Maslow revisited: building the employee commitment pyramid

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A new work order is emerging based on a continuous change cycle in the nature of organizational life and the expectations of the workforce. Evolutions and revolutions in technology, globalization, business consolidation and marketplace fragmentation have fundamentally changed the nature of organizations. Simultaneously, a workforce has emerged that is more educated, mobile, diverse and discerning in work and life choices than ever before. Whatever was left of the old social contract between employer and employee has become a casualty of the race from an industrial society to the information age.

What will be the dynamics of the new "commitment contract" that will forge the employer/employee relationship into the twenty-first century? How much commitment will employees be willing to give to their organizations and what must organizations do to win that commitment? Those are the primary questions that have been investigated in an ongoing body of research called the @Work studies.

The @Work research design

Following nationwide focus groups and a review of previous workforce research, the first national commitment survey of 2,000 US workers took place in 1997. The research model postulated that there were six employee behaviors in the areas of productivity, pride and retention that could be attained in the modern era. These six behaviors, listed in Exhibit 1, make up the Workforce Commitment Index™ (WCI™) within the study. The WCI is the dependent, or outcome variable, which sets the foundation for investigating what organization factors and conditions (independent variables) will have the most impact on commitment. The WCI is calibrated based on a national random sample of 1,800 participants reacting to the behavior statements on a five-point, agree/disagree scale.

The study has been conducted annually since 1997. Each year, the overall WCI is calculated. More than 100 different question items have also been used in the survey to determine how workplace practices influence responses to the WCI items. The study was replicated in Canada for the first time in 1999. This exploratory research was based on a simple causality design, where workplace practices in organizational culture, leadership, training, benefits and compensation, HR practices, work/life balance and work environment were tested for their impact on the WCI.

The original research design was made up of the six WCI items and five categories of individual question items. A model of the research design is shown in Exhibit 2.

The workforce commitment database now holds responses from almost 10,000 North American participants in the US and Canadian studies as well as data from over 50,000 employees whose organizations

Exhibit 1 — The Workforce Commitment Index™

Element of Workforce Commitment	WCI™ Behaviors
▶ **Productivity**	❑ The people I work with make personal efforts to improve their skills so that they can make a better contribution to their jobs.
	❑ The people I work with make personal sacrifices when required to help our workgroup succeed.
▶ **Pride**	❑ I would recommend my organization's products and services as the best that a customer could buy.
	❑ I would recommend my organization as one of the best places to work in my community.
▶ **Retention**	❑ I intend to stay with my organization for the next several years.
	❑ I would stay with my organization even if offered a similar job with slightly higher pay.

