

# REFLECTIONS ON MANAGEMENT

WITH TOM GALVIN

AUDIO TRANSCRIPT



## Why Can't We Just Stop Using MacGregor's Theory X?

Season 5, Episode 5 – originally released 6 October 2020

*Please note: This transcript has been edited for clarity.*

*In the Talking About Organization podcast, we addressed Douglas MacGregor's, The Human Side of Enterprise, the source of his famous Theories, X and Y about human motivation and management behavior managers under Theory X assumed that humans dislike work and need to be coerced managers under Theory Y assume that given autonomy and the right conditions, that humans would naturally participate in work. The obvious conclusion is that theory Y is better than Theory X and we should eradicate Theory X from the workplace, but in practice that is really difficult to do. Why can't we just stop believing in Theory X?*

*My name is Tom Galvin and these are my Reflections on Management.*

One of the things I'm always interested in is when times get tough, how do people respond to it? You know, not just the immediate impact of a negative event or a stimulus, but also kind of over the long term. We always hope that if we're going to see real positive change and we would all love positive change, would we? You know, we can get differing views, people to come together, work out lasting solutions, build trust and have positive qualities permeate the workplace. But there is always fear that positive change will not come back because the needed trust is not built. And of course, if you don't have trust among the members, then how could you get, you know, constructive change? How can you make things better? How so many things become more difficult in terms of trying to make the organization better?

It all brings me back to the discussion [in the Talking About Organizations Podcast, Episode 59] we had not too long ago when we examined McGregor's book on Theory X and Theory Y. Now, of course, the book was a lot more than just expressing the theories. It was about laying out what the basis of the theories were and what an organization under Theory Y would actually look like. But perhaps I should just start by kind of giving a quick recap of what Theory X and Theory Y are.

Theory X is what McGregor termed as the traditional view of direction and control, and it rests on three core assumptions. The first core assumption is that the average human being has an inherent dislike of work and will avoid it if he can. [Second,] because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives. And third, the average human being prefers to be directed. Wishes to avoid responsibility, has relatively little ambition, wants security. Above all, Theory X is the management presumption that these three

conditions exist, and therefore the management view is that the organization requires that direction and control in order to coerce workers to produce.

For Theory Y, this is about the individual as being more trustworthy. And if the management gives the individual more power, more autonomy, then the output would actually be better. Theory Y rests on a certain set of assumptions and I'll just offer these straight from the text. The expenditure of physical and mental effort and work is as natural as play or rest. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Men will exercise self direction and self control in the service of objectives to which he is committed. 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 relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly distributed in the population. And under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partly utilized.

He covers in the book a whole number of organizational systems that describes how they would function under Theory Y. And this includes things like how you would change performance appraisal systems, how you would administer salaries, promotions and other incentives, how the managerial climate would change, how the staff line relationships would change. All of these would be markedly different in a Theory Y context.

When you listen to me reading the description of Theory X and theory Y, it's not hard to imagine yourself saying I wouldn't want to be in a theory X organization. If I join a Theory X organization, the managers assume that I'm there just for the paycheck. I have absolutely no commitment, no feeling toward the organization. And of course, I'm going to want to go over to [an organization running under] Theory Y.

McGregor himself says that this is not necessarily an either-or situation. The natural conditions of an organization would demand that humans do have to be coerced sometimes in order to do some of the jobs, some of the necessary jobs in the organization that people wouldn't necessarily want to do. And I'm sure all of us can think of collateral tasks or particularly difficult or stigmatized types of tasks that we don't get all that enthused about, but they're just sort of necessary. And she just got to deal with it, just about all of us as managers, particularly those positions where the people are a tremendous asset and we want to think about people. As more than a cog in the machine, I mean, we can aspire all we want to Theory Y, but it just typically seems like at the first opportunity, especially if, you know, something goes wrong or we have a crisis or something like that, the formal rules, the regulations, the policies, the constraints, you know, it seems like the tendency is to respond with more direction and control.

So obviously, if we consider that the Theory Y represents the type of a culture in a climate we want to have, then we ought to be asking ourselves, well, what's causing this tendency? Why is it that when things go down, we prefer to exercise control rather than forgive mistakes or to open up and try to learn from it? There are two ways or two schools of thought that seem to say that Theory

X just naturally gets perpetuated. You have some who view fairy X behaviors in Theory X attitudes as being learned [or] socially constructed, and then you and others that view Theory X as characteristic of things that are innate within humans. What I wanted to do was to talk about what these camps are saying as a way of trying to get our arms around. Well, what do we what do we really have to tackle in order to reduce the influence of Theory X?

Let me talk first about the idea of Theory X being learned, at least on its face. You would think that, well, if it's something that's learned, it could be unlearned. It could be it can be changed. It could be you know, it's mutable.

There's this thing that some of you may have heard, which is called the Pygmalion Effect. And this is where somebody is branded perhaps as strong or bright, somebody who has positive qualities. And it turns into kind of like a self-fulfilling prophecy. And we kind of see this in a way some might handpick a junior person and say, "That person has some incredible potential. So let's fast track that person." And in the process of fast tracking that person, well, the whole thing sort of snowballs and the individual gets promoted or what have you. Perhaps the manager was right in the first place and that this was an individual that deserved to be fast tracked, but sometimes it isn't. It turns out that when the person actually achieves at the high level of what was thought to be the person's potential, you end up with this case of where the where the person is subject to the Peter Principle. You basically is reach the point of incompetence and isn't able to go on.

