



Marshall Goldsmith: "Be happy now."

An Interview with America's Most
Famous Coach of CEOs

By David Zweig, Senior Editor



Marshall Goldsmith has been an executive coach to 70-plus CEOs of Fortune 500 Companies. If these executives don't improve after working with him (as measured by their staff), he doesn't get paid. In almost 30 years he is batting .999.

That is the most famous factoid about him. There are others:

- Author of 20 books and accomplished teacher;
- Trustee of the [Peter Drucker Foundation](#) and long-time collaborator of its founder;
- Namesake of the new [Alliant University management school](#);
- "One of 50 Greatest Business Leaders in the U.S." -- *Business Week*;
- "Top 10 Executive Educators" -- *The Wall Street Journal*.

The author of Marshall's 2002 *New Yorker* profile spoke of his "often unsettling frankness." This exclusive interview is no different. In migrating from Southern Baptism to Eastern Buddhism, Marshall believes that what he does is breathtakingly simple. We might call that "candor." He'd likely say, "It's just the truth." One might mistakenly ascribe some of his views to arrogance. But that's off the mark. Why do we have this mental model of decisiveness-as-arrogance? Where does Marshall depart from it? A man who holds up a mirror to some of the world's more powerful people must himself be clear. Marshall is clearer than almost all the rest of us. That may be his obvious secret and his advantage.

By now, you surely must be wondering: what does the world's most famous executive coach consider to be his most powerful advice?

"Be happy now."

Alliant recently named its business school after Marshall Goldsmith.

TRANSFORMATION

DZ: Tell me about the new [Marshall Goldsmith School at Alliant University](#).

It is called the Marshall Goldsmith School of Management. It deals more with the human side of business. And the unique competency of the school is going to be focusing on trying to educate people in more practical and human issues. For example, a friend of mine teaches a class at Columbia. His name is [Srikumar Rao](#), and the class is about personal mastery and creativity. Who am I? Where am I going? What does all this mean? It's one of the most popular classes at Columbia.

DZ: Just like [Academy Fellow] **Michael Ray's** at Harvard and Stanford.

Exactly. It's more of a people-focused school, where you train people in organizational psychology, consulting, coaching, or in business, although the major specialty will be on the people issues.

DZ: At the big Eastern business schools those topics were not traditionally held in the highest esteem.

Times have changed.

DZ: How so?

Well, I'm busy!

DZ: You're busy coaching CEOs and top brass. What do you make of the concept of "coaching cultures" in organizations—the lower part of the pyramid? Does that have a future?

I totally think so! Let me tell you one thing I am completely excited about. Peer coaching. Peer coaching is something you teach people to do at first-line supervision with very low expense. I have two PhD students working on their dissertations, and we are experimenting in the area of peer coaching. It is not published yet. The initial results are spectacular. The results are called "Level 3." It's not, "Do you learn something?" and it's not, "Do you think you've changed?" It's "Does everyone around you think you've changed?"

DZ: It's perceived behavioral change.

Yes. For everyone. Which is harder than behavioral change. It's harder for someone to perceive you have changed than it is to change. It's a tough measure. The results we have had from peer coaching are spectacular. I am very excited about this idea of peer coaching—what I call two-way coaching, where people are just helping each other. It's a way where you can create more of a coaching culture within a company without everyone having to hire an external executive coach—which, by the way, is ridiculous. It costs too much. And after a certain point, if coaching is that cheap, how good are they?

My work is very applied. My whole focus is: I really don't care if you learn. If you learn and you don't do, it just not my mission. My goal is to help people do, not to help people learn. Learning without doing for me is not that interesting any more.

The Marshall Goldsmith School of Management e-Library

<http://www.marshallgoldsmithlibrary.com>

is a new, free public repository of a major part of Marshall's intellectual property.

He has invited 22 other business scholars and practitioners to contribute.

