

Maslow's Hierarchy of Needs and Its Application to Employee Motivation in Modern Organizations

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Abstract: Maslow's hierarchy of needs can be applied to the employee incentive practice of modern organization, it is a question of this paper wants to discuss, in the thorough analysis the theory and considering the present organization and management environment and employee demand characteristics, this study gives a level to build staff incentive policy framework in accordance with the requirements. This paper first summarizes the main content of Maslow's hierarchy of needs theory and its application significance in organizational management, then explores the diversity and complexity of employees' needs in modern organizations through case study and literature review, and then explains in detail how to design corresponding incentive measures for different levels of needs. As to guarantee the basic physiological needs and meet the demand of security, promote social demand, respect demand and support emphatically self-actualization needs are the content, the article also talked about hierarchy theory of needs in actual use may face the challenges and the insufficiency and gives the corresponding proposals to cope with the situation, Finally, this study concludes that the employee incentive strategy based on the hierarchy of needs theory plays a positive role in improving organizational efficiency and employee satisfaction, and emphasizes the importance of personalized incentive and dynamic adjustment. These research results can provide theoretical basis and practical guidance for modern organizations to optimize employee incentive mechanism and improve management efficiency.

1. Introduction

Today's business environment is developing rapidly, so the organization management regards employee motivation as one of the core issues. In this context, effective incentive mechanism can not only improve the enthusiasm and efficiency of employees, but also enhance the cohesion and competitiveness of the organization. However, for managers, how to design and implement effective incentive strategy is always a huge challenge. Fortunately the maslow's hierarchy of needs to provide us with an insight into the needs and motivation of employees the key framework.

Since Maslow's hierarchy of Needs theory was put forward, it has been regarded as an important theoretical basis in the field of organizational behavior and human resource management. The theory advocates that human needs are divided into five levels: physiological needs, safety needs, social needs, respect needs and self-actualization needs. It not only reveals the complexity and diversity of human needs, but also emphasizes the hierarchical and dynamic nature of needs, thus providing important guidance for organizations to formulate incentive strategies.

In recent years, changed the work environment and employees' values have changed, so the traditional incentive method is difficult to meet the demand of modern multiple employees, human resource management (SHRM) latest survey showed that 70% of employees feel existing incentives to meet their own needs, the data highlighted the review and optimization of staff incentive policy is very urgent, In this case the maslow's hierarchy of needs for modern organization employee incentive practice has important theoretical and practical significance.

Maslow's hierarchy of needs and modern organization management practice content and want to discuss in this paper is to design a more effective employee incentive strategy, through the analysis of different forms in the hierarchy of needs in the present work environment and for these requirements formulated the corresponding incentive measures, this study provides organization

managers with a complete level of employee motivation framework based on the demand, In addition this paper will also discuss the application of the theory may face the challenges and limitations and gives the corresponding solution in place to ensure that the real effective incentive strategy.

The purpose of this study is to provide valuable theoretical basis and practical guidance for modern organizations to optimize employee incentive mechanism and improve management efficiency, so as to achieve the goal of improving both organizational efficiency and employee satisfaction.

2. The summary of maslow's hierarchy of needs

2.1 Basic contents of Maslow's Hierarchy of Needs theory

In 1943, American psychologist Abraham maslow proposed a theory of human motivation is maslow's hierarchy of needs, the theory is that human needs can be arranged according to the hierarchy, from the most basic physiological needs until at the highest levels of self-actualization needs, maslow put these five kinds of demand is divided into five layers.

Physiological needs: basic requirements include food, water, air, sleep survive the basic conditions, etc.

Safety needs: including personal safety, job security, economic security, etc.

Social needs: also known as the needs of belonging and love, covering friendship, family, love and other social relationships.

Respect needs: These include self-esteem and respect from others, such as status, recognition, and a sense of accomplishment.

Self-actualization needs: refers to the needs of individuals to give full play to their potential and realize their self-worth.

