Maslow’s Self-Transcendence: How It Can Enrich Organization Culture and Leadership

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Abstract
Abraham Maslow, founder of humanistic psychology, developed the five-level Hierarchy of Needs. His identification of higher order needs, such as self-actualization, have played a major role in the development of organizational leadership, giving him the title Father of Modern Management and Leadership. Based on Maslow’s theory, most programs on personal development and motivation focus on the desire of individuals to actualize and fulfill their personal potential, which often leads to an over-accentuating of personal success at-all-cost. Maslow identified a sixth level of need, Self-Transcendence, which goes beyond individual needs. At this level, people view the world and their purpose in it on a more global scale. Self-transcendent leaders are characterized by a common purpose, a global perspective, and joint responsibility for the fate of the whole organization, identifying with a cause greater than themselves. This paper examines the enriching implications that self-transcendence can have on organization culture and leadership.

Key words: Maslow; hierarchy of needs; self-actualization; self-transcendence; purpose; organization culture; leadership.

1. Introduction
Over the last ten years organizations worldwide have suffered an ethical crisis with numerous scandals scarring the business landscape. The world has been inundated with news of corruption and organizational misconduct afflicting all sectors of business including public companies, for profit, non-profit, governmental, and even religious organizations. Since 2001 mega companies such as Enron, Adelphia, Tyco, WorldCom, and AIG failed spectacularly and disastrously as a result of the unethical and corrupt behavior of company leaders following dubious, even illegal business practices. As a result the image of organizational leaders became so tainted that a Pew Forum survey in early 2002 indicated that Americans actually thought more highly of Washington politicians than of business executives (Ashforth, Gioia, Robinsons, & Trevino, 2008). The situation prompted in-depth studies by researchers of corruption in organizations to increase the understanding of why individuals in organizations, and sometimes organizations as a whole, engage in such large-scale unethical and corrupt practices as we have seen in recent times.

2. Self-serving behavior of organizational leadership
Several factors are cited as the source for the widespread corruption in businesses, from ethical decision making gone awry to certain organizational factors such as organizational culture and social systems within the organization fostering corruption. Some theorists propose the notion that we are not merely dealing with organizational corruption due to the behavior of a few bad apples, but as a result of a complete moral collapse in organizations (Shadnam & Lawrence, 2011). In a review of executive leadership by the Harvard Business Review, the authors confirm that organizations over the last years became fixated on the roles of executives and company leaders to positively affect the bottom line and generate revenue. The authors state, “Until recently, the yardstick used to evaluate the performance of American corporate leaders was relatively simple: the extent to which they created wealth for investors” (O’Toole & Bennis, 2009, p 54). They urge the need for a new style of organizational leader and a change in how companies evaluate their leaders. The authors explain that forces of globalization and technology have conspired to complicate the competitive arena, creating a need for leaders who can respond differently to a changing world. O’Toole and Bennis (2009) posit that expectations of the role of corporations are changing – it’s not about profit alone any more, but about how the organization responds to social issues such as environmental degradation, domestic job creation, and even poverty in the developing world.
The authors conclude that, “Moving forward, it appears that the new metric of corporate leadership will be closer to this: the extent to which executives create organizations that are economically, ethically, and socially sustainable” (O’Toole & Bennis, 2009, p 56). They argue that the solution lies in leaders and executives becoming transparent and honest. It is also becoming clear that part of the problem lies in the criteria for selecting and hiring executive leadership. Most of the time, leaders are selected not for their demonstrated teamwork, but for their ability to compete successfully against their colleagues in the executive suite, in a sense for their own executive ego.

The cultural tone of business and profit-above-all is set at the top, by executives that self-actualized in a narrowly defined, egotistical manner, ending up with some executives focused solely on generating more revenue and surrounding themselves with like-minded leaders and followers. O’Toole and Bennis (2009) opine that changing the executive selection process is potentially the most powerful institutional lever for cultural change. The solution they propose focuses on honesty and transparency on the part of CEOs. In other words, companies and board of directors should choose better leaders and reward them in a different manner. However, this change, no matter how noble, is not enough to create lasting leadership transformation.

