THE ASCENT
Advice from Above

EXECUTIVE JUDGEMENT

& BOARD CONFIDENCE

THE ASCENT PROGRAMME | ADVICE FROM ABOVE

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The Ascent

Executive Judgment & Board Confidence

Even the most experienced CEOs can leave a board meeting feeling uncomfortable about a decision they have made. The analysis may have been thoroughly tested, different views heard and the reasons for moving forward well understood. But there will always be an element of uncertainty. Ultimately, it is the CEO who has to make the judgement on whether the business is ready to act, often without having all the answers, and take responsibility for what happens next.

For leaders approaching their first CEO role, learning to carry that responsibility is an important part of the preparation. Success in a function or division gives a board useful evidence, but the next role brings decisions whose consequences extend well beyond familiar territory. At Holmes Noble, we believe preparation should give people the opportunity to carry broader responsibility while there is still time to learn from it.

The conversations informing our Advice from Above podcast series, and our own insights from The Ascent executive leadership programme offer a candid view of that step. The seasoned CEOs describe the uncertainty, the limits of their control and the people they turn to when their own thinking needs a closer look. Their experiences help make the demands of the role tangible for future leaders and those responsible for their development.



Knowing when there is enough information

Waiting for a complete picture can feel responsible. There might be another opinion to hear and usually a good reason to postpone commitment. Yet delay has consequences too, and a team left without direction begins to make its own assumptions.

The useful question is: What further information would materially change the decision? A missing fact that could alter the economics of an investment deserves attention. Another version of an analysis that leaves the choices unchanged may simply defer the moment of responsibility. There is no universal percentage of information at which a CEO should act; the threshold depends on the consequences and the opportunities to change course.

That pressure mounts when a decision affects safety or people's livelihoods. A limited trial may allow a business to learn before committing further, provided the people affected and the safeguards are properly considered. Other decisions require more extensive scrutiny because the potential harm cannot readily be undone.

Consultation helps expose those differences. It also gives the people responsible for implementation a chance to identify what the analysis has missed. As Darren James, CEO of Aureos, puts it: "Making decisions, as much as you consult with everybody, as much as you look at the data, you are still accountable for that ultimate decision".

That accountability remains even when colleagues disagree. The leader needs to explain the reasoning and establish who will act, while keeping the discussion open to evidence that challenges the chosen course. Seeking agreement is useful until it becomes a way of postponing the decision itself.

The isolation inside a connected role

Gavin Wesson, CEO of RLC Aerospace, describes a change that can be difficult to anticipate: “The more you go up through an organisation, the less control you have”. A CEO can set direction and influence priorities, but cannot personally oversee every decision that follows. The quality of the executive team, and its willingness to report what is happening, become central to the CEO’s own effectiveness.

This helps explain the particular isolation of the role. A CEO works closely with the board and leads the executive team, while carrying responsibilities that differ from those of either group. There may be matters that cannot yet be shared widely, or concerns that are still too uncertain to present as a settled view. Being surrounded by capable people does not necessarily give a CEO somewhere to talk those concerns through.

Nicola Hindle, CEO of Matrix Group, explains what a coaching relationship gives her: “I've always had a coach, which gives me a really safe space to talk things through and maybe say things when you know they're not polished, but you just want to get it out of your system”.

There is a practical value in being able to say something before it is ready for the boardroom. A coach, mentor or trusted peer can help a leader work out what is troubling them and whether it changes the decision. The relationship also needs enough honesty for someone to question an assumption or recognise when the leader is avoiding an uncomfortable issue. Reassurance alone will not do that job.

These relationships need attention before a difficult period arrives, as does the leader’s ability to step back from work. If every waking hour is absorbed by the immediate problem, it becomes harder to judge its scale or see another route forward. Supporting a future CEO therefore includes helping them establish how they will maintain perspective when pressure increases.

Giving the board a clear view

Confidence in a CEO rests partly on the board's ability to understand how a decision was reached and what might undermine it. A polished recommendation can conceal unresolved assumptions. An account of every passing concern can make it difficult to distinguish an emerging problem from ordinary uncertainty.

The judgement lies in making the material issues visible at the right time. The board needs a clear understanding of the decision required, and the rationale for the recommendation. They also need visibility of where the CEO remains uncertain and what further judgement or input may be needed. For a significant commitment, that includes the circumstances that would cause the executive team to reconsider. Agreeing those conditions gives subsequent discussion a firmer basis than simply defending the original recommendation.

The CEO's personal behavior can directly influence how the board acts. If a CEO asks for challenge but becomes defensive when it arrives, colleagues learn which information is welcome. The resulting silence can look like agreement until a problem is too large to contain. Consistency in the response to difficult news makes it easier for others to speak candidly, particularly when performance is under pressure.

A poor outcome then creates a further test of judgement. Some decisions were reasonable on the evidence available and need revisiting because circumstances changed. Others reveal a weakness in the original thinking or in execution. Understanding the difference is necessary if the organisation is to learn anything useful. The CEO must be prepared to examine their own contribution as carefully as everyone else's, and explain what will change.

The strength to recover from challenges should be considered a core CEO skill. Eric Born, CEO of Grafton Group, recommends taking the long view: "Big dream, small steps". Decide where you want to be, then take the next small step. Seen this way, each decision becomes one stage on a longer route.