One of the key ideas in Maslow's theory is that these needs are hierarchical, and higher-level needs become more important only after lower-level needs are met. Moreover, it is not necessary for lower-level needs to be fully met before higher-level needs can be realized, because most people have multiple levels of needs at the same^[2] time, just in different priorities.

In recent years, with the development of social economy and changes in the work environment, Maslow's theory has been constantly reinterpreted and applied. In 2018, a study showed that employees in developed countries are more willing to pursue the satisfaction of multiple levels of needs at the same time rather than strictly in the order of hierarchy. This finding provides a new perspective for understanding the needs of employees in the modern workplace.

2.2 Application of Hierarchy of Needs theory in organizational management

Maslow's hierarchy of Needs theory has been widely used in the field of organizational management since it was put forward. It provides managers with a key framework to understand the motivation and behavior of employees, and is helpful to design more effective incentive strategies and management methods^[3].

In practice, the hierarchy of needs theory is mainly reflected in the following aspects:

Compensation design: Employees have physiological and safety needs, so the organization provides reasonable compensation and benefits to meet the basic needs of employees.

Work environment: the safety of the employees demand can be obtained by creating a safe and comfortable working environment.

Team building: Taking social needs into account, the organization will organize some activities to promote employee communication and cooperation to create a positive team atmosphere.

Performance evaluation and recognition: the organization to meet the demand of the respect of the employees have to establish a fair performance evaluation system and the appropriate recognition and reward for good staff.

Career development planning: Considering the needs of employees for self-realization, the organization will provide training and development opportunities for employees to support them to

achieve their personal career goals.

According to Deloitte's 2021 Global Human Capital Trends report, more than 80% of organizations believe that the need-based incentive strategy plays a significant role in improving employee satisfaction and organizational performance. This data shows that Maslow's theory has important significance and is very practical^[6] in modern organizational management.

Managers should pay attention to the influence of individual differences and cultural background when applying this theory, because different employees may have different priorities of needs and cultural factors will affect the expression of needs. Therefore, it is necessary to flexitively use the hierarchy of needs theory and formulate personalized management strategies according to specific situations to make the theory really play a role. (See figure 1)

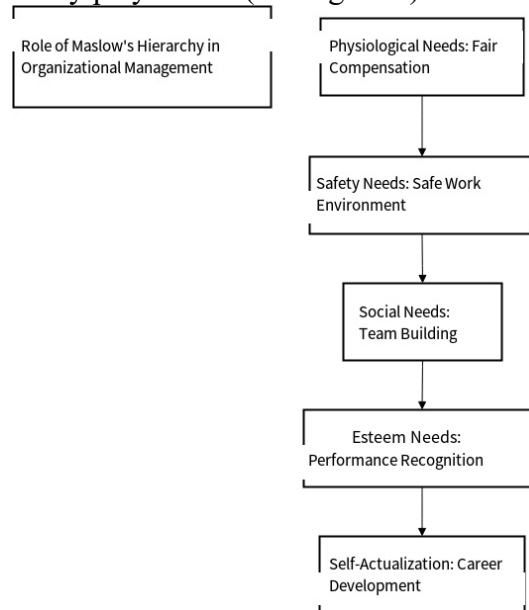


Figure 1 The role of Maslow's hierarchy of Needs theory in organizational management

3. The analysis of employee needs in modern organizations

3.1 Satisfaction of physiological needs and safety needs

In modern organizations, employees' physiological needs and safety needs are still basic, but their forms of expression and ways of satisfaction have changed greatly. Due to the development of social economy, the simple material reward can not meet the basic needs of employees.

In terms of physiological needs, modern employees pay more attention to work-life balance in addition to basic salary security. A Gallup survey in 2022 shows that more than 60% of employees regard work-life balance as a key consideration in choosing a job. Therefore, many organizations have begun to implement policies such as flexible work schedule and remote working to meet employees' needs for time and space arrangement. Health benefits, such as fitness facilities and mental health counseling services, have also become a key concern for^[4] employees.

