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THE INSTITUTIONAL
JUDGEMENT REVIEW™

THE WEIGHT OF A DECISION

Decisions do not end when they are made.

What happens next determines what it was worth.

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A JOURNAL ON
INSTITUTIONAL JUDGEMENT,
GOVERNANCE, AND
CONSEQUENTIAL DECISIONS

STRATEGIC JUDGEMENT
SHAPES THE DECISION.
EXECUTION DETERMINES
WHAT IT BECOMES.

RECOGNITION

Judgement Begins Before the Decision

Institutions often evaluate judgement by examining the decision that was made. By the time they do, most of the judgement has already occurred.

What leaders noticed. What they dismissed. Who was heard. Who had the authority to decide. How the problem was framed. What was decided first. What consequences were considered before anyone spoke them aloud.

Much of that never appears in the minutes. All of it shapes what the minutes eventually record.

The consequential decision is rarely the first decision. It is usually the last in a sequence of smaller ones — about framing, ownership, and order — that made the outcome close to inevitable well before anyone called the vote.

And the judgement does not end when the vote is recorded. Someone must translate the decision into action. Priorities shift. Resources move. People interpret what leadership meant. Trade-offs that appeared manageable in the boardroom become real in operations. New information emerges. Conditions change. The institution must decide again — often without calling it another decision.

A recent study of gender diversity on corporate boards across 25 countries makes a version of this point with data rather than anecdote. Examining how women actually gain influence, the researchers distinguished between representation on a board and access to the major committees — audit, compensation, nominating — where much of what a board decides is shaped before it reaches the full board. Their finding travels well beyond its subject: a seat is not the same as a hand on the gavel.[1]

Formal authority tells us who can vote. Decision architecture tells us where influence actually occurs.

> *Which decision did your institution actually make last quarter — the one that was voted on, or the one that made the vote a formality?*

INSIGHT

A Decision Has an Architecture

Four questions determine most of what happens to a consequential decision, and most institutions only ever ask two of them.

The first is framing. What are we actually deciding? A board debating a budget and a board debating what the institution can afford to become are having two different conversations that sound identical.

The second is authority. Who has the right — and the responsibility — to decide? Board or CEO, CEO or executive team, central office or operating unit, management or the stakeholders the decision will actually affect. Some of what looks like a strategy failure is, on inspection, a decision-rights failure: the right answer, reached by the wrong room.

This is where multi-site institutions are most exposed. A school group operating across campuses or countries, a district across schools, a health system across hospitals, a foundation across program areas — each carries a standing question it rarely settles out loud: which decisions belong to the center, and which belong to the site? Most groups answer it once, at founding or at acquisition, and then let it drift as the portfolio grows. The drift produces a recognizable pattern. The center believes it has delegated. Site leaders believe they have been overruled. And no one is entirely confident who owns the decision until something goes wrong in one location and the ambiguity surfaces at the worst possible moment.

Decision rights are not an organizational chart. They are a claim about where judgement is trusted — and every institution makes that claim whether or not it has written it down.

