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HUMAN RELATIONS AND ORGANIZATIONAL CULTURE IN STRATEGIC MANAGEMENT A SOCIO-HUMANISTIC PERSPECTIVE ON MCGREGOR'S AND OUCHI'S THEORIES

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ABSTRACT

This paper explores the strategic dimensions of human relations and organizational culture through a socio-humanistic lens. It draws on the theoretical contributions of Douglas McGregor (Theory X and Theory Y) and William Ouchi (Theory Z) to analyze how managerial assumptions about human nature influence leadership styles and organizational dynamics. The study highlights how trust, participation, shared responsibility, and cultural sensitivity serve as essential pillars of effective strategic management. By integrating sociological and organizational insights, this paper argues for a human-centered approach to management that enhances both institutional performance and employee development. The findings emphasize the relevance of these classical theories in addressing contemporary organizational challenges shaped by complexity, cultural diversity, and digital transformation.

KEYWORDS

Strategic Management, Organizational Culture, Human Relations, Theory X and Y, Theory Z, Participation, Trust, Socio-Humanistic Approach

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Introduction.

In contemporary research, scholars frequently grapple with complex organizational phenomena that arise from work relationships and interactions within the organizational environment. To comprehensively address these challenges, researchers have increasingly turned to interdisciplinary approaches that extend beyond established boundaries of meta-knowledge. This approach empowers them to explore a multitude of perspectives and discover more effective solutions to the diverse array of issues that organizations encounter. As the business landscape undergoes rapid transformations, decision-makers find themselves compelled to reassess their management practices

The term 'strategic management' has surged in prominence in recent years, primarily within the domains of economics and business administration, but with noteworthy implications for the sociology of work and organization. This approach underscores the need to require the 'alignment of three dimensions within the operational or process-based institution, relating to economic, political, and social processes' (mazhouda, 2006, p. 89) Therefore, it is necessary to adopt multiple approaches, and the onus of understanding the intricate

organizational dynamics of strategic management, particularly from a sociological perspective, remains an essential undertaking.

The present paper does not seek to explore strategic management from a narrow administrative or managerial standpoint. Instead, it adopts a socio-organizational and cultural perspective, grounded in the theories of McGregor and Ouchi, to highlight the central role of trust, motivation, shared responsibility, and human values within organizations. By engaging with classical and modern sociological insights (such as those of Weber, Crozier, and Maslow), the article contributes to ongoing scholarly conversations in the fields of organizational sociology, cultural studies, and human relations in management. This multidisciplinary lens aligns with the broader objectives of humanities and social sciences journals concerned with the intersection of culture, power, and institutional dynamics

In this research paper, we explore strategic management within organizations, drawing from the theories of Douglas McGregor (1906-1964) (Theory X and Theory Y) and William Ouchi (1943-) (Theory Z). McGregor's theories shed light on leadership behaviours in managing subordinates, emphasizing the significance of recognizing individuals as active actors deserving of recognition and trust. Ouchi's Theory Z emphasizes trust, positive relationships among employees, participatory decision-making, and shared accountability. Both theories stress the necessity of investing in individuals within the organization through a strategic management strategy that boost motivation and morale among organizational members, aligning personal interests with organizational objectives.

1. Management in the Classic School Paradigm

Revisiting history is valuable, particularly delving into the Classical School of thought and two among its pivotal theories to enhance our perspective in this research paper. As we explore the historical work relationships and management practices of that era, we will concentrate on 'Ideal Bureaucracy' and 'Scientific Management' to enrich the context and depth of our analysis.

1.1. Bureaucracy

Bureaucracy is a specific form of administrative system based on the rational-legal method of authority. Weber writes: "Bureaucracy develops the more perfectly, the more it is 'dehumanized,' the more completely it succeeds in eliminating from official business love, hatred, and all purely personal, irrational, and emotional elements which escape calculation". (Weber, 1978, pp. 214-216). Rationality, central in Weber's sociological perspective, enables control over uncertainty and effective responses to dynamic environments and complexity. (Safi & Sidi Moussa, 2023, p. 943)

Weber views bureaucracy as the ideal and most basic type of organization, which "is characterised by many rules, standardised processes, procedures and requirements, number of desks, meticulous division of labour and responsibility, clear hierarchies and professional, almost impersonal interactions between employees". (Gadwal, 2023, p. 92)

Max Weber emphasizes rational organizational considerations. He views them as a means of controlling and managing work through the rule of law, all within the framework of his principles of Ideal Bureaucracy. However, despite his intentions, he was not exempt from criticism. Functionalist theorists, in particular, found his model to be excessively intricate, inflexible, and resistant to change.