Exhibit 2 — Aon's original research design
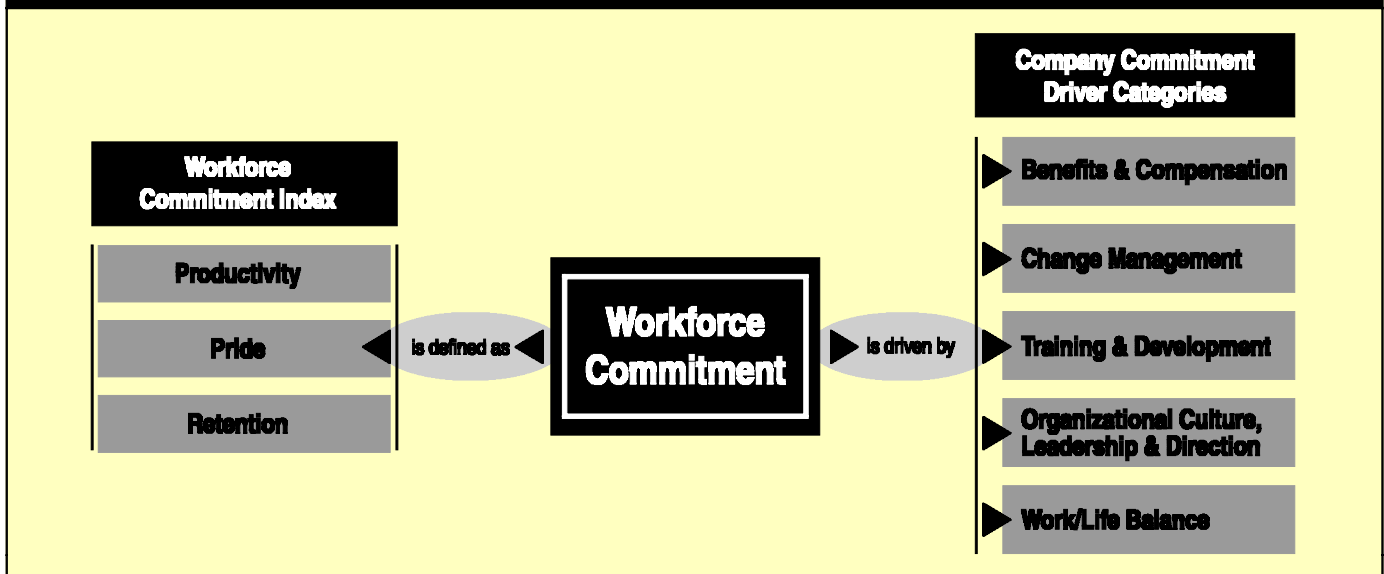
have participated through employee surveys. The goal of the research has been to explore what organization practices increase employee commitment – pride, productivity and retention.
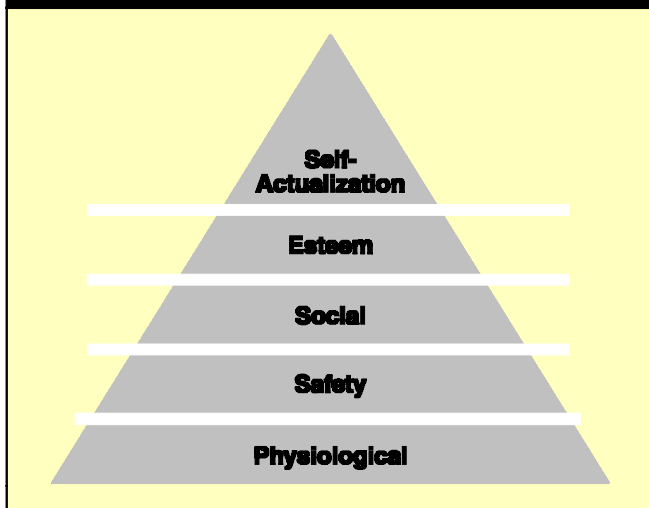
In early 2000, the findings from the total data set were reviewed to seek response patterns or tendencies that could help shape and sharpen the research into the new century. Meta-analyses were conducted to look for more meaning in the total data set than just the annually reported WCI scores and correlation impact of the independent variables. Special statistical treatments were performed looking for new directions in the study. The research did uncover new meaning in the data but, while looking forward, the research led directly back to the 1950s and the work of Abraham Maslow.

Revisiting Maslow's hierarchy of needs

One of the earliest and best-known theories of individual motivation is Maslow's hierarchy of needs. Maslow hypothesized that within every human being there exists a hierarchy of needs (see Exhibit 3). These needs are:

(1) *Physiological.* First are the survival needs, such as food, water or shelter.
(2) *Safety.* At this level, the individual strives to find or create an environment safe from external dangers.
(3) *Social.* The need for affection and relationships becomes the primary motivator after the lower needs are met.
(4) *Esteem.* The drive for feelings of self-worth and individual importance takes place at this level.

Exhibit 3 — Maslow's hierarchy of needs	Exhibit 4 — Aon Consulting's Performance Pyramid™

Exhibit 3 — Maslow's hierarchy of needs

Self-Actualization
Esteem
Social
Safety
Physiological

Exhibit 4 — Aon Consulting's Performance Pyramid™

Work/Life Harmony
Growth
Affiliation
Rewards
Safety/Security

(5) *Self-actualization.* At the top of the hierarchy, the motivator is a sense of fulfillment that allows the individual to maximize their own growth and make a contribution to that of others.

As each of these needs is met, or substantially satisfied, the individual focuses on attaining the needs at the next level, thus striving to move up the hierarchy. The theory states that, although no need is ever fully gratified, a substantially satisfied need no longer motivates. The model's intuitive logic and ease of understanding have made it a popular theory for over 40 years.

A hierarchical model of organizational commitment

Maslow's model conceptualizes the individual's motivational needs from safety through the ultimate stage of self-actualization. The @Work research attempts to understand workforce motivators that influence employees' level of commitment. So while Maslow's model looks at the individual in relation to the totality of their environment, the @Work research looks at the employee/employer dynamic that takes place between an individual and the organization.

