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# The Influence of McClelland's Need Satisfaction Theory on Employee Job Performance: A Causal Study

Cecil A. Arnolds  
Christo Boshoff

**ABSTRACT.** As free trade expands and grows in the post-GATT global era, the South African economy will increasingly rely on firms that are able to compete, survive and prosper in the global village. To this end the production factors of these firms, of which human resources are the most important, must be productively utilised and managed. Successful business firms have been linked to the achievement activities of the human resources of these firms.

Despite being a topic of both teaching and research now for almost forty years, uncertainty still exists about McClelland's (1962) assertion that the achievement need (nACH) is a learned need that all people possess. This uncertainty has resulted in the questioning of the motivation and reward strategies of human resource specialists in many firms. Of special importance in the present study is the neglect of achievement motivation of lower-level employees by managers in firms.

By using structural equation modelling the causal influence of the nACH and the other McClelland needs on the performance intentions of managers and frontline employees is assessed in this study. The empiri-

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cal results support the learned need assertion. The findings highlight the disadvantages to firms that disregard the achievement motivation of lower-level employees. The managerial implications of these findings are discussed. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-HAWORTH. E-mail address: <docdelivery@haworthpressinc.com> Website: <<http://www.HaworthPress.com>> © 2003 by The Haworth Press, Inc. All rights reserved.]

**KEYWORDS.** Need for achievement, job performance, structural equation analysis, motivational strategies, need satisfaction theory

### ***INTRODUCTION***

Both business and political leaders have acknowledged the importance of the ability of South African firms to compete successfully in the global economy. Business firms can only survive over the long-term if they produce quality goods and services at comparatively affordable prices relative to their foreign competitors. Reducing costs while maximizing outputs, in other words, productivity, is central to competitiveness. To be successful and competitive South African firms need to utilize their production factors (natural resources, human resources, entrepreneurial talent and capital) as productively as possible in the delivery of quality goods and services. This study is an attempt to contribute to the productive utilization of human resources by identifying the most important needs that motivate employees to higher job performance.

### ***MCCLELLAND'S NEED FOR ACHIEVEMENT THEORY***

According to David McClelland (1962), successful business firms and therefore a successful economy are dependent on the achievement activities of two production factors, namely entrepreneurs and/or managers (entrepreneurial talent) and employees (human resources). McClelland suggests that macro economic growth in countries is directly related to the number of achievers in that country. McClelland has done considerable research on the need for achievement, which he defined as a person's drive to excel, to achieve in relation to set standards and to strive for success. He concluded that without achievers in an organization, no growth could be attained and sustained. In other

words, McClelland's theory suggests that successful business firms and therefore a growing economy cannot be attained if the achievement need of achievers in firms is not satisfied. This contention was supported in a South African study by Mahadea (1994), who found that the satisfaction of the achievement need is a significant determinant of the success of indigenous entrepreneurs in the former Transkei.

In addition to the need for achievement (nACH), McClelland suggests that two other needs, namely the needs for power (nPOW) and affiliation (nAFF), must also be satisfied before people will be motivated to increase their job efforts. The need for power entails the desire to be influential and to have an impact on or control over others. The need for affiliation refers to a person's desire to be accepted and liked by others. In other words, an affiliation need is a need for friendly and close personal relationships with others (Robbins, 1992). McClelland is of the opinion that increased job performance and thus successful firms can be achieved if these three needs of employees are satisfied in these firms.

There seems, however, to be an inconsistency in research findings as far as the importance of achievement need satisfaction is concerned. As already mentioned, McClelland's theory suggests that everybody strives to have their achievement need satisfied. According to this theory, employees at all organizational levels in a firm should therefore be motivated to increase their performance outcomes if their achievement needs are satisfied. Other research, on the other hand, seems to suggest that employees on the lower levels on the organizational structure are more motivated by lower-level need satisfaction, such as physiological, safety and affiliation needs, while higher-level employees are more motivated by higher-order need satisfaction, such as esteem and self-actualization needs. Porter (1963), for example, found that as job level decreases from top to lower management, autonomy, esteem and self-actualization, in other words, higher-order needs become less fulfilled. Hong, Yang, Wang, Chiou, Sun and Huang (1995) reported that employees on different job levels emphasized different needs. They found that lower level employees expressed a stronger concern for better working conditions and security needs. Lower-level managers emphasized monetary and security needs, while middle managers stressed individual development needs. Top managers, however, perceived their job performances as unrelated to needs such as monetary rewards, security and better working conditions. Arnolds and Boshoff (1998) found that, while top managers, middle managers and frontline employees were all motivated by monetary rewards, top and middle managers were mostly motivated by higher-order need satisfaction (including need for achievement) and frontline employ-

ees (lower-level employees) by lower-order need satisfaction (affiliation needs). The above-mentioned research findings therefore seem to suggest that not all employees are motivated to the same extent by the satisfaction of achievement needs. These findings are thus in disagreement with McClelland's proposition that nACH is a learned need possessed by all employees.

### **RESEARCH LIMITATIONS**

Much of the uncertainty about the influence of achievement need satisfaction on the job performance of employees can be attributed to the relatively unsophisticated data analysis techniques used to date. In the studies of Porter (1963) and Hong et al. (1995), in fact, in most of the research conducted on employee motivation, regression analysis was used to statistically analyze the data. This technique indicates the correlation between a change in one variable and a change in another variable, but does not show that the change in the one variable *causes* the change in the other variable. It would be an improvement in motivational research if motivational interventionists or consultants could say with a greater degree of accuracy that a certain need satisfaction causes a certain performance behaviour. Wahba and Bridwell (1976) suggested that a methodology which could prove the causal relationship between need satisfaction and outcome variables, such as job performance would be an ideal method to test motivation theories. A relatively new technique, called structural equation analysis, which goes a long way in identifying *causal relationships* among variables, has recently emerged and has been applied in the present study to enhance the understanding of the motivation of behaviour.

