

An Enlightened-Realist Perspective on Positive Thinking

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Abstract: American culture emphasizes upbeat thinking, cheerfulness, optimism, and other manifestations of positive affect in its aphorisms, songs, religion, books, magazines, medicine, as well as business and psychology. This has led to the commonly unchallenged idea that positive thinking is always a good thing, which in turn has caused the power that negative thinking and affect hold, in terms of realistic appraisals of the self and the world, to be not only grossly underestimated but also frequently shunned. It is dangerous, however, to lose sight of unpleasant realities. In this paper we argue that an optimal range of affect is most adaptive and that extremes in either positive or negative affect are less beneficial. We present a model that links optimism to realism and discuss their combined influence, which results in the identification of five basic decision making approaches.

Keywords: Enlightened realist, positive thinking

I. Introduction

The American way of life is replete with encouragement to be optimistic and upbeat [13]. Optimism fosters a positive mindset to undertake challenges with the confidence that one can succeed. The common view that people should always feel positive about themselves has caused the power that negative thinking holds to be shunned by society. This rejection is dangerous since negative thinking promotes truthful and realistic appraisals: “Truth matters to people, even if it is at the expense of feelings of well-being, self-satisfaction and social adjustment” [21, p.541]. Furthermore, Woolfolk [53] commented that: “... negative thinking is not only valuable, but indispensable, and suggest that we give much too little attention to acknowledging, confronting, accepting, and perhaps even embracing suffering and loss. I want to suggest also that there may be worse things in life than experiencing negative affect. Among those worse things are ignorance, banality, credulity, self-deception, narcissism, insensitivity, philistinism, and isolation” [53, p.20]. Consequently, the thrust of this paper is that there needs to be a greater balance between optimism and realism. We will first provide a review of related literature and then address the issue of the relationship between affect and adaptiveness. Next we will discuss five basic decision making approaches through a proposed model that considers the joint effect of two variables, *disposition toward optimism* and *intensity of realism*.

II. Review of Related Literature

Benefits of Positive Thinking

The central claim of positive thinking is that “positivity is good and good for you; negativity is bad and bad for you” [19, p.2] and that happiness—or optimism, positive emotions, positive affect, or positive *something*—is not only desirable in and of itself but actually useful, leading to better health, enhanced achievement, and greater success.

Individuals high in optimism exhibit confidence in a way that is both broad and diffuse, and it encourages them to approach challenges with enthusiasm and persistence [10]. Research findings indicate that as a result, individuals high in optimism tend to experience better physical and psychological well-being than individuals low in optimism [34].

Nowhere has positive thinking taken firmer root than within the business community where in the last two decades it put down deep roots in the corporate world. Cultural norms and beliefs about good business practice stress looking at the sunny side and de-emphasizing the problematic. In a business context Seligman [38] provided evidence of the impact of measured optimism on desirable workplace outcomes, reporting salespersons’ high performance and retention at a life insurance company. Likewise, Luthans and his collaborators [24] [25] found that their concept of psychological capital, key components of which include confidence and optimism, is positively related to performance outcomes in the workplace, lower employee absenteeism, less employee cynicism and intentions to quit, and higher job satisfaction, commitment, and organizational citizenship behaviors.

In summary, from a number of arenas, the idea of positive thinking entails the belief that a person will get what they want, not only because it will make them feel better to do so, but because thinking things, “visualizing” them—ardently and with concentration—actually makes them happen. Many popular business books sound similar to these self-help books when they argue that a company can choose to be great, that following a few key steps will predictably lead to greatness, that its success is entirely of its own making and not dependent on factors outside its control [11] [32]. Faith in positive thinking has become so ingrained in

American society that being positive seems to many Americans to be not only normal but also normative—the way you should be.

Costs of Positive Thinking

Research has shown that very high levels of optimism may constitute too much of a good thing. For example, individuals who engage in reality distortion to the extent that it becomes delusional sometimes suffer from debilitating mental disorders [e.g., schizophrenia, delusional disorder, mood disorders with psychotic features; see 41]. According to Mader and Leibner [26], a leader's supreme confidence is toxic and can erode organizational commitment of subordinates. They further suggested that leaders who exude confidence at all times tend to minimize problems or discourage them from being discussed (often unconsciously) for fear that it will reflect poorly on the them. Such confidence sends off signals that the leader is not open to feedback or criticism, and making him or her virtually unapproachable—particularly when they are wrong. Other studies have noted that overly optimistic self-referential views can lead people to engage in risky behaviors [e.g., not wearing seat belts, condoms; see 50]. In a related study, Weinstein [49] noted that when people are asked to provide a percentage estimate of the likelihood, in comparison with peers, that they will someday experience an illness or injury, most underestimate their risks. The average individual sees himself or herself as below average in risk for a variety of maladies, which of course cannot be. This phenomenon is appropriately lamented because it may lead people to neglect the basics of health promotion and maintenance.

