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Maslow's Concept of Self-transcendence, the Underutilized Factor in Human Capital

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Abstract

Abraham Maslow, known for his groundbreaking Hierarchy of Needs pyramid, left an enduring mark on management and leadership philosophy. However, an overly rigid interpretation, fixated on self-actualization, gave rise to distorted definitions of success within human capital development programs. This fixation fostered a culture that prioritized financial gains at the expense of ethical considerations. In response, Maslow's later work introduced a sixth level—self-transcendence—advocating for a departure from individualism towards a global purpose and ethical responsibility. The integration of self-transcendence into organizational culture requires a transformative shift in leadership and a reimagined trajectory for workers, fostering a worldview rooted in service to others. This evolution not only revolutionizes organizational dynamics but also holds the potential for positive global impact, redefining success beyond mere financial metrics. This paper examines and explores how organizations and entrepreneurial endeavors can elevate and enrich the quality of their human capital by embracing Maslow's concept of self-transcendence.

Keywords: human capital, organizational culture, leadership, self-actualization, self-transcendence

1. Introduction

Abraham Maslow, a trailblazer in humanistic psychology, introduced the enduring concept of the Hierarchy of Needs pyramid, a five-level framework that delves into the intricate layers of human motivation. Maslow's insights into elevated needs like self-actualization and self-esteem have profoundly influenced the realms of managerial and leadership philosophy, earning him the distinguished moniker, "Father of Modern Management and Leadership." Maslow's theory has left an indelible mark on personal development and motivational programs, emphasizing individuals' aspirations to actualize and fulfill their potential.

Over time, a constrictive and narrowly construed interpretation of Maslow's hierarchy has become entrenched, disproportionately emphasizing self-actualization as the paramount facet of motivation. This limited perspective, prevalent in human capital development programs, has given rise to a distorted definition of success, primarily anchored in financial gains and material rewards. Organizations, driven by profit motives alone, run the perilous risk of steering employees towards self-serving and ethically questionable actions, bending interpretations of rules and regulations (Venter, 2010, 2012, 2016).

2. Maslow's five-level pyramid of human motivation and leadership

Maslow devoted his scholarly endeavors to unraveling the complexities inherent in human motivation and the satisfaction of needs. His groundbreaking insights, particularly the delineation of higher-order needs such as self-actualization, self-esteem, and motivation, have exerted a profound influence on managerial and leadership philosophy, meriting him the distinguished title of the Father of Modern Management and Leadership. Maslow's theoretical framework has evolved into a foundational tenet for numerous personal development and motivational programs with a distinct focus on individuals' aspirations to realize and fulfill their distinct potential. With the passage of time, human capital development initiatives have increasingly fixated on individual self-actualization as the ultimate

motivational impetus. This constricted approach to and use of Maslow's hierarchy of needs has become deeply entrenched, perpetuated by numerous introductory texts in psychology that espouse this rendition of the model, positioning self-actualization at the zenith while neglecting and omitting the concept of self-transcendence (Koltko-Rivera, 2006; Venter, 2010, 2012, 2016).

The confined and exclusive interpretation of Maslow's theory within human capital training programs, particularly the excessive emphasis on self-actualization as the paramount need and motivation, has cultivated a narrow understanding of success and performance motivation. Success is often narrowly defined by financial achievements and material rewards, serving as the primary yardstick for realizing one's potential. In recent years, numerous organizations and companies have become fixated on leveraging human capital solely for revenue generation and impacting the bottom line, regardless of the methods employed. This approach carries the potential to incentivize employees toward self-serving inclinations, occasionally manifesting in overtly unethical conduct characterized by a pliant interpretation of rules and regulations (Kulik, 2005; Ashforth, Gioia, Robinson, & Trevino, 2008; Beenen & Pinto, 2009; De Cremer, Mayer, & Marshall, 2010).

