

A systematic review of Structural Contingency Theory and structure-environment-effectiveness relationship

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Abstract---

Purpose – This paper aims to review Structural Contingency Theory and the relationship of structure-environment effectiveness.

Methodology: This review paper is a conceptual paper based on qualitative research analysis. This review paper explained and reviewed 30 articles from the 21st century about structural contingency theory.

Findings: After reviewing different papers on Structural Contingency theory, it was found that organizations' structure should be flexible in external contingencies, especially in loose, dynamic environments. The study proposes that SCT can help organizational development by fitting between the structure and multiple contingencies. The Fit between organic structure and high environmental uncertainty and the Fit between mechanical structure and low environmental uncertainty can exist simultaneously in an organization. The uncertain external environment is one of the most important contingencies in which an organization must respond. An organization's external environment as a set of factors could influence the organizational system's functioning.

Originality/value: This paper provided a guideline to companies for the practical usage of SCT and stated that SCT provides companies with an opportunity to evaluate the contingencies and source of effective structure for organizations.

Type of Paper--- Systematic Review

Keywords--- Structural Contingency Theory, Environmental Factors, Organizational Development, Organizational Structure, Concept of Fit.

Introduction

This review paper introduces the history and the intellectual background of Structural Contingency Theory (SCT), and its role in the development of an organization, in previous research. This paper studies the theoretical discussions of contingencies, structure-environment effectiveness relationship, and the basics of SCT. This paper also represents the criticism postulated in previous studies and future prevailing of structural contingency theory (SCT).

In this study, the generic research problems are:

- What is the research background of Structural Contingency Theory?
- How is organizational development affected by the contingencies?

This study aims to answer these by crafting and evaluating SCT's prior research that matches business contexts' characteristics.

The study proposes that SCT can help organizational development by fitting between the structure and multiple contingencies. In an organization, the Fit between organic structure and high environmental uncertainty and the Fit between mechanical structure and low environmental uncertainty can exist simultaneously (Lagstedt & Dahlberg, 2018). The organizational theory provides theoretical flaws for the organizational structure (Burton & Obel, 2018). The organization theory (OT) explains how the world works in complement; an organization's structure is built on understanding how flexible an organization is to face the change. Organizational theory is a positive science for understanding and comprehending a firm's structure, behavior, and effectiveness. Whereas, to recommend what might be done to achieve an organization's goals and how the information will flow in an organization is discussed in Organizational structure (Burton & Obel, 2018).

Structure-Effectiveness Relationship

In prior studies, researchers have argued that if OT is related to practitioners, then organizational effectiveness is

a motivating factor and should be emphasized. In terms of structure-effectiveness relationships, a firm's effective performance should measure any significant impact of organizational structure on a firm (Sousa & Voss, 2008).

Determining the difficulties in attaining organizational effectiveness, it was said by Bedeian the " In the study of Organizations, although effectiveness is a central theme, in organizational theory, it is one of the most widely understood perceptions." Continuing to argue, Bedeian further said that "failing to consider the organizational characteristics, and goals, leads toward the faulty assumptions of performance." An organization can design its structure and encourage the development of cultural norms and values to obtain the desired attitudes and behaviors goals (Donaldson, 2015), once it will decide how it wants to treat its members, what attitudes it wants to encourage, and what he wants its members to achieve, it can design and inspire. In the discussion of organizational studies, an important issue is how the environment's structure is determined. There is probably a certain degree of freedom that allows selecting or modifying a particular structure from SCT. This systematic review paper on Structural Contingency theory will review some of these challenges and show what has been criticized for this theory.

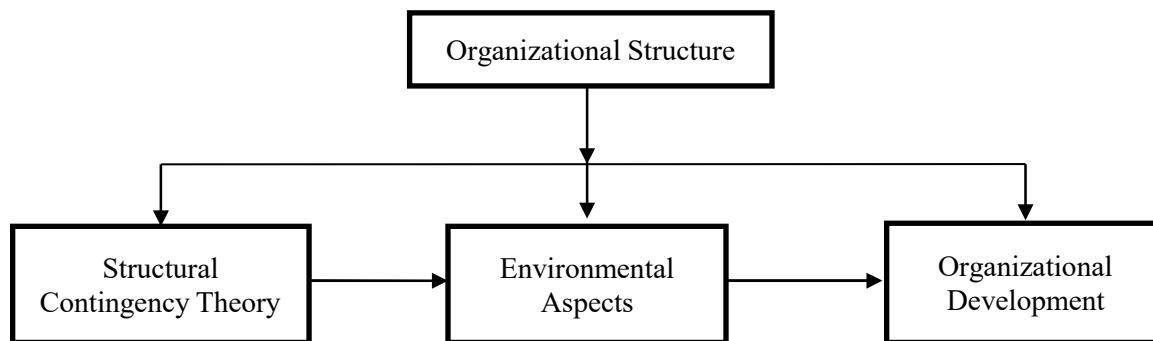


Figure 1.1: Research Model

The evolution of structural congruence theory (SCT) will be discussed in this paper, the relationship of organizational development with the SCT, and criticism of the SCT in previous studies. Furthermore, this article will explain how the scope of the election will be mobilized. For organizational development, can we consider the relationship between environmental impacts in a research design?

