

# Identifying The Worker's Philosophy In Construction Firms by Using The McGregor's Assumptions

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## ABSTRACT

There are many popular theories of leadership and motivation that have been discussed and applied by managers to motivate subordinates. Two ways of looking at people are by using theory X and theory Y. As these analyses are about human characteristics therefore, the theories may vary with culture and economy. There are also differences between the actual underlying beliefs of the managers and the subordinates perceptions of the managers' beliefs. A survey was conducted to obtain the workers' beliefs and perceptions on leadership characteristics in various construction firms in four states of Malaysia. The survey involved people of many positions from owners to general labourers. The results of the survey indicated that the cumulative actual beliefs and perceptions of the workers is towards theory Y.

## INTRODUCTION

Many objectives has to be achieved or fulfilled by a construction team in order to be successful. The objectives can effectively be achieved by the coordination of works by many individuals that have formed a team or an organisation. The management of an organisation can be defined as a process of working with other people to effectively achieve the organisation's objectives by utilising limited resources in environments that are continuously changing [1].

The crude nature of construction activities have made the people working in the construction industry became used to negative thoughts like accidents were a part of construction activities and nothing can be done about it.

Managers also used to think that people must be understood to be repulsive and construction workers must be rugged and tough. However, many managers has changed this attitude and considered construction activities and their resources as controllable, can be planned and can be prioritised [2]. Nevertheless, there are managers whom still do not hold to this attitude or do not recognize that work must be done through people.

In reality, managers must understand people if they are to gain respect in order to direct, lead and persuade people in an organisation. Individuals, as humans, have certain common traits which cause them to react in similar manners. However, different experience and education backgrounds make it becomes difficult to understand them. Although in given situations certain behaviours might be predicted from the findings about people in general, these behaviours must be tempered to fit each individual's reactions [3].

All the elements required to increase productivity at the work place must be carried out by or through people [1]. The failure or success of an organisation depends on human factors in dealing with duties and responsibilities. Managers should make the objectives of the organisation clear and comprehensible to avoid confusion or indecision and to get better participation. The managers should inform all individuals involved and get them to commit to perform in appropriate ways. This could mean retaining people who have already established positive attitudes and actions, or changing people's negative ways of thinking and acting.

For more than 50 years behavioural scientists have analysed and developed several helpful ways of thinking about management, worker practices and behaviours under various conditions. The key ingredient found is how managers assess and relate to, or are perceived as assessing and relating to, the people they direct. A cornerstone of the modern behavioural science approach to managing came from the management theorist Douglas McGregor [4].

## **THE MCGREGOR LEADERSHIP THEORY**

In 1960, a classic concept was introduced by McGregor from the School of Industrial Management at Massachusetts Institute of Technology which is called "theory X and theory Y" [5]. The initial difference between the McGregor's two theories is based on separate assumptions about human nature.

Theory X type managers believe that people do not want to work naturally and they have to be forced by managers to produce. Theory Y type managers believe that people in general do want to work, and management need only provide the proper opportunity to make it happened. More detailed assumptions for each theory are listed in Table 1 [6].

In Table 2, a summary and contrast was made on the effects of actual or perceived theory X and theory Y mental sets, on the behaviour to be expected from subordinates and on their willingness to make commitments for high productivity. Like most concepts on human behaviour, however, these groupings cannot be considered as applicable in all situations [4]. The basic premises about people summarized in Table 2 were later advanced and modified by McGregor [6].

### **Modified Theory X Managers**

Theory X managers believe people "must be driven." McGregor described their beliefs as follows:

- The average people have an inherent dislike of work and will avoid it if possible.
- The average people must be coerced, controlled, directed, or even threatened with punishment to get them to put forth adequate effort toward the achievement of organisational objectives.
- The average people prefer to be directed, wish to avoid responsibility, have relatively little ambition and give high priority to security.

### **Modified Theory Y Managers**

In contrast, theory Y managers feel that people are "mature, basically good and honest, and anxious to work"[7]. Their beliefs were:

- The expenditure of physical and mental effort in 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 organisational objectives.
- The average people learn 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 problems is widely distributed in the population.
- Under the conditions of modern industrial life, the intellectual potentialities of the average people are only partially utilized that a valuable resource is often lost.

## IMPACTS OF MANAGER'S PHILOSOPHY

Although managers might operate differently, both theory X or theory Y managers can get people to work if the workers are desperate for employment or are facing difficulties in basic physiological or safety aspects. However, in most developed countries today, it is seldom found construction managers or skilled workers in such dire straits which results in theory X or perceived theory X managers deprived of their most important strategy for getting people to work and found ineffective. Theory Y managers do not face this handicap and would be more effective.

Some managers may exhibit both theory X and theory Y mental sets in different situations [4]. For example, theory Y was shown in dealing with project engineers but theory X appeared when approaching workers and even foremen. This behaviour usually results from real or imagined situations on earlier experiences, where workers were assumed or found lazy and unwilling to work productively. This thinking is, however, self-defeating because theory X managers forego any chance of utilizing skills of those workers who actually want to be cooperative and productive.

Most modern theorists now believe, as McGregor did, that it is only possible to encourage a person's self-interest in work achievement if the manager's attitude toward employees reflects the theory Y outlook [3].