A meta-theory analysis of @Work results has established a needs hierarchy that illustrates workforce needs within an organizational setting. Through correlation and factor analyses, the 100+ question items were re-grouped into five distinct categories as labeled on the Performance Pyramid™ from safety/security up through work/life harmony (see Exhibit 4). Starting with safety/security, each item was tested to determine the
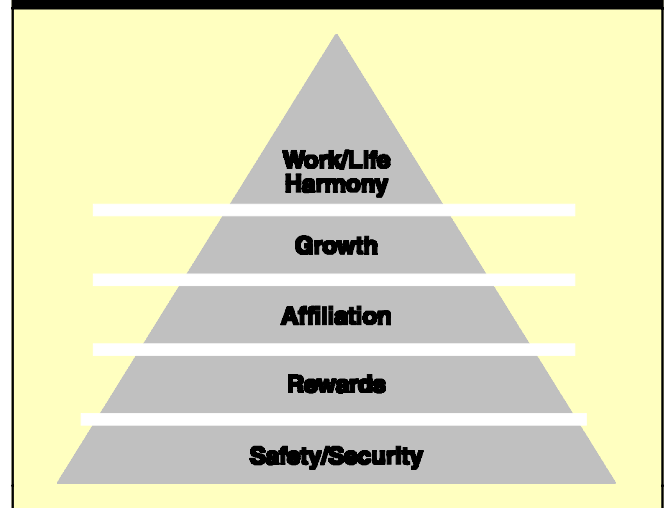
WCI mean value for respondents scoring 1-2 (below expectations), 3 (meeting expectations) and 4-5 (above expectations) on the five-point expectations scale. The overall mean WCI score (based on the WCI score calculated for each respondent) for each of these groups was tested for change in WCI progressively.

A review of the findings indicates that it is possible to hypothesize a pyramid of commitment needs, the Performance Pyramid.

These five levels and the theory that they are hierarchical grew out of analyses of the @Work database developed between 1997-2000. A single survey question was selected to represent each level of the pyramid based on correlation analysis. The selected item was the one with the highest correlation to the index.

Data treatment

The five levels of workforce needs, as shown in the Performance Pyramid, are:

(1) *Safety/security.* The employee first and foremost must feel physically and psychologically safe in the work environment for commitment to be possible.
(2) *Rewards.* Extrinsic rewards in compensation and benefits are the next need that must be met in the hierarchy.
(3) *Affiliation.* The need for affiliation is intrinsic. A sense of belonging to the work team and/or the larger organization is sought at this level.

"Evolutions and revolutions in technology, globalization, business consolidation and marketplace fragmentation have fundamentally changed the nature of organizations."

(4) *Growth*. The need for positive individual and organizational change must be addressed to drive commitment at this level.

(5) *Work/life harmony*. At this level, the drive is to achieve a sense of fulfillment in balancing work and life responsibilities.

First, responses to the safety/security category were evaluated. The WCI score was calculated for two groups within safety/security: those who felt that the organization was meeting or exceeding expectations and those who thought that the organization was not meeting expectations. After calculating the two WCI scores, the respondents in the "not meeting" category were deleted from the file. This left only respondents who indicated that security/safety was meeting or exceeding their expectations. The same type of calculation was made on the next level, Rewards, using the chosen item. This deletion process was continued throughout the levels of the pyramid.

The results of this analysis showed that the WCI increased at the next level only among those individuals whose lower-level needs had met or exceeded expectations. Where individual expectations had been met, their WCI was higher at the next level and so on until the top of the pyramid.

The growth in WCI scores escalated as follows:
◆ safety/security – WCI of 89;
◆ rewards – WCI of 91;
◆ affiliation – WCI of 100.3;
◆ growth – WCI of 102;
◆ work/life harmony – WCI of 114.

Commitment pyramid levels

A further discussion of the characteristics of each level and the type of independent variable (survey items) they contain is presented below. The survey statement that was selected to represent each level of the pyramid is italicized.

Safety/security

In addition to a physical sense of wellbeing there must be a psychological belief that the environment is safe from fear, intimidation or interpersonal treatment that is threatening. Though change is accepted as a constant in the modern organization, a belief that imminent change will cost the individual their job or radically change the employment relationship will also make a need for security paramount to the individual. Organizations that have recently downsized, merged or been acquired have shown a depression in the WCI. Items such as "the organization's ability to provide job security," "the organization's commitment to workplace safety," and "a work environment free from fear" are key drivers at this level and become intensified at a time of rapid organizational change.

