

## 2.4 Motivation and demotivation

# Motivation theories I

Motivation refers to the reasons why human beings do something. Understanding motivation is very important for businesses. In [Unit 4, Marketing \(/study/app/y12-business-management-a-sl-may-2024/sid-352-cid-174703/book/the-big-picture-id-39167\)](#) you will learn about market research, which is in part about understanding human needs and motivations. Inside the business, however, employee motivation is very important to both the business and the employee.

For the employee, motivation at work can be extremely important for human happiness. Many people spend a good proportion of their waking hours at work. Positive feelings of motivation around work can mean that they are generally happy to engage in their work. This can translate into overall feelings of life satisfaction, with associated improvements in health and personal relationships.

Employee motivation is very important for the business too. Motivated employees are more productive, better problem-solvers, and have better relationships with colleagues and customers. This can lead to increased sales revenues and profits.

Psychologists usually classify motivation into two categories: [intrinsic motivation and extrinsic motivation](#). Intrinsic motivation refers to when a person engages in an activity because there is a reward or pleasure in taking part in or completing the activity itself. This is different from extrinsic motivation, where a person engages in an activity because of a reward, such as being paid or receiving an award, which is outside the activity.

Human motivation is a complex topic and there are many theories about what drives human beings to work hard and perform their best. This section will explore three of these theories:

- Taylor's scientific management theory
- Maslow's hierarchy of needs theory
- Herzberg's two-factor theory



**Figure 1.** Many businesses assume that their employees are motivated by extrinsic rewards. Are they right?

## Taylor's scientific management theory

In 1911, Frederick Winslow Taylor published the book *Principles of Scientific Management*. In the book, Taylor focused on the efficiency of workers. He believed that work could be studied scientifically by breaking down a task into different steps. When the most efficient method for executing the steps was found, a worker could be trained appropriately. He also claimed that workers should be monitored closely and given incentives if productivity improved.

It is important to understand the time and context of Taylor's research. He studied manual labour – specifically workers moving pig iron at an American steel company. So his theories were developed in the context of hard physical and repetitive work.

Taylor claimed that workers would respond positively to one factor – more money for their work. Getting the greatest efficiency also involved finding the right person for the job (matching skill sets to the task), monitoring performance and giving feedback, and working closely with workers in the planning and execution of their tasks. These were bold ideas at the time. Before this, managers rarely interacted with their employees. Taylor felt, however, that managers and workers cooperating together would increase productivity.

These theories are still in practice today. In manufacturing, in particular, it is common to break down a complex production task into smaller steps that are executed by workers trained to carry out that task. In some cases, workers are still paid by the number of products they produce. This is known as a piece-rate wage.



**Figure 2.** Taylor's scientific management theory still has validity in contexts where work is repetitive and requires less creativity.