By integrating early research, the Structural Contingency Theory (SCT) emerged as industrial organizations' social science. Although in organizational studies, SCT did not create an orthodoxy in the second half of the 20th century (Sayilar, 2016), clarifying the level of research facts, variables, defining the area, and analysis formed the starting point for a common scope, left its gap for future research. An organization's structure refers to features, such as the degree of specialization, centralization of decision-making, etc. To present a significant organizational structure developed the principles of management into the principles known as classical management in early attempts. This describes specific roles, detailed definitions, top-down structures, standard procedures, overhead structure, and centralized decision-making (Donaldson, 2015). Human Relations Theory challenged the theory; subsequently, this suggested lower-level structures and defined loose roles employees exercised relative autonomy or influenced decision-making. To resolve the tension by saying that each point of view was correct, structural contingency theory played a vital role. Thus, much of the structure depends on the Fit of the factors of contingency. To view organizations, structural contingency theory is a primary theoretical lens used; this theory holds that organizations adapt their structures to achieve high performance, in its most rudimentary form, to keep up with changing contexts (Sousa & Voss, 2008). The theoretical and practical contribution of the structural contingency approach has been achieved by different grouping contexts based on these successive variables, determining the most significant internal organization design or response in each large group, and identifying key contingency variables that differ in context. The relationship between the organization and environment presents the phenomena that contribute to the development of this idea. Nowadays, the environment's operational and technical concepts are commonly used and are based on SCT (Sayilar, 2016). Organizational survival and success are based on the structural contingency theory. Therefore, in terms of contribution to organizational performance and effectiveness, the relationship between organizations and their environment is considered. The success of an organization is associated with a specific conditional variable, implied by the structure-effectiveness relationship.

The contingency theories regarding the environment primarily focus on the environment's relative stability (Moniz, 2010). As mentioned earlier, concerning libraries, change occurs rapidly, which leads to a great deal of instability. It seems to suggest an emphasis on flexibility. It is related to internal contingencies to factors such as the size of an organization. External environment factors (economy, customers, competitors, technology) of firms partly influence the organizational structure. Research shows that firms develop their strategies effectively in complex, rapidly changing environments when dealing with a reliable and stable market. With regular rules and procedures, the more certain the environment is, the more centralized its organizational structure can be (Tran & Tian, 2013). Organizations with a high degree of environmental uncertainty can decentralize the process of decision-making, rely on formal laws and policies, and flatten their hierarchies. The impact of certain factors on the organizational structure has traditionally been divided into two main factors. These factors are classified as internal and external factors determining an organization's structure, goals, and activities. External environmental factors are not subordinate to the organization but affect an organization's structure and development (Control et al., 2008). The organizational structure's characteristics can be described in many ways; i.e., centralization, specialization, standardization, formalization, classification level, and control; these are the commonly cited dimensions of structure (Sayilar, 2016). Formalization, complexity, and centralization are common aspects of structural dimensions used to assess the relationship between structure and technological framework. Formal, structural differentiation and decentralization are discussed in the literature of Structural Contingency Theory.

Further analysis of the literature reveals that the dimensions used in structural contingency literature and structural technology literature are very similar (Morton & Hu, 2004). The scholarly study of organizational structure and performance over the past twenty years has recently been losing currency due to its apparent inability to solve its theoretical and experimental problems. The Structural Contingency Theory has dominated this. For example, the witnesses; in 1981, Schoonhoven and 1982 Mohr disagreed on SCT. However, ironically the scholars have rapidly begun to propose and adopt other management theories, which at the bottom are even more complicated and solvable (Andrew H. Van de Ven, 1985). Discovering which organizational factors constellations play a crucial role in corporate survival and success is the main focus of Structural Contingency Theory. This theory also defines the Fit between a contingency described by organizational features (Jesmin Islam, 2012). Generally, structural contingency theory suggests that different organizational structures are needed for environmental uncertainties, competitive strategies, firm size, technologies, and other organizational contingencies (Donaldson, 2015).

The concept of Fit between organizational structure and contingencies is the key to an organization's high performance or success. To predict contingencies, these factors scientifically explain the principles of organizational survival. The fit concept is adopted to develop SCT, statistical analysis of a proposition, and data collection. At least three different theoretical concepts of "fit" emerged in structural contingency theory (Andrew H. Van de Ven, 1985). Each significantly changes the essence of the view of the continuous organization and the expected experimental results. The contingency theory of organizational structure currently provides an essential framework (Sousa & Voss, 2008). It argues that the most effective design of an organizational structure is one where the structure fits the contingencies. However, there are several significant challenges. Some of them are theoretical, while some are experimental (Donaldson, 2006). For example, if a firm changes its competitive strategy according to the contingency approach, from differentiations at low-cost, changes in some organizational structures make it more flexible and adaptable to implement a differentiation strategy (Donaldson, 2015).