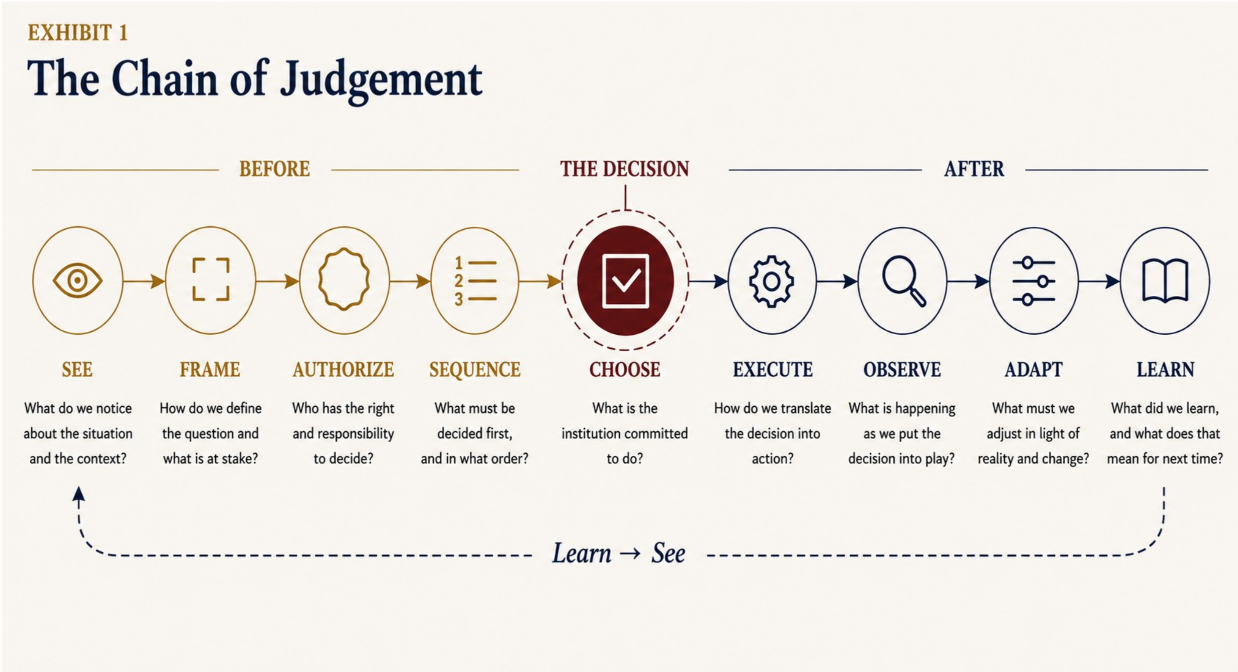
The third is sequencing. What must be decided first? An institution can identify the right five problems and still exercise poor judgement by solving them in the wrong order — addressing morale before addressing the strategy that's damaging it, or restructuring a team before agreeing on what the restructuring is meant to fix.

The fourth is execution. What must happen for the decision to become real? A decision without execution isn't institutional performance. It's intent.

Decision architecture is also an architecture of power. The person who frames the question does not merely organize the conversation; they influence what becomes thinkable. The person who controls sequence influences what becomes urgent. The person who determines who enters the room influences which evidence becomes credible. And formal authority does not always reveal where that power actually resides.

Institutional judgement therefore requires leaders to examine not only who has the authority to decide, but who has the power to shape what reaches the decision in the first place.

Who had the power to shape the decision before those with the authority to make it entered the room?



What one decision teaches the institution changes what it is able to see in the next.

> *A consequential decision is not a moment. It is a chain of judgement.*

CONSEQUENCES

What Gets Decided When No One Is Deciding

Most institutions do not skip the judgement stage. They skip noticing that it happened.

A board that debates a budget is, without saying so, also deciding which risks the institution is willing to carry and which it has quietly agreed not to discuss. A district board debating consolidation is also deciding which communities it is prepared to absorb the cost of disappointing. A foundation approving a new strategic priority is also deciding which grantees will not be renewed — a decision that will be communicated later, by someone else, as though it were administrative. An executive team that revises a strategic plan is, without a vote, also revising which evidence still counts as credible. These are institutional judgements, made continuously, by whoever is in the room, whether or not the room understood that a decision of consequence was underway.