1.2. Scientific Management

Taylor's philosophy is that, when an establishment's task is completed with the least amount of combined human effort, both the employee and the employer will enjoy the greatest level of long-term profitability (M. Blake & L. Moseley, 2011, p. 350) Taylor believes strongly in the idea of "the one best way" (Lawson, 2008, p. 917) In essence, Frederick Taylor's contributions to sociology of work and organization centre on four key principles:

- Horizontal Division of Labour: refers to the fragmentation of tasks and specialization of work, along with the meticulous study of execution times to identify "the one best way" of performing tasks.
- Vertical Division of Labour: It aims to strictly separate workers (blue-collar) from work designers (white-collar), emphasizing optimal personnel placement.
- Piece-rate Wage System: Motivating workers with productivity-based pay and task standardization.
- Work Control System: entails close monitoring of workers' actions, often overseen by supervisors (Plane, 2008, p. 12)

Alam (1994) believes that Taylor's theory known also as the "machine theory" emphasizes the dehumanization of workers by emphasizing their physical and material aspects. This philosophy promotes control over material matters, financial rewards, and submission to organizational leadership. Additionally, it implies a hierarchical structure, a task-focused organization, and leadership that is determined by merit. The idea emphasizes a one-dimensional view of people as economic units while ignoring the human side of personality. (Alam, 1994, pp. 70-71)

While the principles of scientific management were rooted in scientific foundations, primarily built upon observation, experimentation, and result analysis to organise work and improve productivity, they faced criticism due to certain aspects. This criticism arose from its belief in a one-size-fits-all approach to task completion and its view of workers solely as economic beings, motivated primarily by financial incentives, while neglecting their informal aspects and human needs. These criticisms portrayed scientific management as rigid, excessively formalistic, and lacking consideration for the human and emotional dimensions.

2. Strategic Management within Organisational Context

Strategic management is defined as "a structured framework for formulating strategic decisions pertaining to human resources, aligned with the overarching organizational strategy. This framework is designed to cultivate a more efficient human resource foundation, thereby advancing the achievement of the organization's strategic objectives and upholding its competitive edge within a competitive environment" (Laaraidji & Boughazi, 2020, p. 309)

Within the realm of organizational, bureaucratic, and social contexts, the term "strategic management" encompasses a shared core concept. This terminology originates from extensive research conducted in the domain of strategic management dimensions and the conditions necessary for successful strategic management. As is consistent with other scholars, Théitart (1993) emphasizes the importance of balancing three dimensions: the political, economic, and organizational aspects, for effective strategic management. (mazhouda, 2006, p. 89) Our focus on the organizational aspect in this study is a response to the prevailing approaches in the sociology of work and organization. These approaches emphasize the examination of subjects that encompass work relations, particularly in their bureaucratic dimension. Our endeavour is to narrow down this perspective to the domain of organizational strategic management concerning these relations. This clarity will emerge as we delve into the following discussion.

2.1. Political Process: organizations are seen as political entities formed by a mix of declared and undisclosed alliances among parties working to advance their self-interests and struggling for available resources. This dynamic impacts various groups, known as stakeholders, who have interests in the organization's activities. To make sound strategic decisions, organizations must reconcile these conflicting stakeholder interests. The organization identifies stakeholders, assesses relationships, and evaluates opposing groups. It aims for strategic independence, allies, and anticipates reactions. (Khirbish, 2016, p. 39)

It's worth noting that delving into the political dimension within sociological studies of organizations directs us, if we seek to comprehend and interpret it, toward Michel Crozier's strategic analysis. Crozier asserts that individuals' behaviour within an organization constitutes a strategic act, wherein active parties attempt to construct defensive and offensive strategies to safeguard and promote their interests. Consequently, it becomes crucial to analyze the relationships between these involved parties.