Conversely, the design of an organization, which a firm is developing over time, can be a valuable resource that can strengthen its competitive advantage. It is rare, imperfectly tradeable, and incompletely imitable. In 1996, Miller and Shamsi conducted research related to this point, which proposed the Resource-Based view of a firm's contingency request (Pertusa-Ortega et al., 2010). The researchers viewed that whether or not a resource can be valued will depend on the nature of resources that envelop an organization based on resources' properties. If a firm operates under a highly dynamic context, which requires constant changes in the product, in this regard, its competitive strategy will be enhanced by a flexible framework that facilitates these changes (Pertusa-Ortega et al., 2010). The contingency theory depicts that organizations' structure should be flexible in external contingencies, especially in flexible, dynamic environments (Soares & Maduro-Abreu, 2019). In 1976, Thompson stated that the uncertain external environment is one of the most important contingencies in which an organization must respond. In 1967, Lorsch stated that an organization's external environment as a set of factors could influence the organizational system's functioning. Although it is quite difficult to predict the relationship

between the organizational structure and the environment, differences in strategy, and the company's structure come from demands and are specific to each. The idea of adapting the organizational structure to the external environment arises in this aspect, for environmental contingencies, the organizational models that are more organic and flexible to show better performance and efficiency (Soares & Maduro-Abreu, 2019). The environment can be described with these variables, such as complexity, resources competition, stability, and differentiation, and these variables are the characteristic of uncertainty. In 1961, Burns and Stalker said that the same events could have different consequences if the environment is highly unstable. Uncertainty can result from information-processing requirements if the environment is highly discriminating or complex, which arise from the number of stimuli and their interrelationships (Johannes M. Pennings, 1975). The utility of resources can also reflect the amount of information being processed.

The concept of Fit between the organizational structure and the contingency response positively affects the organization's performance. As a result, not every context element is a contingency element, as the basic parable illustrates (Hamann, 2017). As any aspect outside the organizational structure is defined as context and factors. Contingency factors are contexts that moderate the relationship between the organizational structure and its performance. In an organization, the contingency approach must be effective, either in its sub-units. An organization needs the goodness of Fit within its structure and environment to be effective. The environment becomes a constraint for managers, organizations, designers, or owners to adopt specific structural designs (Morton & Hu, 2004). In uncertain, volatile, and complex environments, the Contingency theory's scope is to bring the need for organic, decentralized, and informal structures. Similarly, a more 'mechanical,' centralized, and highly formal structure for predictive, static, and straightforward environments. The performance will be reduced due to a lack of congruence or Fit.

Methodology

This systematic review paper supports Organizational Structure (OS), Structural Contingency Theory (SCT), Environmental aspects, and Organizational Development (OD) as keywords. The main goal for choosing this topic is that the structural contingency theory to organizational theory is to tailor the organization's structure to external sources of uncertainty and complexity (Victor, 2020). The reason for studying the environmental aspects is that organizations are open systems, vulnerable to environmental contexts. Different conditions lead to the selection of different organizational designs. The core teaching of the contingency theory is that organizations vary in their abilities to process information about the environment and internal coordinate activities required for survival. For this study, I have used thirty articles from 7 impact factor journals. Following were the selected impact factor journals of this review paper;

| Impact Factor Journals | Number of Selected Articles |
|-------------------------------|------------------------------------|
| Springer | 9 |
| Research Gate | 7 |
| Sage.pub | 4 |
| Elsevier | 3 |
| Wiley Online Library | 3 |
| Google Scholar (PDF) | 2 |
| Science Direct | 1 |

Table 1: Impact Factor Journals

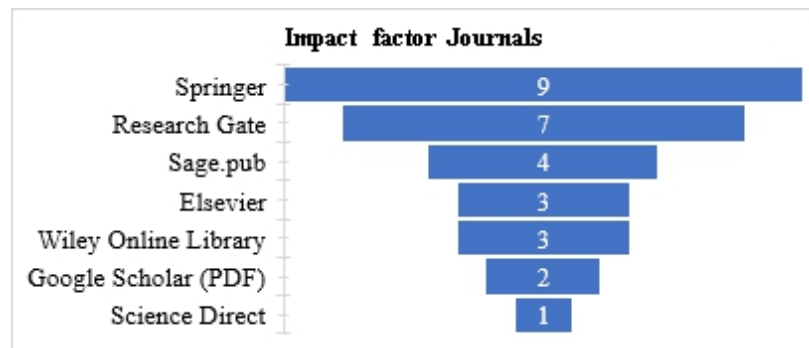


Figure 2: Impact Factor Journals

This systematic review paper aimed to identify structural contingency theory's role in organizational development and the structure-environment-effectiveness relationship. The keywords of the study were selected accordingly. Figure 2 shows the research strategy adopted for this systematic review paper on structural contingency theory. The review paper was developed through a systematic review of the literature on the relationship between structure, environment, and efficiency within the contingency theory. The table 2 shows the research summary for this study; after selecting impact factor journals, keywords were selected efficiently to get purposeful results.

I scanned the summary of this research by using these search terms. Filters were applied to get accurate results. Only qualitative research was selected, as systematic qualitative review brings the goal on topic, and systematically debate over the needs to be exhaustive.

