

[Home](#) » [95% of Managers Follow an Outdated Theory of Motivation](#)

95% of Managers Follow an Outdated Theory of Motivation



July 14, 2014 by [Walter Chen](#) — [28 Comments](#)



What, by a long shot, is the most important motivator for employees at work? Is it money,

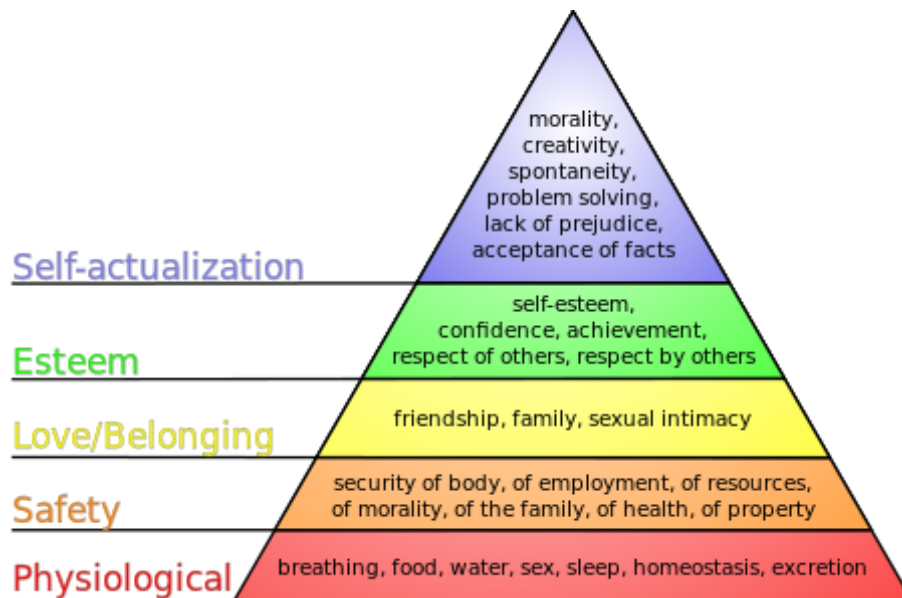
pressure, or praise?

Typically managers believe the idea that pressure makes diamonds. The thinking is that if you want exceptional performance, you align employee objectives with end-of-year bonuses for hitting certain milestones and then employees will turn up their work ethic to reach them.

Long-held conventional wisdom on management dies hard. That's because it's based on gut instinct and superstition — and managerial understanding of motivation is no different. **A massive 95% of managers are wrong about what the most powerful motivator for employees at work.**

Not only that, they're thinking about employee motivation fundamentally wrong.

Maslow's Hierarchy of Needs is Outdated



Seventy years ago, psychologist Abraham Maslow published the [Hierarchy of Needs](#), which has dominated popular thinking on the psychology of human motivation ever since.

At the bottom of the hierarchy, you have your physiological needs: food, water, basic human needs. Building on top of that, you have safety, then love/belonging, then esteem, and finally, self-actualization. The pyramid shows a path of growth in an individual's motivation as he satisfies one need and moves up to the next level.

[Maslow's hierarchy](#) provides the basis for the kind of managerial thinking that focuses on cash bonuses as a reward for good performance. The rationale is that money is a more fundamental need in the hierarchy than passion or purpose, and therefore you can neglect the latter in favor of the former.

Another example is when managers threaten job security to drive performance. They're attempting to hit a base need in Maslow's hierarchy of safety and security to motivate. Seeing such needs as more fundamental in Maslow's hierarchy than self-esteem and respect means it's logical that threats and pressure should motivate employees to work harder.

Maslow's hierarchy caught on immediately in the early 1940s — and perseveres today — because it's simple to understand. But it's outdated and facile.

Recent psychological research [disproves the conventional wisdom around Maslow's hierarchy](#), providing proof that it should be eradicated from how you think about your employees.

The Power of Small Wins

In a wide-ranging study of employee motivation, Harvard Business School professor Teresa Amabile and psychologist Steven Kramer asked hundreds of employees to maintain a diary chronicling their peaks and valleys in motivation at work. Amabile and Kramer eventually analyzed 12,000 diary entries in total and what they discovered was totally contrary to Maslow's hierarchy and conventional managerial wisdom.

In fact, Amabile and Kramer talked with 600 managers about what they thought was the single-most important motivator for employees at work. A shocking 95% of them got the answer wrong.

It's not money, safety, security, or pressure that drives employees at work. It's not the supposedly foundational needs in Maslow's hierarchy.

