
UNIT-13: SOCIO-PSYCHOLOGICAL APPROACH:

VIEWS OF DOUGLAS MCGREGOR AND VICTOR VROOM

Structure

- 13.0 Learning Outcome
- 13.1 Introduction
- 13.2 Theories of Motivation
- 13.3 Views of Douglas McGregor
 - 13.3.1 Theory X and Theory Y
 - 13.3.2 Assumptions of Theory X
 - 13.3.3 Assumptions of Theory Y
 - 13.3.4 Comparison of Theory X and Theory Y
 - 13.3.5 Managerial Implications of Theory X and Theory Y
 - 13.3.6 A Critical Evaluation
- 13.4 Views of Victor Vroom
 - 13.4.1 Expectancy Theory
 - 13.4.2 Implications of the Theory
- 13.5 Conclusion
- 13.6 Key Concepts
- 13.7 References and further Reading
- 13.8 Activities

13.0 Learning Outcome

After studying this unit, you should be able to :

- understand assumptions of theory X and theory Y and managerial implications of the theories of McGregor; and
- know Victor Vroom's Expectancy theory and its implications for organisational processes.

13.1 Introduction

People work for a wide variety of reasons. Some people want money, some want challenge, and some want power. What each unique person in an organisation wants from work has an instrumental role in determining that person's motivation to work. Motivation is vital to all organisations. Often the difference between highly effective organisations and less effective ones lies in the motivation of their members. Thus, managers need to understand the nature of individual motivation, especially as it applies to work situations.

Motivation is the set of forces that lead people to behave in particular ways. Managers strive to motivate people in the organisation to perform at high levels. Motivation is the most difficult factor to manage. If motivation is deficient; the manager faces the more complex situation of determining what will motivate the employees to work harder. In view of the importance of motivation in managerial processes, in this unit we will discuss the motivational models of Douglas McGregor and Victor Vroom in the organisational context.

13.2 Theories of Motivation

Organisation theorists tried to find out the answer as to what motivates people in human organisations. Fredric W. Taylor and his followers in the form of scientific management and more particularly in the differential piece rate system, made the starting. Scientific management attempted to use financial incentives to motivate people in work organisations. Then came the findings of human relations, which emphasized security and working conditions at the job besides financial incentives for work motivation. In the early 1960s, those concerned with work motivation started to search for new theoretical approaches and to devise new techniques for application. Some of these approaches tried to identify the types of needs that people had and the way these needs could be satisfied so that people could be motivated. These theories are known as ‘content theories of motivation’. Maslow suggested the theory of need hierarchy; Herzberg proposed two-factor theory; McClelland emphasised on power, affiliation, and achievement motives; and Alderfer proposed three groups of core needs: existence, relatedness, and growth (ERG model).

A need is anything an individual requires or wants. Most people have many different needs. These needs can be grouped into two categories: primary and secondary needs. Primary needs are things that people require to sustain themselves; therefore, food, water, and shelter. Needs of this type are instinctive and physiologically based. Secondary needs, on the other hand, are requirements based more in psychology and are learned from the environment and culture in which the person lives. Examples include the needs for achievement, autonomy, power, order, affiliation, and understanding. Secondary needs often arise in organisational settings, so it is especially important to consider them when examining motivated behaviour. For example, if people are to be satisfied with their psychological contracts with their

organisation, the inducements offered by the organisation must be consistent with their own unique needs.

Need theories are the starting point for most contemporary thought on motivation, although these theories too attracted critics? The basic premise of need theories, consistent with the motivation framework introduced earlier, is that humans are motivated primarily by deficiencies in one or more important needs or need categories. Need theorists have attempted to identify and categorise the needs that are most important to people. The best known need theories are the hierarchy of needs and the ERG theory.

Scholars also tried to find out the process involved in motivation. It led to the emergence of process theories of motivation. These theories are more concerned with the cognitive antecedents that go into motivation or effort and with the way they affect each other. Vroom proposes the theory of work motivation based on valence and expectancy. Porter and Lawler make some refinements in Vroom's model and suggest their own model. Behaviourists add the concept of equity to these models and propose the 'equity theory of work motivation'.

