

In The Trenches_ Interview with Carin-Isabel Knoop

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SPEAKERS

Carin-Isabel Knoop, Steve Divitkos

S Steve Divitkos 00:00
Carin, welcome to the show.

C Carin-Isabel Knoop 00:01
Thank you. It's a pleasure to be here.

S Steve Divitkos 00:03
Well, it's a pleasure to have you. And we have a lot to get to today. And a lot of these topics are very topical and very timely for entrepreneurs and CEOs everywhere. So I want to jump right in. And where I want to start is with a topic that we have all heard a lot about over the past two years for understandable reasons, which is employee burnout, and its impact on employee turnover. Much has been written about this. These are hugely important issues for CEOs. So what signs in your experience could or should leaders look for be they small micro signals or larger inflection points that might be suggestive of or predictive of burnout and the potential turnover that results from it?

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Carin-Isabel Knoop 00:52

So I think there's several ways to look at it. And I do agree with you that it's a topic that is everywhere, I feel a little bit like I'm talking about Santa Claus, we all know about the character, but there's so much that we don't know and everything presents so differently. You know, bracing patterns are usually indicative of a change in a human being. And so I think leaders do have expectations about how somebody is behaving. And if there's a change in pattern, then it's usually not, it may be something to look for. Inflection points, at least in my mind, are major life events. So these can be positive, such as a promotion, or having a child or even getting married. And they could be associated with more negativity, like a divorce or a death. But all of them lead to a change in identity, which then leads to a change in behavior. And depending on how the person negotiates this, it can lead to trouble. I think one of the first things to understand about burnout is that it comes in various stages. So some people think there are five stages, eight stages, 12 stages, or whatever. But often in what I've read or served within, you know, even our classmates or folks in my team, is that it's usually involves some form of a belief that you need to prove yourself. And so this can be in the context of, you know, nothing, nothing here works without me, I am Central to this organization, of course, with entrepreneurs, that may be may be right, I really have to go above and beyond and makes you vulnerable to, you know, investors who may be over demanding from you and makes you vulnerable to two bosses. And then the next logical step is, if you see somebody working harder than really they should be. And the overload could be from work, but it could also be like, of course I'll do this presentation, of course, I'll get on board, of course, I'll help someone. Usually, then your followed by neglecting your needs, and neglect can come in various forms. It could be of your family, it could be of your body, it could be of what it is that, that you need. So I think once individuals start to sort of changed patterns in these in these dimensions, and might be something to look out for, then usually, next step will be the setting of a sense of panic or jitter. Because you do need to prove yourself but you're experiencing neglect. And then often a telltale sign is cynicism, which is one of the stages of burnout is depersonalization. So I think if you have an employee who is starting to be very critical of everything, or starting to complain about everything, that is usually a good place to to engage. And I think we'll talk about that probably later. But it may be, were things always thatbad? Have you started to complain for something else. So that can be a change in personality, but often is a change in how you view the world, and also how you view yourself.

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Steve Divitkos 04:17

A lot of that resonates. And I found with my own experience with burnout, just just to add to what you're saying, I kind of had the feeling that I was stuck. I don't know if that resonates with with the experience of others, but the feeling was like, Hey, this is never going to change. You know, I'm never going to be able to progress to the next level. In my case, it was you know, selling the company or not selling the company. And the feeling stuck is the best word that I can use to articulate what I was feeling I have is that is that a relatively common feeling in your experience that precedes burnout?

C Carin-Isabel Knoop 04:52

Yeah, and I think you know, stuck is wonderful, but I think it's also a super lonely place. Because with depersonalization comes the criticism of everybody around you. So the investors don't understand me, my collaborators are stupid, my spouse is intolerant. And so you're stuck in developing productive relationships and growing, because you're perpetually complaining about about the other and, you know, the sense of sort of inner emptiness that then sets in. And I like the term of being being stuck, I think it's perfect. Another way that you're stuck also is, it tends to come with some form of withdrawals. So and the withdrawal can also again, take many forms, you know, we always think of it in terms of, I cannot go to this party, because I have to work on the business or I cannot attend this event, because there are too many demands on my time. Another way that we escape is through alcohol, drugs, sex, overwork, there are many ways that you cannot find a way out. And so you hence you remain stuck. Because you're denying all the things that really used to bring you joy and solace. So it's a very, very lonely, lonely place. And then, you know, at some point, you cannot deny. I think, you know, a lot of us who get to this stage, we'll say, the denialists blaming everybody else, but at some point, you're going to feel it yourself. And then that really, that really hurts, you realize that you have, in some ways come to the state of physical and emotional depletion, partly out of your own doing.

S Steve Divitkos 06:34

Yeah, and if an ounce of prevention is worth a pound of cure, which which I think it is, let's move there. And I want to look at this from the perspective of both the CEO herself as well as her employees. So how should CEOs think about prevention of burnout, both within themselves, as well as within their employee base?

