

DOUGLAS MCGREGOR: RELEVANCE OF THEORIES X AND Y IN THE PRESENT DAY CONTEXT

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Abstract

One of the most well-known ideas about what motivates employees and how it relates to their behaviour and performance on the work is McGregor's thesis. According to this idea, motivation may and should be done in a variety of different ways, depending on whether the worker in question is classified by McGregor as Type X or Type Y. This distinction is determined by the employee's personality type. A review was carried out with the purpose of addressing the contribution and recent results of the theory in the context of the modern workplace, and that review is presented here. The identification of a number of recent studies that ended with inconclusive conclusions led to the conduct of additional research that ultimately resulted in the construction of a viable scale for assessing X and Y in terms of their attitudes-behaviors and work performance. Despite the fact that this theory has not been shown to be supported by significant empirical evidence, it nevertheless has the potential to become a useful framework for gaining a deeper comprehension of how people behave in professional settings. Additionally discussed are potential application areas as well as directions for further study.

keywords: Douglas, McGregor, Theories

Introduction

According to Priya and Eshwar (2014), the value of an organization's human resources is considered to be its most valuable asset. As a result, for an organisation to produce better operational outcomes, it is necessary to make investments in the motivation of its people resources. According to Hansen et al. (2002), ever since the introduction of scientific management more than a century ago, the primary focus of organisations and management has been the motivation of employees and the incentives that go along with that motivation (Hansen et al., 2002). According to Larkin (2014), determining the structure and the nature of the motivating incentives that are most appealing to an organization's workforce is one of the most difficult jobs that an organisation is tasked with performing (Larkin, 2014). What compels individuals to get out of bed and go to work each day? Do they report high levels of job satisfaction and a sense of pride in performing their duties to the best of their abilities? Or do they just have to work to maintain their standard of living because they view it as a burden? The manner in which employees of an organisation are managed is profoundly impacted by each of the aforementioned presumptions regarding that organization's workforce. The fields of employee motivation and workplace motivation have been the subject of a significant amount of research, which has led to the creation of a wide variety of theories and models. According to Schultz (2014), the objective of these theories is to assist in the construction of tools that will enable organisations to achieve cost-effective behaviours from employees that are also compatible with the goals of the organisation. The Theory X and Y, which was developed by McGregor, is one of the most well-known ideas that is based on the motivation and

behaviour of employees. Theory X emphasises the relevance of enhanced supervision, external incentives, and punishments, whereas Theory Y places an emphasis on the motivating function of job satisfaction and encourages workers to undertake jobs without direct supervision. X also explores the significance of external rewards and punishments. According to McGregor (1960), managers have the choice of incorporating strategies based on both Theories X and Y into their operations. This is because the adoption of either Theory X or Theory Y by managers may have a variety of effects on the motivation and productivity of employees. The purpose of this literature study is to investigate McGregor's theory and determine whether or not it has had any impact on the workplace as of now.

DOUGLAS MCGREGOR

McGregor passed away in 1964 at the age of 58, but not before making a significant impact on the subject of management. McGregor's first degree is in social psychology, and he transferred the knowledge and skills he gained there to the field of management. According to an article that was published in 2008 in *The Economist*, "he was not necessarily the first to come across the ideas associated with him." On the other hand, he was the first person to 'name' them. As a direct consequence of this, he is most often connected with them. According to Lerner (2011,), "what he sought, in general, and perhaps even more profoundly, was a better understanding of how human factors affected, and were incorporated into, organisational behaviour and outcomes." Even in the modern era, the influence of his groundbreaking way of thinking may be seen in a variety of managerial subfields.

Type X and Type Y

McGregor's theory of employee behaviour was first proposed in 1957 and has since become one of the most well-known ideas in this area. His theory examines the variables of employee motivation that contribute to the behaviours that employers observe in the workplace. According to McGregor, every manager has their own theory or "cosmology" on employee motivation, which inherently reflects their ideas on humanity in general. This is because McGregor believes that every manager has their own "cosmology" on employee motivation. McGregor was of the opinion that the underlying values held by managers had a significant impact on the way in which organisations are managed. Beliefs held by managers on the conduct of others are an extremely important factor in this. According to McGregor, these hypotheses may be classified into one of two primary groups: either Theory X or Theory Y. The book titled "The Human Side of Enterprise," published in 1960, has documentation of these results. Both Theory X and Theory Y provide a description of two management strategies that are diametrically opposed to one another by describing two distinct viewpoints on individuals when they are at work (McGregor, 1960).