The most important motivator for employees at work is what Amabile and Kramer call "[the power of small wins](#)": employees are highly productive and driven to do their best work when they feel as if they're making progress every day toward a meaningful goal.

In a [recent study by psychologist Susan David](#) of highly engaged employees at work, David asked people what made them so engaged and excited about their work.

96% of the employees didn't mention pay at all. Instead, what David found dovetailed with Amabile and Kramer's discovery. In describing their motivations at work, highly engaged employees "highlighted feeling autonomous and empowered, and a sense of belonging on their teams."

If you think that you need this touchy-feely stuff for only your weakest employees, you're wrong. Non-hierarchical thinking about employee needs is even more important when it comes to your highest performers.

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About Walter Chen

Founder/CEO of iDoneThis

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Bob Michel · 8 days ago

Thanks for the Interesting article... here are my comments. These employees presumably have their basic needs already met, such as food and water, safety, friendship, and the like. Once these needs are met according to Maslow, motivation occurs through self-actualization, which could be the same as getting things done, or the power of small wins. Check out the HBR archive article: One More Time, How do you Motivate Employees? <http://hbr.org/2003/01/one-mor...> where Herzberg shows that "people are motivated by interesting work, challenge, and increasing responsibility. These intrinsic factors answer people's deep-seated need for growth and achievement."

The fact that almost all managers surveyed don't understand motivation doesn't mean the old theories are wrong... perhaps managers never really read them, or assume that since they the managers think they are motivated by money, that employees must be too.

Finally, human motivation is a complex issue and requires complex thinking to analyze.

26 ^ | ▾ · Reply · Share ›



Jim Edmonds → **Bob Michel** · 7 days ago

Agreed. 95% of managers don't understand Maslow's theory, or misapply it. The problem isn't with the theory, it's with the managers. A variation on the Peter Principle, again.

9 ^ | ▾ · Reply · Share ›



Diane Janovsky → **Bob Michel** · 7 days ago

I agree completely with you Bob and Jim. The theory isn't wrong. It just may not be applied correctly.

4 ^ | ▾ · Reply · Share ›



Bernadette Wilson Conley · 6 days ago

As Bob & Jim mentioned earlier, the problem is less with Maslow's theory than with managers' understanding of the theory - especially if we look at this exclusively from the viewpoint of professional and executive level employees.

For many lower income employees, concerns about not having enough income to cover safe housing, food, transportation to get to and from work, and medical expenses, will absolutely come to play. Many will end up paying a huge price for sacrificing their higher level needs for self-esteem and self-actualization in an attempt to reach for basic security. Providing a supportive environment with small wins is a fantastic goal, but it must accompany recognition of employees' economic realities.

10 ^ | ▾ · Reply · Share ›

Robert L. Sims · 8 days ago

LOWER-ORDER NEEDS

Many managers are concerned more about his/her own security; therefore, they want to maintain the status quo. Workers allow their values to be trampled. Manage by fear.

HIGHER-ORDER NEEDS

Leadership results in trust, loyalty, risk taking, innovation, higher productivity, low turnover, low absenteeism, and etc. Recognize workers values. Do not use fear to manage, rather they inspire with passion.

8 ^ | v · Reply · Share ›



Rachel Stanley · 7 days ago

Hi, doesn't the new study actually confirm Maslow - once people have the basic needs, which you can get from a lot of jobs, they are motivated to perform by the higher needs in the pyramid i.e. "highlighted feeling autonomous and empowered, and a sense of belonging.". I suspect if you asked people in countries with very high unemployment they would have given feedback in line with the more basic needs.

7 ^ | v · Reply · Share ›



TinkerTailor1620 · 6 days ago

I hope the problem here is the author's inability to capture the true meaning of Maslow's Hierarchy AND of the two research studies he cites, and not problems with the researchers not understanding Maslow or the application of theory in the workplace, or an even broader understanding of motivation theory.

As others have pointed out quite well, there is nothing wrong with Maslow's Hierarchy of Needs, and you can clearly see the theory hold true just about every day in practically any industrialized society. There are a number of other theories of motivation, too, though, each of them just as valid. They all depend on the situation, the approach, the employees, and the managers, among other factors. In the end, they are only theories of how things normally work - they are not management guides or tools. You can't manage or lead with a theory, you can only use a theory to inform your leadership or management style or philosophy or practices. In fact, you should have a number of theories in your leadership or management toolbox to use as the situation requires.

This headline is clearly misleading and the article is simply wrong when it says "Recent psychological research disproves the conventional wisdom around Maslow's hierarchy, providing proof that it should be eradicated from how you think about your employees." Nothing could be further from the truth.

