

## Hierarchy of needs

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The hierarchy of needs is an idea associated with one man, Abraham Maslow (see [article](#)), the most influential anthropologist ever to have worked in industry. It is a theory about the way in which people are motivated. First presented in a paper (“A Theory of Human Motivation”) published in the *Psychological Review* in 1943, it postulated that human needs fall into five different categories. Needs in the lower categories have to be satisfied before needs in the higher ones can act as motivators. Thus a violinist who is starving cannot be motivated to play Mozart, and a shop worker without a lunch break is less productive in the afternoon than one who has had a break.

The theory arose out of a sense that classic economics was not giving managers much help because it failed to take into account the complexity of human motivation. Maslow divided needs into five:

- Physiological needs: hunger, thirst, sex and sleep. Food and drinks manufacturers operate to satisfy needs in this area, as do prostitutes and tobacco growers.
- Safety needs: job security, protection from harm and the avoidance of risk. At this level an individual’s thoughts turn to insurance, burglar alarms and savings deposits.
- Social needs: the affection of family and friendship. These are satisfied by such things as weddings, sophisticated restaurants and telecommunications.
- Esteem needs (also called ego needs), divided into internal needs, such as self-respect and sense of achievement, and external needs, such as status and recognition. Industries focused on this level include the sports industry and activity holidays.
- Self-actualisation, famously described by Maslow: “A musician must make music, an artist must paint, a poet must write, if he is to be ultimately happy. What a man can be, he must be. This need we may call self-actualisation.” This involves doing things such as going to art galleries, climbing mountains and writing novels. The theatre, cinema and music industries are all focused on this level. Self-actualisation is different from the other levels of need in at least one important respect. It is never finished, never fully satisfied. It is, as Shakespeare put it, “as if increase of appetite grows by what it feeds on”.

An individual’s position in the hierarchy is constantly shifting and any single act may satisfy needs at different levels. Thus having a drink at a bar with a friend may be satisfying both a thirst and a need for friendship (levels one and three). Single industries can be aimed at satisfying needs at different levels. For example, a hotel may provide food to satisfy level one, a nearby restaurant to satisfy level three, and special weekend tours of interesting sites to satisfy level five.

The hierarchy is not absolute. It is affected by the general environment in which the individual lives. The extent to which social needs are met in the workplace, for instance, varies according to culture. In Japan the corporate organisation is an important source of a man’s sense of belonging (although not of a woman’s); in the West it is much less so.

Peter Drucker took issue with the hierarchy of needs. He wrote:

What Maslow did not see is that a want changes in the act of being satisfied ... as a want approaches satiety, its capacity to reward, and with it its power as an incentive, diminishes fast. But its capacity to deter, to create dissatisfaction, to act as a disincentive, rapidly increases.

One of Maslow's early disciples was a Californian company called NLS (Non-Linear Systems). In the early 1960s it dismantled its assembly line and replaced it with production teams of six or seven workers in order to increase their motivation. Each team was responsible for the entire production process, and they worked in areas that they decorated according to their own taste. A host of other innovations (such as dispensing with time cards) revolutionised the company. Profits and productivity soared, but Maslow remained sceptical. He worried that his ideas were being too easily "taken as gospel truth, without any real examination of their reliability".

### **Further reading**

Maslow, A., "A Theory of Human Motivation", *Psychological Review*, Vol. 50, 1943

Maslow, A., "Motivation and Personality", Harper New York 1954; 3rd edn revised Frager, R. et al., Harper & Row, 1987

Hoffman, E., "The Right to be Human: a Biography of Abraham Maslow", McGraw-Hill, 1999

Kaplan, A. (ed.), "Maslow on Management", John Wiley & Sons, 1998

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