In part, this type of dominant corporate culture focusing exclusively on the bottom line of the organization at-all-cost stems from years of narrowly focusing on Maslow’s 5th stage of human motivation, self-actualization, as the culmination of personal fulfillment. However, while Maslow’s concept of self actualization involved developing to one’s fullest potential, it became narrowly defined and interpreted over time. The focus on self-actualizing as the highest level of motivation, especially in the context of corporations, fostered a self-serving and narcissistic leadership style, one that erroneously holds that success, especially financial at any cost, equals self actualization. Prominent corporate leaders and executives such as Bernie Ebbers, Ken Lay, Bernie Madoff, and Rod Blagojevich became household names over the last years as the epitome of self serving organizational leaders (De Cremer, Mayer, & Schminke, 2010).

Leaders such as these not only embarked on out of control self-serving behavior, but also displayed total moral collapse that eventually produced massive fraud. In 2002, WorldCom, a business empire built by self-made billionaire Bernard J. Ebbers, filed the world’s largest corporate bankruptcy. At the height of his success his personal assets were valued at $1.4 billion. In late June 2002, WorldCom admitted to inflated earnings by $3.8 billion, later estimated at over $11 billion. In September 2002, with $30 billion in debt, the company filed for bankruptcy. In 2005 Ebbers was found guilty of fraud and sentenced to 25 years in jail (Weidner & Purohit, 2009). This type of immoral self-serving behavior is certainly not what Maslow had in mind when he proposed and described self actualization as a high level of need and human motivation.

3. Maslow’s five-level pyramid of human motivation and leadership

Abraham Maslow, founder of humanistic psychology, developed the classic five-level Hierarchy of Needs pyramid explaining human motivation. It is especially his identification of higher order needs such as self-actualization, self-esteem, and motivation that have played a major role in the development of managers and leadership, giving him the title of Father of Modern Management and Leadership. Based on Maslow’s theory, the focus of a multitude of personal development and motivational programs are on the desire of individuals to actualize and fulfill their personal potential.

Over years leadership development programs have increasingly placed an exclusive focus on individual self actualization of personal potential as the highest order of motivation, in the process propelling individuals on a narrowly defined path toward personal success. This rigid and narrow definition of Maslow’s hierarchy of needs was further ingrained over time through the multitude of undergraduate texts in psychology perpetuating this version of the model, with self-actualization at the top of Maslow’s hierarchy without inclusion of self-transcendence (Koltko-Rivera, 2006). In fact, a Google search for the words Maslow hierarchy yielded 493 results with only the classic five-level triangle with self-actualization at the top (Saecdnia, 2010).

This exclusive and narrow interpretation of Maslow’s theory in management training programs, especially overaccentuating self-actualization as the highest order of need and motivation, fostered organizational leaders with egos spinning out of control, all in the name of self-actualizing their potential. Financial success and reward became the most important criteria of success and a benchmark of actualizing one’s potential.
However, organizational leaders operating from this level of self-actualization with a predominant egocentric focus are in danger of becoming narrow minded, distorted, and ruthless people with a flexible interpretation of rules and regulations. They run the risk of losing the ability to understand or empathize with the plight of others in the world and could easily become blinded by their focus on success and profit-at-all-cost. The proliferation of organizational and leadership corruption in recent times clearly indicates that numerous organizations over the last years became fixated on the role of executives and company leaders to generate revenue, on their ability to positively affect the bottom line regardless of how it was done, and in turn, facilitated executives to act in self-serving, even blatantly unethical ways (Kulik, 2005).

Ken Lay, previous CEO of Enron, is a classic example of this type of self-serving leadership fueled by egocentric self-actualizing that spun out of control. Until November 2001, Enron, an American power company, was one of the most highly respected companies, an investor-darling and media-favorite. In 1977, Business Week named CEO Ken Lay one of the top 25 managers of the year; Fortune magazine named Enron the most innovative company for seven consecutive years prior to its downfall, printing a glowing interview of Ken Lay; Money magazine named Enron as one of six energy must-have stocks; and Better Investing magazine stated in 2001, close to the downfall of the company, that they still expected the company to grow at a 17% average annual rate over the next five years (Kulik, 2005). In October 2001, the company filed bankruptcy, and its auditors, Arthur Andersen, the fifth largest audit and accountancy partnership in the world dissolved when it came to light that the executives at Enron, through the use of loopholes in the law, as well as poor and fraudulent financial reporting, hid billions of dollars of debt from investors. Shareholders lost $11 billion while workers at Enron, encouraged to invest their total 401k savings in company stock, lost everything. In the aftermath several executives were indicted and later sentenced to prison.

