

## Are You Humbitious Enough To Lead?

by William C. Taylor

If there is a defining conceit at the heart of the way so many of us think about leadership, it is that of the no-nonsense, hard-charging, often-wrong-but-never-in-doubt boss who enjoys the glories (and bears the burdens) of success all alone. That's what makes executive life (in theory) so glamorous: Who isn't eager to match wits with brilliant rivals and stay one step ahead of a complex world? Of course, that's also what makes executive life (in reality) so exhausting: What happens when rivals come at you from more directions than ever, when markets change faster than ever, when problems loom larger than ever?

As a business culture, we've made the lure of executive leadership hard to resist—and the job of leadership virtually impossible to do. A harrowing essay in the Atlantic (titled, appropriately enough, "It's Lonely at the Top") captures how excruciating it is for many CEOs just to make it through the day. It begins with an account from Rachel Bellow, an executive coach in Manhattan, who describes the calendar of one of her clients. "There was no white space seven days a week, not even Saturdays and Sundays," Bellow marveled. "He was all over the place on his private jet. . . . He would go to nine cities in a single twenty-four-hour period. It was obscene! There is no possible way that this person ever has the capacity to process what he's doing."

The essay sums up the dilemma of the contemporary business leader this way: "The more CEOs work and the more responsibilities they take on, the more isolated they become. Their entourages shield them from workaday headaches. Their spot at the top cuts them off from the people lower down on the corporate totem pole, and thus from reliable, 'un-spun' information. Everyone reporting to them has his own ambitions; everyone wants to look good; everyone wants a promotion. So what's a CEO to do?"

The not-so-simple answer to Bellow's simple question is to rewrite an awful job description that has been obsolete and counterproductive for an awfully long time. In an era of nonstop pressure and deep-seated change, the way to succeed as a leader without losing your mind is to change the prevailing and long-standing mind-set about what it means to lead. Today, the best way to deliver on an ambitious agenda for your organization is to embrace a sense of "humbition" in your personal style and as part of your leadership repertoire.

What's humbition? It's a term I first heard from a savvy change agent (and self-described

“possibilitarian”) named Jane Harper, a 30-year veteran of IBM who devoted her career to transforming how this once-famously top-down organization approaches innovation, collaboration, and leadership. Humbition, Harper explains, is the blend of humility and ambition that drives the most successful businesspeople—an antidote to the hubris that infects (and undoes) so many executives and entrepreneurs. (She says the term was coined by researchers at Bell Labs, who were looking to describe the personal attributes of the most effective scientists and engineers.) The smartest business leaders, she argues, are smart enough to admit that they cannot take all the credit for their success. More likely than not, what they’ve achieved is some combination of good fortune, great collegueship, and the random collision of smart people and bright ideas.

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In a manifesto of sorts that urged up-and-coming IBMers to embrace a new leadership mind-set, Harper and a group of her colleagues offered a compelling description of what it takes to succeed in a complex, fast-moving, hard-to-figure-out world. Their strongly worded advice to aspiring leaders inside IBM should be read as words of wisdom for leaders at every level of all kinds of organizations.

“Humbition is one part humility and one part ambition,” they wrote. “We notice that by far the lion’s share of world-changing luminaries are humble people. They focus on the work, not themselves. They seek success—they are ambitious—but they are humbled when it arrives. They know that much of that success was luck, timing, and a thousand factors out of their personal control. They feel lucky, not all-powerful. Oddly, the ones operating under a delusion that they are all-powerful are the ones who have yet to reach their potential. . . . [So] be ambitious. Be a leader. But do not belittle others in your pursuit of your ambitions. Raise them up instead. The biggest leader is the one washing the feet of the others.”

Harriet Rubin, one of the great innovators in business-book publishing and an accomplished author in her own right, uses different language to make a similar point about the relationship between leadership and change. “Freedom is actually a bigger game than power,” she says. “Power is about what you can control. Freedom is about what you can unleash. Translation: The most effective leaders no longer want the job of solving their organization’s biggest problems or identifying its best opportunities. Instead, they recognize that the most powerful ideas can come from the most unexpected places: the quiet genius buried deep inside the organization, the collective genius that surrounds the organization, the hidden genius of customers, suppliers, and other constituencies who would be eager to share what they know if only they were asked.