It is important to address the uncertainty surrounding the need for achievement as human resource specialists could be wasting their time and effort and their firms' money on misdirected motivational interventions as far as satisfying the need for achievement is concerned. Those in charge of motivational strategies in firms can for instance wrongly assume that lower-level employees do not endeavour to satisfy achievement needs in the workplace. Evidence of this was reported by Alfred (1991) who, after interviewing 128 lower-level employees from 12 industrial companies in South Africa, found that higher-order need satisfaction is often disregarded in the motivational strategies directed at these employees. Inappropriate motivation strategies can lead to higher employee absenteeism, more resignations and lower productivity. The

goal of competitiveness will also not be attained under these circumstances.

To summarise: The study asserts that by satisfying the needs for achievement, affiliation and power, as suggested by McClelland's model, the job performance of employees can be increased. The study specifically addresses the uncertainty surrounding the achievement need as a learned need, which is supposed to motivate all levels of employees to increase their job performance.

### **OBJECTIVES**

An employee's job performance is viewed as a concept encompassing various job behaviours of employees of which productivity is but one of these behaviours. Job performance refers to the work quality, work quantity, learning ability, safety, interpersonal relations, job interest, initiative, conduct, perseverance, attendance and appearance of employees (Steers, 1977; Tharenou, 1993). When employees therefore improve their job performance at the individual level, they will automatically improve the productivity of their units and finally the productivity of the organization (Carkhuff, 1986). The present study suggests that by reinforcing an employee's positive performance intentions the employee's job performance can be improved. The intention to improve job performance is used as the measure of employee job performance in the present study.

The study investigates the influence of the need satisfaction model of McClelland, on the one hand, and employee job performance as measured by the employee's intentions to improve job performance, on the other hand. More specifically the study investigates the causal influence of the satisfaction of the need for achievement (as measured by the McClelland needs) on the performance intentions of top managers, middle managers and frontline employees.

### **THE HYPOTHESES**

#### ***The Influence of Affiliation Need Satisfaction on Employee Job Performance***

Research seems to suggest that the satisfaction of affiliation needs, also referred to as a need for love or belongingness, exerts a positive in-

fluence on indicators of employee productivity. These needs are manifested in the workplace as employees' desire for membership of a group, friendship, understanding by others, acceptance and co-operation from others.

As early as the 1960s Vroom (1964) and Lodahl and Kejner (1965) found that job performance levels and job commitment of employees were influenced by the social nearness of co-workers and related to the extent to which performance was instrumental in attaining acceptance by co-workers.

Seigel and Ruh (1973) reported significant correlations between indicators of affiliation need satisfaction and job commitment. Seigel and Ruh (1973) found significant correlations between job commitment, on the one hand, and the number of people employees contact (or have interaction with), per day ( $r = 0.30$ ), interdependence of the job ( $r = 0.34$ ) and interaction with people ( $r = 0.37$ ), on the other hand. Similarly, Smith and Tisak (1993) found a positive relationship between social needs and measures of employee job performance. Social needs were found to have a significant impact on job involvement (commitment) and internal work motivation (positive performance intentions).

Except for the study of Weissenberg and Gruenfeld (1968), which reported a nonsignificant correlation between interpersonal relations with peers and supervisors, on the one hand, and job commitment, on the other hand, many authors share the opinion that the satisfaction of affiliation or social needs ought to have a positive influence on employee job performance. Stein and Hollowitz (1992), for instance, believe that employee job performance can be increased by continuous efforts to satisfy affiliation needs. In interviews with 128 employees from 12 industrial companies, Alfred (1991) found that one of the needs employees expressed the most was the need to be accepted. Levine (1994) stressed that the essence of management for performance is to provide for the social support of employees.

It is clear from the preceding literature review that a substantial amount of evidence supports the view that the satisfaction of affiliation needs will impact positively on the indicators of employee job performance. It is consequently hypothesized that:

- H1: The satisfaction of affiliation needs (according to McClelland's model) exerts a positive influence on employee job performance as measured by performance intentions.

### ***The Influence of Achievement Need Satisfaction on Employee Job Performance***

The need for achievement is one of the esteem needs, which was the main focus of McClelland's studies. McClelland (1962) concluded from his studies that the number of achievers in a country determined to a large extent the economic success of that country. Many other authors seem to concur with the latter view and more in particular with the suggestion that high achievers are usually high performers. Stein and Hollowitz (1992), for example, are of the opinion that the satisfaction of accomplishment (achievement) needs increases job performance in the workplace. A considerable amount of research relates need for achievement to increased individual effort, be it managerial effort, sales performance, engineering design activities, academic success or entrepreneurial activities (Stahl, 1986). Wofford (1971) argues that it is in the nature of higher-order needs, such as need for achievement, to be directly related to job performance in business organizations. Wofford (1971) suggests that employees cannot satisfy their need for achievement without contributing to the attainment of organizational goals. Research has shown that people who have high needs for achievement exert more effort or perform at higher levels than their counterparts who have low needs for achievement (Wofford, 1971).