Some scholars attempt to relate the nature of human beings with the work motivation. Though these propositions are not confined to work motivation, they offer some insights into understanding work motivation. Prominent theories in this group are McGregor's theories of X.

Various theories of motivation approach the problems of motivation from different perspectives, but all of them emphasise similar sets of relationships. These relationships pertain to the individual, his needs, his perception of how he can satisfy

his needs, and whether his need satisfaction is equitable. All these theories have their relevance only to particular contexts, and when the context changes, they may not work because they are not universal theories, which can be applied in all situations.

13.3 Views of Douglas McGregor

Douglas McGregor was born in 1906 in Detroit, USA and was Professor of Industrial Management at the Massachusetts Institute of Technology. In his quest for productivity, McGregor develops two managerial approaches called Theory X and Theory Y. The theories are published in his “The Human Side of Enterprise”, (1960). McGregor was greatly influenced by Abraham Maslow and made him the starting point for his work.

The main argument of McGregor’s work is that “the theoretical assumptions which the management holds about controlling its human resources determine the whole character of the enterprise.” Like other psychologists, McGregor studies the assumptions about human behaviour, which underline the managerial actions. His theoretical construct characterising ‘Theory X’ and ‘Theory Y’ assumes a quest for high performance in the organisation. McGregor’s major works are:

- The Human Side of Enterprise (1960).
- Leadership and Motivation (1966).
- The Professional Manager (1967).

13.3.1 Theory X and Theory Y

The management’s action of motivating human beings in the organisation, according to McGregor, involves certain assumptions, generalisations and hypotheses relating to human behaviour and human nature. These assumptions serve the purpose of

predicting human behaviour. The basic assumptions about human behaviour may differ considerably because of the complexity of factors influencing human beings. McGregor presents these assumptions on two opposite sides: Theory X and Theory Y.

13.3.2 Assumptions of Theory X

The assumptions underlying Theory X are the following according to McGregor:

- The average person is lazy and works as little as possible.
- People lack ambition, dislike responsibility, and prefer to be led.
- People are inherently self-centred and indifferent to organisational needs.
- People are resistant to change.
- Most people are gullible and stupid.

Theory X views that people are passive or resistant to organisational needs and need to be persuaded, rewarded, punished or controlled to achieve organisational needs.

Theory X is based on the traditional conception of control and direction. It is traditionally known as “the carrot and the stick” theory, and is based practically on the mechanistic approach to human relations. Managers subscribing to these views about human nature attempt to structure control and closely supervise their employees. They feel that external control is most appropriate for dealing with irresponsible and immature employees. McGregor believes that these assumptions about human nature have not changed drastically though there is a considerable change in behavioural patterns. He argues that this change is not because of changes in the human nature, but because of changes in the industrial organisation, management philosophy, policy, and practice.

The Hawthorne studies, research findings by Likert and other behavioural studies suggest that the assumptions of Theory X cannot be meaningfully explained. McGregor himself questions the validity of Theory X. The assumptions about human motivation fail to motivate employees to work toward organisation goals. He says “the ‘carrot and stick’ theory of motivation which goes along with Theory X works reasonably well under certain circumstances”. But this “theory does not work at all once man has reached an adequate subsistence level and is motivated primarily by higher needs”. McGregor argues that theory X fails to describe or explain human nature. McGregor’s generalisation is that “so long as the assumptions of theory X continue to influence managerial strategy, we will fail to discover, let alone utilise the potentialities of the average human being”.

13.3.3 Assumptions of Theory Y

McGregor comes out with an alternative, “Theory Y” with the underlying principle of integration which replaces traditional concepts of direction and control. Theory Y takes the apposite view and assumes that:

- People are not by nature resistant to organisational needs.
- People have a latent capacity to develop and accept responsibility.
- People can be motivated towards management goals.
- Management must arrange matters so that people can achieve their goals through organisational objectives.

The assumptions of Theory Y suggest a new approach in management. It emphasises the co-operative endeavour of management and employees. The attempt is to get maximum output with minimum amount of control and direction. Generally, no conflict is visible between organisational goals and individual goals. Thus, the attempt of employees that are in their best interests are also in the interests of organisation.

