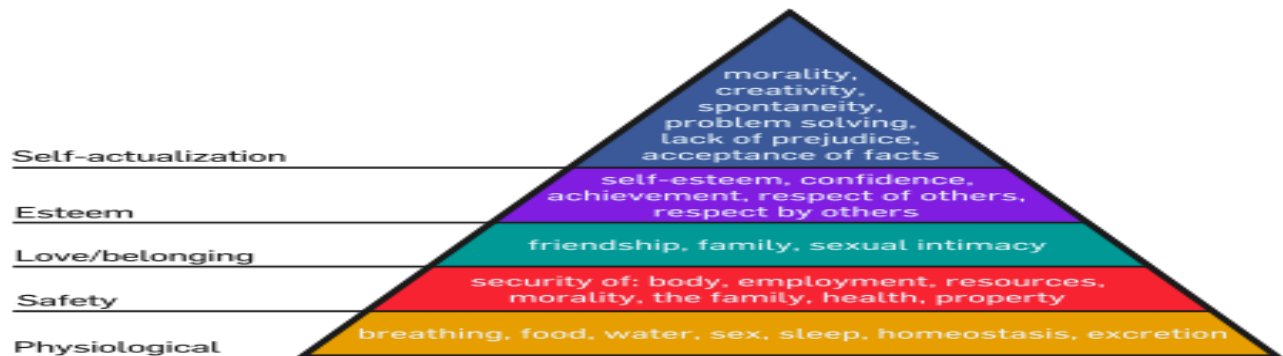# Maslow's Hierarchy of Needs

Five Levels of the Hierarchy of Needs

There are five different levels in Maslow's hierarchy of needs:

1. Physiological Needs

These include the most basic needs that are vital to survival, such as the need for water, air, food, and sleep. Maslow believed that these needs are the most basic and instinctive needs in the hierarchy because all needs become secondary until these physiological needs are met.

2. Security Needs

These include needs for safety and security. Once the physiological needs are satisfied at reasonable level, other level of needs become important. Security needs are important for survival, but they are not as demanding as the physiological needs. Examples of security needs include a desire for steady employment, health care, safe neighborhoods, and shelter from the environment.

3. Social Needs

These include needs for belonging, love, and affection. Maslow described these needs as less basic than physiological and security needs. He feels that he must be loved and liked by some people. He would obtain satisfaction by becoming the member of a group and would desire to be loved, protected and advised by the group.

4. Esteem Needs

After the first three needs have been satisfied, esteem needs becomes increasingly important. These include the need for things that reflect on self-esteem, social recognition, appreciation and accomplishment. Man desires that he should be an important entity in his field and that his importance must be recognized. If these needs are not satisfied, he feels inferiority and helplessness.

5. Self-actualizing Needs

This is the highest level of Maslow's hierarchy of needs. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others, and interested fulfilling their potential.

Herzberg Two Factor Theory

The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. It was developed by Frederick Herzberg, a psychologist, who theorized that job satisfaction and job dissatisfaction act independently of each other.

