Theory X & Theory Y

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Abstract – **Theory X and Theory Y are theories of human motivation created and developed by social psychologist Douglas McGregor at the MIT Sloan School of Management in the 1960s that have been used in human resource management, organization behavior, organizational communication and organizational development. They describe two contrasting thinking of workforce motivation.**

Keywords— Theory X Theory Y, Douglas McGregor, Theory X, Authoritarian Style of managing, Theory Y, Participative style of managing, Maslow's Hierarchy of Needs, Robert Towsend, 'Up the organization'

I. INTRODUCTION

Theory X and Theory Y represent the perceptions managers hold about their employees. It is not about their general behavior outside the work place, it pertains on their job, while working in the organization.
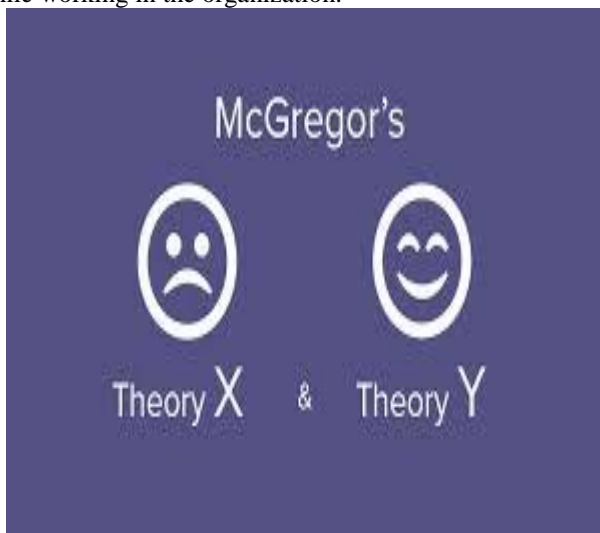

Figure 1

It is contrasting because many people get great satisfaction from their work and take great pride in it while others may view it as a burden, and simply work to survive.

This question of motivation has been studied by management theorists and social psychologists for decades, in attempts to identify successful approaches to management. Every manager's management style is strongly influenced by his/her beliefs and assumptions. Every manager accordingly treats and motivates members of his team. If the manager feels that his team members dislike work, he will be inclined towards an authoritarian style of management. On the other hand, if a manager assumes that employees take pride in doing a good job, he will tend to adopt a more participative style.

II. THEORY X

The **'Theory X'** management assumes employees are inherently lazy and will avoid work if they can and that they inherently dislike work. As a result of this, management believes that workers need to be closely supervised and all-inclusive systems of controls be developed. It requires a hierarchical structure with narrow span of control at each and every level. According to this theory, employees will show little ambition without a tempting incentive program and will avoid responsibility whenever they can.

Figure 2

Theory X managers rely heavily on threat and intimidation to gain their employees' fulfillment. Theory X managers present an authoritarian style in which emphasis is laid on productivity or output. These managers expect a fair day's work from their subordinates. It also reflects that such managers behave as watchdogs and they constantly suspect that people want to avoid work. Theory X is the style that predominated in business after the mechanistic system of scientific management had swept everything before it in the first few decades of the 20th century. This theory is based on mistrust in employees and it styles around highly restrictive supervision, and a disciplinary atmosphere. It gives rise to autocratic leadership. Such leaders provide clear expectations for what needs to be done, when it should be done, and how it should be done. There is also a clear division between the leader and the followers. These managers tend to micro-manage and are extremely task oriented.

In a small business environment, the owners often implement Theory X form of leadership when the operation is relatively small and he has a limited number of employees. While an authoritarian style is considered more traditional, and in some instances, outdated form of leadership, it still offers a variety of benefits. An authoritarian style of leadership can be effective in work environments where decisions need to be

made quickly. The sole responsibility rests with the leader, and he/she makes the decision without the need to consult others. If a business faces constant change, the autocratic leader is able to respond in a way that prevents the business from falling behind the competition and keeps up with customer demand. In a state of emergency when a riot breaks, or major accidents take place or in a war the army and police chiefs are required to take on the spot decisions and during such times autocratic decision works.

Figure 3

III. THEORY Y

Theory Y is a participative style of management which assumes that people will exercise self-direction and self-control in achieving the organizational goals and objectives. It assumes that employees are committed to organization's objectives. It is management's main task in such a system to mould the employees and maximize their commitment.

Theory Y leaders are participative leaders - also known as democratic leaders; it is believed to be the most effective leadership style in today's business world. Democratic leaders offer guidance to group members, they give reasonable autonomy to their subordinates and allow them to participate in the group. They appreciate inputs and ideas from their group members. Theory Y leaders encourage group members to participate, but retain the final say over the decision-making process. Group members feel engaged in the process and are more motivated and creative. This is a more dignified and enlightened management style.

Please understand that theory Y though you feel is liberated, is difficult to practice when goals and objectives are blurred in an organization. It challenges the groups and managers to innovate, to discover new ways of organizing and directing human effort. A perfect organization is like an illusion. Douglas McGregor urged companies to adopt Theory Y. He believed that motivated individuals give far more productivity. It brings the highest levels of achievements. Theory X merely satisfies worker's basic physical needs and not their social, self esteem needs and self actualization needs. "Man is a wanting animal," wrote McGregor, "as soon as one of his needs is satisfied another appears in its place."

Theory X and Theory Y relates to Maslow's '**hierarchy of needs**' in how human behavior and motivation are main priorities in the workplace in order to maximize output. In Theory Y, the organization is trying to create the most symbiotic relationship between the managers and workers, which relates to Maslow's needs for self-actualization and

Esteem. For self-actualization, the manager promotes the optimum workplace culture through ethics, morality, creativity, spontaneity, problem solving, without prejudice and by accepting facts. We must realize that prejudice exists in others, even as we try to minimize it in ourselves. A Theory Y manager tries to promote each team member's self-esteem, confidence, achievement, happiness, respect of others, and respect by others.

Do you know Maslow was indeed greatly influenced by McGregor? So much so that he tried to introduce Theory Y into a Californian electronics business, but found that the idea in its intense form did not work well. Maslow thus concluded that however independent and mature people are; they need some form of rules and regulation for adherence around them and some direction from superiors. Maslow also criticised Theory Y for its callousness – as it hardly works well on the weak and incapable employees who are not competent enough of a high level of self-motivation.

Whereas, Robert Towsend an American business executive and author who is noted for transforming Avis into a rental car giant wrote in his comic classic "Up the Organization", powerfully in support of Theory Y that people don't hate work. It's as natural as rest or play. They don't have to be forced or threatened. If they commit themselves to mutual objectives, they'll drive themselves more effectively than you can drive them. But they'll commit themselves only to the extent they can see ways of satisfying their ego and development needs.

Figure 4

IV. CONCLUSIONS

Many studies conducted on Theory X Theory Y indicate that there is no such one best organizational approach; rather, the best approach depends on the nature of the work and the organizational structure. Enterprises with highly predictable tasks perform better with by the highly formal procedures and management hierarchies of the classical approach. On the other hand, organizations with highly uncertain tasks that require more extensive problem solving, are less formalized and they emphasize on employees' self-control and participation in decision making which works effectively. In quintessence, according to these newer studies, managers must be flexible in delegating and controlling employees.