

# The Relationship between Entrepreneurial Success and Growing Ego Needs

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## Abstract

This paper argues that the personality characteristics of entrepreneurs may effect the transformation process whereby inherit personality characteristics are shaped through a chain of successes. Conceptual propositions are developed, in order to manifest certain crucial aspects of growing ego needs in successful entrepreneurs, and possible consequences in entrepreneurs' managerial behavior are examined.

According to Freud (1966), "control of emotional stimuli" may not always prevail when individual defense mechanism is actively engaged in holding onto ego needs. Thus, the mechanism of rationalism can outrun emotions, which result in constructing socially acceptable reasons for the purpose of justifying those emotions that may unconsciously erupt (Freud, 1966). In this respect, growing ego needs may contemplate on successful entrepreneurial actions of individuals which lead to the separation of individual identity from the ego. For example Hartman (1958) argues that ego and individual identity (id) exists at birth with no differentiating characteristics. When environmental adaptation becomes an essential part of individual's life, normative conflicts arise and as a result, ego drops out of the identity (Hartman, 1958). Broadly put, conflicts faced by entrepreneurs widen the gap between ego and id while sequential successes strengthen it. The superiority of ego over id may bring forth disdain in managerial behavior of entrepreneurs. Unless environmental adaptation is achieved, ego cracks would cause failure in entrepreneurial behavior. This can also result in the collaborative actions of such entrepreneurs to be completely depleted.

## **Introduction**

Entrepreneurial orientation is suggested to have a robust effect on individuals who endeavor to overcome the constrained commonplace conditions (Boussouara & Deakins, 1999; Carson et. al 1995, Bjerke & Hultman, 2002) and deliver worthy achievements like social stability and world peace. As an example, investigating the distinctive characteristics of entrepreneurs, McClelland (1961) argues that properties such as “need for achievement” and “risk taking” influence the entrepreneurial actions of individuals strongly. This stream of research focuses on individual attempts to think out of the box, and challenge the conventional way of thinking. However, a different research which focuses on psychoanalytic theory and ego psychology claims that the concepts of ego, “id drives” and their personality serving characteristics bring forth the hidden meaning behind the observable social action of individuals (eg. Freud, 1961; Freud, 1966; Hartmann, 1958; Hartmann, Kris and Loewenstein, 1964). The ability of the ego to provide the needs of both id and “super ego” has a paramount effect on pleasure and satisfaction experiences for those individuals (Freud, 1961). In this vein, since individuals and specifically entrepreneurs encounter more accomplishments throughout their lives, their tendency to seek more of ego supplied satisfaction and growth can become increasingly prepotent.

Environmental adaptation leads to transformation of certain parts of id into a “structured ego” (Freud, 1970), although there is no differentiation between id and ego at birth (Hartman, 1958). Specifically, Freud (1970, p.145) states that the id “contains everything that is inherited, that is present at birth, is laid down in the constitution – above all, therefore, the instincts which originate from the somatic organization and which find a first psychical expression here in forms unknown to us”. Taking this definition into account, Rubin (1998) argues that the body’s, desires, wishes, and self unconsciousness are essential parts of the development of “the self”. From this point of view, subjective meanings embedded in individual’s self experience become the basic element in each social action for understanding the motives behind the realized human behavior (Rubin, 1998), hence the entrepreneurial action.

## **Theoretical Framework and Propositions**

Besides personal traits related to education and experience, which leads to successful business establishments and new ventures (Bruderl et al. 1992), the functions of ego and id can be considered to have a major impact on entrepreneurial behavior. By assuming individuals as pleasure seeking organisms, it is argued that ego searches for pleasure producing experiences in order to satisfy id’s drives and this process gives birth to defensive, intellectual-cognitive and executive behaviors (Snowden, 2006). Specifically, ego can be examined as a part of the id that adapts and adjusts to those conditions residing in the external world (Freud, 1961). Additionally, ego covers unconscious behaviors of individuals who make sense of the world around them through conscious awareness found in “the self” (Snowden, 2006). From this standpoint, ego is a mediator that links id, super ego and the environment (Freud, 1961). Furthermore, Aldrich (1999, p.80) foresees that the distinction between reproducer and innovative organizations in a certain environment comes alive due to the specific characteristics of individuals whose “routines and competencies vary significantly from those of existing organizations”.

