

Assignment 2: Police Gang Units Case, Contingency Theory, Resource Dependency Theory

Paper: IBP Organizational Analysis Final Exam

Course name: Organizational Analysis (BPOLO2005U.LA_E19) Name
of programme: International Business and Politics

Date of submission: 10 January 2020

Total number of pages (including front page
and bibliography): 12

Number of pages (according to
CBS standart page of 2,275 character): 10

Number of characters: 22,704

Reference system: Harvard



INTRODUCTION

This assignment will discuss contingency theory as well as resource dependency theory, described in writing by P. R. Lawrence & J. W. Lorsch and J. Pfeffer, respectively, in the light of Police Gang Units case introduced by C.M. Katz, E.R. Maguire, and D.W. Rock that will be used as the analytical point of departure for the following discussion. Firstly, the fundamental aspects of contingency theory will be presented and discussed concerning the Police Gang Units case. It will be followed by the discussion of the resource dependency theory and its contributions to the understanding of the case in question. Finally, the last part of the assignment will introduce a new case to illustrate the application of theoretical frameworks discussed in earlier sections.

First and foremost, the key aspects of the Specialized Police Gang Units case will be summarized before beginning the analysis. The study published in 2002 had its focus on the creation of the specialized units within the police force dedicated to the investigation and prevention of the gang-related criminal activity. Specifically, the study attempted to deepen the understanding of why the police agencies have responded to gang problems in the way they have over the past decade as well as expand the knowledge of the factors at play in the creation of these specialized units. It begins with the introduction of the theories which might explain the phenomenon in question: contingency theory, social threat theory, and resource dependency theory. Following that, the study explores the explanatory power of measures derived from these three theories, including several environmental and organizational controls (Katz, Maguire & Roncek, 2002; 480).

FUNDAMENTALS

In this part, the Police Gang Units case will be discussed in light of the contingency theory. This part will begin with the discussion of the basic elements of contingency theory that are at stake in the Police Gang Units Case. Contingency theory will come instrumental in interpreting and developing

certain aspects of the case. It will be followed by the presentation of the findings of the study and their assessment.

As the study attempted to explore why specialized gang units were created, the first possible theoretical explanation was introduced by contingency theory. The theory was presented in the work of P. R. Lawrence and J. W. Lorsch, where several previous contingency studies of organizations were used to "illuminate the prospects of a new research-based approach" that was labeled "contingency theory" (Lawrence & Lorsch, 1967; 185, 209). The model introduced by the authors starts with examining the interplay between parts of an organization and its external environment, and it is concluded that different attributes of the internal structure and modes of operation can be tested for goodness of fit with the external environment that the organization operates within. It is suggested that there is no universal organizational structure or practice that would be effective in every environment, therefore effective organizations adopted their mode of operation to the external factors influencing the environment within which it operates. Put another way, organizations are recognized as separate entities, whose decisions are guided by the principles of rationality, and are directed at improving performance and increasing efficiency in the pursuit of their goals (Katz, Maguire & Roncek, 2002; 473).

The organizations in question are police agencies, which were defined as "generalized institutions of social control," which "represent specialized forms of coercive or official social control and are organizations that have a presence in or near every community in the USA" (Katz et al. 2002; 472, 497). Goals of the police organization can be inferred as the following: it is their duty to maintain public order and safety throughout the communities in their jurisdiction, which is executed through practices such as identifying, investigating and preventing criminal activity, as well as bringing those who have been convicted to justice.

The creation of specialized gang units in the light of contingency theory is viewed by the authors as a rational response to the spread of gangs and gangrelated crimes to better pursue police's goals as an organization (Katz et

al. 2002; 473). The creation of the specialized units was hypothesized to be that restructuring effort by the police departments to focus efforts and attention on effectively pursuing their organizational goals - bringing peace and justice to the residents of the area in the face of rising criminal activity (gang problem). This view is largely expressed and supported by police officials and scholars concentrating on the study of gangs. In order to test the hypothesis, the arrest rates of gang-aged males related to five crime categories associated with gang activity were used as an independent variable to measure the level of crime attributed to the rise of gangs in the areas.