Rewards

Compensation and benefits have been shown for years to be the major influences of why people take jobs. It is also commonly accepted that their motivation and commitment power increasingly diminishes once the candidate becomes an employee. Because of this, these items have often come to be seen as entitlements, not motivators. The Performance Pyramid model, however, places compensation and benefits as the fundamental foundation that must be in place before higher needs become commitment drivers. Study statements such as "overall recognition and reward for performing your job" and questions about benefits and compensation "fairness," "objectivity" and "equity" indicate whether rewards are playing their role in building the pyramid.

Affiliation

A sense of belonging that includes being "in the know" and "part of the team" is key at this level. Being part of something larger than oneself has been understood as part of human psychology for decades and translates into being more than just a "worker" when on the job. Study items covering attributes such as "direction in which the organization is headed," "employee involvement" and "open, candid communications" are the drivers at this level. Successful cultures strengthen this natural need to belong and thus encourage the individual to be a strong contributor. Leaders who communicate a strong sense of mission, vision and strategy enable the need for affiliation to be met.

Growth

Employees want opportunities to change, learn and have new experiences on the job. The @Work studies have shown that this level is not only about individual growth, but a desire that the organization grow and change in its work processes, its products and its ability to satisfy customers. "Opportunity for personal growth" is the key element for the WCI in this area. Work teams also want to meet the need for improvements in efficiency,

"It is the interpretation and implementation of workplace policies or attributes that will either support or inhibit higher retention and commitment."

effectiveness, quality and productivity. The overall need at this level can be characterized as achievement, whether that success is seen as taking place within the individual, the workgroup or the overall organization. Study attributes such as "customer focus," "continuous process improvement" and "opportunity for training" are a part of this category.

Work/life harmony
Similar to the idea of individual self-actualization, members of the workforce want to reach their potential both on the job and in other facets of their lives. The No. 1 driver of the WCI in the USA and Canada has been the feeling that "management recognizes the importance of my need to balance work and life." Other significant drivers at this level include "personal support from the work team" and "being seen as a person, not just a worker." The importance of this level in the studies may be due to two external influences: first, a strong economy, which has helped employees in the basic needs and allowed them to focus on the higher needs of the pyramid; and second, a generational values shift toward home, family and personal interests.

The revised @Work research model and the basis for further investigations are now depicted with the WCI as the outcome, and the Performance Pyramid as a hierarchical set of workplace-practice categories that contains the driver questions behind the Index score (see Exhibit 5).

Commitment and retention in the pyramid
Preliminary analyses and keeping the Performance Pyramid in mind have led researchers to look at the issue of commitment and retention in a new light. The data would suggest that there is no "silver-bullet" driver or program in compensation, training or work/life balance that can ensure a commitment and retention competitive advantage.
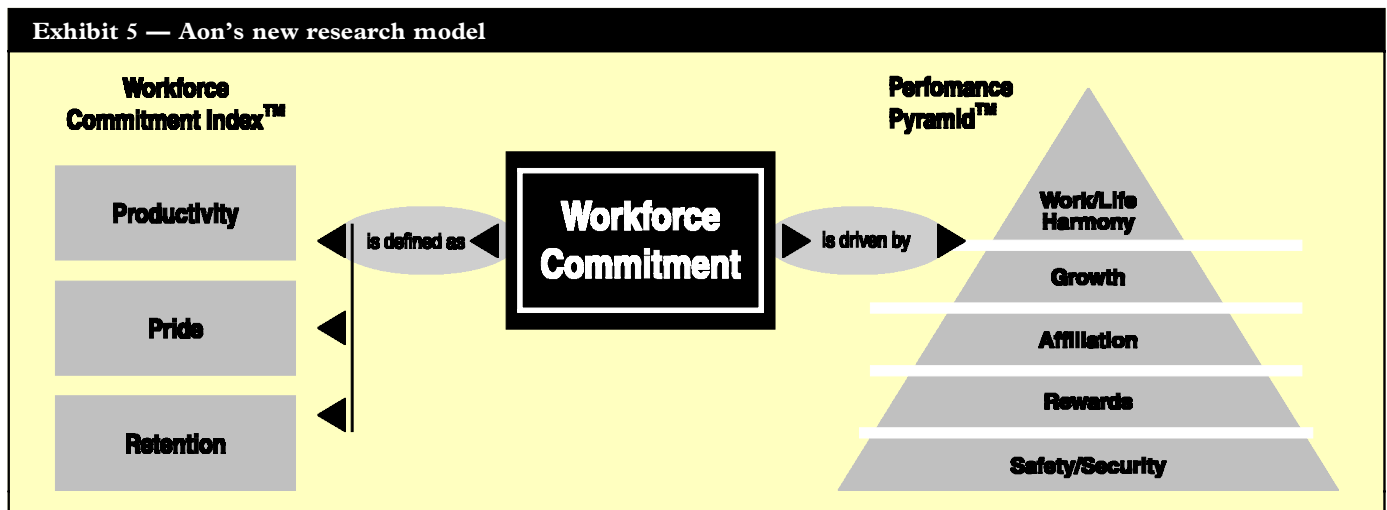
It seems clear that organizations must make the effort to at least meet employee expectations at each level in the hierarchy. Meeting expectations for affiliation, for example, should be assured before further investments are made in the growth or work/life area. The current emphasis on new initiatives in work/life harmony may or may not be the best use of an organization's resources, if that level is not the true need of the workforce, given organizational performance on lower-level needs.

