

INSTITUTIONAL JUDGEMENT REVIEW™

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The Executive— Board Partnership

*How exceptional institutions
strengthen judgement—
not simply governance.*

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Nadine Inspires®



*Institutions don't perform
at the level of their intentions.
They perform at the level of the
Judgement that precedes their decisions.*



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Better Judgement. Better Decisions. Stronger Institutions.

RECOGNITION

The Question Boards Rarely Ask

Institutions have never had more information.

Yet information alone does not make decisions. People do.

What institutions often lack is not information, but a shared understanding of what that information means—and what it requires of them.

They have never faced greater uncertainty.

Across every sector, governing boards and executive leadership teams are navigating an environment defined by accelerating complexity. Financial pressure collides with demographic change. Artificial intelligence is reshaping work faster than institutions can adapt. Public trust has become increasingly fragile. Stakeholders expect greater transparency, faster decisions, and measurable outcomes. At the very moment leadership has become more demanding, the consequences of getting it wrong have become more significant.

Every institution will make decisions that shape its future.

Far fewer recognize and interpret the conditions shaping those decisions. The gap shows up in the numbers: most CEOs say their boards have the right people and knowledge to help them navigate disruption, yet nearly three in four say they find it increasingly difficult to set priorities. Capability in the room has never been the constraint.¹¹

Most institutions respond exactly as they should. They refine strategy. Strengthen governance. Invest in leadership. Expand data collection. Improve planning. Build more sophisticated dashboards. Adopt new technologies. Each initiative addresses an important need.

Yet many institutions continue to confront the same recurring challenges. Strategic priorities compete. Execution loses momentum. Leadership teams leave the same conversation with different interpretations of what was decided. Decisions quietly return to the agenda months later. Confidence begins to erode—not because people have stopped caring, but because the institution is no longer operating from a shared understanding of what matters most.

The question, then, is no longer whether institutions have enough information. It is whether they have the shared understanding and Institutional Judgement to act on it well.

The consequences are especially visible in mission-driven institutions, but the underlying pattern appears wherever governing boards and executive teams make consequential decisions. In schools, universities, and organizations entrusted with the development and well-being of others, the stakes extend further still—the quality of institutional judgement shapes not only budgets, strategy, and reputation, but also the experiences and opportunities of the people those institutions exist to serve. Effective nonprofit governance has long been recognized as a genuinely difficult achievement, not a natural byproduct of good intentions. ^{5,6,12}

The challenge facing today's institutions is no longer acquiring more information. It is exercising sound institutional judgement before consequential decisions are made—and before their consequences become visible.

Because by the time an institution recognizes strategic drift, declining confidence, uneven execution, or leadership misalignment, the conditions that produced those outcomes have often been developing quietly for months, sometimes years. What appears to be an execution problem may have begun as a judgement problem long before implementation. What looks like strategic drift may reflect competing interpretations of the institution's direction. What feels like leadership misalignment may be the visible consequence of conditions no one recognized while they were still decisions.

How does an institution know the quality of its judgement before the results of its decisions become visible?

INSIGHT

Every Institution Sees Only Part of Itself

Why is this so difficult?

The answer is not a lack of intelligence. Nor is it a lack of commitment.

In my experience, boards and executive leadership teams are rarely limited by the capability of the people around the table. They are limited by something far more ordinary and therefore much harder to recognize. Every participant enters the conversation carrying a legitimate—but necessarily incomplete—view of the institution.

A board chair experiences the institution differently than a chief executive. A chief financial officer interprets the same conversation through different responsibilities than an academic dean or division head. Faculty, staff, parents, students, donors, regulators, alumni, and community partners each encounter the institution through experiences that reveal something meaningful while inevitably concealing something else. Research on board-management engagement points to the same conclusion from another angle: the right posture toward any given decision depends on its stakes, not on habit—yet most boards default to a single mode of engagement regardless of what a decision actually calls for.¹

A recent survey of nearly 2,500 CEOs and directors put a number on this gap. Barely one in five CEOs said their board gives them effective support navigating a complex, fast-changing environment—while roughly two in five directors believed their board was already doing exactly that. Neither group was being dishonest. Each was describing the same relationship from inside a different vantage point.¹⁵