TRANSFORMATION

DZ: *How does peer coaching get set up in a company?*

If you are going to create an internal coaching culture, number one, you need role modeling from the top. My approach on this is somewhat counter-intuitive. You need the person at the top to be open about their own desire for personal growth and development. For example, the biggest client my coaching network has is Dell. Michael Dell stands up in front of everybody and says, "My name is Michael Dell. I want to get better. This is what I want to get better at. It's not easy. I am reaching out. Can you help me get better?" He doesn't act like a big shot. He just acts like a human. What happens? Number one, people have more respect for Michael Dell. It goes way up. All of a sudden everyone says, "Hey, I can learn too." So you get out of this ego-driven attitude. We all have to pretend we're perfect. We all have to pretend we're better than human. As long as people are playing that game there is going to be no coaching culture. No one needs coaching. Not only does no one need coaching, they're all perfect.

When you see the top management role-model personal development, that's the best thing you can do to create a coaching culture. It's not preaching about coaching. It's about modeling personal improvement.

DZ: *I've noticed that if it's not modeled at the tippy top of an organization, no matter how inspired the rest of the people may be, it's not going to work.*

I would challenge that. Let me tell you. [Academy Fellow] **Peter Senge** said (and I agree with him), "You can achieve meaningful change at any level as long as the top people in that unit are sincerely committed to the change and the people above them don't screw it up." If the people above them actively or passively screw it up I agree with you, it probably won't be very successful.

DZ: *Executives understand the concept of systems theory as Peter Senge describes it, but they have trouble applying these concepts—Six Sigma, for example—to human beings. You get a blank look.*

Six Sigma doesn't work anyway. I never discuss the topic. So I never get the blank look!

DZ: *So people think, "I am doing better so it shows up on the bottom line." It's not hard to make a leap of faith that if this happens it will show up on the bottom line—*

I don't convince them of anything. They have to convince me.

DZ: *Do tell...*

I have a nine months' waiting list. This stuff is judged by these people. If they say they are not sure, I say fine, don't hire me. That's easy. I don't convince. I have never had a CEO who has been unable to answer this question. "If this guy gets better at this stuff, as judged by these people, is it worth this mon-

Western Buddhists often say, "I will be happy when I get less." You want less? Give it away! That's not hard. But you can't be happy by having less and you can't be happy by having more. You can only be happy with what you have.

You don't invest in leadership development and next week expect to make more money.

ey – yes or no?" I have never had a CEO say, "I don't know."

DZ: *What's your advice to the next rung down on the corporate coaching food chain? Most of them are almost obsessed with proving their worth by traditional ROI measures, and it looks like tough sledding to me.*

It depends what type of coaching you are doing. To me, there are many types of coaching. The question is, "What are you trying to do?" If your goal is behavioral change—look at the Hewitt research. I was one of the judges of the [Hewitt's Top 20 Companies for Developing Leaders](#). If you look at their research, leadership development is associated with long-term corporate profitability. It's not associated with short-term profitability. You don't invest in leadership development and next week expect to make more money. Fifty percent of the time, somebody's going to make more money, whether they hired you or not. I am very down on anecdotal evidence. If you look at the research I have done with 86,000 people in eight major companies, it's not anecdotal. Let's take an oil company. The profits of an oil company are going to be more influenced by war in the Middle East than anything else. There is no amount of training that is going to make as much difference as that. I was just back at Saudi Aramco. Let's get real here. Saudi Aramco has a trillion dollars worth of assets. I don't think I am going to make a huge, huge difference in Saudi Aramco's bottom line, since all they have to do to make more money is crank something up next week and make more money—

DZ: *Or not. Don't crank it up next week and make more money.*

Right. They make more money if they do and more if they don't. I say, "Look, I don't know if this change in behavior will make you more money. I don't know if it's important. You tell me it's important. If you think it's important, then I can help you get there." This would be a great question to a CEO: "Is there one person on your team, if this person achieved a very positive change in behavior as judged by the people on the team, would that make a positive huge difference for the company?" The answer is almost always "yes."

