

# FROM THE JUDGMENT OF LEADERSHIP TO THE LEADERSHIP OF JUDGMENT: THE FALLACY OF HEROIC DECISION MAKING

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**T**hough the work of leaders encompasses many things, two stand at the very core: creating a vision that others can rally around, and making the decisions to guide the organization toward those ends. The fallacy of the hero worship that often surrounds the great leader concept today is that one person must

perform both tasks: the one with the power to see and inspire others toward a better future is also the one who must make all the important decisions to get there. We watch and admire these larger-than-life executives and champions, and somehow assume that at the helm of any strategic ship, the leader is both navigating and

steering bravely alone. This critical assumption is occasionally reinforced by the powerful negative case: in business publications, the narratives of catastrophic error inevitably focus on the heroic bad decision—the leader was exciting customers, shareholders, and staff—and changing the world—and then, lo and behold, made a tragic misstep of judgment that led to the company’s downfall. . . .

## De-Coupling Vision from the Judgment Needed to Achieve It

There’s a rich industry of Monday morning critiques of disaster: the fall of Lehman Brothers, BP’s oil leak in the Gulf, Time Warner’s merger with AOL, and the rise and fall of this or that meteoric technology company, each with a featured tragic giant who made a disastrous call. It’s human nature to be fascinated by the dramatic fall of the once mighty. But what can we learn from cases when good decisions are made?

In fact, based on our recent research, we argue that when leaders exercise good judgment and make successful calls they are rarely acting alone—but rather have taken steps to organize and tap into broader networks, expertise, and processes of deliberation beyond themselves. Admittedly, in some cases great leaders act alone in forming a vision and inspiring others to follow. On this score G. K. Chesterton was more right than wrong: “I’ve searched the parks in cities and find no statues of committees.” But separate the vision from the decisions. Even visionary leaders memorialized in bronze in city squares and civic gardens have quiet histories of improving their decision making with others beyond themselves: George Washington famously relied on a council of advisers during the Revolutionary War and applied the same concept when he invented, still in today’s White House, the President’s Cabinet. Abraham Lincoln also constructed and managed skillfully a “team of rivals” who not only challenged each other in developing policy and decisions for conducting the Civil War but also sometimes took on Lincoln himself in important decisions. For those who make an

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industry of hero worship, these and other such stories can be inconvenient truths. But achieving performance in today’s global economy is more important than pictures on the cover of *Fortune* magazine. It’s time to decouple the roles of setting a vision and making all the decisions to get there.

## Embedding Decisions in a Broader Matrix of Experience

In the several case studies we assembled for our new book—*Judgment Calls: Twelve Stories of Big Decisions and the Teams That Got Them Right*—we identified example after example of leaders with vision who nonetheless achieved successful decisions by looking beyond themselves. None of the stories involved mob democracy or tales of leaders totally abandoning their prerogatives; nor were they some new version of servant leadership framed around guiding the flock from behind. Rather, in studying a series of big and difficult decisions that turned out well, we identified leaders who surpassed their own judgment by building and employing the judgment capabilities of their organization and networks beyond. We argue this is a pattern that will only become more common in tomorrow’s economy of increasing competition and complexity, faster spread of knowledge, smarter analytics, and the more flexible boundaries of organization. With greater rewards for better decisions and more punishing penalties for bad decisions, the premium for good organizational judgment will only rise. Winning leaders in the

future will call on much more than their own experience and guts, and instead embed the decisions their vision calls for in a broader matrix of expertise.

## Organizational Judgment in Action

This trend for the future became more vivid when we assembled the examples for our book and began to analyze cross-cutting themes of the successful big decisions our leaders oversaw. The overall concept, as we have mentioned, was leaders' stepping back from the heroism of making the call themselves—and instead assembling and taking advantage of wider and more collectively intelligent resources around them. Underneath that rubric, however, these successful leaders pursued four specific strategies.