Type X

As a result of the fact that the majority of business schools often teach a more Theory Y approach to management, the concept that McGregor referred to as the "Conventional View" of management duties may appear perplexing to younger people. Nevertheless, in the 1950s, when he was writing the "conventional conception of management's task in harnessing human energy to organizational requirements," or what he described as Theory X (in order to avoid the complications associated with creating a label, 1957), was that it was the responsibility of management to organize, direct, control, and modify the behavior of employees as otherwise, they might become passive or even resistant to work. In 1957, he described Theory X as "the duty of management." According to McGregor's argument from 1957, the foundations of this perspective were that

people were unwilling to work, lacked ambition and a desire for responsibility, were selfish, resistant to change, and gullible. McGregor also stated that people were gullible. Therefore, the common belief was that individuals needed to be led by others and, furthermore, that they desired to be led by others. The 'hard' and 'soft' management techniques were developed as a response to these beliefs about management styles, which led to their development. The 'hard' method was one that was forceful, required close monitoring and tight control, and frequently resulted in resistance and obstruction. The 'soft' approach was one that was perceived as resulting in the abdication of management and indifferent performance. "Firm but fair" was the popular technique that was adopted at that time among managers (McGregor, 1957). The flaw in this method was that the behavior of workers was not a product of their "inherent nature" (McGregor, 1957), but rather it was a consequence of the nature of industrial organizations, of "management philosophy, policy and practice." This was the major flaw in this method. In his book Principles of Management, Tony Morden makes the following point:

When it is clear that Theory X accurately reflects the way employees feel about the environment in which they work, managers may, as a matter of practical consequence, adopt a "traditional" low-trust view of the necessity to direct and control the efforts of their staff toward the accomplishment of organizational goals. (Morden, 2004).

In effect, the way that management views its employees results in a self-fulfilling prophecy. If employees are viewed as indolent and lazy, they will begin to behave in such a manner and will require close supervision and direction. Furthermore, Theory X fails because it does not consider human motivation, the needs of humans.

It fails because direction and control are useless methods of motivating people whose physiological and safety needs are reasonably satisfied and whose social, egoistic, and self-fulfillment needs are predominant. (McGregor, 1957).

McGregor (1957) offered an alternative method to management that he named Theory Y. This approach was distinguished from Theory X, sometimes known as the traditional approach to management, by its reliance on "more adequate assumptions about human nature." In this view, the function of management is not limited to providing guidance; rather, it also includes the organization of the resources necessary for an organization to achieve its goals, whether those resources are human or material. People are not passive, and it is the role of management to give chances for the growth of their workers, to release their potential by providing the conditions so that people may harness their efforts to achieve the organization's goals. People are not passive. This viewpoint is predicated on the assumption that people are not lazy and aimless, but rather the opposite and are always looking for something to focus their attention on. It was beginning to be known, as stated by McGregor (1957), "that, under proper conditions, unimagined resources of creative human energy could become available within the organizational setting," at the time. To put it another way, after an organization has satisfied the most fundamental requirements of its human resources, it has the possibility (and, according to Head, 2011, page 204, the obligation) to "draw out" the performance of its employees in order to satisfy the more advanced requirements of those resources. This viewpoint was criticized on the grounds that it led to managers evading their responsibilities, which was one of the consequences. However, this assessment failed to take into account the fact that the Theory Y method necessitated a fully involved managerial position, and that the job of management had shifted from that of providing direction to that of fostering an environment in which workers are given the opportunity to realize their full potential in the service of the organization's

objectives. McGregor was the first person to point out that this "goal" was not something that could be reached overnight. As he stated (McGregor, 1957), "change in the direction of Theory Y will be slow, and it will require extensive modification of the attitudes of management and workers alike." [Citation needed] McGregor was the first person to point out that this "goal" was not something that could be achieved overnight.

The basic difference between the two approaches is well expressed by McGregor.

Another way of saying this is that Theory X places exclusive reliance upon external control of human behavior, whereas Theory Y relies heavily on selfcontrol and self-direction. It is worth noting that this difference is the difference between treating people as children and treating them as mature adults. (McGregor, 1957).

Type Y

On the other hand, Theory Y places an emphasis on the idea that individuals are capable of exercising self-control and self-direction in order to accomplish the organizational objectives and goals to which they have committed. The managers that follow Theory Y have a positive attitude toward the workers under their supervision and use a management style that emphasizes employee participation and decentralization. This helps to develop a link between management and staff that is more conducive to collaboration and trust. People are given additional responsibilities, and their managers encourage them to enhance their capabilities and provide ideas. Regular performance reviews are carried out; however, in contrast to the organizations described in Theory Y, these reviews are designed to encourage open communication among workers rather than to exert authority over them (Hattangadi, 2014; Mansaray, 2014). According to hypothesis Y, workers are also provided with consistent chances for professional growth. This style of management assumes that employees are willing to work on their own initiative, have involvement in decision making, have self-motivation to complete their daily tasks, enjoy taking ownership of their work, seek and take responsibility, and require minimal guidance, view work as challenging and fulfilling, and solve problems in a creative and inventive manner (McGregor, 1960). This management style also assumes that employees view work as challenging and fulfilling, and solves problems in a creative and inventive manner. It is of the utmost significance to take into mind that theory Y may have the impression that it is more free, and as a result, it may be difficult to put into effect inside an organization in which the aims and goals are not crystal defined. When it comes to organizing and directing human activity, managers have the difficulty of being forced to be creative and imaginative in their approach. (Hattangadi, 2014; Mansaray, 2014) McGregor advised firms to embrace theory Y because he felt that motivated employees are considerably more productive and, as a consequence, to result in the highest levels of accomplishments. He also believed that theory Y would result in the highest levels of achievements. The employees' fundamental bodily needs are the only ones that are met by Theory X; their social, self-esteem, and self-actualization requirements are not addressed. Both Theory X and Theory Y may be related to Maslow's "hierarchy of needs" by examining how human behavior and motivation are major factors that must be taken into consideration in the workplace to achieve maximum output. According to Theory Y, the purpose of the business is to cultivate the most symbiotic connection between managers and employees as is humanly feasible. This goal is in line with Maslow's goals for self-actualization and self-esteem. The manager is responsible for developing a work environment that is conducive to self-actualization by encouraging ethical and moral behavior, inventiveness, spontaneity, problem solving, objectivity, and acceptance of facts. It is necessary for us to accept the existence of prejudice in other people while simultaneously working to reduce it in ourselves. According to Hattangadi (2014) and