C Carin-Isabel Knoop 07:03

So, the claim that everything starts with self awareness. And I think, many of us who are high achievers, you have to operate from two sort of narratives in your mind. The one narrative is you're invincible, and you can do it all. And often, another narrative that is, in our mind is, you know, I'm an imposter. I'm not good enough, I have to prove myself. And so in my mind, when these voices are completely, you know, dualling coming into starting a venture or coming into a CEO position, a reflection on? How is it that I operate? And how will I be watching out for the signs in me, so if I feel myself becoming a little too cynical, you know, sometimes I hang up the phone, and I was like, wow, that was a little harsh, a little harsher than usual, then I tried to take, you know, 30 seconds, three minutes, three days to think about why I'm there. So I think if you're keeping a checklist of you know, the these telltale signs of potential exhaustion, physical mental, that may lead to burnout, and maybe just whatever those five may be for you will, or eight or 12, they're, they're going to be different depending on that. internalize them for yourself. I think for our employees, it's a conversation that we don't have. So you know, recruiting, we're often looking, you know, what is the person's skill set? Do they have the attitude? Do they think of a work ethic, but I found that in companies that we've written cases about or, you know, HR webinars that I've attended, that doesn't seem to be specific questions around? What are the sources of stress? How do you manage them? So remember, they use the term burnout at the beginning of our conversation? So burnout is a specific term. That's an occupational phenomenon, according to the World Health Organization. And I believe the former definition is, you know, stresses in the workplace that are poorly managed. And so I think it's quite appropriate to ask folks who are thinking of joining our companies thinking of joining our team thinking about a promotion, which is, so what do you think? What is the source of stress for you? How do you think about managing stress? What helps you to manage stress in the workplace? You know, what are situations that cause you to feel anger or frustration or to feel nervous? How would you then find solids? How do you work through these problems? So I would, I think we could help individuals prevented if we enroll them in the possibility of working together in doing so. And maybe it could also be talking to a colleague, which is to say, you know, when you do this is really creates an inordinate amount of stress in me. Is there a way that we could do this differently? I think often with a lot of conversations around, you know, emotional distress A lot of the conversations are very much at the end. And my instincts and work has been focused on how do we go way upstream? And how do we have conversations with ourselves and others that are more honest so that we can become allies to each other? Because at the end of the day, we know what is happening, especially with others, you know, you tend to not not see things in yourself, and then we'll pretend it's not existing.

S**Steve Divitkos 10:27**

Yeah, yeah. And that that point, I want to double click on because in my experience with burnout, I my observation with the benefit of distance, and the benefit of hindsight, is that we all tend to be our own worst judges, which is to say that others tend to notice changes in us much more easily and much more clearly than we notice changes in ourselves. And in my case, frankly, my wife knew I was burned out beyond a shadow of a doubt, probably two years before I did. And I found that being self aware, while of course, being critically important, formally, and tactically leaning on the observations of others, I know, an entrepreneur, CEO colleague, who has a monthly kind of meeting for lack of a better phrase with his wife, where he asks his wife, you know, how am I doing? What are you observing, oh, and in many ways, and in many instances, he shared with me that she has observed things that are kind of screamingly obvious to her that just never occurred to him. So the idea of leaning on others and kind of like a more structured way, even though it might sound hokey to have a meeting with your spouse, I think is a really powerful tool. But it's so

C**Carin-Isabel Knoop 11:37**

I think it's, it's awesome. And I remember a few years ago, the New York Times had an article about a couple that gave each other performance reviews every six months, I don't know if you read it, and a bunch of people like, oh, that's the dumbest thing I've ever heard. And I'm like, dude, man, it's the opportunity to have an honest conversation that has a frame on it. So when you think of what this couple has done with the CEO has done is that he has given the spouse the permission to sort of observe and vocalize, which then reduces the stress on her because it is difficult to come to anyone in our lives. And the closer maybe even the harder and say, I've observed that you're drinking more than usual, you know, is everything okay? You know, I do want to talk about it, or however you you choose to have this conversation. But what I really like about your, your example is that he has created for himself a feedback mechanism. Yeah. And I think these feedback mechanisms can maybe come from pure groups. Yes. You know, they can come with, they can come from, you know, same gender, they can come from mixed gender, they can come from professional avenues, they can come through communities through church. But the idea of having even a formal mental health buddy, I've seen some companies and organizations do which is, you know, you and I may have similar thing that stresses us out. So you and I missed you slightly neurotic. And then we will be paired, and then, you know, we would get on, I would say, you know, Steve, this just happened to me, and it really set me off. And you could say actually, the exact same thing just happened to me, but this is how I handled it. So this notion of you know, we're not alone, a lot of us go through these, these activities. I think, what the example that she also brought up for me is that if both of these individuals sort of educate themselves in the presentations of burnout, then that's also very useful to them. Because one thing that I've noticed with this conversation is after the murder of George Floyd, we educated ourselves on racism. And a lot of people made a very conscious effort to fill in some gaps. I think with the mental health pandemic, we're skipping a skipped step, which is, and I'm not a therapist, I am not a psychologist. But observe that a lot of people immediately leaping into the diagnoses and immediately leaping into the solutions. And a big part here, I think, is is educating ourselves so that we can indeed become better at recognizing science in ourselves and others.

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Steve Divitkos 14:11

Yep. Now, let's talk about how CEOs should react because along with the physical pandemic, it's certainly not an overstatement to say that there's been an emotional pandemic and a mental health pandemic, both within CEOs and within their employee bases. Oh, yeah. And so lots of CEOs have, you know, they've reacted in the best way that they can. There have been things like subscriptions to wellness apps for employees, temporary time off more vacation time, more mental health benefits with their benefits provider. Tell me about your reaction to these types of reactions by CEOs. Do you think they're sufficient? And if they're not what should leaders do? What should they put in place to address the emotional sustainability factor within their employee base?

