

## HUMAN RELATIONS AND INDIVIDUAL MOTIVATION

Professor Joseph C. B. [unclear]

1962

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Reviewed by A. J. Cartelzo, Lt. Col., USAF

INDUSTRIAL COLLEGE OF THE ARMED FORCES  
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Human Relations and Individual Motivation

2 November 1962

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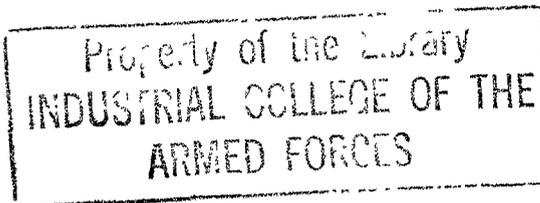
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INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington 25, D. C.

## HUMAN RELATIONS AND INDIVIDUAL MOTIVATION

2 November 1962

COLONEL BLACK: An understanding and utilization of human relations is generally accepted to be one of the major keys in successful management operation. We have with us this morning a scholar, an administrator, and especially a motivator, well-versed through experience for this area of discussion.

It's a pleasure for me to introduce Dr. Joseph C. Bailey, Professor of Human Relations, the Harvard Graduate School of Business Administration, who will talk to you on "Human Relations and Individual Motivation."

DR. BAILEY: I'm going to do this morning what I don't particularly approve of, which is to read to you what I have on this subject, because I want to say as much as possible with the fewest words possible. You have copies of the scope of this talk, I think, in the documents you've been handed. I'll begin by saying the topic assigned to me, "Human Relations and Individual Motivation" - by the way, can you all hear me clearly enough? I'm not sure from up here. Take them together with that scope that's indicated on the document and they impose a task which is supposed to be discharged in less than an hour.

Any speaker who supposes he could do this would have to have more than temerity; he'd have to be downright foolhardy. He would remind me of a mule I was told about some years ago by an oldtimer who clearly thought I had exceeded my capacity. The mule in question was sold by A to B as sound, healthy and a willing worker. B led his new mule home and after turning him into a pasture near the farm-

house, was astonished to see him make several circles in the field at increasing speed until he finally crashed into the side of a barn and broke his neck. B returned at once to A and complained that A had sold him a mule that was blind. A conceded that his mule's eyesight was less than perfect, but he contended that the condition was not the cause of the accident; that it was a matter of disposition and outlook. The mule B had bought was an optimist and took things light-heartedly. He had run into the barn, unhappily injuring himself just because he didn't give a damn about the risks he took.

I've long remembered the story about the carefree mule with the consequence that I propose to approach my embracing subject better with some circumspection. What I have in mind is to try a shortcut to the heart of the matter that should most concern a practicing manager. That is, men to men who carry a responsibility for obtaining the largest amount of high-grade production from all the people they supervise. The focus I am proposing will therefore center on the second sentence in the scope that was outlined for my talk; to wit, "The problems and means of securing people to work effectively and with satisfaction, within a group." I would add to that sentence one more phrase - "and within the total organization." I will express the hope that if I can shed a little light on this aspect of my subject I will also at the same time do the same for the remaining parts of my assignment.

I hope that this attempt on my part to aim at one of the ever present and ever pressing preoccupations of men who manage will be welcome to you even if I should bang my head on the barn again. After the prelude I've just offered let me try a bit of my own light-heartedness by proposing a sub-title. I would like to see if I can

provide you with some means or methods whereby you can make a rough calculation of the degree of your obsolescence as a manager. I shall be asking you in effect, "How is your O.Q.?" How is your obsolescence quotient in place of the better-known I.Q. - your intelligence quotient? We're all obsolescent to some extent in any of our skills or fields of knowledge. The critical issue is not that sad fact of human limitation but rather are we more obsolescent than we ought to be, than our rivals are, than we need to be if we knew where we stood.

Where do we stand, as men who are judged to a large extent by our ability to motivate the individuals under our jurisdiction and within our organizations? I shall try to supply a few yardsticks with which you can make your own personal calculations on the extent of your own O.B. Today it is generally agreed that the rates of labor turn-over, absenteeism, spoilage, low production, slow-downs, are symptoms of inadequate motivation. They may indicate more than that, but they do also indicate inadequate motivation. Beyond measurable deficiencies like those mentioned there are others harder to define and to measure, such as indifference, apathy, passing the buck, unwillingness to accept responsibility, clock-watching, etc.