It was hypothesized that if contingency theory was a feasible explanation for the creation of specialized units, then those police departments that were faced with the higher level of crime committed by the population associated with gang membership would be more likely to have established gang unit (Katz et al. 2002; 483). The change(increase) in the level of crime committed by the population at question was operationalized as the change in environmental conditions to which the response in question would be triggered. However, contrary to the expectation, *it was found that there was no relation between the dependent variable (gang unit creation) and contingency theory independent variable (level of perceived gang-related crimes in the areas).*

Although the hypothesis of specialized units being created as a rational response to the environmental conditions has been rejected, it is essential to note that contingency theory should not be rejected entirely as a possible explanation for the phenomenon observed. At this time, there is no evidence of the explanatory power of the measure derived from the contingency theory. However, in the case, during the discussion of the variables measuring crime rates in a particular geographic region, it was mentioned that previous study by Block has found that "the number of gangs active in the area has a high relationship to the overall level of crime incidents in the area," both gangmotivated and non-gang-motivated crimes (Block, 2000; p 378) (Katz et al. 2002; 483). Authors of the case refrain from the use of the number of gangs and its members due to the unreliability of the data available as it has been proven to be "neither reliable nor collected in a uniform manner" that would

allow valid cross-city comparison (Katz et al. 2002; 482-83). Unfortunately, as testing hypothesis against the variable, which is a reliable alternative measure is deemed impossible at the time of the study, it is impossible to determine the outcome of the study if such measure was available for testing.

This part of the assignment has discussed the case of the creation of specialized police gang units in the light of contingency theory. The notion of organizations creating specialized subunits in order to cope with the various challenges present in the environment within which it operates has been introduced (Scott & Davis, 2007; 103). The hypothesis that the creation of the specialized units was a rational response to the increase of the perceived gang-related crime has been rejected when tested by the data presented in the writings of Katz et al. 2002. However, contingency theory cannot be wholly rejected as a plausible theoretical explanation for the organizational phenomenon in the case since it has not been tested against the alternative measure of number of gangs, gang members and gang-related crimes as well as the increase in non-gang-related crimes in the jurisdictions of the police departments with specialized gang units. Such a conclusion should remain until the appropriate data is collected, studied, and conclusive information is obtained and analyzed.

JUXTAPOSITION

Another theory employed in the case to explore factors responsible for the expansion of specialized gang units is the resource dependency theory. Similar to contingency theory, the resource dependency framework is concerned with the external environment faced by the organizations, focusing on more institutional demands, rather than technical. Resource dependency expands the concept of context to include the ecological level of analysis, viewing collective entity acting in a broader set of relations such as in the class of (similar) organizations (Scott & Davis, 2007; 18). Such expansion brings out an important aspect that was not covered by contingency theory. In the light of contingency theory, organizational restructuring is viewed as a response to the environment (technical in a sense that focus lies on the external

conditions faced by police – the rise of gang crime), but with the addition of resource dependency theory, the organizations and environment (institutional setting surrounding organizations) are acting on and reacting to each other (Donaldson, 1995; 16). It is claimed that organizations are dependent upon resources, which they strive to obtain by engaging with other organizations is the ecology. Resources are viewed as essential for the survival of organizations, and in order to secure them, organizations must be "political in nature and adapt strategically" where the resource exchanges exist (Donaldson, 1995; 16-17).

To further expand the understanding of resource dependency, it is crucial to take a look at this issue from the other side and understand those in possession of the resources. Jeffrey Pfeffer mentioned in his writing on resource dependency the new golden rule: the person with resources makes the rules (Pfeffer, 1990; 83). Although this quote is altered from its original form, the replacement of the word "money" with "resources" is appropriate since the work mentioned that resources in question do not need to be solely monetary. The writing draws on examples in which resources take the form of information and contracts as well as alliances and coalitions. Resources are discussed as a source of power and can be used as a mean of control over other's decision-making processes as long as several conditions are met. Those requirements are resource possession, access to resources and its use or control over its use, or the ability to regulate or make rules regarding possession, allocation, and use of the resource (Pfeffer, 1990; 89).