C Carin-Isabel Knoop 15:03

So first, I think it's been long overdue. It's been great to have, you know, leaders, as well as investors sort of think about, you know, what has been the mental toll on workers of, you know, badly organized workspaces. One thing that's been surprising during the dynamic is to be on calls with CEOs with everybody was certainly surprised that only a third of their employees were engaged at work. And, you know, that's been the case for 10 years. So all of this has been sort of around for for a while, and, and like many trans COVID, has exacerbated in our earlier conversation. You know, I think the a lot of the the aspects that you've mentioned, are very much downstream, which is, once the damage is done, what can I do to make it better, which I think is absolutely important, but I think at some point, moving upstream to why is it that people are finding it difficult to manage stress at work? One reason why people are finding it difficult to manage stress at work, is that we're coming as different people. And I think as CEOs and as leaders, as as colleagues, as friends, as suppliers, you name it. I think if we all acknowledged that we're all operating at 80% of our cognitive capacity. It would help us think about what is now needed in order for us to operate. The problem is we're in a capitalist system that operates you know, at 120% capacity. So this notion of slowing down, is difficult. One thing that I've tried to do and encourage others to do is to think about the stress that you're producing on others. So a good step for SEO beyond providing, you know, mental health, health apps is for sure to talk with their HR and finance directors to make sure that you know, mental health leaves are clear that resources are communicated to employees, a lot of companies have great support mechanism like employee assistance programs. And you know, you went up like 6% of the employees actually trusting the system to call. Yeah, so educate them about the resources that exist, think about the research, that would be great. I think, for example, enabling people to get sleep studies, if you think of Steve as really, you know, some, some psychiatrist think that it's, it's a really, killer app is a terrible expression. But it's absolutely fundamental to good health, total good total health, you know, enable people to get sleep studies, get it reimbursed, have the CPAP machines be reimbursed, think of these things that could be concretely better from a benefits standpoint, enable people to see their therapist during during the day, you can talk about the destigmatizing. You know, you can come forward as a CEO. And then we've seen some CEOs do it. I think it's a lot harder for entrepreneurs. Because so much of the success of the company relies on you're performing at 120. And so I think if you're coming out as an entrepreneur and say, These are my struggles, it's a very difficult, it's a very tenuous balance to do it in a way that inspires confidence, but doesn't cause panic. Same thing with your conversation to your, to your investors, once an individual and I think your question was sort of, you know, once the damage is done, if I can formulate it this way. I think making sure that the employee feels supported and accepted, I think having a conversation treat this as you would a physical illness, which is I understand, you know, this is a difficulty. Make sure that they get the resources that they need. And then I think a third step is to think about what are the processes within your organization that are actually worsening stress. So when you look at the World Health Organization, and Gallup also did a survey about what causes distress for people at work, the employers thought it was long hours, and low pay. low pay is certainly a source of stress. But for employees, it was poorly designed tasks. So poorly designed can be I'm not the right person to do it, or you're giving me 12 hours to do something that you know, actually would take 24. And I'll probably have to sleep in for a few hours in between.

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Steve Divitkos 19:33

Sorry, sorry to interrupt you here. And that the one thing that came to mind based on your comments is, as a CEO, I learned very quickly that of course, everybody listens to what you say. But more importantly, people watch what you do. And I find that, you know, certainly in my case, and I think in a lot of other cases, particularly in the early years, I didn't exemplify the behaviors that I was trying to instill and encouraging others. So for example, if you are Are as a CEO preaching the importance of work life balance and time off and bring your whole self to work. That's great. But if you're on vacation, and you're constantly emailing the whole time, or if it's very clear to your employees that you're working after hours, regardless of what you say, the implicit understanding of the employees is that while the same thing is expected of them, and that even gets to your point about, you know, employees, being comfortable being vulnerable, if you as the CEO, put on your armor every day and come off, as you know, somebody who doesn't have a care in the world and refuses to exhibit vulnerability, it's very, very unlikely that anyone in your company is going to exhibit vulnerability themselves in the way that you want them to. So I think, from the perspective of CEO who did this wrong, I would say what you do is going to be very, very closely watched and is much more impactful than what you actually say, because we tend to have one set of expectations for our employees, and then a completely different set of expectation for ourselves as Type A overachievers. Yeah, I



Carin-Isabel Knoop 21:05

think that's, I think that's true. And then if you can model a behavior that, you know, we'll enable people to have candid conversations with you without feeling terribly guilty or shameful. The problem in a very small company, too, is that, you know, the impact of my going out on leave at Harvard is infinitesimally small, my team will do well, they might be doing better without me around even. But, you know, if it's the three of us who are in a company, it has an unbelievable consequence to the viability of the business, for me to not feel guilty or ashamed that I am somehow sort of putting us into the situation. So if a CEO is able to say, as a rule of engagement, which is, burnout is a business issue. You know, I've heard you say in your in your talks that, you know, entrepreneurs actually very good at minimizing risk takers are conscious risk takers, I forgotten your word, Steve, I apologize. But what resonated for me is that mental health issues are a fundamental business risk. And we look at it still, from the eyes of stigma, we look at it very much from how we grew up, you know, we're bringing all these biases into these conversations. From you know, did we have a highly functioning alcoholic father, if we didn't, maybe I will be less concerned about your alcohol consumption? Why may overreact to alcohol consumption. So we're bringing all this noise to a conversation that actually is about I think, good business practices. I'm having a bit of your reaction reaction around you not emailing out of office hours? And I'll tell you why I think we're, we're still have a lot of vestiges of the old times here. So for example, I've been asking myself, you know, why do we still have weekends, you know, we would decongest the workforce, we would just decongest the roads, some of us who don't have children will be very happy to work on weekends. And we'd be very happy to go to the movies on Wednesday night and then be fewer people. And yet, we still have a five day work week, we still have this notion that we shouldn't be emailing at night. Why not? You know, some of us are night people. Some of us are morning people. What I like is when people you know, put it in emails, you do not need to respond to me off hours, if you've got this email off hours, again, signaling to the other person, they can do whatever they want. For me, it may be much more stressful to make sure that I respond to your email at 8am. Because I know you want to be super who gets up at five, you know, jumped like in pajamas already on their peloton, whereas, you know, I'm highly functioning in the afternoon. So I think the notion of sort of work life balance boundaries, I don't have the time, the term boundaries, I think, enabling folks to explore what it means for themselves, to find the balance that the business demands for maximum sustainability might be the way that I would, I would phrase it, because you've done fine your behavior, you know, you're going to the gym in the middle of the day. Maybe that's good, but maybe I hate the gym. You know, and maybe I want to be doing something completely completely different. So I think the actions can speak not as an example, but the actions can speak as a motivation of possibility.