You also have the Golem Effect, which is the opposite, and that's as you brand somebody as weak or slow by treating them as weak or slow, it perpetuates. And what you have is that you're weak or slow. So I'm going to reduce the responsibilities or constrain or act as though I don't trust you so much and surprise they underperform or they don't meet expectations. Well, I think this literature is talking about is theory X being learned is very much aligned with conditions in the environment in which you have sort of a Golem effect ongoing if you learn through experience or predetermined biases that a particular segment of workers or all workers are in some way inferior to yourself. Well, of course, there's there's every reason to believe that that's going to perpetuate in some way. There's some way you're going to communicate that, whether directly or indirectly, whether it's verbal or it's body language, maybe even intentionally.

But let's talk about the unintentional that that reinforcing idea of power distance between the leader and the lead and say that, you know, this this bias just simply perpetuates and marginalizes the workforce. This kind of leads to a thought that Theories X and Y are not so much blanket behaviors by managers. And I think that this sort of bears it out. It's bears out. In my experience, these beliefs sort of manifest themselves more transactionally. And of course, it's not necessarily carried by every single manager to the same extent that each one will probably have their own learned level of what it takes to direct and control a subordinate. You know, it's kind of like a transactional deal. It becomes a constant, reinforced behavior. That's kind of the learned side. Now, real quick on the inside side, and this is where it gets support. I guess this is where one can really become cynical. One of the things that I know that psychologists are obviously very interested in is what what is it that brings out the.

First, in human nature, this is pretty depressing stuff, but, you know, some of the things that they are saying about human nature, that kind of makes Theory X a very, very natural default. One is the idea that humans are naturally blinkered and dogmatic and closed minded. If they were rational and open minded than correcting someones false beliefs would be to present them with relevant facts. But instead, we may be more likely to make it personal. Again, it may not be intentional, but in some way, body language or indirect communication could communicate that there's this conflation between the other person's wrong with the other person is stupid. Some books about how we intensely dislike being wrong. You know, a whole book on "Wrongology" [note: chapter from Being Wrong by Kathryn Schulz] has been written about this. We don't wish to be wrong or we've we are very, very uncomfortable with the idea of being wrong. So we explain it away. The adding of the emotions to it means that direction and control can very well be an emotional response. So if we're not careful and we treat wrongness, for example, as being more than just an error, as in we treat it as a blight on one's personality, then of course theory is is a natural outcome over time because people will be afraid to be wrong, which means that they will take fewer risks, which means that more control will be needed in order to get them to do things that might be risky.

Second is about moral hypocrisy, which is also kind of interesting. It may pay to be wary of those who are the quickest and loudest in condemning the moral failings of others. And chances are the moral preacher is as guilty themselves. As such, individuals probably don't see the same level of moral error in their own transgressions. So if indeed this is innate, then we just simply naturally, innately exercise a distrust towards others motivations. We would be suspicious of what others think or do, which naturally breaks down the trust, which naturally makes Theory X emerge to the fore.

A third one is that and this is really particularly bothersome and in present times is that there is a human tendency to view certain groups, especially outsiders and others, who are perceived as low status as being less than fully human. This is obviously troublesome. I mean, it basically suggests that there's an innate tendency to dehumanize and in the workplace, this can translate into things like not looking at workers as individuals, but looking at them as resources. Naturally from that, it's not hard to imagine how imposing direction and control would seem easy to do when you dehumanize the worker.

There is a little bit of truth in both sort of the learned behavior and the innate behaviors where the, you know, between these two camps, you know, what is it that we should take away from this? To me, trust becomes sort of like the big variable. What does it take to maintain trust or rebuild trust? And when the trust is violated, what actually happens? What actually happens in the eyes of the manager, in particular, the train of thought among professionals, that the professional integrity, once you violate that integrity, you know, it's it's lost! It's gone forever. It's never going to be fully restored with that. Even as much as you try to institute Theory Y then you always run the risk of immediately jumping to Theory X of essentially withdrawing that trust and exercising control at the moment, that there's a perception that the trust has been broken. So how we learn to cope with negative episodes is kind of important if we really believe that Theory Y is the the right answer.

Like if we were really serious about Theory Y we've got to do much better at understanding and cultivating trust within the organisation and at a minimum, try to discuss and understand how it is that the organisation reacts to negative events because it's the reaction to negative events that seems to turn away efforts at instilling a Theory Y climate professionalism is one. And this kind of gets to the recent episode that we did with Abbott. The values of professionalism would be certainly a good place to start because it's oriented on trust. I mean, if you don't have trust, you don't have professionalism. And professionalism is more than just what Abbott taught. About in terms of claims of jurisdiction, the application of expert knowledge in professional work, it's also an ethical orientation. It is a belief in caring for the needs of the client, which in some cases is an individual client, but in other cases is the full, you know, public body. All of society, that's those types of values very definitely help to build trust or to teach individuals to build trust. And I'm not so sure that those ethics or values need to be confined to just those that would be those vocations we would normally consider as professions like law and medicine. Professionalism as a as a natural work ethic could certainly help because with the work ethic comes the willingness for not just clients to trust the professionals serving them, but also the community, the professionals, the communities of practice associated with providing an industry wide kind of a service which could be more self policing and therefore require less direction and control from outside similarly applied to within workplaces.

That sort of orientation where the value of the work or the meaning of the work is important enough that the workers are sufficiently motivated and are empowered to police themselves rather than think of themselves first, they are thinking of the organization first. Then naturally, it would seem easier to build Theory Y cultures? So there are some tools. Perhaps we could leverage a little bit more, but ultimately it just kind of comes down to understanding what the temptations are when the chips are down in an organization. If we're serious about creating Theory Y, we've got to know enough about our own organizations to be able to know what can create theory behaviors and then take steps to mitigate them, then perhaps we'd be more likely to formulate workplaces that people would actually wish to work.

*... And that's all for now. The views expressed are my own and do not necessary reflect the United States Army War College, the United States Army or the Department of Defense. Thank you for listening and have a great day.*

**ALL THE BEST!**

**TOM GALVIN**