

BUSINESS MANAGEMENT

PRESENTATION

ON

ALDERFER'S-ERG THEORY OF MOTIVATION

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Table of Content

- 1) Introduction
- 2) Definition of Alderfer-ERG theory
- 3) Definition of needs?
- 4) Three needs of Alderfer-ERG theory
- 5) Advantages and disadvantages of the theory
- 6) The difference between ERG theory and Maslow theory
- 7) Sources

1. Introduction

This theory was developed by Alderfer Clayton Paul, who was an American Psychologist.

Clayton, P. (1969). Developed this theory which is based on the Maslow Hierarchy theory of needs.

Alderfer theory is a useful theory that shows some important findings about how individuals move up and down the levels of the model and seek satisfaction of needs.

2. Definition of Alderfer-ERG theory

- ERG stands for existence, Relatedness and Growth
- Alderfer ERG theory is the extension of Maslow's Hierarchy, whereby the Maslow's five needs are grouped or categorised into three categories.
- This theory is very flexible; it explains need as a range rather than as a hierarchy. If a manager concentrates only on one need at a time, then he/ she will not be able to motivate employee effectively and efficiently.

3. Definition of needs?

➤ Needs are the basic human needs that human being need for survival.

Example;

✓ Water

✓ Food

✓ Shelter

✓ Clothing

✓ Accommodation

✓ Safeness

3. Three needs of Alderfer-ERG theory

- Alderfer (Furnham, 2008) classified the needs of Maslow Hierarchy theory into three categories or classes that each employee seeks to meet. As each need is met, it serves as a motivation to meet a different need.



i) Existence Needs

The Existence need consists of all the basic needs that relate to the physiological and safety aspects of human being and needed for the survival. These needs are; house, healthy, food, shelter, air, good working conditions, salary, fringe benefits and so on.

ii) Relatedness Needs

These needs include relationships and interaction with other people. These needs are satisfied with friendship with family, friends, co-workers, teachers, supervisors.

iii) Growth Needs

Are the desires to use your talent and skills to make useful and productive contributions, and to have opportunities for personal development. E.g. achievement is a personal growth, working more hours it is also a growth.

- Alderfer theory says that there is a time whereby individuals will need all the three needs at the same time. While you need time to exist, you can also desire need to grow and to visit your friends simultaneously.
- Alderfer further stated that at different time one can be high than the others. An individual might not want to talk to friends, but wants to do something to grow.
- In addition, the ERG model acknowledge that if a higher level need is not accomplished, the person can go back to the lower level needs that appear more easy to meet or satisfy, this is known as the **frustration-regression principle**.
- This principle affect the workplace motivation, because for instance if the growth opportunities are not provided to employees, they may go back to relatedness needs, and socialize more with the co-workers.

4. Advantages and disadvantages of the theory

i) Advantages

- Every individual has needs and these needs are different from person to person.
- Individuals can fulfil their needs at the same time.

ii) Disadvantages

- It does not offer clear cut guidelines. It is difficult to tell which needs are more important to that individual, and which needs an individual wants to satisfy first.
- This theory is not a new concept as compared to Maslow's theory.

The difference between ERG Theory and Maslow's Theory

- The ERG theory believed that needs can be fulfilled more than one at the same time whilst Maslow's theory believed that only one need can be fulfilled at a time. As a lower order is met, the individual can move on to the next need.
- In Maslow's theory individuals fulfil the needs in order from the low level needs to the higher level need. In ERG theory individuals can regress to the lower level needs if she/ he is not satisfied with the higher level need.
- The ERG theory advocated that the order of the needs is differ from person to person, while according to Maslow, the order of the needs is universal.

sources

Alderfer, Clayton P. An Empirical Test of a New Theory of Human Needs:
organizational Behaviour & Human Performance. Vol 4 (2), 1969, 142-17



**THANK YOU
FOR
YOUR
ATTENTION!
ANY QUESTIONS?**