

Effectiveness of Contingency Theory in Controlling the Situation and Style of Leadership: An Empirical Study

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Abstract

Situational approach or contingency approach is a concept in management, which states that there is no set of management principles that are applicable universally to management an organization. Every other organization face different situations, and need different way of handling the situation. Contingency approach of leadership less common that change management approach. The contingency approach management is an opinion that an organization recognize and respond to different situation as they occur. The interaction of features of situation and leaders are examined by contingency theory, which states that it is the proper match between the two on which effective leadership depends. It is called as contingent as it advocates that leader's effectiveness is dependent how their leadership style fits well in situation. This method conveys that a leader, or their style leads a team or organization is different from another. This theory of contingency was elaborated by Fred Fiedler. A sample of 209 respondents were considered for this study from leaders and employees of different organization to know the effectiveness of contingency theory in controlling the situation.

Keywords: Contingency Theory, Leadership styles, organizational performance, theories

Introduction

Contingency theory is discussed in this study stating that there is no best way of practicing and having an excellent management with the ability of solving issues and challenges based on the situation in hand. The theory of contingency management is also known as situation theory of management. This theory would help in understanding how to manage any situation in an organization. Furthermore, managers and leaders of an organization must have the ability of designing means by which they can resolve issues at hand that makes an individual a successful leader or managers in an organization. For a management of an organization to be effective and efficient, they must have the capability of adaption new dimensions of handling issues and challenges of management in marketing, finance, production, and personnel. The contingency theory build steps in three types of variables, which are contingency, response, and performance variables. Contingency variables characterize situation features typically external to local leaders or organization. In most of the cases, the occasion to control or deploy such variables are at best, limited to unlimited. On the contrary, response variable characterizes current or expected contingent factors. Performance variables are measures that are dependent and show particular aspects of effectiveness are proper for evaluation of the suitability between variables of contingency and response for situation, which is under consideration. Such steps are usually result in contingency theory focusing mainly on result or content related issues, instead on processes. They try to determine the structure of organization, style of leadership and strategies to be used in specific situation, but not stress the process dynamics by which an organization acclimates or make an effective leader. Particular framework of contingency have been derived conceptually and empirically (**Omoluabi, 2016**). Contingency theory represents the association between effectiveness of a leader and their situational circumstances. Contingency theory was created after studying different styles of leaders who were working in different context and organizations. Their styles were praised, the situation where leaders work, and if they are effective or not. Once styles of leadership are examined, and analyzed, they were found to be good as well as bad. Fiedler along with their colleagues made generalization on the basis of which style of leadership was best and which was worst for a particular situation. In simple words, theory of contingency

is about diverse styles of leadership and different situations. Theory provide framework matching leader with the situation in effective manner. It is predicted by the theory that some styles of leadership are active in certain situations. People are encouraged by the task would be found effective in favorable as well as unfavorable situations (**Shala, Prebreza, & Ramosaj, 2021**).The style of leadership is either motivated by task or oriented by relationship, and situations are leader member connection, structure of task and power position. The style of leadership in contingent on bother internal as well as external variables of environment, while effectiveness of leadership is dependent on how well the style of leadership fits in the context. Thus, this work concludes that theory of contingency is a course of behavioral theory claiming that no other better method available of organizing a company, or making correct judgments. Rather, the optimum path of action is reliant on on internal as well as external situation. This is a method of a study related to organizational behavior that explores the impact of internal and external contingent variables like technology, environment, and culture on design and function of organizational structure. The explanation of organization behavior is provided by this theory based on contingent elements. Therefore there is no generalised best fit in style of leadership (**Abba, Yahaya, & Suleiman, 2018**).

Literature Review

Peretomode (2012)examined popular leadership concepts, highlighted its features and importance in making an organization successful. The categorization of leadership theories are discussed and made a clear differentiation between categories of perspective of leadership known as situational model and referred as contingency theory of leadership. Efforts are taken providing an awareness and indulgence about complicated potent of leadership. There have been a developed and proposed perspective, approach, models, and theories about leadership. Efforts are made by scholars in classifying these theories in different ways: classical, behavioral, situational, contingency, and emerging and many more. The approach of contingency is required as it requires quick action to correct an unwanted situation.

