

Answer on Question #39224 – Economics – Other

Assignment

Money cannot motivate all people under all circumstances. Critically evaluate this statement with suitable examples and justifications.

Solution

Money cannot motivate all people under all circumstances and we can prove it by means of Maslow's hierarchy of needs. The most fundamental and basic four layers of the pyramid contain what Maslow called "deficiency needs" or "d-needs": esteem, friendship and love, security, and physical needs. When people have enough money to meet the physical needs they start to look for needs of higher layer that very often don't depend on money. The most compelling answer to this question is a meta-analysis by Tim Judge and colleagues. The authors reviewed 120 years of research to synthesize the findings from 92 quantitative studies. The combined dataset included over 15,000 individuals and 115 correlation coefficients. The results indicate that the association between salary and job satisfaction is very weak. The reported correlation ($r = .14$) indicates that there is less than 2% overlap between pay and job satisfaction levels.