Theory Y postulates that people can be encouraged to perform better and thus recommends increased decentralisation of power, delegation of responsibility, job enlargement, employee participation, consultative management and performance appraisal in which the employee actively participates.

Theory Y leads to a preoccupation with the nature of relationships, with creating an environment which encourages commitment to organisational objectives and which provides opportunities for the maximum exercise of initiative, ingenuity, and self-direction in achieving them. This theory recognises interdependence of human organisations and participative management. The central principle of theory Y is that integration of behaviours is the key process in management. The concept of integration reflects a recognition of the needs of the individual and those of the organisation. McGregor calls his theory Y an open invitation to innovation.

Theory Y is today a household expression in management circles. Administration, today, is tending towards theory Y, and the future will see more and more democratic administration.

13.3.4 Comparison of Theory X and Theory Y

Both theories X and Y have certain assumptions about human nature. These assumptions seem to be mutually exclusive. The difference between the two sets of assumptions can be visualised as follows:

- Theory X assumes human beings to be inherently distasteful towards work. Theory Y assumes that for human beings work is as natural as play.
- Theory X emphasises that people do not have ambitions and try to avoid responsibilities in jobs. The assumptions under Theory Y are just the reverse.

- According to Theory X, most people have little capacity for creativity while according to Theory Y, the capacity for creativity is widely distributed in the population.
- In Theory X, motivating factors are the lower needs. In Theory Y, higher order needs are more important for motivation, though unsatisfied lower needs are also important.
- In Theory X, people lack self-motivation and require be externally controlling and closely supervising to get maximum output from them. In Theory Y, people are self-directed and creative and prefer self-control.
- Theory X emphasises scalar chain system and centralisation of authority in the organisation while Theory Y emphasises decentralisation and greater participation in the decision making-process.
- Theory X emphasises autocratic leadership; Theory Y emphasises democratic and supportive leadership styles.

13.3.5 Managerial Implications of Theories X and Theory Y

The major implications of theories X and Y may be seen in the management process. According to Harold Koontz and his colleagues, the managerial process involves: (i) setting objectives and developing plans to achieve them; (ii) implementing the plans through leadership; and (iii) controlling and appraising performance against previously set standards. These key managerial activities are selected to illustrate the possible effects of Theory X and Theory Y on managerial actions. These effects summarised by Koontz and his colleagues, in the following table present conjectural view that awaits validation by databased research.

Table I- Theory X and Theory Y

Selected key managerial activities		Theory X : People dislike work; people must be forced to work; people do not willingly assume responsibility	Theory Y : People like work; people work best under self-direction; people like to assume responsibility
(a)	Planning (including setting objectives)	Superior sets objectives for subordinates.	Superior and subordinate set objectives jointly.
		There is little participation by subordinates in setting objectives and developing plans. Few alternatives are explored.	There is a great deal of participation by subordinates in setting objectives and developing plans. Many alternatives are explored.
		There is low commitment to objectives and plans.	There is high commitment to objectives and plans.
(b)	Leading	Leadership is autocratic, based on authority only.	Leadership is participative and teamwork is based on competence.
		People follow orders, but hidden resistance and mistrust exist.	People seek responsibility, feel accountable, and are committed to performance.
		Communication is one-way, top-down, with little feedback. Information flow is limited.	Communication is two-way with a great deal of feedback. Necessary information flows freely.
(c)	Controlling and appraising	Control is external and rigid.	Control is internal and based on self-control.
		Superior acts as a judge.	Superior acts as a coach.
		There is low trust in appraisal.	There is high trust in appraisal.
		Focus is on the past, with emphasis on fault finding.	People learn from the past, but focus on the future; feed forward control emphasises problem solving.

Source: Harold Koontz, Cyril O Donnel and Heimz Weihrich, Management, (McGraw – Hill International, eighth edition, 1984), p. 465.

13.3.6 A Critical Evaluation

McGregor's rejection of traditional conception of administration has been questioned. Traditional concepts such as control and direction which he has rejected are still of great value for understanding human motivation. Theory X that McGregor does not favour, as it leads to an emphasis on the tactics of control, is of some value. Despite all the researches and theories of motivation that have come to the fore in recent years, it should not be forgotten that the carrot and stick theory (use of rewards and punishments) is still strong, and hence could motivate people. In spite of the tremendous amount of research generated by McGregor's theory, it has never been

tested adequately. Douglas McGregor makes constructive contribution to the human motivation theory. He rejects the underlying assumptions about human behaviour on which formal organisation is built and propounds Theory Y based on a more adequate understanding of human motivation. His theory has had a tremendous impact on managerial thinking in modern organisations. Theory Y explodes the myth of the “economic man” and traditional concepts of direction and control.