Islam & Hu (2012) stated that the contingency theory is an approach to organizational behavior study that explains as how contingent elements like culture, technology, and external environment impact functions and design of organization. The assumptions of contingency theory is that there is no single style of organizational structure that can be applicable in all organization. Instead, organizational structure depends on a fit or a match between technology type, volatility of environment, organization size, features of organizational structure and information system.

Vasilescu (2019) studied that leadership is the process or art that influence people to accomplish their task eagerly, effectively, and efficiently, and is considered as crucial element that improves performance of firm. There are many distinct ways of thinking about leadership that range from concentrating on personality features of great leadership that put emphasis on aspects of situation helping in determining how people lead organization. Just like many other things, leadership is extremely multi-faceted subject, and it a combination of many element helping to determine why some people are becoming great leaders. Leadership understanding involved understanding of communication between a leaders and their followers. It is essential to understand the association between style of leadership and organizational performance because for leaders finding the correct path, methods, and choosing correct approach is important for stimulating employee's performance within organization.

Vidal et al. (2017) studied that contingency theory of leadership is very much needed by leaders for adjusting their behavior on the basis of a coherent considerate of situation and accept a style of leadership which is proper for any instance. The findings of the study reveals that there is a disparity at leadership style perception between employees and their managers. This findings of study is verified when the range of style is examined. Though, it is correct that a wide range of styles of leadership is perceived by workers as well as managers and vary entirely between both of them. Rather association amongst

performance and leadership it is interceded by group dynamics and personality of group members, their satisfaction, and motivation.

Aliyu (2019) reveals that many researchers have defined leadership as per their views and perceptions. An economist looks leadership definition as per their views as an economist, and same as banker, and financial analysts. Leadership indisputably impact performance of organization, particularly result and productivity of employees. Opportunities are provided by leadership to others by providing them income opportunities and jobs. The influence of good leadership cannot be over stressed as productivity of workers is improved by effective leadership and improves employee's ability of getting successful even under pressure. Effective leadership also increases emotional intelligence, bring improvement in charisma and significance in business operations, improves team confidence, and improves communication and listening skills.

Awasthi (2016) found that leadership has been described as attitude of an individual while directing activities of a team or group of people towards a common goal. Diversity within organization need to be capitalized by leadership as a whole and efficient use of resources at the time of deigning process management, also motivating employees to achieve common goals. It is shown by this study that increased level of work experience, style of leadership moves from association oriented to task oriented and as the leader's qualification advances style of leadership, it changes to association oriented from task oriented.

Abderrahim (2021) studied that contingency theory constitutes major development in leadership conceptualization. Importance is placed on the level to which a leader give proper response to the requirement of situation instead on a particular quality of individual. Several important aspects are identified by contingency model about the situation and identify behavior of leader who would possible work their best under such situation. The contingency theory although differently in some respect give stress on the same concept, which is that success of any leader and their leadership is dependent on the level to which a leader adapts their attitude to particular feature of situation. It is grounded that as the situation might vary, in the same way behavior of a leader can vary. Therefore, the situation is vibrant and keep changing for which a leader has to develop a flexible and original approach towards leadership.

Islam, Juraybi, & Alraythi (2021) stated that adopting right style of leadership helps in justifying risks and crisis that are influenced by organization in competitive market, which includes adopting situation style of leadership that understands the requirement of employees and make adjustments in their approach of management to meet employee's requirements. A situational leader is one who flawlessly keep switching between different styles of leadership to match the requirements of organization and develop confidence and trust among their employees. Situational analysis is known to be a combination of different characters of leadership of which it provides a benefit factor to leader to keep switching to different styles of leadership that depends on the requirement of organization and crisis intensity. Adopting situational leadership would help in justifying risk faced by any organization at national and international level.

