

## 5.2: Need-Based Theories of Motivation

### Learning Objectives

1. Explain how employees are motivated according to Maslow's hierarchy of needs.
2. Explain how the ERG (existence, relatedness, growth) theory addresses the limitations of Maslow's hierarchy.
3. Describe the differences among factors contributing to employee motivation and how these differ from factors contributing to dissatisfaction.
4. Describe need for achievement, power, and affiliation, and identify how these acquired needs affect work behavior.

The earliest studies of motivation involved an examination of individual needs. Specifically, early researchers thought that employees try hard and demonstrate goal-driven behavior in order to satisfy needs. For example, an employee who is always walking around the office talking to people may have a need for companionship, and his behavior may be a way of satisfying this need. At the time, researchers developed theories to understand what people need. Four theories may be placed under this category: Maslow's hierarchy of needs, ERG theory, Herzberg's two-factor theory, and McClelland's acquired-needs theory.

### Maslow's Hierarchy of Needs

Abraham Maslow is among the most prominent psychologists of the twentieth century. His hierarchy of needs is an image familiar to most business students and managers. The theory is based on a simple premise: Human beings have needs that are hierarchically ranked (Maslow, 1943; Maslow, 1954). There are some needs that are basic to all human beings, and in their absence nothing else matters. As we satisfy these basic needs, we start looking to satisfy higher order needs. In other words, once a lower level need is satisfied, it no longer serves as a motivator.

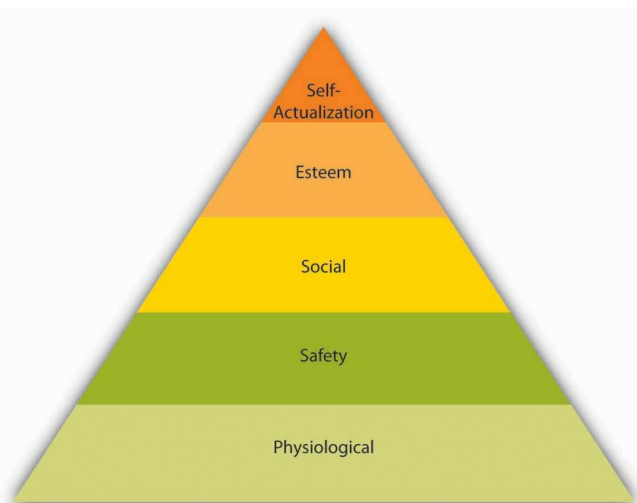


Figure 5.2.3: Maslow's Hierarchy of Needs

The most basic of Maslow's needs are physiological needs. Physiological needs refer to the need for food, water, and other biological needs. These needs are basic because when they are lacking, the search for them may overpower all other urges. Imagine being very hungry. At that point, all your behavior may be directed at finding food. Once you eat, though, the search for food ceases and the promise of food no longer serves as a motivator. Once physiological needs are satisfied, people tend to become concerned about safety needs. Are they free from the threat of danger, pain, or an uncertain future? On the next level up, social needs refer to the need to bond with other human beings, be loved, and form lasting attachments with others. In fact, attachments, or lack of them, are associated with our health and well-being (Baumeister & Leary, 1995). The satisfaction of social needs makes esteem needs more salient. Esteem need refers to the desire to be respected by one's peers, feel important, and be appreciated. Finally, at the highest level of the hierarchy, the need for self-actualization refers to "becoming all you are capable of becoming." This need manifests itself by the desire to acquire new skills, take on new challenges, and behave in a way that will lead to the attainment of one's life goals.

Maslow was a clinical psychologist, and his theory was not originally designed for work settings. In fact, his theory was based on his observations of individuals in clinical settings; some of the individual components of the theory found little empirical support.

One criticism relates to the order in which the needs are ranked. It is possible to imagine that individuals who go hungry and are in fear of their lives might retain strong bonds to others, suggesting a different order of needs. Moreover, researchers failed to support the arguments that once a need is satisfied it no longer serves as a motivator and that only one need is dominant at a given time (Neher, 1991; Rauschenberger, Schmitt, & Hunter, 1980).

Despite the lack of strong research support, Maslow's theory found obvious applications in business settings. Understanding what people need gives us clues to understanding them. The hierarchy is a systematic way of thinking about the different needs employees may have at any given point and explains different reactions they may have to similar treatment. An employee who is trying to satisfy esteem needs may feel gratified when her supervisor praises an accomplishment. However, another employee who is trying to satisfy social needs may resent being praised by upper management in front of peers if the praise sets the individual apart from the rest of the group.

