

Democratic leaders (or **participative leaders**) encourage input from all employees and decisions are a result of either some kind of voting procedure or, more likely, as an outcome of informal discussions; leaders must therefore be extremely skilled as communicators.

Laissez Faire leaders can either be seen as lazy and unwilling to take the decisions that are their essential function; alternatively, they are so trusting in the ability of their subordinates that they have delegated the entire decision making process.

McGregor's Theory X and Theory Y

McGregor attempted to formalise leadership theory by looking at two contrasting styles. Each looks at management's attitude towards their workforce and thus defines their behaviour towards them.

Theory X

- similar in many ways to the negative aspects of Taylorism
- employees dislike work and will avoid it if possible; responsibility is also to be avoided as workers have little if any ambition
- workers want the security of a 'quiet life' in their jobs

therefore management must exert continuous control and supervision over the workforce. There is a total lack of *trust*.

Theory Y

- employees enjoy work, seeing it as an opportunity to fulfil their social, self-esteem and self-actualisation needs
- under certain circumstances, workers actually seek responsibility

therefore management should encourage their workers to take on positions of authority by delegating decision-making to them; this will improve their motivation and commitment. However, there is a need for *trust*.

McGregor himself saw Theory Y as the only way forward; Theory X was only set out to be ridiculed and criticised. However, as with many aspects of **HR management** (organisational structure, motivation, leadership style), the context will determine the best approach.

But the management of transition from **X** to **Y** will always create problems as trust is not a commodity that can be forced into the workplace, or built overnight.

Ouchi's Theory Z

With the success of Japanese business in the '80s, Ouchi suggested that there was a distinct Japanese style of management that Western firms could adopt to further improve the motivation and therefore productivity of their workforce. It included:

- adoption of team working wherever possible, with open communication and a consultative leadership style
- enhanced job security, on-going appraisal and training, and a concern for the employee's welfare both in work and in their social life

This clearly draws on the higher orders of Maslow's hierarchy.