Making Judgment Calls

by Noel M. Tichy and Warren G. Bennis

Included with this full-text Harvard Business Review article:

1 Article Summary
   The Idea in Brief—*the core idea*
   The Idea in Practice—*putting the idea to work*

2 Making Judgment Calls

10 Further Reading
   A list of related materials, with annotations to guide further exploration of the article's ideas and applications

Reprint R0710E
Making Judgment Calls

The Idea in Brief

A leader’s judgment can make or break the organization. The best leaders make a high percentage of good calls (whom to hire, what strategy to implement, or how to handle a crisis) at times when it counts the most.

But practicing good judgment isn’t easy, because the concept is murky. Is judgment common sense? Gut instinct? Luck?

Tichy and Bennis contend that judgment is none of these things. Instead, it’s a three-part process:

- **Preparing**: Framing the issue that will demand a judgment call, ensuring that your team members understand why the decision is important, and tapping ideas from stakeholders
- **Making the call**: Arriving at your decision and explaining it
- **Executing**: Carrying out your decision while learning and adjusting along the way

Each phase is crucial, and each offers “redo loops”—opportunities to correct missteps. By mastering the judgment process, you make decisions that secure widespread commitment to results.

The Idea in Practice

Tichy and Bennis offer these guidelines for managing each phase of the judgment process:

### PREPARING FOR THE JUDGMENT CALL

Articulate the strategic context for making a judgment and weigh your options in that context. Explaining the context to others before deciding increases the likelihood that people will support a judgment once it’s made.

- **Example:**
  When Jeff Immelt became CEO of General Electric, he knew that GE would have to change with a changing world. He wanted to pin the company’s growth to sustainability and to visible, active global corporate citizenship. Clarity on this strategy and values led him to define a business model whose key elements emphasized sustainability, including building infrastructure for developing countries, creating environmentally friendly products, and investing in health care.

### EXECUTING THE CALL

Mobilize the resources, people, information, and technology you need to put your decision into action. Again, use redo loops if needed.

- **Example:**
  Procter & Gamble CEO A.G. Lafley’s framework for judgments was his belief that consumers are the most important stakeholders. He identified a serious slump in baby-care product sales as evidence of failure to delight consumers. The people managing this category—manufacturing leaders—didn’t have a relationship with the consumer. So Lafley decided to find a leader who could connect with this stakeholder group, regardless of technical know-how. He chose someone with no experience in baby care but a desire to understand customers’ needs.

But Lafley hadn’t sought his top team’s advice, and they revolted. He took advantage of the redo loop, including inviting his team to propose other candidates and taking their input seriously. When he explained his reasoning, their resistance evaporated.

### MAKING THE CALL

This phase can be as quick as the flip of a switch, but it also may require a “redo loop” if you’ve left out important considerations during the preparation phase.

- **Example:**
  Best Buy CEO Brad Anderson had decided to make the company a customer-centric enterprise. He formed six senior-level task forces to choose customer segments to cultivate. Then he selected people to oversee the segments, choose stores to be transformed, and train support functions to execute the new strategy. Redo loops have included refining strategy regarding the female customer segment within the consumer electronics business; for example, by staffing the Geek Squad with more women.
Making Judgment Calls

by Noel M. Tichy and Warren G. Bennis

A leader’s most important role in any organization is making good judgments—well-informed, wise decisions that produce the desired outcomes. When a leader shows consistently good judgment, little else matters. When he or she shows poor judgment, nothing else matters. Of course, it isn’t humanly possible to make the right call every single time. But the most effective leaders make a high percentage of successful judgment calls, at the times when it counts the most.

Over the course of our lives, each one of us makes thousands of judgment calls. Some are trivial, such as what kind of cereal to buy; some are monumental, such as whom to marry. Our ability to make the right calls has an obvious impact on the quality of our own lives; for leaders, the significance and consequences of judgment calls are magnified exponentially, because they influence the lives and livelihoods of others. In the end, it is a leader’s judgment that determines an organization’s success or failure. On a more personal level, it is the sum of a leader’s judgment calls that will deliver the verdict on his or her career—and life.