How can an organization satisfy its employees' various needs? In the long run, physiological needs may be satisfied by the person's paycheck, but it is important to remember that pay may satisfy other needs such as safety and esteem as well. Providing generous benefits that include health insurance and company-sponsored retirement plans, as well as offering a measure of job security, will help satisfy safety needs. Social needs may be satisfied by having a friendly environment and providing a workplace conducive to collaboration and communication with others. Company picnics and other social get-togethers may also be helpful if the majority of employees are motivated primarily by social needs (but may cause resentment if they are not and if they have to sacrifice a Sunday afternoon for a company picnic). Providing promotion opportunities at work, recognizing a person's accomplishments verbally or through more formal reward systems, and conferring job titles that communicate to the employee that one has achieved high status within the organization are among the ways of satisfying esteem needs. Finally, self-actualization needs may be satisfied by the provision of development and growth opportunities on or off the job, as well as by work that is interesting and challenging. By making the effort to satisfy the different needs of each employee, organizations may ensure a highly motivated workforce.

## ERG Theory

ERG theory, developed by Clayton Alderfer, is a modification of Maslow's hierarchy of needs (Alderfer, 1969). Instead of the five needs that are hierarchically organized, Alderfer proposed that basic human needs may be grouped under three categories, namely, existence, relatedness, and growth. Existence corresponds to Maslow's physiological and safety needs, relatedness corresponds to social needs, and growth refers to Maslow's esteem and self-actualization.

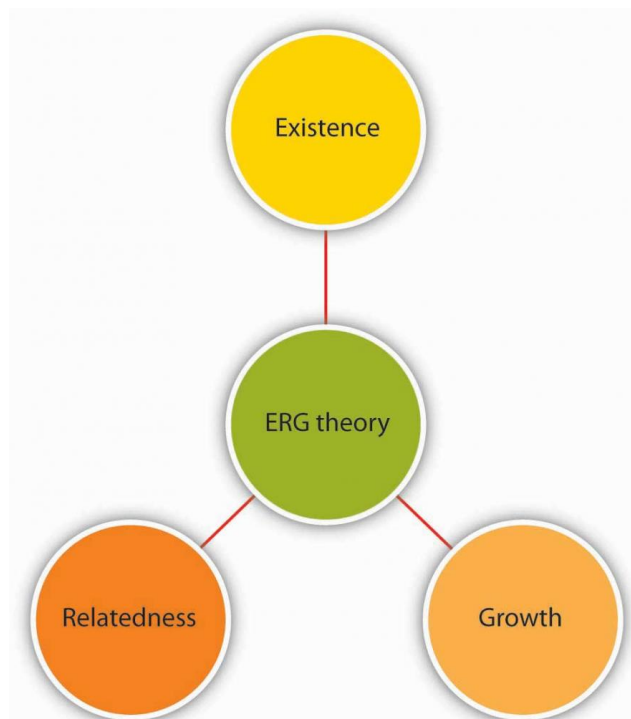


Figure 5.2.4: ERG theory includes existence, relatedness, and growth. Source: Based on Alderfer, C. P. (1969). An empirical test of a new theory of human needs. *Organizational Behavior and Human Performance*, 4, 142–175.

ERG theory's main contribution to the literature is its relaxation of Maslow's assumptions. For example, ERG theory does not rank needs in any particular order and explicitly recognizes that more than one need may operate at a given time. Moreover, the theory has a "frustration-regression" hypothesis suggesting that individuals who are frustrated in their attempts to satisfy one need may regress to another. For example, someone who is frustrated by the growth opportunities in his job and progress toward career goals may regress to relatedness need and start spending more time socializing with coworkers. The implication of this theory is that we need to recognize the multiple needs that may be driving individuals at a given point to understand their behavior and properly motivate them.

## Two-Factor Theory

Frederick Herzberg approached the question of motivation in a different way. By asking individuals what satisfies them on the job and what dissatisfies them, Herzberg came to the conclusion that aspects of the work environment that satisfy employees are very different from aspects that dissatisfy them (Herzberg, Mausner, & Snyderman, 1959; Herzberg, 1965). Herzberg labeled factors causing dissatisfaction of workers as "hygiene" factors because these factors were part of the context in which the job was performed, as opposed to the job itself. Hygiene factors included company policies, supervision, working conditions, salary, safety, and security on the job. To illustrate, imagine that you are working in an unpleasant work environment. Your office is too hot in the summer and too cold in the winter. You are being harassed and mistreated. You would certainly be miserable in such a work environment. However, if these problems were solved (your office temperature is just right and you are not harassed at all), would you be motivated? Most likely, you would take the situation for granted. In fact, many factors in our work environment are things that we miss when they are absent but take for granted if they are present.