| Database Searched | Keywords | Limits | Initial Results | End Results |
|----------------------|--|--|-----------------|-------------------------|
| Springer | Structural Contingency Theory, Organizational Development, Organizational Structure | Discipline: Business and Management, Subdiscipline: Organization, Year: 2005-2020, Content-Type: Research Articles | 1521 | 12 |
| Research Gate | Structural Contingency Theory, Organizational Development, Organizational Structure, Environmental Aspects | Year: 2005-2020, Content-Type: Articles | 3000 | 321 |
| Sage.pub | Structural Contingency Theory, Organizational Development | Year: No year Limits were applied to get the historical background | 500 | Only four were selected |
| Elsevier | Structural Contingency Theory, Organizational Development, Organizational Structure | Discipline: Business, Year: 2005-2020, Content-Type: Articles | 1000 | 47 |
| Wiley Online Library | Structural Contingency Theory, Organizational Development | Year: 2010-2020, Content-Type: Articles | 1135 | 85 |
| Google Scholar (PDF) | Structural Contingency Theory, Organizational Structure | Year: Since 2020, Content-Type: Articles, Access only, Sort by relevance | 295000 | 3220 |
| Science Direct | Structural Contingency Theory, Organizational Development, Organizational Structure | Discipline: Organization Year: 2015-2020, Content-Type: Research Articles | 1304 | 54 |

Table 2: Search Summary of Paper

I read and analyzed the full text of the selected articles and resources, and then extracted the required information relevant to my review paper on structural contingency theory and its roles in Organizational Development. The inclusion/exclusion criteria adopted for this study was based upon Figure 3, which shows that articles were searched according to particular keywords to get relevant results. The time was filtered between 2005-2020. Only a few of the articles were selected from the 20th century, just for the in-depth analysis of the theory evolution and startup. Figure 3 shows that only 30 articles and resources were selected in the Qualitative synthesis of research. After selecting impact factor journals, articles were searched related to Structural Contingency Theory (SCT), Organizational Structure (OS), Organizational Development (OD), and environmental aspects.

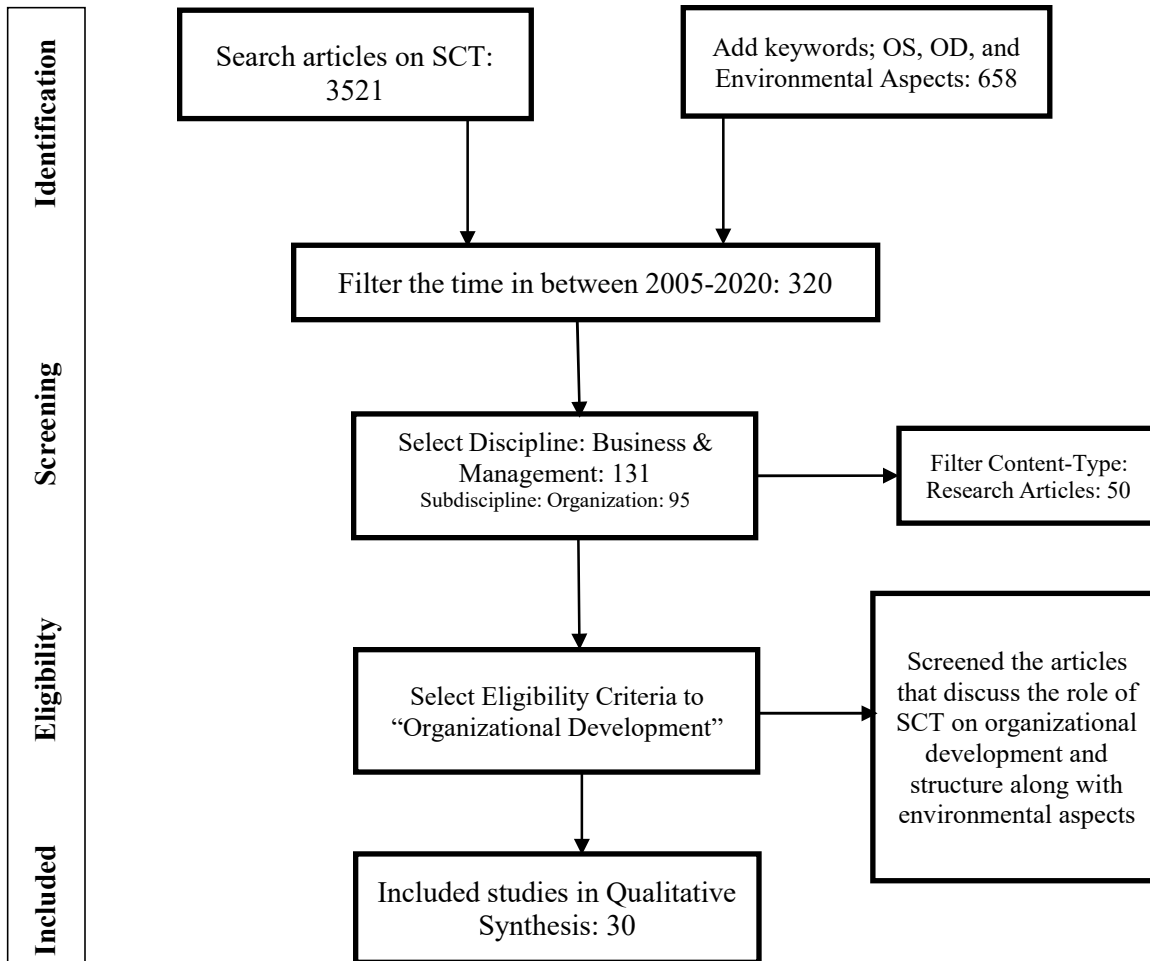


Figure 3: Inclusion Criteria

I have selected a period of 2005-2020 to study SCT's role in organizational development in the 21st century. After applying all filters, only those articles were selected with all of the required keywords, and only 30 articles and research papers were selected for Qualitative synthesis.