2.2. Economic Process: The organization outlines its mission, objectives, and activities to clarify its future direction. It subsequently assesses its operational environment and available resources, identifying planning adjustments to understand its current status. Following this, the organization explores potential strategies, assesses their alignment with its goals, chooses the most suitable one, and proceeds to create programs, formulate plans, and allocate a budget for the selected strategy. (Khirbish, 2016, p. 38)

1-1- Bureaucratic Process: Considering both the economic and political aspects, strategic management explores the bureaucratic dimension, focusing on key questions. These inquiries are embodied in the following questions: What is organization? What is the decision-making process? What is the approach to motivating individuals? And what are the control measures? Addressing these questions requires proceeding through the following steps:

- Selecting levels of centralization.
- Determining the scale of operational units.
- Designing decision-making processes.

- Specifying levels of individual participation in decisions.
- Creating an evaluation and reward system.
- Adjusting the scope of delegated authority.
- Defining intensity of guidance and activity monitoring. (mazhouda, 2006, p. 89)

Many studies in economics and management emphasize the importance of the organizational dimension for successful strategic management. Despite their familiarity with the key terminologies associated with this dimension, we have chosen a sociological approach for academic purposes. This approach draws on the insights of Douglas McGregor and William Ouchi and their respective theories: X, Y, and Z.

3. Douglas McGregor (1906-1964)

Douglas McGregor (1960) is considered one of the foundational figures in the field of management. He holds roles as a social psychologist, management theorist, and leadership scholar. According to Andreas Huczynski (1992), McGregor held a prominent position in management literature, comparable to Henri Fayol, particularly in North America and Britain. His impact on contemporary strategic management thought, particularly in relation to leadership, is substantial. McGregor's legacy is primarily tied to his development of Theory X and Theory Y. Initially presented in his influential article "The Human Side of the Enterprise", followed by a comprehensive book of the same name (McGregor, 1960), his theories have significantly shaped management philosophy. His doctrine underscores the idea that strategic employee management requires departing from traditional assumptions that portray organizational members as passive. Instead, McGregor emphasizes that these individuals are active participants in the organizational context.

3.1. The theoretical background of Theory X and Theory Y:

It's crucial to acknowledge that the fundamental assumptions underpinning both Theory X and Theory Y are rooted in classical thought, notably within the framework of "human relations." Douglas McGregor posits that conventional organizational approaches, often guided by managerial perspectives, tend to involve strict supervision, administrative control, and the use of coercive measures. He argues that the effectiveness of this approach in achieving desired outcomes hinges on aligning individual and organizational goals. "McGregor pointed out that people must not be treated as machines but as living individuals who could be developed to help achieve organizational goals. He emphasizes the importance of leaders caring about their attitudes of people because that potentially dictated the response they get from those they lead. McGregor (1967) believes that paying attention to the human side of management and leadership was a fundamental requirement for the success of organizations. He was of the strong opinion that leaders could behave in ways that would result in high organizational commitment from their subordinates." (Kwasi, 2009, p. 2)

In Douglas McGregor's perspective, one may plausibly identify a validation of his standpoint concerning the inadequacy inherent in the conventional approach to management. This substantiation is notably anchored in the framework of Maslow's Hierarchy of Needs. This assertion gains prominence when McGregor articulates, "Perhaps the best way to indicate why the conventional approach of management is inadequate is to consider the subject of motivation. In discussing this subject I will draw heavily on the work of my colleague, Abraham Maslow of Brandeis University." (Gary, Warren, & Deborah C., 2000, p. 134)

After engaging in several in-depth readings and a comprehensive re-examination of the theoretical underpinnings, it becomes evident that Maslow consistently underscores the essentiality of understanding the needs of the organisational actor and actively working towards their provision. This endeavour is aimed at ensuring the realization of potential positive outcomes aligned with the organizational objectives through specific strategic management. Starting with basic physiological needs and extending to the needs of security, belonging, social recognition, and self-actualization. This Confirms that "the most important advantage of an organization is the value of human resources, and hence investments in human resource motivation are required to achieve superior operational outcome" (Galani & Galanakis, 2022, p. 782)

Taylorism, advocating the division of labour, close supervision, and fear-driven management to achieve organizational goals, has proven ineffective in motivating employees. Deviation from Taylorism poses challenges in finding solutions to foster cohesion and collaboration among socio-professional groups within the organization. This shift from the Taylorist perspective underscores the complexity of promoting harmonious teamwork and meaningful engagement in a contemporary management context.

