

THE CHALLENGE OF MOTIVATING TOP MANAGEMENT: A NEED SATISFACTION PERSPECTIVE

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ABSTRACT

The effective participation of South African firms in the global economy depends on how competitively affordable and quality goods and services can be produced by the productive utilisation of materials, machines, money and human resources. The study investigates how top managers (high-level human resources) are to be motivated to increase their job performance. By structural equation modelling the causal influence of need satisfaction on the performance intentions of top managers is assessed.

OPSOMMING

Die doeltreffende deelname deur Suid-Afrikaanse firmas aan die wêreldekonomie hang af van hoe mededingend kwaliteit en bekostigbare goedere en dienste gelewer kan word deur die produktiewe aanwending van grondstowwe, masjinerie, geld en arbeid. Hierdie studie fokus op hoe topbestuurders (hoëvlak-arbeid) tot hoër werksprestasie gemotiveer kan word. Met behulp van strukturele vergelyking modellering word die oorsaaklike invloed van behoeftebevrediging op die prestasievoorneme van topbestuurders geëvalueer.

All business concerns need productive employees to achieve production of goods of acceptable quality in order to realise its economic, societal and employee-related goals. This even more so in the competitive global economy South African firms find themselves today. Of critical importance to these firms is how employees are to be motivated to increase their job performance and therefore their productivity.

Various categories of motivation theories have been advanced to explain work motivation. The content theories, also called the need theories (Landy, 1985), have received more attention in research studies than the other motivation theories, because they have been seen as among the most enduring ways to understand motivation (Aram & Piraino, 1978). The need theories propose that individuals are motivated to increase their job performance by their individual striving to satisfy certain needs. Understanding what the needs are and how they are satisfied will enhance insight into work-related behaviours that increase job performance (Stein & Hollowitz, 1992).

One of the most widely used of the need theories is the Maslow needs hierarchy (Marx, 1983; Stahl, 1986). Although Maslow's theory is intuitively appealing, various criticisms have been levelled at it. These criticisms include insufficient empirical substantiation for the theory (De Cenzo & Robbins, 1988); no evidence of five distinct categories of needs which are structured in any special hierarchy, nor the sequential satisfaction of needs in this hierarchy (Steers & Porter, 1991); and the lack of application of the theory in the work situation and to productivity (an element of job performance) in particular (Huizinga, 1970; Smit & Cronjé 1992). The present study investigates whether managers are pursuing the correct motivational strategies if the Maslow theory is not applicable to work motivation and job performance specifically.

Objectives

The main objective of this study was to investigate whether the job performance of managers can be improved by increasing the satisfaction of certain needs of managers. It has been suggested that a methodology which assesses the causal relationship presumably between the Maslow need hierarchy and other variables would be an ideal method to test the theory (Wahba & Bridwell, 1976). Against this background, the study empirically assesses the causal influence of the satisfaction of the Maslow needs on the performance intentions (as surrogate measure of employee job performance) of top managers.

The hypotheses

The present study asserts that satisfying certain needs in the organisations where these employees work can increase employee job performance. In other words, the study empirically assesses the causal relationship between the need theory of Maslow and employee job performance.

The literature generally suggests that the satisfaction of the physiological needs (housing, material and financial benefits) of employees has a significant positive impact on employee job performance (Edwards, 1993; Fox, Scott & Donohue, 1993; Hong, Yang, Wang, Chiou, Sun & Huang, 1995). It has also been reported that employee job performance can be significantly increased by satisfying the employees' safety and security needs in the workplace. Safety and security need satisfaction, in the form of job security and adequate fringe benefits, has been found to positively influence employee job performance indicators such as job involvement (job commitment), internal work motivation (Smith & Tisak, 1993) and work effort (Brockner, Grover, Reed & Dewitt, 1992).

Various research findings link the satisfaction of affiliation needs (desire for group membership, friendship, acceptance and co-operation from others) to enhanced employee job performance. Seigel and Ruh (1973), for example, reported significant a correlation between job commitment (an indicator of job performance), on the one hand, and interaction with people, on the other hand. Smith and Tisak (1993) found a positive relationship between the satisfaction of social needs and internal work motivation, while Levine (1994) concluded that social support of employees is essential for performance enhancement.