6 ^ | v · Reply · Share ›



Murphyboat ➔ **TinkerTailor1620** · 6 days ago

Thank you!

Yes, it is very disappointing to see this wrongheaded article and misleading headline accumulating hits and momentum through social media (promoted today on LinkedIn) — how much conflict and confusion is being generated? As another reader said elsewhere on this site: "you've applied Maslow's theory incorrectly and then you claim the theory itself is incorrect."

Indeed: the lack of rigour here is troubling: does no one fact-check anymore? (At least Wikipedia editors eventually do...)

6 ^ | v • Reply • Share ›



John Smith • 7 days ago

Money is only part of a motivating factor, but not THE motivating factor. It has been my experience that more money does not build loyalty, craftsmanship of work or self worth. You can have the highest paid staff in the industry, but if you do not treat them as valuable they will go and work for less in order to be valued. Often times people will leave a company for more money then realize that the grass is not greener.

I believe they want to be informed and feel as if they are a part of the process. Part of the success, by celebrating the wins. There is also a reality. Jim Rohn said, "Affirmation without discipline is the beginning of delusion." People do not typically "like" discipline or accountability, but they do respond well to it if handled correctly. Which will take you as a manager or your company to a new level.

The Maslow Theory seems to be divided into three categories: Body, mind and spirit or "heart". I believe there must be a balance and it is just as much the responsibility of the employee as it is the employer. So, in short, building relationships is key.

Be blessed and Lead on!

5 ^ | v • Reply • Share ›



irm • 7 days ago

"96% of the employees didn't mention pay at all." Because Americans are trained not to ever discuss this. I assure you 100% of them are thinking about it.

4 ^ | v • Reply • Share ›



wcraigreed • 7 days ago

I have to agree with Bob Michel's comments on this. Maslow's research has not been proven "wrong." If these employees lost their jobs and became homeless, they would be more motivated by food, shelter, money, etc. than a self-actualized goal. That said, it is sad that most managers do not know how to properly motivate employees, which is why a Gallop poll on 1M workers revealed that the #1 reason why people quit is due to a bad boss. The information delivered here is eye-opening, but what's the solution? I found one at least: an app called pierapp bad boss that helps solve employment problems

and maybe even get a raise. It uses neuroscience to ask you questions about your personality profile, and your boss's, and then personalizes an eBook based on the combination of the profiles. The approach is different and really works. This might be a good one for managers, too, as it could help them understand their employees' point of view.

4 ^ | v • Reply • Share ›



Lydia Hirst • 6 days ago

Having studied a module on motivation as part of my MSc in Organisational Behaviour, I have come away thinking that motivation is highly complex. There are many more theories than Maslow and Herzberg and each one attempts to describe how people are motivated. What the modern psychology shows is that there are a number of factors: individual differences - happily we are all different, we have different personalities and we feel different at different times and in different

situations. Some of us are driven by power - hierarchy, position, influence, money - other people are not. Those of us who are 'achievement motivated' like the feeling of 'getting things done'. Then there is goal setting theory - but the goals have to be just right, not too hard and not too easy. What about Porter & Lawler based on Expectancy Theory - what is each person's effort, performance, reward equation?

Taking something out of the different theories can be helpful to managers: basic needs - food, health, a roof of one's head, providing for one's family - are clearly essential drivers. The question is, what then?

The challenge for managers is getting to know their staff sufficiently well to understand what motivates them. Let's not pretend that this is simple and that theory provides a simple answer!

2 ^ | v • Reply • Share ›



TJC • 6 days ago

Walter, I do not believe your proposition that Maslow is outdated is supported by peer reviewed research and it is a little unprofessional to quote your own company in your article. I would support that Maslow's Hierarchy is not a layer cake but more of a lasagne and that there is not a step lock connection between the fulfilment of the needs of one layer and the ability to progress to the next. Your statements prove Maslow.

The shock jock headlines do not help with the progression of thinking of new or less confident managers. You come round to the correct conclusions that self actualisation is one of the highest needs of the individual and when these needs are met in the workplace (and elsewhere) employees are more productive BUT the path you chart is tortuous and easily misread.

Some managers never become leaders for many reasons, whether through their own needs not being met or through never understanding what it is that motivates people to "produce". As Robert L. Sims says below, "Many managers are concerned more about his/her own security; therefore, they want to maintain the status quo." To build strength and confidence in these managers so that they can become the motivators of those whom they lead is one of the qualities of senior managers.