To the extent that the prevalence and seriousness of these symptoms inside your organization exceed those in comparable similar organizations, to that extent, something probably is amiss with your management of individual motivation. And, to the same extent that your O.Q., your obsolescence quotient, is greater than it should be. Each manager should be attentive to his own relative standing by standards such as these. And I hazard a guess that most managers are, though they often will deny it, especially if their standing is not quite what they believe it should be. But,

important or useful as it may be to know that, like it or not, performance is gauged by indices such as these and do go into the motivations and rewards to executives.

I would like to raise a deeper issue about human relations and individual motivation. I wish to suggest and to examine the proposition that the theory of motivation which is in nearly universal use today is itself inadequate. It is itself obsolete, or at least, partly so, and may itself account for some of the lackluster records we are all too familiar with. The theory of motivation widely utilized today in the United States holds that the inducement of central and virtually exclusive importance in procuring the services and efforts of individuals to contribute to the purposes of the organization is money or its equivalent in a variety of fringe benefits. Money makes the mare go, expresses the same view. Other inducements are not excluded, of course, such as 'nice surroundings, intangibles of prestige,' etc., but these are generally regarded by both labor and management, speaking frankly, as frosting on the cake. The cake is money - cash - and the more the better. And it is expected that there will be a perpetual tug-of-war, a permanent struggle with all the power available, between perpetually contending parties over who gets how much of the total cake.

Now, I've presented an oversimplification of what I propose to call the current managerial theory of the organizational individual's motivation. I am not offering a theory which needs the approval of conventional economists. I'm sure this one would not get that. But neither am I setting up a straw man. My oversimplification is not very much over. It is meant not to be. It is meant to state in everyday language the assumption, the popular executive attitude toward what they regard as

the key to individual motivation. To them, that key is money; money almost exclusively. And that is all I have tried to say. For my purpose we do not need the sanctification of the Economic Guild. For my purpose is to identify the controlling managerial beliefs today that money is the only important key to individual motivation as respects work done for their organization. My further purpose is to suggest that this theory today is partly obsolete, is rapidly becoming more so, and managers who ignore this disturbing development risk the real probability of becoming thoroughly ineffectual in less than ten years; hence, obsolete and junkyard-bound as a manager.

I rest my contention that the prevailing belief that money is the key to good or bad organizational output is now on the edge of obsolescence, on several types of evidence. The first might be called theoretical. Yet, I prefer to regard it as intellectual, at a very ~~comprehensive~~ and very complex level. Because, it is not theoretical at all in the customary sense of a flight of fancy. The thinker, whom I shall quote offers this, the mature reflections of a man who has spent a lifetime of successful accomplishments as an executive in many important and complex organizations, who has organized his thoughts with the systematic rigor of a scholar and intended them to be tested against reality; and to be later subjected to experimental work not then in existence.

As early as 1938, Chester Barnard, in his book "The Functions of the Executive," sweepingly challenged the validity of a cash only outlook when he wrote "It seems to me to be a matter of common experience that material rewards are ineffective beyond the subsistence level, excepting to a very limited proportion of men;

that most men neither work harder for more material things nor can be induced thereby to devote more than a fraction of their possible contribution to organized effort. It is likewise a matter of both present experience and past history that many of the most effective and powerful organizations are built up on incentives in which the materialistic elements above bare subsistence are either relatively lacking or absolutely absent. Military organizations have been relatively lacking in material incentives. The greater part of a political organization is without material incentive. Religious organizations are characterized, on the whole, by material sacrifice. It seems to me to be definitely a fact that even in <sup>purely</sup> commercial organizations material incentives are so weak as to be almost negligible, except when reinforced by other incentives, and then only because of wholesale general persuasion in the form of salesmanship and advertising. " This was in 1938.

I comment further on this; I do not know whether Barnard's low estimate of the power of material incentives to affect individual motivation caused any immediate serious efforts to affirm or refute his views. It should have done so, for Barnard's treatise not only challenged money only as utterly ineffective as an inducement to individual efforts, but it also challenged nearly all existing theories of authority by an analysis that finally asserted that - again I'm quoting - "The decision as to whether an order has authority or not lies with the persons to whom it is addressed and does not reside within persons of authority or those who issue these orders."

I shall put aside Barnard's handling of the question of authority as not directly relevant to our mission today. I introduced it along with his views on money as a motivator, which is our mission, only to establish the point that Barnard in 1938

had raised with impressive capability; questions which should have evoked from responsible students something in the way of refutation or confirmation. My impression is - and here I speak tentatively because I do not know - that Barnard for years went without favorable or unfavorable response because, (a) at that date the field of organizational behavior was very thinly populated by students; certainly as compared to today when we seem to be the center of a population explosion. And (b) the task of overthrowing Barnard's amazing study was simply too damn formidable for friends and foes alike. I'm inclined to this last surmise given above because again, I'm not aware that even today his views have been abandoned or disproven. If anything, they've been confirmed in some important respects by the second kind of evidence I shall offer next.