DZ: *Is that a question you frequently ask?*

Yes. And the answer is almost always "yes." And I say, "Fine. Let's work on that."

DZ: *What's your take on why CEO's are getting fired more frequently?*

I think the role is much tougher out there. With globalization and so on. I wrote an article called Leading Age Professionals. It's not published yet. In it I talk about the changes in the new world. It's not just at the CEO level. CEO compensation has gone through the roof compared to compensation for regular employees. But what a lot of people don't realize is that, between the regular employee and the CEO, compensation has also gone way up. CFO compensation has gone way up. Vice Presidents have also gone up—not as much as CEOs, but it's still gone way up. As it's gone up the performance pressure has gone up and up and up. Insecurity level has gone up and up and up. Right now corporate executives—not only at the CEO level, but starting at the director level—are leading lives like McKinsey consultants or investment bankers. They get paid a lot and they have to work a lot. They are

TRANSFORMATION

under extreme amounts of insecurity. It's not just with CEO's that you see this. I see an insecurity level that is going up across the board. Globalization is tough and it's not going to go away.

DZ: *Most of them seem to have cut their teeth in business school or the corporate model and that was based on command and control. The more you could command and control, the better you did. Now the environment has changed. What got them there is no longer serving them.*

Hence, the title of my book, *What Got You Here Won't Get You There*.

DZ: *I like the way you think!*

Basically that's the essence of the book: how can successful people get even better? The same beliefs that lead to our success make it hard for us. I go through a variety of beliefs. Successful people have a very positive memory of their previous success. 70% of my clients rank themselves in the top 10% of their peer group. 80% in the top 20%. And 99% in the top half. I have done this exercise with 50,000 people. It's uncanny. At the Mayo Clinic, though,

The same beliefs that lead to our success make it hard for us.

*I don't care if you learn.
If you learn and you don't do,
it just not my mission.*

I actually found two doctors who did not believe that half of the doctors graduated at the bottom half of their medical school classes. These were not stupid people. One guy kept arguing about it. Finally I just looked at him and said, "Shut up." It was embarrassing! He kept babbling on and on something that I just didn't understand. These other people were just looking at him as if to say, "Shut up!"

The first belief of successful people is that they have succeeded. They have incredibly positive self-image that's unrealistic. That unrealistic image helps them achieve more. It also makes it hard to change and hear feedback.

Secondly, if I choose to succeed, the more successful we are, and the more it's a function of our personal choice and commitment. We're not doing it because we have to. We are doing it because we want to. Most successful people love what they do. That's good. But when we love what we do, we are committed, and that's good. Except when we're committed to a path, it's hard to say we're on the wrong path. The old saying is, "Winners never quit." Sometimes its time to quit. I have had the privilege of working with 70 major CEOs. I have had the unfortunate privilege to work with four CEOs when it

Successful people are superstitious.

was time for them to leave. I said, "It's over. Leave. Leave with dignity. Don't humiliate yourself and the company." What was my success rate? Zero for four. Bailed in all four cases. They were on the cover of national magazines, humiliating themselves and their companies. It's hard for a winner to face not winning.

TRANSFORMATION

The next belief of successful people is that they *can* succeed, and in psychological terms it's called self-efficacy. Successful people are superstitious. Any human or animal will replicate behavior that's followed by positive reinforcement. The more successful we are, the more positive reinforcement we get. And the more we fall into the superstition trap: "I behave this way. I am successful. I must be successful because I behave this way." The reality is that you do behave this way and you are successful. And you are successful because of many reasons and in spite of others. Nobody is so good that they have nothing on the in-spite-of list. Everybody I work with, I ask, "What's on your in-spite-of list?" If they say, "I have nothing on my in-spite-of list," I say, "You might want to work on humility."

Virtually everyone I work with has the same dream on a repetitive basis.