Evidence has also been produced of a positive correlation between need for achievement and job commitment (job involvement). Steers and Braunstein (1976) found a significant positive correlation between need for achievement and job commitment. Similar findings were reported by Patchen (1970) and Gorn and Kanungo (1980). It was accordingly hypothesized that:

- H2: The satisfaction of the need for achievement (according to McClelland's model) exerts a positive influence on employee job performance as measured by performance intentions

### ***The Influence of Power Need Satisfaction on Employee Job Performance***

It is not clear in the literature where power as a need should be placed among the other need categories, or whether it is an independent need on its own. If the conceptualization of the power need by Smit and Cronjé (1992: 318) is considered, namely the need to "dominate and control," it would appear that it resembles the needs for authority, status

and responsibility. The latter are all esteem needs according to the literature (Kossen, 1991; Allen, Lucero & Van Norman, 1997). The two faces of power referred to by Stahl (1986) lend further support to the suggestion that need for power could be regarded as an esteem need. The two faces of power are social or positive power and personal or negative power. Social power refers to the need to influence people to the benefit of all, while personal power refers to a need to direct or control people for the sake of demonstrating personal dominance and superiority. The description of these two faces of power does not fit into the definition of self-actualization, but shows an inclination towards prestige, mastery and ego-satisfaction and therefore esteem needs.

Lawler and Hall (1970) found significant positive correlations between job commitment and the degree to which a job allows people to influence other people ( $r = 0.21$ ). Self-actualizers have been reported to prefer directing others rather than being directed by others (Sumerlin & Norman, 1992). The positive face of power, Stahl (1986) argues, can improve performance effectiveness.

Based on the above-mentioned review, the following hypothesis was formulated:

- H3: The satisfaction of the need for power (according to McClelland's model) exerts a positive influence on employee job performance as measured by performance intentions.

## **METHODOLOGY**

### ***The Sample***

The sample consisted of 304 top managers (response rate = 20.3%), 153 middle managers (response rate = 10.2%) and 213 frontline employees (response rate = 21.3%). This represented an overall response rate of 16.75%. The frontline employee sub-sample includes those non-management groups of employees who are at the frontline of service provision, such as bank tellers, secretaries, sales clerks, security personnel, office staff, library assistants and catering staff and who have no supervisory responsibilities.

### ***The Measuring Instruments***

An instrument used to measure the McClelland needs, called the Manifest Needs Questionnaire (MNQ), was developed by Steers and

Braunstein (1976). Acceptable levels of convergent, discriminant and predictive validity, as well as test-retest and Cronbach reliability coefficients for the MNQ subscales were reported by Steers and Braunstein (1976).

Several researchers have described performance intentions as a potent measure or predictor of employee job performance. Performance intention is regarded as a direct motivational determinant of task performance (Hampton, Summer & Webber, 1982), a strong indication of motivation to produce (Carkhuff, 1986), a prerequisite for peak performance (Sumerlin & Norman, 1992) and a strong precursor to actual job performance (Shore, Newton & Thornton, 1990). The instrument used to measure performance intentions in this study was developed by Shore, Newton and Thornton (1990). It consists of three items modelled after the Michigan Organizational Assessment Questionnaire (MOAQ) of Cammann, Fichman, Jenkins and Klesh as cited in Shore, et al. (1990). One item, namely "I could do a lot more work if I tried a little harder," from the Cranny, Smith and Stone (1992) scale was added to make the performance intention scale a 4-item one. This was done for reasons of consistency (all other scales, except the McClelland scales, comprised four items) and to avoid possible problems during exploratory factor analysis. The reported reliability coefficients, which ranged from 0.60 to 0.84, are regarded as sufficient to use this instrument to measure the performance intention construct (Shore et al. 1990).

In summary it is evident from the preceding review that instruments with acceptable validity and reliability were used to investigate the variables under scrutiny. Respondents were requested to respond to all questions on a seven-point Likert-type scale.

## **DATA ANALYSIS**

### ***Internal Reliability***

The first step in the data analysis procedure was to assess the internal reliability of the measuring instruments by means of Cronbach alpha coefficients. As the instruments were administered to three distinct sample groups, namely top management, middle management and front-line employees, the Cronbach alpha coefficients were calculated for these groups separately. The results, reported in Table 1, show that all the instruments returned alpha values of more than 0.60 except for the McClelland affiliation need scales for the three samples. Due to the very

TABLE 1. Cronbach Alpha Values of Measuring Instruments

LATENT VARIABLE	TOP	MIDDLE	FRONTLINE
McClelland (achievement)	0.693 <sup>1</sup>	0.666	0.634
	0.693 <sup>2</sup>	0.666	0.637
McClelland (affiliation)	<b>0.452</b>	0.537	0.526
	<b>0.452</b>	0.621	0.541
McClelland (power)	0.673	0.692	0.646
	0.673	0.692	0.646
Performance intentions	0.716	0.678	0.727
	0.716	0.678	0.727

1. Initial value

2. Value after deletion

low initial reliability coefficient of the McClelland affiliation need scale for the top management sample (0.452), this construct was not included in subsequent analyses. The item-to-total correlation of each item on the remaining scales was then considered to establish whether the alpha values could not be improved by deleting items with very low item-to-total (below 0.20) correlations. The Cronbach alpha of the McClelland affiliation (MCAF) need increased from 0.537 to 0.621 and from 0.526 to 0.541 for the middle management and frontline employee samples respectively when the item MCAF1 was removed.

After the removal of selected items, the McClelland affiliation need (MCAF) scale (0.541) of the frontline employee sample remained with alpha values below 0.60. Although some may argue that these values justify their complete removal, various research analysts (Smith, Organ & Near, 1983; Pierce & Dunham, 1987; Tharenou, 1993) have suggested that values above 0.50 are adequate for basic research. It was therefore decided to retain these variables.

