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Context to the nugget

Andrew speaks about how he came up with a framework to measure judgment. He also speaks about the nature of research he did to get to what was judgment and the variables that go in there. He also speaks about how the framework has evolved over time as he did his research and particularly speaks about the role of values in judgment.

Transcription

Deepak Jayaraman (DJ): But maybe moving to judgment now for the purpose of the listeners why don't we start by defining the term judgment, you know, I see that this term is used in different contexts. It will also help if you could share a little bit around the common misunderstandings or misinterpretations you see of the word.

Andrew Likierman (AL): Well, I am glad you came into that right at the very beginning, because it is a pretty critical element and what I discovered and one of the reasons again that my interest was aroused by this is that there are... there's no established definition for judgment in the context in which it's used in many cases in professional life or indeed in personal life, so obviously that's less important for definition purposes. And I looked up very carefully how its defined but indeed I looked at how it's defined in different languages to see if I could pin this down. And eventually I came up with the definition of my own which is a composite of dictionary definitions and what I have heard and discussed and it is the ability combining personal qualities with relevant experience and knowledge to form an opinion or take a decision. Now that combination of the individual, the personal qualities with the situational aspects what I know about this that I am looking at now or thinking about and the experience I bring to bear seems to me the critical element of judgment. Most often I must tell you when I talk to people about this they say before they have heard my definition or we have discussed definitions, they say, oh, a judgment is really important you know but it's not something I can define but you know it when you see it. Now, that seems to me not quite good enough, if it's going to be so important, I think we need to pin it down and in particular if we try to get it better, we need to pin it down.

DJ: Hmm, and may be a related question going back to your point about measuring things which are hard to measure. How do we... maybe you have defined what judgment is, do you have any headline, early thoughts on how we measure judgment?

AL: Yes. What I have done is I have looked at the different elements that seem to make up judgment. This is to get round the business of saying well, we can't define it but we know when we see it and I have identified six that seem to be the key elements. So, in brief they are about learning so it's do

we listen, really listen when people are talking to us and do we understand what we are reading. The second element is about the trust we place in individuals when we are seeking their advice or looking for information that we haven't got and this might be not just individuals but also sources, because of course a lot of information comes from the web and so on. The third one is the experience we ourselves bring to a particular situation whether we have done this before many times or a few times and our understanding of what that means in terms of our abilities to face a particular situation or deal with it. The fourth one is our ability to be detached in what we are looking at or deciding on. That's to say when we can't do anything, we have our beliefs and our views, and we need to know what those are to make sure we can take those into account when we make our choice about what to do. I am not saying that, you know, it's possible and I am sure it's not possible for us to distance ourselves from all of those but we need to at least identify them. And with those four we go into the question of making a choice, looking at the options and the way in which we do that is important to our judgment and finally is the question having made a choice, the question is can we actually deliver it? Is it possible to execute this choice we have made because it's all very well saying this is a great idea in theory but a good judgment also means being feasible in practice? So in brief, those are the six elements.

DJ: And that's great and maybe talking a little bit about how you got here Andrew, we will dive into each of these six in a couple of minutes. But if you could comment on how these six buckets evolved over time? Did you have to chop and change or are there things that you worked with for a while but had to drop off? Could you talk a little bit about how you got here?

AL: Yes, well it's a very unconventional piece of research. I have never done anything quite like this before because what I was starting with is a completely blank sheet in essence. I looked at a lot of the literature, I looked at the way in which other people have addressed this issue and it didn't seem to me there was the combination of factors that satisfied me that I could say, this looks like together this looks like judgment. So, the method was to read a lot. I went into many literatures and in academic life that's tough because one literature is bad enough, I must have gone through at least 10 literatures in many different subjects. I talked to a lot of people, I quizzed them about what they thought about this, how they made their choices, what went through their minds and I talked to people in many different walks of life and many different levels and also at the end in many different countries to try and bring these together, and I was conscious of the fact that this was a list that was very difficult to bring together and I did it therefore quite cautiously and certain things I felt, for example, I will just give you one example, should one include execution and delivery at the end by number six in this because you could argue maybe judgment finishes with choice and options one has looked at but actually it seemed to me that if people made choices that were only good in theory as I said that could have been a good judgment. The other two elements I just mentioned are risk and timing because you could argue that 7 and 8 would be risk and timing but risk is actually very much part of all of the elements I have described. One has to take into account risk at every stage all the way from how good one thinks the information is all the way through to delivery. And so, I thought that was something that was not a separate element, it was something that was part of everything and timing yet again is part of several different elements particularly in terms of the question of choice and delivery. So those are the kinds of things, I mean, I won't go through the very many stages that I went through to counter this but one of the things, can I just say, one of the things and which I continue to say now even after I have been working on this for such a time is anybody has got any ideas about, you know, why this is wrong and if there's anything else I should be considering, I am very open to ideas because I am conscious of the fact I may simply have missed things and I am still very interested in what people have to offer in terms of this particular framework.