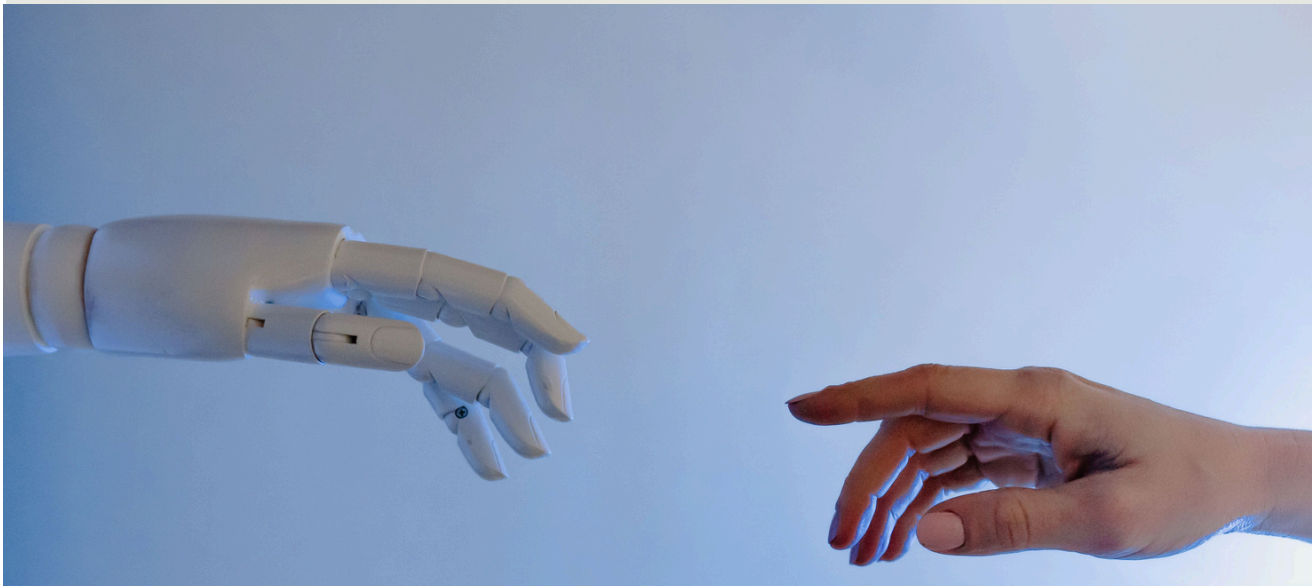
Human judgement as technology develops

AI-enhanced analysis can help a team explore options, but speed alone says little about whether an output is suitable for the choice being made. The CEO remains responsible for understanding the basis of a recommendation and its implications for the business.

Executives developing their understanding of AI can start by learning from colleagues who use these tools in their everyday work. Reverse mentoring offers a way to see an application closely and understand where it helps. That experience can make an investment discussion more concrete than a general presentation about technological change.

Often, the leadership questions extend beyond selecting a tool. An application may alter a customer interaction, the skills a team needs or the checks required before work is accepted. Those consequences need to be considered alongside any expected efficiency. Future CEOs must develop enough understanding to challenge the proposal and recognise when specialist advice is required.

AI awareness is therefore part of developing commercial judgement. It belongs alongside the ability to listen to people with different expertise and to take responsibility for a decision whose technical detail others understand more deeply.



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Developing judgement before the appointment

A strong track record in a function or business unit provides practical evidence about a potential CEO. Viewed in isolation however, it may leave important questions unanswered about how that person would weigh competing interests across the enterprise. Someone who has consistently delivered against an agreed plan may have had limited opportunity to decide which priorities should take precedence in the first place.

We would start by asking where the person can take on work that tests their powers of judgement. Leading work across functions, presenting a recommendation to the board or taking responsibility for a difficult trade-off can reveal how a person handles a broader remit. The learning continues after the decision, when the leader can compare what they expected with what happened, and examine their reasoning with someone able to challenge it.

It's important to recognise that this takes time. Some consequences emerge well after an initial improvement in performance. Succession discussions should therefore look beyond a confident presentation or a recent result to consider what the person actually decided. What were the circumstances in which they acted? How did they respond as the outcome became clearer?
An assessment can help structure that enquiry and identify development needs; the board still has to judge readiness for the particular role ahead.

The Ascent is designed for senior leaders one or two levels below CEO who are preparing for broader C-suite and board level responsibilities. Its twelve month structure combines individual development and real-world application, connecting the candidates with experienced CEOs. Holmes Noble's assessment framework considers the evidence of leadership experience alongside capabilities such as decision-making, commercial judgement and personal effectiveness.

The opportunity is to bring experience and reflection closer together while a leader is still preparing for the next role. A development priority becomes more useful when it is connected to work the person can undertake, with a way to review what they learn. Exposure to experienced CEOs gives the cohort a further perspective on the choices and pressures they will encounter, without suggesting there is a single model of successful leadership to copy.

Preparing for the decisions ahead

The practical question for a succession discussion is where a potential CEO has already exercised judgement beyond their own area of expertise. What responsibility did they carry? Who challenged their thinking? What did they learn when events took a different course? Where that experience is limited, there is work to do before an appointment makes the gap more consequential.

For the aspiring CEO, this means seeking opportunities to carry broader responsibility and discussing the resulting decisions candidly. For the organisation, it means creating those opportunities early enough to support development and observe its effects. Preparation becomes more credible when both can point to the work undertaken and explain what it has revealed.

To discuss how The Ascent could support a senior leader's preparation for C-suite or board level responsibility, contact Amy Speake, CEO and Programme Director, at amy.speake@holmesnoble.com.