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Steve Divitkos 24:25

Right? Well, I mean, I think you are touching on potentially a broader point and something that I think CEOs are struggling with right now, which is you know, how do we maintain on purpose a high performance culture but at the same time, you know, be sensitive to sustainability and employee mental health and avoiding burnout is high performance cultures. You know, coming from backgrounds management, consulting, investment banking, private equity, entrepreneurship, these are careers that have demanding schedules. tight deadlines, many, many projects being bounced simultaneously. So I'm curious, in light of what's happened over the past couple of years, is that okay? Is it okay to still have a high performance work culture? Do we need to redefine what a high performance work culture looks like? And is it possible to have a high performance culture on one hand, while simultaneously being very careful to prevent burnout? On the other hand?



Carin-Isabel Knoop 25:29

So maybe if so. So actually, I don't even I don't know the definition of performance. But I'll tell you what pops into my mind when you say sort of high performance. So when I think of a team that performs well, or a machine that performs well, it understands its purpose. So it knows what it's built for it. And you know, it's connected to organizational priorities. It understands its place in the system, why are we working on this? How does it sort of belong in the broader, broader scope, I know my roles and responsibility, I understand what is expected of me, I'm being communicated to respectfully I communicate respectfully to others, I understand to whom to reach out. Whatever causes friction has been has been addressed, I understand the priorities, my values are aligned with your values, I think that you and I can trust and respect each other. So when I think of a high performing, performing organization, those will be the characteristics that will come to my mind. If I were to just suppose them sort of in my mind's eye to what matters to lower employee stress, several of them would be on there, which is, you know, I'm actually being asked to do things that are within within my capabilities, I have a good understanding of what the work would be like. So I think if you if you have a high performing organization, that takes the time to properly design work, and has a clear conversation with the folks that are in that organization about what it actually takes to perform in that organization. So the recruiting process, you know, back to that, I mean, it's like the dating game, it's like, look how beautiful and perfect I am, sooner or later, people will figure out, you know, the Germans say, we will have a chocolate and a nut side. The faster you tell each other, you're not sides, the better off you are, I think you can be a super high performance organization, if you understand under what conditions everybody performs under pressure. And those may take very different forms. You know, recently we wrote about the analogy about using the stress strain curve in engineering, that everybody has different breaking points, everybody has different characteristics and traits. So I think it's very possible. And, you know, we've been focused on burnout. But in the book, we actually wrote about boring out, which is actually I think, might be even a bigger problem. Because when you see you know how much present ism occurs. So people are lost at work, you know, lost it, they don't really understand the big picture, the great resignation, I think maybe part of it, you know, even though it's called the Red resignation is just a million people more than than average, which, you know, doesn't get reported. But, you know, a million people more than average a month are sort of on the move, because they're dissatisfied. You know, people are boring out, people are sensing out. So I think if you have a high performance organization, you can probably limit burnout and decrease present ism. I think burnout occurs when you have not built a high performance system.

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Steve Divitkos 28:43

What about for entrepreneurs and CEOs themselves? Based on the definition of burnout that we've discussed based on you know, things like brakes and patterns, feeling stuck? Major Life inflection points, to the extent that these things have presented themselves in one's life. Are there any like very practical, very tactical strategies, tools, practices that you've used or have seen use to prevent or at least mitigate the effects of burnout? So for example, like one of the things that you just mentioned is a focus on sleep, which which can be hugely impactful things like meditation, exercise, journaling, etc. You know, we mentioned therapy. How should people think about tools and tactics and practices that they can use if they are starting to feel the impacts of burnout themselves?

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Carin-Isabel Knoop 29:37

So I think we have to figure out sort of where we are on on the stage you know, and, and burnout at the end is a state of complete emotional and physical collapse and some people take months to recover some people take years and some people never, never recover. So then you really in the, in the category of, you know, very different type of us. distance, I think we've talked about some of the early parts, which I think a lot of it maybe just to start with talking to somebody, you know, I'm observing this in myself, I'm seeing something in in another person. At the end of the day, we've spoken about the role of the spouse, but at the end of the day, we are our own only ally. And we are the only person who can really help ourselves. The problem is that if you're in a situation where you're so stressed that you, you really cannot do it, then you're going to need external help, it could be a mental health coach, it could be, it could be a therapist, it could be calling, you know, the DAP, somebody else who has been has been there. But taking the time to heal is time. And when I think of entrepreneurs, and you know, NCOs, the adage of you know, sleep faster still comes back, and there's still a culture of, oh, I only need three hours of sleep, or I only need four hours of sleep. So this notion of you know, Can you can you cut back and take the time to heal now, so that you keep on going longer term, thinking of this really as an investment as you would in a business also, which is, you know, do I need to slow down now, in order to be around in five years? Yeah. What you do during that slow down time, I think you'll need professional help. And, you know, consult some of the resources that that are out there that we've we've talked about, I mean, at the end of the day, you know, a lot of us know that stuff. We also know that if we eat less and exercise more, we'd probably be healthier. But it's difficult. It's really, really challenging.