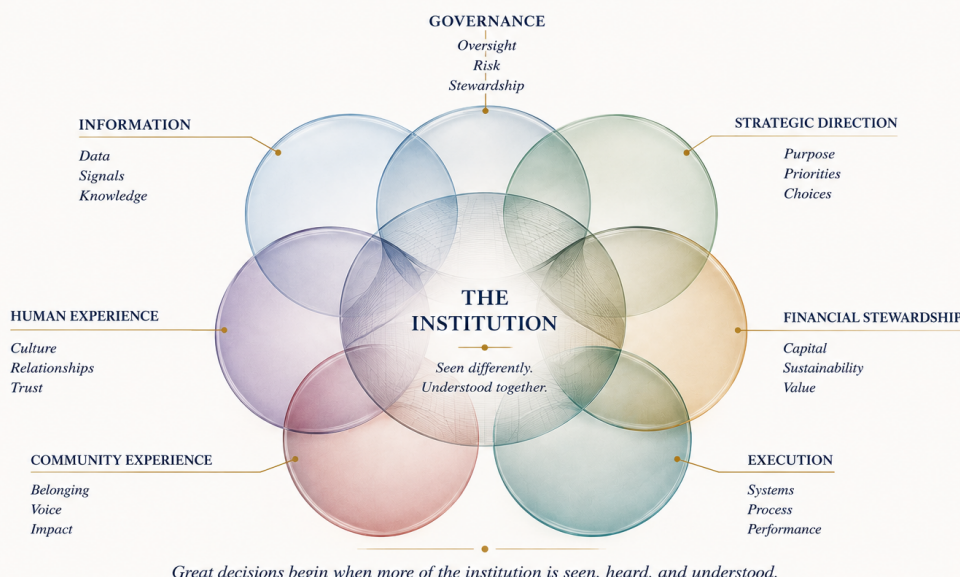
No one sees the institution in its entirety. No one can. The pattern holds even for people who are formidable everywhere else: accomplished business leaders have long been observed to grow strangely passive the moment they join a nonprofit board, as though the analytical toughness that defines them elsewhere had been left at the door. The institution did not change who they were. The seat they were sitting in changed what they could see.¹³

Yet institutional decisions depend upon creating a shared understanding that is larger than any single perspective.

Across cultures, perspective is never neutral. It is shaped by role, experience, history, and culture. Institutions become wiser when they intentionally learn from perspectives that have historically been dismissed, overlooked, or required to navigate systems from the margins. When institutions widen whose experience counts as evidence, they expand what becomes possible to see.

FIGURE 1 Every Institution Sees Only Part of Itself

Every perspective contributes evidence. None reveals the whole.



Great decisions begin when more of the institution is seen, heard, and understood.

EXHIBIT 1 — Every Institution Sees Only Part of Itself

Most institutions assume this happens naturally. Experience suggests otherwise.

Agreement is often achieved long before genuine shared understanding has developed. Decisions move forward because consensus has been reached, while subtle differences in interpretation remain hidden beneath the surface. Those differences rarely announce themselves during the meeting in which a decision is made. They emerge later—during implementation, through competing priorities, inconsistent execution, organizational tension, or the gradual erosion of confidence that leaders struggle to explain.

The pattern showed up again and again, in different clothes. A board in one sector. A hospital system in another. A university, a family foundation, a company board an ocean away. Different institutions, different immediate crises—the same underlying condition.

Eventually I stopped seeing isolated governance challenges. I was watching one phenomenon recur across sectors, countries, and leadership contexts I had no reason to expect it in.

It took years before I trusted the pattern enough to give it a name.

Institutional Judgement.

Not because institutions lacked judgement before. But because they lacked language for understanding how it is formed, how it weakens, and how it can be strengthened before its consequences become visible. Readers of my earlier work will recognize the underlying pattern: what I have elsewhere called institutional model drift and strategic health are both expressions of the same question this publication now gives a single name.^{7,8,9}

The pages that follow explore that idea—not as another leadership framework or strategic-planning process, but as a way of understanding why capable institutions often struggle despite intelligent people, thoughtful strategy, and deeply shared purpose.

Before your next strategic decision: which evidence are you trusting because it confirms what you already believed?

