

Relationship between mcgregors theory x and y



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The purpose of the present study was to investigate the relationship between McGregor's Theory X and Y management styles and affective commitment through the mediating mechanism of leader-member exchange (LMX). Adopting a multilevel perspective to facilitate understanding of the complex relations among variables, data were collected from 56 supervisors and 173 subordinates from yacht building companies in Turkey. The results indicated that LMX partially mediated the relationship between Theory Y management style and affective commitment. However, Theory X management style had no relationships with both LMX and affective commitment. Implications for future research and practice are discussed.

Keywords: Theory X and Y management styles, Affective commitment, Leader-member exchange.

1. Introduction

Much of the empirical organizational commitment research has focused on affective commitment (Wasti, 2003). This emphasis on affective commitment has been mostly due to its association with desirable outcomes such as turnover, intention to quit and organizational citizenship behavior (Allen & Meyer, 1996; Meyer, Stanley, Herscovich, & Topolnytsky, 2002; Wasti, 2008). Although there are a variety of antecedents for affective commitment (Meyer & Allen, 1991, 1997), one of the most common is high-quality relationship with one's supervisor (e. g., Eisenberger et al., 2010; Gerstner & Day, 1997). The quality of the relationship between a supervisor and subordinate can be described in terms of the leader-member exchange (LMX) theory (Dienesch & Liden, 1986; Gerstner & Day, 1997; Liden, Sparrowe, & Wayne, 1997). LMX theory argues that leaders develop unique relationships with different

subordinates and that the quality of these relationships is a determinant of how each subordinate will be treated (Graen & Uhl-Bien, 1995).

Considering the benefits for the individuals and the organizations, it seems important to take action to strengthen subordinates' affective commitment toward their organization. Therefore, efforts should be based on understanding of the determinants of affective commitment and the exchange relationships. Although research has indicated that supervisors may impact the development of the subordinates' affective commitment (e.g., Cohen, 1992; Wayne et al., 2009); the influence of supervisors' management style on affective commitment remains unclear. Indeed, empirical studies on management styles, classified by McGregor (1960, 1966) as Theory X and Y, are very scarce (Kopelman, Prottas, & Davis, 2008). According to McGregor (1960, 1966), management styles that the supervisors apply in a work setting range from Theory X to Theory Y principles. Similarly, LMX relationships exist on a continuum, ranging from high- to low-quality (Graen & Uhl-Bien, 1995). Since the supervisors establish different relationships with different subordinates; Kopelman et al. (2008) proposed that the supervisors may apply Theory Y management style with respect to in-group members who have high quality relationships and Theory X management style with respect to out-group members who have low quality relationships.

Although it is possible that the supervisors' management styles may influence the quality of the LMX relationship which subsequently affect desirable outcomes such as subordinates' affective commitment toward their organization; the empirical linkages among Theory X and Y management

styles, LMX relationship, and affective commitment are relatively unexplored to date. The purpose of the present study is to examine these relationships and to evaluate the extent to which LMX mediates the influence of Theory X and Y management styles on subordinates' affective commitment toward their organization.

Douglas McGregor (1960, 1966) classified managers' attitudes or belief system, which he called assumptions, as Theory X and Y. Theory X and Theory Y describe two very different attitudes toward workforce motivation. Managers with Theory X attitudes hold that subordinates dislike work, avoid work if they can, and show little ambition. According to this theory subordinates must be closely supervised in order to make them efficient workers. Managers with Theory X mind set tend to have a negative, pessimistic view of subordinates and display more coercive, autocratic leadership styles using external means of controls, such as threats and punishment (McGregor, 1960, 1967; McGregor & Cutcher-Gershenfeld, 2006). While Theory X orientation may be efficient in situations where the worker is struggling to survive, it is usually counterproductive as most human beings have moved beyond lower needs and are seeking to meet social and esteem needs (McGregor, 1960). The other side, Theory Y, sees the opposite, that subordinates are willing and wanting to work and to achieve their maximum output; thus, do not need to be closely supervised. Managers with Theory Y attitudes tend to have a positive, optimistic view of subordinates and display more participative leadership styles using internal motivation and rewards (McGregor, 1960, 1967; McGregor & Cutcher-

Gershenfeld, 2006). Overall, the Theory Y frame of mind looks at the human being as working for the organization and placing value on the person.