S**Steve Divitkos 31:44**

Now, before, before we started recording today, you and I were talking about personality traits, or maybe even early life experiences, that tend to be positively correlated to maybe even predictive of burnout among high achievers, like entrepreneurs and CEOs tend to be. Now you you already mentioned earlier in our conversation that you know, you're not nor do you pretend to be a psychiatrist or psychologist, but I'm curious. Are there personality traits, even anecdotally, that you've witnessed in your experience and or early life experience, early life experiences, I should say, that tend to be predictive of burnout or at least positively correlated with burnout?

C**Carin-Isabel Knoop 32:27**

Oh, yeah, I mean, I think the, they're the, you know, a lot has been written on, on that topic. The first one that comes to mind is perfectionism. And I don't know, if you saw Adam Grant's TED talk on Let's break up with perfectionism. So, you know, being a perfectionist is extremely stressful, because no matter what happens, it's never good enough. And managing people, building a business, things are not going to be perfect is going to be very difficult. Or related to that, I think, is a sense of control that often comes with perfectionism, which is, if only I can control this or if I can, you know, influence this, the reality is that, you know, people grow organizations grow, things change, kids change. And so that can lead to when you think back to the first stage, which is, you know, compulsion to prove my worth. Well, if I control a little bit harder, it's going to be a little bit better. I think another one is, you know, there are five big personality traits, neuroticism, Hive, fear of failure. So a lot of us are groomed that way, which explains why we excelled in school. Why we did what people expected. I don't know whether that is a trait that I necessarily, you know, associate with, with entrepreneurs. But I think in probably in organizations, certainly in academia, I will send healthcare, you price have a lot of these personalities. I think impostor syndrome, probably also because if you discount your own capabilities, then the compulsion to prove your worth would be exacerbated. And that's often how, how it starts, maybe highly competitive personalities. I tend to compare myself to you know, videos when I go to the pool. Most people tend to compare themselves to Michael Phelps and wonder why they're not better. That would be a difficult way to wait to live. pessimism. If you think that things are always are not going to work out, then that exacerbates your cynicism. People are bound to disappoint me I told you that this person was lazy, it would never never work out. So I think they are they are traits and then as a manager as an entrepreneur in a team, if you can get into a conversation with individuals and help them become aware, more aware of perhaps that they are the high risk that they might be be a helpful conversation. Early Childhood See, I, I am not sure. Recently I've become very interested in attachment styles. So I don't know if you've so many of you with those about our early childhood shapes the way that we relate to ourselves and others. And so there's if you feel as a child that your caregivers, were able to make you feel safe and supported and secure, you will develop a secure attachment style. Other children who are not so lucky, will tend to have insecure attachment, and they might be more anxious, they might be more avoidant of conflict, they may be more dismissive of others. And so as I heard myself talk about the personality traits, I think that there may be something there also.

S**Steve Divitkos 35:53**

Well, it sounded like you were describing me. You're a failure, overly competitive, overly achievement oriented in regularly regular feelings of impostor syndrome. I mean, you could just smack that right on my biography. So

C**Carin-Isabel Knoop 36:07**

and So yet sure, yes. But that's, that's not I wanted to weasel out of that statement. So easily, I mean, think of how high achieving you are, think of the difference that you've made in people's lives, think of the business that you, you know, bought and created. Think of how you're now giving back to the community, through these moments that you're spending with people, people like me, are pathology, pathologies, our drives or experiences can lead us astray. And they can cause a lot of hurt in ourselves and others. And that is an absolute heartache. And this is why we're here. This is why for the past 10 years, you know, my case, right, I used to write about companies, and people say, oh, you know, we save \$2 on toilet paper. And I was like, Well, you know, a third of your people are not doing anything at work, because they're aching, why are you not paying attention to these people? You know, now we're having these conversations, but I, I really, I really regret it hurts me when the conversation then becomes too negative. And maybe I should have we should have phrased the question, as you know, what are character traits that minimize burnout? Because when you think of our pathology, Steve, they propel us forward. You know, think of Michael Phelps, were he not ADHD had he not struggled with with depression. And Dyslexia as a child, he might not have had the focus and the drive, had you not had the right coach at the right moment, he might have had the focus and the drive to achieve the way he did. At some point, he got himself into trouble. At some point, he got the help that he needed. And he is now making an unbelievable difference to the field of mental health. And through his foundation, helping generations of kids get the tools to behave differently. So our personalities create risk, but they also creates an immense amount of value.

S**Steve Divitkos 38:03**

Yeah, yeah. And I think it was only through seeking help, in my own instance, that I came to understand. In some instances, both the blessing and the curse of, you know, relentless focus on achievement. Competitive inclination, the fact that lack of failure in one's background actually tends to make fear of failure much higher, because it's very familiar. And awareness is really, you know, what, what, helped me kind of conquer these things, and, and awareness, you know, often with the help of others, because as I said, we're, it's very difficult to do this on your own. Certainly, in my, in my experience,

C Carin-Isabel Knoop 38:47

I think this lack of failure in the past brings up parenting to me, which is we're now breathing children that we have so protected, that they worry about how they're going to be in the workplace. And I think that too, is going to really cause a fundamental change in the role of managers. You know, in the dynamic, they became sort of emotional, first responders, for which, you know, none of us were really, really trained, but the expectation that is now being put on, you know, you see, Gen Z's are expected mental health support will be one of the reasons they pick the company is going to fundamentally change, I think the way that we will manage children who have been given a star just to show up to compete, and they're going to come with a whole host of different impostor syndrome, or a whole host of delusional perspectives around how their own inability to, to achieve. So I think that's something that's coming coming down the pike.