Mansaray (2014), a Theory Y manager works to boost the self-esteem, confidence, and sense of achievement of each member of their team, as well as their level of happiness and respect for both themselves and others.

CONTRIBUTION

The discipline of management has benefited immensely from McGregor's conceptualizations as a result of their application. A paradigm shift from viewing employees as lazy and aimless to the realization that humans want to work, want to self-direct, and make a contribution, as well as the realization that it is the responsibility and duty of managers to create the conditions for employees to contribute positively, is perhaps the most important change in how organizations view their employees. This shift comes from the realization that humans want to work, want to self-direct, and make a contribution. To put it another way, making people aware of the fact that transformational rather than transactional leadership is required of managers in accordance with Head (2011). On the other hand, Head contends that McGregor's theories lead to a deeper appreciation of the importance of teamwork to the success of an organization.

When one looks at what contemporary organization behavior scholars have identified as the critical elements leading to successful groups it is awe inspiring how much they agree with McGregor' assessment. (Head, 2011, p. 206).

As a result of this, organizations came to realize the need for management equality in the workplace. They realized that in order to get the most out of the varied human capital an organization possessed, all of its employees needed to be treated the same and given the same chances to contribute. This was a result of the fact that this led to organizations understanding the need for management equality in the workplace. On the other hand, not everyone would agree that McGregor's concepts have become established and have had an impact on the modern organization. According to Lerner (2011, page 225), the author's argument is that "it does not seem apparent that these insights and subsequent discoveries have taken firm hold in the minds and behavior of managers." Certain dysfunctional conduct that is less than ideal and zzeven continues to exist." Although this may be the case, it does bring up an important issue that was brought up by McGregor, which is that our understanding of this topic is in its infancy and that much more investigation has to be carried out. William Ouchi, a researcher who has taken up the challenge and produced what he named Theory Z in the 1980s, is an example of one of the researchers who has accepted the task. This was an attempt to combine Japanese and American management principles and was in part a reaction to the expansion and success of the Japanese economy. According to Lerner (2011, page 224) and his explanation of Ouchi, "with direct reference to Maslow and other social researchers, as well as McGregor, wrote Theory Z... which addressed a set of human needs, if not beliefs, based on issues like affiliation/belongingness and loyalty that are not addressed by Theory X or Theory Y." In its essence, Theory Z goes farther than McGregor in its argument that the organization has to not only exploit the strengths of its employees but also establish trust and a consensus of values among its members. As Morden states:

It is possible that high technology enterprises, as well as service organizations like airlines, hotels, educational institutions, and hospitals, in which people-based skills and expertise are significant drivers in the value-generating process or value chain, may find Theory Z to be particularly useful.. (Morden, 2004, p. 184)

In practice, this meant satisfying McGregor's wish, as well as his realization that further study was required. Schein (2011) argues that perhaps McGregor's ideas could be applied to initial selection in the workplace,

using his assumptions to identify Theory Y people, which is something that has been "largely over-whelmed by the obsession with development and training." Happily, further research is still ongoing. Schein's argument is supported by the fact that further research is still ongoing. According to his argument, "rather than fixating on the desirable characteristics of leaders, we may begin to pay attention to undesirable assumptions that need to be weeded out" (Schein, 2011). A quotation from Lerner (2011,) would be a good way to summarize his contribution: "what he sought in general, and perhaps more profoundly, was a better understanding of how human factors affected, and were incorporated into, organizational behavior and outcomes." The research is still ongoing, but there is now a higher understanding on the part of organizations with regard to the alignment of human needs to the aims of the organization.

CONCLUSION

McGregor provided us with a beginning point, one that he most likely did not comprehend himself, that would bring us to where we are today...it is simply mind-boggling how right the man was fifty years later. (Head, 2011) Even if McGregor's theories, which were aimed to initiate scientific inquiry into management practice, are still of enormous relevance in the modern world, it would be far from the truth to argue that the examination is complete. However, the application of his theories is not complete, and there are fresh lines of inquiry that have the potential to provide beneficial findings. His ideas have had a great deal of importance throughout the course of the past 50 years in reshaping the view of managing people. His concepts form the basis of the contemporary understanding of management, and it is the author's opinion that they will continue to do so for the foreseeable future as well.

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