### *Discriminant Validity*

The second phase of data analysis involved an assessment of the discriminant validity of the measuring instruments. For this purpose three exploratory factor analyses were conducted, 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 (Jenn-

rich & Sampson, 1966) in all instances. Each set of exploratory factor analyses included the rotated factor loadings for the top management, middle management and frontline employee samples separately. No factor analysis was conducted for the performance intentions variable, as it was the only outcome variable included in the theoretical models. There was therefore no need to provide evidence of discriminant validity considering other outcome variables. The empirical evidence supported the surmised three separate and distinct variables (or needs) as suggested in the literature. The most interpretable factor structures for the three samples are reported in Tables 2, 3 and 4.

Table 2 shows that three need for power-items (MCPO1, 2 and 3) loaded on factor 1, which indicates the need for achievement. For the purposes of this study, these three items were therefore regarded as

TABLE 2. Rotated Factor Loadings: McClelland's Model

	TOP MANAGEMENT SAMPLE <sup>1</sup>	
	FACTOR 1 ACHIEVEMENT	FACTOR 2 POWER
MCAC1	<b>0.565</b>	0.070
MCAC2	<b>0.655</b>	0.049
MCAC3	<b>0.617</b>	0.091
MCAC4	<b>0.389</b>	0.137
MCAC5	<b>0.499</b>	-0.151
MCPO1	<b>0.497</b>	0.160
MCPO2	<b>0.729</b>	-0.075
MCPO3	<b>0.337</b>	0.179
MCPO4	0.116	<b>0.531</b>
MCPO5	0.006	<b>0.771</b>
EIGEN		
VALUES	2.434	0.997

1. Loadings greater than 0.3 were considered significant

TABLE 3. Rotated Factor Loadings: McClelland's Model

MIDDLE MANAGEMENT SAMPLE <sup>1</sup>			
	FACTOR 1 ACHIEVEMENT	FACTOR 2 POWER	FACTOR 3 AFFILIATION
MCAC1	<b>0.493</b>	0.046	0.038
MCAC2	<b>0.639</b>	-0.030	-0.068
MCAC3	<b>0.812</b>	-0.056	0.134
MCPO3	<b>0.515</b>	0.177	-0.050
MCAF3	-0.056	0.177	<b>0.757</b>
MCAF5	0.037	-0.045	<b>0.408</b>
MCPO1	0.016	<b>0.640</b>	0.074
MCPO2	0.017	<b>0.864</b>	-0.102
MCPO4	0.057	<b>0.501</b>	0.085
EIGEN			
VALUES	1.584	1.477	0.788

1. Loadings greater than 0.3 were considered significant

measures of need for achievement. The same applies to the need for power-item (MCPO3) on Table 3 where this item was also regarded as a measure of need for achievement.

The Cronbach reliability coefficients of the scales as they emerged from the factor analyses were then re-calculated to confirm their internal consistency. Although the McClelland affiliation needs variable emerged as separate constructs in the factor analyses of the middle management and frontline employee samples (Tables 3 and 4), the remaining items measuring these variables were deleted due to poor reliability. On this basis, the McClelland affiliation needs (MCAF) were removed from the theoretical models of middle management and frontline employee samples. The MCAF scale of the top management sample was earlier deleted from the theoretical model on the grounds of inadequate reliability in the initial internal consistency assessment (Table 1). Table 5 lists the final

TABLE 4. Rotated Factor Loadings: McClelland's Model

FRONTLINE EMPLOYEE SAMPLE<sup>1</sup>

	FACTOR 1 POWER	FACTOR 2 ACHIEVEMENT	FACTOR 3 AFFILIATION
MCAC1	0.159	<b>0.504</b>	0.106
MCAC2	0.221	<b>0.466</b>	0.140
MCAC3	-0.116	<b>0.531</b>	0.279
MCAC4	0.102	<b>0.458</b>	0.003
MCAC5	-0.027	<b>0.432</b>	-0.174
MCAF2	0.225	-0.211	<b>0.515</b>
MCAF3	-0.113	0.225	<b>0.666</b>
MCPO1	<b>0.524</b>	0.173	0.029
MCPO2	<b>0.446</b>	0.167	0.055
MCPO4	<b>0.736</b>	0.009	-0.083
MCPO5	<b>0.469</b>	-0.075	0.011
EIGEN VALUES	1.397	1.308	0.871

1. Loadings greater than 0.3 were considered significant

Cronbach alphas of the latent variables that were included in the final theoretical models. All the Cronbach reliability coefficients were above 0.600 and thus above the 0.500 cut-off point required for basic research (Smith, et al. 1983, Pierce & Dunham, 1987, Tharenou, 1993). All the final scales mentioned in Table 5 were therefore regarded as reliable and valid for inclusion in the final theoretical model.

### *Structural Equation Analysis*

Structural equation analysis, or modelling (SEM) is a multivariate technique combining aspects of multiple regression and factor analysis to estimate a series of interrelated dependence relationships simulta-

TABLE 5. The Empirical Factor Structure

LATENT VARIABLE	TOP	MIDDLE	FRONTLINE
McClelland (achievement)	MCAC 1,2,3,4,5 MCPO 1,2,3 $\Delta = 0.788$	MCAC 1,2,3 MCPO 3 $\Delta = 0.728$	MCAC 1,2,3,4,5 $\Delta = 0.634$
McClelland (power)	MCPO 4,5 $\Delta = 0.627$	MCPO 1,2,4 $\Delta = 0.726$	MCPO 1,2,4,5 $\Delta = 0.634$
Performance intentions	PERF 1,2,3,4 $\Delta = 0.717$	PERF 1,2,3,4 $\Delta = 0.678$	PERF 1,2,3,4 $\Delta = 0.727$