CONSEQUENCES

What Conditions Cost While They Remain Invisible

These conditions rarely show up on an agenda under their own name. They show up as a failed CEO succession. Board dysfunction serious enough to require outside intervention. Strategic drift that quietly hollows out a five-year plan. A transformation that stalls halfway through. Growth that plateaus without a clear cause. An acquisition that never delivers the value the model promised. Leadership turnover that becomes a pattern instead of an event. Trust that erodes with donors, regulators, or the market. Execution that slows despite a sound strategy. Uncertainty about AI that no one feels equipped to resolve.

There is an assumption embedded within almost every consequential institutional decision. It is rarely spoken aloud. It is almost never questioned. It is the belief that the people making the decision understand the institution in essentially the same way.

Most of the time, that assumption feels reasonable. Board members have reviewed the same materials. Executive leaders have attended the same meetings. Everyone has access to the same strategic plan, financial reports, projections, and analysis. It is tempting to conclude that shared information has produced a shared understanding of the institution itself.

But experience suggests otherwise.

People do not make decisions based solely on the information they receive. They make decisions based on the meaning they assign to it. And meaning is shaped by responsibility, experience, expertise, incentives, and perspective. Two thoughtful leaders can leave the same meeting equally informed and carry fundamentally different interpretations of what the institution most needs, where its greatest risks reside, or which priorities deserve immediate attention.

Neither interpretation is necessarily wrong. But the institution now contains more than one version of reality. Multiply that across a governing board, an executive leadership team, and those responsible for translating decisions into action, and a different picture begins to emerge.

The challenge facing institutions is not disagreement. Healthy disagreement often strengthens judgement. The greater risk is believing that shared information naturally produces shared understanding—and it does not. BoardSource's own guidance for purpose-driven boards asks a version of this question directly, urging boards to name

where they are confident and where agreement may be standing in for genuine understanding before a hard decision arrives.⁴

Institutions naturally devote attention to visible problems, because visible problems demand immediate action. A funding shortfall attracts more urgency than the years of deferred decisions that produced it. The visible crisis fills the calendar; the condition beneath it rarely does.

Institutional conditions rarely announce themselves. They accumulate quietly, and because they develop gradually, they are often mistaken for isolated events rather than connected patterns: a delayed initiative, growing leadership fatigue, a strategy persuasive in presentation but inconsistent in execution.

Each can be addressed independently. Many institutions do. Yet solving one visible problem often reveals another—not because the solution was ineffective, but because the underlying condition remained unchanged.

The cost of unseen institutional conditions is rarely immediate. It is cumulative. Conditions influence how capital is deployed, how priorities compete for resource allocation, and whether strategic investment becomes coordinated execution or fragmented activity—with real consequences for operating performance and enterprise risk.

Boards do not need to eliminate risk. They need to define, explicitly, what they are willing to accept—in relation to mission and community trust, not only financial exposure. Left undefined, that judgement does not disappear. It simply gets made by default, one decision at a time, by whoever is in the room.⁴

Institutions rarely decline because they lack capable people. They falter when invisible conditions quietly shape capable people's decisions.

EXHIBIT 2

Every Institution Pays for Conditions It Cannot See**Strategic Performance**

Priorities compete.
Strategy fragments.
Execution slows.

Governance

Decisions return.
Confidence weakens.
Oversight becomes reactive.

Organizational Capacity

Leadership fatigue.
Initiative overload.
Trust begins to erode.

Institutional Stewardship

Reputation becomes vulnerable.
Financial resilience declines.
Mission becomes harder to protect.

*Institutions experience different symptoms.
They are often responding to the same invisible conditions.*

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EXHIBIT 2—Every Institution Pays for Conditions It Cannot See

Three responsibilities quietly shift under this kind of pressure. Stewardship narrows into compliance. Sensemaking gives way to premature agreement. Decision-making fragments or stalls. This is not a hypothetical drift: as boards feel more pressure to keep institutions on track, research shows the line between oversight and operations is getting blurrier, and directors increasingly step into work that belongs to management. Each shift is a condition, not a failure of character—and each is recoverable if it is seen early enough.³

“

A well-functioning board acts as thought partners to a CEO.

— A director, Spencer Stuart Measure of Leadership survey, 2025

Ambiguous evaluation criteria, informal succession planning, and accountability calibrated to comfort rather than outcomes are rarely neutral design choices. As I have written elsewhere:⁹

Ambiguity protects position.

Watch for this pattern: priorities that keep competing for attention, decisions that keep returning to the agenda, and leaders who describe the same strategy in different words.

