



Understanding Theory X and Theory Y

Theory X and Theory Y were first explained by McGregor in his book, '**The Human Side of Enterprise**,' (1960), New York and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

Theory X

Theory X managers tend to take a pessimistic view of their people, and assume that they are naturally unmotivated and dislike work. As a result, they think that team members need to be prompted, **rewarded** or punished constantly to make sure that they complete their tasks.

Work in organizations that are managed like this can be repetitive, and people are often motivated with a "**carrot and stick**" approach. Performance **appraisals** and **remuneration** are usually based on tangible results, such as sales figures or product output, and are used to control staff and "keep tabs" on them.

This style of management assumes that workers:

Theory Y

Theory Y managers have an optimistic, positive opinion of their people, and they use a decentralized, participative management style.

This encourages a more **collaborative, trust-based** relationship between managers and their team members.

People have greater responsibility, and managers encourage them to develop their skills and suggest improvements. Appraisals are regular but, unlike in Theory X, they are used to encourage open communication rather than control staff.

Theory Y organizations also give employees frequent opportunities for promotion. This style of management assumes that workers are:

| Theory "X" | Crux | Theory "Y" |
|---------------------------------|---------------|--|
| 1. Dislike or avoid their work. | Liking | 1. Will work towards goals. |
| 2. Priority security | Priority | 2. Priority Job enrichment |
| 3. Needs constant direction. | Direction | 3. Are self-directed. |
| 4. Can not make decisions. | Decision | 4. More involved in decision making. |
| 5. Not Achievement oriented. | Achievement | 5. Are Achievement oriented. |
| 6. Not dependable. | Dependability | 6. Are dependable. |
| 7. Motivated by money. | Motivation | 7. Self-motivated to complete their tasks. |

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| 8. Not concerned with organisational needs. | Degree of concern | 8. Enjoy taking ownership of their work. |
| 9. Can not change. | Adaptability | 9. Willing to change for betterment. |
| 10. Must be controlled, forced and threatened to deliver work. | Check or control | 10. Should be given autonomy or freedom to work to get best (Refer FM William Slim- D into V) |
| 11. Need to be supervised at every step. | Supervision | 11. No supervision required, that affects their efficiency and initiative. |
| Q12. What to do- to get work done? Ans. 12.1 Apply P ³ Pull, Push and Prick according to VKG or carrot and a stick method. 12.2 Autocratic leader style to be used (We shall study 04 Leadership styles by Likert's) | Q. 12 | Q12. What to do get their best/ optimal? Ans. 12.1 Assign work and make use of their skill and expertise. Set challenging goals. They would solve problems with creatively and imaginatively. 12.2 Participative Management style to be used (4th style by Likert). |
| Q13. Specific Definitions: 13.1 What is social loafing? A13.1 Shaming, shirking, inefficiency, spending time aimlessly, working less in a group (to be explained by Faculty with example) Q13.2 What is Halo Effect and Stereo typing? A 13.2 Drawing a general impression about an individual based on a single characteristic is called Halo Effect (IB100 bimaree); whereas as judging someone on the basis of one's perception of the group to which that person belongs to, is called Stereo typing (Soldiers are D people). | | |
| Q14. Both categories of people will get same salary at same grade then why we should, theory "Y" people should work that hard? Q14. To be explained in detail. | | |

