency model of innovation, differentiation and integration of functions in the enterprise [16]

Research by Lawrence and Lorsch [16] shows that the structure of individual parts of the organization depends on the dynamics of their specific environment segment, so as a result of innovation, a stronger influence of organic elements appears, for example in the function of research and development, while the production function should be structured in accordance with the principles of the mechanistic approach.

The research from 1967. also confirmed the hypothesis that as the differentiation of functions within the organization increases, so does the need for integration and coordination mechanisms. The next research was conducted by Lorsch and Morse [16] in 1974, when they proved that in order to achieve high business performance indicators, it is necessary to

harmonize the environment, organizational structure and employee behavior. The low uncertainty of the environment is in accordance with the mechanistic organizational structure (more hierarchical levels, smaller range of management, higher degree of formalization, etc.) and the behavior of employees who plan in the short term and do not require decision-making autonomy.

The high uncertainty of the environment is consistent with the organic organizational structure, and the long-term orientation of employees who prefer autonomy. Finally, we can conclude that the main drawback of Lawrence and Lorsch's research is the extremely small sample size (only 10 companies), but that despite this fact, the research is of exceptional

importance for the development of contingent theory, given the fact that Tung [16] in 1979 in his research confirms the hypotheses of Lawrence and Lorsch.

Thompson [15] in his research in 1967 discusses the impact of technology and environment on organizational structure. He classifies environments according to stability and homogeneity, combining both types into four types of environments (stable homogeneous, stable heterogeneous, unstable homogeneous, and unstable heterogeneous). The stability of the environment is reflected by the response of the bureaucratic structure, while the unpredictability of the environment is responded to by decentralization and planning. Thompson, then, discusses coordination mechanisms by proposing the grouping of interdependent parts of an organization into wholes in order to reduce costs. Finally, in his work, Thompson analyzes the influence of the technical core on other company functions and proposes centralized decision-making and functional departmentalization in cases where the production function is not dominant, that is, clusters of divisions (something like a matrix structure) where the production function is dominant in the company. He divides technology into chain, intermediate and intensive [12]. The correctness of Thompson's research conclusions is confirmed by Gerwin and Christofel in 1974, Van de Ven in 1976, as well as Van de Ven and Ferry in 1980 [16].

Perrow [15] in the same year as Thompson investigates the connections between technology and organizational structure. He divides technology into craft, routine, non-routine and engineering depending on the degree of uniformity and complexity of the task, and analyzes the organizational structure through the following dimensions: authority and power of middle and lower management levels, coordination within the group and interdependence of groups. He concludes that the organizational structure in cases of non-routine technology should be organic, in cases of routine technology mechanistic, in craft enterprises decentralized and in the case of applied engineering technology flexible but centralized. In fact, where the degree of task uncertainty is low, a mechanistic organizational structure is recommended, and where it is high, an organic organizational structure [16]. In addition to the indisputable importance of Perrow's research, the question of organizations that use multiple types or combine different types of Perrow's proposed technologies remains open.

The Aston group [16] worked in the 70s of the previous century at Aston University in Birmingham, England and identified the four most important aspects of organizational structure: spatialization, standardization, formalization and centralization, as well as the concept of organizational configuration in terms of the

number. The main conclusion of their research is that the size of the company, described by the number of employees in the company, affects the organizational structure, positively correlating with the number of hierarchical levels, specialization, decentralization and formalization.

Child and Mansfield [16, 23]) define nine basic dimensions of organizational structure, namely:

1. functional specialization (the extent to which duties and tasks are divided by company functions),
2. specialization of roles within functions (the extent to which work activities are divided by positions),
3. standardization (the extent to which activities are subject to standard procedures and rules),
4. formalization (the degree to which procedures, procedures and rules are represented in written form),
5. centralization (the extent to which authority is contained in higher hierarchical levels),
6. vertical range (number of hierarchical levels as a measure of configuration),
7. range of management (subordinates of one superior for a certain level, for example, general director),
8. share of administrative staff and
9. share of production workers.

Then, in his research, he confirms the conclusions of the Aston Group by adding that size causes higher hierarchy, greater decentralization and, logically, specialization and formalization due to downward decision-making.

The structural dimensions of the organization are also the subject of other researches by theorists and practitioners of the organization, so according to [12], Robbins lists 13 commonly known dimensions of the organizational structure.