The current research in human motivation has gone far beyond Theory Y, but this does not mean that this Theory is irrelevant. McGregor himself calls his Theory Y an open invitation to innovation. His ideas on leadership, management development programme, and on developing the professional manager are of considerable value to current administrative practices.

13.4 Views of Victor Vroom

Content theories are basically based on three assumptions that (i) all employees are alike, (ii) all situations are alike and (iii) there is only one best method to motivate employees, i.e., satisfying needs. Contrary to the assumptions of content theory, a number of other theories have been developed after extensive studies based on empirical evidence.

13.4.1 Expectancy Theory

Criticising the content theories of motivation, which are based on the needs of people and their priority, Vroom has presented an alternative theory, which is based on

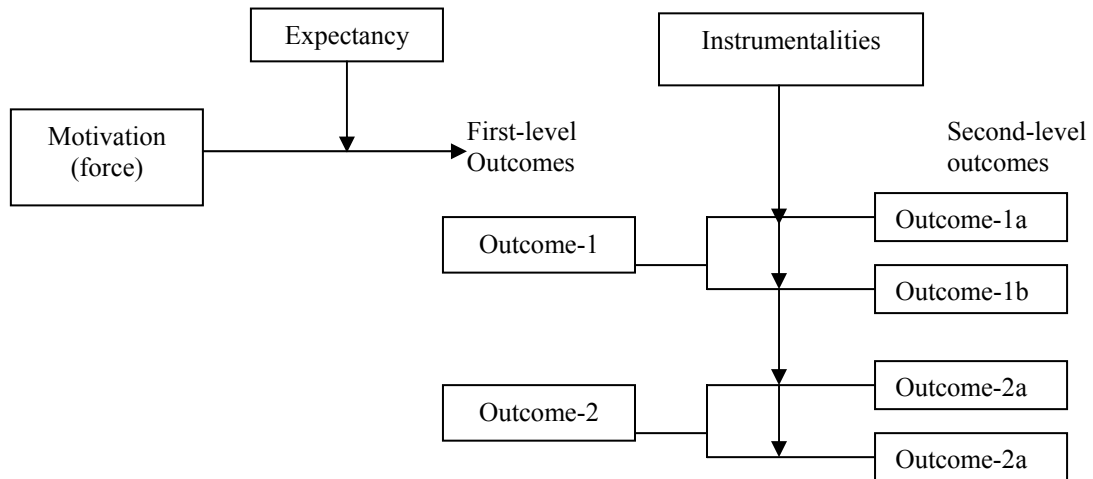
motivation process. He made a significant contribution to our understanding of motivation through his expectancy Theory. The basic expectancy theory model emerged from the work of Edward Tolman and Kurt Lewin. However, Victor Vroom, is generally credited with first applying the theory to motivation in the workplace. The theory attempts to determine how individuals choose among alternative behaviours. The basic premise of expectancy theory is that motivation depends on how much we want something and how likely we think we are to get it.

Vroom's expectancy theory can be classified as process theory in contrast to the content theory primarily because it attempts to identify relationships among variables in a dynamic state as they affect individual behaviour. This systems orientation is in direct contrast to the content theories, which have attempted largely to specify correlates of motivated behaviour. In the expectancy theory, it is the relationship among inputs that is the basic focal point rather than the inputs themselves. Vroom develops his motivation model around the concepts of value, expectancy and force.