Douglas McGregor introduces two discrete sets of fundamental assumptions underpinning his overarching hypothesis, which he designates as Theory X and Theory Y. The deliberate inclusion of Frederick Taylor and Abraham Maslow in our present examination is not a mere coincidence. Instead, it signifies their

pivotal role as wellsprings of inspiration for Douglas McGregor, substantially enriching his theoretical framework, particularly concerning the delineation of Theory X and Theory Y.

3.2. Theory X :

Commonly termed as the Theory of Pessimism, Theory X reflects the somber viewpoint on human labour, stemming from its foundational assumptions, which have been elucidated by Douglas McGregor as follows:

1-2- Humans have a natural tendency to avoid work, which frequently prompts people to look for alternatives whenever practical.

1-3- As a result, a considerable number of employees require supervision, guidance, and the threat of punishment to ensure their effective participation in attaining the organization's goals.

1-4- The average individual seeks advice, avoids taking on responsibilities, has restricted objectives, and prioritizes security over other aspects (Gershenfeld, 2006, p. 84)

Based on these assumptions, the managerial approach of Theory X necessitates close supervision, task fragmentation, and an authoritative management style involving threat and punishment.

In contrast, Douglas McGregor introduced Theory Y, also known as the Theory of Optimism, within the context of work. This theory advocates a management strategy that recognizes the natural inclination of individuals to invest intellectual and physical effort in their work. McGregor formulated the assumptions and foundations of optimism within this theory as follows:

3.1. Theory Y:

✓ Just like playing or taking a break, exerting both physical and mental effort while working is a natural activity. Depending on a few manageable conditions, people don't generally despise their jobs.

✓ Since people are self-directed and self-controlled, they can be motivated to work toward organizational goals in other ways besides fear of punishment or outside control.

✓ The incentives people connect with attaining their goals determine how devoted people are to them. The most important incentives are those that meet their desires for self-actualization and self-esteem. Individuals can achieve these benefits through working toward organizational goals.

✓ Individuals can learn to embrace responsibility under the right circumstances.

✓ The ability of people to think imaginatively, creatively, and come up with solutions to organizational challenges is not confined to a few individuals, but is widely spread across the population.

✓ People's intellectual capacity is underutilized in modern industrial contexts. (Cutcher Gershenfeld, 2006, p. 101)

In this synthesis, we have explored the fundamental principles of two separate theories in organizational management. From this exploration, we can draw the conclusion that Douglas McGregor's work constitutes a significant theoretical contribution, with a primary focus on fostering a more humane work environment. Furthermore, it truly constitutes a turning point moment in strategic management history.

4. William Ouchi (1943-):

William G. Ouchi, a prominent American academic and consultant, introduced "Theory Z" in 1981 as a management approach inspired by Japanese consensus styles. He conducted extensive research on Japanese companies to develop this theory, believing that Western organisations could benefit from adopting certain aspects of their Japanese counterparts. (George, 1983, p. 6) Ouchi's seminal work, "Theory Z: How American Business Can Meet the Japanese Challenge," outlines this management philosophy, aiming to merge the strengths of both American and Japanese systems. The book gained widespread recognition, becoming a New York Times bestseller and solidifying Ouchi's reputation as a respected management theorist. (Patten, 1998, p. 328). His contributions to organisational behaviour and his emphasis on improving administration extended beyond corporate settings to local government and schools. Overall, Ouchi's "Theory Z" remains a significant tool for enhancing productivity and managing people effectively in the workplace. (Islam, 2020)

4.1. The Historical background of theory Z :

For a methodological clarification, it's important to highlight that William Ouchi's contributions through "Theory Z" align with the domain of sociological theories concerning organisational dynamics. These contributions aimed to approach organisational structures, especially those of a bureaucratic nature, from a strategic perspective. The core ideas of Theory Z can be considered as an extension of Douglas McGregor's work in Theory Y, which anticipated key elements of Theory Z while discussing employee relationships.

(Cutcher Gershenfeld, 2006, p. 27) McGregor states that "It is probable that one day we shall begin to draw organization charts as a series of linked groups rather than as a hierarchical structure of individual 'reporting' relationships" (McGregor, 1960, p. 237). Both scholars highlight the important role of human resources within an organisation, emphasizing the significance of organisational values that leaders must support and strategically implement to effectively manage actors within the organisational environment.