The link between size and structure is confirmed by a whole series of studies up to the beginning of this century (over 40 in 17 countries according to – [16] among which Donaldson's [16] research in 1996 stands out, because it includes a large number of countries and different types of organizations. All research comes to very similar conclusions. Even the strength of correlations has been established through a series of researches and it always amounts to 0.50 to 0.70 [16] overall between size and organizational structure. Individually observed in a huge number of studies, according to [16], the relationship between size and specialization is correlated with a coefficient of 0.6 to 0.7, size and formalization with a coefficient of about 0.6, while only centralization is not unambiguously determined by the correlation coefficient, because different authors use different measures of centralization (present are scaling problems), so there is

room for further research. One of the few studies that finds a weak correlation between size and organizational structure is the study by Hall, Hass, and

Johnson [19]. A diagram of the relationship between company size and organizational structure is given by Klarin [13], as in Figure 2.

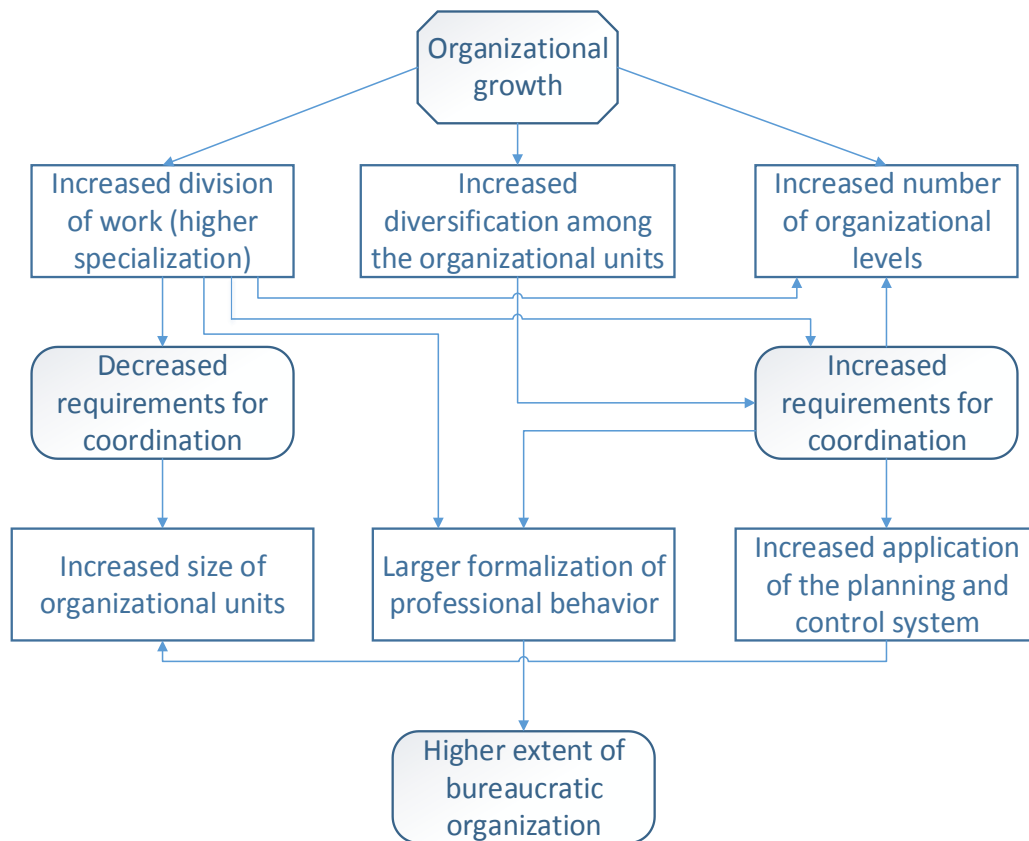


Figure 2 - Diagram of the relationship between company size and organizational structure [24]

Blau and Schoenherr [16] in 1971 also investigate the impact of company size on the organizational structure of the company, concluding that with the increase in company size, spatialization, formalization and decentralization also increase. They pay special attention to the dependencies of spatialization of roles and structural differentiation with the change in the size of the company represented by the number of employees. By structural differentiation, they primarily mean the number of hierarchical levels and the range of management by level (the range of management replaces specialization).

Blau and Schoenherr's conclusions have been confirmed by many subsequent studies [16, 23]

Mayer [16] repeats the experiments of Blau and Schoenherr, adding the age of the company as a significant influencing factor, which, together with the size of the company, positively affects the organizational structure of the company.

