

Episode 106: What was McGregor's X-Y Theory?



Douglas McGregor, a social psychologist, proposed his famous X-Y theory. It was published in his 1960 book 'The Human Side Of Enterprise'. McGregor's ideas suggest there are 2 fundamental approaches to managing people.

1. The X Theory

Management assumes employees are inherently lazy and will avoid work if they can. People don't like work and don't want to. The Theory X manager believes everyone needs to be watched and managed. They put in comprehensive control and management systems and manage by them. You will often hear the X Manager argue for structure and narrow spans of control. When all else fails then threats and coercion are their key management tools. When it goes wrong, the Theory X manager tends to believe that everything must end in blaming someone.

2. The Y Theory

To the other extreme, the Y Manager believes in the people - we want to work and will motivate ourselves. The Y Manager thinks, like them, we all enjoy the mental and physical work duties. Work is like play and we all want to problem solve together. Open communication and lack of formal structures will make people more open. When all else fails then you need to listen harder and understand more. For Y-Theory people, problems come from a lack of clear communication. For them it's not about blame but working better together not to repeat an error.

3. What is the right way?

Clearly neither is 100% right or 100% wrong. The right answer is that we may need a little of both depending on the situation. I know that I am more frustrated when I am being managed by a Theory Xer. But I may come across like a Theory Xer person when trying to fix a broken organization. HR teams might lean towards a Y style of working but often life is more complex. Sometimes you pay people lots of money to do things and you do not want to baby them too. What we all need to do is recognize when we are going too far one way or another. We have to learn to balance our approach and get the mix right. What McGregor did was to help crystalize the difference and give us a short hand way of explaining it.

Bottom line: The right answer is always some amount of balance but the model is a helpful remind of the bad parts of X-Theory leadership and the good parts of Y-Theory leadership.