

# Judgment Architecture

A framework for knowing what to automate, what to protect, and what you'll lose if you get it wrong.

## THE PROBLEM

Companies are cutting workforce and calling it AI transformation. But they're making decomposition decisions without a decomposition framework. They measure readiness by task volume—"AI can handle 94% of the work"—when the 6% it can't handle is where all the consequences live.

**55%** of employers regret laying off workers for AI  
Forrester Research, 2025

## THREE LAYERS OF JUDGMENT

### VISIBLE Predictive Maintenance

Data in systems. Patterns in records. AI is strong here.

*"The machine data is in the system. AI sees this better than we do."*

### CONTEXTUAL Klarna

AI can surface inputs but can't make the call. Requires reading the room.

*"The chatbot could read the policy. It couldn't read the room."*

### INVISIBLE UnitedHealthcare

Relationships. Institutional memory. The informal signal layer. AI is blind.

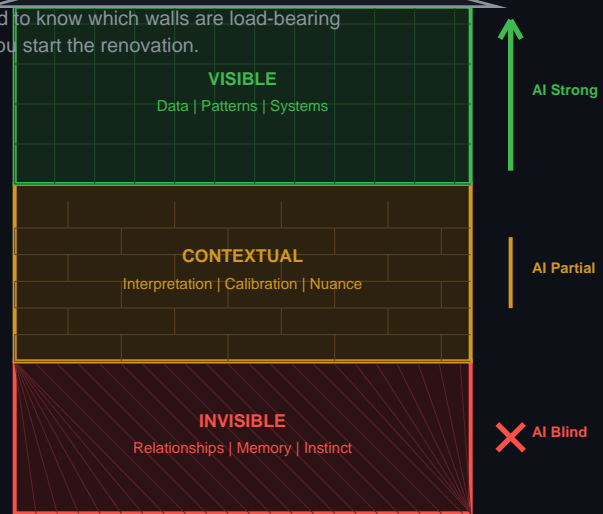
*"The algorithm predicted recovery in 17 days. The nurse knew the patient."*

## THE BOTTLENECK PRINCIPLE

If a role's most consequential decisions live in the Invisible layer, the role cannot be safely automated—regardless of how much Visible work AI handles. One load-bearing wall holds up the whole structure.

## EVERY ROLE IS A BUILDING

You need to know which walls are load-bearing before you start the renovation.



## THE 94% TRAP

When someone says "AI handles 94% of the work," the right question is: 94% of the volume or 94% of the consequences? IBM automated 94% of HR tasks. The 6% it couldn't handle broke everything. They hired everyone back.

## THE THREE GATES

Before automating any role, pass all three. Any failure means stop.

### 1 THE VALUES GATE

What values govern these decisions? Has anyone written them down?

*CNET published 78 AI articles. Half had major errors. Nobody told the AI accuracy mattered more than speed.*

### 2 THE LIABILITY GATE

If AI gets this wrong, what's the worst-case legal or reputational damage?

*Air Canada's chatbot made a promise the company couldn't keep. The court said: it's still your promise.*

### 3 THE ESCALATION GATE

When AI hits a case it can't handle, what's the human path?

*Workday screened 1B+ applicants. No human ever reviewed. Nobody caught the discrimination until the lawsuit.*

## THE CONFIDENCE PROBLEM

AI doesn't just get things wrong. It gets things wrong with certainty. A human who doesn't know says "let me check." AI generates a fluent, confident, wrong answer. Lawyers were fined \$31,000 for citing AI-generated cases that didn't exist.

## THE FRAMEWORK IN ONE SENTENCE

**Before you cut, decompose. Before you automate, score. Before you restructure, map what you're restructuring.**

The companies that got AI right didn't eliminate judgment. They automated around it. AI flagged the risk. Humans judged what to do about it.