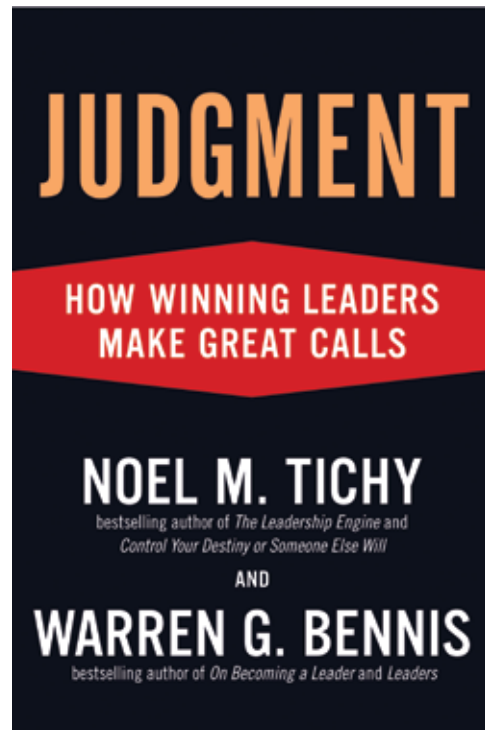


THE ANATOMY OF DECISION MAKING

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Judgment: How Winning Leaders Make
Great Calls
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By Noel M. Tichy and Warren G. Bennis
(Penguin Group, 392 pp. \$26.95)



Judgment calls are often viewed as singular moments resulting from a leader's intuition. They're seen as snapshots in time, developed instantly.

But good judgment requires a framework, say Noel M. Tichy and Warren G. Bennis in *Judgment: How Winning Leaders Make Great Calls*. Their well-crafted book describes how successful business leaders view decision making as a process that is developed incrementally.

"Good judgment is not one terrific 'aha' moment after another," they say.

They should know. Each is an influential business author who has spent decades teaching leadership and advising top CEOs, such as Jack Welch of GE and Howard Schultz of Starbucks. Now, collaborating for the first time, they present a practical structure for making tough calls when the stakes are high and the right path isn't obvious.

The book begins with a refreshing admission—the subject of judgment is too complex a phenomenon and

too influenced by personal style and countless other variables to pin down definitively. So Tichy and Bennis focus on what they consider to be tangible: the components of great judgment calls, including how to recognize the critical moment before a decision must be made and how to execute one afterward.

Long-term success is the sole marker of good judgment, they say, and good leaders sort the important from the trivial.

"What really matters is not how many calls a leader gets right or even what percentage of calls a leader gets right," they wrote. "Rather, it is important how many of the important ones he or she gets right."

To illuminate their key concepts, Tichy and Bennis spotlight high-level executives, including A.G. Lafley of

Procter & Gamble, Jeff Immelt of GE, Brad Anderson of Best Buy, and Jim McNerney of Boeing. The book's main chapters include exemplary stories and anecdotes from those leaders about how they prepared for, executed, and evaluated critical judgments. In each case, the reader sees a person discerning before deciding.

The authors cut through the subject's complexity by enumerating their important ideas. For example, readers learn that all key business decisions occupy one of three domains. The most important, the authors say, is making judgments about who is on your team (people calls). Other domains involve organizational direction (strategy calls) and problem solving (crisis calls).

Also, readers learn that good judgment is a three-part process. The first is preparation, which is all about framing the issue that will demand a judgment call and ensuring that team members understand why the decision is important. The second is arriving at the decision and explaining it. The third is carrying out the decision while learning and adjusting along the way. Examples from the book's sources show why each step matters, and how each offers "redo loops," or opportunities to correct missteps.

Perhaps the message that will resonate most with training and development professionals is that leaders must focus on creating a point of view called a "storyline" and align their team and stakeholders around it well in advance of the immediate need for judgment calls. This concept is best addressed in a chapter titled, "Judgment for Future Generations: The New York City Leadership Academy," which discusses how New York City Mayor Michael Bloomberg and School Chancellor Joel Klein transformed and revitalized the city's school system. Their decision-making process included "framing and naming" the issue (a leadership problem), crafting

success benchmarks, and defining new personnel roles.