Yet the notion of judgment is a fairly murky one. The leadership literature has been conspicuously quiet on the topic, and we believe that’s because good judgment is hard to pin down. What, exactly, is it? Does it differ from common sense or gut instinct? Is it a product of luck? Of smarts? We wanted to find out, so we reflected on the countless judgment calls we’ve witnessed during our combined 100-plus years of experience. We conducted formal surveys and interviews on judgment, and we collected numerous stories through casual conversations.

Our first finding, which focused our thinking on the topic, was that most of a leader’s important calls reside in one of three domains: people, strategy, or crisis. People judgments—getting the right people on your team and developing up-and-comers who themselves demonstrate good judgment—are foundational. The people around you help you make good strategy judgment calls and the best...
decisions during the occasional but inevitable crisis. It's sometimes possible to repair the damage—to a company or a career—that results from misjudgments about strategy or crises, but it is almost impossible to recover from poor people judgment.

Our second finding was that judgment doesn't occur in a single moment but grows out of a process. Leaders who regularly demonstrate good judgment aren't just having a series of terrific (or lucky) “aha” moments. Like umpires and referees, leaders do, at some point, make a call. But unlike umpires and referees, they cannot quickly reject dissent and move on. Rather, successful leaders make their calls in the middle of a process that unfolds over three phases. First is preparation, during which leaders sense and frame the issue that will demand a judgment call, and align their team members so that everyone understands why the call is important. Second is the call itself—the moment of decision. And third is execution—making it happen while learning and adjusting along the way. Leaders may not be able to change their calls, but they can almost always change course during execution if they are open to feedback and committed to follow-through.

Indeed, good leaders take advantage of “redo loops,” which can occur throughout the process. For instance, if you run into resistance when you're trying to mobilize and align your team during the preparation phase, you may be able to pinpoint an error in framing the issue. If you recognize judgment as a process, you have a chance to go back and correct the framing before you move on to the call, greatly improving the odds of success. If, instead, you treat a judgment call as an event—you make a decision and then plunge on to the next—you're bound to fail at execution because you don't have the necessary support.

Former Hewlett-Packard CEO Carly Fiorina had a vision and was not afraid to make decisions, but she repeatedly showed poor judgment when it came to people. Moreover, she seemed to focus on the moment of the call, paying inadequate attention to the challenges of preparation and execution—at least when it came to her strategic judgment call to acquire Compaq. She hadn't built a team of people who were energized by her vision, so she couldn't make it through the execution phase—and a judgment that is not successfully executed is a failed judgment no matter how smart the strategy. At no point in the process did Fiorina take advantage of a redo loop to go back and gain support for her call.

Of course, a flawed judgment process was not the sole cause of Fiorina's downfall. HP's board showed poor judgment in hiring Fiorina for a job for which she was ill-suited—not because she isn't intelligent and credentialed but because her background in sales didn't equip her to run a large, multidimensional portfolio of businesses.

After Fiorina was fired, in 2005, her successor, Mark Hurd, walked into a distressed enterprise and, with almost no change to her strategic portfolio, turned Fiorina's dismal failure into a roaring success. Even though Hurd, like his predecessor, laid off a large number of workers, he focused on fundamentals rather than seeking the limelight (Fiorina's strength) and had the background to address the company's operational priorities. He was a much better choice on the part of the board.

Judgment may seem like an ineffable quality, but in this article we will attempt to move the conversation forward, to create some clarity about what we have come to believe is the essence of leadership. We'll start with a look at the concept of leadership story lines, which good leaders use to inform their actions in all three phases of the judgment process.