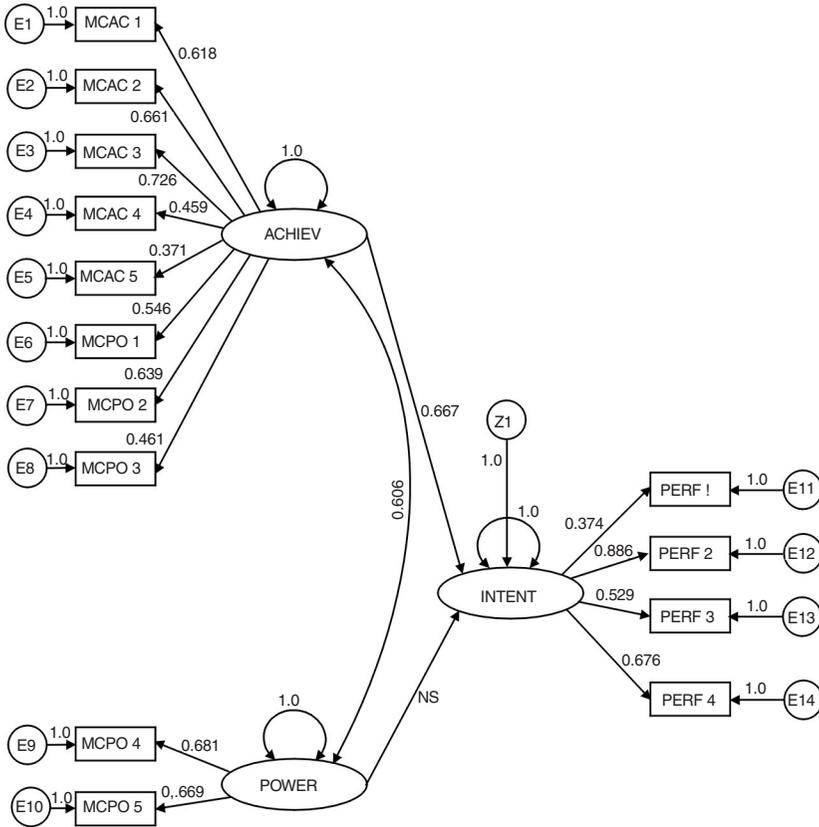
neously (Hair, Anderson, Tatham & Black, 1995). SEM differs from multiple regression analysis in very important respects. Regression analysis indicates the relative importance of an independent (predictor) variable in predicting the dependent (response) variable, as well as the overall strength of that relationship. In a linear regression model variables are measured with error and the coefficients represent empirical associations, but not causal relationships (Hair, et al. 1995). Structural equation analysis, on the other hand, is based on causal relationships, in which the basic assumption is that a change in one variable results in a change in another variable (Hair et al. 1995). The coefficients in a structural equation model represent theoretical cause and effect relationships among unobservable constructs (Hair, et al. 1995). In addition, structural equation modelling provides not only for controlling of extraneous and confounding variables, but also for the explicit modelling and estimation of measurement error (Hoyle, 1995). Structural equation analysis is also regarded as a more flexible and comprehensive technique than other techniques, such as analysis of variance (ANOVA) and multiple regression, and therefore a more advanced and rigorous statistical technique to analyze attitudinal data (Hoyle, 1995).

### ***THE EMPIRICAL RESULTS***

#### ***The Causal Models for the Influence of McClelland's Need Satisfaction Theory on the Job Performance of Top Managers, Middle Managers and Frontline Employees***

Figures 1, 2 and 3 depict the causal models, which were constructed to investigate the relationship between need satisfaction according to

FIGURE 1. Path Analysis Model for the Influence of Need Satisfaction on Employee Job Performance: McClelland’s Theory–Top Management

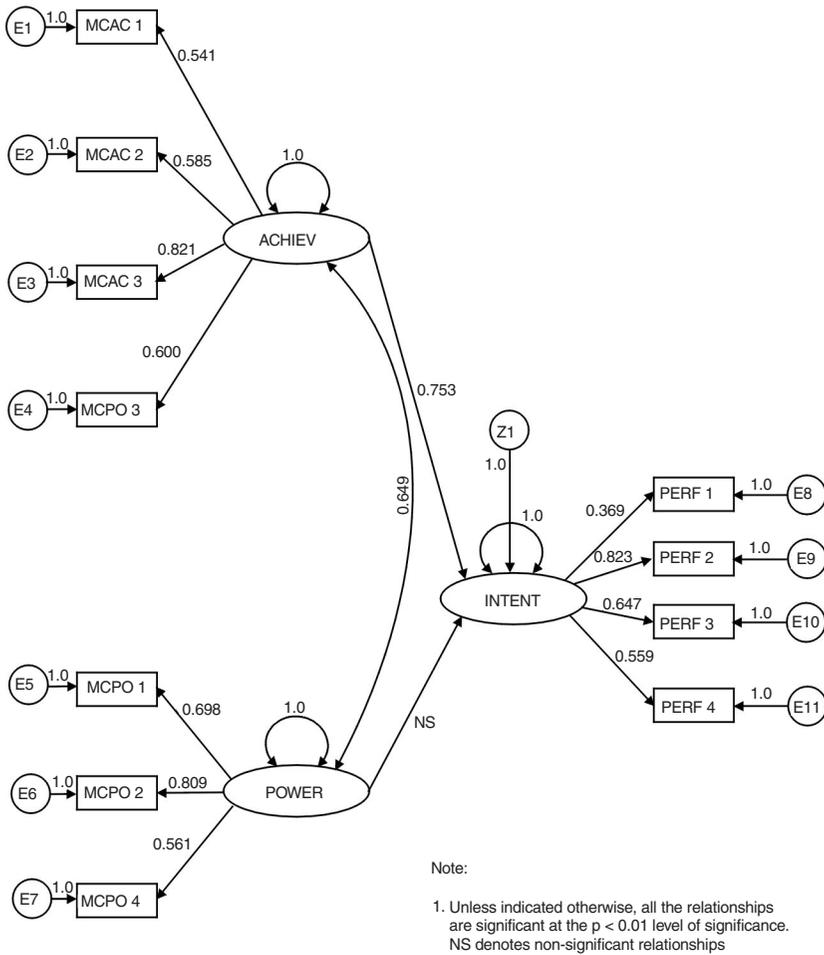


Note:

1. Unless indicated otherwise, all the relationships are significant at the  $p < 0.01$  level of significance. NS denotes non-significant relationships

McClelland’s theory, on the one hand, and employee job performance, on the other hand, for the top management, middle management and frontline employee samples respectively. The computer programme RAMONA (Browne & Mels, 1996) was used to analyze these models. The results are also recorded in the three diagrams.

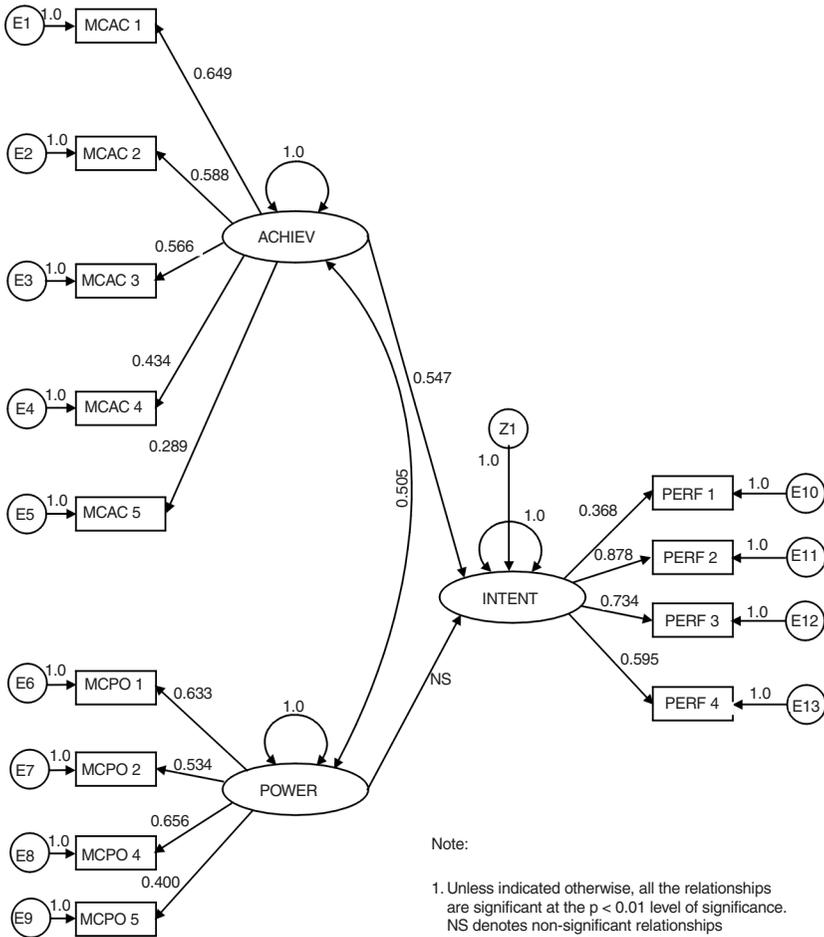
FIGURE 2. Path Analysis Model for the Influence of Need Satisfaction on Employee Job Performance: McClelland's Theory–Middle Management



**Empirical Results of the Top Management Sample**

Figure 1 indicates that all the point estimates are significant at the 0.01 level of significance. The empirical results show that the satisfaction of achievement needs is significantly (0.667,  $p < 0.01$ ) related to the performance intentions of top managers. This finding lends support

FIGURE 3. Path Analysis Model for the Influence of Need Satisfaction on Employee Job Performance: McClelland's Theory—Frontline Employees



to the view that the satisfaction of higher-order needs, such as achievement would be important motivators of top management performance.

Figure 1, however, also reveals that the need for power does not significantly affect top managers' intentions to improve job performance. This result is strange given the general belief that managers are motivated by power (Mullins, 1999). After close scrutiny of the measuring instrument used to measure the need for power, a possible explanation

for this strange finding emerged. The measuring items seemed to measure personal power, which is perceived as negative power, rather than social power, which reflects a positive type of power (Stahl, 1986). The empirical result in the present study therefore indicates that top managers are not motivated by personal domination and control, but rather by a type of influence for the benefit of all.

The empirical results (path coefficients) provide justification for the acceptance of the hypothesis (H2), that the satisfaction of the need for achievement exerts a positive influence on the job performance of top managers. The hypothesis (H3), that the satisfaction of the need for power exerts a positive influence on the job performance of top managers, is however rejected. It must be pointed out, however, that the need for power in this context refers to personal power.

### ***Empirical Results of the Middle Management Sample***

Figure 2 shows that all the point estimates are significant at the 0.01 level of significance. The empirical results show that the satisfaction of achievement needs is significantly (0.753,  $p < 0.01$ ) related to performance intentions of middle managers. Similar to the top management model, the empirical results show that the satisfaction of a need for power does not impact significantly on the middle managers' intentions to improve their job performance. The same reason seems to apply in the case of the middle managers' responses to the need for power scale. The middle managers also did not see themselves as having power for personal aggrandisement, but power for the good of the enterprise.

The empirical results, based on the path coefficients, indicate that the hypothesis (H2) that the satisfaction of the need for achievement exerts a positive influence on employee job performance, is accepted for the middle management sample. The hypothesis (H3) that the satisfaction of the need for power exerts a positive influence on the job performance of middle managers, is rejected.