Maslow refers to leaders such as the executives at Enron, as suffering from an ego-deficiency status with dichotomous thinking; they have a need to force attributes of security, familiarity, and sameness unto others, trying to create a sort of manageability to alleviate their growing insecurity (Frick, 1989). Maslow reasoned that openness to others is for these people threatening referring to them as deficiency motivated personalities, not really self-actualized, who find their solace in an artificially created, simplistic universe, in stereotypes and in a static, polarized world (Frick, 1989). No one at Enron in the end had a chance to think or act differently from the leadership – like-minded people were hired from the best MBA programs and dissenters were driven out or punished with demotion. At the same time that the organization-wide corruption was taking place at Enron, the company’s stated values was encapsulated in the acronym RICE – respect, integrity, communication, and excellence. Their ethical program taught that “arrogance and ruthlessness have no place here,” but according to Sherron Watkins, the former Enron vice president of accounting whose memo to late Chairman Ken Lay set in motion events that exposed Enron’s corrupt accounting practices, the real value was “smart people are expected to be arrogant and ruthless.” (Beenen & Pinto, 2009, p279). She further relates that they were taught that, “honesty and integrity is how we deal with all our customers,” while in reality the real value in practice was, “unless of course it is more profitable for us to change our mind and then we will.” (Beenen & Pinto, 2009, p279).

In spite of the numerous organizational factors cited as reasons for the widespread corruption, some research shows that there is a need to maintain an individual focus as the central element in understanding the proliferation of misconduct in organizations (Shadnam & Lawrence, 2011). Although the individual in the organization interacts with various systems such as the social structure, the organizational culture, and the ideology that makes up the structure of organizational life, it seems as if the motivations and behaviors of individual leaders of the organization such as CEOs, CFOs, executives, and managers are the main catalysts that determine the direction an organization will take. The call for new laws, ethical guidelines, or governmental regulation will do little to alter the course set by the leaders. Numerous ethical and regulatory guidelines already existed in the numerous different types of organizations rife with corruption over the last years and have done little to stem the flow. In addition, merely calling on leaders of organizations to become more transparent and honest, although a necessary step will probably have little effect on creating a new culture of leadership.

4. Maslow’s sixth level of human motivation: self-transcendence

In recent years it became known that before Maslow died, he identified a sixth tier of need and human motivation. He referred to this level as self-transcendence as illustrated in Table 1 (Koltko-Rivera, 2006). During his research, Maslow noted that some individuals have gone beyond the level of self-actualization as a salient motivation.
He came to the idea of self-transcendence because he felt that too many theorists defined the Self simply in terms of what other people think or their perception of a person, which Maslow saw as an extreme cultural relativity in which healthy individuality gets lost altogether. He reasoned that the healthy, fully developed person is characterized not by egocentric, selfish behavior, but by his or her transcendence of other people’s opinions. Maslow specifically used the term transcendence to differentiate this kind of person from the dichotomization of self and the environment, stating that it is a person freed from the “dichotomous way of thinking.” (Maslow, 1968, p. 180).

According to Maslow (1968; 1973) a healthy personality, while including success in appropriate coping behavior involving mastery, effectance, and competence (or self-actualization), must also include a point where the individual is freed from the influence of his or her environment, specifically from the way that environment effects their personal development. One of the main forces inhibiting personal growth he identified was culture. Although culture is important, he reasoned that one needed to reach transcendence of, independence of, or resistance to enculturation, or else such forces could distort the way one sees the world in that such a person can only identify him or herself as the culture around them prescribes (Maslow, 1968; 1973). According to Maslow they would eventually perceive the world and people from other cultures only through the prism allowed by their culture. Maslow reasoned that there are people that can transcend their culture without being alienated from it. When this happens they are no longer grounded or anchored in their own culture alone; they are not exclusively defined by their immediate environment any longer and do not have an over-identification with one group alone (Frick, 1989; Maslow, 1968).