The Leadership Story Line
By its very nature, a judgment call could lead to any of several outcomes, so leaders need a context in which to make their choices. This is different from vision and strategy, though it combines elements of both. One way to create such a context is to develop a story line that describes a company's identity and direction and contains three elements: an idea about how to make the organization successful; an articulation and reinforcement of the organization's values; and a strategy for generating the energy needed to accomplish its goals. When the need for a judgment arises, leaders can match the possible consequences of a decision against the story line to get a clear picture of what to do.

When Jim McNerney became CEO of Boeing, in July 2005, he inherited a crisis. Boeing had been accused of acquiring thousands of pages of proprietary documents from rival
Making Judgment Calls

Lockheed Martin in the late 1990s; it had used some of them to win contract work with the government. A few years later, Boeing illegally recruited a senior U.S. Air Force procurement official while she still had authority over billions of dollars of Boeing contracts. She helped Boeing skirt normal competitive procedures to gain a $20 billion refueling tanker program for the Air Force. Phil Condit, Boeing’s CEO at the time, resigned; CFO Michael Sears was fired and served time in prison.

In 2005, the board forced the resignation of Condit’s successor, Harry Stonecipher, over another ethical issue. McNerney joined a once-proud company with a tarnished image, facing very serious charges from the U.S. Department of Justice. He had been a member of the board, so he knew well what he was up against. But he had a new story line for Boeing, which was built around high integrity and trusting partnerships with all stakeholders. A year after becoming CEO, McNerney testified before the Senate Armed Services Committee regarding his decision to pay $615 million to put an end to three years of investigations into improper behavior of the company’s employees and senior executives; it was the largest financial penalty ever imposed on a defense contractor for wrongdoing. Furthermore, he did not take the tax deduction that Boeing legally could have for the settlement, because he felt it would be unfair to taxpayers.

McNerney could have fought the allegations and dragged out the investigations, and he could have underplayed the importance of the matter and blamed former leaders. Instead he drew on the new story line of a company that aspired to be a world-class model of competitiveness and ethical leadership—and

The Phases of the Judgment Process

Leaders who demonstrate good judgment understand that judgment is a process, not an event. It unfolds over three phases, each of which has its own challenges and opportunities. One of the most important elements of the judgment process is what we call the “redo loop” – the opportunity to go back and try again if you’ve skipped a step or handled it poorly. Redo loops are built in at certain points in the process.

<table>
<thead>
<tr>
<th>PREPARATION PHASE</th>
<th>CALL PHASE</th>
<th>EXECUTION PHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOOD LEADER</strong></td>
<td><strong>CALL</strong></td>
<td><strong>EXECUTION</strong></td>
</tr>
<tr>
<td>Picks up on signals in the environment</td>
<td>Identifies important stakeholders</td>
<td>Asks for continuous feedback</td>
</tr>
<tr>
<td>Is energized about the future</td>
<td>Cuts through complexity to get to the essence of an issue</td>
<td>Stays involved during execution</td>
</tr>
<tr>
<td>Sets clear parameters</td>
<td>Engages and energizes stakeholders</td>
<td>Supports others who are involved</td>
</tr>
<tr>
<td>Provides a context and establishes a shared language</td>
<td>Taps best ideas from anywhere</td>
<td>Sets clear milestones</td>
</tr>
<tr>
<td><strong>POOR LEADER</strong></td>
<td><strong>REDO</strong></td>
<td><strong>REDO</strong></td>
</tr>
<tr>
<td>Cannot read the environment</td>
<td>Incorrectly frames the issue</td>
<td>Does not measure outcomes</td>
</tr>
<tr>
<td>Fails to acknowledge reality</td>
<td>Does not define the ultimate goal</td>
<td>Does not respond to resistance in the organization</td>
</tr>
<tr>
<td>Does not follow gut instincts</td>
<td>Remains stuck in an old paradigm</td>
<td>Lacks operating mechanisms to make necessary changes</td>
</tr>
</tbody>
</table>

HARVARD BUSINESS REVIEW • OCTOBER 2007
Good leaders make a habit of sensing, framing, and aligning so that they are prepared for the call, which can arise at any moment.

made a judgment that turned the crisis into an opportunity to transform Boeing’s internal culture and leadership behaviors. He set a context for his company’s path forward, which he shared in his Senate testimony on August 1, 2006: “This introspection set us on a course of building one of the most robust ethics and compliance programs in corporate America. That is the lasting legacy—and silver lining—of this dark cloud in our history.”