Evidence has also been produced that the satisfaction of esteem needs in the workplace, by providing opportunities for achievement, responsibility, meaningful work activities, mastery and competence, prestige, status and a sense of importance, can improve employee job performance significantly (Brockner *et al.*, 1992; Glasscock & Gram, 1995; Barrier, 1996). The basic assumption underpinning studies on self-esteem is that people who have a high self-perceived competence and self-image are more likely to be higher achievers on task performance than those who have a low self-perceived competence, low success expectancy and low self-image (Korman, 1971; Tharenou, 1979).

The satisfaction of self-actualisation (also called growth and self-fulfilment needs) in the workplace by providing promotion opportunities, autonomy, challenging assignments and the optimal utilisation of people's abilities, has been shown to impact positively on employee job performance, especially in the case of top managers (Alpander, 1990; Cranny, Smith & Stone, 1992; McCampbell, 1996).

Based on the preceding literature review the following hypotheses were formulated:

- H1: The satisfaction of physiological needs exerts a positive influence on employee job performance (as measured by performance intentions)
- H2: The satisfaction of safety and security needs exerts a positive influence on employee job performance (as measured by performance intentions)
- H3: The satisfaction of affiliation needs exerts a positive influence on employee job performance (as measured by performance intentions)
- H4: The satisfaction of esteem needs exerts a positive influence on employee job performance (as measured by performance intentions)
- H5: The satisfaction of self-actualisation needs exerts a positive influence on employee job performance (as measured by performance intentions)

In summary, the preceding literature reviews suggest a strong relationship between the satisfaction of needs and the indicators of employee job performance. The influence of the satisfaction of the Maslow needs on performance intentions as an indicator of employee job performance is empirically investigated in the present study. These relationships are graphically depicted in Figure 1.

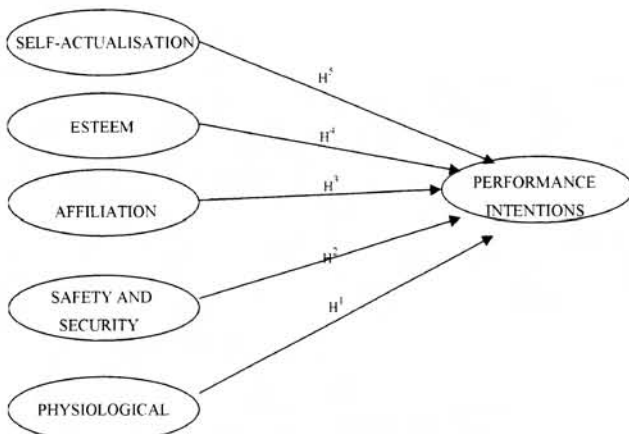


Figure 1: Relationships between needs and job performance

METHODOLOGY

Sample

The sample consisting of three hundred and four (304) chief executive officers (a response rate of 20.3%) was randomly selected from South African manufacturing, trade and service firms which employ 50 and more (management included) employees.

Measuring instruments

The measuring instrument used to measure the Maslow needs was developed by Barling (1976). The instrument showed acceptable reliability and validity coefficients on data collected from a South African sample of mining personnel. Barling (1976) reported reliability coefficients ranging from 0.86 to 0.92. To test for discriminant validity, intercorrelations among the various need scales were calculated. Barling (1976) found that these intercorrelations confirmed the existence of five separate need constructs.

Employee job performance was measured by assessing the performance intentions of the respondents. Several researchers have described performance intentions as a potent measure or predictor of employee job performance (Hampton, Summer & Webber, 1982; Shore, Newton & Thornton, 1990; Sumerlin & Norman, 1992). The instrument used to measure performan-

ce intentions was developed by Shore *et al.*, (1990). An item from the Cranny, Smith & Stone (1992) scale was added to the original three items to make the performance intention scale a 4-item one. Reliability coefficients, which ranged from 0.60 to 0.84, were reported for the original scale (Shore *et al.*, 1990).

Respondents were requested to respond to all questions in the above-mentioned instruments on a seven-point Likert scale.

RESULTS

Internal reliability and discriminant validity

The internal reliability of the measuring instruments was assessed by calculating the Cronbach alpha coefficients of these instruments. Final Cronbach alphas of 0.617 (physiological needs), 0.610 (safety and security needs), 0.755 (affiliation needs) and 0.807 (self-actualisation needs) were recorded after the initial deletion of items based on low item-to-total (below 0.30) correlations and a subsequent exploratory factor analysis. The performance intentions scale produced a Cronbach alpha coefficient of 0.716. All the Cronbach reliability coefficients were above 0.60 and thus reasonably above the 0.50 cut-off point needed for basic research (Smith, Organ & Near, 1983; Pierce & Dunham, 1987; Tharenou, 1993).