Oyelude & Fadun (2018) stated that there are some conflicts that are unavoidable, but there is a possibility of managing it by making use of situational leadership. The groundwork of situational leadership is that there is no available single style of leadership which is best. Therefore, this study have identified that situational leadership makes huge relevance in organization, and it can be concluded that leaders must use the style of situational leadership to lead their employees ensuring effective leadership. A tremendous contribution is made by situational leadership style that ensures conflict in an organization. It is suggested by this study that in choosing effective leadership style, situational leadership is found to be best leadership style.

Santos (2021) found that the idea of one single and effective style of leadership by Fiedler. Effectiveness of leadership is contingent upon situation according to him. The communication between style of leadership and particular situation forecasts efficacy of leadership attitude. In simple words, leadership attitude of both types can be proved effective, but the situation where a leader works to determine whether one behavior type would be effective in comparison to other. Leadership style effectiveness is not alone based on features of leaders and their characters. There are some other elements that must be considered like work environment, preferences and requirements, capabilities of members, etc. It is vital to identify best style of leadership for growth of students as they are the future work force.

Objectives

To measure the effectiveness of Contingency theory in controlling the situation and leadership style.

Hypothesis

Null Hypothesis: There is no significant effect of Contingency theory in controlling the situation.

Alternate Hypothesis: There is a significant effect of Contingency theory in controlling the situation.

Findings

Respondent's general details are shared in table below in which it is found that in total 209 respondents 61.24% are male, and 38.76% are female. Regarding age, below 30 are 44.50%, 30 to 35 years are 32.06%, and above 35 years are 23.44%. Looking at the work experience, 1 to 5 years are 28.23%, 5 to 10 years are 33.97%, and More than 10 years are 33.97% (Table 1).

Table 1 General details

Variables	No. of respondents	%age
Gender		
Male	128	61.24
Female	81	38.76
Total	209	100
Age (years)		
Below 30	93	44.50
30-35	67	32.06
Above 35	49	23.44
Total	209	100
Work Experience		
1 to 5 years	59	28.23
5 to 10 years	79	37.80
More than 10 years	71	33.97
Total	209	100

Table 2 Effectiveness of Contingency theory in controlling the situation

Variables	Effect of Contingency theory in controlling situation			Total
	Highly Effective	Less Effective	Not Effect	
Contingency	49	15	13	77
Response	27	23	19	69
Performance	27	21	15	63
Total	103	59	47	209
Value of Chi-square				10.4023
Degree of freedom				4

p value	.03417
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Table 2 shows that among 77 respondents, 49 says that variable contingency is highly effective in controlling the situation, 15 says it is less effective, and 13 says it is not effective. Among 69 respondents, 27 says variable response is highly effective, 23 says it is less effective, and 19 says it is not effective. Among left 63 respondents, 27 of them says performance variable is highly effective, 21 says it is less effective, and 15 says it is not effective. Hence, *null hypothesis is rejected and alternate hypothesis is accepted which says that there is significant there is a significant effect of Contingency theory in controlling the situation.*

Conclusion

The fundamental concept approach of contingency leadership is that leaders would be more effective if their attitude and style of leadership are contingent and consider internal as well as external situational forces. The approach of contingent leadership is based on assumption that leaders are proved effective if they make their attitude reliant on situational forces is forecasted to offer huge opportunities for effective practices of leadership. As recommended by other scholars, leadership is not just about leader's features alone, but also about impact of situation and how it influence the way of leader's operation. It is essential for leaders in a situational leadership to make good analysis of situation. Leadership style can be understood as a pattern of behavior of an individual seeking to impact other individuals. To conclude, it is vital for leaders to have capability of situational leadership to help them make good analysis of situation (Uripa & Suaedi, 2019). According to Spahr (2015), situational leadership is known to be better as compared to other styles to manage organization conflict in the sense that it integrates many distinct techniques and methods. It is explained in study that situation style of leadership is an easily adaptive style to lead team and it also motivates leaders to take stock of their employees, consider other variables at workplace, then choose the best method to lead that would help in ensuring organizational objectives, goals to be achieved. Distinct causes that arise conflicts in organization, therefore, leaders must ensure to have a vision to understand at what time they should change style of management, and which strategy fits better in a situation.

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