The theory was based around interviews with 203 American accountants and engineers in Pittsburgh, chosen because of their professions' growing importance in the business world. The subjects were asked to relate times when they felt exceptionally good or bad about their present job or any previous job, and to provide reasons, and a description of the sequence of events giving rise to that positive or negative feeling. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".
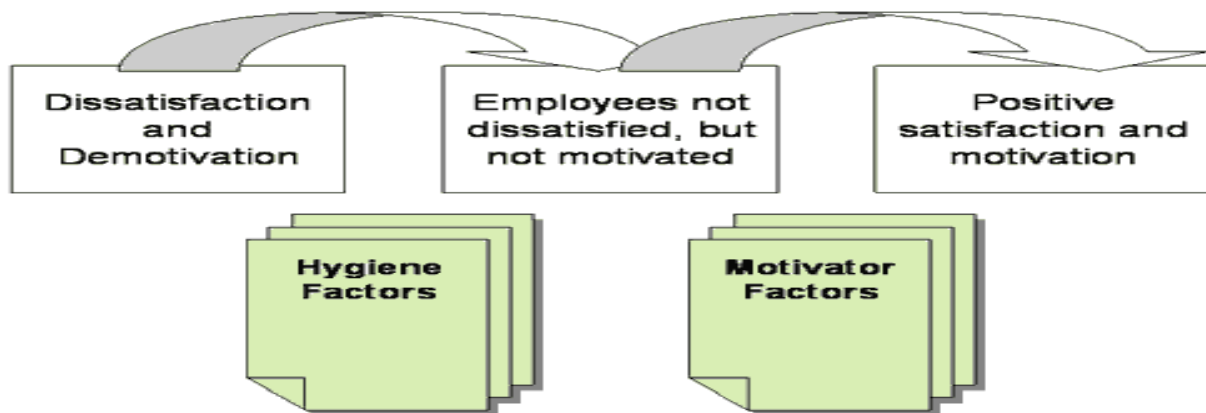
Herzberg classified these job factors into two categories-

***Hygiene factors**- Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-exist at workplace then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction.*

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These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

➢ *Pay - The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.*
➢ *Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, holidays, etc.*
➢ *Fringe benefits - The employees should be offered health care plans, benefits for the family members, employee help programmes, etc.*
➢ *Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained.*
➢ *Status - The employees' status within the organization should be familiar and retained.*
➢ *Interpersonal relations - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.*
➢ *Job Security - The organization must provide job security to the employees.*

Motivational factors*- According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:*

➢ *Recognition - The employees should be praised and recognized for their accomplishments by the managers.*
➢ *Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.*
➢ *Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.*
➢ *Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.*
➢ *Meaningfulness of the work - The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.*

Limitations of Two-Factor Theory

The two factor theory is not free from limitations:

1. *The two-factor theory overlooks situational variables.*
2. *Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.*
3. *The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.*
4. *No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.*
5. *The two factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.*
6. *The theory ignores blue-collar workers. Despite these limitations, Herzberg's Two-Factor theory is acceptable broadly.*

McGregor's Theory X and Theory Y

Theory X and Theory Y are theories of human motivation created and developed by <u>Douglas McGregor </u>at the MIT Sloan School of Management in the 1960s that have been used in human resource management, organizational behavior, organizational communication and organizational development. They describe two contrasting models of workforce motivation. He has given the name 'Theory X' to the old and traditional management belief and 'Theory Y' to the modern management belief. He has developed these two theories while observing at work.

Theory X ('Authoritarian Management' Style)

The old and traditional approach of management is that a worker does not like to work. Hence, they must be dealt with very strictly. McGregor called this approach as Theory X, which emphasizes the negative aspect of employee's behavior.

> *An average employee intrinsically does not like work and tries to escape it whenever possible.*
> *Many employees rank job security on top, and they have little or no ambition.*
> *Employees generally dislike responsibilities.*
> *Employees resist change.*
> *An average employee needs formal direction.*

> Management is responsible for organizing the elements of productive enterprise like money, material, people, equipments etc in the interest of economic ends.

> Since the employee does not want to work, he must be influence, force or warned with punishment so as to achieve organizational goals.

> An average employee is lazy, the management must fix standard task. i.e the quantity of work that an average worker should produce. Besides, strict control and supervision is necessary.

> An average employee has no ambition, so to direct them the system of method analysis has been developed.

Theory Y ('Participative Management' Style)

Theory Y suggests a new approach in management. It emphasizes on the cooperative endeavour of management and employee. The attempt is to maximum output with minimum amount of control and direction. Generally, no conflict is visible between organizational goals. Thus, the attempts of employees which are in their best interests are also in the interest of organization.

> Work is as natural as play or rest and work may be a source of satisfaction to him.

> External control and threat of punishment are not the only means for bringing about their best efforts. Man will exercise self-direction and self control in the service of objective, to which he is committed.

> Commitment to objectives is a function of the reward associated with their achievement. The most significant of such awards, e.g., the satisfaction of ego and self actualization needs, can be a direct product of effort directed towards organizational objectives.