2 ^ | v • Reply • Share ›



Wendy Butler • 6 days ago

I agree with many of the sentiments posted so far. Maslow's theory was not intended to justify carrot and stick approaches to management. The theory is not the issue, it's how it's being used. Check out this blog: <http://www.hrzone.com/blogs/em...>

2 ^ | v • Reply • Share ›



Chris • 7 days ago

This new study does not make Maslow's obsolete. It reminds us of a methodology that can be used to achieve progress in Maslow's theory.

2 ^ | v • Reply • Share ›



yolanda pittman • 7 days ago

Money is the motivation that causes people to forget about respect of others. At my job the co-workers are overworked and treat one another very badly. Sex harassment, bad communication among the supervisor. They believe that money is the key to everything. When it's thrown around the supervisor feels that is the greatest motivation of all. In the world today they are right with the money is the key to

motivation. Thank for the interesting article on Maslow's concept on motivation that occurs through self actualization.

1 ^ | v • Reply • Share ›



Mike Riordan • 7 days ago

I am amazed at the simplistic characterization of Maslow's theory. Maslow held that we each have a hierarchy and once the lower needs have been met for ourselves, we rise to the higher level needs. Dr. McClelland assumed that in our society the lower needs have been met and focused on the top three needs calling them Power, Achievement, and Affiliation. Herzberg also focused on intrinsic and extrinsic rewards which assumed the worker's basic needs have been met. However, even when a person is self-actualized and it is lunch time, those pesky lower level needs kick in. Perhaps with the decrease of good paying jobs and the increase of part time minimum wage service jobs, some workers are now distracted constantly by these lower level needs. It is also interesting that McClelland spoke of the two faces of Power, Affiliation, and Achievement- where a manager could focus on self-centered goals or win-win situations. For businesses that desire to empower their workforce and strive for excellence, Maslow and the other theories work just fine. Unfortunately, many businesses concerned about the short term bottom line have opted to promote high turn over to lower wages and keep down health care costs. In such an environment, workers will find it difficult to remain productive. Time in motion studies work fine for menial tasks that will at some time be automated, but humans need to be creative and have some ownership and pride in their work. This requires that basic needs be met which means that management role is mainly to provide goals and then help alleviate fear of job loss, relieve the stress from lacking financial resources to meet basic needs, and to provide constructive feedback to enhance goal attainment. Since the 1980's many executives have focused on short term goals and their compensation was based on quarterly profits for shareholders. So just like our nation's infrastructure of roads and bridges have been neglected, so has the American work force. For executives who can measure short term improvements in worker productivity, just remember the Mayo studies that showed that worker's short term productivity was not a function of the lighting or improvements to the environment because productivity went up after they were taken away.

1 ^ | v • Reply • Share ›



Annon • 7 days ago

Perhaps you should read Maslow. I think you'll find that your assumptions are off.

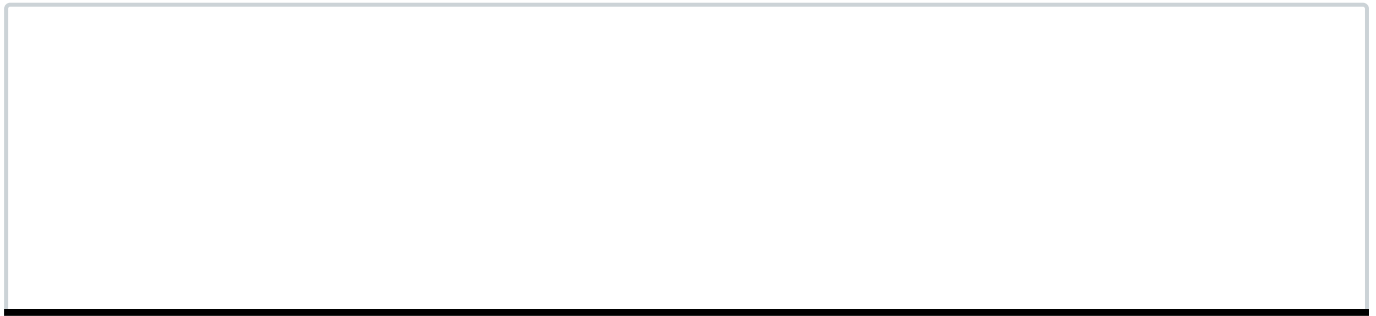
1 ^ | v • Reply • Share ›



Todd Cherches • 4 days ago

Glad to see so many colleagues rising in defense of Maslow with strong and intelligent arguments! I agree 100% that Maslow's classic Hierarchy is still as relevant today as ever. When it comes to what motivates people, it's not "either-or," but "and." So Maslow's model is still relevant and useful, as is Herzberg's, and McGregor's, and McClelland's, as well as Amabile's new addition of the Progress Principle.