Although Pfeffer's writing is intended to inform the reader of the ways to secure the resources as an individual in an organization, thus taking a natural system approach, it informs us of the power play which can be executed both within a single organization and in the organizational ecology as a whole. A view adopted by the proponents of the resource dependency theory is that creation of specialized gang units within police departments is directed at signaling threats (real or not) in the effort to justify the need and secure additional resources (Katz et al. 2002; 477). Police departments are viewed as active organisms with the capacity to determine their future. The goals of police as an organization can be described as similar to those outlined by the

contingency theory: maintaining autonomy to continue securing public order and safety through a variety of practices. These goals can be achieved as long as police are present in the community and have resources for maintaining their operations. Organizational autonomy is achieved by securing resources rather than achieving performance targets (Sørensen Thaning, 2019; 27).

It is hypothesized that if the resource dependency framework is a feasible explanation for the creation of specialized units, then those departments receiving external funding for the gang problem would be the most likely to create specialized gang units (Katz et al. 2002; 484). The authors of the case designed a dummy variable to test this hypothesis. It entails the fact that a police department has received financial assistance from the government agencies to assist with gang control functions, and authors coded the data reflecting this fact as "one" if it is accurate and "zero" if not. The hypothesis was tested against the existing data, and evidence shows that, indeed, *police agencies receiving external funding for the efforts in dealing with gang crimes were significantly more likely to have established specialized gang units.*

However, it is necessary to note that it is unclear whether the police agencies created specialized gang units as a means of receiving funding or after the funding was secured. Authors refer to this as a "black box" in the sense that there is evidence that the black box exists, but the contents of it cannot be accurately defined (Katz et al. 2002; 495).

In order to bring another dimension to the juxtaposition of two theories (contingency and resource dependency), the following section of the assignment will discuss the implications on the understanding of the case if resource dependency theory was used as the only way of explaining the phenomenon in question. It is my belief that the understanding of the case would be incomplete if the resource dependency theory would be used as an only explanation of the creation of specialized gang units.

Both theories are concerned with the ecological level of analysis and understand organizations as congeries of interdependent flows and activities linking shifting coalitions of participants embedded in wider material resource and institutional environments (Scott & Davis, 2007; 18). Contingency theory

prevailed the resource dependency as it was developed earlier, in 1967, when the dominant perspective on the organizational theory was the rational system definition. Organizations are understood as collectivities pursuing relatively specific goals and exhibiting relatively highly formalized social structures (Scott & Davis, 2007; 18). Thus, the hypothesis of police agencies as entities guided by "rational" principles in the pursuit of organization-specific goals. Resource dependency theory (1978), however, follows the later developed perspective of organizations as natural systems: collectivities whose participants are pursuing multiple interests, both divergent and common, but who recognize the value of maintaining the organization as an important resource.

While the resource dependency hypothesis is that the agencies create gang units as a mean of securing resources from other organizations in the institutional environment. The hypothesis derived from contingency theory is that the creation of specialized gang units is a rational response to the forces in the environment, specifically the spread of gangs and gang-related crimes, and is directed at a better pursuit of police's goals as an organization. Both hypotheses allow to understand the case in "multi-dimensional glasses" rather than as a linear relationship in case each theory was used in isolation. Members of an organization are interested in the survival of the collective and are therefore interested in securing resources. However, it can be argued that it is not just the flow of resources that influences the management style and structure within an organization. As organizations are social collectives operating within a broader environment, they are responsive to the opinions of the individuals and organizations on which their flow of resources is dependent. As mentioned in the case, the previous analysis suggested that the creation of the specialized gang unit, as well as its day to day operations, were influenced by the external pressures exerted on the chief of police by powerful sovereigns in its environment (Katz et al. 2002; 478).

As the resource dependency theory is intended to look at the goals and motivations of an individual member of an organization (natural system), it explains the motivation of the police chief to give in external pressure and initiate the restructuring of the organization. However, this only covers

individual-level inter-organizational dynamics. Contingency theory contributions have to be introduced to extend the understanding of the consequences brought on an organization as a whole and to trace the dependencies on an organizational, rather than individual level. Contingency theory does an important job of looking at an organization as a whole: although it is comprised of individuals, it acts in its institutional environment as a collective entity.

