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D. S. Pugh, D. J. Hickson, C. R. Hinings, and C. Turner

The Context of Organization Structures

Aspects of organizational context that have been held to be relevant to organizational structure were examined. Seven primary concepts of organizational context, viz.: origin and history, ownership and control, size, charter, technology, location and dependence on other organizations, were analyzed and operationally defined scales constructed. These were used as independent variables in a multivariate regression analysis to predict three underlying dimensions of organization structure previously established. The size of the correlations obtained on a sample of 46 organizations in the English Midlands (0.75 with structuring of activities using size and technology as predictors; 0.75 with concentration of authority using dependence and location as predictors; 0.57 with line control of workflow, using the operating variability scale of charter as a predictor) indicates that these aspects of context are salient for structure. The framework of contextual and structural variables is seen as making possible processual studies on a much more rigorous comparative basis than before.[1]

The structure of an organization is closely related to the context within which it functions, and much of the variation in organization structures might be explained by contextual factors. Many such factors, including size, technology, organizational charter or social function, and interdependence with other organizations, have been suggested as being of primary importance in influencing the structure and functioning of an organization.

There have been few attempts, however, to relate these factors in a comparative systematic way to the characteristic aspects of structure, for such studies would require a multivariate factorial approach in both context and structure. The limitations of a unitary approach to organizational structure have been elaborated elsewhere (Hinings *et al.*; 1967), but its deficiencies in the study of contextual factors are no less clear. Theorists in this area seem to have proceeded on the assumption that one particular contextual feature is the major determinant of structure, with the implication that they considered the others less important. Many writers from Weber onwards have mentioned size as being one of the most important causes of differences between structures, and large size has even been considered as characteristic of bureaucratic structure (Presthus, 1958). Others argue for the pre-emptive importance of the technology of production or service in determining structure and functioning (Dubin, 1958; Perrow, 1967; Woodward, 1965; Trist *et al.*, 1963). Parsons (1956) and Selznick (1949) have attempted to show in some detail that the structure and functioning of the organization follow from its social function, goals, or "charter." Eisenstadt (1959) emphasized the importance of the dependence of the organization on its social setting, particularly its dependence on external resources and power, in influencing structural characteristics and activities. Clearly all of these contextual factors, as well as others, are relevant; but without a multivariate approach, it is not possible to assess their relative importance.

A previous paper described the conceptual framework upon which the present multivariate analysis is based (Pugh *et al.*, 1963), and a subsequent paper its empirical development (Pugh *et al.*, 1968). It is not a model of organization in an environment, but a separation of variables of structure and of organizational performance from other variables commonly hypothesized to be related to them, which are called "contextual" in the sense that they can be regarded as a setting within which structure is developed. Table 1 summarizes the frame-

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