

Judgment:

How Winning leaders make great calls

By: Noel M. Tichy and Warren G. Bennis

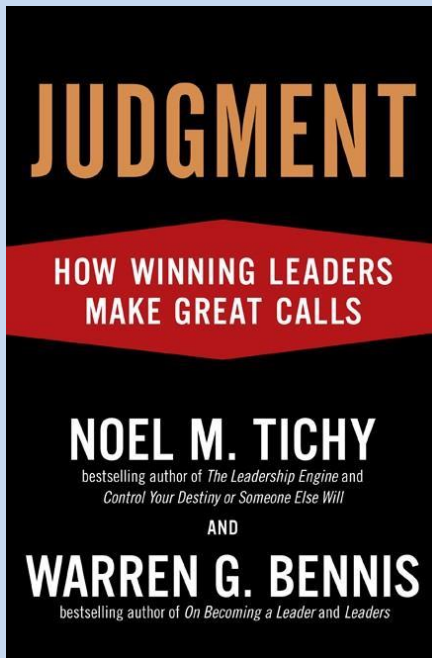


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Demystify the leadership process, to explore and understand why it is that some leaders have much greater success in exercising good judgment than others.

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One of the primary responsibilities of a leader is making judgment calls. If we were to scan our memories of people who are leaders we will find that it is their judgment calls that have made them memorable. Whether its politicians, sports players or personal role models, their good or bad judgment calls make them memorable.



In this book judgments are subdivided into three categories:
Judgments about people
Judgments about strategy
Judgments about crisis



Noel M. Tichy is the author of Control Your Destiny or Someone Else Will, The Leadership Engine, The Cycle of Leadership, and many other business best-sellers. He is a professor at the Ross School of Business at the University of Michigan and advises CEOs around the world. He lives in Ann Arbor, Michigan.

Prescription

The authors provide a prescription for improving the accuracy of judgment calls. Deeper knowledge of:

- Self
- Social network
- Organization
- Stakeholders



"The unexamined life is not worth living."

	People pre-call-execution	Strategy pre-call-execution	Crisis pre-call-executions
Self Knowledge			
Social Network Knowledge			
Organizational Knowledge			
Contextual Knowledge			



Warren G. Bennis is author of *On Becoming a Leader*, *Reinventing Leadership*, and many other business bestsellers. He is currently university professor and distinguished professor of business administration at the University of Southern California. He consulted for many Fortune 500 companies and world leaders. He lives in Santa Monica, California.

Process

The authors see judgment calls as a process not a single event. Most people's perception of a good judgment call is one where the leader makes a decision based on the information that is before her. However the authors recommend a change in paradigm with regards to judgment calls.

Frank and Ernest



They see it as a three-step process:

- Preparation
- Decision
- Execution



Teachable Point Of View (TPOV)

Winning leaders, the one's who continually make the best judgment calls, have clear mental frameworks to guide their thinking. They have stories running in their heads about how the world works and how they want things to turn out. And they have the all-important qualities of character and courage. Leaders spent time to develop TPOV's. TPOV's are what enable leaders to make valuable knowledge and experiences that they have stored up inside their heads and teach them to others.

They can't be just dry intellectual concepts. To be effective, leaders must bring them alive, so that followers can and will act on them. This means that they must make them understood not just rationally, but emotionally. And they do this by weaving them into personal stories. The stories and points of view are intertwined.



Preparation

Preparation involves “sensing and identifying the need for a judgment call.” According to the authors most high profile companies are not ready to get a new CEO. Most of the time when a CEO steps down, or when his incompetence is apparent, there is a long process that takes place



thereafter. The authors suggest that hiring and firing people are part of the calculus of good judgment calls. Leaders should be able to know who is weighing down the company, before any tragedies occur. The authors believe that this is the toughest judgment call to make because of the emotional attachment that develops between leadership and employees.



Strategy Judgment

Strategy judgments alter where the organization is heading. They have courage to make the calls and see that they follow through on the execution.



Crises Judgment

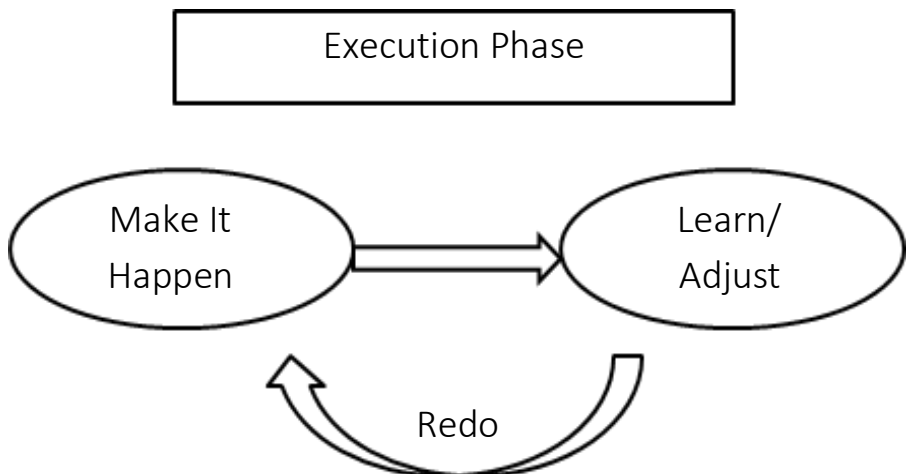
Crises are by definition dangerous moments. They are usually time pressured and, as a result, any disastrous consequences brought on by bad calls at these moments often come very quickly. They require that a leader have clear values and know her ultimate goal. There must be open and effective communication among members of the senior team and throughout the ranks. There must be good process of analyzing data. And there must be effective execution.