In the case of specialized gang units, the use of both theoretical frameworks allows us to understand and operationalize the environment as not only the level of gang-related crime but also the perceived influence of the gang problems on the communities affected and the sovereigns responding to individual citizen's concerns. In the absence of contingency theory, the critical aspect of the civic environment would be missing, which would challenge the possibility of tracing an initial understanding of the gang problems.

PERSPECTIVE

Previous sections discussed contingency and resource dependency theories in the light of Police Gang Units case to advance the understanding of the organizational behavior and factors contributing to the decisions taken by the entities in question, and it is my belief that an introduction of a new case will contribute significantly to the understanding of the theories directed at explaining the phenomena in question. The addition I would like to introduce is the case of Google, a well-known tech giant based in California. It was founded in 1988 by two Stanford University graduates, Larry Page and Sergey Brin, with only three employees, including the two founders (Dai, 2007; 434). By the year 2005, the number of employees has reached 5000, and now Google employs over 100 000 people worldwide. Firstly, the organizational structure and practice will be discussed in the light of contingency theory, which will be followed by the analysis of Google, its practices, and performance with regards to the resource dependency theory.

As mentioned previously, contingency theory entails an understanding of an organization adjusting its practices and structure according to the

environment and, consequently, both the opportunities and constraints brought by it. Therefore, it is essential to look at the industry within which Google operates and outline the basic features. As Google is a technology company that specializes in Internet-related services and products, it is now considered one of the four technology giants. The industry within which it operates can be characterized as one with rapidly changing conditions and technological advancements, one in which a high degree of specialization is required. Following from the contingency theory, we should expect to see a effective organization adjusting its managerial and operational strategies to this environment. In particular, the industry context requires highly specialized employees with a management style described as "organic" by Burns & Stalker (Lawrence & Lorsch, 1967; 187-189).

This is, indeed, observed in Google's organizational structure, which can be described as horizontal (or flat). Information is shared across all levels, which was theoretically described as the most beneficial information-sharing structure for the specific conditions shared by the structure. "If the criteria of effectiveness are more ephemeral, more general (as opposed to being highly routinized, non-involving), then the more egalitarian or decentralized Network III [a network with all the actors sharing the information] seems to work better" (Lawrence & Lorsch, 1967; 199-203). Employees of a lower rank are able to bypass middle management and communicate with the higherranking employees, which fosters a culture of openness and equality and allows for the ideas nurtured by those "lower-rank" employees to not be wasted. It is evident from an interview of one of the founders, Larry Page, in which he mentions that "It is important that the company be a family, that people feel that they are part of the company and that the company is like a family to them" (Lashinski, 2012). It is evident from this quote that the structure resembles familial- (or clan-) type organizations, where the structure is flatter, people are pre-socialized, and trust and cooperation are viewed as increasing efficiencies.

In this part, the resource dependency theory will be applied to understand and analyze the practices which brought Google success, allowing it to secure a significant market share and, as a result, power and profits. Having started

as a research project, google differentiated among the other search engines of the time by employing the relevance-based ranking system rather than quantity-based one that was in use at the time. Starting the year 2000, Google introduced an advertisement-funded search that was solely text-based, as opposed the analogs at the time that were perceived as “cluttering” (Hosch & Hall, 2019). This illustrates an application of the advice given by Pfeffer in his writing on resource dependency: "an effective strategy is often to go where the competition is not" (Pfeffer, 1990; 87). As the majority of advertising at the time was displayed in printed press and television, Google realized the opportunity to capitalize on the growing use of internet, largely unexploited resource, having secured a significant market share, they employed this resource to secure further flow of revenues through advertising.

Overall it may be said that the case of Google allowed demonstrating the key aspects of the contingency theory on a real-life example of a successful enterprise, verifying the validity of prescriptive implications of the theoretical framework. While the structure and practices of Google have demonstrated the goodness of fit with the environmental variables of the tech industry, the rapid growth of market share, as well as revenues, in the early years of the enterprise, can be attributed to the factors described by the resource dependency theory. According to the writing on the framework, in getting things done, building coalitions of support, as well as finding and developing resources, are essential activities (Pfeffer, 1990; 110). Google has successfully employed both practices in its operations, and therefore resource dependency theory has been demonstrated to give a productive description of the prescriptive implications of the framework.

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