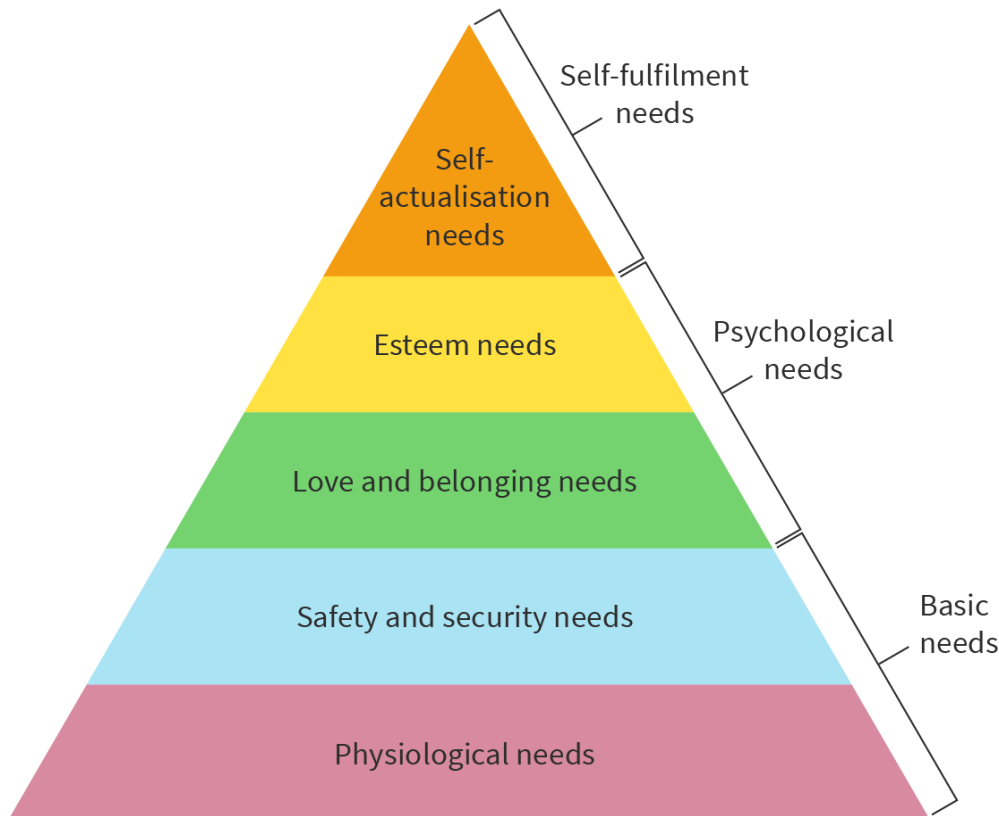
Credit: Monty Rakusen, Getty Images

While Taylor's theories may have some validity in an assembly-line environment, many question the usefulness of the theories in the modern workplace (<https://behavioralscientist.org/misunderstanding-why-we-work-warps-our-organizations-and-our-view-of-human-nature/>). Work is becoming more complex. These days, many employees need to use creativity, problem-solving and collaboration skills, particularly in the tertiary and quaternary sectors. Research has shown that, in these cases, offering financial rewards has limited effectiveness on, and can even be detrimental to, productivity and motivation.

This is not to say, however, that money is not important to employees, as you will see as you learn about in the next two theories.

# Maslow's hierarchy of needs theory

Abraham Maslow developed his most famous theory of psychological health in 1943. He claimed that people have different needs, and that some needs have to be satisfied before others can be met. His theory is called a 'hierarchy of needs' and is illustrated in **Figure 3**.



**Figure 3.** Maslow's hierarchy of needs.

Starting from the bottom of the hierarchy in **Figure 3**, human beings have basic needs for survival, such as the physiological need for food, water and shelter. They also have basic needs for safety and security. Above that are psychological needs, which include love and belonging needs – being part of a group, being trusted, loving and being loved – and esteem needs – being independent, achieving success in a particular field and mastering skills. Finally, at the top of the hierarchy, there are self-fulfilment (self-actualisation) needs. These involve realising one's potential and reaching creative and moral self-fulfilment.

The reason Maslow suggested the hierarchical structure for these needs is that he believed people must satisfy basic needs before psychological needs, and they must satisfy psychological needs before self-fulfilment needs. He also believed that the higher-level needs are more difficult to meet than lower-level needs.

If the theory is correct, understanding the hierarchical needs of an employee would be very beneficial for business. Businesses can ensure that employees have their basic needs met, which will make it more likely that employees can meet psychological and self-fulfilment needs. This can motivate employees, making them happier and more productive. Employees can move towards a more self-actualised state, where they feel comfortable taking risks and finding achievement on different levels.

**Video 1** explains Maslow's hierarchy of needs. You may want to watch it more than once and use the subtitles to make sure you understand it.



### **Video 1. Maslow's hierarchy of needs.**

Further research carried out since Maslow's time supports some aspects of his theories. For example, research has shown that people living in poverty, where their basic needs may not be met, have difficulty focusing on anything but meeting those needs. This is called the cognitive burden of poverty (<https://behavioralscientist.org/the-cognitive-burden-of-poverty/>) and is one reason why adequate compensation, payment or reward in some form for work is so important. Compensation may not be a key motivator in itself, but adequate to generous compensation can relieve the stress involved with meeting basic needs, allowing people to pursue other psychological or self-fulfilment needs.