According to William Ouchi's book, "The Japanese Management Model - Theory Z," the first two parts provide two critical insights into the strategic management mindset of Japanese leaders. Ouchi's aim is to adapt these concepts for implementation in American organizational contexts. The core lesson from Theory Z underscores the significance of trust, a factor closely correlated with productivity. The historical experience of the British economy serves as an example, demonstrating how strained relationships among labor unions, government bodies, and economic sectors contributed to economic stagnation and a decline in living standards. Marx predicted that this distrust would both drive and undermine the economic theory of capitalism. (Ouchi, 1981, p. 16). The key to the Theory Z management strategy, according to Ouchi, is a clear, explicit expression of business philosophy and principles to foster trust with employees. It would be very difficult to make the shift to a Z organization without particular values, trust, and intimacy. Trust among workers, regardless of their positions within the hierarchy, assumes an intrinsic value that gives rise to a range of favourable organisational characteristics.

The second significant lesson from Theory Z, applied from Japanese practices to American management, highlights the importance of subtlety, refinement, and a shared mindset. Understanding employees' traits allows a supervisor to build effective teams, but this skill requires experience. Applying strict bureaucratic rules without considering employees' traits and needs can potentially harm team efficiency. (Ouchi, 1981, pp. 18-19)

4.2. Reading into the Principles of Theory Z:

Table 1. Characteristics of Organizational Ideal types J, A, and Z

Type J	Type A	Type Z
Lifetime employment Consensual decision-making Collective responsibility Slow evaluation and promotion Implicit, informal control Non-specialized career path Holistic concern	Short-term employment Individual decision-making Individual responsibility Rapid evaluation and promotion Explicit, formalized control Specialized career path Segmented concern	Long-term employment Consensual decision-making Individual responsibility Slow evaluation and promotion Implicit, informal control with explicit, formalized measures Moderately specialized career path Holistic concern, including family

Adapted from "Theory Z: (Daft, 2004, p. 118)

4.2.1. Long-term employment:

The commitment and devotion of Japanese employees to their work, rooted in the principle of lifelong employment, stem from the belief that their profession and the way they perform their work shape their entire lives. This deepens their sense of belonging, loyalty, and ultimately fosters a genuine love for their work. (Ouchi, 1981, p. 124).

The constant job rotation and movement between positions from one organisation to another can often lead to a sense of professional instability for the worker. This instability can, in turn, have a detrimental effect on their job performance and overall productivity. Conversely, the concept of lifetime employment adopted by Japanese organisations serves as a strategic approach designed to enable employees to accumulate valuable experience and skills in their work. This, in turn, not only helps them achieve their individual career goals but also contributes to the fulfilment of the organization's overarching objectives.

4.2.2. Consensual decision-making:

Theory Z emphasizes involving employees in decision-making for higher commitment and dedication. Research indicates that when employees have the opportunity to participate in decisions, they demonstrate a greater sense of belonging and respect for those choices, as they feel they are an integral part of the decision-making process (Islam, 2020). Enhancing performance motivation can be measured through multiple variables, yet the Japanese approach places a significant emphasis on the decision-making process and the level of employee engagement within it. This is because the sense of appreciation and working as part of a team can drive individuals to actively contribute to the achievement of the organization's objectives. Moreover, collaborative thinking for problem-solving or decision-making tends to surpass individual efforts in effectiveness.

4.2.3. Individual responsibility:

In a Japanese organization, everyone is considered responsible because decisions are often made collectively. A Japanese motto states, 'To succeed, every worker must succeed.' (Daft, 2004, p. 120) Returning to Douglas McGregor's perspective on this matter, he sees employees avoiding responsibility not out of fear but as a means to evade the consequences of failure. Examining the Japanese model through various references, such as "The Japanese Management Model - Theory Z" by William Ouchi, it becomes evident that it's exceedingly rare to dismiss an employee solely due to their willingness to shoulder responsibility, unless the mistakes are frequent and severe.

4.2.4. Slow evaluation and promotion:

Promotions may occur every ten years in a Japanese organization, and strangely, there is little opposition to this. This is because the gradual speed of review and promotion leads to the formation of a strong, long-term vision and plan for the organization, with individuals focusing on the tasks at hand (Daft, 2004, p. 119) In Japanese culture, the belief in the value of work takes precedence over one's status and position. Moreover, the deliberate slowness of promotions applies universally, reinforcing procedural fairness that ultimately leads to loyalty and a strong sense of belonging.

