

The Limitation and Optimization of Maslow's Hierarchy of Needs Theory in Enterprises' Application

-- Perspectives based on Case Studies

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Abstract. Maslow's Hierarchy of Needs Theory holds that the five needs "physiological," "safety," "belonging and love," "esteem," and "self-actualization", constitutes a series of hierarchical needs of human beings. More and more companies apply this theory to employee motivation management to improve employee enthusiasm, creativity and work efficiency. However, this theory has obvious limitations in practical application. Enterprises tend to ignore the phenomenon of the coexistence of the five needs levels, and cannot effectively deal with the problem of lack of new employee incentives caused by the coexistence of five needs levels. Therefore, based on enterprise cases, this study explores the rationality and limitation of "Maslow's Hierarchy of Needs" Theory from the perspective of theoretical integration and contingency theory. The research conclusions are helpful to optimize "Maslow's Hierarchy of Needs" Theory in its development, expand its application scope, and has certain reference significance for the incentive management of contemporary enterprises.

Keywords: Incentive; Maslow's Hierarchy of Needs; Incentive Management; Incentive Mechanism.

1. Theoretical Basis

1.1 The Main Connotation of Maslow's Hierarchy of Needs Theory

Maslow's Hierarchy of Needs Theory is one of the theories of behavioral science, which was put forward by American psychologist Abraham Maslow in "Theory of Human Motivation" in 1943. The book divides human needs into five levels from low to high like a ladder, namely: physiological needs, safety needs, social needs, esteem needs and self-actualization needs.[1]

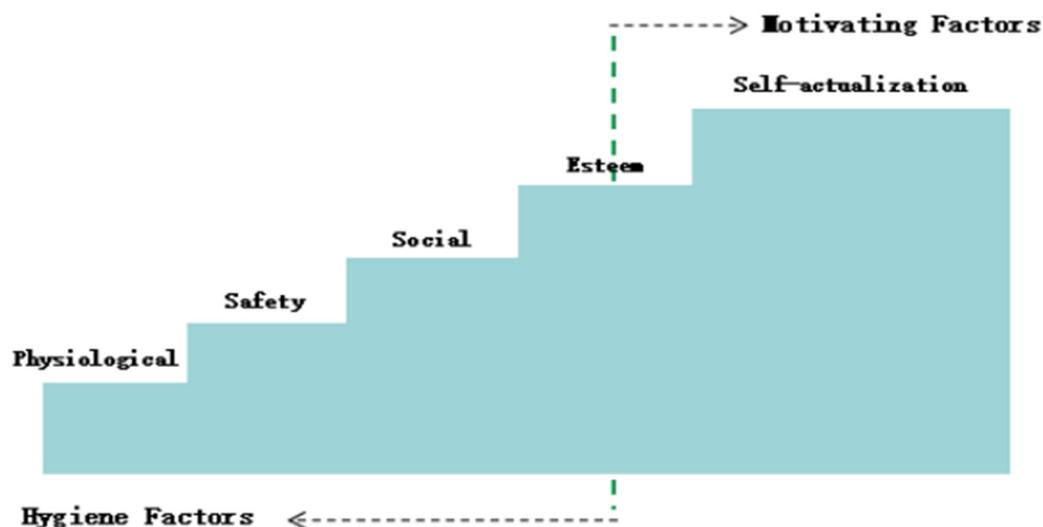


Fig 1. Model diagram of Maslow's hierarchy needs

1.2 Theoretical Analysis of Maslow's Hierarchy Needs

(1) **Physiological needs** are a person's pursuit of basic living conditions such as clothing, food, housing, and transportation needed for survival. [2] Including all kinds of material needs necessary to maintain life and reproduce offspring. This is the most basic need of people and the most powerful need. Until it is met, the higher needs at all levels will not function.

(2) **Safety needs** refer to the pursuit of personal safety, employment security, safety of work and living environment, and economic security. [2] Including the prevention of physical injury, disease, economic disaster and accident. From the perspective of management, the need for security is reflected in attempts to ensure job security and attempts to obtain greater financial support.