### ***Empirical Results of the Frontline Employee Sample***

Figure 3 shows that all the point estimates are significant at the 0.01 level of significance. The empirical results show that the satisfaction of achievement needs is significantly (0.547,  $p < 0.01$ ) related to performance intentions. The achievement needs are regarded as higher-order needs and ought not to have a significant influence on performance behaviours of lower level employees according to some research findings. This result however provides substantiation to McClelland's suggestion

that the achievement need is an acquired or learned need which all people possess (Gibson, Ivancevich & Donnelly, 1997).

Figure 3 shows that the satisfaction of the need for power has no significant effect on the performance intentions of frontline employees. This result is in accordance with Maslow's theory that higher-order needs, such as the need for power, are not expected to motivate lower level employees.

### *The Indices of Fit*

To establish the extent to which the above-mentioned models represent acceptable approximations of the data, the absolute fit indices (Hair, et al. 1995) of these models were 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 provides an indication of the extent to which 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 less than 0.05 indicates a close fit, while an RMSEA of more than 0.08 represents a poor fit. An RMSEA of more than 0.05, but smaller than 0.08 indicates a reasonable or acceptable fit (Steiger & Lind, 1980; MacCullum, 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 hypothesized model on the data. The higher the GFI value in the range from 0 to 1, the better the goodness of fit. Table 6 shows that in all three sub-samples RMSEAs and GFIs of a reasonable or an acceptable fit were returned.

## **MANAGERIAL IMPLICATIONS**

### *Managing Achievers*

The present study clearly showed that there is a causal link between satisfying employees' achievement need, on the one hand, and the per-

TABLE 6. The Fit Indices

FIT INDICES	TOP MANAGEMENT	MIDDLE MANAGEMENT	FRONTLINE EMPLOYEES
Absolute: RMSEA	0.068	0.053	0.062
: GFI	0.918	0.935	0.927

formance intentions of such employees, on the other hand. The empirical results show that employees at various organizational levels are motivated by the satisfaction of the need for achievement. This finding supports McClelland's proposition that the need for achievement is an acquired need and that all people are motivated by it. This finding is, however, in disagreement with other research findings that suggest that lower level employees are not motivated by higher-order needs such as the need for achievement (Hong, et al.1995). Those in charge of motivating employees in business firms will therefore certainly err when they do not integrate achievement rewards in the motivational strategies they adopt in their firms.

Human resource experts in charge of motivational interventions must acquaint themselves with the characteristics of high achievers in order to satisfy these needs. High achievers are individuals who take moderate risks, set themselves challenging goals, have an internal locus of control and self-motivation, search and explore new ways of doing things and are generally positive thinkers (Dinsdale, 1990: 33).

In order to satisfy the achievement needs of employees, management must sensitise itself to the symptoms of non-achievement environments, which include poor productivity, low urgency, avoidance of responsibility, poor discipline, unresolved conflicts, excuses, low creativity, risk avoidance, hidden agendas and maintaining the status quo (Dinsdale, 1990: 34). After identifying these signals of non-achievement, management could institute interventions to promote an achieving environment for achievers to flourish. Firstly, top management must be committed and trained in ways to encourage experimentation. Managers must realise that punishing experimentation and mistakes and the insistence on compliance could influence achievement development negatively. Secondly, mentoring programmes must be implemented and protégés identified. These programmes must be geared to the "fast lane" development of talented employees, as well as the enhancement of the mentor's coaching skills. Entry to the mentor-protégé programmes must serve as an incentive for other achievers to develop themselves and the firm in that fashion. Thirdly, achievement development training by the mentor or an external consultant expert in the field must be conducted. This training should focus on practical job-related assignments and achievement behavioural training in goal-setting, assertiveness, problem-solving, risk-taking, independence and self-confidence. Rigorous feedback, which enhances the protégé's self-awareness, maturity and knowledge about people, is an integral part of achievement training. Lastly, as is the case with all programmes or processes, measurement or

evaluation must take place. Although measurement must not be over-emphasized, effective measurement is important to satisfy an achiever's need for feedback.

A significant finding of the study is that lower-level employees are also strongly motivated by the need to achieve. This may not always be a view held by the superiors of these employees. Failure to recognise and acknowledge their need to achieve results in motivation interventions for lower-level employees being focused on the satisfaction of only the lower-order needs, such as monetary compensation and fringe benefits. The ambitious and aspiring lower-level employees who want to achieve are therefore often not identified and empowered to do so. In this process the employing enterprise loses out on the contribution these employees can make to the success of the enterprise. The enterprise could miss the opportunity to identify future loyal and committed managers who could have brought creative and innovative ideas to the business strategies of the enterprise. Disregarding the achievement need in the motivation of lower-level employees could therefore mean that an enterprise could miss the opportunity to improve its competitive edge in terms of new ideas for developing the enterprise. On the other hand, a lower-level employee who has been identified as an achiever may have a positive influence on the job performance of other employees. Such an employee could serve as a role model that could raise the performance standards of co-workers. Under these conditions, the Kaizen philosophy, which refers to the rewarding of employees for suggestions that lead to safety, cost and quality improvements, could come to better fruition.

### ***Managing Creativity***

Need for achievement is one the Alderfer theory's growth needs. The empirical results in the present study show that employees at all organizational levels have the need to achieve. Growth needs are defined as the desire "to find opportunities for unique personal development and making creative or productive contributions at work" (Hellriegel, Slocum and Woodman, 2001: 136). Achievers prefer challenging assignments and revel in the search for better ways of doing things (Luthans, 1998: 164; Mullins, 1999: 425). Creativity is therefore a central element of the achievement need and must be managed effectively.