A story line is meaningless if it does not drive key judgments. The oil industry is no stranger to poor judgment calls (think Exxon Valdez), but in one case last year, John Browne, BP’s CEO at the time, failed to stick to his story line, which portrayed BP as a leader in environmental sustainability. In the summer of 2006, poor maintenance resulted in oil spills from BP’s pipeline, polluting Alaska’s Prudhoe Bay and the surrounding environment. Within months of that crisis, an explosion in the company’s Texas refinery killed 15 workers. This led to a government-sponsored study headed by former U.S. secretary of state James Baker; the study pointed to years of cost cutting and poor maintenance. Clearly, Browne and his team were not making day-to-day judgments that lived up to the story line of an environmentally friendly company.

Preparing for the Call
The first phase of judgment, preparation, incorporates three steps. First is to sense and identify the issue, which entails reading early signals; second is to frame and name it, setting clear parameters and providing a context; and third is to mobilize and align key stakeholders, inviting their input and harnessing their energy.

Good leaders make a habit of sensing, framing, and aligning so that they are prepared for the call, which can arise at any moment, frequently without warning. This is particularly important in crisis situations; the likelihood of making a good call is vastly increased if the call is made in the context of a story line.

One of the best ways to understand a crisis judgment call is to observe an emergency room. Kathleen Gallo, the chief learning officer at North Shore—Long Island Jewish Health System, was the director of an emergency department in a level 1 trauma center. She told us that with enough experience and preparation, crisis judgment calls can be handled routinely. She said, “While the arrival of a helicopter with a whole family of car-wreck victims might look like a crisis and might be a crisis for the family, it is not a crisis for the staff at LIJ because they are prepared. It is just another day at work.” The staff develops a habit of using quiet moments to prepare, scouting out free beds and ensuring that IVs and other equipment are at the ready. They are constantly sensing and framing.

Like executives, triage nurses use story lines to guide their calls. These story lines are based on medical knowledge as well as values that help nurses apply that knowledge. One of us was at the Harlem Hospital Center studying emergency-room operations when a triage nurse quickly chose to keep a feverish child and his parents waiting while mobilizing a team to deal with an elderly man in cardiac arrest. That call seemed like a purely intellectual decision; the fever wasn’t life threatening. But then a trickier call arose: A pregnant teenage girl came in with a gunshot wound, and the nurse without hesitation pulled the team off the cardiac-arrest patient and reassigned it to the pregnant girl. The old man died; the girl and her baby survived. The nurse relied not just on her medical diagnoses of the two patients but on her values to make the call about who would get the limited medical resources. Her story line led her to value the two young lives over that of an elderly man who was probably going to die anyway. Right or wrong, her judgment reflected a clear (and relatively easy to defend) set of values. Having a story line helps you frame your choices. It also allows you to look for events that may be influenced by—or change—your story. It may allow you to pick up on faint signals in the environment so that you can proactively make judgment calls instead of being surprised.

Of course, triage nurses and other first responders make lots of judgment calls during crises; they are trained to do so. Most leadership judgment calls arise in calmer circumstances. Business decisions may in fact be more complex than medical ones because the defining values are so diverse. But normally, business leaders enjoy the luxury of more time, so they arguably have no excuse for inadequate preparation, especially for having no story line.