(3) **Social needs** refer to people's desire to gain friendship, love, care and love. [2] This need is related to people's social nature and people's needs for communication, including getting comfort and support from others in social activities, achieving mutual trust and help between people, establishing harmonious interpersonal relationships, and belonging in an organization and getting acknowledged.

(4) **Esteem needs** refer to the desire to have a stable position, to be highly evaluated by others, or to be respected by others. [2] including self-esteem and respectability. The satisfaction of this need leads to a sense of self-confidence and prestige.

(5) **Self-actualization needs** is the desire to promote their potential abilities, that is, to become the person they expect and to accomplish everything commensurate with their abilities. [2] This need is "man's desire to become more and more perfect. Man's desire to achieve everything he wants to achieve." This means that individuals will fully realize the potential of their talents and abilities, realize their ideals, and constantly create and develop themselves.

1.3 Hierarchical Analysis Process of Maslow's Needs Theory

(1) Human needs are hierarchical, rising step by step from the lower level. He made the human pursuit thesis that people have different needs structures at different stages of development, and higher-level needs appear only after lower-level needs are satisfied.

Shown as Fig. 2:

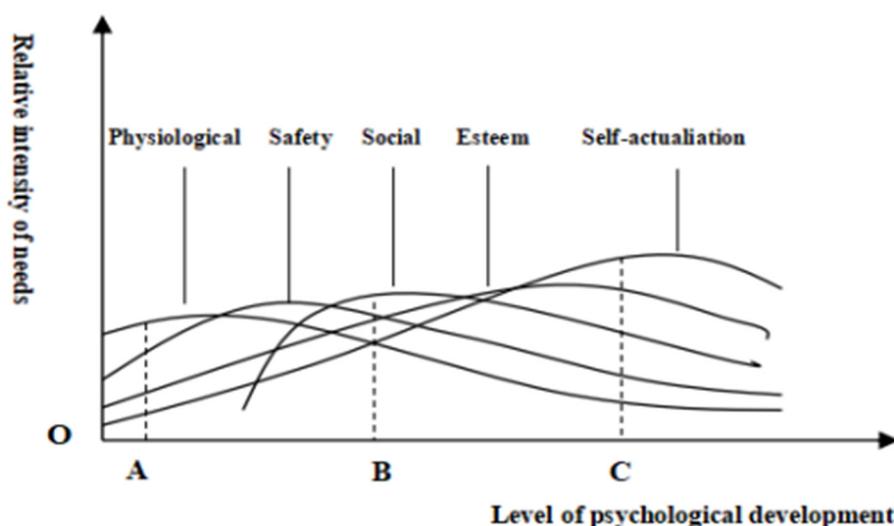


Fig 2. Development relationship model of Maslow's needs hierarchy

[At point A, Physiological needs comes first and is followed by safety needs; At point B, the social needs come first and is followed by safety needs and esteem needs. the esteem needs and self-actualization needs come at point C, where the transcendence of the spiritual dimension achieves self-realization [9]]

(2) The existence of needs is the basis for prompting people to produce certain behaviors. Man is an animal with needs, and only unmet needs can affect his behavior; on the one hand, when a person

has nothing to do, it has a weak or no effect on it; on the other hand, when a person needs something, There must be a motivating effect on it. This need is innate, but the intensity of each need is different. It can be seen that people's needs are different, so to mobilize people's enthusiasm, it must be different from person to person, and different incentives means must be adopted.

(3) When the needs of a stage are satisfied, this need loses its great attraction. People always generate actions to realize unmet needs, and after they are satisfied at one stage, they have the motivation to act for the unmet needs of the next stage. Pursuing a higher level of needs is relatively more difficult to achieve. In addition, the more advanced needs are met, the more enthusiastic they are.

