

CRITICAL THINKING

THE BUSINESS CASE FOR CRITICAL THINKING

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Every day, business people make countless decisions. Some are good decisions that move the business forward and increase profit. Others are poor decisions that hurt the business and reduce profit.

The big decisions—both good and bad—often end up on the nightly news. On the down side we’ve recently seen the subprime mortgage meltdown, the Lehman Brothers bankruptcy, and the Gulf oil spill. On the up side we’ve seen heroic and competent activities like pilot “Sully” Sullenberger who saved 150 passengers by skillfully landing US Airways Flight 1549 in the Hudson River after losing both engines.

While the big stories make the headlines, similar issues on a smaller scale play out in every business many times a day. Everyone in business, no matter what their position, makes many decisions every day and each is an opportunity for a win or a mistake.

Teaching people to think more deeply, solve problems better, communicate, collaborate, and innovate more effectively makes companies run a lot better. That bottom line result is the goal of critical thinking.

You can see that interest in critical thinking started growing around 1900 and really took off about 1980.

The interest in critical thinking that we see in the Google database is reinforced by recent research.

American Management Association surveyed 2,100 executives and managers for its 2010 *Critical Skills Survey*. Sixty-eight percent of the respondents identified critical thinking as the most important skill needed for their company’s success in the 21st century (68%).

Critical thinking was not only the first among the 21st century skills but is the foundation for three other essential 21st century skills: communication, collaboration, and creative thinking. These skills have been called “the four C’s.”

How do you believe your organization will view these skills and competencies (critical thinking, communication skills, collaboration, and creativity) in the next three to five years?

They will become less important	0.6%
They will remain the same	22.5%
They will become more important	75.7%
No opinion	1.1%

Three quarters of those surveyed expect these skills to become even more important in the next three to five years. Their reasons: the pace of change in business today (91%), global competitiveness (87%), the nature of how work is accomplished today (78%), and the way organizations are structured today (66%).

It's reassuring that executives see the importance of critical thinking skills because the challenges companies face today are enormous: increasing global competition, emerging markets, rising energy costs, burgeoning health-care costs, technology, and a shifting political and economic landscape. Employees need to be able to think fast and act smart—often in situations that are complex, uncertain, and where no effective policy or procedure exists. That makes critical thinking a real necessity.

WHEN PROCESS FAILS

At about the same time that critical thinking was becoming a major concern of business, management thinkers like Michael Hammer, Peter Drucker, and Tom Peters were arguing for the importance of business process reengineering (BPR). Business process is a powerful tool when it is flexible and relevant. However, in a time of change and flux, poorly thought-out process, over-reliance on generic best practices, and the complexities of adapting processes to accommodate rapidly changing environments can work against the ability of business to adapt.

Business process development paired with critical thinking is powerful. It leads to efficient processes that also have the flexibility to address problems that were not anticipated. It helps people ask the right questions, like:

- ▶ Is there a policy or precedent for handling this situation?
- ▶ If I don't know an answer, who can I consult or how can I find out?
- ▶ What is the best course of action if existing policy or procedures are incomplete, vague, outdated, or just don't make sense in this situation?

IT'S NOT YOUR FATHER'S CRITICAL THINKING

In the past, critical thinking has been thought of as an academic skill, tied to such subjects as logic and rhetoric. While there is a lot of value in this approach, it doesn't directly address the types of business decisions that need to be addressed every day:

- ▶ How should I deal with an irate customer?
- ▶ Which vendor will be the best for our needs?
- ▶ How much of what I am being told is a “sales pitch” and how much is accurate?
- ▶ Is the snow severe enough so we should close our offices?
- ▶ Are the consultant’s recommendations good ones?
- ▶ Which software product should we buy?

The number of possible decisions is endless and that’s why it’s impossible to create processes and policies that address them all.

In addition, relying only on logic ignores the reality that making decisions inside an organization involves more than logic. When you are working with others, politics, competing agendas, limited resources, and time pressure all affect the decision-making process. Within a team, each member brings different experience, perspective, goals, and communications skills.

Business decisions are also based on experience and domain knowledge. It’s not only a matter of logic but of applying logic to a domain that you understand well. Sully Sullenberger, the pilot we mentioned earlier, told CBS News Anchor Katy Couric, “One way of looking at this might be that for 42 years, I’ve been making small, regular deposits in this bank of experience: education and training. And on January 15 the balance was sufficient so that I could make a very large withdrawal.”

Because of the importance of domain knowledge, experience, and the social nature of business, teaching critical thinking in a business setting requires a new approach.

HOW DO YOU TEACH CRITICAL THINKING?

Closing the critical thinking skills gap is not easy. The ideal way to improve critical thinking skills is through long-term one-on-one coaching and mentoring. This is time-consuming and far too expensive to be practical. However, some recent developments have made critical thinking instruction much more accessible.

One useful approach is to start with frameworks and best practices. The framework that we have developed is the Agile Critical Thinking (ACT) framework (www.agilecriticalthinking.com). It is easy to learn and very flexible.

Another framework that we use in conjunction with Agile Critical Thinking is the RED model developed by psychometricians at Pearson (<http://thinkwatson.com/learn-introduction-to-the-red-model.php>). Based on the work of Goodwin Watson and E.M. Glaser at Columbia University, this model offers a quick and effective way to focus on key factors in critical thinking.

Frameworks and best practices, of course, are not enough. They are simply a way to help people think about how to approach problems critically. Becoming an effective critical thinker requires a great deal of practice and thoughtful feedback.

While one-on-one mentoring is expensive, social computing has opened new and far more cost effective possibilities. Through social media it is possible to support peer-to-peer

mentoring and to connect with coaches and mentors via the Internet. Social computing is revolutionizing the way we teach critical thinking, leadership, and other “soft” skills.

CREATING A CRITICAL THINKING CULTURE IN YOUR ORGANIZATION

Whether you are the CEO or manage a small group, the time is right to foster a culture in your organization that encourages and rewards critical thinking. Managers who are secure that their people will consistently make responsible and effective decisions get the most from their workforce and increase their effectiveness as leaders.

Realize that it will take some time—critical thinking is not a “quick fix” but a deep cultural change.

Start by getting a very clear picture of why critical thinking is of key importance to your organization. Be as specific as possible rather than relying on general statements that would apply to any company. Ask yourself questions like these:

- ▶ What’s not happening in my organization that would be improved if people were better critical thinkers?
- ▶ How would better critical thinking improve our efficiency, effectiveness, and ability to compete?
- ▶ If we don’t change the way we approach problem-solving and decision-making, what risks do we face?
- ▶ How would I know if people were doing a better job of thinking critically?
- ▶ Who, currently, in my organization is doing a good job of critical thinking and problem solving? What enables this person to do it well and how can I replicate it?
- ▶ Who might be threatened by better critical thinking? How can we respond?

When you have developed a clear picture, clearly articulate the vision to your staff. Describe what a robust critical thinking organization looks like and what critical thinkers do. Communicate the benefits and why it is essential to your organization’s survival and growth. If you can’t make a compelling case for boosting your critical thinking capability, it will be very difficult to get the support and commitment you need to make it a reality.

Give people the tools they need to be successful.

Teach critical thinking skills and techniques and reinforce them with “mentoring moments.” Critical thinkers like to think. They know they don’t know everything and always want to know more. They realize that they get better at it by thinking through the problems and situations they face every day. A good mentor—manager or coworkers—can really help.

Closing the critical thinking gap is the one of the most important steps you can take to help your organization thrive in the 21st century. MW

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