On a Positive Sense of Arthur Schopenhauer’s Pessimism Applied to Strategic Management

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Some philosophers understand the pessimistic model of Schopenhauer like finished product. Pessimistic ideas, issued from the Plato and Buddhism, have been transformed by Schopenhauer in the full-fledged vision of World and human moral. However, this phenomenon or paradigm ought to be not only negative sense, but new positive concerning of pessimism in the strategic management in nowadays economy. That is why this article deals with the attempt of practical adaptation of the system pessimism by A. Schopenhauer as positive model: cautious strategy of behavior. It is used an analogy and the principle of "Maximin", which is spread on strategic management. The result of such interpretation can also be applied to social sciences and interdisciplinary researches.

Keywords: pessimism, strategic management, ethics, casuistic situation, Schopenhauer.

Research area: philosophy.

1. Interpretation of Schopenhauer’s pessimism

In this article it applies the logical method of “reductio ad absurdum” to my remarks. This method is quite simple and can be a clear form of demonstration that allows us to completely grab our path of thought. The assumption is: the Pessimism of Schopenhauer denies the will to life and therefore life is unimportant and coincidental.

As a matter of fact, Schopenhauer himself leads his readers to the conception that he denies the will to life. This is the claim, which he even uses as a title in one of the last chapters of the first volume in his opus The World as Will and Idea. It leaves one with the impression as if life was something meaningless; as if it was something that was not worth caring for. We conclude this, since he is saying the following:

...life of our body is only a constantly prevented dying, an ever-postponed death: finally, in the same way, the activity of our mind is a constantly deferred. Every breath we draw wards off the death that is constantly intruding upon us. In this way we fight with it every moment, and again, at longer intervals, through every meal we eat, every sleep we take, every time we warm ourselves (Schopenhauer, 1909, p. 400).
From a linguistic point of view the words “pessimism” and “optimism” are the superlatives of their corresponding adjectives. “Bonus” (good, positive, well-tempered) is becoming “optimus” in the superlative, “malus” becoming “pessimus”. I want to address two interpretations of optimism and pessimism in Schopenhauer, which shall serve us as a testimony to the general character of Schopenhauer’s Philosophy.

1) The reading of optimism and pessimism, based on the system of possible worlds, in which our world is perceived either as the best or the worst of all possible worlds (or something in between these two).

2) The Interpretation of optimism and pessimism through the framework of the historical process.

In the first case our world is, because of its imperfection, the worst. In the second case, the scientific value of history is denied. For Schopenhauer its designated role is nothing more than to be the memory of the human race, in which self-consciousness is presented to humankind. From this standpoint history mirrors the suppressed existence of man, and likewise his committed errors. His being is transformed into a succession of random events. As he says:

“Therefore, there is no system of history, as there is of every other science. It is therefore certainly rational knowledge, but it is not a science. For it never knows the particular by means of the general, but must comprehend the particular directly, and so, as it were, creeps along the ground of experience” (Schopenhauer, 1996, p. 217).

Just in this conception of history, the careful approach Schopenhauer’s to human action and his hope for a transformation of the world is displayed. But none of his interpreters is willing to see Schopenhauer’s pessimism in a positive light. One encounters a multitude of negative evaluations. Especially in Russian philosophy a negative attitude in the treatment of his work becomes apparent. Petr Kalatschinski, for example, writes in his book the following:

“From man being a goal driven creature, capable of having desires, does not follow that he is doomed to suffering; nature neither denies him the forces nor the means to satisfy his desires, she gives him the opportunity to extract joy from this. Without need and poverty there wouldn’t be any well-being, because well-being is just that which compensates for the deficiencies. <…> When we succeed to complete our challenges and achieve our desired goals, we are filled with elevated feelings of satisfaction not only because we achieved the wanted result, but also because we did it with our own strength” (Kalatschinski, 1887, p. 126).

In the German philosophical tradition Schopenhauer’s pessimism is explained through the prism of Buddhism, e.g. J. Rehmke (Rehmke, 1882, S. 19 – 33).

This historical view leads to an understanding of the roots of Schopenhauer’s teachings, but it doesn’t contribute to a reconstruction of his paradigm.

An attempt to understand the pessimism of Schopenhauer from the angle of his intelligible character is undertaken in the dissertation of David Neumark (Neumark, 1896, S. 82–85). Usually the analysis of pessimism is done by starting with the term of Will, as seen in J. Garewicz (Garewicz, 2002, S. 15 –17).