Without distortion of their own cultural identity or developing crippling insecurity, they can identify and side with other people, different groups, entities, causes and nationalities. Maslow described self-transcendence as a person’s ability to obtain a unitive consciousness with other humans (1964; 1968). The transcended person is therefore able to view the world and his or her purpose in the world in relation to other human beings on a more global scale and is aware that they can have an impact, not just within their own geographical boundaries or culture, but on the whole world. Maslow (1973) postulated that one main characteristic of self-actualized people is autonomy and independence from culture and environment. They do not need the approval of other people; their opinions are not formed in light of their own immediate circumstances. Maslow held that self-transcendence is reached when a person seeks to further a cause beyond the self and to experience a communion beyond the boundaries of the self (1968). These transcended individuals who reach the top of Maslow’s revised hierarchy typically seek a benefit beyond the mere personal, identifying with something greater than the purely individual self, often engaging in selfless service to others (Koltko-Rivera, 2006).

The main implication of Maslow’s revised model, with the inclusion of self-transcendence, on organizational leadership is the effect it has on the worldview of individuals. Worldviews are sets of assumptions held by individuals and cultures about the physical and social universe (Koltko-Rivera, 2006). An aspect of worldview specifically affected by Maslow’s self-transcendence is one’s purpose or meaning of life, allowing for a richer conceptualization of the meaning of life; such a person develops a deeper sense of purpose, a sense of purpose not only focused on the needs of the self, but a sense of purpose anchored in the plight of the whole world. Organizational leaders that self-transcend see the purpose of the organization as more than just financial success at-all-cost while taking from society. They find meaning in life by connecting their life’s journey and happiness to the condition of others; not only those from the same culture directly around them, but from others all over the world, regardless of race, sex, country, or religion.

The person in a state of transcendence is freed from the practice of categorizing, pre-judging and stereotyping the world and other people in it (Venter & Venter, 2010). They are, therefore, able to view the world, and therefore the organization, differently – not as dichotomous, different, separate, individual, but as a whole, as one interdependent unit (Frick, 1989; Maslow, 1968). Maslow argued that people at this level of motivation transcended their dichotomous nature and became autonomous, ruled by the laws of their own character rather than by the rules of society (1968). Transcended people become guided from within; they rely on their inner voices to develop values and rules for living (Frick, 1989; Maslow, 1968). According to Koltko-Rivera (2006), at the level of self-transcendence, the individual’s own needs are put aside, to a great extent, in favor of service to others and to some higher force or cause conceived as being outside the personal self.
According to Maslow (1968; 1973), a healthy personality develops autonomy resulting in people reaching success in appropriate coping behavior involving mastery and competence, typically behavior associated with his fifth level of the pyramid, self-actualization. However, it must also include freeing oneself from surrounding influences that can foster rigidness such as a narrowly defined organizational culture. At the level of Maslow’s self-transcendence, leaders are able to truly affect lasting change in organizational culture.

5. Changing corporate culture through self-transcendence

Applying Maslow’s concept of the transcended individual to organizational leadership, the solution to the widespread corruption and lack of ethical behavior in organizations is twofold: a change in the dominant corporate culture and a change of heart among leaders. While changes in regulations and laws are necessary to ensure ethical behavior, Maslow’s neglected sixth level in the hierarchy of human motivation, self-transcendence, holds the solution.

5.1. Self-transcendence and organizational leadership

Managers and organizational leaders whose behavior is motivated by Maslow’s level of self-transcendence will typically be bound together with a common purpose, a global perspective, and joint responsibility for the fate of the organization. They will see the organization as part of a global community that defines itself not by differences, but by the same common purpose. This purpose will no longer be rigidly and egotistically defined such as higher profit margins at-all-cost, although for the longevity of the organization the company’s bottom line does remain important. They will not be bound by rigid conceptualizations and narrow definitions of leadership and will not force attributes of sameness on workers. In contrast the ego-driven leaders, who according to Maslow actually suffer from ego deficiency, are not easily challenged in their actions and thinking. In addition, they are prone to force others to think and do as they do. They are prone to create artificial, simplistic, and polarized organizations that can easily be steered in one direction, in the case of many organizations such as Enron, over the cliff of ruin. The transcended organizational leader embodies the opposite of this destructive rigidity; they transcend their own personal, social, and cultural needs, going beyond themselves and their own needs to embrace the cause of others including society around them.