### The Strength of Asking for Help and Mobilizing Others

The first, and arguably most important, was the leader's recognition that solo or unquestioned hierarchical decision making often yields worse results. We researched several cases that began with a CEO or other leader acknowledging openly, "I need help—I can't do this alone." CEO Marshall Morton, leader of the Media General news firm, reframed the work and operating culture of his senior executives

to become a problem-solving team for the first time. Facing shareholder pressure and declining financial performance in the throes of the 2008 recession, he had a general sense about paths for increasing performance, but lacked certainty and specifics about how to get there. He candidly admitted it was time to open up decision making to a richer array of good ideas—including not only from his key executives but also a wider array of staff and stakeholders. Together they developed what ultimately became a successful overhaul of a new combined print and digital strategy. Leaders at NASA, in the aftermath of the *Challenger* and *Columbia* space disasters, confronted the reality that decision making about launch readiness based on authority and obedience up a chain of command had to be replaced. So they created a new way of working that tapped into the distributed but expert technical knowledge of a much wider array of staff, contractors, and even the astronauts themselves. Doctors in the Partners Health Care system now regularly improve patient outcomes by using sophisticated knowledge tools—but the first step in that successful transformation was surrendering their physician-knows-all outlook. Entrepreneur Dal LaMagna took his small specialty beauty products company to a multimillion-dollar global company after an epiphany that some leaders never achieve: as smart and determined as he was, the complexity and challenges of going for the big leagues of manufacturing and distribution required something new for him. He had to build a company where everyone trusted one another and everyone's special expertise and experience could be mobilized for difficult decisions every step of the way. His investment in the collective judgment of others created huge wealth both for himself and for a wide circle of others around him.

### Decision Making as a Participative Problem-Solving Process

These leaders, and others we studied, typically operationalized this kind of decision-making humility by establishing specific processes for participatory problem solving. By recognizing first that most big

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decisions are built on a series of smaller but still important decisions, and then creating disciplined approaches to using deliberation, debate, and fact-based analysis, leaders were able to incorporate the judgment and knowledge of others into the final answer. Instead of seeing the “big decision” as a drum-roll and spotlight-focused moment, our winning leaders built capability for judgment in specific routines and protocols for surfacing diverse views, breaking problems into smaller and more manageable pieces, and orchestrating a progressive clarification of critical questions, critical issues, and reasonable options to consider.

NASA, for example, in its post-*Challenger* approach, began to handle launch decisions in an orderly but still flexible process of problem solving and debate that brought out the best thinking of the often opposing communities of operations managers and scientific engineers. McKinsey & Company, in what turned out to be a bold and wildly successful new talent strategy launched in the 1980s, decided to broaden hiring beyond the usual gold-plated MBAs to include rising young stars in multiple other academic and professional disciplines. At the time, the notion of such hiring was anathema to many partners—but the strategy that ultimately won out was not developed by a single momentous vote of McKinsey management members. Instead, it emerged as a series of small experiments in different offices around the world, assessed and integrated over time through debate and deliberation among progressively wider ranks of its partnership. WGB Homes, a small but successful real estate developer outside Boston, powered through the recent real estate downturn with a “late configuration” decision-making strategy on its products. Founder Greg Burrill doesn’t make the final call about what his houses for sale should be like; instead he and his team rough out an exterior and some simple landscaping and then incorporate ideas for final design from all around, following an iterative market-intelligence process. Ideas come from other members of his staff, suppliers, customers themselves, and even members of his family, discussed and debated until a winning and saleable unit emerges.

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### **Incorporation of Analytical and Technology-Delivered Information**

In today’s world of increasing use of so-called big data, crowdsourcing, and social media, the introduction of such inputs into good decision making is no longer optional. That said, it is amazing to us how many organizations still relegate such tools to marginal departments in the basement or expect that “the guys in IT will worry about that.” But building great organizational judgment is not just having access to this kind of information and tools—it’s rather about integrating them into the essence of the decision-making process. We mentioned the clinical decision support and best practice knowledge used by doctors in Partners Health Care. That organization’s transformation of patient care started with the willingness of doctors to deploy such tools, but of course it equally required investing in the tools and patient data collection, and making it easy and practical for doctors to use them. We studied a successful move of the data storage company EMC to reduce costs during the recent recession without losing valuable talent via layoffs. The company’s senior executives realized employees themselves were the best source to generate critical cost-savings ideas. Thanks to active encouragement and use of social media, the staff identified recommendations that yielded millions of dollars of cost efficiencies. Education, both primary and secondary, is being revolutionized by better use of data to improve student outcomes; one admirable

example we looked at was the Charlotte Mecklenburg Schools in North Carolina, which developed and integrated into all curricular and classroom instruction a disciplined process of continuous improvement based on ongoing collection and analysis of student achievement data. Results are proving steady and inspirational in addressing traditional gaps caused by disadvantages fostered by income and historical racial inequality.

### Building the Cultural Capability for Organizational Judgment

Leaders who embrace the more analytically informed and participative approach also understand that making this kind of change strikes at the heart of—and ultimately depends on—the culture of the organization. In every story we researched, we found some kind of cultural change at work—with leaders either explicitly or implicitly understanding that building organizational judgment is not a one-time intervention; it is rather the ongoing development and refinement of a fundamental strategic capability. It is indeed strategic because the potential to exercise better—and more consistent—judgment in today’s complex and competitive global economy will be a critical differentiator of performance. In some of our cases, the culture building was part of the backdrop of the story; in other cases it was front-and-center.