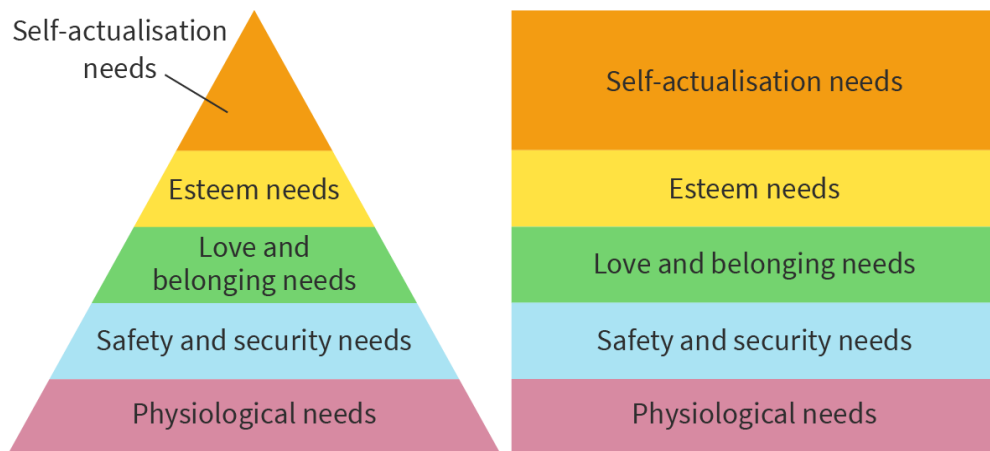
However, there are other studies that show that the needs identified by Maslow are not fixed in a particular hierarchy. For example, it is possible for people to feel love and belonging when they do not have all their basic needs met. So it seems the most important insight to be gained from Maslow's hierarchy of needs is that human beings

have different kinds of needs. Some needs may require to be fulfilled before others can be met, but the relationship between different kinds of needs may differ depending on context.

## Theory of Knowledge

Abraham Maslow's hierarchy of needs is usually shown in a pyramid as in **Figure 3**. However, when he published his theory, Maslow did not use a pyramid structure in the discussion. The pyramid structure was added later by other theorists.

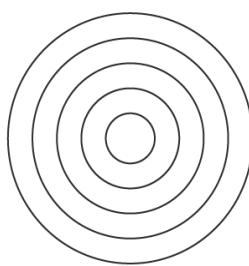
The shape chosen for the theory has an impact on how one thinks about it. Examine **Figure 4**, comparing Maslow's hierarchy placed in two different shapes.



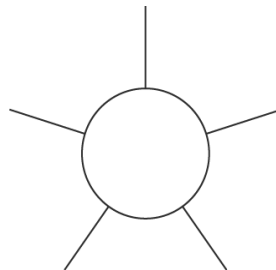
**Figure 4.** Maslow's hierarchy of needs as a pyramid and as a stack.

- How does seeing Maslow's hierarchy of needs in a stack with vertical sides change the possible interpretation of the model?

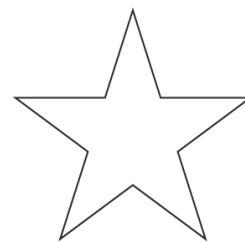
Now imagine how you might put the same five categories of needs into the shapes as in **Figure 5**.



Concentric circles



Circle with rays



Star

**Figure 5.** The way a model is presented can affect its meaning.

- How would using each of these shapes change the meaning of the model?