Constant striving for control over events without the resources to achieve it can also take a toll on the individual who faces an objective limit to what can be attained regardless of how hard he or she works. If not, people will channel their efforts into unattainable goals and become exhausted, ill, and demoralized [33]. Pursuing a dream of enduring greatness may divert attention from the pressing need to win immediate battles. More generally, optimism in the form of wishful thinking can distract people from making concrete plans about how to attain goals [31]. Unrelenting optimism precludes the caution, sobriety, and conservation of resources that accompany sadness as a normal and presumably adaptive response to disappointment and setback [29].

Research has found that requiring employees to put on a happy face can be psychologically costly in terms of stress, burnout, and job dissatisfaction. The mortician, the airline ticket agent, the toll collector, and the store clerk all operate under “display rules” where they are asked to smile and be positive, even in the face of unkindness from customers. This phenomenon refers to the idea of emotional labor found in the organizational behavior literature [16] [35] which involves the management of emotions for paid

employment. “Emotional labor may involve enhancing, faking, or suppressing emotions to modify the emotional expression [16, p.95]. Clearly, organizations have a right to expect friendly behavior from their employees because it is good for business, yet an enlightened manager might weigh this organizational right against the possible cost to employees. Although snapping at customers is probably never a good idea, managers might teach employees how to express their emotions in constructive ways (e.g., politely telling a customer “no” in response to an unreasonable request, rather than barking at the customer or knuckling under). Nevertheless, it does suggest that attempts to build a positive workforce may, surprisingly, take a toll on employees who are asked to conform to happy and cheerful “display rules.”

Other problems with excessive optimism include groupthink, the planning fallacy, the winner's curse, leader hubris and narcissism, problematic decision making and entrepreneurial activities, and goal setting. Overconfidence sometimes strikes whole organizations. In his book *Groupthink*, Janis [20] reviewed well-known fiascoes like the Japanese attack on Pearl Harbor, the bugging of Democratic headquarters in the Watergate Hotel in Washington, and the U.S. conduct in the Vietnam War and noted that many of these poor decisions could be traced to overconfidence pervading organizations. Groupthink is the tendency for members of highly cohesive groups to minimize conflict and reach consensus without critically testing, analyzing, or evaluating ideas [20]. The problem is that members of such groups may exhibit illusions of invulnerability creating a sense of invincibility and excessive optimism that encourages extreme risk taking that may lead to mistakes and misjudgments.

Excessive optimism has also been implicated for the well documented phenomenon called the winner's curse [18], an occurrence akin to a Pyrrhic victory in which individuals bid above an item's (e.g., an acquisition or merger) true value and thus are “cursed” by acquiring it [23]. By exaggerating the likely benefits of a project and ignoring the potential pitfalls, executives often lead their organizations into initiatives that are doomed to fall well short of projections. This can be costly in terms of money, jobs, prestige, or even lives [37] when overly optimistic expansions and acquisitions lead to bankruptcy and layoffs [30].

III. Affect and Adaptiveness

Affect is an overreaching construct that encompasses emotions, feelings, moods, and temperament [7] [51] that permeates organizations. Interest in and research about affect in organizations have expanded dramatically in recent years and this concept will allow us to examine the effects of positive affect (subsuming such terms as optimism, hope,

positive illusions, mania, enthusiasm, pleasantness, happiness, cheerfulness, confidence) and negative affect (including pessimism, hopelessness, depression, displeasure, sadness, distress, anxiety, doubt).

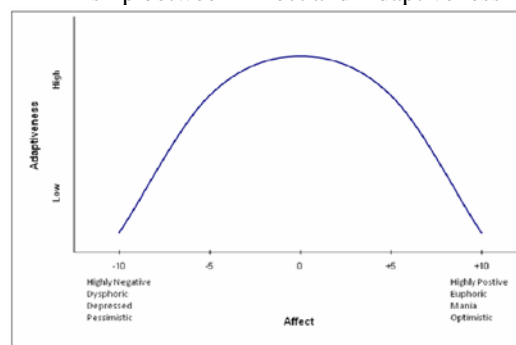
Applied organization science researchers have become increasingly concerned with affect at work in the last decade [5] [7] in part because of the assumption that emotional processes influence performance [4] [36]. Further, a number of reviews have pointed to a prominent role for affect in a range of organizational processes [6] [9] [14], and in the last three decades an “affective revolution” [7, p.36] has taken place, in which academics and managers alike have begun to appreciate how an organizational lens that integrates employee affect provides a missing perspective. Based on such considerations, it seems reasonable to address realism and optimism within the context of affect which can be thought of as an umbrella term encompassing a broad range of phenomena including *emotions, moods, feelings, temperament, to dispositional traits* (“She’s so upbeat;” “He’s such a negative person”), to *meta-emotional abilities*, such as emotional intelligence (“My boss is very good at understanding how team members feel”) [7] [51] [52]. Although distinctions have been made between affect, emotions, mood, and feelings [12], these subtle distinctions were not considered critical to the aims of this paper. We use the term *affect* because of its more general nature.