In modern organizations, the need for security is mainly reflected in job security and career prospects. As economic uncertainty increases, employees value job stability more and financial security is also the key point of their attention. According to PWC's 2023 survey report, about 75% of employees think retirement plans and medical insurance are the most critical benefits. Therefore, organizations that want to meet the security needs of employees must provide a stable working environment, a clear career path, and a comprehensive insurance and benefits plan.

3.2 Importance of social needs and respect needs

In modern organizations, the importance of social and respect needs has become increasingly prominent. Due to the changes in the nature of work and the increase of teamwork, good interpersonal relationships and personal values are recognized as key factors affecting employee

satisfaction and work efficiency.

On the social demand, the staff to better relations with colleagues, and want to build a meaningful workplace social network, because LinkedIn2023 workplace trend report about 70% professionals think good workplace relationships for their career development is particularly important, so a lot of organization in order to meet this demand, The importance in order to create more communication opportunities for team building activities, social activities, such as cross functional project cooperation, and enterprise culture construction has become the key way to meet the demand of employees social, shaping common values and goals can enhance staff's sense of belonging.

In the modern workplace, the need for respect is particularly prominent, as employees not only want fair treatment, but also expect to be recognized for their work results and their own value. According to McKinsey's 2022 study, lack of recognition and respect is one of the main reasons for employees to quit, and about 45% of employees who quit said it was a key factor in leaving their previous employer. Therefore, organizations should build a fair and transparent performance evaluation system, give employees regular feedback and recognition, and give more decision-making power and autonomy to employees, which can also meet their respect needs^[1].

3.3 Influence of self-actualization needs on employees' motivation

In modern organizations, employee motivation is increasingly influenced by self-actualization needs, because after basic needs are generally met, employees pay more attention to personal growth and career development, and pursue meaningful work and self-realization.

Self-actualization needs are mainly reflected in the following aspects:

Career development: Employees have a desire to continuously learn new skills and expand their career horizons. According to LinkedIn's 2023 Learning report, 94% of employees say they would stay longer if their company invested in their learning and development.

Innovation opportunity: staff is eager to have the opportunity to play to creativity, to participate in the innovation project. A 2022 Deloitte survey found that 70% of millennial employees consider opportunities for innovation to be an important factor in choosing an employer.

Meaning at work: Employees want their organization and society to be touched by the positive impact of their work, and Gallup's 2023 study shows that employees who find meaning at work are 21 percent more productive than those who don't.

Autonomy: Employees want more decision-making power and autonomy at work, as McKinsey's 2022 report shows that employees with a high degree of autonomy are 47% more satisfied with their jobs than those with a low degree of autonomy.

To meet the self-actualization needs of employees, organizations can take the following measures:

Provide personalized career development programs and training opportunities.

Encourage innovation and set up innovation programs or ideas competitions.

Make clear the connection between work and organizational goals and enhance the sense of meaning of work.

Give employees more autonomy in their work and encourage them to participate in the decision-making process.

In modern organizations, satisfying employees' self-actualization needs will not only improve employees' job satisfaction and loyalty, stimulate their creativity and potential, but also bring long-term competitive advantage to the organization. Therefore, when designing incentive strategies, organizations should pay more attention to satisfying employees' self-actualization needs, so as to create a platform^[10] for employees to realize their personal values and career aspirations.

4. Employee incentive strategy based on hierarchy of needs

4.1 Material incentive and environmental improvement

In modern organizations, the important means to meet the basic needs of employees include

material incentives and environmental improvement, which respectively correspond to the physiological needs and safety needs in Maslow's hierarchy of needs theory. Moreover, the 2022 survey report of the Society for Human Resource Management (SHRM) shows that more than 75% of employees think that salary and welfare have the greatest impact on their work enthusiasm. So the organization must establish a fair and reasonable compensation system in place to ensure that employees basic needs are met.