> The average human being learns under proper conditions not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally consequences of experience, not inherent human characteristics.

> The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population,

> Under the conditions of modern industrial life, the intellectual potentialities of the average human beings are only partially utilized.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory Y is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

Managerial Grid Model

The **managerial grid model** (1964) is a behavioral leadership model developed by <u>Robert R. Blake and Jane Mouton</u>. This model originally identified five different leadership styles based on the <u>concern for people and the concern for production.</u>

Leader's concern for people includes employees' commitment towards goal attainment, maintaining their self-esteem, maintaining satisfactory interpersonal relations, delegating responsibility based on trust, motivating employees etc. while concern of production includes volume of output, quality of staff services, quality of procedures and process, creativeness of research etc. The grid identifies five leadership styles based upon two factors discussed above.

The model is represented as a grid with concern for production as the x-axis and concern for people as the y-axis; each axis ranges from 1 (Low) to 9 (High). The resulting leadership styles are as follows

- ***Impoverished style (1.1):*** *In this style, managers have low concern for both people and production. He remains passive as regards both. Managers use this style to preserve job and job seniority, protecting themselves by avoiding getting into trouble. The main concern for the manager is not to be held responsible for any mistakes, which results in less innovative decisions.*

- ***Country club) style (1.9):*** *This style has a high concern for people and a low concern for production. Managers using this style pay much attention to the security and comfort of the employees, in hopes that this will increase performance. The resulting atmosphere is usually friendly, but not necessarily very productive.*

- ***The dictatorial / Autocratic Task style (9.1):*** *With a high concern for production, and a low concern for people, managers using this style find employee needs unimportant; they provide their employees with money and expect performance in return. Managers using this style also pressure their employees through rules and punishments to achieve the company goals. This dictatorial style is based on Theory X of Douglas McGregor, and is commonly applied by companies on the edge of real or perceived failure. This style is often used in cases of crisis management.*
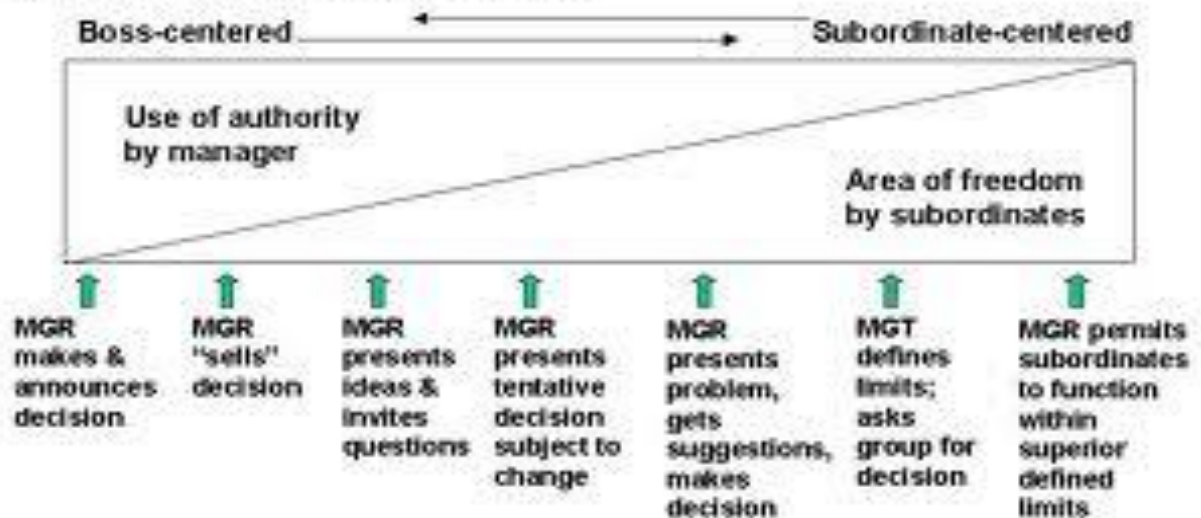
- ***Middle-of-the-road style (5.5):*** *Managers using this style try to balance between company goals and workers' needs. He gives equal importance to production and people. He gets sufficient production which not of a very high level. Similarly employees are motivated upto a middle level not to a very high level. Very high goals are not set and the leader adopt liberal attitude.*
- ***Team style) (9.9):*** *In this style, high concern is paid both to people and production. Managers choosing to use this style encourage teamwork and commitment among employees. He motives the employees to attain the enterprise goals and also tries to attain the employees goal while achieving organizational goals.*