Chandler [16, 19] in 1962, analyzing the 100 largest American companies, notes that strategy affects organizational structure, just as diversification affects divisionalization. Thus, according to him, companies with less diversification of the production program

should be functionally structured, while companies with a wide range of products should have a divisional structure. Chandler sees divisionalization as a way of dividing the work of top management responsible to the CEO. Greater divisionalization results in greater functional specialization, formalization, and span of leadership. Chandler's research confirms a large number of studies, among which, according to [15, 16].

Fredericson [19], in his work in 1986, shows that structural variables, complexity, formalization and centralization, influence the choice of strategy, contrary to Chandler's opinion.

In 1994, Amburgez and Dacin [16] found mutual dependence of strategy and structure in their work, but the influence of strategy on structure is much stronger than the influence of structure on strategy.

Reimann in 1980 and Whisler et al. in 1967 [16] discuss the impact of information technology on the organizational structure of companies, concluding that computerization reduces the number of hierarchical levels and the range of management, and increases decentralization. Blau and Schoenherr [16] argued that digitalization will increase structural differentiation, both horizontally and vertically.

With his research, Caufield [16] refutes Woodward's conclusions about the curvilinear dependence of technology and organizational structure and proposes linearization with a correlation coefficient of about 0.3. Miller et al. confirmed the linear relationship of Caufield [16].

In 1992, Scott [19] describes enterprise technology based on three dimensions: complexity-diversification, task unpredictability, and task interdependence, which directly affect the amount of information necessary to perform work. A larger amount of information requires a larger number of channels and nodes and thus determines the organizational structure.

Spasojević Brkic et al. [25] prove on a sample of 111 domestic companies by using the structural equations method the following:

- Demographic variables are related to the environment and organizational structure and influence the application of the system approach as a critical factor of quality management;
- Technology is correlated with all contingent factors except for demographic variables and significantly affects all segments of quality management practice except supplier quality management;
- The strategy is related to the management style and the behavior of employees and affects all segments of quality management practice, except supplier quality management;
- The environment is correlated with demographic variables, technology and organizational structure, and it significantly affects all critical factors of quality management, except management support for the quality program and principles of the system approach;
- Organizational structure is correlated with demographic variables, technology and environment, and it significantly affects the practice of quality management (strong correlation);
- Management style is related to strategy, technology and employee behavior, and affects the quality management practice, except for the system approach and supplier quality management;
- Employee behavior is related to strategy, technology and management style and significantly affects the quality management practice except for the system approach and supplier quality management.

The importance of leadership style as a contingent factor was first pointed out by Child in 1972, Mintzberg confirmed it in 1980 by emphasizing three types of leadership roles, and Lewin and Stephens [19] in 1994 indicated the connection between leadership style and organizational structure. Miller and Droge

[19] in 1986 point to a relationship between company size and management style.

In 1979, Mintzberg [16] promoted the idea of configurationism, and distinguishing five basic elements of organizational structure with claiming that every company can be classified into one of those types by its organizational structure. In 1986, Miller [16] confirms the theory of configurationism proposed by Mintzberg, but on the basis of Burns and Stalker's division into organic and mechanistic organizational structures.

Khandwalla [15] made a special contribution to the development of the contingent theory of the organization with the development of the organization's functioning model in 1977. Khandwalla's model is based on the assumption that five categories of variables (situational, strategic, structural, behavioral and performance variables or ratings of the organization's functioning) are interconnected by certain links, defining their optimal interdependence using the sixth group of variable model variables. Khandwalla's model (shown in Figure 10) can be considered to describe the behavior of organizations with some probability. The model includes elements of a systemic and contingent approach and is applicable both at the level of the entire organization and at the lower levels of the organization. Finally, it should be pointed out that the model proposed by Khandwalla is only a simplification of much more complex relationships in reality. The model is the result of empirical research of 103 Canadian companies (out of 500 surveys sent). Two-thirds of the companies were engaged in production, and one-third in service activities. The sample showed adequate variation in terms of size, age, profitability of the company, applied technology, etc. The data were collected in the period 1972-1974. years. The largest part of the data was submitted by the company's top management (95%). The survey contained 20 pages and included several multidimensional scales. Correlations from 0.19 to 0.62 at the significance level of 0.05 were obtained, on the basis of which the model was set up.

Important features of Khandwalla's model are: causality (mostly one-way effect), determinism (determining the influence between variables with a certain probability) and applicability at all organizational levels.