EVIDENCE

What Leaders See—and What They Don't, Yet

Three institutions. Three countries. Three sectors. One recurring pattern.

In the United Kingdom, a flawed accounting system inside the Post Office produced years of financial discrepancies at local branches. Hundreds of postmasters said the numbers were wrong. For years, the institution trusted what its system reported over what its own people were telling it—until a public inquiry confirmed that the postmasters had understood reality more clearly than the institution had been willing to.⁷

At Boeing, decisions continued to move through governance structures that no longer reflected what was emerging across engineering, safety, and internal communication. A senior leadership culture that prioritized financial performance grew disconnected from the technical and safety concerns being raised elsewhere in the organization—until two crashes made the disconnect impossible to miss.¹⁴

Years before the Challenger launch, NASA had gradually come to treat warning signs as routine that had once been reason enough to stop. Each individual decision to proceed looked reasonable within the understanding the institution had already normalized.¹⁰

None of these institutions lacked intelligence. None lacked information. None believed it was acting irrationally.

Each had a model of itself that no longer matched the conditions shaping its reality.

Information kept arriving. Institutional judgement did not evolve at the same pace.

This is not an industry problem. It spans public service, private enterprise, and government science across two countries and three decades—evidence that the pattern is institutional, not sector-specific.

Symptoms Reveal. Conditions Explain.

VISIBLE PROBLEMS TELL US WHERE TO LOOK.
UNDERLYING CONDITIONS TELL US WHAT TO UNDERSTAND.

SYMPTOMS REVEAL

What leaders can already see

01

Strategy stalls.

Plans exist,
but progress doesn't follow.

02

Boards revisit decisions.

Discussions repeat.
Confidence erodes.

03

Risk appears late.

Issues surface after the
opportunity has passed.

CONDITIONS EXPLAIN

What leaders still need to understand

- **Competing priorities.**

Unclear what matters most.
Accountability is diffuse.

- **Agreement forms.
Understanding does not.**

Alignment is assumed,
not confirmed.

- **Signals go uninterpreted.**

Information exists but isn't
connected to what matters.

Institutional judgment doesn't just influence decisions.

It determines what those decisions produce.

EXHIBIT 3—Symptoms Reveal. Conditions Explain.

Visible symptoms—a stalled hiring decision, a confused budget conversation, an executive team quietly working around each other—are often the final expression of institutional conditions that had been shaping decisions for months before anyone named them.

By the time leaders begin responding to the symptom, the condition has already influenced countless conversations, priorities, and decisions they didn't realize were connected.

APPLICATION

Making the Conditions Visible

Recent research has rightly emphasized the value of a stronger relationship between boards and executives—more trust, more thought partnership, more engagement. Those findings matter. But they leave a deeper question unanswered: if a board and executive team are engaged, informed, and aligned in intention, why do capable institutions still make decisions that fail in execution?

The quality of the relationship matters. So does the quality of the institution's collective judgement. That is where this issue picks up.

Every consequential decision eventually arrives at the same fork: prescribe, or diagnose first.

Most institutions prescribe. A new initiative, a restructured team, a revised plan—because doing something feels like progress, and diagnosis can feel like delay.

No responsible physician prescribes before diagnosing. No credible engineer redesigns a system before understanding why it failed.

Institutions deserve diagnostics before prescriptions.

Institutions don't improve because they make better decisions. They make better decisions because they understand their conditions more clearly.

That is a different discipline than most institutional leadership work, and it is the one this issue has been building toward. If institutional conditions shape executive judgement long before they shape institutional performance, a practical question follows: can those conditions be understood while they are still conditions?

For years, I found myself returning to that question. Across governing boards, executive leadership teams, schools, and mission-driven organizations, the pattern remained remarkably consistent. These institutions were rich in intelligence, experience, and commitment. What they lacked was a reliable way to see the conditions shaping their collective judgement before those conditions became measurable outcomes—and research on organizational health points to the same conclusion: long-term performance depends not only on strategy but also on an institution's capacity to execute, adapt, and sustain alignment.⁸

Institutions needed more than better discussions. They needed a disciplined way to see what no single leader could see alone.

That observation led to LeadAxis™—one way of revealing it.

LeadAxis combines multiple leadership perspectives—because no single leader sees an institution the same way—through a confidential Strategic Health Check, producing one institutional diagnosis and a Strategic Health Review™ that helps boards and executive teams make better decisions with greater clarity and confidence. It was not designed to evaluate individual leaders, and it does not replace strategic planning, governance reviews, or leadership development.

