DOUGLAS MCGREGOR THEORY X AND Y

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Abstract

Theory X and Theory Y was an idea devised by Douglas McGregor in his 1960 book “The Human Side of Enterprise”. Theory X is management style where the emphasis is on “productivity”, on the concept of a fair day's work, on the evils of feather-bedding and targeted output. Theory Y is almost in complete contrast to that of Theory X. Theory Y make assumptions that people in the work force are internally motivated, self-direction and self-controlled.

Introduction

THOERY X:

Douglas McGregor introduced Theory X & Theory Y in book “The Human Side of Enterprise” is based on assumptions about human nature and behavior determined how individual manages their employees. Generally, Theory X style managers believe their employees are less intelligent than the managers are, lazier than the managers are, or work solely for a sustainable income. Theory X believes employee works for their basic needs. The ‘Theory X’ manager believes employee need closed supervision and the responsible individual given a direct reward. This managerial style is more effective when used to motivate a workforce that is not inherently motivated to perform. The loose end can trace by closed supervision. The employee categories under Theory X dislikes the, they avoids the responsibility.

Overall, Theory X generally proves to be most effective in terms of consistency of work. Although managers and supervisors are in almost complete control of the work, this produces a more systematic and uniform product or work flow. Theory X can also benefit a work place that is more suited towards an assembly line or manual labor type of occupation. Theory X behavior and nature largely seem in the unorganized employee of any industry. Theory X is suitable when there is mass produce more quantity and higher quality work, which in turns brings more profit. Theory X is an authoritarian style where the emphasis is on “productivity”.

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Theory X assumes that individuals are base, work-shy and constantly in needs to fulfill their low-level needs. We have compared Maslow’s hierarchy of needs to the base level with theory x assumptions.

According to McGregor, Theory X leadership assumes the following:

- Leadership assumes that money is only motivation for the employees, and they will attempt to avoid work whenever possible.
- Most people are not ambitious, have little desire for responsibility, and dislike the work.
- Most people have little aptitude for creativity in solving organizational problems.
- Motivation occurs only at the physiological and security levels of Maslow’s Needs Hierarchy.
- Most people are self-centered. As a result, they must be closely controlled and often coerced to achieve organizational objectives.
- Most people resist change.
- Most people are gullible and unintelligent.
- The average human being has an inherent dislike of work and will avoid it.
- Most people must be coerced, controlled, directed, and threatened with punishment.
- The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants security.
- Centralized control
- Can be categorized into unskilled labor.

The Problem with Theory X

- The firm relies on money and benefits to satisfy employees' lower needs.
- Once these needs are satisfied the source of the motivation is lost.
- Theory X management styles hinders the satisfaction of higher level needs.
- The only way employees can attempt to satisfy their higher-level needs is by seeking more compensation.
- It is quite predictable that they will focus on monetary rewards.
- While money may not be the most effective way to self-fulfillment, in a theory x environment it may be the only way.
- People use work to satisfy their lower needs, fails to fulfill higher order needs.
- People seek to satisfy their higher needs in their leisure time.

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THOERY Y:
"Theory Y is almost in complete contrast to that of Theory X". Theory Y managers make assumptions that people in the work force are internally motivated, enjoy their labor in the company, and work to better themselves without a direct "reward" in return. Theory Y employees are considered to be one of the most valuable assets to the company, and truly drive the internal workings of the corporation. Also, Theory Y states that these particular employees thrive on challenges that they may face, and relish on bettering their personal performance. Workers additionally tend to take full responsibility for their work and do not require the need of constant supervision in order to create a quality and higher standard product.

Because of the drastic change compared to the "Theory X" way of directing, "Theory Y" managers gravitate towards relating to the worker on a more personal and relatable level, as opposed to a more conductive and teaching based relationship. As a result, Theory Y followers may have a better relationship with their higher ups, as well as potentially having a healthier atmosphere in the work place.

In comparison to "Theory X", "Theory Y" adds more of a democratic and free feel in the work force allowing the employee to design, construct, and publish their works in a timely manner in co-ordination to their work load and projects. A study was done to analyze different management styles over professors at a Turkish University. This study found that the highly supervised Theory X management affected the research performance of the academics negatively. In general, the study suggests that the professional setting and research based work that professors perform are best managed with Theory Y styles. Theory Y is a participative style of management which “assumes that people will exercise self-direction and self-control in the achievement of organizational objectives to the degree that they are committed to those objectives”. It is management's main task in such a system to maximize that commitment.

While "Theory Y" may seem optimal, it does have some drawbacks. While there is a more personal and individualistic feel, this does leave room for error in terms of consistency and uniformity. The workplace lacks unvarying rules and practices, and this can result in an inconsistent product which could potentially be detrimental to the quality standards and strict guidelines of a given company. Theory Y gives management no easy excuses for failure. It challenges them “to innovate, to discover new ways of organising and directing human effort, even though we recognise that the perfect organisation, like the perfect vacuum, is practically
out of reach”. McGregor urged companies to adopt Theory Y. Only it, he believed, could motivate human beings to the highest levels of achievement. Theory X merely satisfied their lower-level physical needs and could not hope to be as productive. “Man is a wanting animal,” wrote McGregor, “as soon as one of his needs is satisfied another appears in its place.”

There are parallels with Abraham Maslow's hierarchy of needs, and 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 extreme form did not work well. All individuals, he concluded, however independent and mature, need some form of structure around them and some direction from others. Maslow also criticised Theory Y for its “inhumanity” to the weak, and to those not capable of a high level of self-motivation. 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.

In strong contrast, Theory Y leadership makes the following general assumptions:

- Work can be as natural as play if the conditions are favorable.
- People will be self-directed and creative to meet their work and organizational objectives if they are committed to them.
- People will be committed to their quality and productivity objectives if rewards are in place that addresses higher needs such as self-fulfillment.
- The capacity for creativity spreads throughout organizations.
- Most people can handle responsibility because creativity and ingenuity are common in the population.
- Under these conditions, people will seek responsibility.
- Physical and mental effort in work is similar to play / rest.
- External control and the threat of punishment are not the only strategies
- Commitment to objectives is a function of the rewards associated with their achievement
- The average human being learns, under proper conditions, not only to accept but to seek responsibility
- The capacity to exercise a high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely distributed in the population
• Intellectual potentialities of the average human being are underutilized

Conclusion

Though these theories are very basic in nature, they provide platform for future generations of management theories and practitioners to understand the changing dynamic of human behavior.

Reference