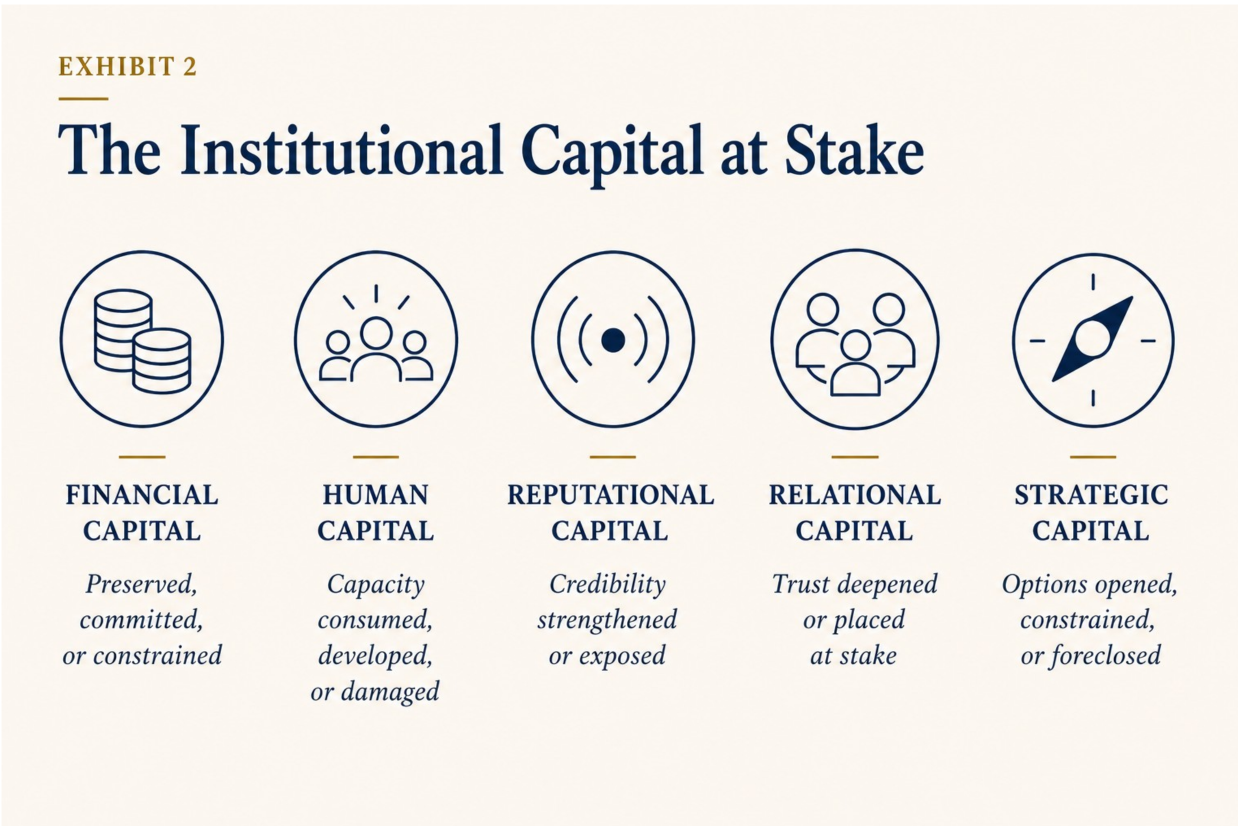
What Gets Decided After Everyone Thinks the Decision Is Over

The formal decision is rarely the last one. How quickly should this move? Who owns execution? Which trade-offs are acceptable, and which aren't? What gets funded, and what gets quietly deprioritized? What happens when the plan meets a reality it didn't anticipate? Who has the authority to modify it — and at what point does modification become reversal? When does management need to bring the question back to governance?

Those are judgement questions. Almost none of them get asked as questions. They get answered by default, in the ordinary course of doing the work, by whoever is closest to the decision when reality first disagrees with it.

Every consequential decision places institutional capital at risk before its return is known.

Not all of that capital is financial, and not all of it is visible while the decision is still being made.



Institutional capital placed at stake is not necessarily capital lost. A consequential decision may generate financial capacity while consuming human capacity; strengthen reputation while straining relationships; or solve an immediate problem while foreclosing future strategic options. The effects are rarely uniform, and they may not appear on the same timetable. The judgement question is therefore not simply what a decision costs, but what forms of institutional capital it creates, consumes, strengthens, damages, constrains, or puts at risk.

