

# Contemporary theories of management

Science



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## **Contemporary theory Definition**

### **What is contemporary theory?**

These theories of management have been put in place out of the realization that organizations are continuously evolving each day and therefore there is no specific model that can be successfully applied to management and continue to be used over time. These theories include the contingency, systems and the chaos theory. The contingency model approaches management of organizations by emphasizing that there is no specific kind of management. The kind of management employed should be chosen depending on the situation that is prevailing.

Thus we need to contextualize the circumstances at hand to the most suitable style of management available. This theory stresses on the importance managers having the right kind of character and channeling the same to situational circumstances that may take place. In this model of management, the effectiveness of the management will be determined by how quickly they adjust to contingent situations that may require them to offer quick solutions that can adequately address the situation.

### **Contemporary theories of leadership**

The system theory envisions management in terms of the role that various parts of an organization play to bring about efficient results. It is based on the premise that no one thing can happen alone devoid of upsetting or being exaggerated by the other. Organization is looked at from the wider view point to be able to understand and interpret the changes occurring in the organization. Consequently, this theory does not just provide a one sided approach to managing organizations but tries to study the whole inputs and

outputs that affect the working of the organization. Read about the difference between behavioral theory and contingency theory of leadership

## **Contemporary management theories**

This theory, although being one of the earliest, it has become increasingly adapted by many organizations that are continuously relying on it to propel their achievement of set goals and objectives. Systems approach to management tries to address issues facing an organization by assessing the overall coordination of the parts that make up that organization. Thus it will try to approach an organization by analyzing the relationship between various departments like human resources, finance, marketing, and the overall contribution of each to organizational success.

The chaos approach to management is based on the assertion that events occurring in organizations are always chaotic in nature and cannot be controlled as early assumed by various organizations. This theory argues that most events cannot be controlled and that the system undergoes major changes as it increases in complexity and volatility and hence organizations can witness events like splits and conflicts which will in the end influence the kind of strategy to be used. The Current and Future Status of Management in Organizations

Today, organizations have become even more concerned with “change management” (Heiden, 2001). Management has moved from being just a skill to a process that takes various dimensions. However, not every organization has changed the way it carries out its functions to reflect this changing patterns of management. Organizational management is becoming more creative and liberal through actions like encouragement of employees

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to dissent, albeit in a creative manner and also stressing on the need to build independent teams in the organization.

Lincoln (2006) supports this position by pointing out how this kind of unconventional management was responsible for the extraordinary growth of computer giants like Microsoft, Google and Apple. Organizations will need to be more creative and inventive to fair well in today's highly competitive business environment. Today's organizations have become one community where people are able to interact freely with the management without fear of any outcomes.

Workers are given equal treatment by the management and are more appreciated for their skills and strengths. The end results are that more trust is being built in organizations due to increase in employee satisfaction. Thus management that is based on the people is significantly being adopted by most organizations. People are now able to act without fear of the leadership and authority figures, through open and genuine interactions.