4.2.5. Implicit, informal control with explicit, formalized measures:

Close monitoring and tight supervision can diminish employee motivation and restrict their freedom. However, supervision can also act as a supportive and motivating factor, as emphasized in Theory Z, when supervisors have confidence in their subordinates' ability to make sound judgments in their work, aligning it with the organization's goals. (Ouchi, 1981, p. 111) This reinforces the first lesson of Theory Z, which gives emphasis to the significance of cultivating trust among employees, irrespective of their positions within the organisational hierarchy, as a means to incentivize their active participation in the execution of the organization's strategy.

4.2.6. Moderately specialized career path:

Loyalty to the company is further enhanced through broad job paths that define life in large Japanese corporations. Lifetime employment involves continuous professional rotation, ensuring that employees gain extensive experience in all key aspects of the company's operations by the time they reach the inner circle of managers. (George, 1983, p. 7) In this regard, Theory Z differs from the narrow specialization promoted by Taylorism and Weberian bureaucracy. Internal job rotation within Japanese organizations allows employees to explore various roles, facilitating the acquisition of experience and skills that promote teamwork and collaboration.

4.2.7. Holistic concern, including family:

A comprehensive approach to employees' lives increases their satisfaction. Theory Z-embracing companies include spouses, families, and community activities. Employees feeling secure and confident at work are more successful contributors to their families and communities. (Daft, 2004, p. 119) This enhances the employee's motivation to work, which aligns with Abraham Maslow's hierarchy of needs, emphasizing the satisfaction of the worker's external organizational safety needs. Theory Z goes a step further by taking responsibility not only for the employee but also for their family to ensure their concentration on their assigned tasks.

William Ouchi adapted the Z style to align with Western worker culture, particularly in the United States and Canada. This adjustment became necessary when it became clear that the J style, which was rooted in Japanese organizations, couldn't be effectively applied in Western contexts. "The aim of applying this theory was to enhance these organizations' abilities to coordinate employees' efforts, not the techniques used in the work, in order to achieve maximum productivity. This involves developing employees' skills, but it also entails creating new organizational structures, incentives, and management philosophies." (Ouchi, 1981, p. 127)

5. Discussion:

In our pursuit of unravelling the precise connotation of 'strategy' within the realm of management and its inherent importance, objectives, and the ways to achieve them, we, as scholars dedicated to exploring this phenomenon, are compelled to embark on a thorough examination. Such an examination entails delving into the theoretical underpinnings and analyzing scholarly investigations across diverse disciplines that have thoughtfully delved into this subject matter. This undertaking serves the vital purpose of furnishing us with a comprehensive perspective on the phenomenon, allowing for an informed selection of an appropriate sociological theory to illuminate and enhance our understanding of the topic.

It is noteworthy that the domain of strategic management, as viewed through the lenses of various studies spanning different academic domains, often resides at the crossroads of two fundamental orientations. On one hand, it is perceived as a mechanism for appraising the external environment to ensure competitive positioning and strategic alignment. On the other hand, it is contemplated as a long-term vision to realize the organizational objectives. The pivotal inquiry arising from this context is, "How can this be accomplished?"

The response to this cognitive inquiry finds its origins in specific studies that delve into the domain of strategic management, advocating for the harmonization of political, economic, and organizational dimensions as a precondition for its success. From a sociological standpoint, we assert that the organizational requirement represented by these studies forms the cornerstone upon which strategic management is founded. Scholars specialized in organizational sociology must elaborate on this concept, depending on both overarching organizational theories and sociological frameworks.

This necessitates an approach compelling us to reconsider, even if only in the foundational principles of management, the classical school of thought, notably Frederick Taylor's scientific management and Max Weber's ideal bureaucracy. Within the framework of Taylorian and Weberian thought, management encountered criticism, despite its empirical grounding, scientific orientation, and an emphasis on performance optimization. Over time, a new perspective emerged, advocating the need to incorporate strategic elements into the management paradigm.