Tannenbaum and Schmidt Continuum

The Tannenbaum and Schmidt Continuum (1973) is a simple model of leadership theory which shows the relationship between the level of freedom that a manager chooses to give to a team, and the level of authority used by the manager. As the team's freedom is increased, so the manager's authority decreases. This is a positive way for both teams and managers to develop.

Tannenbaum & Schmidt defined 7 levels of delegated freedom which moves from manager-oriented to subordinate-oriented. As team develops, level moves from one to the next – the area of freedom increases and the need for manager's intervention decreases. Here are the Continuum levels of delegated freedom, with some added explanation that should make it easier to understand and apply.

Continuum of Leadership Behavior

Boss-centered ———————————— Subordinate-centered

Use of authority by manager

Area of freedom by subordinates

| MGR makes & announces decision | MGR "sells" decision | MGR presents ideas & invites questions | MGR presents tentative decision subject to change | MGR presents problem, gets suggestions, makes decision | MGT defines limits; asks group for decision | MGR permits subordinates to function within superior defined limits |

1. The Manager decides and announces the decision.

The manager reviews options in light of aims, issues, priorities, timescale, etc., then decides the action and informs the team of the decision. The manager will probably have considered how the team will react, but the team plays no active part in making the decision. The team may well perceive that the manager has not considered the team's welfare at all. This is seen by the team as a purely task-based decision, which is generally a characteristic of X-Theory management style.

2. The manager decides and then 'sells' the decision to the group.

The manager makes the decision and then explains reasons for the decision to the team, particularly the positive benefits that the team will enjoy from the decision. In so doing the manager is seen by the team to recognize the team's importance, and to have some concern for the team.

3. The manager presents the decision with background ideas and invites questions.

The manager presents the decision along with some of the background which led to the decision. The team is invited to ask questions and discuss with the manager the rationale behind the decision, which enables the team to understand and accept or agree with the decision more easily than in level 1 and 2 above. This more participative and involving approach enables the team to appreciate the issues and reasons for the decision, and the implications of all the options. This will have a more motivational approach than level 1 or 2 because of the higher level of team involvement and discussion.

4. The manager suggests a provisional decision, subject to change.

The manager discusses and reviews the provisional decision with the team on the basis that the manager will take on board the views and then finally decide. This enables the team to have some real influence over the shape of the manager's final decision. This also acknowledges that the team has something to contribute to the decision-making process, which is more involving and therefore motivating than the previous level.

5. The manager presents the situation or problem, gets suggestions, then decides.

The manager presents the situation, and maybe some options, to the team. The team is encouraged and expected to offer ideas and additional options, and discuss implications of each possible course of action. The manager then decides which option to take. This level is one of high and specific involvement for the team, and is appropriate particularly when the team has more detailed knowledge or experience of the issues than the manager. Being high-involvement

and high-influence for the team this level provides more motivation and freedom than any previous level.

6. The manager explains the situation, defines the parameters and asks the team to decide.

At this level the manager has effectively delegated responsibility for the decision to the team, although within the manager's stated limits. The manager may or may not choose to be a part of the team which decides. While this level appears to gives a huge responsibility to the team, the manager can control the risk and outcomes to an extent, according to the constraints that he stipulates. This level is more motivational than any previous, and requires a mature team for any serious situation or problem.

7. The manager allows the team to identify the problem, develop the options, and decide on the action, within the manager's received limits.