Affective commitment, one of the three-component model of organizational commitment proposed by Meyer and Allen (1991), reflects the extent to which subordinates emotionally attach to, identify with, and involve in the organization. In contrast, continuance commitment is based on subordinates' perceptions of the costs associated with leaving the organization. Normative commitment is based on subordinates' feelings of obligation to remain with the organization (Meyer & Allen, 1991, 1997). Compared to continuance or normative commitment, much of the empirical work has examined the relation between attitudinal correlates of affective commitment (Meyer & Allen, 1997; Wasti, 2008). Affective commitment has been shown to be strongly related to desirable individual and organizational outcomes (Wasti, 2003). Research has shown that subordinates develop feelings of affective commitment if they perceive organizational support and justice (Meyer & Allen, 1991) and if they see the organization as a place where they feel they are important (Meyer & Allen, 1997).

In the eyes of subordinates, the supervisor represents the organization (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002; Schyns, Paul, Mohr & Blank, 2005). The supervisors are the ones who have formal authority over subordinates. They convey and execute the organizational goals, and, thus, hold a position that connects their subordinates to the overall organization. The subordinates' affective commitment toward the organization should matter as a consequence of the supervisors' management styles; since, work experiences such as job scope, <https://assignbuster.com/relationship-between-mcgregors-theory-x-and-y/>

support, reward and justice have been found to impact the development of affective commitment more than the structural features of the organization or personal characteristics of subordinates (Rhoades, Eisenberger, & Armeli, 2001; Wasti, 2008). Social exchange theory can offer an explanation for the proposed relationships between the supervisors' Theory X and Y management styles, and the subordinates' affective commitment toward the organization. According to this theory, social exchange tends to engender feelings of personal obligation, gratitude and trust (Gouldner, 1960; Blau, 1967). The subordinates develop relationships based on the implicit expectation of reciprocally beneficial exchanges based on trust and felt obligation (e. g., Gouldner, 1960; Rhoades & Eisenberger, 2002). For example, giving autonomy and responsibility for work to a subordinate in an organization entails a close relationship and trust, and the subordinate feels an obligation to reciprocate, as an example by developing feelings of affective commitment and, thus, performing well. When the subordinates and the supervisor trade benefits in a two-way process, exchange relations will be established (Gouldner, 1960; Blau, 1967).

The concept of affective commitment has not been empirically investigated as a consequence of McGregor's management styles (Kopelman et al., 2008); therefore, one of the aims of the present study is to yield information about the relationship between the supervisors' Theory X and Y management styles and the subordinates' affective commitment toward their organization. Based on aforementioned explanations, the existence of Theory X and Y management style is likely to be related to affective commitment. Specifically, subordinates that are supervised by Theory Y

managers should be expected to have higher level of affective commitment than the subordinates that are supervised by Theory X managers.

There is a general acceptance of the notion that effective leadership consists in part of good relationships between leaders and followers (e. g., Bass, 1990). According to LMX theory, supervisors expend their resources unequally among subordinates and develop and maintain separate relationships with different subordinates, giving rise to in-groups and out-groups (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975; Graen & Uhl-Bien, 1995). These relationships affect the types of power and influence tactics supervisors use (e. g., Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Liden et. al., 1997). The in-group includes subordinates with strong social ties to their supervisor in a supportive relationship characterized by high mutual positive affect, trust, respect, loyalty, and influence; whereas, the out-group includes subordinates with few or no social ties to their supervisor in a strictly task-centered relationship characterized by low exchange and top down influence (e. g., Dienesch & Liden, 1986; Liden & Maslyn, 1998; Graen & Scandura, 1987). To influence members of the in-group, supervisors primarily use expert, referent, and reward power. For out-group members, supervisors mostly use reward, as well as legitimate and coercive power (Liden et. al., 1997). Empirical research has demonstrated that LMX has been linked to desired outcomes such as task performance, satisfaction, turnover, and organizational commitment (Gerstner & Day, 1997).

