

Big Data and the Judgment Index

C. Stephen Byrum, PhD

Daniel Kahneman is the most important voice in today's discussion about the ideal catalyst for *best possible decision-making*. It isn't theory and concept; nor is it anecdotal information relating to specific events or activities. While theory and concept forms of "knowledge" are fine in terms of the accumulation of basic information, neither is reliable enough or predictive enough for the demands of our modern lives and modern workplaces. Kahneman's preferred form of "knowledge" is what he calls "*deep knowledge*." It is distinctly a kind of knowledge derived from massive collections of data and the subsequent detailed analysis of that data. His idea of "analytic decision-making" judgments – based on the collection and analysis of data – are at the forefront of today's discussions of the most important insights into how human beings make decisions, solve problems, and find solutions.

The most formidable synonym for Kahneman's "deep knowledge" is BIG DATA. A major article was devoted to this topic in *Sky Magazine*, the Delta Airlines flight magazine, in September 2017. *Sky Magazine* has frequently won awards for being "on top" of the most important issues directed towards leaders in business and industry. BIG DATA is defined in the article as the process of analyzing extremely large sets of data to reveal patterns, trends, and associations. This approach is closely aligned with the long-held insight that the most authentic, intelligent people are those who see patterns, alignments, and connections. In other words, people who put 2 and 2 together and actually arrive at 4.

John Kogan is the CEO of a company named Illumeo. Illumeo is gaining substantial prestige as a horizon leading business focused on professional education for leadership success. In the *Sky Magazine* section headed, "Big Data is King", Kogan insists that the need for individuals who can compile, assess, and interpret BIG DATA is still the number one demand in modern business organizations. Kogan readily sees that BIG DATA is being used daily as an asset to organizations in financial and marketing areas. You must know exactly how income is being generated and dispensed, and you have to be as alert as possible to marketing trends.

These two arenas of BIG DATA (Kahneman's "deep knowledge") are pretty obvious. Importantly, Kogan believes that the next needed application for BIG DATA can relate to human resources. To date, little has actually been accomplished in accumulating and applying data to human resource matters. The HR arena is still stuck in theory and anecdote – or stuck in some form of less helpful "personality" constructs that may be good for helping with group bonding at a retreat, but may miserably fail in predicting performance outcomes.

Kogan insightfully believes that BIG DATA is the "elephant in the room" for most human resource shops. Everyone is trying to figure out how to best "eat" this elephant. The potential assets could be a difference maker and transformational – if you have the right tools.

In our work with the Judgment Index™, we are pleased to see this information regarding BIG DATA and "Deep Knowledge" taking root based on the insights of Kahneman and Kogan. These ideas are as powerful to us in our work as is Patrick Lencioni's recent book, *The Ideal Team Player*, in which he insists that what modern businesses are searching for are smart people. Then Lencioni defines "smart" as people who possess and use good judgment. What Lencioni is calling for, and what Kahneman and Kogan desire to see measured with concrete data, is exactly what has been at the core of our work since the mid-1960s with the tool known today as the Judgment Index™.

We are precisely engaged in compiling, assessing and interpreting huge patterns of data that relate to the human capacity of making strong judgments in stressful and demanding situations. The data that we have been accumulating for 50 years is vitally important, and our best-performance data relating to specific jobs in specific places is even more so. We do not simply talk about "good judgment" theoretically or anecdotally. We get specific measure and give information that is succinctly data-based and calculable. Our process is a unique, different kind of lens/sight that can be tested and confirmed. It is a refined process that has evolved-through correlation with precise, performance outcome analysis (additional data).

We believe that Lencioni is exactly right; there is a great search for smart people of good judgment. Kahneman and Kogan are exactly right as well; there is the great need for data-based decisions in the human resource arena. We bring these two approaches together in a useful and dependable tool – the Judgment Index™. The clear information the tool provides is immediately usable and easily merged with present practices. With disciplined implementation, the information that evolves with great precision and predictability can become transformational in contributing to organizational success.

Theory and anecdote are not adequate measures. "Personality" constructs are not adequate measures. We must have data. We must move towards a "depth" that can really matter.

Today, with most current human resource instruments, we "see though a glass dimly." However, with the Judgment Index™ and its concrete data driven measures, we can have the full force of data to enlighten us and to show us a better way.