The final belief is, "Successful people believe they will succeed." Successful people are optimists. They tend to chronically over-commit. Especially today. Eighty percent of the people I work with feel as busy as they have ever been in their lives. It's not because they are losers or failures. It's because they are drowning in a sea of exciting opportunities. The reason people don't do what I teach isn't because they are bad, or mean, or evil or stupid. It's because they are busy. They have this dream: "I am really busy and over-committed today. But you know what? I am on some unique projects and I think the worst of this is over in four or five months. After that I will take a couple or three weeks and get organized. Spend some time with the family. Begin my new Healthy Life Program. Everything will be different. It won't be crazy anymore."

Virtually everyone I work with has this dream on a repetitive basis. I tell them there is not going to be some "two or three weeks." It's not going to prevail. Make peace. Change what you can change now. Take a deep breath and let go of the rest.

DZ: Marshall, you are getting dangerously close to Buddhism. That's your religion, of course, since you left Southern Baptism. I should think a lot of CEOs feel uncomfortable with Eastern religion. Is that something that ever comes up in your coaching?

I just sit there and say, "I am a Buddhist." There are many schools of Buddhist thought. My school is a simple school. You have to remember three words: Be happy now. Not next week. Not next month. Not next year. It's a great Western disease: I'll be happy when... When I get that car, status, money. But there is no when. That's a person waiting to die. Be happy now. Life is short.

The best feedback I got as a coach last year came from a managing director of Goldman Sachs. He's probably worth 300 million bucks. You know what he told me? He told me to be a better father and to be a better husband. What is that worth? He's got 300 million bucks anyway. What's another million bucks matter? It doesn't mean anything. For me, I am very out of the closet about what I do. Go to my website. It's not a big secret. It's got a picture of me sitting in the lotus position. I talk about being a Buddhist. *Forbes magazine* has me sitting in the lotus position talking about my being a Buddhist. *New Yorker* talks about my being a Buddhist. If this is a secret, it's very poorly kept. It doesn't seem to have hurt my business any. I just tell people about my Buddhism; it adds a lot to my coaching. A lot of what I tell people about

TRANSFORMATION

coaching is to let go of the past. More than half my time as a coach is not spent with my clients. It's spent with their co-workers. I tell them I have four requests for you: the first one is, let go of the past.

DZ: *There is a wonderful expression I heard at the Academy last year from [Academy Fellow] Dr. Jerry Jampolsky: Forgiveness means giving up all hope for a better past.*

I love that. I never heard of that. I love it. A lot of what I do is that. This week I basically quit working with a client after two days. It wasn't his fault. He wanted to get better. The people around him were not going to give him a chance. Too much bad water under the bridge. They were not going to give him a chance. They didn't want him to get better. They didn't want to let go of the past. I told him get a better coach. It was too much for me. They didn't want to let go of the past.

DZ: *Tell us about how you spend your time.*

Teaching is what I enjoy the most. Teaching is fun for me. I don't learn as much but I enjoy it more. Writing has the broadest impact. So of the three things I do, writing I enjoy the least but it has the broadest impact. Coaching is in the middle. I enjoy it more than writing but less than teaching. It has the deepest impact, not the broadest. A narrow but deep impact. Teaching is what I love the most, and it has a moderate impact. It's less than coaching, but it has more impact than just reading a book. So the three things I do have different levels of breadth and depth and impact. I enjoy them at different levels.

DZ: *If you look at your own evolution as a coach, what were some of the key learnings or points or inflections along the way?*

The key thing was, it's not about me. Most coaches never get this. They never get it. They want the other person to get better because they are smart, wise, and profound and share insights. They are good people and well meaning people. But they think it's about them. This really hit me over the head a year or two ago. A client in my life who improved the most is the client I spent the least amount of time with. I asked him, "What should I learn from you?" I said, "I have spent less time with you than anyone I have coached, and you have improved the most. What should I learn?" He said, "Marshall, you have one job: client selection. This process was never about you. It was about me and my team. It was never about your life. It was about our lives." And then he said something else that was even more profound. He said, "I manage 40,000 people as the leader. You know what I tell myself every day? It's never about me. It's about them."