The weight of a decision rises not simply with the capital at stake, but with uncertainty about consequences, difficulty of reversal, timing, interdependence among effects, and the number of future options it may foreclose.

A board loses confidence in management. Executives lose confidence in the strategy. Staff lose confidence in leadership. Donors, investors, or families lose confidence in the institution itself. Once confidence has eroded, a technically correct decision becomes harder to execute than a flawed one made with the room still behind it.

What institutional capital are we willing to place at stake for this decision — and what would make that exposure warranted?

EVIDENCE

Two Institutions. Two Breaks in the Chain.

Issue 1 already told this story once, in full — a governing board that voted unanimously and understood, it turned out, nothing unanimously. Rather than retell it, September adds two institutions where judgement broke down at a different point in the same architecture.

For years before Stafford Hospital's failures became a national public inquiry, its trust board met on schedule and received its reports — ordinary oversight, by every visible measure. The break wasn't in framing or authority; the board knew what it was there to do, and no one disputed its right to do it. The break was in observation: operational evidence kept arriving, and it did not convert into changed institutional judgement.[2] Adaptation never got the chance to fail, because it never got asked for.

Theranos breaks earlier in the same sequence. Its board carried extraordinary credentials — two former U.S. secretaries of state, two former U.S. senators, retired four-star officers — and, for most of the company's life, no functioning audit committee.[3] The governance architecture offered limited capacity for technical or financial challenge: few directors were positioned to test the company's central claims, and the one director who pressed hardest was gone within the year. The credentials were real. They were simply credentials in the wrong questions.

Neither institution lacked capable people. Neither lacked meetings, minutes, or the appearance of diligence. One was a public hospital trust and the other a private company, which is precisely the point: the same architecture governs a school group, a district, a health system, and a foundation. Sector determines what is at stake. It does not determine where judgement breaks.

A decision ends the debate. It does not end the judgement.

Different institutions. Different failures. The same question: where did the chain of judgement break?

GOVERNANCE

Four Lenses on a Consequential Decision

Governance is often examined through distinct lenses — strategic here, fiduciary there. A consequential decision may require several at once, because it is rarely only one kind of decision.

Generative: what future is the institution preparing to meet? Strategic: what are we trying to achieve? Fiduciary: what must we protect? And a fourth, less often named — stewardship: what are we setting in motion, and how will we know whether it's working?

The first three are established ways of thinking about governance responsibility.[4] The fourth is this issue's extension of them.

Stewardship is not management. It is the board's responsibility to remain appropriately attentive to whether what it authorized is producing what it intended — without assuming management's responsibility for producing it.

EXHIBIT 3

Four Lenses on a Consequential Decision

The questions travel, even when the decisions do not. A hospital board may use the generative lens to ask what future of care the institution is preparing to meet; a foundation board, what role its capital should play as the problem it exists to address changes; a corporate board, what business the enterprise may need to become as markets shift; and a school board, what kind of institution students and families will need next. The context changes. The governance responsibility does not: consequential decisions require boards to look beyond the proposition immediately in front of them.

These four lenses inform the Governance Compass™, the instrument I use with boards and executive teams to examine how governance responsibility changes across the life of a consequential decision.

APPLICATION

A Decision Is Only the Beginning

> *Execution is not what happens after judgement. It is where judgement encounters reality.*

New information appears. Resistance surfaces. Assumptions fail. Resources prove insufficient. Stakeholders interpret the decision differently than leadership intended. Execution therefore requires continued judgement, not blind fidelity to the original decision.

The quality of a decision cannot be separated from the institution's capacity to execute, observe, and adapt it.