Specifically, enterprises can take the following measures: first, conduct regular market salary research and formulate competitive salary plans in line with the industry standard salary level. Second, perfect like medical insurance, endowment insurance, paid vacation such a welfare system to give the guarantee of employees. In addition, the working environment should be improved, such as providing comfortable office space, fitness facilities, rest areas and so on, to enhance employees' working experience and satisfaction.

Staff personal performance and contribution as the basis, enterprises can implement performance bonuses, stock options, such as short - and long-term incentives, and closely tied to the personal interest with the company development. According to Deloitte's 2023 Global Human Capital Trends report, more than 60% of companies are looking for more flexible and personalized compensation and benefits to meet the diverse needs of different employees. When material incentives and environmental improvement measures are used, companies can meet the basic needs of employees and lay the foundation^[8] for high-level motivation.

4.2 Interpersonal relations and team building

According to Maslow's hierarchy of needs theory, social needs are an important level after physiological and safety needs, and good interpersonal relationships and team atmosphere in modern organizations have a significant impact on employees' job satisfaction and performance. Gallup's 2023 employee Engagement survey shows that 70% of employees think good team relationships are one of the key factors affecting their work enthusiasm^[9].

Employees with social needs and team construction, so the organization can adopt the following strategies to meet the former and promote the latter: first, create a work environment openness and inclusiveness, prompting staff exchanges and cooperation, such as open space, make such as outdoor development, team building dinner team building activities to let employees to deepen understanding and trust. Secondly, an effective communication mechanism should be established, such as regular team meetings, one-on-one talks, and 360-degree feedback to ensure transparent and smooth information transmission.

Tutor system can be implemented by organizations, which will help to make the new employees can more quickly into the team and let the experienced employees get the opportunity to guide others CIPD2022 years learning and development survey shows that about 65% of organizations in the implementation of some form of mentor program to promote intellectual heritage and enhance team cohesion, These measures can make the organization effectively meet the social needs, create a positive work atmosphere, and enhance team collaboration efficiency and employees sense^[11] of belonging.

4.3 Career development and self-realization opportunities

In Maslow's hierarchy of needs theory, respect needs and self-realization needs, two high-level needs, are crucial to long-term motivation of employees. Therefore, modern organizations should provide employees with clear career development paths and self-realization opportunities to meet their needs for personal growth and career achievement. LinkedIn2023 Global Talent Trends report shows that 94% of employees say they are more likely to stay with their company long-term if the company invests in their career development.

When employees have high-level needs, organizations can adopt the following strategies: First, establish a well-developed career development system, including clear promotion channels, job rotation opportunities and cross-department project participation channels. Second, provide continuous learning and training opportunities, such as online courses, professional certification support, external seminars, etc., to enable employees to continuously improve themselves. And give

some decision-making power and innovation space to employees so that they can give full play to their talents in the work.

Personalized career planning guidance can also be implemented by organizations to help employees clarify their career goals and development trends. Mercer2023 global Talent Trend survey shows that more than 70% of enterprises are increasing investment in personalized career development support, relying on these measures can not only meet the high-level needs of employees, Based on these measures, organizations can not only meet the high-level needs of employees, but also cultivate and retain core talents and enhance overall competitiveness.^[7]

4.4 Construction of multi-level incentive system

Modern organizational management takes Maslow's hierarchy of needs theory as an important strategy to build a multi-level employee incentive system that can meet the needs of employees at different levels and can be dynamically adjusted according to individual differences and organizational development stages. Because the 2023 Global Talent report of Boston Consulting Group (BCG) shows that about 85% of high-performance organizations are using diversified incentive strategies to cope with the diverse and complex situation^[5] of employees' needs.

The key steps to build a multi-level incentive system are to comprehensively analyze the needs of employees through questionnaires and in-depth interviews to understand the characteristics and priorities of different employee groups, and then to design targeted incentive measures to make each level of needs have corresponding incentive plans, such as basic compensation and benefits to meet physiological and safety needs, team building activities to meet social needs, and so on. For example, basic salary and benefits can meet physiological and safety needs, team building activities can meet social needs, and career development opportunities can meet respect and self-actualization needs.