Professor Douglas MacGregor of M.I.T. about 1960 - 22 years after Barnard had rejected the popular belief in the potency of cash as the motivator of individual contribution to an organization, indorsed in general, Barnard's position. And in doing so, called upon a steadily growing body of evidence from a variety of research work. The second kind of evidence I wish to offer with respect to the obsolescence of the cash theory of motivation today comes from a search accomplished almost wholly within the last quarter century. As MacGregor puts it in the second page of his article on "The Human Side of Enterprise," the conventional theory as to the nature of management's task - which he labels "Theory X" - and I'm quoting MacGregor: "The findings which are beginning to emerge from the social sciences challenge this whole set; that is to say, the conventional X set of beliefs about man and human nature and about the tasks of management. The evidence is far from

conclusive, certainly, but it is suggestive. It comes from the laboratory, the clinic, the schoolroom, the home, and even to a limited extent, from industry itself."

MacGregor turns next to a new theory of motivation proposed originally by Dr. A. M. Maslow, and arising from his training in psychiatry and psychology as well as from his studies in anthropology and general semantics, which led him - Maslow - to propound a so-called hierarchy of needs theory, first presented in full in 1954 in his book "Motivation in Personality." Since MacGregor provides us with a condensed version of Maslow's theory in the article you each have a copy of, I shall do no more here than remind you of a few key points pertinent to our effort to determine the degree of obsolescence of the still dominant cash only theory of human motivation.

All men have needs and have needs all their lives, though these needs change and shift. Men's needs vary in importance and urgency. They exist at a series of levels. Primary and elemental is the need for subsistence. Until this need is reasonably cared for, other needs get small attention. Another primary need is for personal safety and protection against dangers, deprivations, threats, etc. Food first, obviously, but close on its heels follows the need for safety. When both these elementary physiological needs are decently satisfied we find other needs of a higher order then crowding in.

Three of these compose the next three levels of importance after the elemental first two. The third level comprises man's social needs to belong, to be accepted and associated with others in friendship and affection. The fourth level emerges as an individual's need for reputation, achievement, self-esteem, status. The fifth

level of needs in this hierarchy of needs is called the "self-fulfillment need," the need for self-development, for being creative and for realizing one's full potentialities.

Now, for us in pursuit of our inquiry about the adequacy of the prevailing money only theory the important consequences of Maslow's theories to be noted are these:

(a) Money aims directly at the first two needs and can satisfy both quite acceptably. But money has extremely limited utility as to needs of the third and fourth categories, and even less as to the fifth. (b) Satisfied needs no longer serve as motivators. When there is enough money to satisfy the first two needs money loses most of its potency to motivate behavior because the three higher needs must achieve their gratification mostly through means other than money. (c) The two lower needs have definite limits. Once there is enough food and a reasonable degree of safety there is very little room for more of either. This is not true of the three upper levels. Needs on those levels are rarely satisfied, especially on the fourth and fifth. This means that money whose efficacy is confined rather closely to the first two levels of needs is increasingly inadequate at the three higher levels where one rarely experiences a limit to those kinds of satisfaction; where one can usually absorb indefinitely, more and more of such gratifications.

I believe that it is this state of affairs with respect to money that led Barnard to assert in 1938 that material rewards are ineffective beyond the subsistence level and that even in purely commercial organizations material incentives are so weak as to be almost negligible. Barnard, on this point, anticipated Maslow.

In an affluent society such as ours has become, where a spreading high standard

of living enables increasing numbers of the population to easily satisfy their subsistence and safety needs, money as the motivator of whole man becomes increasingly inadequate and increasingly obsolete. The obsolescence of money as the sole motivator advances hand-in-hand with every rise in our standard of living. Success in increasing the latter - the standard of living - unavoidably is accompanied with the decreasing of the strength of money as a motivator. These are counter-trends.

Now, what percentage of the American population is so situated today that the clear majority have the needs they are strongly motivated to gratify exist on levels 3, 4 and 5, as compared with those Americans who must still devote significant energy to needs on levels 1 and 2? I pose that question at this point in order to round out our efforts to estimate the present degree of obsolescence of the money only theory of motivation. Up to this point we've considered the needs and the levels of needs that money can and does satisfy easily and sufficiently. We have glanced at other sets of needs for which money suffices only to a very limited degree or possibly not at all.

