



MANAGING

# The Stoic Manager: Embracing stoicism and empathy for better results

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As financier Robert Rosenkranz looked back on his career, trying to help his niece and her husband as they started their own careers, a friend encouraged him to read former Roman emperor Marcus Aurelius' *Meditations* and other Stoic philosophers for a deeper understanding of life. He realized that he was "a natural-born Stoic," instinctively drawn to a highly rational approach and willingness to take acceptable risk, in part because of his upbringing by an overly emotional mother and professionally struggling father.

"Emotional responses are inevitable, but one of the highest and most revered human attributes is the ability to regulate those responses," he writes in *The Stoic Capitalist*.

Shermin Kruse, a law professor and also an advocate for stoicism, argues we would be wise to combine that rational approach with empathy.

"This dual capacity to empathize and maintain emotional balance empowers us to navigate complex social dynamics with grace and strategic insight, leading to more meaningful and constructive outcomes in both personal and professional realms," she writes in *Stoic Empathy*.

Mr. Rosenkranz points the would-be Stoic Manager to seven key ideas, which he presents as aphorisms comfortable for memorizing:

- Respect reason as the highest human attribute
- Distinguish between facts and interpretations
- Use reason to regulate emotions
- Accept impermanence; expect change
- Value time as our most limited resource
- Achieve peace of mind by doing less but doing it with greater conviction
- Act for the benefit of society

He notes Marcus Aurelius understood that human nature is both selfish and “groupish.” We evolved as a species to form communities of trust, where people work together. “What injures the hive injures the bee,” Aurelius wrote.

At the same time, while working for the common good, don’t harbour unrealistic expectations about human behaviour. Aurelius warned, “When you wake up in the morning, tell yourself: The people I deal with today will be meddling, ungrateful, arrogant, dishonest, jealous and surly .... [Each] has a nature related to my own.”

Mr. Rosenkranz stresses that a stellar example of Stoic wisdom is to accept that things are always transitory. “Be grateful for favourable conditions and for simple good luck. Appreciate that there is a fundamental divide between those who create change, those who find change exciting and embrace it, and those who find change threatening and resist it,” he writes.

We treat issues of time and distraction as an advent of the modern era but 1,850 years ago Aurelius was writing: “Do external things distract you? Then make time for yourself to learn something worthwhile; stop letting yourself be pulled in all directions. But make sure you guard against the other kind of confusion. People who labor all their lives but have no purpose to direct every thought and impulse toward are wasting their time – even when hard at work.”

Mr. Rosenkranz realized in the 1970s that his real focus was finding a path to independent wealth and assiduously learned the art of leverage buyouts, for clients and his own investments. At one point, his entire liquid net worth was at risk and he had to push back against the common instinct to weigh the possibility of losses much larger than the possibility of gains.

“The Stoics prize courage, by which they mean taking action that is informed by reason, even when doing so provokes fears, even when our instinct is to panic. We admire courage on the battlefield, but in life, especially business life, it can appear to be at odds with the rational calculation of risks and rewards,” he writes. “In this case, my calculation was entirely rational.” And paid off.

Ms. Kruse, who after fleeing Iran lived in Canada from age 11 until moving to the United States after her neuropsychology and philosophy undergraduate studies at the University of Toronto, asks us to combine Stoicism’s rigidity with empathy’s compassion. “They’re not opposing forces but symbiotic companions on the journey of self-discovery and influence. From childhood oppression and war to teenage bullying and climbing the corporate ladder, I’ve unearthed the profound synergy between stoicism and empathy,” she writes.

She distinguishes between emotional and cognitive empathy. The emotional variant is more about feelings and sharing emotions, engaging emotion-related and bodily awareness regions. Managers can be frightened by what it seems to require and the emotional toll it can take on them. Cognitive empathy is more about the understanding and evaluation of mental states of others, involving our decision-making and cognitive evaluation regions of the brain. “Cognitive empathy is the ability to understand without getting entangled,” she says, stressing that it’s a sophisticated intellectual tool.

She urges you to build what Aurelius called an Inner Citadel, where your primary and automatic emotional responses are aligned with the life and values you want for yourself. That will require the Stoic notion of dichotomy of control – knowing what you can and can’t control – and embracing discomfort, to the point where you have become habituated to it, like people who expose themselves to snakes until the fear dissipates.

Add to that three key tools of strategic empathy. You have to learn affect labelling, simply naming someone else’s emotions – bringing you together in shared recognition. Then comes silence, a dynamic break in talking, for the conversation to reset, followed by active listening. If that sounds loosey-goosey, her mother talked them out of a chilling confrontation with a Tehran morality police officer for violations of rules on head scarves by saying, “you seem very frustrated,” and then

with silences and further displays of empathy managed to bond together and avoid arrest.

You may not want to try that at the office. Or maybe you should.

## Cannonballs

- Former Rotman School of Management dean Roger Martin says anyone who is entirely uninfluenceable should live as a hermit because that individual is not a productive member of society. As well, interacting with society will just annoy them, so everyone is losing. It can be argued that they contribute to the community around them by stating their uninfluenceable positions to others. But uninfluenceable people can't learn, can't get better and get completely stuck.
- Corporate acquisitions usually involve paying a premium to capture another company, but Columbia Business School professor Rita McGrath argues the persistent failure of mergers and acquisitions – studies show that between 70 to 90 per cent fail to deliver the promised value – suggests prices should reflect that reality rather than imagined grandiose synergies or other springboard effects.
- Research shows CEOs who begin their tenure at the start of a calendar year fare better than those who take the helm later in the year. The three academics conducting the study suggest Jan. 1 presents a natural breakpoint to interrupt the work of organizational members and begin with a new focus. It also provides a full calendar year to improve results, rather than just a few months if appointed toward the end of the year.

*Harvey Schachter is a Kingston-based writer specializing in management issues. He, along with Sheelagh Whittaker, former CEO of both EDS Canada and Cancom, are the authors of When Harvey Didn't Meet Sheelagh: Emails on Leadership.*

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