In contrast, motivators are factors that are intrinsic to the job, such as achievement, recognition, interesting work, increased responsibilities, advancement, and growth opportunities. According to Herzberg's research, motivators are the conditions that truly encourage employees to try harder.

<h3>Hygiene Factors</h3> <ul style="list-style-type: none"><li>• Company policy</li><li>• Supervision and relationships</li><li>• Working conditions</li><li>• Salary</li><li>• Security</li></ul>	<h3>Motivators</h3> <ul style="list-style-type: none"><li>• Achievement</li><li>• Recognition</li><li>• Interesting work</li><li>• Increased responsibility</li><li>• Advancement and growth</li></ul>
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Figure 5.5: The two-factor theory of motivation includes hygiene factors and motivators. Sources: Based on Herzberg, F., Mausner, B., & Snyderman, B. (1959). *The motivation to work*. New York: John Wiley and Sons; Herzberg, F. (1965). The motivation to work among Finnish supervisors. *Personnel Psychology*, 18, 393–402.

Herzberg's research is far from being universally accepted (Cummings & Elsalmi, 1968; House & Wigdor, 1967). One criticism relates to the primary research methodology employed when arriving at hygiene versus motivators. When people are asked why they are satisfied, they may attribute the causes of satisfaction to themselves, whereas when explaining what dissatisfies them, they may blame the situation. The classification of the factors as hygiene or motivator is not that simple either. For example, the theory views pay as a hygiene factor. However, pay may have symbolic value by showing employees that they are being recognized for their contributions as well as communicating that they are advancing within the company. Similarly, the quality of supervision or the types of relationships employees form with their supervisors may determine whether they are assigned interesting work, whether they are recognized for their potential, and whether they take on more responsibilities.

Despite its limitations, the theory can be a valuable aid to managers because it points out that improving the environment in which the job is performed goes only so far in motivating employees. Undoubtedly, contextual factors matter because their absence causes dissatisfaction. However, solely focusing on hygiene factors will not be enough, and managers should also enrich jobs by giving employees opportunities for challenging work, greater responsibilities, advancement opportunities, and a job in which their subordinates can feel successful.

## Acquired-Needs Theory

Among the need-based approaches to motivation, David McClelland's acquired-needs theory is the one that has received the greatest amount of support. According to this theory, individuals acquire three types of needs as a result of their life experiences.

These needs are the need for achievement, the need for affiliation, and the need for power. All individuals possess a combination of these needs, and the dominant needs are thought to drive employee behavior.

McClelland used a unique method called the Thematic Apperception Test (TAT) to assess the dominant need (Spangler, 1992). This method entails presenting research subjects an ambiguous picture asking them to write a story based on it. Take a look at the following picture. Who is this person? What is she doing? Why is she doing it? The story you tell about the woman in the picture would then be analyzed by trained experts. The idea is that the stories the photo evokes would reflect how the mind works and what motivates the person.



Figure 5.2.6: The type of story you tell by looking at this picture may give away the dominant need that motivates you. [Wikimedia Commons](#) – CC BY 2.0.

If the story you come up with contains themes of success, meeting deadlines, or coming up with brilliant ideas, you may be high in need for achievement. Those who have high need for achievement have a strong need to be successful. As children, they may be praised for their hard work, which forms the foundations of their persistence (Mueller & Dweck, 1998). As adults, they are preoccupied with doing things better than they did in the past. These individuals are constantly striving to improve their performance. They relentlessly focus on goals, particularly stretch goals that are challenging in nature (Campbell, 1982). They are particularly suited to positions such as sales, where there are explicit goals, feedback is immediately available, and their effort often leads to success. In fact, they are more attracted to organizations that are merit-based and reward performance rather than seniority. They also do particularly well as entrepreneurs, scientists, and engineers (Harrell & Stahl, 1981; Trevis & Certo, 2005; Turban & Keon, 1993).