What we must do now is attempt an estimate of how many people are moving beyond the range of money as a compelling motivator. If the percentage is low and the numbers are few, money-theory-obsolescence is also low. But if the percentage is high and rising, and the number of people involved is large and growing, then the theory-obsolescence quotient is high and is increasing daily, as therefore it will be increasing for all those managers who rely too exclusively upon it in their motivation of their personnel.

The United States Department of Labor issues a bi-ennial handbook entitled,

"Occupational Outlook." The fifth edition published last December carries a staggering amount of information in its 829 pages. Some of it is devoted to significant trends. One of these trends discloses that our present overall labor force, now nearly 70 million, is expected to expand nearly 20% by 1970. The professions during this same decade are expected to grow twice as fast as the total labor force. Scientific and technical occupations are expected to grow twice as fast as the professions, or nearly four times faster than the total labor force. These trends and some other closely related ones constitute another variety of evidence that will, I believe contribute to the increasing obsolescence of money as the prime motivator in work situations.

The composition of the American labor force has been changing year by year, but a historic milestone was passed recently when the white-collar workers outnumbered at last, the blue-collar contingent. This has been a long-term trend and it is accelerating rather than flattening out. Within the white-collar majority, however, certain categories are increasing much faster, as indicated above, than the clerical segment is. These are the professionals, the technicians, and an increasing proliferation of specialists. It appears certain that within a few years more the single largest and most influential class of employees in most organizations will be such people; indispensable to each department and to all the functions of its operations; indispensable because the inexorable increase in the complexity of technology in all directions forces management to an ever greater reliance upon an increasingly better trained and better educated work force.

Such people - professional, quasi-professional, - specialists in a widening ar-

ray of skills and talents, that must utilize more and more scientific knowledge in problem solving as a basis for planning, for decision-making and for policy formulation, will increasingly populate the organization from top to bottom. Already in a number of organizations they are an element indispensable to its success and survival. Those industries which are further along this line of the advance in the increasing science and in increasing technology.

The motivation of this new class turns on different values than those that have evolved out of several generations of dealings with the historic manual blue-collar worker of limited education and skills chiefly acquired from on-the-job practice. How far does the recently-acquired and rapidly growing preeminence of this new professional technical elite contribute to the obsolescence of our traditional methods and concepts of motivation? It contributes gravely and greatly. The motivation of this new class differs so much, in my opinion, that it will require a shift in administrative practices and managerial theories so widespread and deep-reaching as to constitute a revolution in management and the concept of its role.

To use language already available to us, it will require a transition away from Professor MacGregor's theory X toward something that will resemble his theory Y. Money and the power to reward and control, and punish, but money conferred while the Industrial Revolution gathered momentum a century ago, and during a period when there was an unavoidable reliance on the strong backs and brawny arms of the manual laborer - incidentally, coupled with a nearly complete absence of specialists, technicians and professionals, and a very scanty sprinkling of a few office clerks in that pre-scientific and prototechnological era - money was then more than suffi-

cient motivator, when 90% of the working population lived close to the edge of their subsistence. Money then controlled effectively the needs for subsistence and safety. And few manual workers, then, could find time or opportunity to indulge this social egoistic need. Money was nearly all-powerful then and until prosperity spread more than 50% of the total population and thus launched the world's first affluent society in our country - something less than 20 years ago - money remained nearly all-powerful.

Small wonder that it is still difficult to perceive that the reign of motivation by cash as the absolute monarch for more than a full century may be approaching a marked decline, or an eclip<sup>s</sup>e, at least, in what some wags have called "the over-developed countries." Over-developed in that context literally means nations of the Western World where fear and hunger are no longer all-compelling motives to work, as they certainly still are in the poverty-ridden nations of the underdeveloped category.

Economic rewards are indispensable to this new, growing and soon to be the most influential class of professional and technical workers. Like all of us, they too need food and shelter. Yet, there is ample research data which discloses that money does not provide the primary incentive to them to contribute their chief value to the organization, which is to offer creative and original intellectual efforts in aid of management's problems. To these people, many of them new to modern organizational life, money rewards can be anti or counter-productive if administered without reference to their system of values. If administered in a way that they regard as equitable, which means the rewards take professional competence as much

into account as they do organizational loyalties, money will not become a preoccupation that interferes with morale and productivity.

Once this much is said about the economic rewards to the new class of trained white-collar men - now a majority of our work force - we should take a look at the work they do appear to respond to, once they regard their compensation as equitably arranged. In other words, beyond money rewards what do they desire to be rewarded with? What incentives do they respond to? How many of these are ones which managers can provide them with?