S Steve Divitkos 39:49

Now, as a, you know, when I was running my company, I felt something that I know so many other entrepreneurs and CEOs feel which is that I found that my own general level of happiness and satisfaction was very, very tied to how my company was doing, which is to say, you know, happy when the company is doing well, not so happy when the company is not doing well. And I think intellectually, you know, I understood that that was, you know, not the right way to go about things. But certainly easier said than done. So, I, there's no silver bullet to this, obviously, there's no kind of magic fix, but short of waving a magic wand. Is there a way that CEOs can better separate these two aspects of their lives? Like how do CEOs and entrepreneurs separate their own sense of self worth from that of their business?

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Carin-Isabel Knoop 40:42

So to me, they feel slightly different. Because a CEO of both, you know, both personalities, highly invested in the in the business, hopefully, in the performance of the CEO is tied to the business and it's tied to the business in a in a correct incentive package, both should care deeply about the business because they're responsible for other people. So I think the ability to compartmentalize is probably fundamental, and probably the hardest thing to do. Finding escapes, you know, anything that comes the vagus nerve, so art, music, dancing, gardening, some forcing mechanism, even just 15 minutes or 20 minutes a day, to idle. Some people, you know, say put the phone away even for 15 minutes, I think we often underestimate the power of little breaks. And because we are overachievers you know, going around the block is not good enough. We have to train for marathons. And I think you know, just doodling for 15 minutes. We know people don't do it because oh, I don't I don't draw well, or you know, the everything else that we that we kicks in. So I think finding ways to have artificial breaks or activities outside of work. Maybe focus on what is going well, rather than what could be. I think often, CEOs and entrepreneurs are very future focused. But we actually derive a lot of joy and dopamine by just taking these small breaks. And maybe it's a form of gratitude, to acknowledge you know, what went well today whether what didn't go well. And I think if I were seeing a top earner listening to me, I will be so annoyed because I'd be like, What the heck, that's the dumbest piece of advice that I've ever heard. But much like eat less exercise more. I think it does work. We just need the discipline to do it. And we need the discipline just to take it. Take it slow. At the beginning, I think another dimension is, you know, we've talked a fair bit in this conversation, I think a lot in the pandemic and even before but the fact that people bring work home. We wrote the book, actually, a theme that came through a lot of interviews was that a major source of stresses that we're all bringing home to work. So, when my kid was small, she left the house at 7:15, presumably to go to the bus stop. And when I came home at 7pm, I expected she'd be there. And that was the extent of the contact I had with her. When I observe the people in my team, and we all sit in cubicles, they're constantly tethered to their families. So families get grouchy when we're at home working. But yet when we're at work, they want us to adjudicate when you know the school lunch is not good. Or there's you know pastrami sandwich is desired for dinner. So a discipline that I would encourage a lot of leaders to have is to compartmentalize their lives not just at home, but also at work.

S

Steve Divitkos 44:03

I found that when I had particularly a member of my management team, because those are the folks that I worked with most closely. When they had something going on at home that I knew that I was aware of an issue with a child an issue with the spouse, maybe a death in the family, something like that. It just colored very understandably, every other aspect of what they brought to work, which is to say that when things aren't right at home, they're not right anywhere else.

C

Carin-Isabel Knoop 44:31

So I maybe I misspoke. So I think these are major inflection points. Do you write your son Are you in a caregiver situation? All of the stuff about your childhood is going to come out? You know, a child is ill at the beginning you said you know mental health is affecting, it's affecting workers. It's absolutely devastating to kids. So I think the pandemic looking kids up for two years will turn out to have been one of the worst experiments maybe we didn't have a choice but you We're going to be managing folks that are coming into the workplace that have kids that are going to have real struggles for a long time. There are absolutely believe that you need to give them the flexibility to deal with that. What I meant was people who are on dating websites at work, people who are constantly texting their girlfriends at work. And yet, when they come home, they say, I can't believe you sent me an email at five or 6pm. I'm so stressed out because you know, I would take work home. You equally stressed out when somebody is ghosting you on a dating website at work, right? And then you turn around and you know misbehave in a meeting, because you really wanted to go out with Josefin stress is contagious. In the way that you behave in a meeting. There is an emotional pollution that occurs. And so I think the more we can try to compartmentalize our lives, I think the better off we will be if we can just have four hours to focus on work, and not listen to the news. And I know this is impossible, because everybody's addicted to their cell phones. But we are all going to go crazy. Because we cannot live in this state of perpetual agitation, you know, a shooting occurs, everybody knows you can feel this ripple of stressors all over society. We are going to literally burn out if we do not think of disciplining ourselves. And I think the disciplining ourselves comes from a place of humility, which is to say, I cannot deal with all this stuff. Steve, I know I cannot still you know, I told you I have a new burner phone. I don't hear the news. when it occurs. I read the newspaper. And that's good enough for me. And yet I work with people who are in a constant state of perpetual agitation, and laid on deadlines because they're stressed. And because, you know, they're either constitutional lawyers when there's a supreme court hearing or their criminal justice attorneys when there is a murder. So everybody's gotta like keep work at work. I think. So that's what I meant. I did not mean in any way that one should not support family members that have ailing

S

Steve Divitkos 47:14

Oh, of course. Yeah. Oh, no, no, no apologies necessary. In fact, maybe the apology should be going the other way. Because that's actually not how I construed your comments. But I, you know, you actually bring up a really interesting point, which is something that we haven't talked about yet, which is the legal and HR considerations of all of this, because, you know, in a small business, similar to the one in which I ran, let's say, under 100 employees or so, usually there is no legal department, there is no HR department, that was that was my experience, we actually had an ongoing joke in our office that we might as well get one of those, you know, chaise couches, to mimic the couch that a therapist has in her office. Because that was that was kind of the role that I felt that I played. So I'm wondering if you can speak to the push and the pull of on one hand CEOs want to be deeply empathetic and towards and supportive of these challenges, many of which may be personal in nature. But at the same time, you know, maybe they're worried about getting too involved in what could be a potential legal or HR minefield. So if that question makes any sense to you, how should CEOs think about kind of striking that balance

