

JUDGMENT

BY NOEL M. TICHY AND WARREN G. BENNIS

Judgment as the Essence of Leadership. “How Winning Leaders Make Great Calls.” That is the subtitle for Noel Tichy and Warren Bennis’s comprehensive work on judgment in which they make the otherwise elusive and subjective quality of judgment more concrete and amenable to critical analysis and capably advance their stated purpose “to help leaders in their roles to make better judgment calls while also developing other leaders to do the same.” Tichy and Bennis achieve this purpose by setting forth several assertions, including the following, and then supporting the same through rigorous review of several case studies using well thought out analytical tools they call “The Judgment Calls Matrix” and “The Leadership Judgment Process:”

- “[N]o study of leadership is complete without an understanding of judgment.”
- “Good judgment is the essence of good leadership.”
- “Leadership is, at its marrow, the chronicle of judgment calls; this is the leader’s biography.”
- “With good judgment, little else matters. Without it, nothing else matters.”
- “Leaders must make calls in three critical domains:” people, strategy, and crisis.
- “Long-term success is the sole marker of good judgment.”

After making their case, the authors follow the main body of the book with an immensely practical, 86-page “Handbook for Leadership Judgment” written by Chris DeRose and Noel Tichy which captures the most important concepts in the book and presents them in an easy to use format that facilitates application.

The Judgment Calls Matrix and the Leadership Judgment Process. Noel and Tichy define the judgment call as a “contextually informed decision-making process” (emphasis added) encompassing people, strategy and crisis, with the call being but one phase of an incremental process, as opposed to simply a single action. They present the Judgment Calls Matrix as the crossing of various types of knowledge which should inform judgment calls (i.e., knowledge of self, social network, organization – at all levels - and context including various constituencies such as customers, suppliers, government, stockholders, competitors, etc.) with the key domains of people, strategy and crisis. Noel and Tichy then provide the Leadership Judgment Process as the framework within which the Judgment Calls Matrix is played out over time. This process consists of the Preparation Phase, Call Phase and Execution Phase, with the Preparation Phase broken down into sensing/identifying issues, framing/naming issues, and

mobilizing/aligning human, capital and other resources, and the Execution Phase divided into “Make it Happen” and learning/adjusting. Within this process are “Redo loops” that good leaders use as a means to update their knowledge, respond to changes in context, tweak calls based on lessons learned, better mobilize and align resources, strengthen relationships with those whose support is needed, and tailor the execution to ensure success.

Teachable Point of View. Tichy and Bennis rightly identify communication as key to leaders exercising good judgment. This begins with a leader clearly articulating what the authors call his or her “teachable point of view.” This is the messaging that communicates where an organization is headed, the ideas that will drive and define success for the organization, the values required of the people on the team, and how people will be emotionally energized throughout the process. It is a straightforward storyline of ideas, values and emotional energy that “become guideposts for making judgments” at every level, and one that is updated as circumstances change. The authors note that these three elements, ideas, values and emotional energy, when done right, have beneficial, mutually reinforcing systemic effects such that values should reinforce execution of ideas and subsequent strategies, ideas should compel and emotionally energize people at all levels, and values that resonate with people should emotionally energize them and “provide a moral compass for the organization.”

Character and Courage. Tichy and Bennis devote a chapter of their book to the vital importance of character and courage in leadership judgment. They note that the “moral compass” mentioned above is provided by character, that “Character without courage is meaningless” and that “Courage without character is dangerous.” They stress that character, especially knowing right from wrong, taking responsibility, valuing self-respect over public esteem, and subordinating self-interest to the greater good, is essential to establishing and maintaining the trust which is “the emotional glue that holds the team together.” Quoting Jim Hackett of Steelcase, they write, “You can’t lead if you don’t have trust and you can’t have trust if you don’t have integrity.”

Discerning the Consequential. Tichy and Bennis maintain, “Good judgment is not one terrific aha moment after another. . . . The thing that really matters is not how many calls a leader gets right, or even what percentage of calls a leader gets right. Rather, it is how many of the important ones he or she gets right. Good leaders, we observed, not only make better calls, but they are able to discern the really important ones and get a higher percentage of them right. They are better at a whole process that runs from seeing the need for a call, to framing issues, to figuring out what is critical, to mobilizing and energizing the troops. . . . Good leaders are able to triage their time and energy, and focus on the consequential.”

This ability to discern the more consequential from less consequential stands out as a key attribute of leaders with good judgment.

Strategy Judgments. In the domain of strategy, the authors stress that leaders must develop and constantly review and update their own strategies (and not delegate strategy judgments to bureaucratic planners), use their intellect to frame questions and answers and invest their emotional energy to mobilize people to execute those judgments. They write, “How well a leader makes strategic judgment calls is a function of both: (a) his or her own ability to look over the horizon and frame the right question, and (b) the people with whom he or she chooses to interact.”

Crisis Judgments. In the domain of crisis judgments, Tichy and Bennis assert the difference between crisis judgments and strategy or people judgments is not that they are more likely to be fatal, but that they are time pressured and their consequences often come very quickly. They stress that in times of crisis, “Winning leaders take personal responsibility for handling crises,” that the leader’s ability to frame the nature of the crisis is critical, and having a smart, loyal team is essential to leading through crisis. They also note that bad people judgments, which often result from leaders having “blind spots” as to their team members, can create otherwise avoidable crises.

People Judgments. Judgment devotes substantial attention to the domain of people judgments generally and CEO selection and succession planning. Tichy and Bennis assert that besides making good judgment calls, the second most important role leaders play “is to develop the other leaders who can make good judgment calls” because those other leaders are critical to successful execution of the CEO’s judgment calls. Selecting others who will exercise judgment has the inevitable compounding effect, for good or for ill, of either reinforcing or undermining the judgment calls of the CEO, making judgments about people especially important to get right. Recognizing this compounding effect, Tichy and Bennis warn that while misjudgments may be fatal in any domain, misjudgments when it comes to people have the most potential to be fatal for an organization. The authors are highly critical of companies that fail to develop leaders and good internal CEO successors. They write, “Bad CEO judgments happen because of broken leadership pipelines; that is, there are not enough good candidates and building of appropriate leadership bench strength has not occurred. . . . Not to have a successor at the top of an institution is the ultimate in bad people judgment. The preparation phase includes a long-term commitment to developing a stream of talent, a leadership pipeline, designed to develop leaders at all levels and ensure a flow of leaders.”

Closing. Many of the concepts in Judgment are not new, but the comprehensive approach to the subject matter, the way in which Tichy and Bennis explain and put the concepts together and apply them to various examples are new and helpful, as is the practical outworking of the book's key concepts in the "Handbook for Leadership Judgment." By providing scholarship, clarity, definition, and tools for analysis and application to a somewhat under-researched, intangible, and murky subject matter, Tichy and Bennis have made a valuable contribution to the genre of leadership literature, making Judgment a worthwhile read for aspiring and seasoned leaders alike.

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