A number of studies conducted among such people seem to me to rather clearly indicate the incentives on which they place high value. Close and stimulating contact with fellow specialists both inside and outside his own organization is as important as any other inducement, and is one that Maslow would place, I suppose, mostly on the third level of needs. Another one directly associated with the foregoing is freedom to attend professional society meetings; participate in those activities, to present papers before them, to publish articles in their journals; all this as a means to his own professional development as well as an accepted method of enhancing his status and professional reputation. These needs would fall on Levels 4 and 5 of Maslow's hierarchy.

As for promotion as a means for reward, these people often would prefer to be promoted to greater autonomy rather than to greater authority, to become freer to maximize their contribution as they see fit rather than to relinquish their special field of expertness to become responsible for the work of more and more subordinates, and thus become more of a generalist instead of a specialist as most corporate

managers do become. On the job at every level this same desire for freedom from close supervision, accompanied by an insistence on being consulted on all decisions that affect them in their work, is an incentive as influential to them as is the type of promotion they most desire. The reasons behind both these needs, to them, are the same, and to them, nearly unanswerable. They say in effect, "If you hired us for our knowledge, our special skills, our expertise, then prove it by taking us in on all decisions that affect our contribution. And when we've made some valuable contributions, prove it by releasing us further to make some more."

Management can set the objectives, but the professional believes he is better equipped, and more capable in determining the steps necessary to achieve them. And the plain fact is he should be or he shouldn't hold the job he has been given; he is not an expert.

Finally, as a capstone to this partial listing of the needs of the new class - the motivations beyond money, remember, which carry weight with them - is an attitude toward authority which seems to be very close to Barnard's proposition that the decision as to whether an order has authority or not lies with the person to whom it is addressed, and does not reside in persons of authority or those who issued the order. These new men making a distinction between decisions chiefly concerned with the organization as a whole, about those decisions, the new group seldom desires participation. But about whatever decision impinges upon their specialty, unless they are consulted extensively and share in the final decisions, management is likely to provoke serious resistance or worse.

These needs of these new men in organizations <sup>hence</sup> and ~~the~~ motivations to which

they respond, do stand at variance with the blue-collar worker who, as recently as 50 years ago, constituted more than 80% of our total work force. Now it's less than half. Most of these new needs can be met poorly or not at all by money, for management, Theory X and its principal prop for motivation - money - is obsolete to the extent that your organization now relies on specialists and professionals as against manual and clerical workers, to the extent as managers that you have not begun to extend your theory of motivation beyond cash only, beyond Theory X and in the direction of Theory Y, or some theory that recognizes the needs I have outlined and some method of rewarding them; to that extent, you O.Q. - your obsolescence quotient - is unnecessarily high.

Now to recapitulate and then to look ahead a bit. I've raised questions about the adequacy of money as a motivator. During man's history, most of the population has lived close to the subsistence level. The bulk of the world's population lives there today. Money under those circumstances is a powerful motivator. But once the majority of any given group attains a standard of living beyond their subsistence, once the level of widespread prosperity is achieved, once the base for an affluent society is created, money loses more and more of its power to motivate individual behavior. Because, under these new circumstances, the needs that emerge for most people can seldom be purchased with money; the acquisition of good friends, the pleasures of simple, daily sociability, the esteem and respect of others for competence and achievement, the slow and often painful effort for self-realization; these things in the main are inaccessible to purchase for cash, and almost in direct ratio to the percentage of the population whose needs now arise on

levels like these rather than upon the subsistence and safety level, money becomes steadily more obsolete as a reliable and adequate motivator.

To me, it appears that the trends I have cited, mainly a steadily rising standard of living in countries with the most advanced technology, the increasing complexity of technology requiring greater and greater training and specialization of personnel, and both these trends advancing the level of needs of individuals beyond easy access with cash alone, it appears to me I repeat, that these trends exist and are accelerating, and carry with them consequences that deeply impair any theory of motivation that relies heavily on money. It follows, of course, that any manager who ignores these developments stands in equal danger of seeing his influence decline as the cash concept of motivation becomes less effective and more obsolete.

What can managers do about motivation beyond money's indispensable but increasingly limited usefulness? Let us end by taking a brief look ahead at what may help to avert obsolescence, and might, in fact, even open up a range of possibilities for motivation that money never did release. For reasons of convenience and economy of effort let me adopt Theory Y, or the crucial elements of it as presented by Professor MacGregor in his paper on, "The Human Side of Enterprise," and the more adequate theory of motivation than the prevailing theory of money seems to be today.