Data collection was set between 2005 to 2020, but few articles were taken from the 20th century to analyze the evolution and history of theory. Number of articles in between 1975-2020 are shown in figure 4.

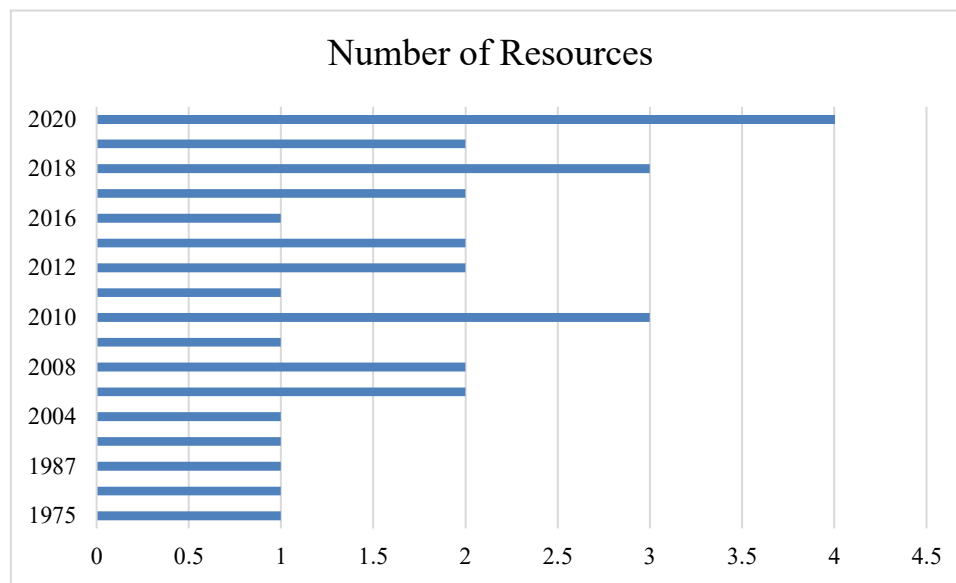


Figure 4: Year wise Plotting

Historical evolution

The Structural Contingency Theory (SCT) was introduced in 1950 at Ohio State University (OSU) by Morgan; this theory focuses on exploring which organizational factors constellations play a vital role in a corporate's survival and success. Structural Contingency Theory defines the concept of Fit between contingencies described by organizational features. Generally, this theory suggests that different organizational structures are needed for contingencies, such as technological, environmental uncertainties, size of an organization, and competitive strategies (Ketokivi, 2006). The concept of Fit between an organizational structure and contingencies is the key to high performance or organizational success. Scientifically, the rules for an organization's survival are identified when these factors can predict contingencies. Since the 1950s, a variety of organizational structures and behaviors are described by Structural contingency theory. This theory provides the status of open and adaptive systems to organizations. During the 1960s and 1970s, SCT stems from numerous studies, stating that the concept of Fit between contingencies and organizational structure affects the level of organizational performance. Until the mid of 1970s, mainly, the organizational theory had a temporary theoretical framework around the SCT.

In the United Kingdom, the most prominent and frequently cited study in SCT comes from Woodward in 1958, Burns and Stalker in 1961, Pig et al. in 1968 and 1973, Emery & Trust in 1965 and later in 1969, and Child in 1972 (Jeffrey A. Miles, 2012). In the United States of America, the most cited study in SCT comes from Chandler in 1962, Hedge and Icon in 1967, Lawrence and Loesch in 1967, Per and Peru in 1967, Thompson in 1967, and Blue in 1970 (Sayilar, 2016). In 1948, Selzenik stated that industrial organizations' formal and informal aspects had been discussed since the Classical period (the era between 1730 and 1820). In 1954, Goldner referred it as an autonomous and natural system and, later in 1980, Quantz analyzed through itstechnical, industrial, managerial dimensions (McConwell, 2019).

The concepts of organization, structure, change, success, and performance were refined by literature (Sayilar, 2016). However, in the 1960s, a study by the Austin Group defined variables that might make it possible to interpret organizational structures as measurable and observational phenomena. Between 1961 and 1970, the Aston Group was named after a group of corporate researchers, led by Derek S. Pigg. I

In 1986 and 1989, to determine the degree of agreement or disagreement between different organizational subsystems, the Contingency Theory of Morgan was the easiest to integrate as it suggested a visual approach to organizational profiling features. Structural Contingency Theory associates the external environment as a contingency variable (Victor, 2020). The contingency variables vary from a high degree of stability and certainty to turbulence or unpredictability. It then incorporates the following organizational subsystems into its model: human, cultural, structural, managerial, strategic, and technological(Moniz, 2010). The congruence of the organization's profile can be mapped across different subsystems. The changes must align with the perceived or

implemented external environmental uncertainty and have been identified (Shaw & . Patricia Bradshaw. Allen, 2009). The Morgan model is a helpful diagnostic tool for students of organizations and managers, while this is an applied approach.