## QUESTIONNAIRES

Nine questions were used in the questionnaires to gather information pertaining to the respondents' attitude, needs and motivation toward work. The response would indicate the perception of the respondents and will be compared with the characteristics described in McGregor's assumptions of theory X and theory Y managers. The information were collected from various construction firms in Kuala Lumpur, Selangor, Negeri Sembilan and Johor. The categories of construction firms in this study are consultants, developers and contractors. The individuals questioned came from various levels including owners, project managers, professionals, department heads, superintendent officers, clerks, skilled workers, semiskilled workers and labourers. These upper-level management and lower-level employees indicated what they perceived from their everyday observations.

Other than mailing approach, data were obtained through interviews and this helps to guide the respondent in the right direction.

## ANALYSIS OF QUESTIONNAIRES

From a total of 65 sets of questionnaires distributed, 52 sets were completed and returned, which gives a 80% response. Nine questions were designed to investigate the characteristics of workers and the types of leadership and management in accordance with theory X and theory Y.

There were 33 respondents from Kuala Lumpur and Selangor, 16 from Johor and 3 from Negeri Sembilan. Out of the 52 responses, 30 were given by consultants, 16 from contractors and 6 from developers. 34 of the respondents were from management level and 18 were from general worker level. There were four common frequency used to indicate the degree of occurrence for each characteristics. Respondents must select either "often", "sometimes", "seldom" or "never" as the answer and each response was awarded points according to the appropriate scale as follows:

<u>Response</u>	<u>Point</u>
"Often"	1
"Sometimes"	2
"Seldom"	3
"Never"	4

$$\text{The Mean} = \frac{\text{Total Points}}{\text{Number of Response}}$$

Table 3 shows example of responses obtained from a question. For this question, 4 points were awarded to theory X and 1 point to theory Y. The calculated median is 2.5 points. The median distinguishes theory X from theory Y.

$$\begin{aligned} \text{The Mean} &= \frac{90}{52} \\ &= 1.73 \end{aligned}$$

The response from this question inclined toward theory Y.

The mean of responses for all questions were summarised in Table 4, which ranged from 1.21 to 2.69. The means were then aggregated to get the total of the means and divided by the number of questions to get the average mean. The calculated overall mean was 1.99 which fell below the median value of 2.5. All the questions used in the questionnaire were shown in Table 5.

## CONCLUSIONS

In conclusion, the characteristics of the workers of this sample is inclined toward McGregor's theory Y managers. The people involved in the survey, whether currently holding management responsibilities or not, have the tendency to become good leaders. This theory Y leadership reflects good characteristics such as active, cooperative and self-potential, which are in line with organisational objectives. It indicates that these construction firms have good potential to survive and improve in the future. Management in these firms do not have to impose major control or monitoring on the workers but should use all opportunities to delegate duties.

## REFERENCES

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Table 1 McGregor Assumptions of Theory X and Theory Y

**THEORY X:**

1. Management is responsible for organising the elements of productive enterprise like money, materials, equipment and people in the interest of economic ends.
2. Management is a process of directing, motivating, controlling and modifying human behaviour to fit the needs of the organisation.
3. Without active intervention by management, people would be passive or even resistant to organisational needs.
4. The average human:
  - by nature works as little as possible.
  - lacks ambition, dislike responsibility and prefers to be led.
  - is inherently self-centered and indifferent to organisational needs.
  - is by nature resistant to change.
  - is gullible and not very bright.

**THEORY Y:**

1. Management is responsible for organising the elements of productive enterprise like money, materials, equipment and people in the interest of economic ends.
2. People are not by nature passive or resistant to organisational needs but become so as a result of experience in organisations.
3. The motivations, potential for development, capacity for assuming responsibility, and readiness to direct toward organisational goals are all present in people; management just help them to recognise and develop these characteristics.
4. The essential task of management is to arrange organisational conditions and methods of operation so that people can achieve their goals at their own efforts.

Table 2 Manager's And Lower-Level Management's Mental Sets

<u>Despotic or Insensitive</u>		<u>Creative-sensitive</u>
People are lazy and must be driven (theory X)	Subordinates should be treated like children (theory X or Y)	People are mature, basically good and honest, anxious to work productively, helpful and cooperative with management (theory Y)

Table 3 Example Of Response From A Question

Choices	Point	No. of Response	Percentage	Cumulative Points
Often	1	19	36.5	19
Sometimes	2	29	55.8	58
Seldom	3	3	5.8	9
Never	4	1	1.9	4
<b>Total</b>		52	100	90

Table 4 Overall Mean Value

Question Number	Mean
1	1.73
2	1.87
3	2.69
4	1.21
5	2.33
6	1.62
7	1.94
8	2.67
9	<u>1.87</u>
	17.93
	<u>+ 9</u>
	<u>1.99</u>



Table 5 The Survey Questions

1. Do you like to share or give ideas to solve problems in your department?  
(often; sometimes; seldom; never)
2. Do you feel it is necessary to change the company strategy or leadership?  
(often; sometimes; seldom; never)
3. Do you feel instructions regarding procedures or work process must be completed in detail first before any task can proceed?  
(often; sometimes; seldom; never)
4. Do you feel the manager's instructions are clear and comprehensible?  
(often; sometimes; seldom; never)
5. Do you think the employees can be cheated easily (gullible)?  
(often; sometimes; seldom; never)
6. Are you aware of your current organisational objectives?  
(often; sometimes; seldom; never)
7. Do you like to take up responsibilities or control?  
(often; sometimes; seldom; never)
8. Do you feel that the management should use incentives to prosper employees?  
(often; sometimes; seldom; never)
9. Do you feel that the employees are ineffective or lack of ambition?  
(often; sometimes; seldom; never)