It begins with diagnosis, not recommendation. Understanding, not intervention. Institutional clarity, not premature action.

Boards already sense this gap in themselves. In one recent survey, only about a third of directors said their board was very effective at addressing underperforming leadership—and barely one in five said an independent third party helps facilitate their own board’s self-assessment.²

EXHIBIT 4

From Institution to Institutional Performance

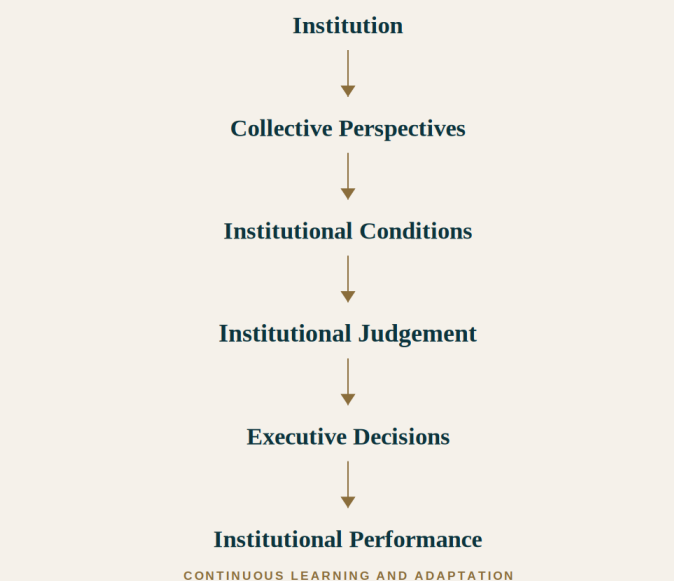


EXHIBIT 4—From Institution to Institutional Performance

Good governance is not about making the “right” decision once. It is about continually exercising sound judgement as institutional conditions evolve.

Seeing institutional conditions does not make difficult decisions easy. It makes them more informed. It allows leaders to distinguish between the problems demanding immediate attention and the conditions that will continue shaping performance long after today’s decisions have been made.

That distinction changes the conversation. Instead of asking, “What should we do next?” leaders begin asking, “What are we seeing clearly—and what might we still be missing?”

LeadAxis is not valuable because it helps leaders decide. It is valuable because it helps them see. Seeing is the prerequisite for deciding.

CONVERSATION

Before Your Next Consequential Decision

Six questions, asked in this order, surface most of what a board needs to see before a hard decision—not because they are exhaustive, but because each one closes a different blind spot this issue has named. They are adapted from the Governance Compass, the instrument I use directly with boards during an Executive Strategy Conversation.

EXHIBIT 5

Six Questions Before a Consequential Decision

Adapted from the Governance Compass.

◆ MISSION	<i>What are we trying to protect or advance?</i>
◆ ROLE	<i>What belongs to governance versus management?</i>
◆ RISK	<i>What strategic risks matter most?</i>
◆ PERSPECTIVES	<i>Whose voices or assumptions are influencing us?</i>
◆ CONSEQUENCES	<i>What are the short- and long-term implications?</i>
◆ STEWARDSHIP	<i>What decision best serves the institution over time?</i>

Good governance begins with perspective before decision.

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EXHIBIT 5 — Six Questions Before a Consequential Decision

Institutions rarely lack intelligence, commitment, or information. More often, capable leaders are required to make consequential decisions within institutions they can only partially see.

Artificial intelligence will continue improving institutional intelligence. It cannot substitute for institutional judgement. As information becomes abundant, judgement—not data—becomes the institution's scarcest strategic resource.

How would you know if this were happening inside your own institution?

EXECUTIVE STRATEGY CONVERSATION

The most consequential institutional decisions deserve more than confidence. They deserve clarity.

Institutional Judgement offers one way of understanding what is happening inside an institution.

LeadAxis™ offers one way of revealing it.

An executive strategy conversation helps leaders determine what matters before deciding what to do next.

A confidential working conversation for board chairs, chief executives, presidents, heads of school, and executive leadership teams preparing for a consequential decision, leadership transition, strategic inflection point, governance challenge, or recurring institutional issue.

What does your institution need to understand before deciding what to do next?



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