2. Review of Related Literatures

Maslow's attempt to formulate a factual theory of motivation in his book "The Theory of Human Motivation" is consistent with observed, experimentally known facts [9]. For this motivational theory, Maslow studied some exemplary celebrities like Jane Adams, Bert Einstein, Eleanor Roosevelt, Frederick Douglass. He also studied the healthiest 1% of the population of college students [10]. Maslow believes that some conditions are direct preconditions for basic needs to be met. Conditions such as safeguarding the freedom of one's own opinions, justice, fairness, honesty, and abiding by discipline in the collective are all examples of the preconditions that need to be met. These conditions are not ends in themselves but they are almost so since they are so closely related to the basic needs, without which the basic fulfillment of these conditions is completely impossible or hindered. Because the research object is limited to a few American celebrities and quite small number of healthy university students, it is not universal in terms of age and educational level; it is not universal in terms of single ethnicity. Therefore, Tang Xiaohui (2016) proposed that Maslow's hierarchy of needs theory is inherently one-sided and specific, which leads to its non-universality.

The positive factors of Maslow's hierarchy of needs theory are: (1) Maslow proposed that human needs exist in a process of developing from low-level to high-level, which to some extent conforms to the general law of the development process of human needs. It believes that human needs are hierarchical, and the arrangement of levels is like going up stairs. The bottom stairs are the most basic. Only when the needs of the lower level are met, will the needs of the higher level be met. (2) Maslow's Hierarchy of Needs Theory points out that in every period, one need dominates while other needs are subordinate. This view is instructive for management work [3]. (3) Maslow's hierarchy of needs theory is based on his humanistic psychology. It is human nature to require the realization of intrinsic values and intrinsic potentials, and human behavior is governed by consciousness with purpose and creativity.

At present, there are still different views on the value of Maslow's theory at home and abroad. Douglas T Hall and Khalil Nougaim have done related research, and there is not enough experimental evidence to prove that Maslow's hierarchical relationship of needs does exist; even if the hierarchy of needs exists, the connection between them is not obvious. Wahba, MA and Bridwell, L. G., who published the article "Maslow reconsidered: A review of research on the need hierarchy theory" in 1976 in the "Organizational Behavior and Human Performance", indicate that the ranking of needs for Maslow's theory, or the evidence for the existence of some specific needs is insufficient [11].

The Hierarchy of Needs Theory put forward by Maslow explains the incentive mode of human needs in the form of step ladder. In this kind of step-by-step way from lower to higher level, the lowest, also the most basic human needs are physiological needs. His point of view is that only on the premise of meeting human physiological needs, can new needs be generated and the next incentive stage be entered into, or even to the highest level and so on. However, differences have emerged in real-world practice research cases, and some case studies have shown that there is no contradiction between the satisfaction of lower-level needs and the pursuit of higher-level needs. In some cases, after employees meet people's lower-level needs, the higher-level needs will be transformed into the driving force of behavior. At this time, the needs that have been met will no longer have incentive

effect. It is worth noting that in Maslow's hierarchy of needs theory, the needs of all levels affect each other and overlap with each other. All needs do not absolutely disappear directly after the higher-level needs are met, which also means that when the higher-level needs are met, people will still have lower-level needs, but at this time, the impact of low-level needs on behavior is relatively smaller. From the case study of enterprises, people actually consider the high and low needs at the same time and strive to meet them simultaneously. Only when the conditions cannot be met at the same time will they choose the lower needs according to their actual situation and give up the higher-level needs that cannot be realized at present.

Zhang Tanqin (2010) mentioned in the article "The One-sidedness of Maslow's Needs Theory and Its Way Out": "Alderford's needs theory believes that multiple needs can exist at the same time. He put forward the ERG theory and believes that human needs are divided into three needs: Existence, Relatedness and Growth. Their basic relationship is that multiple needs can exist at the same time, and if the higher-level needs are suppressed, the lower-level needs will be stronger. Yang Yingfa (2015) believes that Maslow's theory has shortcomings, such as, Maslow's hierarchy of needs theory holds that high-level needs must be based on low-level needs, and that low-level needs such as air, water and safety are the most important. it ignores that everything in the world actually interacts, and higher-level needs will also affect people's choices of lower-level needs. For example, people with a strong sense of ambition are those who have a strong need for self-actualization. People tend to look down on their physical needs such as food and clothing, and scientists with outstanding achievements such as Newton, Einstein, and Chen Jingrun are all people who don't pay attention to food or drink and are sloppy." This paper has combed the previous literature, although some literature puts forward the shortcomings and non-universality of Maslow's theory of needs, it has not been found to analyze and solve this problem from the perspective of cases.

