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## Depth Perception

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### **Your Next Organizational Leadership: Insiders or Outsiders?**

*The Economist* (1 December 2012, p.75) included a brief essay on whether insiders or outsiders make the best organizational leaders. You can guess the answer: *it depends*. Insiders tend to keep things stable and make little difference. Outsiders tend to make large differences, sometimes for the better and often for worse.

The essay points to Guatam Mukunda's book *Indispensable* where he divides leaders according to whether they are filtered (meaning they are at least industry insiders) or unfiltered. A filtered leader has withstood a series of tests, as have others within the system. They become interchangeable, predictable and hold known reputations. Unfiltered leaders are untested or may have previously fallen out of favor. Their responses are not so predictable. They might not be loved (at least not initially) and can become difficult to replace, especially if they are effective at advancing the organization but not so effective with leadership succession.

So, it becomes a matter of what problem a board wishes to manage: the possibility of a low-risk and tested leader who will likely go with what they know, or the higher-risk option of a gifted leader who will test boundaries and push forward because they are not handicapped by not knowing any better?

The essay concludes that it might be better to avoid outsiders if the way forward looks smooth, and to choose an outsider if disruption is called for to retool, leap forward, or step back from the brink.

Here is where our two cents comes in. What if, when an outsider is needed, a 1-4 year strategy is pursued, a strategic intentional interim executive whose job has a definitive beginning and end, specific objectives to achieve without the expectation of tenure, and who prepares the way for long-term, trusted leaders to follow? What if organizations that are troubled and/or need to innovate their way to the future chose a practiced outsider who has succeeded repeatedly in making a way forward? Maybe there does not have to be such a drastic difference between the unfiltered and filtered leader, but a bridge that runs between them.

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