The discriminant validity of the measuring instruments was measured by conducting an exploratory factor analysis, using the computer programme BMDP4M (Frane, Jennrich & Sampson, 1990). Maximum likelihood was specified as the method of factor extraction and a Direct Quartimin oblique rotation of the original factor matrix was used (Jennrich & Sampson, 1966) in all instances. The factor analysis results, as reported on Table 1, showed only four distinctly separate need factors (self-actualisation, affiliation, safety and security and physiological) and not five as was originally surmised. The instrument used to measure Maslow's esteem needs did not demonstrate sufficient evidence of discriminant validity and it was therefore removed as a variable from the Maslow theoretical model in subsequent statistical analyses.

TABLE 1
ROTATED FACTOR LOADINGS: MASLOW'S MODEL^a

	FACTOR 1 SELF ACTUALISATION	FACTOR 2 AFFILIATION	FACTOR 3 SAFETY AND SECURITY	FACTOR 4 PHYSIOLOGICAL
MAPH2	-0,034	-0,032	0,033	0,828
MAPH4	0,166	0,050	0,023	0,438
MAAF1	-0,027	0,785	0,051	-0,039
MAAF2	-0,008	0,575	0,035	-0,071
MAAF3	0,120	0,733	-0,108	0,086
MAAF4	0,037	0,412	0,053	0,232
MASA1	0,646	0,101	0,079	-0,037
MASA2	0,579	0,036	0,031	0,083
MASA3	0,917	-0,073	-0,082	-0,038
MAES2	0,448	0,027	0,121	0,112
MAES4	0,446	0,155	0,126	0,035
MASS2	-0,046	0,047	0,333	0,074
MASS3	0,107	0,036	0,672	-0,086
MASS4	0,034	-0,070	0,748	0,006
EIGEN				
VALUES	2,053	1,706	1,187	0,982

a) Loadings greater than 0.3 were considered significant

Structural equation analysis

As per the objectives above, the present study attempts to conduct a causal investigation of the Maslow need theory by using structural equation analysis, or modelling. Structural equation analysis identifies theoretical cause and effect relationships among unobservable constructs (Hair, Anderson, Tatham & Black, 1995) and is regarded as a more advanced and rigorous statistical technique to analyse attitudinal data than techniques such as analysis of variance (ANOVA) and multiple regression (Hoyle, 1995).

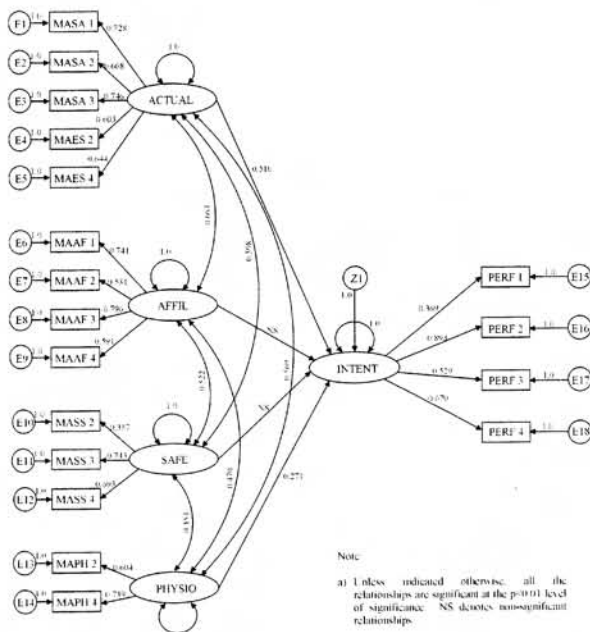


Figure 2: The Causal model

Figure 2 depicts the causal model constructed to investigate the relationship between the satisfaction of the Maslow needs and the job performance of top managers. The causal model was analysed by means of the computer program RAMONA (Browne & Mels, 1996) and the results thereof are shown in Figure 2.

Figure 2 shows that all the point estimates are significant at the 0.01 level of significance. The empirical results indicate that the satisfaction of self-actualisation needs is positively (0.510, $p < 0.01$) related to increased performance intentions. This means that the more the self-actualisation needs of top managers are satisfied the stronger their intention to improve their job performance will be (hypothesis H5 supported). Figure 2 shows that the satisfaction of affiliation needs is not significantly related to the performance intentions of top managers (hypothesis H3 rejected). This finding suggests that acceptance by and a feeling of belonging to colleagues does not seem to play a big role in top managers' intentions to improve job performance.