This is obviously an extreme level of freedom, whereby the team is effectively doing what the manager did in level 1. The team is given responsibility for identifying and analysing the situation or problem; the process for resolving it; developing and assessing options; evaluating implications, and then deciding on and implementing a course of action. The manager also states in advance that he/she will support the decision and help the team implement it. The manager may or may not be part of the team, and if so then he/she has no more authority than anyone else in the team. The only constraints and parameters for the team are the ones that the manager had imposed on him from above. This level is potentially the most motivational of all, but also potentially the most disastrous. Not surprisingly the team must be mature and competent, and capable of acting at what is a genuinely strategic decision-making level.

When examining and applying the Tannenbaum and Schmidt principles, it's extremely important to remember: irrespective of the amount of responsibility and freedom delegated by a manager to a team, the manager retains accountability for any catastrophic problems that result. Delegating freedom and decision-making responsibility to a team absolutely does not absolve the manager of accountability. That's why delegating, whether to teams or individuals, requires a very grown-up manager. If everything goes well, the team must get the credit; if it all goes horribly wrong, the manager must take the blame. This is entirely fair, because the manager is ultimately responsible for judging the seriousness of any given situation - including the risks entailed - and the level of freedom that can safely be granted to the team to deal with it. This is not actually part of the Tannenbaum and Schmidt Continuum, but it's vital to apply this philosophy or the model will definitely be weakened, or at worse completely back-fire.

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Likert's System of Management

<u>Rensis Likert</u> and his associates studied the patterns and styles of managers for three decades at the University of Michigan, USA, and identified a four-fold model of management systems. The model was developed on the basis of a questionnaire administered to managers in over 200 organizations and research into the performance characteristics of different types of organizations. The four systems of management system or the four leadership styles identified by Likert are:

➤ **System 1 - Exploitative Authoritative:**

Responsibility lies in the hands of the people at the upper echelons of the hierarchy. The superior has no trust and confidence in subordinates. The decisions are imposed on subordinates and they do not feel free at all to discuss things about the job with their superior. The teamwork or communication is very little and the motivation is based on threats.

➤ **System 2 - Benevolent Authoritative:**

The responsibility lies at the managerial levels but not at the lower levels of the organizational hierarchy. The superior has condescending confidence and trust in subordinates (master-servant relationship). Here again, the subordinates do not feel free to discuss things about the job with their superior. The teamwork or communication is very little and motivation is based on a system of rewards

➤ **System 3 - Consultative:**

Responsibility is spread widely through the organizational hierarchy. The superior has substantial but not complete confidence in subordinates. Some amount of discussion about job related things takes place between the superior and subordinates. There is a fair amount of teamwork, and communication takes place vertically and horizontally. The motivation is based on rewards and involvement in the job.

➤ **System 4 - Participative:**

Responsibility for achieving the organizational goals is widespread throughout the organizational hierarchy. There is a high level of confidence that the superior has in his subordinates. There is a high level of teamwork, communication, and participation.

The nature of these four management systems has been described by Likert through a profile of organizational characteristics. In this profile, the four management systems have been compared with one another on the basis of certain organizational variables which are:

- *Leadership processes*

- *Motivational forces*
- *Communication process*
- *Interaction-influence process*
- *Decision-making process*
- *Goal-setting or ordering*
- *Control processes*

On the basis of this profile, Likert administered a questionnaire to several employees belonging to different organizations and from different managerial positions (both line and staff). His studies confirmed that the departments or units employing management practices within Systems 1 and 2 were the lease productive, and the departments or units employing management practices within Systems 3 and 4 were the most productive.

Advantages

With the help of the profile developed by Likert, it became possible to quantify the results of the work done in the field of group dynamics. Likert theory also facilitated the measurement of the "soft" areas of management, such as trust and communication.

Conclusion

According to Rensis Likert, the nearer the behavioral characteristics of an organization approach System 4 (Participative), the more likely this will lead to long-term improvement in staff turnover and high productivity, low scrap, low costs, and high earnings. if an organization wants to achieve optimum effectiveness, then the ideal system