Therefore, based on the above analysis, Maslow's Hierarchy of Needs theory has obvious limitations in practical applications, and this paper attempts to propose an optimization scheme from its application in view of this problem, so as to give full play to the role of Maslow's Hierarchy of Needs in enterprise incentive management., to provide reference for enterprises to optimize employee incentives.

3. The Application and Limitations of Maslow's Hierarchy of Needs Theory in Enterprise Cases

Through the enterprise case study, the author finds that with the promotion of managers, their physiological needs and safety needs tend to gradually decrease in importance, while belonging and love needs, esteem needs, and self-actualization needs tend to increase. The increase in the level of needs is the result of the promotion of the position, not the result after the low-level needs is met. And in practice, there is no hierarchy of needs, and sometimes there is overlap. For example, Huawei's management practice shows that the first-level physiological needs, the second-level safety needs and the third-level belonging & love needs can coexist simultaneously; the fourth-level self-esteem needs and the fifth-level self-actualization needs can also be compatible at the same time. There is no mutual exclusion between them.

Application of Maslow's hierarchy of needs theory in Huawei. This paper analyzes the five needs levels from the incentive cases of Huawei's human resource management. In just over 10 years, Huawei has gradually developed from a small company selling switches as an agency to a multinational company with independently developed products and core technologies. Then from a series of Huawei's initiatives to include all the first-class graduates majoring in communication from 211 colleges and universities in China, where does Huawei set up its branches and how do local peers find ways to retain talents? All of these is inseparable from Huawei's reasonable mechanism in introducing talents and talent incentives.

(1) The specific incentive policy of "Whole Employee Stock Ownership" meets the maximum physiological needs and safety needs of employees. From the data analysis, in terms of equity

incentive: "Supervisors of level 0 with an annual salary of 60 million have 30 people; Directors of level 1 with an annual salary of 15 million have 120 people; Department directors of level 2 with an annual salary of 3.5 million have 350 people; Department heads of level 3 reaching an annual salary of 1 million have 1,500 people; Department managers and deputy managers of level 4 with an annual salary of 500,000 have 5,000 people ; and grass-roots employees with an annual salary of 100,000 have 60,000 people."

The above data shows that Huawei's equity incentives have played a great role in giving employees work incentives. This method not only stimulates the enthusiasm of employees, but also fully meets the physiological needs and safety needs of employees. Based on the perspective analysis of Maslow's hierarchy of needs theory, it can meet the physiological needs and safety needs of employees, which also corresponds to the first and the second level needs of Maslow's hierarchy of needs theory. However, this theory of Maslow's hierarchy of needs only gives the final result of the division, and does not explain what the basis of his division is. Therefore, people usually cannot distinguish the order of the ambiguity of its division. It can also be said that the boundary is not clear enough. Through this case, we can clearly see that the first level of physiological needs and the second level of safety needs in Maslow's hierarchy of needs theory, the coexistence of the two at this level is not contradictory, and the phenomenon that only after the lower-level physiological needs is met can the higher-level safety needs be realized doesn't exist either, which is also the limitation of Maslow's hierarchy of needs in the case application. Therefore, enterprises do not necessarily design from a single level in the application of Maslow's theory in the actual planning of employee incentive management programs. At the same time, through the practice of this case, it is concluded that the hierarchy of requirements can be realized and coexisted at the same time.