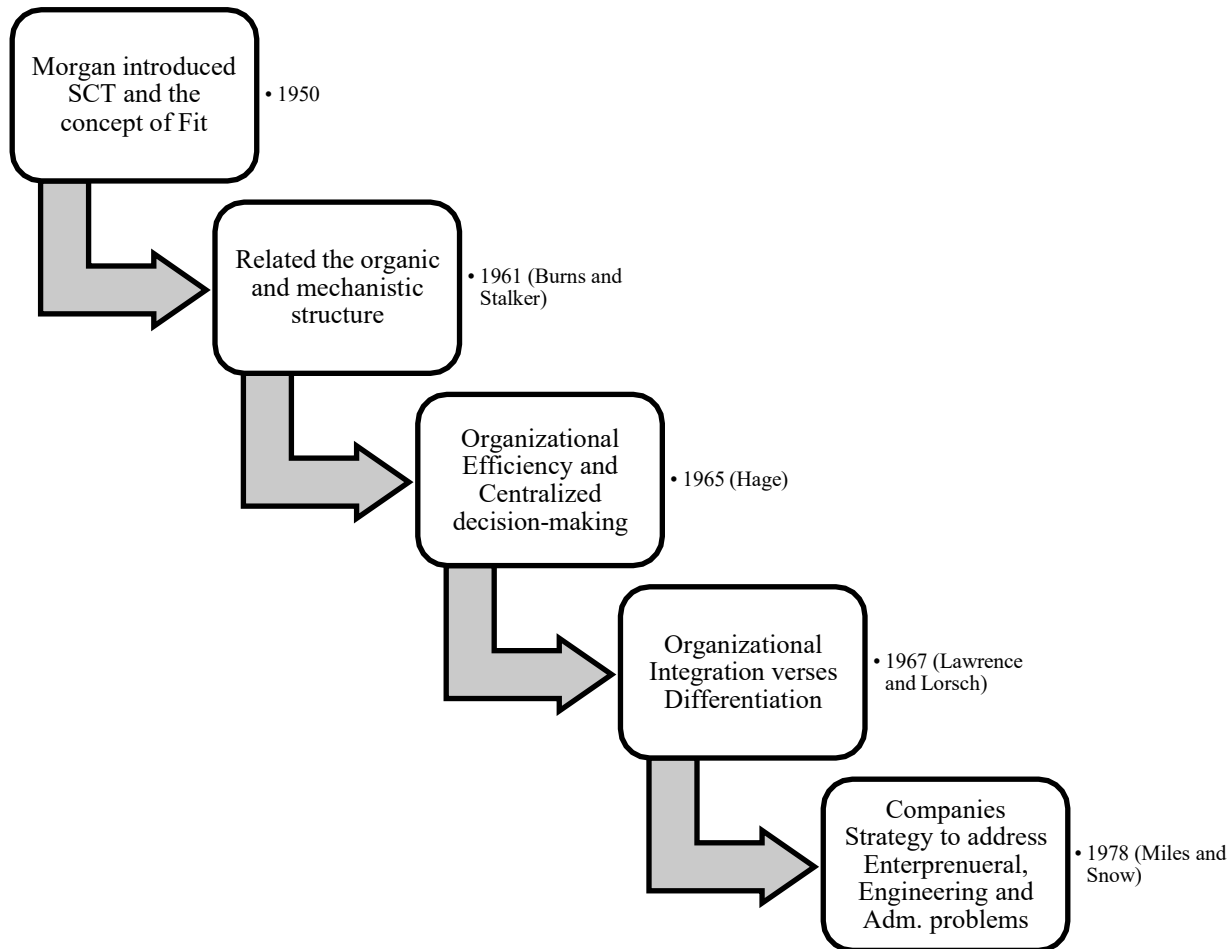


Figure 5: Evolution of Structural Contingency Theory

Later in 1989, to determine the degree of congruence and non-congruence, Morgan introduced the ranges of organizational characteristics with six organizational subsystems (Johannes M. Pennings, 1975); Environment, Strategic, Technological, Structural, Managerial, and Human/Cultural (showed in Figure 6). In 2009, Donaldson and Qiu introduced a cubic contingency model for MNC's that explored a comprehensive international strategy-structure model (Jeffrey A. Miles, 2012). Reid and Smith (2000), Chanel (2003), and Woods (2009) studied that the contingency theories were developed from social functionalist theories of organizational structure, such as structural approaches to organizational sciences (Jesmin Islam, 2012). In 1958, with Dale's earlier publications, SCT was a case in point, and further in 1961, Burns and Stalker studied the theory.