LMX relationships exist on a continuum, ranging from high- to low-quality (Graen & Uhl-Bien, 1995). High quality of LMX relationships are characterized by mutual respect and trust and afford autonomy and valued resources for

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in-group members (Dienesch & Liden, 1986; Liden & Maslyn, 1998; Graen & Scandura, 1987; Yukl & Van Fleet, 1990). In-group members interact frequently with their supervisors and receive more assistance, encouragement, and concern from their supervisors (Graen & Uhl-Bien, 1995; Sparrowe & Liden, 1997; Wayne, Shore, & Liden, 1997). Relationships that are of low quality involve low levels of mutual influence from the supervisor as out-group exchange (Dienesch & Liden, 1986; Liden & Maslyn, 1998; Graen & Scandura, 1987; Yukl & Van Fleet, 1990). Members in the out-group receive less access to the supervisor, fewer resources and information and are motivated to do what is formally required by their job descriptions (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Sparrowe & Liden, 1997; Wayne et al., 1997). According to McGregor (1960, 1967), supervisors may apply either Theory X or Theory Y principles and that does not preclude them from being a part of Theory X and Y. Management styles that supervisors apply range from Theory X principles, in which subordinates are coerced and controlled to do what is formally required by their job descriptions, to Theory Y principles characterized by trust, respect, and obligation. When a manager applies Theory Y principles, subordinates receive autonomy and responsibility for work, more opportunities to identify problems and find creative solutions to them (McGregor, 1960, 1967; McGregor & Cutcher-Gershenfeld, 2006). As a result, the subordinates might perceive that the supervisor provides intangible and tangible resources to themselves (Liden et al., 1997), which leads to high-quality exchange relationships. In contrast, Theory X managers emphasize close supervision of subordinates and the chain of command and motivate subordinates by extrinsic rewards (McGregor, 1960, 1967; McGregor & Cutcher-Gershenfeld, 2006). Therefore,

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the subordinates that are supervised by Theory X managers might perceive social-emotional distance between their supervisor and themselves, which leads to formal, impersonal and low-quality exchange relationships (Graen & Uhl-Bien, 1995; Liden et al., 1997).

As noted, both literatures have dealt with supervisor-subordinate relationships. Furthermore, there is a call for the investigation of the relationship between Theory X and Y management styles and LMX. Thus, when two literatures are examined conjointly, a relationship between Theory X and Y management styles and LMX is expected (Kopelman et al., 2008). Specifically, subordinates that are supervised by managers with Theory Y attitudes should be expected to experience higher quality of LMX relationship.

Despite the relationship between McGregor's management styles and affective commitment has not been empirically investigated; such a linkage might also be evidenced by means of perception of exchange relationship mechanism.

Supervisors are organizational members who are responsible for managing their subordinates' performance (e. g., Koçel, 2003; Robbins & Coulter, 2003). The supervisors are seen by the subordinates as representatives of the organization (Eisenberger et al., 2002; Schyns et al., 2005). Therefore, the subordinates interpret the supervisors' actions as a formal functioning of the organization because supervisors have formal authority over subordinates. The management styles that supervisors apply in a work setting involve different attitudes toward workforce motivation (McGregor,

1960, 1966) and this provides the subordinates with different work related experiences (Rhoades et al., 2001; Wasti, 2008). When the subordinates receive such message, each subordinate generate distinct perceptions and this perception may be generalized to the organization, which subsequently determines the subordinate's attitude and behavior (i. e., commitment, loyalty, and performance) in reciprocation to their organization (Rhoades et al., 2001; Wayne et al., 1997).

For example, when a supervisor applies Theory Y management style, the subordinates might perceive that the supervisor provides intangible and tangible resources to themselves (Liden et al., 1997), which leads to high-quality exchange relationships. Subordinates in high-quality exchange relationships can communicate with their supervisors frequently and have their supervisors' support, encouragement, and consideration (Sparrowe & Liden, 1997; Wayne et al., 1997). In return; the subordinates repay these benefits via desirable behaviors, such as affective commitment toward the organization (Cohen, 1992; Wayne et al., 2009). Conversely, when a supervisor applies Theory X management style, the subordinates might perceive a strictly task-centered relationship characterized by low exchange and top down influence (Liden & Maslyn, 1998; Graen & Scandura, 1987), which leads to low-quality exchange relationships. These relationships afterwards determine the subordinates actions and behaviors in accordance with the prescriptions and proscriptions of the employment contract (Sparrowe & Liden, 1997; Wayne et al., 1997). In sum, the quality of exchange relationships between subordinates and supervisors is supposed to be an effective factor that impacts the development of affective commitment

among subordinates (Cohen, 1992; Eisenberger et al., 2010; Wayne et al., 2009).

Consequently, from this perspective, Theory X and Y management styles will first influence the subordinates' perceptions of exchange relationships and subsequently further modify or change their affective commitment towards the organization. Hence, in the present study, it is proposed that LMX will mediate the relationships between the supervisor's management style and the subordinate's affective commitment toward the organization.