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Carin-Isabel Knoop 48:33

on the topic of legal legal issues, absolutely fundamental, so the American with Disabilities Act, civil rights legislation, individuals with there's a category, but you know, the with mental health disorders that are, can be quite significant, are protected. So they're a protected class of employees. Businesses have to provide accommodations up to the extent possible so much as I am not a therapist, I am not a lawyer, but I have looked this up because it was something that that is really really important as, as a manager, no manager or even SMEs or CEO, you know, should be a health care center. Your role is to run a business that will survive, remain as a going concern and also enable employees within reasonable accommodation to perform the task of, you know, that is the mandate to them. I think if I were a see, you know, often the first hire or second hire of an entrepreneur is is a lawyer. I think certainly, given what we've seen about the extent of you know, individuals that are now reporting depression and anxiety, a labor lawyer that has familiarities with HIPAA, the ADA labor laws, I think would be important to have at least as, as a partner, when you're having the conversations The earlier the conversation can occur, the better off because the problems will be potentially easier to solve than downstream. So once you are in a situation where you have to terminate someone, and the ADEA may kick in, then it becomes really, really difficult. There are HIPAA considerations around what kind of information can be shared or not be shared. If you're, you know, the CEO and the HR department, there's really no place for your person to go. Which means that you might be privy to information that otherwise a CEO or somebody in a larger company might not have. So educating as your entrepreneurial educating oneself around the legal framework for for disabilities. It also just makes good business sense. I mean, I think according to the World Health Organization, the prevalence of depression, anxiety has gone up 25%, often already high base. So you may say that's an over reaction, now everybody is depressed and anxious. But it's going to be a significant fraction of everyone's everyone's workforce.

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Steve Divitkos 51:09

Now, a lot of entrepreneurs listening to this podcast are folks who are interested in buying businesses and or CEOs who are running companies who are looking to grow their own companies by acquiring others. And you know, I think of my own situation, I purchased a software company, and as a software company is essentially just people I mean, there's there's little to no fixed assets. So what you are, quote, acquiring is basically just a group of people, and they're the output that they produce. I think of buyers in today's market, who may be, you know, quote, inheriting an employee base that might be dealing with all kinds of stuff, you know, burnout turnover rates, do we return to the office or not? Is there anything that you'd recommend that buyers do in today's market? Maybe during due diligence? to just get smart on like, just how material are these types of issues within the employee base, that I may be, you know, inheriting for lack of a better way to put it?

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Carin-Isabel Knoop 52:08

So that's a fantastic question. So I've thought of in the book, we talked about the human sustainability index that companies could devise for themselves. And the metrics would very much be based on what the companies themselves were already doing. So I haven't thought of it in terms of an acquisition. One could have an you know, mental health, human sustainability, form of due diligence. So if you wanted to look at the ESG metrics, some of them might give you give you ideas, you could, there are simple surveys of employees, if you know the, if the seller is willing to and to let you let you take a look that you could serve the employees. I mean, talking to the founder, the owner, the existing manager, asking a question about the human challenges that people have faced, how have you thought of this topic, it's going to give you a clue about the nature of the conversations that have occurred. So bringing some of the themes together, you know, if you ask us the, let's say, you're buying a, you know, a small running business, then you could say, you know, one of the things that I found really difficult in running my own business was, you know, the mental health or how individuals dealt with stress or burnout rates or turnover. How have you thought of these topics? What resources have you provided the staff? What metrics do you track, and maybe take a look at these metrics? Once you take a look at these metrics, you know, they could be turnover versus the average. They could be the number of leaves that they take, where it gets really complicated in this field. And this is where I also realized that a lot of the you know, sort of analytics and AI being deployed to it is that a lot of it is depends. I'll give you an example. Let's say that I'm thinking of acquiring your company. And a lot of people have gone out on mental health leaves. Is that a good sign or a bad sign? What would you say?

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Steve Divitkos 54:15

Yeah, I mean, at the risk of repeating your own words back to you, I'd say it depends. I can explain reasons why that would be a good sign in terms of this is a culture or environment that is aware of these issues and supports, actions being taken to rectify them. On the other hand, it could be a sign of saying, hey, you know, we've been running this business or unsustainable way over the past X years and look at the toll that it's taking.

C

Carin-Isabel Knoop 54:42

Right. So an example would be then you need another metric, which would be you know, how, what is the turnover rates? Do people who come back from leave stay or do they go back out on leave? What support are being provided to the people while others aren't leave because if A lot of people don't these are people who leave behind have to do all the other work. Getting a sense of talking to supervisors about, you know how often people should have come come forward. So I think conducting a human due diligence. And this could be actually something that maybe we could we could write about. I think given how high this risk is, I would think that people considering buying or buying a business would absolutely be wanting to, to look at that.

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Steve Divitkos 55:32

And, you know, from an educational perspective, because, you know, ultimately, when we're talking about due diligence, we're talking about educating ourselves on the target company in question. And as I think about education more broadly. And as I think about the role that you've played at, at Harvard over over many years, I'm curious how you think about the role of our academic institutions, in openly discussing things like founder, employee CEO, mental health and sustainability? I'll caveat my question my comments by saying I'm deeply appreciative of each academic institution that I that I attended. Yet, I observe that substantially all of my education related to entrepreneurship was about the commercial aspects of it, right pricing, strategy, incentives, culture, etc. Substantially, none of it was about the ability to kind of manage my own psychology as an entrepreneur. And yet, when I interface that against my actual experience as an entrepreneur, when I put my head on the pillow at night, and I couldn't fall asleep, it wasn't because I was debating, Should I raise my prices? 2% or 3%? Or should I repay debt or pay dividends? It was about Holy crap, I feel in over my head, I feel like I don't know what I'm doing. Maybe I'm terrible at this. Maybe I shouldn't be doing this at all. So what role if any, do you think our academic institutions can or should be playing in this?