5.2. Self-transcendence and organizational culture

Regarding a change in organizational culture, based on the principles of Maslow’s self-transcendence, organizations need to redefine leadership success in organizations as not only the super-performance of individual leaders alone, but on leadership actions going beyond the self to serve the needs of others. Organizations must focus on ethical responsibility and ethical leadership as part of the criteria for success and demand that their executives go beyond the bottom line, beyond profits and expansions alone. There is a need to change the culture in the organization from an exclusive focus on WHAT is earned to include HOW it is earned. Leaders must be encouraged and rewarded for focusing on a common purpose, a global perspective, and joint responsibility for the fate of the organization and the society within which it exists.

In the current organizational culture of many companies there is a narrow focus when it comes to compensation and reward for leadership with an over-emphasis on material symbols and rituals for praise and compensation. It is understandable that organizations will still produce millionaires and top earners – the market needs them and they are vital in the current economic system, but it is time to redefine how those millions are made. Organizational culture that embodies transcendent leadership can be a part of their product, focus on the role of the company in the environment, the world, the area they do business in, on the people and society around them and the impact they can have on that world. The BP Oil Scandal in 2010 in the Gulf of Mexico is an example of leadership and organizational culture that did not embrace the concept of self-transcendence.

It was the largest accidental oil spill in the history of the petroleum industry with the total cost to the environment and the lives of people still not fully determined. The CEO had to eventually resign after stating in the midst of the crisis that he would like to have his life back and while the oil was still gushing unabated into the Gulf, he entered his personal yacht in a major competition, which he also attended. Recently BP announced it was paying $4.5 billion in a settlement with the U.S. government over the disaster. Three employees are also indicted on Federal charges and BP announced that it would plead guilty to the criminal charges related to the deaths of 11 workers and false testimony to the U.S. Congress.
The indictment claims a former executive, David Rainey, who was BP’s vice president of exploration for the Gulf of Mexico, lied to federal investigators when they asked him how he calculated a flow rate estimate for BP’s blown-out well in the days after the disaster (ABC News, 2012).

This kind of behavior emphasizes the need among organizations to go beyond striving for profit alone, to expand their goals to include social responsibility as equally important as declaring a profit for shareholders. Apart from changing the organizational leadership culture, there is also a clear need for more self-transcended leaders to emerge in organizations.

6. The self-transcended leader

The self-transcended leader is the person who breaks free from organizational culture that focuses only on results at-all-cost and redefines their role and redirects their actions to include a distinct social and environmental focus. According to Maslow (1968; 1973), the self-transcended person reaches a point where they are freed from the influence of their environment, specifically from the way that their environment effects their personal development. Maslow reasoned that this step in personal development towards self-transcendence does not mean that a person becomes alienated from his or her culture. In the case of organizational leadership the self-transcended leader does not become alienated from the financial and production goals of the company in this process. They are able to view the world and his or her purpose in the world in relation to other human beings on a more global scale; they become aware that the organization can have an impact, not just within their own geographical boundaries, but on a global scale (Frick, 1989; Maslow, 1968). They are able to transform the organization and in the process impact the world around the organization positively. Rozuel (2011), researching ethics and transcendence in business, confirms the fact that the transcendent leader is not constrained by existing common boundaries, but rather goes beyond the opposites in organizations to redefine the context and the terms of the dialogue.

Maslow held that self-transcendence is reached when a person seeks to further a cause beyond the self and to experience a communion beyond the boundaries of the self (1968). These transcended individuals who reach the top of Maslow’s revised hierarchy typically seek a benefit beyond the mere personal, identifying with something greater than the purely individual self, often engaging in selfless service to others (Koltko-Rivera, 2006). Therefore, self-transcended leaders in organizations focus not only on profit, but on the good they, their products, and their organizations can do to the world around them. Such leaders develop a deeper sense of purpose, not only focused on the organization, but anchored in the plight of the whole world around the organization. They free themselves from an organizational culture where personal success and profit at-all-cost is the only criteria and motivator of success.