One of the most conspicuous instances of cultivating a corporate culture primarily centered around financial incentives for performance is exemplified by what occurred at a leading bank in the United States. Wells Fargo's corporate culture, exclusively centered on financial incentives, led to a major scandal involving the creation of over 565,000 fictitious credit card accounts by employees. Incentivized by bonuses tied to fraudulent targets, they also opened 3.5 million unauthorized checking and savings accounts. The misconduct led to a $185 million fine imposed by regulatory bodies in 2016 although it was later determined that the fraudulent activities started back as early as 2002. Wells Fargo settled a class-action lawsuit for nearly $142 million, with the cumulative impact of lawsuits surpassing $3 billion in addition to firing 5.300 employees. The culture promoting fraudulent activities for financial gain was not just perpetrated by employees but driven by a leadership mindset focused on self-actualization at any cost, led by executive Carrie Tolstedt, who at one point was hailed as the best banker in the world (Lupo, 2019). In 2023, Tolstedt was sentenced to three years' probation in addition to being banned from working in banking again. Regulators accused Tolstedt and former CEO John Stumpf of falsely boasting about account openings to investors, leading to Stumpf's ban from the industry and a $17.5 million fine in 2020 (Morrow, 2023). Consequently, Wells Fargo has shifted from one of America's strongest banks to one of the most vulnerable (Egan, 2020). Maslow referred to people such as those at Wells Fargo as being preoccupied with the need to self-actualize, which they interpreted as becoming successful at any cost, even if it needed to become unethical and malicious towards customers.

3. Maslow's Sixth Tier of Human Motivation: Self-Transcendence

In the later stages of his career, Maslow introduced a sixth tier of human needs and motivation known as self-transcendence, a concept that emerged from his observation that certain individuals surpass the level of self-actualization in their motivations (Koltko-Rivera, 2006). This addition to his theory was prompted by Maslow's concern about an excessive focus on cultural relativity, advocating instead for a healthy individuality marked by transcending others' opinions. Self-transcendence, as expressed in the interplay between self and environment, signifies liberation from a dichotomous mindset, a departure from culturally dictated identity, and an ability to connect with diverse groups without experiencing alienation (Maslow, 1968, 1973; Frick, 1989). Maslow argued that self-transcendence entails autonomy from both culture and environment, extending beyond immediate circumstances (1968, 1973). Individuals at this level seek causes beyond the self, dedicating themselves to selfless service and identifying with something greater than their selves (Koltko-Rivera, 2006). This transcendence significantly influences worldviews, fostering a deeper sense of purpose that extends beyond personal needs to embrace a global perspective (Koltko-Rivera, 2006).

In the realm of organizational dynamics, infusing self-transcendence into human capital development reshapes individuals' perspectives. Cultivating a culture centered on self-transcendence allows organizations to pivot from a narrow focus on individual performance to a more expansive purpose, inspiring employees to perceive the organization as a catalyst for positive global impact. Individuals in a state of transcendence exhibit a liberation from categorization and stereotyping, viewing the world

and organizations as interconnected wholes rather than dichotomous entities (Venter & Venter, 2010, 2012, 2016; Frick, 1989; Maslow, 1968).

According to Maslow, those motivated by self-transcendence showcase autonomy, drawing guidance from inner voices to shape their values and rules for living (1968). At this level, individuals prioritize service to others and higher causes over personal needs, fostering an organizational culture that transcends rigid definitions imposed by immediate circumstances or a narrow perspective. Embracing self-transcendence empowers leaders to instigate lasting changes in organizational culture, breaking free from the confines of narrowly defined norms (Maslow, 1968, 1973; Porter & Kramer, 2006; Shadnam & Lawrence, 2011; Saeednia, 2010).

4. Transforming Organizational Culture via Self-Transcendence

Applying Maslow's concept of self-transcendence to human capital in organizations would require a twofold approach: Firstly, changing the leadership style and organizational culture and secondly, providing a pathway for workers to be motivated by self-transcended incentives.

4.1 Self-transcendence in organizational leadership

Managers and organizational leaders whose conduct is propelled by Maslow's self-transcendence paradigm are predisposed to coalesce around a shared mission, a global outlook, and collective accountability for the destiny of the organization. They perceive the organization as an integral component of a worldwide community delineated not by disparities but by a shared overarching objective. This purpose transcends rigid and egocentric delineations, such as an unyielding pursuit of heightened profit margins at any expense, while acknowledging the enduring significance of the company's financial performance. Such leaders eschew inflexible conceptualizations and constrictive definitions of leadership, refraining from imposing homogeneity on their subordinates. In contrast to an exclusive emphasis on self-actualization, the transcendent organizational leader embodies a departure from self-centered pursuits, surpassing individual, social, and cultural needs to encompass the welfare of others, including the broader societal context (Venter, 2010, 2012).