I would also add, from his book, Drive, Dan Pink's three key factors: Autonomy, Mastery, & Purpose. Regarding money, Dan Pink put it well when he said that people need to make enough to take money off the table as a distraction, to allow them to focus on performance and productivity. (BTW, if you've never seen the RSA animated video version, I highly recommend it!: <http://vimeo.com/15488784>)



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Jeff Bear • 5 days ago

When managers start asking, "how can we best inspire employees," rather than looking for new ways to motivate employees -- that's when the results will really start to shift.

[^](#) | [v](#) • [Reply](#) • [Share](#) ›



Mike Ziemski • 5 days ago

I have to agree whole-heartedly. And may I push the envelope a little further regarding the "meaningful goal" and the "part of the team" mindset.

It's been a long-held belief that one should set goals, then share them with others so that your network can help you achieve those goals. Unfortunately, it's been discovered that when that happens, the brain functions as if the goal has already been met, and therefore, less likely to be achieved.

Using personal experience, the one time I met and exceeded my goal was when someone else set it for me, then coached me to get there. It was an incredible differentiation of managerial style, but one that I had experience with - as the coach.

In my previous position, I worked with a number of faith-based schools that we're experiencing declining enrollment. Leaders would set their enrollment goals, and then be disappointed when they weren't achieved, since tuition from enrollment is the main source of revenue for them.

After I developed and tested the Enrollment Estimator (TM) to incorporate predictive analysis into their planning, and well as follow-up methodology as I has created for Saturn sales consultants, the third element was to set their enrollment goal for them. This gave the schools a framework for success rather rather than just "hoping" they'd meet their goals.

What happened? As a group, total enrollment was predicted to be 3,464 students. The official figure that year was 3,469. Some schools exceeded their individual goal, while some fell short. But the process provided a success that could be celebrated, which was seen as a small "win." If this could happen, then other concerns could be overcome as well.

[^](#) | [v](#) • [Reply](#) • [Share](#) ›



Rex Hegen Aii • 5 days ago

Maslow's theory is not wrong. The understanding and correct application of it by some managers is what stands to be questioned.

We must always understand that while an employee expects to be recognized and treated with dignity at the place of work, both must be earned.

^ | v · Reply · Share ›



Carol · 6 days ago

I agree with a lot of what has been said. I'd like to respond to John Smith's reply in particular - I agree completely that money is not the most important motivating factor. Of course if you are unemployed and can't pay your bills, then it becomes more important to earn any money at all versus whether your innermost goals are going to be met by a job. However assuming your basic needs are met, then other issues such as fulfillment and being valued start to play an important role. A pay increase can motivate for a short while, but if you do not feel valued this is short lived.

Thanks for all your views - interesting discussion!

^ | v · Reply · Share ›



Anthony Lee · 6 days ago

This was a great read Walter!

^ | v · Reply · Share ›



Guest · 7 days ago

The fact that this study includes 12,000 is imposing. The facts here should not be ignored. Positive rather than negative reinforcements should be used for a productive work environment. I would hope most managers would take away from this that pressure and threats are counterproductive as well as morally corrupt behavior. The UK has known this for some time and I would hope we could at least experiment within your organizations a new philosophy without feeling threatened to do so.

^ | v · Reply · Share ›



JC Wandenberg Ph.D. · 7 days ago

Fred & Merrelyn Emery's six psychological criteria for efficient work pointed these facts decades ago!

Cheers,

JC Wandenberg Ph.D.

<http://www.sustainablesystemsinternational.Org>

^ | v · Reply · Share ›



Anon · 7 days ago

Interesting article. This pyramid is the basic of a society and social living, without money you cannot have any of the above in the hierarchy (there could be some exceptions) and without being in this hierarchy we will most probably end in an mental institution as this hierarchy I seen as the stereotype to we we are pushed as a mass into and I could also recognise that 99% of the world is within this hierarchy so that the rest of the 1% can rule them.

^ | v · Reply · Share ›



Anonymous · 8 days ago

This study seems to be based on self-reported motivational factors, which could be quite different



This study seems to be based on self-reported motivational factors, which could be quite different from what's not reported. People are often squeamish to admit that money is their primary motivational factor.

^ | v • Reply • Share ›

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3 comments • 6 months ago



Kate Stull — Thanks so much Ronell! So happy to hear the post was helpful and well-timed. :) I can totally relate to your conflict - I have also ...

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1 comment • 6 months ago



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Walter — great, stuff -- thanks for sharing, krishan!

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Janet Choi — So cool! The line-up looks fantastic. Have fun!



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