He writes on Page 7, "The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives. This is the process primarily of creating opportunities, releasing potential, removing

obstacles, encouraging growth, providing guidance." Further down on the same page he writes, "The Theory X places exclusive reliance upon external control of human behavior, while Theory Y relies heavily on self-control and self-direction. It is worth noting," he adds, "that this is the difference between treating people as children and treating them as mature adults."

In my judgment, we have no real choice. X today is inadequate and becoming increasingly so. Y is more adequate to a far wider range of human needs; to the wider range that has been released by our higher standard of living; and by the ever-rising standards of competence and training imposed by advancing technologies in all forms of organized effort. We have no option, in my opinion, other than accepting the challenge to management that Theory Y clearly implies. Are you mature enough to treat all your people as mature individuals whether they are, or are not, in fact? And to help them become so and contribute their best to the organization as one of the best means of realizing fulfillment of their own individual needs? This is a momentous challenge and a difficult one. It will be disappointing and frustrating because as MacGregor remarks, "After generations of treating people as children to be governed by external controls, chiefly money, we cannot expect to shift to reliance upon self-control and self-direction overnight without a good deal of adolescent revolt and juvenile misbehavior and misunderstanding."

"But the society which first accomplishes this kind of transition from managing the individuals who compose its work force, as dependents who must be directed and controlled, to administering them as independent persons who can and will collaborate in common cooperative purposes, will be the society which moves from

merely an affluent society, to one that has never existed before, a society of mature and creative citizens. "

That would be a breakthrough of greater moment than atomic fission. In fact, if there is not a breakthrough of some such comparable significance, humanity is quite likely to injure itself beyond recovery, because it cannot provide persons of sufficient maturity, in sufficient numbers to manage its own technological genies out of the bottle. And, on the other hand, could any elite - in this instance the existing managerial elite of our country - ever respond to any higher goal than so managing the human resources in its organizations that it could honestly be said the majority of its personnel developed a little each year in the direction of greater responsibility, self-sufficiency and maturity, thanks to the way they were managed by their administrators; that is, as they become more useful to the organization they become also, and as a result of their responsibilities and opportunities inside the organization, more useful outside the organization. They become better developed individuals, more mature as husbands, parents and citizens.

Indeed, why shouldn't society reasonably expect all of its subordinate institutions would deal with their own membership in such a fashion that their individual social worth is certainly not impaired, but should be, in fact, enhanced? It would not surprise me to see some such demand formulated as a quid pro quo for corporate freedom, for individual enterprise, and as a final definitive rebuttal of socialistic criticism of capitalistic materialism.

In conclusion, if money's power is waning, if Theory X is increasingly obsolete, if we must enlarge our concept of motivation in the direction of Theory Y, that is to

say, enlarging our concept of motivation to embrace the need to ignite the self-motivation in others; if we do this, then I can safely predict that every manager who attempts to do this will not be lacking for problems to work on for decades to come. And, I believe his O.Q. - his obsolescence quotient - will no longer be in a predictable decline, but hopefully will recede as he learns more and more about new ways of administrative behavior aimed at motivating the higher needs of an increasing percentage of our work force.

QUESTION: Sir, in view of your remarks on the need for enlargement of motivation in the direction of Theory Y, I'm also interested in how this will be brought about. Specifically, do you believe the necessary human relations training should be conducted separately in special courses, or perhaps conducted as an integral part of all of the training and education?

DR. BAILEY: Let me give the ideal answer. I think it's a long way off. I think that to make any other course appropriately effective if the idea of motivation you're suggesting - a comprehensive theory; something like Y - I'm not saying it must be Y; I'm saying in that direction - should lie behind every other course, not necessarily be made explicit, but be accepted and understood. I think it also needs to be dealt with independently and separately, at least for the time being, because it stands still, so much at variance with the popular notions, most of them semi-conscious or unconscious in the mind of virtually every student who comes to our school. And unless it is raised explicitly and explicitly challenged, to their great consternation and antagonism, I don't think they're going to do anything about it.

They may give verbal agreement - "Oh yeah, we need something better than X; sure," they'll say, but it doesn't change their mind one iota. So, I think it ought to be dealt with separately as well as underly the other courses.

QUESTION: If money is no longer a prime motivator of managerial talent, how can you explain the government's difficulty in obtaining qualified managers from the private sector?

DR. BAILEY: I'll accept your question about money as a motivator for managers, although I was talking about money as a motivator for the work force. But, managers - Okay. In the first place, I think that money as a motivator for managers was never very potent. I think that most managers know this, and I'll give you an episode in a moment. I think the government's difficulty in securing managers from the private sector is not so much a question of money as it is a question of the fringe benefits and the fringe liabilities.