In 1996, Burton and Obel [19] created the „Organizational Consultant“ expert system based on the principles of contingent theory using a sample of 232 small and medium-sized enterprises, including over a million combinations of contingent factors for diagnosing the state of organization of the enterprise. On the basis of the organizational context, they set up a

multi-contingent model. Using the Organizational Consultant program, Burton and Obel [19] in 2000 show that 172 out of 232 companies do not have optimal organizational performance due to a mismatch of contingent factors. Donaldson [16] writes about the possibilities of upgrading the traditional contingent theory, noting that over time, with the change of some contingent factors, organizations come to a state of disequilibrium, striving again to achieve maximum levels of performance. Ten years later, Donaldson, observing longitudinally contingent factors, proposed: 1. the concept of returning the organization to an equilibrium state, 2. the concept of quasi-compliance and 3. the concept of heteroperformance, within the framework of a model called SARFIT („structural adaptation to regain fit“ state), and he calls his theory a neo-contingent theory. An example of neo-contingency is that an organization that achieves high performance hires new staff expanding in size and thus enters a state of imbalance, which requires further structural adaptation, in order to achieve even higher performance. In fact, Donaldson's theory represents a combination of systemic and contingent approaches.

3. CONCLUSION

By analyzing the above, we come to conclusions regarding the shortcomings of previous research, namely:

- the problem of monocausal understanding, i.e. isolated observation of the effect of a certain contingent factor,
- insufficient use of mathematical models and methods in describing the effects of contingent factors.
- the problem of small sample size, where statistical methods were used. In fact, only since 1999, with the exception of Lorsch and Morse's research [16], has the importance of the sample size been understood in the works, and only then were the samples larger than 100 companies.
- the problem of not recognizing the importance of the context and the lack of linking it with risk management approaches (linking the findings of Galar et al. [26] and the ISO 31000:2018 standard). This was also proven in recent literature [27, 28].

Despite the aforementioned problems in earlier research, most of them have been confirmed in the conducted replicative studies, and therefore the conclusions of the confirmed research are summarized in Table 1.

It is noticeable that even within the replicated studies there are diametrically opposite results, which certainly indicates the need for further research in the field of contingent/contextual theory.

Table 1. The conclusions of the confirmed research in the field (developed in accordance to all cited works)

THE INFLUENCE OF THE CONTINGENT FACTOR	ON THE CONTINGENT FACTOR
heterogeneity of the environment ↑	diversification of the production program ↑ company size ↑ number of hierarchical levels ↑ tendency of management towards micro involvement ¹ ↓
dynamism of the environment ↑	innovation as part of strategy ↑ risk taking as part of strategy ↑ formalization ↑ centralization ↑ (according to Vickery, Drogba and Germain) decentralization ↑ (according to Mintzberg) number of hierarchical levels, range of management ↑ technocratic specialization ↑ elements of organic organizational structure
Restrictiveness of the environment ↑	analyticity as part of strategy ↑ tendency of management towards micro involvement ↑
Environmental uncertainty ↑	differentiation strategy and innovation ↑ company size ↑
Environmental uncertainty ↓	price leadership strategy ↑

THE INFLUENCE OF THE CONTINGENT FACTOR	ON THE CONTINGENT FACTOR
Opportunity of the environment ↑	profitability ↓ centralization ↑
Age of the company ↑	risk taking as part of strategy ↓ dynamism of the environment ↓ formalization ↑ company size ↑
Company size ↑	age of the company ↑ degree of automation of operations ↑ degree of mass production ↑ decentralization of power in org. cult. ↑ strategic decentralization ↑ technocratic specialization ↑ application of information technologies ↑ number of hierarchical levels ↑ span of leadership ↑ differentiation of units ↑ spatial differentiation ↑ centralization ↑ (according to Khandwalla) decentralization ↑ (according to Blau, Schoenherr and Germain and Spears) job specialization ↑ formalization ↑ decentralization ↑ technological complexity of the environment ↑ opportunity of the environment ↑ heterogeneity of the environment ↑ restrictive environment ↑ tendency of management towards micro-involvement ↓
Technological complexity of the environment ↑	analyticity as part of strategy ↑ degree of automation of operations ↑ application of information technologies ↑
Product complexity ↑	centralization ↑
Diversification of the production program ↑	innovation as part of strategy ↑ company size ↑ formalization ↑ number of hierarchical levels ↓ span of leadership ↓
Application of information technologies ↑	span of leadership ↑ (according to Khandwalla) span of leadership ↓ (according to Raimann, Blau) number of hierarchical levels ↓ formalization ↑
Degree of routine work processes ↑	span of leadership ↑ formalization ↑ decentralization ↑
Organizational complexity (degree of horizontal,	tendency of management towards micro-involvement