Christine DeVita, until recently president of the Wallace Foundation, recounts how the tough decision she and her team made about creating new impact in educational reform funding came about only because she forced her colleagues to start to work together in new ways. Breaking down the traditional silos between program, evaluation, and communications—but also blowing up the sometimes too polite and ineffectual foundation manners—she fostered a new culture that was “hard on facts, soft on people.” Through the process she and her team worked together in new ways, and they discovered an underappreciated part of school reform. Their collective decision to focus on skill-building and talent development for

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high school principals added significantly to the better schools movement in the last decade.

During the economic collapse of 2008, many investment firms breached faith and lost money for their clients. One of the exceptions—both in terms of financial performance and preserving brand integrity—was Vanguard. Its founders had built a culture of long-term value, customer focus, and the right of open dissent when something seemed wrong—and in one now-famous case one of Vanguard’s young analysts (Mabel Yu) made a controversial call *not* to recommend investment in mortgage-backed securities. Mabel was backed in her skepticism by her superiors—following the values of Vanguard—and ended up saving many clients of the firm millions of dollars. Vanguard continues to nourish this kind of culture, knowing that the combination of collective judgment and strong values will win out over time. McKinsey, in its decision to expand its talent strategy, got to its final good answer also on the basis of values and culture. Its problem-solving process was complemented by an embedded belief in the power of partners’ debating, deliberating, and respecting one another—and also the pragmatism of success in the workplace trumping ideology or ego. Once a few partners showed how hiring a smart physician or civil engineer could complement the work of MBAs—and in fact bring more creative and innovative solutions to client projects—the decision to move ahead with such

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## *Translating visions into actions...*

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recruiting became easier. Despite the vernacular, it wasn't a no-brainer; it was actually a *many-brainer*—and that's what made it a success.

### **Organizational Judgment and “the Vision Thing”**

The four strategies discussed—acknowledging the value of the collective, developing a participatory problem-solving process, integrating analytical tools and information sources, and building a sustaining culture of debate and deliberation—are all context specific, and not necessarily a simple formula to be followed for creating what we call “organizational judgment.” That said, they do provide major pillars of an architecture of the next generation of decision making—one that any executive might consider in advancing a personal leadership approach and bringing personal judgment to greater scale.

This kind of judgment is not the same as developing and sharing a vision; rather, it informs it. For any vision to become real, it must be translated to action—and action always requires decision making. We would also caution, in arguing the difference between vision and decision making, that these two dimensions of leadership are not simply different names for what others call “the strategy” and the “the tactics.” As so many of our case studies showed, visions inevitably evolve and become refined—or simply change—as decisions are made, consequences unfold, and learning follows that inevitably adjusts people's ideas about where opportunity lies in the future and

how it should be captured. Thus Chris DeVita of the Wallace Foundation knew she wanted to break out and contribute something new to educational reform, but only through her own and her team's process of decision making did they discover what that was to be. The CEO of EMC knew he needed to cut costs, but never imagined that by engaging staff via social media he would not only discover unimagined savings, he would also transform the culture to one of much higher employee motivation and engagement. The leaders of NASA knew they had to further reduce the risk of future mechanical failures, to keep reaching higher into space—but they didn't understand how increasing the problem-solving collaboration of program people and engineers would enable so many future successful missions, one after another. The superintendent of Charlotte-Mecklenburg schools knew he wanted to improve student achievement but never imagined how aggregating and analyzing reams of individual data would so revolutionize teaching and learning in the classroom. Decisions are made, and visions evolve. Each informs the other over time.

### **From the Judgment of Leaders to the Leadership of Judgment**

Through history we have celebrated the wisdom of great leaders and their courage to make the hard call. And in day-to-day matters, we also all look with reverence on the man or woman who, with the appropriate balance of prudence and risk, calculation and humanity, and justice and pragmatism finds winning solutions. The appreciation of getting it right is not going to change; but the world has evolved—with its greater complexity, proliferating networks, and explosion of knowledge and technology—such that getting it right will decreasingly be the responsibility of the single leader acting alone. Looking ahead, our appreciation will surely shift—from admiring the judgment of great leaders to instead revering the leadership of judgment. Our primary respect will go to the one who has the savvy and understanding to mobilize the wisdom of others.



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