



The Human Relations Movement (Theory X and Theory Y)

Theory X and Theory Y

Management professor Douglas McGregor created Theory X and Theory Y, two opposing perceptions of employee motivation. Here are the basics of the two theories, according to McGregor's 1960 book *The Human Side of Enterprise*.

Theory X: Negative outlook on workers

1. Management is responsible for organizing company components in the interest in economic ends
2. Managers should direct worker's efforts, motivate them, control their actions, and modify their behavior to suit organizational needs
3. Managers must persuade, reward, punish, and control workers to stop passiveness and resistance

Theory Y: Positive outlook on workers

1. Management is responsible for organizing company components in the interest in economic ends
2. Passiveness or resistance to organizational needs to develop with experience in organizations
3. Motivation, the potential for development, the capacity for assuming responsibility, and readiness to direct behavior toward organizational goals are naturally instilled in people
4. Above all, management should focus on creating a system where workers can achieve their own goals in line with company objectives

Theory Y shared similarities with the [human relations movement](#), noting that workers can be trusted and are naturally motivated and efficient. However, American


psychologist Abraham Maslow had developed a theory of hierarchical needs, which McGregor referred to in his book, to indicate employee incentives to perform well. From lowest to highest in the hierarchy, those are physiological needs, safety needs, social needs, ego needs and self-fulfillment needs.

The two theories were important additions to management studies, and the human relations movement progressed by aligning individual needs with organizational needs.

The results of the human relations movement

The human relations movement was a crucial event in management history and a major contribution to today's style of leading. The behavioral sciences helped managers and theorists understand how to increase productivity by ditching the primary focus on organizations over their workers. Contemporary theories, like the contingency theory and the systems theory, focus more on the importance and effect of every individual in a company and how they can achieve their own goals while benefiting their organization.

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