THE INFLUENCE OF THE CONTINGENT FACTOR	ON THE CONTINGENT FACTOR
vertical and spatial differentiation org. str.) ↑	↓
Formalization ↑	tendency of management towards micro-involvement ↑
Centralization ↑	tendency of management towards micro-involvement ↑
Degree of automation ↑	formalization ↑ stronger elements of the bureaucratic structure
Degree of mass production ↑	number of hierarchical levels ↓ (according to Khandwalla) number of hierarchical levels ↑ (according to Mintzberg) technocratic specialization span of leadership ↓
Analyticity as part of strategy	number of hierarchical levels ↑ span of leadership ↑ spatial differentiation ↑
Cost monitoring as part of strategy (price leadership)	number of hierarchical levels ↑ span of leadership ↑ spatial differentiation ↑ formalization ↑ centralization ↑
Innovation as part of strategy ↑	number of hierarchical levels ↓ span of leadership ↓ divisionalization ↑ functional specialization ↑ spatial differentiation ↓ formalization ↑ (according to Chandler) formalization ↓ (according to Khandwalla) centralization ↓
Tendency of management towards micro-involvement ↓	number of hierarchical levels ↑ span of leadership ↑ spatial differentiation ↑ formalization ↓ centralization ↓
Risk taking as part of strategy ↑	number of hierarchical levels ↓ span of leadership ↓ spatial differentiation ↓ formalization ↓ centralization ↓

¹ Low leadership propensity for micro-involvement includes high propensity to delegate tasks, low level of detail, proactive leadership thinking, long-term planning, propensity to take risks, and high motivation and inspiration. High leadership propensity for micro-involvement includes low propensity to delegate tasks, high level of detail, reactive leadership thinking, short-term planning, low propensity to take risks, and low motivation and inspiration

Finally, we can conclude that the empirical verification and theoretical enrichment of the contingent theory has been going on for decades, with the presence of an increasingly strong trend of quantifying the impact of contingent factors and the increasing complexity of research with the same goal - it is expected that by mastering the effect of contingent factors, the overall efficiency of the company can be increased, so and a higher level of risk management practices.

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REZIME

RAZVOJ KONTINGENTNE/KONTEKSTUALNE TEORIJE: PREGLED ISTRAŽIVANJA

Kontingentni/kontekstualni pristup teoriji i praksi organizacije nastaje 60-tih godina prošlog veka, a njegova provera i empirijsko unapređenje i dalje traju, uz sve veću aktuelnost i prisustvo sve jačeg trenda kvantifikacije uticaja kontingentnih/kontekstualnih faktora i sve veće kompleksnosti istraživanja sa istim ciljem - očekuje se da se sa ovladavanjem dejstvom datih faktora može povećati ukupna efikasnost preduzeća i da standardizacija na tom polju može doneti velike benefite. Do sada je najbolje istražen i kvantifikovan uticaj veličine preduzeća i tehnologije na faktore organizacione strukture. Međutim, veliki broj međuzavisnosti i dalje nije rešen među kontingentnim faktorima, kao na primer: a) veza decentralizacije sa ostalim kontingentnim faktorima (veličina preduzeća, okruženje i dr.), b) uticaj digitalizacije na raspon rukovođenja, c) smer uticaj stepena masovnosti proizvodnje na broj hijerarhijskih nivoa, d) uticaj inovativnosti kao dela strategije na organizacionu strukturu i mnogi drugi. Različiti autori pokušavaju da reše navedena pitanja, ali do potvrde zaključaka među njima, do sada nije došlo; šta više, u naučnu javnost izlaze mnogobrojni rezultati, koji su međusobno kontradiktorni, kako i pokazuje tabelarni prikaz u radu. Posebno treba istaći doprinos poslednje verzije standarda ISO 9001 iz 2015 godine, koji po prvi put prepoznaje kontekst u datoj oblasti. Konačno, može se zaključiti da empirijska provera i teorijsko obogaćivanje kontingentne teorije traju već decenijama, uz prisustvo sve jačeg trenda kvantifikacije uticaja kontingentnih faktora i sve veće kompleksnosti istraživanja sa istim ciljem - očekuje se da se sa ovladavanjem dejstvom kontingentnih faktora može povećati ukupna efikasnost preduzeća.

Ključne reči: *kontingentni/kontekstualni pristup, faktor, doprinos*