Campbell’s Soup is one such company that embodies the principles of self-transcendence. This food company founded in 1869, publicly trades on the NYSE and has 17,870 employees. They publish an annual Corporate Social Responsibility (CSR) report that holds them accountable to their goals of nourishing their consumers, nourishing their neighbors, nourishing their employees, and nourishing their planet (Yahoo! Finance, 2012). Everyone in the company adheres to a code of business ethics - the CEO, leaders, managers, and employees - based on a document called Winning with Integrity. The company vows to compete vigorously but within a code of ethics bound by social responsibility. Their goal and commitment to all stakeholders in the company is to be a more sustainable organization and create long-term value in society. In a statement they call, “The Way We Work” the company declares, “We will positively contribute to building and sustaining a safe, diverse, inclusive, engaged and socially responsible workplace focused on delivering business results with integrity.”

The CEO, Denise M. Morrison, states in her 2012 CSR report, “We are committed to nourish consumers’ lives ‘their way’ with tasty, affordable, convenient food and beverages while helping to make our communities and environment better.” In this company, the CEO, corporate leaders, and employees came together to redefine corporate culture and the nature of leadership, in the process transcending not only themselves, but the company as a whole (Corporate Social Responsibility Report, 2012). Another example of transcended leadership that led to corporate citizenship initiatives is GE’s program to adopt underperforming public high schools near several of its major U.S. facilities. The company contributes between $250,000 and $1 million over a five-year period to each school in addition to other donations. GE managers and employees take an active role by working with school administrators to assess the needs of schools and mentor or tutor students.
The result is that the graduation rate in four of the five worst performing schools in the program doubled from an average of 30% to 60% (Porter & Kramer, 2006).

The forces of globalization and technology have complicated the competitive arena, creating a need for leaders who can respond differently to a changing world. It’s not about profit alone any more, but how executives can create organizations that are economically, ethically, and socially sustainable. Self-transcended leadership that identifies with a cause greater than the individual self and which engages in selfless service to others may be a key factor in creating such socially sustainable organizations that do not implode on themselves with disastrous consequences when ego-driven, narcissistic leaders spin out of control in their quest to self-actualize. Moving away from over-emphasizing Maslow’s fifth level of human motivation, self-actualizing, and incorporating his neglected sixth level, self-transcendence, in leadership programs and organizational leadership development can positively enrich organization culture and leadership style and thereby the lives and society of the people these companies serve.

**Table 1: A Rectified Version of Maslow’s Hierarchy of Needs (Koltko-Rivera, 2006, p.303)**

<table>
<thead>
<tr>
<th>Motivational level</th>
<th>Description of person at this level</th>
</tr>
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<tbody>
<tr>
<td>Self-transcendence:</td>
<td>Seeks to further a cause beyond the self [a] and to experience a communion beyond the boundaries of the self through peak experience [b].</td>
</tr>
<tr>
<td>Self-actualization:</td>
<td>Seeks fulfillment of personal potential.</td>
</tr>
<tr>
<td>Esteem Needs:</td>
<td>Seeks esteem through recognition of achievement.</td>
</tr>
<tr>
<td>Belongingness and love needs:</td>
<td>Seeks affiliation with a group.</td>
</tr>
<tr>
<td>Safety needs:</td>
<td>Seeks security through order and law.</td>
</tr>
<tr>
<td>Physiological (survival) needs:</td>
<td>Seeks to obtain the basic necessities of life.</td>
</tr>
</tbody>
</table>

Koltko-Rivera, 2006 Note: The earliest and most widespread version of Maslow’s hierarchy (based on Maslow, 1943, 1954) includes only the bottom five motivational levels (thus excluding self transcendence). A more accurate version of the hierarchy, taking into account Maslow’s later work (especially Maslow, 1969a) and his private journal entries (Maslow, 1979, 1982), includes all six motivational levels.

[a] This may involve service to others, devotion to an ideal (e.g., truth, art) or a cause (e.g., social justice, environmentalism, the pursuit of science, a religious faith), and/or a desire to be united with what is perceived as transcendent or divine.

[b] This may involve mystical experiences and certain experiences with nature, aesthetic experiences, sexual experiences, and/or other transpersonal experiences, in which the person experiences a sense of identity that transcends or extends beyond the personal self.
References