(2) Build a corporate culture of unity, cooperation and collective struggle to give employees a sense of belonging. The company system fully embodies equality, and the salary structure is rationally distributed at all levels according to individual contributions without special privilege. All employees share weal and woe, everyone is equal, they strive collectively so that the individual efforts are integrated into the collective struggle, which is fully reflected in Huawei. Such a corporate atmosphere of unity and cooperation gives employees a sense of belonging, and the cooperation between colleagues makes employees feel the help, care and love of others. Based on the perspective analysis of Maslow's third-level needs theory, it can meet the belong and love needs of employees. But actually, in an enterprise, the culture of an enterprise usually appears at the same time as the establishment of the enterprise, which can be regarded as that the corporate culture is a constant camp, and the employees are mobile soldiers. In a rationalized corporate culture, giving employees a sense of belonging can coexist simultaneously with the physiological needs of the first level and the safety needs of the second level in Maslow's hierarchy of needs theory, that is, the third level does not have much contradictory relationship with the first and the second levels. According to the viewpoint of Maslow's hierarchy of needs: only the needs of lower level is achieved, can the needs of higher level be entered into. From the perspective of real cases, this viewpoint is not accurate enough. In fact, both the higher-level needs and the lower-level needs will be simultaneously considered, and strive to be met at the same time. Therefore, enterprises do not need to consider planning incentive schemes level by level in the design of employee incentive schemes. Therefore, the third level of needs in this case also demonstrates the ambiguity of Maslow's hierarchy of needs theory and the limitations in practical application.

(3) The objective two-way promotion channel and the company's future prospects can meet the needs of employees' self-esteem and self-actualization. According to analysis of data source: "Huawei's products and solutions have been used in more than 100 countries around the world, serving 36 of the world's top 50 operators. In 2008, the performance of many communication industries declined, while Huawei's contracted sales reached 23.3 billion US dollars, realizing a year-on-year increase of 46%an increase of 46%, among which 75% of sales came from the international market." [4] In terms of promotion channels, Huawei has designed a two-way promotion channel for job qualifications. Newly-recruited employees start from the grass-roots business personnel and rise

all the way to the backbone. Employees can choose the career path of managers or technical experts as their future career development direction according to their own preferences. Before reaching the senior professional title, the treatment between the grass-roots managers and the core backbones, between the middle managers and the experts is the same, and the two positions can also be transferred to each other. Based on the perspective analysis of Maslow's Hierarchy of Needs Theory, such humanized promotion channels and career development prospects can meet employees' esteem needs and self-realization needs, which is also the needs of the fourth level and the fifth level in Maslow's hierarchy of needs. This theory mostly studies the phenomenon of replacement and transformation of needs between higher and lower levels, but rarely deals with the replacement and transformation of different needs at the same level. For example, in this case, compared with Maslow's hierarchy of needs theory, the fourth level of self-esteem needs and the fifth level of self-realization needs: (1) Employees' self-esteem needs and self-actualization needs can also simultaneously coexist at this level. The coexistence relationship between them is not contradictory. Self-esteem needs are also met when employees self-realize their value. (2) The two-way promotion channels of employees and the two positions can also be converted to each other, and there are also problems of their replacement and conversion at the same level between them. Maslow's theory does not give due attention to these. Therefore, when planning the employee incentive management scheme, enterprises can carry out a reasonable scheme design in combination with the characteristics and needs of the enterprise itself. Therefore, through the study of practical cases of enterprises, it proves the limitations of Maslow's demand hierarchy theory.

To sum up, in the case of Huawei, the application of Maslow's hierarchy of needs theory has the limitations of universally-adapting to the psychological needs of human nature and fuzzy hierarchy. The hierarchy of needs theory that it emphasizes puts forward the general trend of human development, and at the same time, it regards this hierarchy of needs as a fixed procedure, ignoring the subjective initiative of people in enterprise management. From the positive aspect, it has enlightening significance for management work. From the negative aspect, there is still some controversy about the criteria and clarity of satisfaction.