DZ: *So it's servant leadership?*

That's it. You know what I learned as a coach? It's not about me. Don't make it about me. Make it about me and I am out of here. It's about you. It's not my life. It's their life. I don't try to make anyone try to change anything. People ask me how I convince people to do this or that. I don't convince anyone to do anything. My job is to help you be the person you want to be.

By the way, if it doesn't come from inside you, I have no desire to help you

The key thing is, it's not about me. Most coaches never get this.

People
being
trained
are
speakers,
cooks,
and
janitors.
Not
leaders.

be a better phony. If I am not coaching a CEO, say I am coaching a gonna-be-CEO, you know what I tell them? "I don't care if you are going to be a CEO or not. If you are only doing this to kiss corporate butt and play some games to get ahead, people around you are not idiots. They are going to see through this anyway. Let's not waste time. Maybe the reason you should do this is because in your heart you think this is the right thing to do.

DZ: *As your fame has grown since the article in the New Yorker in 2002 –*

That was an interesting story. Peter Drucker always said, "Who's the customer?" I want you to imagine somebody following you around for two months writing an 8,000-word story about your life. And you don't get to read it and they send it out to a million people. That would be an interesting experience. I thought, "OK, who's the customer here?" First I thought the customer should be my clients. And you know what I decided? To heck with it. The customer was not my clients. The customer was my unborn great-grandchildren. I said I have this unique opportunity to have this brilliant woman write an 8,000-word story about my life. After I die, my grandchildren won't know who I was. So I told my wife, "You know what I am going to act like? Me." And I said, "Figure we just lost 150,000 or 200,000 bucks. I am sure it's going to piss someone off. But you know what? I don't care. I am just going to go ahead and be me." I got 300 emails about that thing. And you know what they all said? Sounds just like you!

It's the smartest thing I ever did. You know what I decided? I am not going to fool the writer [Larissa MacFarquhar] anyway. Zero chance. Why bother?

DZ: *What was the impact of that on your practice?*

My fees went up 300 percent. I got a \$700,000 advance on my book. Other than that, not much impact.

DZ: *Why is it so hard to get people in the middle ranks of companies to focus on things other than bottom line results? Why is it so hard to focus on human capital, particularly when so much of American business is now service-based?*

I don't think leadership development in organizations typically gets people focused on the right things at all. Most leadership development people focus on the wrong things. People focus on "Do you like speakers?" and "How was lunch?" and "Is the room nice?" What is evaluated in 98% of all leadership development? Did you like the speaker? How was lunch? And was the room nice? People are not being trained as leaders. People are being trained as speakers, and cooks, and janitors. Not leaders. Is there any evidence that any of it is doing any good?

DZ: *I just don't think people have a better idea.*

Well, there are two ways to look at this. I think partly, yes, they don't have a better idea. But listen, I have been publishing my stuff for years. It's not a secret. A lot of people don't want to measure it. If you measure it you confront executives. And you make them deal with the fact that they're not doing anything. And if you don't measure it you can have this shared delusion that it matters.

DZ: *A kind of logrolling.*

TRANSFORMATION

Exactly. The challenge in life isn't understanding. It's doing. Everybody understands what to do but doesn't do it. How many people in the United States know they are not supposed to eat a whole lot and they are supposed to work out? Everybody. If everybody knows this, how come people are so fat? They don't do it! Leadership is the same thing. It's not hard to understand. It's just hard to do. So my job is to try to get people to *do*, not just to understand.

It's not a knock on most of the things that are taught. Most of the things that are taught would work if people actually *did* them. There is no measure that they do them. You can go to almost any workout program and get in shape. You can quibble about which workout program is better. Bottom line is: they all work. Anything is better than nothing. You get 70% of that if you do anything. Any kind of exercise program can be done. The difference between this wonderful program and this mediocre program may be 20 or 30 percent. You can get a huge amount of value if you just do something. Most people don't do anything.