This is not, it should be said, some starry-eyed paean to the wisdom of crowds or the

brilliance of brainstorming. Indeed, as Keith Sawyer demonstrates in *Group Genius*, his influential book on creativity, the process of brainstorming, at least as it's been practiced since its creation in the 1950s by advertising icon Alex Osborn (the "O" in the Madison Avenue firm of BBDO), has been a better marketing success than business tool. "Brainstorming is the most popular creativity technique of all time," Sawyer argues. "There's just one problem: It doesn't work as advertised. . . . Decades of research have consistently shown that brainstorming groups think of far fewer ideas than the same number of people who work alone and later pool their ideas." In fact, Sawyer warns, "In many organizations, the group ends up being dumber than the individual members."

So what does it take to unlock the quiet genius of colleagues, the collective genius of customers, and the hidden genius of potential collaborators of all sorts? The answer is certainly not less leadership. Nor is it more of the same leadership, but with a little less ego and a little smarter approach to brainstorming. What it takes is an entirely new leadership mind-set—a clear-eyed recognition that in a high-pressure, fast-changing world, where the only way to outperform the competition is to outthink the competition, the most successful leaders are the ones who make it their business to get the best ideas from the most people, whatever their background, job title, or position in the hierarchy. In other words, what it takes is humbition.

Two of the most humbitious executives I've ever met are Jim Lavoie and Joe Marino, founders of a fast-growing software company called Rite-Solutions, headquartered near Newport, Rhode Island. Lavoie and Marino are in a deadly serious business. Their company develops command-and-control systems for submarines, combat-system performance-prediction tools for navy warfighters, simulation and training systems for first responders and homeland security personnel, and all kinds of other advanced (and highly classified) technologies. Its customers include the Naval Undersea Warfare Command (located just minutes from company headquarters), the U.S. Pacific Fleet, the Naval Space and Warfare Command in San Diego (where Rite-Solutions also has an office), and defense-contracting giants such as Raytheon and General Dynamics. Put simply, this is a company with smart people building expensive products for important customers with big problems.

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"We may have started the company, but we knew that we would not be the smartest people here," explains co-founder and CEO Lavoie. "I had spent 30 years in highly structured organizations where good ideas could only flow from the top down and someone's value was defined by the 'box' they sat in rather than the insights they had. Sure, we had real-world experience and a vision of where we wanted the company to be. But how to get there from here, which technologies to choose, which products to develop, we didn't have those answers." Given that Rite-Solutions plays for such high stakes, and

that its products come with big (often multimillion-dollar) price tags, you'd expect Lavoie and Marino to run the proverbial tight ship—to lead according to rigidly top-down principles. In fact, they launched the company in January 2000 as an explicit alternative to the command-and-control environments they'd suffered through their entire careers. They spent 20 years together as senior executives with a company called Analysis & Technology, a highly regarded engineering and IT-services provider. Analysis & Technology did well, went public, and sold itself to a bigger company called Anteon (which, in turn, sold itself to General Dynamics). Lavoie and Marino walked away with a bundle of cash—and a burning desire to demonstrate that it was possible to do cutting-edge work in a no-margin-for-error field with a new set of principles about what leaders do and where good ideas come from.

In part this means creating a looser, more flexible, more humane culture than what exists at most defense companies. Rite-Solutions is filled with whip-smart software programmers, advanced-degree scientists and engineers, and naval-warfare experts who had long stints in military or civilian government agencies before they signed on with the company—not always the most gregarious, outspoken, freewheeling cast of characters. So Lavoie and Marino have used tremendous creativity to infuse the environment with a sense of informality, personality, even frivolity. That's a refreshing dose of humility from a 60-something leader with an enviable track record of business success. Rite-Solutions president Joe Marino, also a 60-something technologist, echoes this outlook on leadership. "There's nothing wrong with experience," he says. "The problem is when experience gets in the way of innovation. In technology-driven industries, maybe in most industries, the higher you rise, the more removed you get from what's actually going on. As founders, the one thing we know is that we don't know everything. Our job is to create an environment where people can express their ideas, no matter where they are in the organization, and then to make sense of all the ideas that emerge."

For example, a "welcome wagon" delivers flowers, a fruit basket, and a greeting card to the family of new employees as a way to signal that life at Rite-Solutions will be different from what they've experienced elsewhere. New employees complete a "birth certificate" before they report for duty, which describes their career, hobbies, pets, interests, nicknames, and other personal stuff. A nifty piece of company-developed technology displays the birth certificate whenever an employee interacts by phone or Web with another employee—a quick way to find common ground and start a conversation. At 9:00 AM on the first day of work, each new employee gets a welcome-to-the-company bash, complete with pats on the back, all sorts of wrapped gifts, and a general feeling of good cheer and camaraderie.