4. Optimized Application Scheme of Maslow's Hierarchy of Needs Theory based on Contingency Theory

Understanding the needs of employees is an important prerequisite for applying the hierarchy of needs to motivate employees. The needs of employees in different enterprises, different periods, and among different employees in an enterprise are full of differences and often change. Therefore, managers should regularly conduct research in various ways to sort out the unmet needs of employees and take targeted incentives. Based on the correct understanding of the multi-level needs of employees, we strive to link the management methods and management conditions of the enterprise with the needs of employees at all levels, and motivate employees with the level of advantageous needs they are pursuing, so as to achieve better incentive effects. This paper believes that this problem can be solved from the perspective of theoretical intersection and integration. That is, Maslow's Hierarchy of Needs theory is integrated with the contingency theory in management theory. In the practical application of enterprises, relying on the situational response strategy of contingency theory, it forms an effective supplement to Maslow's hierarchy of needs theory. Contingency theory advocates making flexible contingency according to specific situational changes. First of all, under the basic prerequisite of respecting the general law of needs, make necessary changes in form according to the requirements of internal and external environmental factors, human factors, and conditional factors. Secondly, when the relevant levels of needs overlap, it is necessary to weigh the flexibility according to the specific situation, and select the rules that should be compatible. For example, in the case, the needs of the first, the second, and the third levels simultaneously appear; The needs of the fourth and the fifth levels co-exist. Finally, when the degree of the level of needs appears unbalanced, an appropriate "degree" can be selected between the two according to the

contingency situation. Although this part is not clearly reflected in the case, the author believes that when two levels of needs appear at the same time and it is difficult to make a choice, the choice can be made from the weight. For example, when another level of need cannot be realized, it does not prevent employees from pursuing their vision for the future. At this time, according to the contingency theory, starting from the specific conditions, an appropriate intermediate value can be selected from the perspective of incentives by "knocking at both ends and exhausting", so as to achieve "no more and no less"; then, this intermediate value comes from the contingency theory that varies with the environment. This is also the contingency theory of management, which emphasizes that management has no set formula and must be flexible with changes in the environment.

Contingency theory is a management theory that emerged in the 1960s. This theory was put forward by Tom Burns and G.M. Stalker in the United Kingdom and Paul Lawrence and JAY Lorsch etc. in the United States. The contingency theory believes that the internal elements and external environmental conditions of each enterprise are different, so there is no principle or method applicable to any situation title in management activities, that is, in management practice, it should be based on the environment in which the enterprise is located. There is no one-size-fits-all, universal management method [12]. Enterprises should maintain a dynamic balance among stability, sustainability, adaptability and innovation. The basis of Maslow's hierarchy of needs is his humanistic psychology viewpoint, which is not universally- adapted. Its hierarchical needs theory is more in line with the development law of human needs, and has a certain reference effect on human life. However while applying the contingency theory in enterprise management, the management of enterprise should change according to the changes of its internal and external environment. This view holds that there is no invariable, universally applicable "best" management theory and method in the world. The author believes that this theory can also be applied to the incentive management scheme of enterprise employees. On the basis of combining Maslow's Hierarchy of Needs Theory, the focus of enterprise employee incentive management research is shifted to the environmental factors that have a significant impact on management, that is, the factors of situational change, which are affected by changes in people, events and environments. For example, according to conditional factors, environmental factors, and human factors, the incentive management scheme of enterprise employees is planned differently to adapt to the complexity and changing of the environment.

In conclusion, the incentive measures taken by Maslow's hierarchy of needs theory are reasonable. At the same time, it also has its limitations. [2] Although there are still many controversies about Maslow's theory, however, he systematically researches human needs, which lays the foundation for the subsequent proposals of various incentive theories, and is more suitable for the fundamentals of incentive theories. theory. However, in the specific case study of enterprise practice, there is no universality. The results of this study believe that management has a complex system of substances, human, information, and energy exchanges between internal and external environments, which requires enterprises not to stick to the rules and must make flexible adjustments and responses to environmental changes, so as to make up for Maslow's hierarchy of needs theory. The integration of Maslow's hierarchy of needs theory and contingency theory is conducive to breaking the inherent thinking framework of Maslow's hierarchy of needs theory and optimizing the formulation of employee incentive plans. so as to make up for the defects of Maslow's hierarchy of needs theory. The integration of Maslow's hierarchy of needs theory and contingency theory is conducive to breaking the inherent thinking framework of Maslow's hierarchy of needs theory and optimizing the formulation of employee incentive scheme.

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