Freud (1961, p.25) proposes that the relationship between ego and id could be associated with “a man on horseback, who has to hold in check the superior strength of the horse; with this difference, that the rider tries to do so with his own strength, while the ego uses borrowed forces”. As defense mechanisms enable entrepreneurs to inhibit feelings of discontent, a tension between ego and super ego occurs (Myers, 2007). The main argument here remains that super ego, whose purpose is to acquire perfection under the circumstances the individual faces, postulates those occasions which is in direct opposition with id (Myers, 2007). Capturing achievements and perfection strengthens super ego and at the same time, ego cracks may come into existence because of the weakening role of ego as a mediator between id, super ego and the outer world. Additionally, Aldrich (2005) points out that the meaning of entrepreneurship and founding of a new organization is closely related to each other. As a result, the relation between id, ego, super ego and the environment becomes the fundamental issue of entrepreneurship through displaying characteristics of the need for achievement which may be associated with the harmony among these constructs.

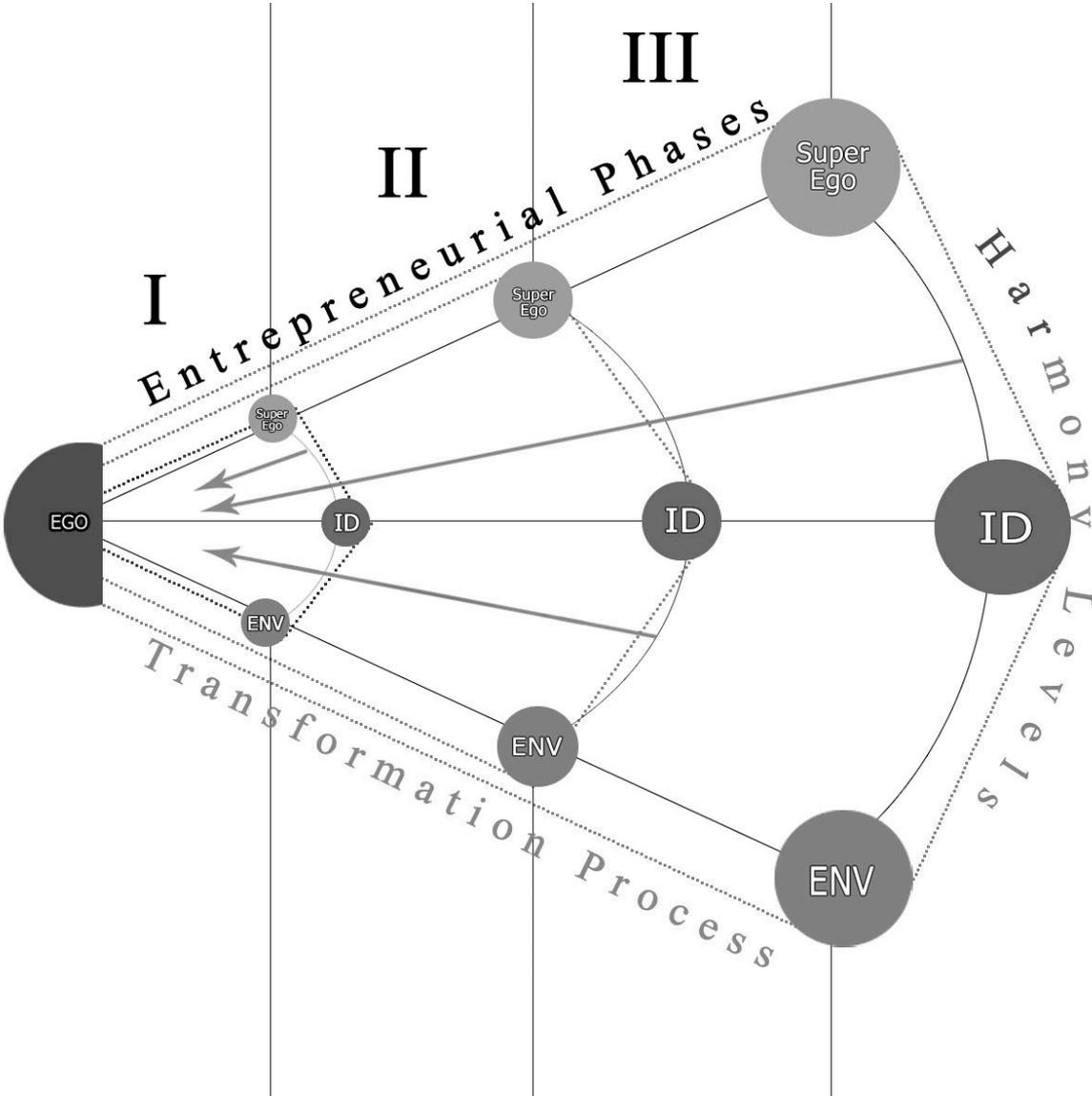


Fig. 1. Badminton Chart – Links among entrepreneurial phases, individual transformation process and harmony levels

Thus, entrepreneurial action can be conceptualized as a function of id, ego, super ego and environmental conditions. From an intention perspective, Hartmann (1981, p.43) states that “the goals of an individual’s actions mirror his relationships with the outer world, but also his instinctual drives, his interests, his moral demands, the state of mental equilibrium, and so forth”. While the ego is differentiated by some dominant characteristics (such as its pleasure and morality seeking nature), ego and super ego together affect the forming of individual goals (Hartmann, 1981). Likewise, starting at the early childhood, a transition from egocentric thinking to the realization of different ego(s) around the individual occurs and the relativity of the self becomes obvious to “the self” in transition (Rapaport, 1951).

In addition to this, Perls et al. (1989) claim that human organism actively strives to achieve the expression of certain types of behaviors while it inhibits other types of behaviors. When the individual elevates the inhibition on the constrained behavior, it does not passively emerge, but the behavior is actively brought to pass (Perls et al., 1989). From this standpoint, basic drives of the personality, id and “pleasure seeking nature of human action” causes the adaptation of id to individually experienced reality (Noam et. al, 1984). Hence, the transformation of id in light of active behavioral actions of individuals comes into existence. On the whole, Hartmann (1981, p.139) states that “the ego, has from its start the tendency to oppose the drives, but one of its main functions is to help them toward gratification; it is a place where insight is gained, but also of rationalization; it promotes objective knowledge of reality...”