The empirical results show that the gratification of safety and security needs, such as job security, medical aid schemes and pension funds, do not have a significant impact on the job performance of top managers (hypothesis H2 rejected). The position of chief executive officer seems to imply adequate job security with pension funds and medical aid benefits as given. Figure 2 further indicates that the satisfaction of physiological needs (money for food and clothes, time for relaxation, furniture, a home) has a significant (0.271, $p < 0.01$) positive influence on the performance intentions of top managers (hypothesis H1 supported).

The indices of fit

To establish the extent to which the causal model represents acceptable approximations of the data, the absolute fit indices (Hair *et al.*, 1995) of the model was examined. The absolute fit indices reported in the present study include the RMSEA (root mean square error of approximation) and the GFI (goodness-of-fit).

The RMSEA gives an indication of to what extent the model fit obtained in the sample could be expected to be repeated in the population from which the sample was drawn. An RMSEA of more than 0.05, but smaller than 0.08 indicates a reasonable or acceptable fit (MacCullam, Browne & Sugawara, 1996). The GFI, believed to be one of the best absolute indices of model fit (Hoyle, 1995), indicates the

overall degree of fit of the hypothesised model on the data. The higher the GFI value in the range from 0 to 1, the better the goodness of fit. Table 2 shows that the Maslow model produced an RMSEA and a GFI of reasonable or acceptable fit.

TABLE 2
THE ABSOLUTE FIT INDICES

FIT INDEX	INDEX VALUE
RMSEA	0.061
GFI	0.915

DISCUSSION

The empirical results suggest that top managers are inspired to improve their job performance by a challenging working environment that provides opportunities for creativity, self-fulfilment, advancement and autonomy (self-actualisation needs).

The need for autonomy, creativity and advancement can be satisfied by putting the manager in charge of a new project that has to be driven from the conceptual phase to the completion phase. Creativity in firms can be managed by (1) demonstrating a strong orientation toward innovation, (2) promoting an organisational culture that stimulates creativity by encouraging a situation of fair and constructive judgement of ideas, rewards and recognition programmes for creative work and putting in place mechanisms for the development and active flow of ideas, (3) identifying and developing role models who set goals, support colleagues, value the contributions of top managers and show confidence in top managers, (4) nurturing a supporting environment in which diversely skilled employees on various organisational levels interact, communicate, challenge, assist, trust and commit themselves to the search for new ideas, (5) providing access to the necessary resources in terms of funds, materials, facilities and information to those who want to be creative, (6) providing for the freedom and autonomy to decide on the what and how of a task and the sense of control of one's own work, and (7) avoiding, reducing or eliminating impediments to creativity, such as negative internal politics in the organisation, destructive criticism of new ideas, negative internal competition, the tendency to avoid risk and the overemphasis on maintaining the status quo.

The empirical results suggest that the performance intentions of top managers would be affected by their perceptions of advancement opportunities and personal growth. This is an indication to the human resources directors, in charge of looking after the development of top managers, to pay particular attention to promotion policies and programmes and career planning in their organisations. It would benefit management to pay attention to the management of organisational and personal plateauing.

The self-actualisation needs of top managers can also be satisfied by using them as mentors and putting them in charge of social responsibility programmes of organisations. Service, growth in reaching goals, talents and self-worth and meaning derived from one's occupation are avenues by which self-actualisation is achieved.

A result at odds with the Maslow theory was the finding that top managers in the present study were significantly motivated by monetary rewards. The findings also show, however, that the satisfaction of self-actualisation needs is a stronger determinant of the job performance of top managers than monetary rewards. This is an indication that the remuneration packages of top managers should be linked to motivational interventions that satisfy the self-actualisation and growth needs of top managers. This can be done by linking salary increments and performance bonuses of top managers to the successful completion of challenging assignments.

Although the present study has made significant contributions to the body of knowledge on motivation and employee job performance, certain areas still need to be explored or expanded. These areas include assessing the same model using other

samples, the extension of the motivation models by the inclusion of various antecedents of needs and the investigation of the instrumental nature of need satisfaction. Another area for improving on the findings of the present study is the usage of improved measuring instruments. The inclusion of more measures of employee job performance could also enhance the generalisability of the study.

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