But none of his successors tried to break out and bust the framework of contextual analysis in the study of Schopenhauer. Most interpreters are still roaming in the hermeneutical circle, which sets certain limits to the interpretative potential.
2. The positive role of Pessimism

It needs to be underlined, that in his major works Schopenhauer perceives the role of human beings in this world as a quite tragic one. But in his writings for “the common man” (his popular writings) his thought and style take on a very different coloring. For instance, in his book “Aphorismen zur Lebensweisheit” [“Aphorisms on the Wisdom of Life”] he gives advice on how to understand and develop oneself and on what to avoid. In his text the tendency to propagate a cautious way of living is clearly visible. He is talking about a reasonable way of living, which is meant to help the individual to evaluate his gifts and talents objectively.

“To live with complete prudence and to gather out of one's experience all the wisdom it contains, it is necessary to often think back and to recap what one has experienced, done and felt by it, and also to compare one’s former judgment with the present one and the intentions and ambitions with the success and satisfaction achieved. This is the repetition of the privatissimus, which experience reads to everyone” (Schopenhauer, 1877, S. 444 – 445).

He does not deny the fact that health is of critical importance for each human being and that it is even a prerequisite for personal happiness, therefore we should view health as a pursuit in its own right.

“After all 9/10 of our happiness is based solely on health. With it everything becomes a source of pleasure: Without it however no good, of whatever type, is pleasurable and even subjective faculties, the properties of the mind, the wits and the temper are lowered and crippled by illness” (Schopenhauer, 1877, S. 344).

In other words, we can interpret his pessimism as a cautious strategic approach to life. This means, pessimism doesn’t deny the possibility of a life-affirming behavior and consequently it doesn’t rule out the transformation of the world for the better.

It is necessary to carry out a synthesis of economical conceptions and the philosophy of Schopenhauer to be able to treat the positive role of pessimism in a constructive way. For this purpose we want to make use of the term, strategic management to open up the possibility to generate a “pessimistic scenario”.

3. Strategic management and a Maximin principle

First, we want to take on some of the basic characteristics of strategic management. It has to be highlighted that there is an abundance of definitions for strategic management. Only a few of them shall be mentioned here. B.C. Bowman for example is telling us the following:

“Strategic management is the type of administrative occupation that concerns itself with defining tasks and goals of an institution, and to maintain positive relations between the institution and the environment, thereby allowing the institution to realize its potential, achieve its goals and to adapt itself to the outer circumstances” (Bowman, 1997, p. 171).

As the objects of strategic management we consider different sorts of institutions, strategic economic branches, as well as distinct functional areas within institutions.

The topics of strategic management are:
1. Problems connected to the general goals set by an institution.
2. Problems and decisions, which are caused by an element of the organization, if this element is critical for achieving the goal, but is temporary not or only partly available.
3. Problems created by – non controllable - outer circumstances.
The strategic analysis concerns problems of motivating the subjects of economic activity, its existence in the outer world, the main criteria of success and its mission. Subjects of this analysis are in this case corporations and institutions. In the system of Schopenhauer the subjects are man, his inner and outer world, the ethical law, his motivation and goals in life. In both cases the strategy consists of a hierarchy of objectives aimed at a certain result. In Schopenhauer’s moral-philosophy the situation of man, his means and conclusion of his doing is precisely outlined, which brings the economical and ethical strategies to a similar form.

For a better understanding of the decision-making process in the light of the realization of strategies, we’d like to introduce the term “decision-making-person” (from now on DMP). When making decisions a subject should follow criteria that lead to an efficient result. In this context, we can distinguish between a cautious (pessimistic), optimistic and rational strategy. We will concern ourselves with the pessimistic one. In this strategy the DMP is guided by the rule, “expect the worst” (Lafta, 2002, p. 143). Of course, the decision-making-process includes motivation, circumstances, the general outer milieu and the expected outcome. The true outcome in reality is never known. In that case the DMP chooses, according to pessimistic criterion, from the worst variants the best.