The data also suggest that situational factors would affect where organizations should be focusing their employee-commitment efforts. Certainly, in occupations where physical safety is an ongoing concern, having the best possible safety record would seem a prerequisite to focus on higher-level needs. Similarly, workgroups experiencing psychological safety factors such as harassment, intimidation or other interpersonal stress will not become more committed by programs aimed at rewards or affiliation.

Organizations going through massive change such as mergers, acquisitions or downsizing should also consider the "pyramid" effect. The data set shows a significant increase in negative scores for those going through a merger or reduction in force. The best strategy for retaining the existing workforce would be to "start from the bottom up" to ensure that basic needs in job security and rewards are addressed as part of the organizational change.

Managing up and down the commitment pyramid
Analyses of the @Work database over the last three years have also indicated that organizational performance at any one level is determined both "top down" and "bottom up." Addressing the issues in the pyramid first requires organization-wide policies and practices that support meeting or exceeding expectations at each level. These systemic actions are generally led by the human resources (HR) function and establish the cultural foundation for the organization at each level. This is the

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Exhibit 5 — Aon's new research model

Workforce Commitment Index™ — Productivity, Pride, Retention — is defined as — **Workforce Commitment** — is driven by — Perfomance Pyramid™: Work/Life Harmony, Growth, Affiliation, Rewards, Safety/Security

stewardship provided by HR leaders in creating the policies, practices and procedures required to assess and accelerate the drivers at each pyramid level. HR provides the "architecture" that supports the pyramid levels and thus creates an environment where the highest level of commitment and retention can be attained.

The @Work research, however, also shows that it is the interpretation and implementation of workplace policies or attributes that will either support or inhibit higher retention and commitment as measured by the WCI. The individual supervisor has a great deal of influence over how elements at every level of the Performance Pyramid are experienced by the workgroup. The idea of "developmental leadership" refers to the daily actions of managers that either build or weaken workforce commitment. It is the interaction between superiors and subordinates that creates an environment that motivates and retains employees. This congruence or conflict between policy and practice is a significant telling point of the true strength or weakness of the organization's performance in the pyramid of commitment and retention drivers.

Based on the meta-analyses and revised thinking about the "new social contract," future research will investigate the attributes at each level that increase commitment.

Summary and conclusions

Building a new employee/employer social contract that enables organizations to improve employee commitment and retention is a challenge of blending some well-established truths with innovative approaches that fit new circumstances. Many of the elements of the Performance Pyramid – from safety to benefits to growth opportunities – are long-held, well-known issues of organizational life. What is new is discovering how to best execute in these areas with a diverse and independent workforce in organizations under constant reconstruction. Employees are impacted by the existence and features of organizational policies as well as by the execution of these policies in the workgroup.

The current @Work research also shows that there is a hierarchy of organizational factors that build upon one another to construct higher levels of commitment in the workforce. Attending to higher-level needs when lower-level issues are below expectations will not yield the commitment return on investment that was envisioned. Improving commitment and retention in the "new work order" will require an accurate assessment of which pyramid level should be addressed to improve commitment and that changes in organization-wide policy are supported by those who lead people in every part of the organization. ▨