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BOOK REVIEWS

Indispensable – When Leaders Really Matter, G. Mukunda, Harvard Business Review Press, Boston, MA, (2012), 301 pp..

The impact of leaders on organisations is the subject of a long standing debate in management research. Current research on leadership focuses almost exclusively on the characteristics of appointed leaders (e.g. [Nohria & Khurana, 2010](#)), largely ignoring the processes by which leaders are selected. Mukunda addresses this by proposing a theory about the way in which leaders are chosen relates to their perceived outcomes after gaining power.

The central argument of *Indispensable* is that the importance of a leader in an organisation can be understood by looking at the hidden patterns behind the selection process that puts them in power. Mukunda calls this the Leader Filtration Theory (LFT) and the book looks at multiple instances of Leader Filtration Processes (LFP), as well as at events that illustrate how leaders were chosen and how that selection process relates to their future performance. The basic premises of LFT are presented in Chapter 1 (pp. 1–19).

All organisations have some kind of Leader Filtration Process. Boards of Directors in large corporations choose CEOs by selecting what they perceive as the best suited managers to lead the company from a pool of candidates. One can assume that an established LFP would always produce the same kind of leader, one that conforms to what the organisation regards as the best fit. This kind of filtered leader is likely to have been exposed to the scrutiny of the organisation for a long period of time. An example would be career politicians, those who achieve premiership or presidency after several appointments as a member of the parliament. Large corporations such as General Electric are also known to choose CEOs internally from their Board of Directors. [Mukunda call these modal leaders.](#)

However, there are exceptions to this rule. Leaders can sometimes bypass the LFP, either by profiting from a temporary looser selection system or by a revolutionary approach to organisational leadership. Mukunda call these extreme leaders. One of the central tenets of Mukunda's Leader Filtration Theory is that extreme leaders are more likely to have a high impact on the organisations they lead than modal leaders. Extreme leaders tend to be unfiltered, that is, barely evaluated by the organisation. These less informed choices can turn out to be excellent or, conversely, prejudicial to the organisation. Extreme leaders may be selected on

characteristics other than managerial skills, such as charisma or personal wealth, and can take the organisation "to disaster or to glory" (p. 19). It follows that "it should be possible to identify high-impact (extreme) leaders based solely on the extent to which their lives before taking power exposed them to filtration" processes (p. 9).

An analysis of modal and extreme leaders among Presidents of the United States since the foundation of the country in 1776 is central to Chapters 2–5. Mukunda demonstrates that the unfiltered presidents are consistently ranked either at the top or the bottom by both historians and the public. This kind of leader is never assessed as an intermediate performer (pp.30–31). A clear cut example is Abraham Lincoln, who was largely unknown to the Republican Party and the eastern cities, and achieved presidency by back-ground maneuvering during the Republican Convention. With the shadow of Civil War hovering over the United States, the system allowed the appointment of an unfiltered leader who, as history shows, successfully led the country through one of the toughest periods in its history (Chapter 3).

Another example is Winston Churchill (Chapter 7). Having had a career as a politician and a trained military leader, Churchill's appointment as British Prime Minister was far from consensual. In fact, public scrutiny had already excluded him as a serious candidate for premiership in the 1930s and he would not normally have been invested with power. His sagacity and resilience during the initial stages of World War II make him another example of a successful unfiltered leader.

Mukunda artfully extends his findings and theory to fields other than politics (Chapter 8). The most prominent example, and perhaps the most interesting for management scholars, is that of JP Morgan Chase investment bank and how it survived the subprime crisis of late 2008. Jamie Dimon became CEO of Bank One in 2000 and, when JP Morgan Chase acquired the bank in 2004, he was appointed CEO of the combined company. Recruited after dismissal from Citigroup in 1998 and having experienced unemployment for more than a year, "Dimon, like most outsider CEOs, was an unfiltered leader and so had a high probability of being an extreme" (p. 207). His management practices were somewhat conservative but also rather unorthodox in the prevailing context. In contrast with rival banks' strategies, he avoided high risk investments in the mortgage markets. In late 2008, when the financial system faced meltdown, JP Morgan Chase was much less exposed to the toxic products that nearly bankrupted

some of the bank's competitors. The bank's lower leverage levels also made JP Morgan Chase better positioned to reap opportunities than its competitors.