In private business, managers have constructed a world they like to live in, with all kinds of special degrees of freedom and activity that they're accustomed to. To pick up governmental harness, one feature of this being the extent to which they have got to deal with Civil Service Regulations is a new world for them, and I think a baffling and a frustrating one. They often say it's money and they probably think it's money. I don't think so. I think if they are tempted with a position of really seductive power and influence they'll take it, and they'll take it at a dollar a year.

QUESTION: Dr. Bailey, it would appear that one of the keys to your and doctor MacGregor's hypothesis is the definition of subsistence in our affluent society. Now, here there is probably more than just food, shelter and clothing; such as

boats, a second car, a swimming pool; how do you define subsistence in this Theory Y?

DR. BAILEY: I agree with you that subsistence certainly is more than simple food and shelter. I expect that the term subsistence is going to continue to rise in range as the standard of living rises. What was subsistence, say, in 1900, is no longer subsistence today. It may include a swimming pool. In California it does. So, I suspect that subsistence, as a definition of the two lower levels of need, I don't know how to put it in money terms. It would surprise me if there were some way of getting some general agreement on this. I would put it somewhere, myself - depending on the country and the range - anywhere from \$4,500 to \$6,000 a year. Now, that is certainly more than simple food and shelter. That's a pretty comfortable kind of subsistence.

But this doesn't particularly bother me. I mean, at some level the need rapidly falls off in its ability to influence people. I think that this is observable in labor negotiations, where the unions have got their membership up to a comfortable standard of living. They go through the motions of haggling over money, but really what they're haggling over is how much more we work per week or don't work, the conditions under which we work, etc. I think that behind the facade of dickering about money lies, actually, the real dickering which is about some other elements. So that, the level of subsistence rises too, but I don't think it's too important. I think that for the manager once you get beyond the real control by or through money, what then?

I don't know what it is. I know it's higher than it used to be. But at some

place, money as an influence drops off rapidly. Let's call it subsistence; subsistence plus.

QUESTION: Sir, Chris Arbulis<sup>Arb</sup> has stated that the needs of the organization and the needs of the employee are unalterably opposed. Do you agree that it's a reality that the organization goals of specialization and efficiency can ever be made so that they will be compatible with the goals that you mentioned as far as the employee is concerned?

DR. BAILEY: Arbulis's statement is akin to one that Barnard makes where he uses two terms - efficient and effective. And, an organization to be effective must be moving in the direction of attainment of its purposes and goals. To be efficient means that it is supplying all the people who contribute to its purposes - personal satisfactions to them so that they continue their contributions. He makes it pretty clear, or at least it's very easy to deduce, though they are parallel they are unlikely ever to meet. I don't think you need to tear your hair about this. I think what a manager needs to know is that the purposes of the organization are virtually never the purposes of any individual contributor, but that to the degree he can bring these into reasonable alignment, to that degree he is being an exceptionally good manager.

Generally, they work at cross purposes or divergents. Your purpose is not to get them to be identical. This is idealistic absurdity. You never will. Arbulis is right and so is Barnard. To the degree that you can get them compatible, reasonably parallel, non-divergent, you are doing fine.

QUESTION: Doctor, it appears what is being espoused is a kind of organiza-

tional anarchy, albeit a benevolent anarchy where every man does what he thinks is best. It would appear that this would lead to the lowest common denominator kind of output. And, in history at least, the better organizations are those where the leader is able to get more out of a man than the man felt he had in him. How do you reconcile this?

DR. BAILEY: Y can be interpreted as you have interpreted it. And it will be. I don't see that it leads in that direction at all; not in the direction of anarchy. I think that it requires far greater skill of leadership, membership understanding of social science, the practice of a great many talents that are mature talents to administer a Y, in which it is conceded that the individuals who come, you must aid them in satisfying their needs. So, what you really have is a situation in which the manager is dealing with the people on a quid pro quo basis. "Your needs are these; I understand that. I agree that these are important to you. If you'll help the purposes of this organization along these lines I think it will help you meet your needs. If these lines don't appeal to you you tell me what lines may. Maybe we haven't got them. In that case maybe we ought to part. If we have them, or if we can deduce them with benefit to the organization, you will have your opportunity to utilize those means for your own benefit." It's a quid pro quo.