Judgement is not proven in the moment of decision, but over time. A sound choice can be poorly executed. A well-executed choice can become increasingly unsound as conditions change. Assessing institutional judgement therefore requires separating the quality of the original decision from the quality of its execution and the institution's willingness to adapt when new evidence emerges.

This creates what I think of as the second decision. The first asks: What should we do? The second emerges after action has produced evidence: Now that we know what the decision is producing, what does judgement require next?

The second decision may affirm the first. It may require adjustment. In some cases, it may require reversal. What matters is whether the institution can distinguish commitment from rigidity — and whether new evidence is allowed to change what leaders believe the moment requires.

Adaptation changes what the institution does now. Learning changes what it is capable of seeing and deciding next time.

CONVERSATION

The Harder Question

Strong institutions do more than make good decisions. They build the capacity to frame them well, place them in the right hands, sequence them wisely, execute them coherently, and change course when reality requires it. Institutional judgement is therefore not a moment of discernment. It is a capability exercised across the life of a consequential decision — and strengthened by what the institution learns from each one.

Before your next consequential decision reaches a vote, put four questions to the room out loud — not privately, and not afterward:

Who framed this, and what did the framing make it difficult to say?

Who holds the authority to decide, and who held the power to shape what reached us?

What must be true for this to survive contact with operations?

Who will tell us if it is not working — and will we believe them?

Asking them does not guarantee a good decision. It makes visible more of what the institution is actually deciding. Beneath all four sits a deeper test: what is carrying weight in this decision — and does it warrant that weight?

Good institutional judgement begins with being able to answer that question honestly.

Every institution can name the moment it decided. Few can name the moment it should have decided again. That second moment is where judgement is genuinely tested, and it almost never announces itself.

> *The greater the weight of the decision, the more consequential the quality of the judgement surrounding it. So which is the greater risk: making the wrong decision — or making the right decision in an institution unable to carry it?*

EXECUTIVE STRATEGY CONVERSATION

Some decisions cannot be examined after they are made.

This work is commissioned at a recognizable moment. A merger or acquisition under consideration. A campus, school, or service line facing closure. A CEO or superintendent transition. A capital campaign that will commit the institution for a decade. A regulatory or reputational exposure in one part of a group that the center has not yet decided how to own. A strategy the board has approved and the organization has not yet absorbed.

An Executive Strategy Conversation is a confidential working session — not a briefing, not a pitch — that tests the decision you're actually facing against this issue's architecture. Most end there, with a clearer decision and no further engagement. Some continue into a structured review with the board and executive team, six to twelve weeks, supported by LeadAxis™ Strategic Health Intelligence — work scoped to the decision, not to a calendar. I work with a small number of institutions at a time: school groups and districts, health systems, foundations, and nonprofits of significant scale.

> *Institutions rarely regret the time spent examining a consequential decision. They regret the years spent carrying one they did not.*

If you are approaching a decision of that weight, find twenty minutes on my calendar. If it is a fit, we will continue from there. If it is not, I will say so, and where I can, point you to someone better placed.

Dr. Nadine Richards · Nadine Inspires®

NOTES

1. Patricio Duran, Roxana Turturea, Pursey P. M. A. R. Heugens, Jean-Luc Arregle, and Marc van Essen, "Leave the Token, Take the Gavel: How National Quotas and Corporate Ownership Shape Gender Diversity on Major Board Committees," Journal of Management Studies 63, no. 6 (September 2026), published online 2025.

2. Robert Francis, Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (London: The Stationery Office, 2013).

3. Anand Narasimhan and Shruti Bajpai, "Governance at Theranos (A): A Blindsided Board" and "Governance at Theranos (B): The Aftermath" (Lausanne: IMD, 2025), distributed by Harvard Business School Publishing.

4. Richard P. Chait, William P. Ryan, and Barbara E. Taylor, Governance as Leadership: Reframing the Work of Nonprofit Boards (Hoboken, NJ: John Wiley & Sons, 2005).