

Theory X and Theory Y of Motivation by McGregor

Douglas McGregor expressed his views of human nature in two sets of assumptions. They are popularly known as 'Theory X' and 'Theory Y'. Theory X stands for the set of traditional beliefs held, while Theory-Y stands for the set of beliefs based on researchers in behavioural science which are concerned with modern social views on the man at work.

These two theories represent the extreme ranges of assumptions. The managerial attitudes and supervisory practices resulting from such assumptions have an important bearing on employees' behaviour.

Theory X assumptions are negative;

- Employees inherently dislike work and, whenever possible, will attempt to avoid it.
- Since employees dislike work, they must be coerced, controlled, or threatened with punishment.
- Employees will avoid responsibilities and seek formal direction whenever possible.
- Most workers place security above all other factors and will display little ambition.

Managers who accept theory-X assumptions tend to structure, control and closely supervise their employees. These managers think that external control is appropriate for dealing with unreliable, irresponsible and immature people.

Drawing heavily on Maslow's hierarchy of needs, McGregor concluded that theory-X assumptions about the nature of man are generally inaccurate and the management practices that develop from these assumptions will often fail to motivate individuals to work toward organizational goals.

Management by direction and control may not succeed as it is a questionable way of motivating people whose physiological and safety needs are reasonably satisfied and whose social, esteem and self-actualization needs are becoming predominant.

Given the drawbacks of theory-X, McGregor developed an alternative theory of human behaviour called Theory-Y.

Theory Y assumptions are positive;

- Employees can view work as being as natural as rest or play.
- People will exercise self-direction and self-control if they are committed to the objectives.
- The average person can learn to accept, even seek, responsibility.
- The ability to make innovative decisions is widely dispersed throughout the population.

Managers who accept theory-Y assumptions about the nature of man do not attempt to structure, control or closely supervise the employees.

Instead, these managers help their employees mature by subjecting them to progressively less external control and allowing them to assume more and more self-control. Employees derive the satisfaction of social, esteem and self-actualization needs within this kind of environment.

Thus theory-Y aims at the establishment of an environment in which employees can best achieve their personal goals by consulting, participating and communicating themselves to the objectives of the organization. In this process, employees are expected to exercise a large degree of internal motivation.

Theory X assumes that lower-order needs to dominate individuals. Theory Y assumes that higher-order needs to dominate individuals. McGregor himself held to the belief that Theory Y assumptions were more valid than Theory X.

There is no evidence to confirm that either set of assumptions is valid. Either Theory X or Theory Y assumptions may be appropriate in a particular situation.

Theory-X and Theory-Y Management Application-Business Implications for Workforce Motivation.

If Theory-Y holds, an organization can apply these principles of scientific management to improve employee motivation:

- Decentralization and Delegation: If firms decentralize control and reduce the number of levels of management; managers will have more subordinates and consequently will be forced to delegate some responsibility and decision-making.
- Job enlargement: Broadening the scope of an employee's job adds variety and opportunities to satisfy ego needs.
- Participative management: Consulting employees in the decisions making process taps their creative capacity and provides them with some control over their work environment.
- Performance appraisals: Having the employee set objectives and participate in the process of evaluating how well they were met.
- If properly implemented, such an environment would result in a high level of workforce motivation as employees work to satisfy their higher level of personal needs through their job.

McGregor's theory, which is based on assumptions concerning the motives of individuals, views motivation from the perspective of managerial attitude.