For example, look at a strategic judgment call by Jeff Immelt shortly after he took over
Making Judgment Calls

at General Electric. He didn’t have a burning platform because the company was in great shape, but he knew that GE would have to change with a changing world, and he was sufficiently astute to pin the company’s growth to sustainability early on. That insight fed his view that being a great company wasn’t enough: GE needed to become more visible and active as a global corporate citizen. The September 11 terrorist attacks occurred just days after Immelt took over, and they helped him solidify his story about GE as a more humane entity—not less corporate, but compassionate and attuned to the spectrum of stakeholder needs. As part of his vision, he explicated the need for respectful treatment of GE employees now that they had new fears for their safety: “When your number one concern driving to work in the morning is, are you going to open up an envelope with anthrax in it, can you imagine combining that with working for an SOB?”

Such sentiments are easy to dismiss as platitudes, but Immelt doesn’t gloss over the business fundamentals. His developing story line led him to a business model whose key elements are building infrastructure for developing countries, creating environmentally friendly products for both developed and developing countries, and investing in health care, all with a sharp focus on growing the company.

The redo loop in the preparation phase comes when you discover that you can’t mobilize and align the organization—probably because you have not framed the issue correctly or compellingly. Rather than digging in their heels, good leaders go back and set the context before pushing on to the call. They reconsider the parameters of the decision at hand, relable the problem if need be, and redefine the goal in a way that people can accept.

The call phase of a judgment process is often as quick as the flip of a switch. According to Immelt, he does a lot of consulting with others, and then, “Boom, I make the decision.” And in fact, the call itself is where the traditional view of judgment starts and ends. (See the exhibit “The Traditional View Versus the Process View.”) It’s true that at one instant, a leader hasn’t chosen a course of action, and by the next, he or she is in the execution phase. But this is exactly why good preparation and execution are vital. It’s before and after the call that the leader has a chance to take a breath and garner support.

There’s a redo loop between the end of the preparation phase and the beginning of the call phase, when you may get another chance to mobilize and align the organization if you’ve failed to do so. Most leaders have a great deal of difficulty taking advantage of this opportunity. Once you’ve made a call, especially a tough one, it can feel irrelevant to go back and invite input. But that redo loop can make all the difference. In 2001, when A.G. Lafley took over a deeply troubled Procter & Gamble, he had to make numerous

---

The Traditional View Versus the Process View

The distinction between leadership judgment viewed traditionally and judgment viewed as a process is apparent across various characteristics.

<table>
<thead>
<tr>
<th>TRADITIONAL VIEW</th>
<th>CHARACTERISTIC</th>
<th>PROCESS VIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single moment, static</td>
<td>Time</td>
<td>Dynamic process that unfolds</td>
</tr>
<tr>
<td>Rational, analytic</td>
<td>Thought Process</td>
<td>Rational and analytic but also emotional and full of human drama</td>
</tr>
<tr>
<td>Knowable, quantifiable</td>
<td>Variables</td>
<td>Often outside of a leader’s domain; may relate to the call indirectly</td>
</tr>
<tr>
<td>Individual: A heroic leader makes the tough call</td>
<td>Focus</td>
<td>Organizational: The leader guides a process but is influenced by many actors and subsequent judgment calls</td>
</tr>
<tr>
<td>Making the best decision on the basis of known data</td>
<td>Success Criteria</td>
<td>Acting and reacting through a judgment process that guides others to a successful outcome</td>
</tr>
<tr>
<td>Top-down: The leader makes the key decisions</td>
<td>Actors</td>
<td>Top-down-up: Execution influences how judgments are reshaped</td>
</tr>
<tr>
<td>Closed system in which decision makers hold information and do not explain their rationale</td>
<td>Transparency</td>
<td>Open process in which mistakes are shared and learning is used to make adjustments</td>
</tr>
<tr>
<td>Unconsciously happens through experience or luck; reserved for top leadership</td>
<td>Capability Building</td>
<td>Deliberately encouraged at all levels</td>
</tr>
</tbody>
</table>
Making Judgment Calls

judgment calls. Many of his first ones were people judgments, and one in particular highlights the power of a story line and of redo loops.