Another must-read section is the "Handbook for Leadership Judgment" that follows the last chapter. In it, Tichy and collaborator Chris DeRose provide

GOOD JUDGMENT IS A THREE-PART PROCESS.

a seven-part section, rife with charts and tables, that reads like an operations manual, enabling readers to apply what they've learned from the book.

Judgment could be shorter and not lose its effectiveness; and a chapter on character and courage could be nixed entirely. It also is geared a bit too

heavily toward the C-level crowd—there are no examples of judgment provided by mid-level employees, but it's a smart, pragmatic look into the anatomy of a good judgment call.

Tichy and Bennis help us realize that good judgment isn't innate. It can be learned and refined, but first requires an ongoing process of increasing knowledge about one's self, social network, and organization.

"We need more leaders with better judgment," the authors say frankly in the book's conclusion. Reading this book can help you become one.

It deserves three cups of coffee.

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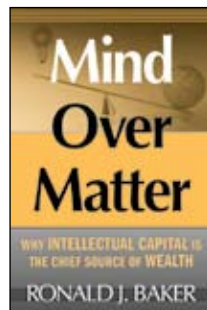
What's New?

T+D EDITORS WEIGH IN ON OTHER BOOKS THAT WILL HELP EXECUTIVES IN THE WORKPLACE.

Mind Over Matter: Why Intellectual Capital Is the Chief Source of Wealth

By Ronald J. Baker
(John Wiley & Sons, 368 pp., \$45)

According to *Webster's Encyclopedia*, the term "intellectual capital" carries myriad definitions depending on context—whether it is in theories of management or economics. Currently, the American economy is shifting from a twentieth-century materials-based economy to an age of the concept-based economy. In this realm, ideas and knowledge are the assets. One of these ideas is intellectual capital.



Part of Wiley's Intellectual Capitalism series, this book breaks down the three components of intellectual capital: human capital, structural capital, and social capital. Founder of VeraSage Institute, a think tank that teaches value pricing, Baker explains how to leverage these three components to create wealth in today's economy. Some of the topics discussed in the book include the physical fallacy or why wealth no longer consists of tangible things; the economic shift from manual and service labor to knowledge labor; how to develop and attract human capital to an organization; and how to create a knowledge bank to leverage intellectual capital effectively.

Aparna Nancherla

Best Practice in Performance Coaching: A Handbook for Leaders, Coaches, HR Professionals, and Organizations

By Carol Wilson
(Kogan Page, 256 pp., \$49.95)

This book is both an introduction for anyone thinking about becoming or hiring a coach and a reference guide for experienced coaches. The first part of the book highlights the fundamentals of coaching—the how, who, when, and where of coaching for performance and good leadership—while the second half of the book documents actual case studies, and digs into the specifics of coaching models and paperwork.



A chapter on "Training as a Coach" delves into the steps needed to become a professional coach or internal coach within your organization, the levels of mastery, the styles of training, and accreditation. This book also gives a very detailed look at how to run a professional coaching practice, from marketing and what to charge to paperwork and ethics.

Complete with worksheets, exercises, evaluations, and case studies, this is a thorough starter's kit for anyone wanting to try coaching. It highlights when to use coaching, the moral and ethical dilemmas encountered, and tools available to coaches.

Paula Ketter

The Breakthrough Company:
How Everyday Companies Become
Extraordinary Performers

By Keith R. McFarland
(Crown Business, 259 pp., \$27.50)

McFarland selected a handful of companies, many of them smaller players in niche markets, to profile and dissect the elements of their success. As readers will discover, there is no widely adopted recipe, but the familiar ingredients are found in every story.

Among the companies he chose were Paychex, Intuit, Polaris, and the Staubach Company. Each company is led by an executive who dared to take initial and subsequent risks when conventional wisdom dictated otherwise.



Each leader acknowledged that their calculated gambles could fail miserably or propel their businesses to greater heights. When launching its popular financial software for Windows, Intuit decided to stand up to Microsoft, declining a buyout offer and skillfully using its customer base to offset their competitor. Riding comfortably on the strength of snowmobile sales, Polaris decided to enter the tight market of all-terrain vehicles when market indicators were unclear.

Breakthrough companies eliminate the barriers that exist between executives and the rank and file. When Paychex CEO Tom Golisano retired, all he took was his desk and credenza, declining the jaw-dropping golden parachute that many executives believe is their right. Corporate standouts are also prepared to draw upon outside sources such as a board of directors or a customer advisory board.

Michael Laff

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