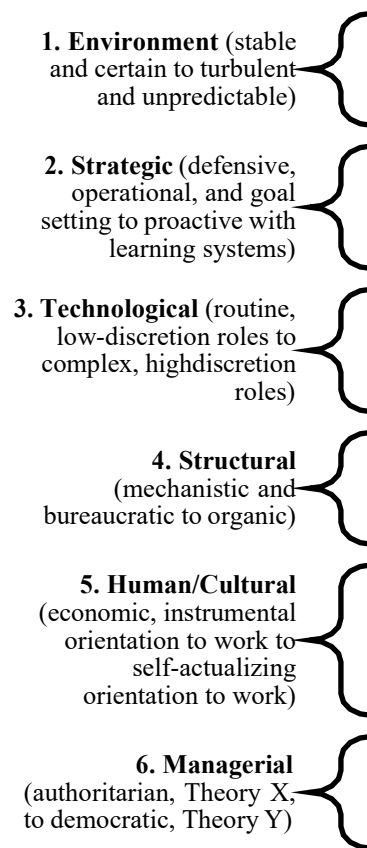


Figure 6: Six organizational subsystems in SCT

Background of Theory

How contingency factors such as technology, culture, and the external environment affect organizations' design and function are studied in the structural contingency theory of organizational behavior (Soares & Maduro-Abreu, 2019). SCT's theoretical study proposed that there is no organizational structure equally applicable to all organizations (Jesmin Islam, 2012). Instead, an organization's effectiveness depends on the environmental fluctuations, the characteristics of the organizational structure, the technology, the organization's size, and the Fit between its information systems of an organization. Two strategies found the alliance between structural and climate change; that examined the Structural Contingency theory; that predicted the variations in organizational effectiveness (J. M. Pennings, 1987). High-performing units under three environmental conditions were profiled in the first procedure, it was then revealed that the deviation of the structural profile of an organization compared to these effective unit profiles is significantly associated with the indicator of effectiveness.

Carnival correlation analysis did not sustain the environment in the second method. Instead, it was assumed that both the environment and the structure existed in more than one, dual contingency relationship, an indication of organizational effectiveness (Hamann, 2017). In 1987, Pennings found that despite some exceptions in preliminary studies, for environmental contingencies, the Fit between environment and structure positively affects an organization's efficiency. Similarly, Ergot (1982) found that a fit between environmental uncertainty and coordination mechanisms benefits organizational effectiveness (Luo, 2010). In 1987, Donaldson studied that besides, the Fit's performance between diversification strategies and distribution has been authoritatively validated, competitive - Cooperative structures. Furthermore, the Fit between the protector-prospector strategy types and the organic organ of this structure is authoritatively supported (Ketokivi, 2006).

In 2003, Burton et al. found that performance has a positive effect when it fits between strategies of protectors, analysts, prosecutors, and structural elements (such as formalization, centralization, complexity, and corporate formation). Furthermore, extensive research has been done between technology, or unusual work, and structures, and there is ample evidence to support it (Alexander and Randolph 1985 5 Ahuja and Carly 1999; David, Pierce II, And Randolph 1989 (Drazen and Van de Wayne 1985 De Dior and Verbal 1979 1979 Grisoft 1989 (Shaw & . Patricia Bradshaw. Allen, 2009); And another work contingency, work-dependent, Grisoff (1990) found that fitting with its structure had a positive effect on unit performance. Finally, the Fit between size and structure also positively affected performance (e.g., Child 1975; Craft, Poya, and Hedge 1995; Powell 1992; Schloot 2001)

(Jeffrey A. Miles, 2012). In short, structural contingency theory has considerable experimental support. Therefore, this concept is found experimentally in its critical contingency. Child (1977) and Khand-Walla (1973), the structural contingency theory holds that the Fit of structure to its contingency produces high performance. The theory of structural consistency has a positive effect on consistency between structural factors. Later in 1984, consistency is defined as the Fit between structural factors. Regularity and centralization are permanent if they are inversely connected. They are two alternative methods of organizational control: using rules and regulations and using high-level decision-making options. Therefore, high formalization is compatible with high ventilation, while low formalization is compatible with low ventilation (i.e., high centralization).

Contingency Theory of Organization- Environment Perspective

The structure of an organization depends on the company's environment is the expanded view of contingency theory, and organizational effectiveness depends on the structure of the organization. The location of information on the environment has a significant impact on the organizational structure. In an uncertain environment, information is often internal. Where the environment is secure, information is external (J. M. Pennings, 1987). The structural dimensions and control include the structure of authority and the structure of activities, i.e., rules and procedures that determine the discretion of individuals. Authority is about social power. In an emergency, irrational authority is more appropriate where there is uncertainty (Pertusa-Ortega et al., 2010). The central option is so much more appropriate when the environment is certain. The graphic example below illustrates my interpretation of these conceptual ideas (Csaszar & Ostler, 2020).