The management of creativity requires a demonstration of a strong orientation toward innovation (Amabile 1995: 48-55). To accomplish this, managers of business enterprises need to engender an organizational culture that promotes a fair and constructive judgement of ideas,

rewards and recognises programmes for creative work and provides for mechanisms for the development and active flow of ideas. Role models who set goals, support colleagues, value the contributions of and show confidence in achievers should be identified and inspired to play this role. Creativity teams, which include top managers and diversely skilled employees from various organizational levels, must be established. These teams should interact, communicate, challenge, assist and commit themselves to the search for new ideas. The necessary resources in terms of funds, materials, facilities and information should be made accessible to those who want to be creative. Achievers should be allowed the freedom and autonomy to execute and control new initiatives. Impediments to creating a culture of creativity, such as unhealthy internal politics in the firm, destructive criticism of new ideas, negative internal competition, the tendency to avoid risk and the overemphasis on maintaining the status quo, must be avoided, reduced or eliminated.

### *Managing Recognition Systems*

Achievers want clear, unambiguous and immediate feedback (Mullins, 1999: 425; Hellriegel, et al. 2001: 141). They often use organizational rewards as yardsticks of their performance. They value money as an indication of their achievement and competence and feel dissatisfied when organizational rewards do not adequately reflect their contributions (Hellriegel et al. 2001: 141). Recognition systems in organizations must therefore be effectively managed to motivate achievers.

Recognition is an expression of acknowledgement, appreciation and approval of achievements, services and deeds. An effective recognition system based on sound principles needs to be introduced in all business firms (Glasscock & Gram 1995: 96). These principles include sincerity (honest expression of appreciation), fairness and consistency, timeliness (immediate recognition of event), frequency (say thank you liberally), flexibility (showing appreciation in a variety of ways), appropriateness (recognition method should match effort, behaviour or result achieved), and specificity (recipients should know exactly what they are being thanked for and why their contribution is valuable). When introducing a recognition system, the following steps are suggested (Glasscock & Gram 1995: 96): (1) identify what management wants to achieve in terms of vision, mission, strategy, goals and objectives, and communicate it to all stakeholders; (2) determine and communicate to stakeholders the behaviours, practices and activities which will support the attainment of the vision, mission and goals; (3) select and communicate

the tools that are to be used in the recognition system; (4) strive to show one hundred percent recognition of all desired behaviours and practices, trying to develop tools which address all possible situations and that are easy, available and can be initiated by anyone); and (5) continuously measure, monitor and improve the recognition system and convey this to all stakeholders.

### ***Rewarding Employees on Lower Organizational Levels***

Management of business enterprises needs to reassess how they reward exceptional achievement. Rewards system such as gainsharing, profit-sharing, flexible benefits, banking time off and skill-based pay (Hellriegel et al. 2001: 179) should be revisited in the light of the empirical findings of the present study. Managers have in the past erroneously targeted profit-sharing plans on higher-level employees only (Productivity SA, 1997: 8-9), ignoring the achievement needs of lower-level employees. Gainsharing, as a reward system, seems to offer the solution to this problem.

Gainsharing is an approach to enhance organizational effectiveness which embraces the whole firm through a formal system of employee involvement and financial bonuses based on job performance gains. Gainsharing has been found to improve employee productivity, organizational effectiveness, positive communication and problem-solving activities by individuals and groups (Hanlon & Taylor, 1991: 238-256). The concept differs from profit-sharing in that it spells out what everybody in the firm should do to achieve certain goals. Daily planning and performance feedback constitute the directive force behind the collective efforts of all employees. It is mainly focused on reducing costs, which results in the payment of weekly or monthly bonuses. Profit-sharing, on the other hand, is not that specific in indicating exactly what each employee must do on a daily basis to improve profitability. Profit-sharing bonuses are paid out on an annual basis and employees often believe that managers will not keep their promises in paying out the profit bonuses. It is recommended that the management of business enterprises continuously enter into achievement agreements with lower-level employees in particular, in which performance targets and concomitant remuneration are clearly spelt out.

### ***Goal Setting, Power and Employee Job Performance***

The management of the achievement motivation of employees requires a revisit of goal setting as an avenue to increasing employee moti-

vation. This would require management to acquaint itself anew with the philosophy of management by objectives; goal difficulty and goal clarity as core ingredients of setting challenging goals and issues surrounding abilities and competencies. The clarity of what is expected and knowing how to pitch the difficulty of goals are important factors in the goal achievement of achievers. Goal achievement is also influenced by the employee's abilities and competencies to achieve task performance.

The study showed that, for the sample groups investigated in this study, the satisfaction of personal power does not improve employee job performance. All employees seem to be of the view that power should be used to the benefit of the organization and not for personal gain. This is an indication to management that authority and power attached to clear goals could yield favourable results for firms. By providing employees with the necessary authority, trust and resources to perform challenging tasks (to satisfy achievement need), organizational goals, such as organizational effectiveness, productivity, profitability and competitiveness can be achieved.

### CONCLUSION

It is believed that all people are of the opinion that they have an achievement need, but "that only about 10 percent of the U.S. population are strongly motivated to achieve" (Hellriegel et al. 2001: 139). Alfred (1991) found that the achievement need of lower-level employees is often ignored in South Africa. The empirical results of the present study, on the other hand, highlighted the importance of the achievement need as a determinant of improved job performance of employees at all organizational levels. The findings focus management's attention anew on the realization of the importance, the identification and the recognition and rewarding of achievers in business firms. The findings re-emphasize the importance of achievers in the enhancement of organizational effectiveness of business enterprises and eventually the economic growth of countries.

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