

Capsim organization and competitive environment

[Business](#)



Capsim Organization and Competitive Environment Capsim Organization and Competitive Environment Capsim organization creates and supports business simulations for higher education and corporate training. The organization helps students make realistic decisions through experience. Competitive environment of a business refers to the external environment comprising other companies trying to win customers in the same market (Pugh, 1990). The factors include development of new products by competitors, new distribution channels and new customer values. The organization enjoys a competitive advantage over other businesses as it has embraced the use of technology (Barney, 1985). The organization has also embarked on a massive marketing program which has helped in creating awareness of the business to the market. The organization has a wide market coverage comprising of not only students but business men all over the world. This has made it the global leader in developing and delivering business tips to practicing and aspiring business people on how to run profitable businesses (Hersey & Blanchard, 1974). This paper will review Capsim as an organization and its competitive environment.

Capsim organization financial, competitive and regulatory element

The organization has an enormous investment especially technologically. This is extremely risky especially with the changing dynamic of technology. The business calls for large expenses to cater for its operations and the costs get transferred to consumers making it unaffordable to many. The organization has complied with all regulatory procedures.

Contingency theory

Contingency theory states that there is no known best way of setting up an organizational structure. Contingency theory argues that the solution to any <https://assignbuster.com/capsim-organization-and-competitive-environment/>

managerial problem is dependent on the factors that affect a situation. The theory suggests that effective managerial techniques get influenced by the tasks the organization is striving to achieve (Barney, 1985). Contingency theory attempts to equip managers with the capabilities to provide possible solutions to a business challenge. The theory explains that the best way to set up a company is dependent on the present internal and external factors facing the business. Some of these factors include customers, suppliers, government and technology. The theory attempts to develop a strategy that can address environmental uncertainties and challenges facing the business effectively and efficiently. The theory has sort to generalize formal structures that fit the use of different technologies.

The contingency theory explains that the successful application of a tool or technique in one setting may have no influence in another. The theory advises managers to take each problem that come along and find new ways of handling the situation. The theory states since many external factors affecting a business cannot be predicted there cannot be a perfect plan. The theory does not use the corporate culture in making decisions as most of these cultures may be outdated. This theory emphasizes that threats and rewards are irrelevant to workers unless they influence personal goals (Lutans, 2011).

Efficacy of the contingency approach

The theory is predictive and gives valuable information on the most effective leadership styles in given situations. The theory supports leaders in that they should not be expected to lead effectively in every situation. It generates useful information to the company that assist in developing leadership styles. The theory has failed to explain why some leadership fails in certain

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situations. The theory does not give the leader a solution on when he cannot handle a situation in the workplace. In conclusion, the contingency theory remains the most researched theory and appropriate in many businesses, including Capsim.

References

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