'Indispensable' Gives New Lens For Looking At Leaders

Is there a set of conditions that makes some leaders crucial and others inconsequential?

According to Harvard business professor Gautam Mukunda, it really depends on the situation.

Sometimes, a leader plays a crucial role in the outcome of a situation. But other times, that may only appear to be the case. In other words, the leader becomes associated with - and perhaps is credited with - **the outcome when, in reality, it didn't really matter if he or she** was at the helm or not; the event was bound to happen regardless of who was in charge.

Mukunda explores this idea in his book, "Indispensable: When Leaders Really Matter." Using a group of former leaders in the public and private sectors, Mukuna studied each to try to determine who had been insignificant and who was indispensable.

He outlines the process companies use to choose their leaders, a process he calls Leadership Filtration Theory (LFT). He also writes about other systems that evaluate candidates infrequently, noting that the**se systems are more likely to allow "extremes"** - leaders who will either be very good or very bad - to gain power.

Mukunda contends that the "leader's impact can best be thought of as the *marginal* difference between what actually happened and what would have happened if the most **likely alternative leader had come to power." In measuring a leader's impact, Mukunda** looked closely at the historical process and identified, as much as possible, what might **plausibly have happened in that person's absence.**

One example he uses is Jack Welch, a former CEO of General Electric who was seen by many as one of the best company heads ever. He was chosen by his equally successful **predecessor, Reginald Jones. I remember at the time of Welch's appointment having seen a** video case where Jones described the process he used to choose his successor.

A short list of candidates was narrowed to three, and each was then thoroughly evaluated and given assignments to determine specific areas in which they needed development. Welch ultimately won the horse race and his competitors left GE.

Mukunda says that "Welch's impact wasn't GE's success, though it was the difference between how well GE did under his leadership and how well it would have done had GE **picked someone else." He then note**s that his LFT is a way to filter out the less-effective leaders from the most-effective ones.

He gives focus in his book to U.S presidents - from George Washington to George W. Bush - **and characterizes each as either "filtered" or "unfiltered." Filtered p**residents are those who had at least eight years of experience in public positions - such as congressman, governor, senator or vice president - prior to becoming president. Unfiltered presidents are **those with less than eight years' experience.**

Unfiltered presidents, like extremes, will either do very well or very poorly. A filtered **person, according to Mukunda, isn't guaranteed to be an excellent performer but his** performance and leadership are likely to be more predictable.

If you look at filtering in combination with the presidential rankings Arthur Schlesinger and others have compiled, the results become more interesting.

Jefferson was the highest-ranking filtered president. Using LFT you might have expected he would have had a low impact. In fact, historians rank his presidency as very effective. Abraham Lincoln, on the other hand, is the highest ranked president overall, and one of the least filtered.

Jefferson had 16 years of public service under his belt prior to becoming president, and the most significant accomplishment of his administration was the Louisiana Purchase, which doubled the size of the United States.

But evaluating that more closely, and considering distance and communication barriers, Jefferson actually had very little to do with the purchase. If the conditions had been slightly **different and one of Jefferson's contenders** - John Adams, Aaron Burr or James Madison - had been elected instead, the Louisiana Purchase would still have happened, since the French wanted to sell the land and would have done so to whoever was in office.

Mukunda goes on to look at Jamie Dimon, the CEO of JPMorgan Chase (JPMC). Dimon had a meteoric career alongside Sandy Weill at Commercial Credit, which, through a number of acquisitions, merged with CitiCorp. But Dimon and Weill eventually have a falling out, and Dimon leaves Citicorp in 1998.

He then gets an opportunity to come in as the unfiltered CEO of Bank One. He negotiates a deal to be acquired by JPMorgan and becomes CEO. The sub-prime mortgage unfolds and JPMC is the only company capable of buying Bear Stearns.

In the short term, his financial conservatism was criticized but it was what ultimately allowed JPMC to become the largest bank in the U.S., as measured by total assets. Dimon had been filtered out at Citicorp but later, was tremendously successful as the unfiltered

CEO of JPMC. However, even the best unfiltered leader can make enormous mistakes that a filtered leader might not.

Mukunda gives us an interesting lens through which to evaluate leaders in the past and think about leaders going forward. The idea that the times make the person, not vice versa, is also interesting to think about. This is a book I would recommend.

About the Author

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