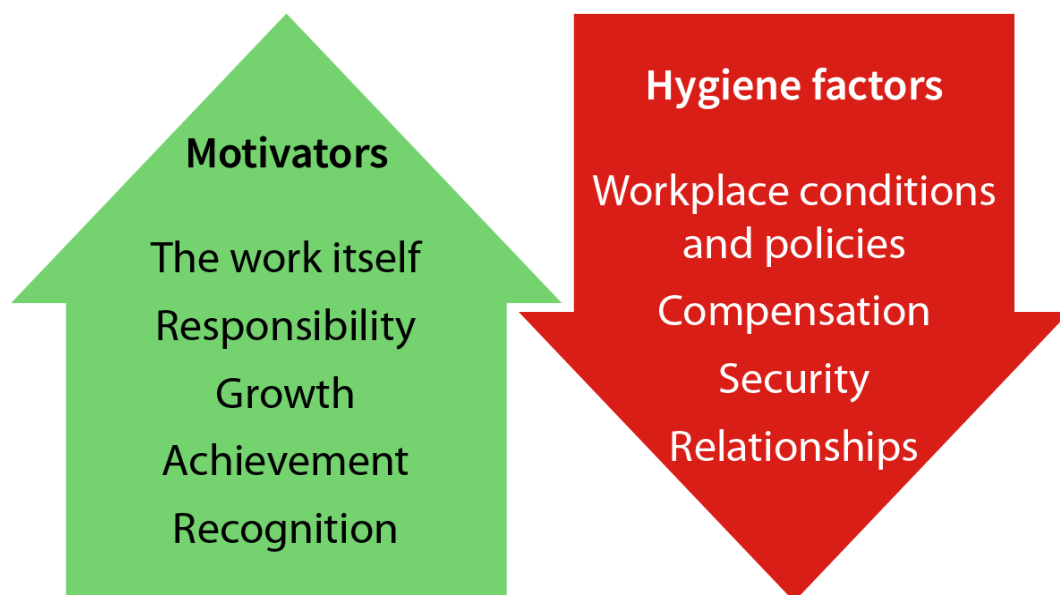
How do visual representations of models affect the way in which we acquire knowledge?

## Herzberg's two-factor theory

Frederick Herzberg published *The Motivation to Work* in 1959. Herzberg interviewed approximately 200 accountants and engineers who were satisfied with their work. From this information, Herzberg then formulated his two-factor theory (also known as hygiene-motivation theory).

The theory suggests that there are factors that cause job dissatisfaction, which Herzberg called hygiene factors. It also suggests that there is a different set of factors that cause job satisfaction, which Herzberg called motivators. Herzberg's key finding was that there are entirely different reasons for job dissatisfaction and job satisfaction. Thus, simply eliminating factors for job dissatisfaction would not cause job satisfaction.

Herzberg's work is similar to Maslow's in that he identifies 'basic' needs, which Herzberg called hygiene needs, that need to be present in the workplace. Higher order needs, such as psychological and self-fulfilment needs, are motivators. Examples of hygiene needs and motivators can be seen in **Figure 6**.



**Figure 6.** Herzberg's theory claims that the factors that demotivate employees are different from the factors that motivate employees.

Making employees feel secure and taken care of (hygiene needs) is a concern of managers. It is easier to meet hygiene needs than it is to provide effective motivators. Motivating employees may require changing the nature of the work or the employees'

control over how work is done. It may require providing more challenging tasks, varying employees' responsibilities, or finding other ways of supporting professional growth. You will learn more about these kinds of non-financial motivators in [Section 2.4.6 \(/study/app/y12-business-management-a-sl-may-2024/sid-352-cid-174703/book/rewards-id-39561\)](#).

Herzberg's theory seems to work well with a democratic leadership style, where an employee is involved in the business's decision-making and allowed opportunities for empowerment ([Section 2.3.2 \(/study/app/y12-business-management-a-sl-may-2024/sid-352-cid-174703/book/leadership-styles-id-39556\)](#)). The theory also helps to explain why compensation is important, even though it may not be the best motivator. If employees are not compensated adequately, it may lead to job dissatisfaction even if motivators are present in the workplace. A certain level of compensation is not only important for ethical reasons, but also to ensure that workers are not dissatisfied.

## Activity

**Learner profile:** Knowledgeable

**Approaches to learning:** Thinking skills (transfer)

Anant is working at an IT company in Bengaluru, India as a computer programmer. He enjoys his work. It is challenging and he has some degree of independence in terms of the types of work he does and how he does it. He gets along well with his colleagues and has also formed personal friendships with many of them outside of work. He looks forward to seeing them every day.

However, his supervisor consistently makes poor decisions in their department. The employees feel that they cannot speak out about things that are not going well. Anant's pay cheque has also been late several times.

Anant's friend Aanya is thinking about applying for a job at the same company and wants to know whether Anant is happy there. Anant is unsure what to say to her.

- Use Herzberg's two-factor theory to explain why Anant may have difficulty recommending his workplace to Aanya.
- Herzberg placed relationships in the category of hygiene factors. Is there an argument that relationships in the workplace could also be a motivator? Explain.