Leader Filtration Theory explains how the selection of the best and worst leaders is dependent on each organisation's selection process. The main implication of Leader Filtration Theory should be to answer the question of how to choose a leader. However, Mukunda's contribution to this debate is not definite: unfiltered leaders are equally likely to have a positive or a negative impact on the organisation in which they take power. Chapter 9 provides some useful guidelines for answering two main questions: "Who should choose an Extreme leader? How can you maximise your odds of getting a successful Extreme?" (p. 219). These guidelines suggest that the performance of filtered vs unfiltered leaders is highly dependent on environmental contingencies. For example, Churchill was an excellent unfiltered leader during wartime but he could have been a poor leader in an earlier period (pp. 155–190).

This book is of interest to all management researchers and instructors in leadership, change management or strategy. *Indispensable* contributes to understanding when and how leaders can be agents of transformation within an organisation. Mukunda's work challenges the current wisdom on leadership by emphasising the importance of the selection process and leaders' personal characteristics as determinants of leaders' impact on the organisation. The Leader Filtration Theory also suggests that leaders who are selected unconventionally have equal chances of becoming the most

successful or the most harmful leaders of organisations. An operational corollary of this theory helps us understand when to recruit an outsider rather than someone internal: under circumstances of extreme adversity and uncertainty, organisations might need to take reckless measures to ensure survival. Extreme (unfiltered) leaders are more likely to take such decisions, given that they may not conform to most organisational norms. However, organisations must choose the timing of these appointments carefully by accurately analysing the environmental conditions.

References

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Metaphors We Lead By. Understanding Leadership in the Real World, M. Alvesson, A. Spicer (Eds.), Routledge, New York, (2012)222 pp..

The subtitle of *Metaphors We Lead By* is quite demanding, as the writers attempt to describe leadership today in the globalized world in which we live. As Alvesson and Spicer state in the introduction of the book, we live in a leadership-obsessed culture based on the idea that leadership is an answer to all kinds of organizational and societal problems that we may encounter in our society. This means that leadership is seen as the most important factor when developing productivity in organizations or understanding events, such as the collapse of financial institutions some years ago in the United States. Both in Europe and North America, politicians and consultants are speaking about the need of 'authentic leadership', which differs from the current forms of leadership. The idea of Alvesson and Spicer's book, however, is to show that what is needed is a more elaborate research strategy and approach to the analysis of leadership, which has also some implications for public debate on leadership. According to them, this is something that has been missing from the mainstream leadership research and training based on one-sided and often strongly idealized views of leaders as heroic figures or morally outstanding beings.

The book is based on Alvesson and Spicer's joint and individual chapters, and five other chapters written by

university teachers working in the field of economic administration and organization research in Scandinavia and America. The first two chapters (two and three) analyze leadership theories and various metaphors for leadership. The following six chapters (four to nine) explore the different metaphors based on qualitative data. The final two chapters (ten to eleven) consider metaphors of leadership as linguistic tools and make a summary of the central argument of the book. As the editors underline in the introduction, the study approaches leadership from a new perspective based on understanding it as a complex cultural phenomenon, which should not be reduced to standardized scales. They also stress the meaning of a broader analysis of leadership as an organizational practice based on leaders and followers. Usually, this dimension is seen as unimportant to leadership research, although followers can be seen as elementary for the proper understanding of leadership practices.

Leadership is a slippery concept because it is difficult, for example, to make a sharp distinction between management and leadership or to define leadership as an empirical phenomenon. The goal of *Metaphors We Lead By*, however, is to sharpen the conceptual tools we use when we try understanding leadership as an organizational phenomenon. Compared to previous views on leadership, Alvesson and Spicer underline the point that it is essential to see leadership as an ambiguous social phenomenon, and that ambiguity is based on "tension and strains between how leadership is thought