In this regard, Schopenhauer’s pessimism plays the same role as the pessimistic strategy in management. Proceeding in a cautious manner, we can play out the scenarios of the worst variants in a step by step fashion. This allows us 1) to minimize risks, 2) to account for changes in the environment and finally 3) to avoid wasting precious energy. The pessimistic criteria (or maximin) for usage in economical analysis have been applied by the mathematician Abraham Wald. He is making use of it in his work “sequential analysis”:

>“Any sampling plan which does not provide for complete inspection of the lot may lead to a wrong decision. That is, we may accept the lot when \( p>p' \), or we may reject the lot when \( p<p' \). Since complete inspection is frequently not feasible, or too costly, we are willing to tolerate some risks of making wrong decisions. In order to devise a proper sampling plan, it is necessary to state the maximum risks of wrong decisions that we are willing to tolerate. \(<…>\) Thus the tolerated risks are characterized by four numbers, \( p_0,p_1,\alpha,\beta \). The choice of these four quantities is not a statistical problem. They will be selected on the basis of practical considerations in each particular case” (Wald, 1948, p. 89).

Nowadays Wald’s pessimistic criterion is applied to various processes in the field of administration (see Nabakayashi, 2009, p. 135). As an example we want to examine an economical task where the pessimistic criteria are crucial.

4. The task of finding the optimal solution

Company “X” produces electronic devices and equipment. Special batteries are sold for 50€, costing the company all in all 40€. The director needs to decide on the volume of products to be produced. He calculates that the probability is 50% that the demand will be 130 thousand pieces per year, with a probability of 20% he will be selling no more than 100 thousand pieces, but with a probability of 30% the demand will be even 170 thousand pieces. For overproduction a loss of 10€ per piece is estimated, compensating for the extra utilization of capacities. If the demand is only partly provided for, the company will need to spend an extra 300 thousand € to keep up its
reputation. The question is: how many batteries per year should be produced? Please use all available criteria to make the optimal decision. Describe what it means for the DMP, making use of each criterion.

Given:
A (100,130,170) – Volume of production
H (100,130,170) – Demand (independent of outer circumstances)

If the probability-value is known, the set >>H<< will take on the following values: H (0.2 (100), 0.5 (130), 0.3 (170); the sum of the probability-values of all possible events equals 1.

There are additional conditions, namely:
Extra costs of 300 thousand € (for not meeting the demand) and 10€ (for expired products, caused by overproduction).

Ideally we will have a situation, where P (the price) − C (production costs) * Hj
W11 = (50– 40)* 100) = 1000
W22 = (50– 40)* 130) = 1300
W33 = (50– 40)* 170) = 1700

Additional condition 1:
If demand is lower than supply (see the lower triangle of the Matrix), according to the condition, extra costs of 10€ per unit of oversupply have to be calculated. In this case demand is lower than supply: A>N.

Hence, we find: (W21, W32, W31) meaning the true outcome of the consequences, which result from the selection of a certain alternative and commitment to a distinct state of milieu, calculated by this formula:

\[ wij = (price * Hj - expenses*Ai) - S (per piece) * (Ai - Hj) \]

W21 = (50*100 – 40*130)- 10 (130-100) = -500
W31 = (50*130 – 40*170)- 10 (170-100) = -2500
W32 = (50*130 – 40*170)- 10 (170-130)= -700

Additional Condition 2:
We find: (W12, W13, W23) – the true effect of the consequences, results and outcomes, when a certain alternative and a distinct state (the upper triangle of the Matrix, where extra costs for a marketing campaign become necessary) is chosen, with the formula:

When A<N: D (300 thousand €) – extra costs, independent of the amount of unsatisfied demand.

\[ wij = (wij, if i=j) - D \]

W12 = 1000 – 300 = 700
W13 = 1000 – 300 = 700
W23 = 1300 – 300 = 1000

We choose the minimal value in the line, then the maximal value in the column.

Optimal according to the criterion “Maximin” will be alternative A1 (production of 100 thousand batteries), even in the worst-case-scenario, alternative A1 still produces earnings of 700 thousand €.

In our analysis we only considered one solution, corresponding to the pessimistic criterion (without considering other criteria). Still, this demonstrates the positive aspects of the pessimistic strategy, that is, it illustrates possible positive outcomes of each decision made.