Reflection

Redo loop – Although the authors don't say it explicitly, they recommend that a good leader should take some time out for reflection. Good leaders should frequently revisit their actions and decisions to ensure to learn from them. This was referred



to in our class as “meta-cognition.” The authors recommend that as part of the process, when a judgment call is made, instead of looking at the process from a linear perspective, one should look at it as a cyclical process.



Winning leaders' storylines specifically address three areas of questions:

- Where are we now?
- Where are we going?
- How are we going to get there?



Conclusion

Leaders are said to have "good judgment" when they repeatedly make judgment calls that turn out well. And these calls often turn out well because they have mastered a complex process that unfolds in several dimensions:

Time: We have identified three phases to the process. Pre-what happens before the leader make the decision. The call-what the leader does as he or she make the decision that helps it turn out to be the right one. Execution- what the leader must oversee to ensure the call produces the desired results.



Domain: The element of the process, the attention that must be paid to each of them, and the time over which the judgment unfolds varies with its subject matter. We have identified three critical domains in which most important calls are required: (1) judgments about people; (2) judgments about the strategy, and (3) judgment in time of crisis.

Testimonials

"Judgment is a singular achievement. It's just the right blend of management wisdom and leadership action"

- Howard Schultz, founder and chairman, *Starbucks*

"Judgment is an enjoyable read illuminating key judgments made by some of America's foremost business leaders."

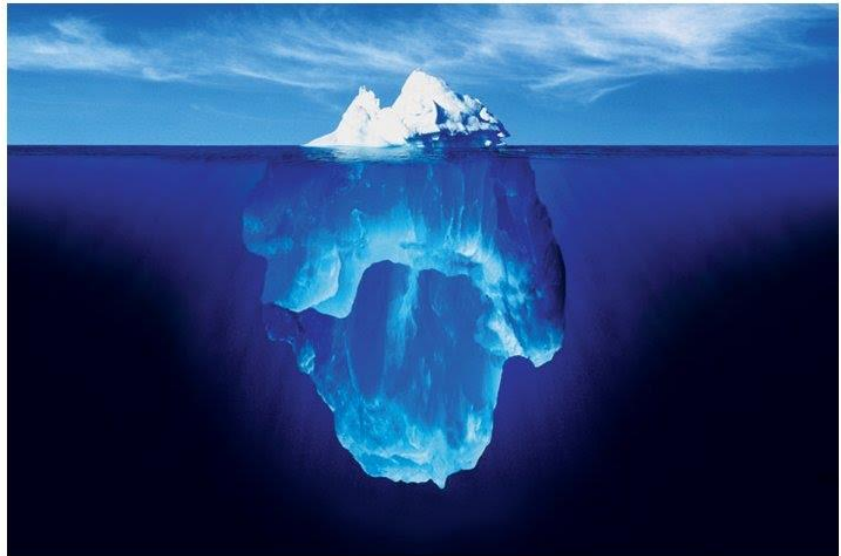
- David W. Helleniak, vice chairman, *Morgan Stanley*

"I am a raving fan of both Noel Tichy and Warren Bennis. In this important book they give a crash course on judgment, revealing the tools great leaders use to me the right call at the right time."

- Ken Blanchard, coauthor, *The Minute Manager* and *Leading at the Higher Level*

Conclusion

Constituencies: A leader's relationships provide the information and the mean for executing the call. A leader must interact with these different constituencies, consider their various interests, and manage those relationships to make successful calls. And to improve judgment making in the firm, the leader must use these interactions to help others learn to make successful calls.



My point of view

While this book does a great job at categorizing crisis and equipping leaders with tools to strengthen their abilities to make the right decisions, it looks at judgment from an institutional and corporate perspective. This makes it difficult for ordinary people to apply it on a personal level.

The book also glorifies and romanticizes the achievements of GE. This is perhaps because one of the authors worked at GE for a long time. Over reliance on the successes of one organization will no doubt make some of the conclusions questionable.

While it is admirable that the authors encourage that leaders have a set of values to live by, they also encourage leaders to be repertoires of those values to their followers. I feel that this point could be both a source of strength and weakness. We live at a time when moral relativism is widespread, and at a time when people are asked to keep their value systems to themselves. In my opinion, when a CEO is selected, the organization is not only hiring her, they are also hiring her values and character. Running organizations without allowing CEO's to display their value system in the decision-making process will be like asking an artist not to use emotion when painting a picture. A CEO too is an artist, a three dimensional, full human being who should be able to use all her faculties in her art work.