Are individuals who are high in need for achievement effective managers? Because of their success in lower level jobs where their individual contributions matter the most, those with high need for achievement are often promoted to higher level positions (McClelland & Boyatzis, 1982). However, a high need for achievement has significant disadvantages in management positions. Management involves getting work done by motivating others. When a salesperson is promoted to be a sales manager, the job description changes from actively selling to recruiting, motivating, and training salespeople. Those who are high in need for achievement may view managerial activities such as coaching, communicating, and meeting with subordinates as a waste of time and may neglect these aspects of their jobs. Moreover, those high in need for achievement enjoy doing things themselves and may find it difficult to delegate any meaningful authority to their subordinates. These individuals often micromanage, expecting others to approach tasks a particular way, and may become overbearing bosses by expecting everyone to display high levels of dedication (McClelland & Burnham, 1976).

If the story you created in relation to the picture you are analyzing contains elements of making plans to be with friends or family, you may have a high need for affiliation. Individuals who have a high need for affiliation want to be liked and accepted by others. When given a choice, they prefer to interact with others and be with friends (Wong & Csikszentmihalyi, 1991). Their emphasis on harmonious interpersonal relationships may be an advantage in jobs and occupations requiring frequent interpersonal interaction, such as a social worker or teacher. In managerial positions, a high need for affiliation may again serve as a disadvantage because these individuals tend to be overly concerned about how they are perceived by others. They may find it difficult to perform some aspects of a manager's job such as giving employees critical feedback or disciplining poor performers. Thus, the work environment may be characterized by mediocrity and may even lead to high performers leaving the team.

Finally, if your story contains elements of getting work done by influencing other people or desiring to make an impact on the organization, you may have a high need for power. Those with a high need for power want to influence others and control their environment. A need for power may in fact be a destructive element in relationships with colleagues if it takes the form of seeking and using power for one's own good and prestige. However, when it manifests itself in more altruistic forms such as changing the way things are done so that the work environment is more positive, or negotiating more resources for one's department, it tends to lead to positive outcomes. In fact, the need for power is viewed as an important trait for effectiveness in managerial and leadership positions (McClelland & Burnham, 1976; Spangler & House, 1991; Spreier, 2006).

McClelland's theory of acquired needs has important implications for the motivation of employees. Managers need to understand the dominant needs of their employees to be able to motivate them. While people who have a high need for achievement may respond to goals, those with a high need for power may attempt to gain influence over those they work with, and individuals high in their need for affiliation may be motivated to gain the approval of their peers and supervisors. Finally, those who have a high drive for success may experience difficulties in managerial positions, and making them aware of common pitfalls may increase their effectiveness.

## Key Takeaways

Need-based theories describe motivated behavior as individuals' efforts to meet their needs. According to this perspective, the manager's job is to identify what people need and make the work environment a means of satisfying these needs. Maslow's hierarchy describes five categories of basic human needs, including physiological, safety, social, esteem, and self-actualization needs. These needs are hierarchically ranked, and as a lower level need is satisfied, it no longer serves as a motivator. ERG theory is a modification of Maslow's hierarchy, in which the five needs are collapsed into three categories (existence, relatedness, and growth). The theory recognizes that when employees are frustrated while attempting to satisfy higher level needs, they may regress. The two-factor theory differentiates between factors that make people dissatisfied on the job (hygiene factors) and factors that truly motivate employees (motivators). Finally, acquired-needs theory argues that individuals possess stable and dominant motives to achieve, acquire power, or affiliate with others. The type of need that is dominant will drive behavior. Each of these theories explains characteristics of a work environment that motivates employees. These theories paved the way to process-based theories that explain the mental calculations employees make to decide how to behave.

## Exercises

1. Many managers assume that if an employee is not performing well, the reason must be a lack of motivation. Do you think this reasoning is accurate? What is the problem with the assumption?
2. Review Maslow's hierarchy of needs. Do you agree with the particular ranking of employee needs?
3. How can an organization satisfy employee needs that are included in Maslow's hierarchy?
4. Which motivation theory have you found to be most useful in explaining why people behave in a certain way? Why?
5. Review the hygiene and motivators in the two-factor theory of motivation. Do you agree with the distinction between hygiene factors and motivators? Are there any hygiene factors that you would consider to be motivators?
6. A friend of yours demonstrates the traits of achievement motivation: This person is competitive, requires frequent and immediate feedback, and enjoys accomplishing things and doing things better than she did before. She has recently been promoted to a managerial position and seeks your advice. What would you tell her?

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