Table 1. The Matrix of Volume of production and Demand

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<td>1000</td>
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<td>A2(130)</td>
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<td>A3(170)</td>
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5. One real case and conclusion

In the domain of moral behavior between
human beings the situation is less obvious
compared to the decision-making processes
in the world of economics. Not always can the
ethical case be decided upon with precision.
Though within the scope of our inquiry we
need to show the outcome of Schopenhauer’s
pessimistic teachings with an example of a
real-life case and try to solve it analogue to our
economic example. For this purpose we need to
consider only one principle: choosing the best
option out of the worst developments of a given
situation. Such an approach can legitimize the
application of the method of the analogy between
strategies in management and Schopenhauer’s
moral-philosophy. More, since in Schopenhauer’s
System the absolute validity of moral categories
is denied, allowing us to choose from a number of
pessimistic scenarios.

The case we are going to analyze is taken
from the praxis of medicine. It is common
in modern ethics to use medical examples to
analyze casuistic problems. As it is pointed out
for instance by the American philosophers A. R.
Jonsen and S. Toulmin:

“Medicine is a useful model for the analysis
of moral practice in several respects. Clinical
medicine is prototypically “practical” both
in Aristotle’s sense of the term and also in
contemporary usage. In moral as in
medical practice, the resolution of practical
problems draws on a central taxonomy of
type cases, and the pattern of argument
by paradigm and analogy is once again at
work.” (Jonsen & Toulmin 1997, 42).

The casuistic situation in question took
place in August 2000 in the Regional Hospital
No 1 in Yekaterinburg (Russia). A kidney of an
unidentified donor was transplanted to a patient,
who was admitted to the same hospital with a
fatal injury. As a result, the patient was infected
with HIV. Without getting into medical detail, let
us formulate the following premises generalising
the case:

1. The patient was unconscious, in a critical
condition, and in need of urgent medical
care.
2. The intervention of relatives was
impossible
3. There was no organ bank.
4. There was a pressing need to perform a
surgery to save a life.

These assumptions idealise the case under
consideration, which has certain advantages for us.
It is hardly possible to analyse the consequences
of the actual situation in this article. The
development of ethic theories requires an analysis
of the moment when an alternative is chosen or
decision is made, since, if such situation takes
place again in reality, the individual will already
know and understand what a certain action can
tail.

The so called ‘surgeon’s dilemma’ is the
choice between transplanting an organ into a
person in need or not doing it and condemning
the patient for immediate death. In other words,
the question is whether to give the person an

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opportunity to live with an incurable (as of today) condition (HIV) or to do nothing distancing oneself from any responsibility. To solve this question we have to take a look at Schopenhauer’s ethical principle (Prinzip des Mitleids). This principle of compassion can be a way to resolve our casuistic situation.

The historian of philosophy, Georg Pickel summarises in his 1908 thesis the principle of compassion and identifies its four functions: 1) the curbing of selfish inclinations; 2) respect for oneself and others; 3) sincere “immersion” into the suffering of another; 4) active help in relieving the suffering of another (see Pickel, 1908, S. 48).

Schopenhauer himself writes:

“As soon as this compassion is aroused, the well-being and woe of another immediately lies in my heart, and in just the same way, if not always to the same degree, as otherwise only that of my own lies in my heart. Thus the distinction between him and me is now no longer absolute” (Schopenhauer, 2010, p. 209).

Of course, Schopenhauer was not the first to base their ethics on the feeling of compassion. For instance, Hume and Rousseau also believed compassion to be one of the fundamental principles, which can activate immediately in each person. However, in any case, the “I=You” equation can result in a philosophical and moral complication relating to the differences in the status of agent’s motivation and the degree of similarity between the motive and action. To feel compassion for someone, we need to feel the same as the person suffering, even though it is possible that he or she does not agree with our compassion. Thus the unknown (if I am fully conscious of my feelings towards the other) is replaced by another unknown (if our action is in accordance with the other). Schopenhauer does not provide for this problem. He sharply criticises Kant’s normative logic and advocates the natural form of moral feeling. While rejecting rational cognition, he tries to identify intuitive cognition as a priority. In this case, suffering becomes a form of intuitive cognition. Soo Bae Kim stresses that Schopenhauer develops his teaching of compassion as a special type of cognition – intuitive cognition, which proves the presence of the same will in each person, since all individuals are a result of will exertion; individuals are metaphysically identical (See Soa Bae Kim, 2009, p. 475).