Parsons and Shils (1951) foresee that individual adaptation to a specific value standard or an expectation, causes the actor to manipulate its own resources to promote his/her desired goal, object or state. In this vein, it can be argued that there is a strong relationship between entrepreneurial adaptation and the transformation of inherited personal characteristics. While the alteration of ego towards the satisfaction of id becomes the dominant type of behavior in entrepreneurial action, growing ego needs leads to ego cracks which would bring forth the contentment in individual identity. The main argument here is that, unless the proper adjustment of id to the outer world is made by the ego, the gap between ego and id will deepen with time and damp down the managerial skills of successful entrepreneurs.

Proposition 1. The greater the presence of environmental adjustment of id by the ego, the greater the harmony among id, ego, super ego and the environment and the greater the succeeding use of entrepreneurial action and managerial skills.

Proposition 2. The greater the lack of environmental adjustment of id by the ego, the greater the disharmony among id, ego, super ego and the environment, the lower the succeeding use of entrepreneurial action and managerial skills.

### **Conclusions and Managerial Implications**

When the state of satisfaction prevails within the id, there will be no occasions of impulses directed to disturb ego in search of gratification (Freud, 1960). Consequently, the extent to which entrepreneurial action becomes successful and managerial skills recuperate will be maximized. In a similar manner, equilibrium would appear at each harmony level with the adjoining entrepreneurial phase. On the other hand, however, the overlap of ego and id

may produce a confused picture of the super ego. The perceptible state of super ego becomes extinct only through the disappearance of criticism towards ego which evokes contentment (Freud, 1960). Therefore, entrepreneurs contemplating on the harmony of id, ego, super ego and the environment would have better chances to achieve more successful outcomes than their counterparts. Additionally, as long as the alienation of ego and id is collared by preventing the dominance of stimulus coming from the super ego, entrepreneurial action will have a prosperous effect on newly established and/or matured ventures. Through achieving environmental adaptation and harmony among ego, super ego and id, entrepreneurs can use their skills and collaborative action effectively and serve as the elevation point for new successes to be followed.

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