**Maslow's Hierarchy of Needs**

If motivation is driven by the existence of unsatisfied needs, then it is worthwhile for a manager to understand which needs are the more important for individual employees. In this regard, Abraham Maslow developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher-level needs such as self-fulfilment are pursued. In this hierarchical model, when a need is mostly satisfied it no longer motivates and the next higher need takes its place. Maslow's hierarchy of needs is shown in the following diagram:

Maslow's Hierarchy of Needs

|  |
| --- |
| **Self-Actualization**  http://www.NetMBA.com/lib/pixel/0.gif |

|  |
| --- |
| **Esteem Needs**  http://www.NetMBA.com/lib/pixel/0.gif |

|  |
| --- |
| **Social Needs**  http://www.NetMBA.com/lib/pixel/0.gif |

|  |
| --- |
| **Safety Needs**  http://www.NetMBA.com/lib/pixel/0.gif |

|  |
| --- |
| **Physiological Needs**  http://www.NetMBA.com/lib/pixel/0.gif |

**Physiological Needs**

Physiological needs are those required to sustain life, such as:

* air
* water
* nourishment
* sleep

According to Maslow's theory, if such needs are not satisfied then one's motivation will arise from the quest to satisfy them. Higher needs such as social needs and esteem are not felt until one has met the needs basic to one's bodily functioning.

**Safety**

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

* Living in a safe area
* Medical insurance
* Job security
* Financial reserves

According to Maslow's hierarchy, if a person feels that he or she is in harm's way, higher needs will not receive much attention.

**Social Needs**

Once a person has met the lower level physiological and safety needs, higher level needs become important, the first of which are social needs. Social needs are those related to interaction with other people and may include:

* Need for friends
* Need for belonging
* Need to give and receive love

**Esteem**

Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are:

* Self-respect
* Achievement
* Attention
* Recognition
* Reputation

Maslow later refined his model to include a level between esteem needs and self-actualization: the need for knowledge and aesthetics.

**Self-Actualization**

Self-actualization is the summit of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow.

Self-actualized people tend to have needs such as:

* Truth
* Justice
* Wisdom
* Meaning

Self-actualized persons have frequent occurrences of *peak experiences*, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

**Implications for Management**

If Maslow's theory holds, there are some important implications for management. There are opportunities to motivate employees through management style, job design, company events, and compensation packages, some examples of which follow:

* Physiological needs: Provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.
* Safety Needs: Provide a safe working environment, retirement benefits, and job security.
* Social Needs: Create a sense of community via team-based projects and social events.
* Esteem Needs: Recognize achievements to make employees feel appreciated and valued. Offer job titles that convey the importance of the position.
* Self-Actualization: Provide employees a challenge and the opportunity to reach their full career potential.

However, not all people are driven by the same needs - at any time different people may be motivated by entirely different factors. It is important to understand the needs being pursued by each employee. To motivate an employee, the manager must be able to recognize the needs level at which the employee is operating, and use those needs as levers of motivation.

**Limitations of Maslow's Hierarchy**

While Maslow's hierarchy makes sense from an intuitive standpoint, there is little evidence to support its hierarchical aspect. In fact, there is evidence that contradicts the order of needs specified by the model. For example, some cultures appear to place social needs before any others. Maslow's hierarchy also has difficulty explaining cases such as the "starving artist" in which a person neglects lower needs in pursuit of higher ones. Finally, there is little evidence to suggest that people are motivated to satisfy only one need level at a time, except in situations where there is a conflict between needs.

Even though Maslow's hierarchy lacks scientific support, it is quite well-known and is the first theory of motivation to which many people they are exposed. To address some of the issues of Maslow's theory, Clayton Alderfer developed the *ERG theory*, a needs-based model that is more consistent with empirical findings.