C Carin-Isabel Knoop 57:01

So I told you that I don't I don't drone on but this is really something I could I could talk about for hours. But I'll then maybe I'll start here with an admission of guilt, which is, so I've read written cases at Harvard Business School for nearly 25 years, I run a major department that touches about a third of the school's cases. In parallel, you know, for 10 years, I've been writing about mental health. I started because a friend of mine killed himself after a layoff. And I've never been able to reconcile those two lives. And part of me feels very guilty. Because we have gone about portraying case protagonists, who are the people making decisions and the case studies, which is the format that is often used in business schools, as robotic, managing other robots. And I think in doing so we have actually contributed to the mental health crisis at work and the burnout epidemic, because there's been really no place for conversation in the classroom. Now, you know, the cases are just a small component of the classroom experience. But one of the things that I started to do years ago after I did a case on Christine Lagarde was to ask all the top managers that I interviewed how little they slept. So Christine Lagarde sleeps under five hours a night, she's a fantastic negotiator because she stays up all night and barely eats. And yet we see her as a superhero, because of her academic and intellectual process. So there is a place of high performance that comes from how people are wired, that we don't talk about at all in school, we don't talk about the impact of decisions on people's mental health, you leading a very successful social media platform, it may have implications on people's well being, should you be held accountable for it or not? We spent so much time and energy on climate change, zero on emotional climate change. So why not see right? You ask yourself, for the same reasons why it's been difficult to talk about this stuff in families for the same reason why it's been difficult to talk about this stuff at work, which is there's a lot of stigma still. And my hope is that if there's any silver lining to COVID, surely it can be all the aches that it's called the physical and mental ache. But then we're finally having these conversations. And last year, I had the pleasure of collaborating with our publishing department to create a set of resources and modules that instructors can use, but also an article that was entitled it's time to talk about mental health in the business classrooms. And I've even had people out of engineering people out of medical school, sort of reach out. What you can do as a student, if you're listening to this, which you can do as an executed participant is asked a question and try to bring this conversation in all the academic venues that you're in involved in if you're an alum, chances are your kids are going to be hurting if you have children or your loved ones, when you go back to reunion, ask what is the school doing to support? You know, to support humanity through this through this crisis. And when you think of our alma mater, Steve, it touches hundreds of 1000s Millions of people billions, probably. And I think we have a huge opportunity here to contribute. All of us.

S Steve Divitkos 1:00:30

Yep. I would agree with that. Karen, less last question for for you before I let you off the hook for people who are interested in learning more about many of the topics that we discussed today. Are there any resources that they should be sure to check out, you know, books, to read blogs, to follow podcasts to listen to articles to peruse anything like that, that you'd like to direct people's attention towards?

C Carin-Isabel Knoop 1:00:55

So there's so so much out there. So I think there are a couple of people that I've been. So the way that I, I learned is a little bit tangentially, there's a person called Andrew Huberman. I don't know if you've heard about him. He's a neuro ophthalmologist out of Stanford. And he's in the pandemic, he's spoken a lot about how division in the brain works. So basic instructions on how neurotransmitters work. We're at the beginning of our conversation about going way upstream, which is, you know, we all have sex ed in school, or a lot of us have, but none of us have really learned, what is our brain? How does it work? How does it impact my life? How do I impact its functioning? So he's, he's very much at that, at that level. Then I think there's a woman called Susan David writes about emotional agility. You know, in the US, especially people are like, Oh, don't cry, don't show emotion. That's not good. Emotions are data. So she talks a lot about how you use your emotions to better understand what is happening with yourself. And then, in the pandemic, I also found helpful to read individuals like Viktor Frankl, the optimistic pragmatist, and either eager who've written on resilience and grief, and post traumatic transformation, because COVID has been such a source of trauma, which leads you to rethink your priorities. And so reading about individuals who have come to concentration camps, fundamentally transformed, and they have a very pragmatic testing story view of the world that is also very, very helpful. I do like the stoics. I do like, you know, the French philosophers. So I tend to go here to I'm standing to go a little bit backwards. And you know, nothing much new has been invented. In recent times, it's just been repurposed. I've read about, you know, music therapy, art therapy, there are a lot of resources there. Wim Hof, became quite popular in the pandemic, and the access to breathing, which I think you've talked, you've talked about. So those those, that will be that will be it, I think a lot of it is audio, I tend to be more of an audio learner. So I've really enjoyed Lexy Friedman from, from MIT has three hour long conversations with, you know, amazing people from soccer back to to pop artists to Zune to DJs. So I would encourage I think it's good for the brain to diversify.

S Steve Divitkos 1:03:35

Yeah, yeah. And I will add to that, your medium page, which I'll put a link to in the show notes, I've gotten a lot of value from reading your various articles. So oh, I appreciate everything. Oh, I'll give you the credit that you're not giving yourself

C Carin-Isabel Knoop 1:03:50

No, you know, if I if I started to earn to write on this topic, because I thought if I can make one person's life slightly better today, then that will be the ultimate, the ultimate gift. And and I thank you for the gift of having me on today. It's really an honor.

S Steve Divitkos 1:04:07

Well, thank you so much for your time. We really appreciate it.



Carin-Isabel Knoop 1:04:09

Fantastic. Take care of Steve Take care everyone. Thank you don't be superheroes