From the standpoint of productive argumentation we want to take a look at the main moral impulses within the System of Schopenhauer. First, the principle of compassion constitutes – because of the dependency of all living things on the world-will – the immediate and universal element of human behavior, because it is a consequence of the will, whose base is the will to life. By applying the idea of the will to the real World, Schopenhauer can use it likewise to support his argument for the immediacy and universality of the principle of compassion, as he says:

“...What is affected by death is merely the knowing consciousness, and the will, on the other hand, because it is the thing in itself, which lies at the foundation of every phenomenon, is free from all that depends upon temporal determinations, thus is also imperishable” (Schopenhauer, 1909, p. 286-287).

Secondly, compassion gives an opportunity to know another and thus better understand oneself:

“But now if my action should occur simply and solely for another’s sake, then his well-being and woe is immediately my motive, just as my own is in all other actions” (Schopenhauer, 2010, S. 208).

The negative aspects of Schopenhauer’s principles are equally significant. Firstly, the
blind will to live faces its own rejection. Schopenhauer does not consider life a great value; moreover, he refuses to explain this phenomenon:

“...Every one guards and defends his life, like a precious pledge intrusted to him under heavy responsibility, under infinite cares and abundant misery, even under which life is tolerable.... This is the will to live, manifesting itself as an untiring machine, an irrational tendency, which has not its sufficient reason in the external world” (Schopenhauer, 1909, p. 116).

Secondly, the principle of compassion determined by the very will to live is twisted into the absurd, namely: through asceticism, the agent acknowledges the will of another as more important than their own thus rejecting their will to live as well as the will of another, for there is nothing (no life) left to reject:

“Quietism, i.e., surrender of all volition, asceticism, i.e., intentional mortification of one’s own will, and mysticism, i.e., consciousness of the identity of one’s own nature with that of all things or with the kernel of the world, stand in the closest connection” (Schopenhauer, 1909, p. 421).

However, in his system, Schopenhauer resolves this complicated situation. He acknowledges life, but not within an individual, but within the species:

In such a case nature can only attain its ends by implanting a certain illusion in the individual, on account of which that which is only a good for the species appears to him as a good for himself, so that when he serves the species he imagines he is serving himself; in which process a mere chimera, which vanishes immediately afterwards, floats before him, and takes the place of a real thing as a motive (Schopenhauer, 1909, p. 336).

Thus, the critical situation is resolved through acknowledging instinct as the basis of existence of higher living organisms.

Thus we constitute, the pessimistic criterion and the pessimism of Schopenhauer have a common central principle: to choose the best among the worst options. Of course content and mechanism differ in each case, but both of my reconstructed examples serve to showcase the possibility to see Schopenhauer’s pessimism in a positive and productive light and even more so to see it from the viewpoint of the universal benefit.

At the beginning of this article we started out with the premise that the pessimism of Schopenhauer doesn’t give any reason to affirm the will to life. But our analysis allows for the following conclusion: on the one hand, pessimism shows itself as a positive teaching which allows to coordinate a man’s will and to understand the inner essence of phenomena; on the other hand it conceives the world of representation as something determined by outer forces so that it is all ultimately nil and nothing. Hence we are dealing with a contradiction that falsifies my thesis. Thus it’s wrong to claim that the pessimism of Schopenhauer doesn’t give reason for life-affirmation. And therefore the pessimism of Arthur Schopenhauer affirms life as a phenomenon.

1 Quotations from German texts were translated into English by author.
References


О позитивном смысле применения пессимизма А.И. Троцак

Артура Шопенгауэра в стратегическом менеджменте

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В некоторых философских исследованиях система Шопенгауэра интерпретируется как не подверженная изменению модель. Источники пессимизма, которые Шопенгаузэр увидел у Платона и в буддизме, трансформировались у него в системе как полноценное видение мира и морали человека. Данный феномен должен быть понят не только в негативном смысле, но и может рассматриваться в новом позитивном применении в стратегическом менеджменте. Поэтому в статье предпринимается попытка адаптировать системный пессимизм Шопенгаузера в качестве позитивной модели, а именно осторожной модели поведения. В данном случае использована аналогия с принципом «максимин» (критерий пессимизма), который применяется в стратегическом менеджменте. Результат такой интерпретации может быть использован в общественных науках и в междисциплинарных исследованиях.

Ключевые слова: пессимизм, стратегический менеджмент, этика, казуистическая ситуация, Шопенгаузэр.

Научная специальность: 09.00.00 – философские науки.