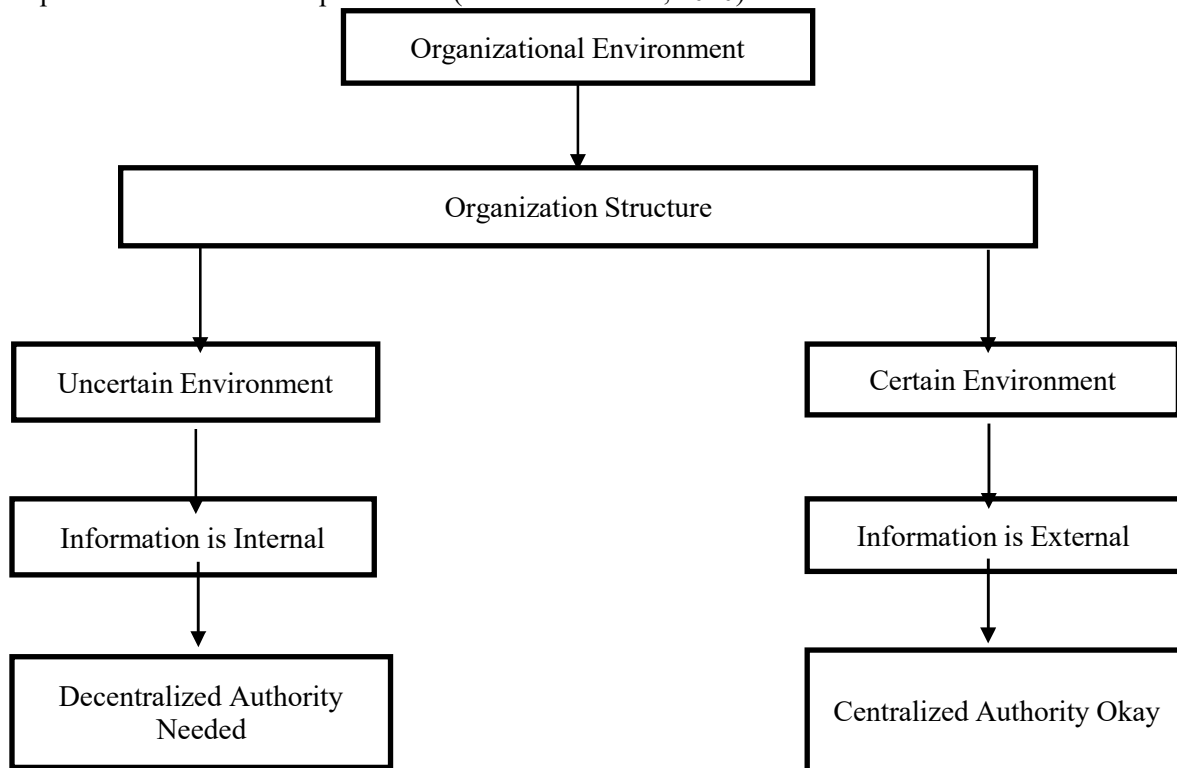


Figure 7: Environment as a Subsystem

Criticism

The literature on SCT presents a good deal of conceptual confusion. Measurement instruments vary, so many studies do not compare (Johannes M. Pennings, 1975). Among organizations, it is often unclear what the environment means and which of its variables are aware of the variable force for structural differences. This theory was complex to understand (Csaszar & Ostler, 2020). Firms have a long way to determine how complex representation they use: firms can choose to make decisions based on representations, from the simplest (such as thumb-based managers) to the most complex. (E.g., by hiring technicians and using the most up-to-date models).

Interestingly, there are conflicting views on maximum representation's complexity, whether those companies are better off using more uncomplicated or more complex representations. In 1996, Jaggrenzer and Goldstein studied the literature of Fast & Fraggile Heuristics (Abba et al., 2018). They argued that simple representations have numerous advantages over more complex representations, such as less effort to learn and use, and a Must be strong under a wide range.

While there is no doubt that SCT has made its mark on scientific studies of organizational behavior, design, performance, planning, and management strategy, critics have identified several issues in its general appeal (Otenyo, 2020). The most important observation was that SCT is not a unified body and is, in fact, a body of ideas. One of the problems with SCT is the lack of clarity in its statements. SCT's critics sometimes argue that it is not wise for organizations to fit into their contingency situation. Although the organization is changing its structure to fit contingencies, the forces change on their own, so that the change in organizational structure is not appropriate (Donaldson, 2006). However, as the footsteps move, the organization reduces inaccurate performance, and in terms of its performance, increases what will happen if no structural changes are made (Tenhiälä, 2011).

Future Prevailing

The team structure is important to establish a good external fit between the team and the task environment and a good internal fit between the group and its members this theory can help (Hollenbeck et al., 2002). In future studies, companies can use the SCT to explain the characteristics of a good outdoor fit and theories of individual differences (personalities and abilities). They can also explore the degree to which one type of foot (external) can neutralize the effect of an alternative or another type of foot (internal). Structural contingency theory can either help companies identify the lack of an external foot and neutralize the impact of a good inner foot. It will be necessary to emphasize the external foot simultaneously to focus the laches approach only on the inner dimension.

Conclusion

The study proposes that SCT can help organizational development by fitting between the structure and multiple contingencies. The Fit between organic structure and high environmental uncertainty and the Fit between mechanical structure and low environmental uncertainty can exist simultaneously in an organization. The organizational theory provides theoretical flaws for the organizational structure. The organizational theory explains how the world works in complement; an organization's structure is built on understanding how flexible an organization is to face the change. Organizational theory is a positive science for understanding and comprehending a firm's structure, behavior, and effectiveness. This review paper has discussed the evolution of structural congruence theory (SCT), the relationship of organizational development with the SCT, and criticism on the SCT. For organizational development, this paper considered the relationship between environmental impacts in the research design. By integrating early research, the Structural Contingency Theory (SCT) emerged as industrial organizations' social science. Although in organizational studies, SCT did not create an orthodoxy in the second half of the 20th century, clarifying the research facts, variables, defining the area, and analysis formed the starting point for a common scope, left its gap for future research. The literature on SCT presents a good deal of conceptual confusion; this theory was complex to understand. While there is no doubt that SCT has made its mark on scientific studies of organizational behavior, design, performance, planning, and management strategy, critics have identified several issues in its general appeal.

The most important observation was that SCT is not a unified body and is, in fact, a body of ideas. One of the problems with SCT is the lack of clarity in its statements. SCT's critics sometimes argue that it is not wise for organizations to fit into their contingency situation. The study's limitation is that I could have also discussed the team structure, as it is important to establish a good external fit between the team and the task environment and a good internal fit between the group and its members.

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