Vroom's expectancy theory has its roots in the cognitive concepts in the choice behaviour and utility concepts of classical economic theory. According to Vroom, people are motivated to do things to achieve some goals to the extent that they expect that certain actions on their part will help them to achieve the goal. Vroom's model is built around the concepts of value, expectancy and force; its basic assumption is that 'the choice made by a person among alternative courses of action is lawfully related to psychological events occurring contemporaneously with the behaviour. Vroom's concept of force is basically equivalent to motivation and maybe shown to be the algebraic sum of products of valences multiplied by expectations. Thus,

$$\text{Motivation (force)} = \Sigma \text{Valence} \times \text{Expectancy}$$

Vroom's expectancy theory is presented in figure. I



The three terms referred by Vroom in his model are analysed below:

Valency

This term refers to degree of desirability or preferences for various outcomes or incentives, which are available to him. These include value, incentive, attitude and expected utility. Before an individual decides to put effort into the performance of a task, he first looks at the various alternatives at his disposal and the outcomes (rewards) associated with it. Hence, valency reflects the strength of a person's desires for the attraction to rewards, if he adopts a particular cause of action. Hunt and Will also opine that valency is the strength of an individual's desire for a particular outcome and it is the subjective value attached to an incentive or reward. To clarify the concept of valency they have taken the example of promotion. Assume that an individual wishes for a promotion in his organisation and feels that if his performance is superior to others, it will be a positive factor for him in achieving the promotion. His first level

outcomes are therefore superior, average or poor performance and his second level outcome is promotion. The individual's first level outcome i.e., high performance acquires a positive valency by virtue of the expected relationship to the preferred second level outcome i.e., promotion. Thus the individual would be motivated to give superior performance in order to get promoted. The superior performance, i.e., the first level outcome is instrumental in obtaining promotion, i.e., the second level outcome.

Expectancy

At first glance the expectancy may seem to be the same as the instrumentality input into valence, but they are different. Expectancy differs from instrumentality in that it relates efforts to first level outcomes where instrumentality relates second-level outcomes to each other. Since expectancy is rated as the probability of connection between effort and performance, its value ranges between 0 and 1. If an individual sees no chance that effort will help him to achieve the desired performance level, the expectancy is 0. On the other hand, if he is confident that the task will be completed and he will achieve the desired performance level, the expectancy value assigned is 1. Thus, the expectancy of an individual will lie between these two extremes, i.e., 0 to 1. Hence, we can say, in order that motivation take place, the expectancy must also be high like valence.

Expectancy = Efforts to First Level Outcomes.

(The belief that efforts lead to performance).

Instrumentality

Instrumentality refers to the outcomes (rewards) for the individuals for each level of job performance (expectancy). It helps to answer such questions, 'Will I be rewarded if I perform the job well? Instrumentality is probabilities attached by an

individual to each possible performance-outcome alternatives as he previously assigned probabilities to various levels of effort leading to different levels of performance. In the example given earlier, instrumentality refers to the person's perception of the relationship between high performance (first level outcome) and promotion (second level outcome). Thus perceived instrumentality is a subjective feeling, if an individual perceives that his performance is suitably rewarded the perceived instrumentality will be positive. On the other hand, if he perceives that the performance will make no difference to the rewards the instrumentality will be low. Think of your own decision-making process on how much effort you put into studies for an examination or writing a term paper. And you get the answer based on Vroom's model of motivation.

13.4.2 Implications of the theory

One of the important features of this theory is that it recognises individual differences in work motivation and suggests that motivation is a complex process as compared to Maslow's or Herzberg's simplistic models. It also clarifies the relationship between individual and organisational goals. Hunt and Hill point out that instead of assuming that satisfaction of a specific need is likely to influence organisational objectives in a certain way, we can find out how important to the employees are the various second-level outcomes (worker goals), the instrumentality of various first-level outcomes (organisational objectives) for their attainment and the expectancies that are held with respect to the employees' ability to influence the first-level outcomes. Thus, Vroom's theory is consistent with the idea that a manager's job is to design an environment for performance, necessarily taking into account the differences in various situations. Furthermore, this theory is also quite consistent with management by objectives. However, Vroom's theory is difficult to research and apply in practice. This

is evident from the fact that there have been only a few research studies designed specifically to test Vroom's theory. In fact, Vroom himself depended largely upon researches conducted prior to the formulation of his theory. Nevertheless, from a theoretical standpoint the Vroom model seems to be a step in the right direction, but does not give the manager practical help in solving his motivational problem.