I don't see it as that, actually. I see it as a very much tougher job than the one wherein a manager says, "I need a body for position Z. Pick one out at the gate and put him in. If he doesn't fit, throw him out and get another body." I think Y is most demanding on management, and it is not a yielding to, or a surrender of, management responsibility to the whimsical needs of a horde of disorganized indi-

viduals. I wish I could extend my answer; the point at some examples where something like Y is in operation, so you could get a picture of it. I think I know of some. I think we have some cases in which something like Y, or at least a glimpse of something like Y, can be perceived.

In MacGregor's paper he gives a few pieces of behavior, job enlargement and things like that which are partial movements toward Y. We haven't got very much of a full, rounded picture of a Y organization in operation. I wish I had that to cite to you.

QUESTION: I think you'll agree that the members of military organizations are part of an organization that assembles thousands a year. Our problems of leadership have always been on the third, fourth and fifth levels. We are dealing with persons whose first two levels of subsistence are by definition satisfied. Now, I would be very much interested in the way you would equate Maslow's interpretation of these with the problems of military leadership.

DR. BAILEY: Your comment is most intriguing. I realized as I came up to the platform here, and after I left it, that I was probably talking to a group who have been struggling longer, though at maybe semi-conscious levels, with the very kind of problem I was laying out, than any other group in the country; certainly more than managers of commercial organizations. You people, in fact, provide so many of the subsistence needs of individuals that I agree that the degree of the effectiveness of your administration does depend on three, four and five. I think one of the evidences of this is that virtually all the writing around the conversation in military services usually revolves not necessarily around management and administration, but

about leadership; how to evoke from others strong responses on the third, fourth and fifth levels.

I think some of the research studies on membership that have been undertaken in connection with group activities such as an aircraft crew, Army squads, etc., and the kind of motivation that's released there; I agree with you that probably one of the things we could get benefit from is actually studying a group or wide range of military leaders and leadership styles to see what motivation they were appealing to over and beyond money or subsistence. Because, this is a given in military services. We ought to be tapping you people for some light on these very problems. I don't know that there is much yet from that except that what is is in line with your thoughts. You people are well ahead of the rest, especially the commercial managers, in trying to cope with the problems of motivation beyond money. You people have got some material we ought to have.

QUESTION: In connection with your last statement, sir, a couple of people - Brinker and Spiegel - did some fairly deep research in World War II, on men under stress and they came up with a finding that the leaders had to assume the role of the father in this group - a fairly stern father. How does this jibe with your theory of treating them all like adults?

DR. BAILEY: I had some familiarity with their work a few years ago. You've stated it in a way in which I can give an answer that might interest you. I don't know how many of you recall a movie made at the conclusion of the last war called "12:00 O'clock High," an Air Force picture. I've used that several times in courses I give. Putting it in juxta-position to a case that I was thinking of when you

asked your question, the company in which the practices are not X for sure, and rather resemble Y; and the fear begins to rise among those managers that this is all out of control. I mean, this is a hell of a mess. This is no way to run a railroad, because we don't run ours this way. This is impossible. But the damn thing works. So, they're upset.

I then give them "12:00 O'clock High." I let them see the movie and ask them to tell me what they've seen. If you'll recall, General Savage comes in to rescue a demoralized outfit from Colonel Davenport who became, as the movie says, over-identified with his men. You could use the terms you were raising - too much of a father figure - and they were all dependent on him. And the accident rate ~~is~~ rising and the morale is falling. Savage goes in to straighten it out and he does. It's so dramatic; the hardboiled, hard-nosed attitude he takes from the very first moment when he throws down his cigarette, drives in and snaps the sentry to attention, nearly taking his head off. He does the same with the rest of the crew; they are now lax, disorganized and drunken - anarchy - and he brings them back through insisting on strenuous and unrelenting practice and on prompt and effective discipline, etc.

But what most of the people who watch this movie miss, they are so intrigued with this seeming abrupt change, that they fail to perceive that as these methods - shock treatment - bring the organization back into line again, back toward greater self-sufficiency and greater maturity in every one of the members of his command, he begins to relax, lay off and draw back, and let them take on the responsibility he is forcing them at first to take back. So, he succeeds in being a father and then

like a good father, backing off as they move and he helps them move, toward independence. So, I hope that this is an answer to the question you have.

Sure, a leader has to understand and play that role. But like that role when it's well played, the move is from the dependence that's unavoidable in a child to the independence and the increasing independence that that child has got to move toward if he's to become an adult. I hope that this gets at the issue that you're talking about. When is a manager a father? What kind of a father is he? How long is he a father? And, when does he diminish the father role?

COLONEL WILKIN: Professor Bailey, unfortunately our time has run out. On behalf of the Commandant and the students I want to thank you for a very stimulating morning. You certainly have given us something to think about. Thank you.