For example, implement flexible welfare plan, so that employees can choose different benefit combinations according to their personal needs. Evaluate and adjust the effectiveness of incentive system regularly, and optimize it according to employee feedback and organizational goals. Deloitte2023 Human Capital Trends report shows that about 60% of businesses are working to make incentive plan design more agile and personalized.

When organizations build a multi-level, flexible, and dynamic incentive system, they can better meet the diverse needs of different employees, improve employee satisfaction and motivation, and promote their sustainable development and long-term success. (See figure 2)

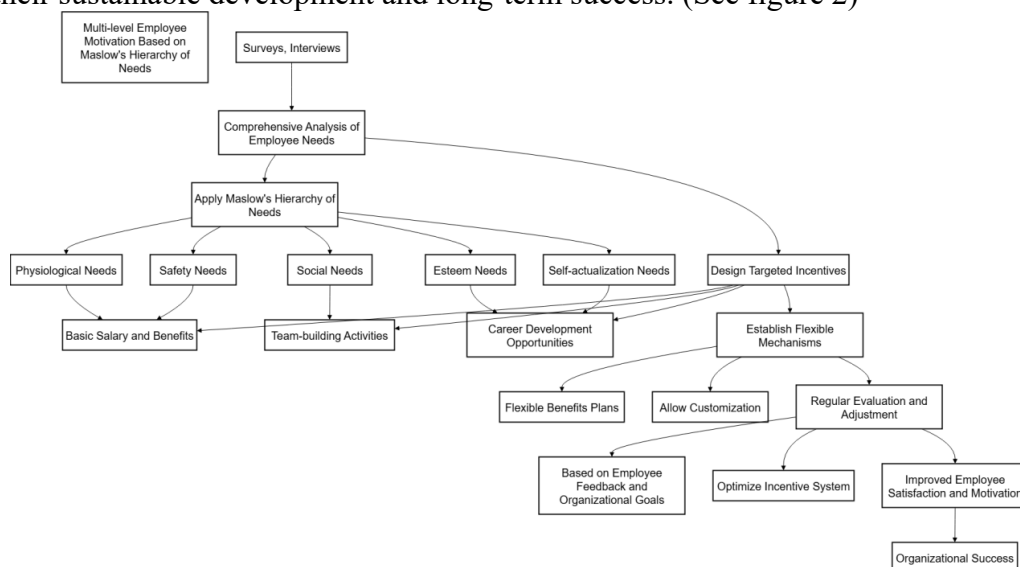


Figure 2 Multi-level employee motivation based on Maslow's hierarchy of Needs theory

5. Conclusions

Maslow's hierarchy of needs theory is the basis of this study. This study deeply explores the

employee incentive strategy in modern organizations. After analyzing the material incentive and environmental improvement, interpersonal relationship and team building, career development and self-realization opportunities, and the construction of multi-level incentive system, the following conclusions are drawn:

Effective incentive strategies for employees should be comprehensive and multi-level, which can meet the needs of employees at all levels. From basic material security to high-level self-realization, each level should pay appropriate attention to and meet, and the design and implementation of incentive strategies should be flexible and targeted, which can be dynamically adjusted according to the individual differences of employees and the development stage of the organization. The design and implementation of incentive strategies should be flexible and targeted, which can be dynamically adjusted according to the individual differences of employees and the stage of organizational development.

This study emphasizes the importance of building an open and inclusive organizational culture and an effective communication mechanism, because good interpersonal relationships and team atmosphere can not only meet employees' social needs, but also promote knowledge sharing and innovation, and provide employees with a clear career development direction and self-realization space, which is crucial to stimulate employees' internal motivation and maintain long-term enthusiasm for work.

The construction of a multi-level incentive system is a complex and continuous process, which requires a lot of time and resources to be invested by the organization. However, it is worth the investment, because effective incentive strategies can greatly improve employee satisfaction, work efficiency and organizational performance.

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