Vroom's theory is very popular in academic circles and has generated some research because it attempts in understanding organisational behaviour in a wider perspective. This theory recognises the complexities of work motivation, but it is relatively difficult to comprehend and apply in practice.

13.5 Conclusion

Motivation is vital to all organisations. Thus, managers need to understand the nature of individual motivation, especially as it applies to work situations. Motivation is the most difficult factor to manage. Theories of motivation can be classified into two categories – content theories of motivation and process theories of motivation. Need theories developed by Abraham Maslow and Alderfer come under content theories of motivation. These theories are based on the types of needs that people have and the way these needs could be satisfied so that people would be motivated. Motivation models developed by McGregor and Vroom come under the category of process theories of motivation. These theories are more concerned with the cognitive antecedents that go into motivation or effort and with the way they affect each other.

McGregor studied the assumptions about human behaviour, which underline the managerial actions. The management's action of motivating human beings in the organisation, according to McGregor, involves certain assumptions, generalisations and

hypotheses relating to human behaviour and human nature. He characterises these assumption in two opposite points, Theory X and Theory Y. Theory X view is that people are passive or resistant to organisational needs and need to be persuaded, rewarded, punished or controlled to achieve organisational needs. On the other hand, Theory Y takes the opposite view. The assumptions of Theory Y emphasise the co-operative endeavour of management and employees. The central principle in the assumptions of theory Y is that integration of behaviours is the key process in management.

Victor Vroom presents expectancy theory that is based on motivation process. The theory attempts to determine how individuals choose among alternative behaviours. He develops his motivation model around the concepts of value, expectancy and force. One of the important features of this theory is that it recognises individual differences in work motivation and suggests that motivation is a complex process and compared to Maslow's or Herzberg's simplistic models.

Motivation models developed by McGregor and Victor Vroom are useful to managers in understanding the nature of motivation in work situations. These models also help to understand the complexities of determining what motivates the employee to perform better.

13.6 Key Concepts

Job Enlargement: Adding additional but similar duties to a job.

Job Enrichment: Adding different kinds of duties so that the work is both a higher level and more personally satisfying.

Job Satisfaction: The totality of an employee's feelings about various aspects of his or her work; an emotional appraisal of whether a job lives up to an employee's values..

Motivation: An amalgam of all of the factors in one's working environment that foster (positively or negatively) productive efforts.

Peer Group: People at the same organisational level in terms of rank, title or salary.

Reinforcement: An inducement to perform in a particular manner. Positive reinforcement occurs when an individual receives a desired reward that is contingent upon some prescribed behaviour. Negative reinforcement occurs when an individual works to avoid an undesirable outcome.

Theory X: The assumptions that the average human being has an inherent dislike of work, that most people must be threatened to get them to put forth adequate effort, and that people prefer to be directed and to avoid responsibility.

Theory Y: The assumptions that work is as natural as play, that workers can exercise self-direction and self-control, and that imagination, ingenuity, and creativity are widespread.

13.7 References and Further Reading

Ali, Shuma Sun Nisa, 1998, *Eminent Administrative Thinkers*, Associated Publishing House, New Delhi.

Koontz, Harold, Cyril O'Donnel and Heimz Weihrick, 1984, *Essentials of Management*, McGraw-Hill Book Company, New York.

Luthans, Fred, 1995, *Organizational Behaviour*, McGraw-Hill International Editions (Seventh Edition), New York.

McGregor, Douglas, 1960, *The Human Side of Enterprise*, McGraw-Hill, New York.

Moorhead/Griffin, 1999, *Organisational Behaviour*, A.I.T.B.S. Publishers & Distributors, New Delhi.

Prasad, D. Ravindra, V.S. Prasad and P. Satyanarayan, 2004, *Administrative Thinkers* (Ed), Sterling Publishers, New Delhi.

Prasad, L.M., 2004, *Organisational Behaviour*, Sultan Chand & Sons, New Delhi.

Vroom, Victor H., 1964, *Work and Motivation*, John Wiley & Sons, Inc., New York.

13.8 Activities

Q.1 Theory X is based on traditional conception of control and direction. Explain.

Q.2 Analyse the assumptions of Theory X and Theory Y.

Q.3 Discuss the Victor Vroom's expectancy theory and its implication on organisational processes.