Some research suggests that there are two independent constructs of positive affectivity and negative affectivity [47]. Individuals characterized by high negativity tend to be distressed, upset, and have a negative view of self over time and across situations, as opposed to the more serene, calm, relaxation shown by people who are low in negative affectivity; people high in positive affectivity tend to be cheerful and energetic, and experience positive moods such as pleasure or well-being, across a variety of situations, as compared to those low in positive affectivity who experience more sadness, melancholy, or lethargy [48]. We view dispositional affect as a pleasantness trait on a continuum from high to low consistent with other researchers [3] [42] and believe that negative and positive thinking both have roles in promoting adaptiveness. Realism, characteristic of negative thinking and depression, and optimism, emblematic of positive thinking and happiness, do not have to be in conflict. As indicated in Figure 1, the relationship between adaptiveness and affect is characterized by an inverted-U shaped function with optimum adaptiveness (performance) located between low to moderate negative affect and low to high positive affect. More extreme levels of positive or negative affect result in sub-optimal adaptiveness and performance. On Andreasen’s “Thermometer of Mood” scale [3, p.223] which ranges from -10 thru 0 to +10, with “-10” being major depression, “0” being neutral, and “+10” being mania, the optimum range of

performance will occur from -3 (slightly negative) to +3 (slightly positive).

Those who distort less than the optimal level have too realistic a view, which is depressing; behaviorally this may cause them to be hesitant to take on the more challenging projects that could lead to significant successes. Those who distort more than the optimal level would suffer from inflated views of themselves, which might lead them to undertake projects beyond their capabilities resulting in failure and posing a threat to themselves and their organization.

Figure 1 Inverted U-Shaped Functional Relationship between Affect and Adaptiveness



Slightly positive emotions appear to be the ambient state for most people at most times; that is, in a wide variety of activities, people’s expectations of what their own performance is, was, and will be are an overestimate of reality [15] [28]. These mildly distorted positive perceptions have been referred to as positive illusions [46] and include overly positive self-conceptions, an exaggerated perception of personal control, and an overly optimistic assessment of the future [44] [45]. Such positive illusions tend to be expressed by nondepressed, nondysphoric individuals. These slightly positive distortions of reality have been found to be related to good psychological adjustment and are adaptive [43] [46].

Positive illusions provide a sense of agency. By perceiving themselves and their world in a positive light, people feel empowered as causal agents in effecting changes in their environment [39]. In this regard, social psychologists have concluded that most people have an “illusion of control” about themselves [1] [2] [17] [22].

There is a limit, however, to the beneficial effects of positive illusions [41]. Researchers have noted that the illusions are adaptive when they are in the slightly to moderately positive range, but they decrease in adaptiveness as they move into more extreme positive ranges [8] [27]. Baumeister refers to this as the “optimal margin of illusion” [8, p.176]. At high levels of positive affect and optimism individuals become overly confident, filled with hubris, and

narcissistic thinking leading to problematic scenarios. Very high levels of positive affect and optimism may indeed constitute too much of a good thing. Taylor and Armor [44] seem to agree with this idea in stating that positive illusions stay within modest bounds because internal and external feedback protects one's beliefs from exaggeration.

IV. A Proposed Optimism-Realism Model

Based on the discussion in the preceding sections, we believe that a more balanced view of the relationship between emotion and adaptiveness is both necessary and consistent with management as an eclectic applied social science. We, therefore, propose a model to explain why extremes of positive and negative affect are problematic and that a medium range of emotion, when combined with a moderate level of realism, will result in a decision making approach that is most adaptive. In what follows, we will define two key variables for the model and describe the characteristics of five basic decision making approaches. In addition, we will discuss the rationale for what constitutes the most adaptive decision making approach among the five that are identified.

Definitions of Variables

Two key variables are considered in developing our proposed model. The first variable, derived from the construct of affect and referred to as *disposition toward optimism*, is defined as the level of personality-influenced tendency toward positive thinking. For the purpose of this paper, a high level of *disposition toward optimism* is considered to be the same as absolute positive thinking whereas a low level is regarded as equivalent to absolute negative thinking. The second variable, labeled *intensity of realism*, is defined as the extent to which conditions of reality are scrutinized, appraised, and incorporated into the process of decision making.