DJ: Got it. The reason I asked the question Andrew was I think when we met in Mumbai about 2-3 years back and subsequently when we caught up in London last summer, you know, we spoke about one of the dimensions which was values. I remember you talking about the values of the leader as being a consideration at some point, but later I think, you know, I see you talking about detachment which I get a sense that you talk about the fact that you need to recognize what your values are and ensure that you are detached from it rather than being consumed by it. Is that a fair understanding of how your thinking has evolved?

AL: That's absolutely right Deepak and I very much valued our discussions on this and I know that was something that you felt was particularly important and I did think long and hard about this in terms of how I approached values. My sense was that the detachment element did not mean as I have said in my introduction, that one should be detached in a sense of being remote from the way one looks at something that very much aware of the beliefs and values one brings to a particular choice. And one may decide for example that one excludes very large numbers of possibilities because of the values that one holds and that is very much then about understanding that because I am sure you and I and anybody listening to this will know that there can be occasions when values collide and people have very different values and actually the discussion is about different values. So, for me what's important here is to get the values out into the open so that everybody understands where they are and if there's disagreement about values, we understand that that is the subject of the disagreement and not facts or interpretations and so on.

Reflections from Deepak Jayaraman

DJ: The one thing that is worth noticing is that the nature of judgment we need to exercise in one context might be different from the judgment we need to show in a different context. For instance, Roopa Kudva (RK) speaks about how she had to fine tune her judgment muscle given her move from CRISIL to Omidyar Network.

RK: "I think there's is a difference in judgement as a business leader when you are taking business decisions that you are taking for a business that you are running yourself compared with judgement as an investor I think you are one step removed because you are making a judgment about an entrepreneur who intern has to make judgments about businesses in areas where there is not much more data which are at the front here of innovation so it makes it harder in a sense. I feel though that early stage investing is about thinking of the possibilities and figuring out the possibilities and applying judgment to what are the types of business and will this business module and will this entrepreneur succeed? I think that's the judgment we are making in the rating decisions the judgement is about the risk, what could go wrong in the sense and in running a company the judgment involves are a different set of judgments altogether, it's about competitive strategy, it's about positioning, it's about new products and things like that so I think the judgements are in three different context in that sense, in investing I feel that initially understanding the world of start-up entrepreneur was important for me to kind of learn how to think as an investor I think that was the most important part in term of commercial understanding of businesses and how the economics of business work I think that was less challenging really, it was more about how the world of technology is evolving and what are these new age entrepreneurs like, I think developing that understanding I think was the learning curve."

DJ: As leaders transition context whether inside an organization or otherwise, it is helpful to see how we keep sharpening our judgment muscle to ensure it is fit for purpose in the new context.

Thank you for reading. If this topic is of interest, you might like the playlist Judgment where we have insights from leaders across domains speak about their take on this topic. This ranges across Zia Mody who speaks about judgment in a legal context, Amit Chandra who speaks about on judgment in investing, Vinay Sitapati who speaks about Narasimha Rao's sense of judgment, and Dr Ramachandra Guha who speaks about Gandhiji's sense of judgment when he took big calls and so on. To access this, please go to playtopotential.com/tags/judgment (/t a g s /judgment)

End of nugget transcription

Nugget from Roopa Kudva that is referenced: [Developing a sense of judgment](#).

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Sir Andrew Likierman - Nuggets

- 60.00 Sir Andrew Likierman - The Full Conversation
- 60.01 Sir Andrew Likierman - Defining and measuring Judgment
- 60.02 Sir Andrew Likierman - Listen attentively; learn critically
- 60.03 Sir Andrew Likierman - Seek diversity, not validation
- 60.04 Sir Andrew Likierman - Keeping track of judgment run-rate

- 60.05 Sir Andrew Likierman - Identify, then challenge, biases
- 60.06 Sir Andrew Likierman - Question the solution set offered
- 60.07 Sir Andrew Likierman - Judgment during COVID times

About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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