In his story line, Lafley famously identified consumers—not employees or shareholders—as the most important stakeholders, which gave him a framework for subsequent decisions. He quickly identified the problems that most needed solving, chief among them a serious slump in baby-care products, the company's biggest category after laundry. According to Lafley's story line, the company was failing to delight the consumer, and that was because, as he put it, “the machine guys and the plant guys were running the show—the machine was boss.” The people in charge didn't have a relationship with the consumer. Lafley then made the tough call to find a leader who could connect with the consumer, regardless of technical know-how. The person he selected, Deb Henretta, had come up through laundry and had no experience in baby care. She wasn't concerned with how the machines worked. What mattered to her was understanding what the consumer wanted and then making the machines produce that. She also had a reputation for brand building and effective marketing.

Lafley felt sure of his call, but he had skipped a vital part of the preparation phase: mobilizing and aligning the team. Henretta hadn't been in the candidate pool. Lafley hadn't sought his team's advice, and the reaction to Henretta's appointment amounted to, as he said, “almost a revolt.” Wisely, Lafley took advantage of the redo loop. He invited his top team to a meeting at which each member had a chance to make a case for a candidate other than Henretta. He took the input seriously, but he still believed he'd made the right choice, and he explained his reasoning—solidly grounded in his story line, which he had drummed into team members' heads. The outcome may not have satisfied all of them, but Lafley had neutralized their resistance. The important thing is that he did not try to slam-dunk his decision. He set the stage for success before moving on.

Executing the Call

Execution at its most basic means making the call happen. Once a call is made, a leader needs to mobilize resources, people, information, and technology to support it. When Best Buy CEO Brad Anderson made the judgment in 2002 that his company needed to be transformed into a customer-centric enterprise, he began a process that would take years of focus and effort. In fact, he didn't make the final call until a team of executives had spent a couple of months exploring potential customer segments—the preparation phase.

Then, once he had made the call, he mobilized six senior-level task forces to spend six months choosing the first segments the company would cultivate. Ultimately, they decided on five, including busy mothers and technology savvy men. Next came selecting from among task force members the people who would oversee the segments, choose the stores to be transformed, and train support functions to execute the new strategy. The initial execution phase played out over four years.

It also included redo loops, which are ongoing. For example, this year the company is refining its strategy regarding the female segment within the consumer electronics business—a target of particular interest because 65% of purchases are controlled by women and 90% are significantly influenced by women. As we write this, Julie Gilbert, a senior executive at Best Buy who headed up the development of the profitable high-end male segment, is leading 13,000 of Best Buy's female employees in a learn-and-adjust process to find new ways of capturing the purchasing power of women while simultaneously developing female employees.

More than 100 teams made up mostly of women participate in workshops and in an online network where they can share their ideas. One discovery relates to Best Buy's Geek Squad, a company that sends technicians to people's homes to install hardware and software and offer general technology support. Historically, most of the geeks were men, but the company realized that because female geeks may see things differently, female customers may be more comfortable with them and therefore tack on additional projects once an agent is in their homes. One agent, Kat S., was passionate about explaining to parents the potential dangers children face on the Internet; she created a brochure and training to help customers keep their kids safe—a brand-new service for the company.
So far, the numbers show that the more women on staff both in stores and on the Geek Squad, the higher the sales.

At Yum Brands, which operates a number of fast-food restaurant chains, such as Taco Bell, KFC, and Pizza Hut, CEO David Novak made a judgment call to appeal to consumers’ desire for choice by combining restaurants in single locations—two stores within a store. The goal was to increase volume, Novak told us. The high volume at McDonald’s, the envy of the industry, could largely be attributed to the fact that it offered seven different types of food. Yum Brands’ restaurants each stood for a single thing. Consumers loved the idea of choice, but employees balked, because they prided themselves on the power of their individual brands. Each unit owned its merchandising, operating mechanisms, marketing—everything.