Five Basic Approaches to Decision Making

Figure 2 shows the model and five basic approaches to decision making. Each approach represents a different combined level of *disposition toward optimism* and *intensity of realism*.

As can be seen in Figure 2, combining a high level of *disposition toward optimism* with a low level of *intensity of realism* produces the *blind optimist*. This occurs when an individual pays virtually no attention to reality and simply lets his or her positive gut feelings dictate the decision making process. The *blind optimist* believes that luck will always favor those who are optimistic about the future and therefore there is no need for making any efforts to understand and influence reality in order to bring about a desired outcome of a future event. The *blind pessimist*, on the other hand, results from combining a low level of *disposition toward optimism* with a low level of *intensity of realism*. Unlike the *blind optimist*, the *blind pessimist*

believes that luck will always work against those who face the same situation he or she does. As such, it is a waste of time and energy trying to understand and influence reality in order to bring about a desired outcome of a future event. Both the *blind optimist* and *blind pessimist* choose not to understand and influence reality, although they make the choice they make for diametrically opposite reasons. The former leans toward absolute positive thinking while the latter is skewed toward absolute negative thinking.

Figure 2 A Proposed Optimism-Realism Model

		Disposition Toward Optimism	
		High ←	→ Low
Intensity of Realism	High	Over-Calculated Optimist	Over-Calculated Pessimist
		Enlightened Realist	
	Low	Blind Optimist	Blind Pessimist

An individual high in both *disposition toward optimism* and *intensity of realism* can be described as an *over-calculated optimist*, who thinks of the future as nothing but a bed of roses and studies reality meticulously in order to be able to maximize the payoff of the outcome of a future event. When an individual is high in *intensity of realism* but low in *disposition toward optimism*, he or she can be described as an *over-calculated pessimist*, who sees the future as a series of unavoidable havoc-wreaking disasters and studies reality meticulously in order to be able to minimize the adverse impact of a future event. In terms of the serious effort they make to understand and influence reality, the *over-calculated optimist* and *over-calculated pessimist* are very similar to each other. Nonetheless, they hold entirely different views about what the future has in store for them.

All of the four decision making approaches discussed above share something in common. They are characterized by either excessive positive/negative emotion or over/under-estimated personal ability to control the external environment, or both. As shown in Figure 2, these four decision making approaches correspond to the four corner positions, each of which consists of a combination of extremes for the variables of *disposition toward optimism* and *intensity of realism*. Based on our earlier analysis of the relationship between affect and adaptiveness, as summarized in the inverted U-shaped curve in Figure 1, it is clear that neither the *blind optimist* nor the *blind pessimist* will pass the adaptiveness test. Likewise, the *over-*

calculated optimist and *over-calculated pessimist* will fail the adaptiveness test.

The only decision making approach that will pass the adaptiveness test with optimum results is one that falls within the mid-range of both *disposition toward optimism* and *intensity of realism*. We label this approach the *enlightened realist*. A decision maker using the *enlightened realist* approach is behaviorally mature, emotionally stable, intellectually humble, analytically savvy, strategically mindful of the competing demands of reality but practically wise enough to pursue moderate goals that balance the interests of various stakeholders without assuming that all things in life are either knowable, analyzable, and possible, or unknowable, unanalyzable, and impossible. The *enlightened realist* approach somewhat resembles Simon's *satisficing* approach [40], although there exists a marked difference between them in regard to the consideration of affect. The *satisficing* approach is largely predicated on economic logic and trade-off analysis, while the *enlightened realist* approach is mostly psychologically and philosophically oriented. If adaptiveness, a concept that reflects the totality of persistence, endurance, nimbleness, and resilience, is essential to effective decision making in today's highly volatile and complex business environment where the interests of multiple stakeholders need to be aligned, there should be little doubt that the enlightened realist approach is the most preferred decision making approach for high-performing managers in the 21st century.

V. Concluding Remarks

American culture, with positive thinking as one of its hallmarks of libertarian values, will continue to impact the rest of the world. In this paper we have introduced an *enlightened realist* perspective on positive thinking through the development of an optimism-realism model, which we hope will provide a more balanced view of the linkage between emotion and adaptive decision making and contribute to an enhanced understanding of management as a maturing applied social science. Our proposed model may be an oversimplified abstraction of reality. More work needs to be done to refine the model and improve its explanatory power. Its applicability in different cultures should be investigated and empirically verified. In particular, Eastern cultures heavily influenced by Confucianism deserve more of our attention in conducting cross-cultural comparative research designed to test the model and determine its validity. Moderation, a core value of Confucianism, may prove to be compatible with our enlightened-realist perspective.

References

References will be provided upon request.

Background of Authors

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