



THE TIMES 100

BUSINESS CASE STUDIES

Maslow's Hierarchy of Needs - ARM

ARM is the world's leading semiconductor intellectual property supplier. The ARM **business model** involves the design and **licensing** of intellectual property in the field of semiconductor chips. ARM's main technology is its microprocessor which is the **brain** of most modern gadgets. Technology from ARM is used in 95% of the world's mobile phone handsets and in over a quarter of all electronic devices. This includes virtually all tablet computers, all smart phones, digital cameras, set top boxes and digital televisions.



In the early 1950s Abraham Maslow developed a theory of motivation. This was arranged in the form of a hierarchy of needs. At the bottom of the hierarchy are the basic needs. For example, these reflect the fact that people work primarily to provide basic things to enable them to live, such as food and accommodation. This is followed by safety needs that enable individuals to protect

themselves and their families. These are followed by social needs as individuals develop a sense of belonging. As individuals satisfy one form of need, they move up the hierarchy towards the higher order needs.

ARM provides employees with opportunities to fulfil higher order needs such as those of esteem and **self-actualisation** through challenging and interesting work. Engaging employees in change programmes and providing solutions enables them to contribute to the direction of the business. For example, recently more than 120 ARM employees were involved in developing ideas to improve how the company is run. Their ideas led to a wide variety of initiatives including innovation days and an increased use of social networking, such as ARM TV, an internal YouTube. The responsibilities associated with this helps develop self-esteem and allows individuals to fulfil their potential in a creative way. ARM takes a self-betterment approach to talent management. For example, its people can take up opportunities for on-demand e-learning as and when it suits or can go on international assignments to test and develop new skills. This enables individuals to realise their full potential. This process is known as self-actualisation.

Teamwork within ARM provides employees with the social opportunity to share knowledge and ideas across the organisation. An example of this includes engineering conferences where groups of between 50 and 200 engineers meet to share their latest ideas and inventions. It also enables them to contribute to innovation and this helps them to see how their ideas influence processes and products. Central to effective team working is the need for open and honest communication. ARM uses different methods of communications such as internal conferences, newsletters, director Q&A sessions (formal) and internet blogs (informal).

Safety and physiological needs are addressed through such factors as a good working environment and competitive pay. ARM encourages its employees to work hard. However, it also wants them to have fun. For example, ARM's people frequently take part in team events such as marathons or team bike rides.



Questions

1. What are the five levels in Maslow's Hierarchy of Needs?

2. Describe how Maslow anticipated the hierarchy to work.

3. Explain how ARM helps employees to meet their self-actualisation needs.

4. Analyse why you think it is important for an organisation like ARM to provide opportunities for workers to develop their higher order needs

Task

Create a large Hierarchy of Needs diagram. To each level add the methods that are adopted by an organisation of your choice to motivate its workers. A possible organisation you could use to complete this is your school or college, as it should be easy to find out the relevant methods used.

What have you learned?

Either individually or in small groups, write a song, poem or rap to explain your learning points from the session about Maslow's Hierarchy of Needs. Keep it relatively short so it is easier to remember in future.