ALDERFER’S ERG THEORY

Theory of motivation
The ERG theory is an adaptation of Maslow’s theory on the hierarchy of needs. Maslow’s theory identifies five levels of motivational needs: physiological needs, safety needs, love and belonging needs, esteem needs, and self-actualization needs.

Alderfer’s revised model cuts back to just three levels of need:
- Existence
- Relatedness
- Growth
Existence

- Existence refers to our **basic survival needs** as humans (food and water, shelter, good health, and feeling safe).
- This ties in closely with the workspace Environment. Workplaces can be designed to improve employee performance by removing distractions while also encouraging focus and collaboration.

Relatedness

- Relatedness refers to our need to relate to other people, therefore to **social and external esteem**.
- Having good relationships and interactions with other humans is a need we all share.
- By creating a space of understanding and expression, employees may contribute to the latest innovative ideas by exploiting freedom of opinions and peer relationships.

Growth

- Growth refers to our need for personal development, to be creative and to perform meaningful work (**self-actualization**).
- Growth allows us to explore what our potential might be within our current environment. For example, if your job provides interesting and varied challenges, it’s easier to be motivated as you’re being presented with growth opportunities each day.
Main differences between the ERG Theory of Motivation and Maslow’s Hierarchy of Needs

• Unlike in Maslow’s theory, needs at **multiple levels** can be pursued at the same time.

• In ERG Theory, if a higher-level need isn’t satisfied then the person may regress to seeking to satisfy lower-level needs (**Frustration-Regression principle**).

• In Maslow’s theory needs must be satisfied in sequence from the bottom to the top of the pyramid, one at a time. This is not the case with ERG Theory, where different levels of needs can be satisfied at any time: needs **aren’t progressive**: For example, an individual can feel that they are having their growth needs met whilst still feeling unsatisfied in their relationships.
Applying Alderfer’s ERG Theory to employee engagement

ERG has been applied to various workforces to:
• Increase morale
• Boost productivity
• Explain or predict issue

Most of these organisations have recognised that the key to success is not to prioritise a particular need, but to create an environment where all three levels are accessible to all employees, at all times.

Example of ERG theory in the workplace

Google created a stimulating environment which encourages colleague interaction, informal learning opportunities, and has comfy chairs (encouraging autonomy, staff interaction, office space and friendly management).
All ERG needs are met at once.
Thanks for the attention

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