This colorful and seemingly inexhaustible set of workplace practices (trust me, there are loads more) creates an infectious sense of energy and sets a playful tone for the organization—with an emphasis on playful. But where play turns serious is when new employees (also on their first day) get issued \$10,000 worth of "opinion money" and are

invited to become part of the company's internal stock market for ideas—technology that Lavoie and Marino devised to unearth creativity from anywhere and everywhere inside Rite-Solutions. The stock market, named Mutual Fun, Lavoie explains, “is a mechanism to take the employee relationship beyond the transaction level—I pay you, you do a job—to an emotional level where people are entrusted with the future direction of the company, asked for their opinions, listened to, and rewarded for successful ideas. Most companies say, ‘This is what we do.’ We ask, ‘What can we do with what we know?’ The stock market helps provide the answers.”

Here's how it works: Any member of the company can propose that Rite-Solutions acquire or develop a new technology, enter a new line of business, or make an efficiency improvement that reduces costs. These proposals become stocks on the Mutual Fun market, complete with their own ticker symbols, discussion lists, and e-mail alerts. Each stock comes with a detailed description (called an expect-us, as opposed to a prospectus) and begins trading at a price of \$10. (The user interface is reminiscent of a Bloomberg terminal, with charts, updates, portfolio valuations, and so on.) Employees signal their enthusiasm for an idea by investing in the stock and, better yet, volunteering to work on the project, to contribute to its so-called Budge-It Items (small steps that move an idea forward). Volunteers share in the proceeds, in the form of real money, if the stock delivers real-world revenue. The market regularly updates a Top 20 list of the most highly thought-of ideas, which get special attention as a result of their grassroots support.

The ideas in Mutual Fun are divided into three categories. “Blue chip” stocks are low-risk proposals that fall into the company's sweet spot. “Futures” are high-risk, high-reward ideas that require Rite-Solutions to stretch as a business or enter an unfamiliar market. “Savings bonds” are ideas to cut costs rather than increase revenue, to help the bottom line without necessarily growing the top line. Over time, as employees buy and sell stocks, an algorithm adjusts prices to reflect the sentiments of the company's highly credentialed engineers and computer scientists, its veteran project managers—as well as its marketers, accountants, even the receptionist. The market also includes “penny stocks,” which are blue-sky ideas where employees are invited to “give their two cents” without having to invest opinion money.

“Mutual Fun allows half-baked ideas to get into the community,” CEO Lavoie told a business-school researcher who studied the stock market. “It lets people start chatting about them, making them better, polishing. Informal ‘interest networks’ form without management, without supervision. When an informal network forms, [we] let it form. . . . What we found when we were at a big company was that we were very innovative at stopping innovation.”

The stock market is, without question, a slick application of technology—just the sort of thing Rite-Solutions is respected for in military and commercial circles. But it's also a compelling metaphor for leadership, for what can happen when senior executives combine big ambitions for their company with genuine humility about how to realize those ambitions. For example, one of the earliest stocks on Mutual Fun (ticker symbol: VIEW) was a proposal to apply three-dimensional visualization technology, akin to video games, to help sailors and homeland security personnel practice making decisions in emergency

situations. Initially, Joe Marino was unenthusiastic about the idea—"I'm not a joystick jockey," he quips—but support among employees was overwhelming. Today, that product line, called Rite-View, is a huge hit. "Would this have happened if it were just up to the guys at the top?" Marino asks. "Absolutely not. But we could not ignore the fact that so many people were rallying around the idea. This system removes the terrible burden of us always having to be right."

All told, the CEO reports, the internal stock market, which took shape in January 2005, has paid huge dividends for the company. It has generated more than 50 workable ideas for new products, services, and processes. More than 15 of these ideas have been launched into the marketplace, representing roughly 20 percent of total revenue for Rite-Solutions. The company has also filed patents on twelve innovations that had their origins in the stock market, a crucial addition to its arsenal of intellectual property.

"We've always said that our most important job is to surface the quiet genius of individual employees and to harvest the collective genius of the whole company," Jim Lavoie concludes. "Creativity at most organizations is a blip when it needs to be a heartbeat. Innovation can't rely on a few specialists in product development. You need dreamers and doers, brainiacs and maniacs, thinkers and tinkerers. It has to be pervasive. The stock market has become a way of life here."

You don't have to build a stock market for ideas inside your company to apply the ideas that have worked so well inside Rite-Solutions. It's about a more expansive mind-set, not a specific methodology. You can't do new and exciting things with your organization, especially under difficult conditions, with the same old assumptions about what it means to lead.