Douglas MacGregor posits that a manager's possession of a managerial strategy does not necessarily require specialized training. Rather, it hinges on placing belief in the employees' decision-making abilities and their work performance, especially when this strategy is aimed at the organizational management of actors within the organisation. Perhaps Douglas McGregor, in his hypothesis referred to as 'x,' driven by preconceived judgments held by managers, attributed the entire responsibility to the managers themselves. He believes that what managers perceive as worker failures stems from the workers' incapacity to develop strategies that would promote a re-evaluation of their beliefs about the inherent nature of work. Consequently, this inclination results in the avoidance of responsibility by workers, necessitating their monitoring and disciplinary actions to encourage them to perform their work duties.

Furthermore, MacGregor's theory "y" advances the notion that negative behaviours displayed by employees within the organization stem from prior experiences, causing them to exhibit hesitation in decision-making. Within the organizational context, actors possess the capacity for organizational learning. This requires recognition and motivation from their leaders, who adopt strategies that foster inspiration, moving beyond rigorous surveillance and stringent supervision that, ultimately, undermine trust and organizational creativity. As long as workers derive personal and social satisfaction from their work, their commitment persists. The work environment must facilitate this by means of a well-structured, strategic, and bureaucratic organizational management approach that aligns with the requisites of managing human capital within the contemporary organization.

The majority of studies, or at least the most prominent among them, investigating topics that reflect the demands of human capital management in modern organizations, converge on the management strategies found in Japanese organizations as an exemplar. William Ouchi, through his field research conducted in Western organizations, applied the same principles and values employed by Japanese organizations (Type J) to American counterparts (Type A). It is noteworthy that William Ouchi, despite not fully embracing the cultural nuances of American workers for these values, steadfastly insisted on retaining these fundamental principles, albeit with slight adjustments, thereby formulating what he termed 'Theory Z,' to better align with the mindset of Japanese workers. Ultimately, it becomes evident that these are immutable values and principles when seeking to implement a management strategy founded upon trust and expertise.

In the realm of organizational sociology, the principles of trust and expertise emerge as central tenets of the Japanese management strategy, constituting its foundational pillars. Absent either of these elements, management remains entrenched in classical paradigms characterized by work division, surveillance, and the

linkage of performance to material incentives, reminiscent of Frederick Taylor's Scientific Management. Similarly, the fragmentation of tasks into specialized components regulated by rules, regulations, and the authority of law is emblematic of Max Weber's Ideal Bureaucracy. Both of these approaches, in the final analysis, lead to the creation of inertia and routine within the organization as they negate the worker's capacity for action. It is this very capacity, upheld by the Japanese strategy through its emphasis on participatory management, as reflected in William Ouchi's Theory Z, that constitutes a cornerstone.

The essence of theory Z lies in depending on all employees to participate in decision-making. It hinges on the belief in the efficacy of collective thinking and problem-solving capabilities, fostering a culture of shared responsibility and a fearless commitment to achieving objectives. Furthermore, it advocates a deliberate deceleration of promotions, enabling employees to assume multiple horizontal positions in the internal work rotation process. As a result of this managerial approach, employees progressively accumulate experience and expertise, which, in turn, enhances their ability to make informed judgments and uphold ethical standards in task execution. Consequently, it eliminates the need for strict supervision and exhaustive monitoring, factors that might otherwise reduce the motivation of the workforce.

This opens up a crucial question for future research: How can organizational leaders in contemporary institutions apply these humanistic approaches in contexts shaped by digital transformation, cultural diversity, or crisis management?

6. Conclusions

Going beyond participation in the decision-making process, as advocated by William Ouchi in Theory Z, we posit that the initial pivotal decision should revolve around the manager's deliberate choice to abstain from improvisation. Instead, they should embrace a meticulously designed strategy for bureaucratic organizational management of the workforce. This approach aligns with the principles expounded by Douglas McGregor in Theory Y and extends to encompass the tenets articulated in William Ouchi's Theory Z. It stands as a prerequisite in the sphere of human resource management, with the overarching goal of nurturing loyalty, a sense of belonging, and the achievement of organizational objectives within an environment characterized by trust, collaboration, unity, and coherence.

Ultimately, the strategic management of human resources cannot be separated from the broader socio-cultural context in which organizations operate. As this paper has shown, theories such as McGregor's and Ouchi's offer more than managerial techniques—they present ethical and humanistic visions of organizational life. Recognizing the value of trust, long-term commitment, and participatory culture enables us to rethink management not just as a tool for efficiency, but as a space of social relations, identity, and meaning-making. This human-centered perspective is essential for contemporary sociology and humanities-based organizational analysis.

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