Consequently, the strategic judgment initially failed, and Novak and his team had to pull back and adjust. Novak admits that his passion for the new strategy may have interfered with execution. He was consumed by the make-it-happen aspect of execution and so neglected the learn-and-adjust part of the phase. In retrospect, he told us, he should

### Four Types of Knowledge Guide Judgments

Our study of the nature of leadership judgment showed us that most judgment calls arise in the domains of people, strategy, and crisis. But our findings included another facet to judgment: multidimensional wisdom that allows a leader to choose the best path forward. Good judgment is grounded—in all three domains and throughout the process—in four types of knowledge: self, social network, organizational, and contextual.

<table>
<thead>
<tr>
<th></th>
<th>PEOPLE</th>
<th>STRATEGY</th>
<th>CRISIS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self</strong></td>
<td>Personal judgments about your ambitions, role, and capabilities</td>
<td>Personal judgments regarding your career and life strategy</td>
<td>Personal judgments made during times of crisis and introspection</td>
</tr>
<tr>
<td><strong>Social Network</strong></td>
<td>Judgments about who is on and off your team</td>
<td>Judgments about how your team evolves to meet business demands</td>
<td>Judgments about how and with whom your team operates during a crisis</td>
</tr>
<tr>
<td><strong>Organizational</strong></td>
<td>Judgments about organizational systems for ensuring the quality and capability of people in the organization</td>
<td>Judgments about how to engage and align all organizational levels in strategy execution</td>
<td>Judgments about how to work with the organization through times of crisis</td>
</tr>
<tr>
<td><strong>Contextual</strong></td>
<td>Judgments about which stakeholders are important and how to engage them</td>
<td>Judgments about engaging stakeholders to frame, define, and execute strategy</td>
<td>Judgments about how stakeholders both inside and outside the organization connect to resolve crises</td>
</tr>
</tbody>
</table>
have acknowledged the cultural attachment to the individual brands and spent more time listening to and engaging with employees. Now he is taking the time to learn about people’s interests and concerns and to adjust his strategy accordingly. By using redo loops, Novak has been able to align the members of his leadership team and accelerate the deployment of the multibranding strategy.

Larry Bossidy, the retired CEO of Honeywell, coauthored a book on execution in which he observes that thinking does not matter if nothing happens. It sounds obvious, but all too often, once leaders have laid the groundwork and made a call, they are off to the next decision.

... We believe we’ve made a start in picking apart the elements of judgment, but we know it’s just that—a start. Judgment is a complex phenomenon, too intertwined with luck and the vicissitudes of history, too influenced by personal style, to pin down entirely. Sir William Osler, one of the fathers of modern medicine, said that if all patients were the same, medicine would be a science, not an art. Something similar can be said of judgment: If all problems were identical, judgment would be a science, not an art. Even as we entered the complex territory of judgment, full of curiosity but without a reliable map, we were reminded that our insights could be negated in an instant.

Yet our reflection and research have revealed to us two things for sure. One is that the best leaders get most of the important calls right. The chronicle of a leader’s judgment calls is the leader’s biography. The other is that, when it comes to a judgment call, the only thing that counts is winning or losing. Enthusiasm, good intentions, hard work—plus a dose of smarts—may help, but what people remember is the outcome. A good outcome is the product not of a snap of the fingers but of a well-considered process, reflecting collective wisdom and a commitment to results.
Making Judgment Calls

Further Reading

ARTICLE
The Seasoned Executive’s Decision-Making Style
by Kenneth R. Brousseau, Michael J. Driver, Gary Hourihan, and Rikard Larsson
Harvard Business Review
February 2006
Product no. R0602F

The authors affirm the importance of preparation in the judgment process. The most experienced and successful leaders use an “integrative” style. Through this style, leaders don’t necessarily look for a single best solution. Rather, while framing each situation requiring a judgment call, they take into account multiple elements that may overlap with other, related situations. Consequently, they make decisions that are broadly defined and that consist of multiple courses of action. In addition, they invite extensive input from others and welcome exploring a wide range of viewpoints, including those that conflict with their own, before arriving at any conclusion. For the integrative leader, decision making is not an event; it’s a process.