4.2 Self-transcendence and organizational culture

To establish a framework fostering the motivation of employees through self-transcendent incentives, grounded in the tenets of Maslow's self-transcendence theory, organizations must reconceptualize success. Success should not solely hinge on individual superlative performance but should encompass actions extending beyond self-interest to address the needs of others. Organizations should prioritize ethical responsibility and conduct as integral components of success criteria, cultivating a corporate culture wherein the workforce is incentivized to surpass mere fiscal outcomes and organizational expansions. There exists a necessity to shift the organizational ethos from an exclusive preoccupation with the outcome (*what* is earned) to an inclusive consideration of the manner in which achievements are realized (*how* it is earned). Both leaders and employees should be actively encouraged and rewarded for directing their efforts towards a shared mission, adopting a global perspective, and assuming joint responsibility for the destiny of both the organization and the broader societal milieu in which it operates.

Within the prevailing organizational culture of numerous corporations, there exists a limited concentration on compensation and reward structures, characterized by an excessive emphasis on tangible symbols (money) and ceremonial practices (i.e. Top 100 Club) for acknowledgment and remuneration. While recognizing the ongoing importance of the presence of individuals attaining millionaire and top-earning status, given their indispensable role in the existing economic paradigm, it is, however, imperative to reassess the methods employed in the accumulation of substantial wealth. A corporate culture that encapsulates transcendence, in conjunction with its primary product-oriented endeavors, directs attention towards the organization's role within the broader environmental, global, local, and societal contexts. This entails a consideration of the company's impact on the world at large. There exists a compelling imperative for organizations to transcend the sole pursuit of profitability and broaden their objectives to incorporate social responsibility as an equivalently pivotal facet alongside the declaration of profits for shareholders. Beyond the transformation of the organizational leadership ethos, there emerges a conspicuous exigency to cultivate an environment wherein the workforce

becomes integral to a mission grounded more in self-transcendence than self-actualization (Venter, 2012).

4.3 The self-transcended worker

In accordance with Maslow's theories as articulated in his works from 1968 and 1973, individuals who achieve self-transcendence attain a state of liberation from the impact of their environment, particularly in terms of how their surroundings shape their personal development. Maslow (1968, 1973) contended that this advancement in personal development towards self-transcendence does not entail an estrangement of the individual from their cultural milieu (Venter, 2010, 2012).

Concerning human capital, the self-transcendent employee represents an individual who emancipates themselves from an organizational culture singularly fixated on achieving outcomes at any expense. Instead, they realign their role and conduct to encompass a distinct emphasis on social and environmental considerations. It is noteworthy that this transformative process does not result in their detachment from the financial and production objectives of the company. Rather, it allows them to perceive the world and their purpose within it through a broader, global lens, recognizing the potential impact of the organization beyond its immediate geographic confines (Frick, 1989; Maslow, 1968). Such an approach has the potential to instigate a profound transformation within the organization, concurrently exerting a positive influence on the broader global context in which the organization operates.

Maslow posited that the state of self-transcendence is attained when an individual endeavors to champion a cause beyond their personal interests and strives to experience a sense of communal connection that extends beyond the confines of individuality (1968). Those who ascend to the pinnacle of Maslow's reconfigured hierarchy, embodying transcendent qualities, typically seek outcomes surpassing personal gains. They align themselves with pursuits larger than individual self-interest, frequently engaging in altruistic service to benefit others (Koltko-Rivera, 2006). Consequently, a workforce characterized by self-transcendence within organizational contexts directs attention not merely to profit-seeking but also to the positive impact they, their products, and their organizations can have on the broader world. Motivated by a profound sense of purpose, their focus extends beyond the organization itself to encompass the global milieu. In doing so, they disentangle themselves from an organizational ethos that exclusively prioritizes personal success and profit at any expense as the sole criteria and impetus for success.

5. Conclusion

Globalization and technological advancements have introduced intricacies into the competitive milieu of businesses, compelling organizations to adeptly navigate a dynamic changing landscape. The present imperative for organizations now extends beyond mere financial gain and profit, necessitating organizations to move towards a more encompassing approach where they prioritize economic, ethical, and social sustainability.

Achieving this rather complex paradigm shift necessitates a corresponding shift in the orientation of an organization's human capital, particularly cultivating a novel cadre of leaders and employees capable of aligning with pursuits larger than individual interests. This entails a commitment to selfless service, fostering the development of socially sustainable organizations. To achieve this, organizations must transcend the traditional and still prevailing emphasis on Maslow's fifth level of human motivation, self-actualization, and integrate the often-neglected sixth level, self-transcendence, into their leadership and human capital development initiatives.Such a transformation will not only enhance the organization's mission and vision but also instigate a profound cultural shift. By incentivizing and motivating the workforce beyond material and monetary rewards, with a pronounced focus on values and self-transcendent incentives, organizations have the potential to surpass individual success metrics and, in turn, contribute positively to the broader global landscape.

Acknowledgements

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