DZ: *In your own practice, it seems that social motivation is what works for most of your clients. Is that true?*

I have changed one thing about what I am teaching that is not really in my publications. Now let's say I work with a team. I work at three levels: the individual needs to take responsibility for his or her change. The individual has a peer coach who is helping him or her take responsibility. And the individual follows up with the team. Again, you are never going to get better in terms of its being perfect. The more you build in positive reinforcement, the better. I have a personal peer coach. He calls me up every day—well, 85% of the days. I talk to him and he asks me the same 24 questions every day. I ask him the same 17 questions.

DZ: *Would you share any of them with us?*

Sure! I am happy to share this with one qualifier. My questions are not intended to be value statements for other people. My questions are just for me. I am happy to discuss them. The first question he asks me every night: How happy were you today? I don't have to work. I live in what seems to me to be a mansion. I have got plenty of cars, a nice art collection. There are no material things that are going to make me one iota happier. I don't have a boss. And I don't have to do anything. There is a business that has my name on it. I don't own it or manage it. They send me money. There is a college now that has my name on it. I teach whatever I feel like, whenever I feel like. If I wasn't happy today, somebody screwed up! Now, who would that be? I could blame you, but that would be weak. That would be very weak! A weak, weak, weak statement. I screwed up.

My coach asks me a lot of other questions: How many minutes did I walk? How many minutes did I spend on meditation or positive thinking? How many minutes did I write? (That's much harder for me.) How many minutes did I spend on topics I can't control or that don't matter? How many did I have to prove I was right when it wasn't worth it? How many angry or destructive comments did I make? Did I do something nice for my wife, or my son, or my daughter? How many pushups did I do? How many sit-ups did I

My own coach asks me the same 24 questions every day.

Have
you ever
asked
your son,
"What can
I do to be
a better
dad?"

do? Yesterday I did 340. It's not that hard to do 340 after a while. You know what's hard? The first one.

Somebody asked me, why do I need to do this? Don't I understand the theory? I *wrote* the theory. That's why I need to do it. I know how hard it is. I have made peace.

There's another thing I have made peace with. I am 57 years old. If I could do all of this stuff by myself, I probably would have by now. Who am I kidding? I don't think it's anything to be ashamed of.

You want a free coaching suggestion? How old is your son?

DZ: *Almost nine.*

Have you ever asked your son, "What can I do to be a better dad?"

DZ: *I am going to do it in about five minutes!*

Perfect! And say it's not about money. I am not going to quit my job. In terms of the time we do spend together, how can I be a better dad. Whatever the kid says, guess what?

DZ: *Do it?*

Yup. Do it.

EDITOR'S EPILOGUE: Immediately after the interview I asked my son how to be a better dad, and he told me that day he wanted me to read stories to him in bed and to play more baseball with him. As it was 4 pm we got our gloves and went down to the baseball field.

An instantly recognizable man happened to be playing catch with his six-year-old (a promising right hander) before the start of their Little League practice. It was Academy Member **George Zimmer**, Chairman and CEO of Men's Wearhouse. I said to him, "George, you have 11,000 employees. I'd bet you are the only CEO in America playing ball at 4 pm on a Tuesday."

He answered, "I got a second chance in life. There's nothing more important."

Over the next week my son thanked me three times just for asking how I could be a better dad. At one point he said, "Not a lot of dads would ask that." Marshall Goldsmith is the world's most famous coach, and for good reason. For all their wealth and power, many CEO's don't know how to model life's most important lesson. Marshall does.

Be happy. Now.

Copyright © 2006 World Business Academy, 428 Bryant Circle, Suite 109, Ojai, CA 93023
Academy Phone 805 640-3713 Fax 805 640-9914 Website www.worldbusiness.org
Senior Editor, David Zweig, davidz@worldbusiness.org Phone 510 547-3223