The Business Case for Critical Thinking Skills

By Anne and Charlie Kreitzberg

Executives see the need for their workforce to develop better critical thinking and related skills. This paper lays out the business case for investing in training and mentoring to develop them..

Just flick on your TV and you will see example after example of critical thinking gone awry -- subprime mortgage lending practices, bankruptcies in the auto industry, the Gulf Oil spill. From time to time you will also see heroic and competent activities like quick thinking airline pilot "Sully" Sullenberger who avoided a fatal crash by skillfully landing a disabled US Air jet in the Hudson River. Perhaps you watched the rescue team who worked through a complicated set of problems over a two month period to rescue 33 Chilean miners trapped 2000 feet underground.

While the news media focus on the big stories, the same issues play out in every business many times a day. People make decisions. Some are good decisions that move the business forward and increase profit. Others are poor decisions that hurt the business and reduce profit.

Everyone knows that if we could teach people to think more deeply, solve problems better, communicate, collaborate and innovate more effectively, our companies would run a lot better. We also know that everyone in the business no matter what their position makes hundreds of decisions every day and each one is an opportunity for a mistake.

Sure, we need critical thinkers to work on the big problems, solve the tough issues, and find new answers to the big questions. But we also need people who can think critically on their own to solve the business problems that arise every day. They need to be able to ask the right questions, like:

➡ Is there a policy or precedent for handling this situation?

➡ If I don't know an answer, who would- or how could I find out?

➡ What do I do if the policy is incomplete, vague, not up to date – or just doesn't make sense in this situation?

Improving the workforce's critical thinking skills is one of the most obvious and valuable things companies can do to improve their bottom line. Yet relatively few companies are actively addressing the problem.

Executives Agree Critical Thinking Skills Matter

Executives agree about the importance of critical thinking and related skills. According to the American Management Association's *2010 Critical Skills Survey* (American Management Association, 2010), 2100 executives and managers identified four "C" skills imperative for their company's success in the 21st Century:

➡ critical thinking & problem solving – the ability to make decisions, solve problems and take appropriate action

➡ communication - the ability to synthesize and transmit ideas both verbally and written

➡ collaboration and team building – working effectively with others, including people with different points of view and diverse groups

➡ creativity & innovation – being able to see what is missing and fix it

The most important skill identified was critical thinking (68%) but three quarters of those surveyed believe that all these skills will become even more important in the next 3-5 years. To explain this belief, 91% rated the pace of change in business today as the leading cause, followed by global competitiveness (87%), the nature of how work is accomplished today (78%), and the way organizations are structured (66%) (American Management Association, 2010a).

The challenges companies face today are enormous: increasing global competition, emerging markets, rising energy costs, burgeoning health care costs, technology, the 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. That makes critical thinking a real necessity.

There's a good chance the "above average" critical thinkers don't work for you.

Writer and radio personality Garrison Keillor's created the fictional town of Lake Wobegon, Minnesota is a place where "all the women are strong, all the men are good-looking and all the children are above average." The idea that everyone is above average – a mathematical absurdity – has become known as the Lake Wobegon Effect.

Like many parents, executives tend to have an overly positive view of their team's performance (Holstein, 2008)so it's surprising that half of the US executives surveyed in the AMA study, admitting their team's critical thinking bench strength is, at best, average.

That's not good enough. Companies can't have a competitive edge, particularly in a time of change, without a deep reservoir of critical thinkers.

How Do You Teach Critical Thinking?

Closing the critical thinking skill gaps is not easy. The best way to improve these skills is through one-on-one coaching and mentoring. This is time-consuming and expensive. In addition, there is a perception that building these types of skills in older workers is more difficult than in younger students (American Management Association, 2010a).

However, the advent of social computing has opened new and far more cost effective possibilities. By creating the opportunity for peer-peer mentoring and the ability to connect with coaches and mentors via the Internet, social computing promises to revolutionize the way we teach critical thinking, leadership and other "soft" skills.

Develop Critical Thinking By:

▪ Creating awareness
▪ Teaching skills & techniques
▪ Disciplined practice
▪ Mentoring
▪ Modeling behavior
▪ Instilling a reinforcing climate

Critical thinking is in the eye of the beholder

Let's consider some typical decisions that are made on a typical business day:

- ➡ Where should we locate our next operation?

- ➡ How should we expand our customer base?

- ➡ How do we select a vendor who can meet our needs?

- ➡ How do we deal with a power outage?

- ➡ Do we close the office and declare a "snow day"?

The list goes on and on. Not all of them are earth-shattering. There's precedent. There's a road map. There's data. But there are also office politics and competing agendas. Limited resources. Information that's not perfect. Time pressures. So, you can have smart people, but not a lot of smart thinking.

Critical thinking inside an organization involves more skills than brain power alone. That's because when you are doing critical thinking in an organization, you're likely to be doing it with other people; people whom you influence and who influence you. You don't have full access to information. Your experience, perspective and goals may be very different from others on your team. Yet, we often judge someone else's critical thinking or problem solving ability based on our own.

A great example we like to use is a project. We all have very different ideas about what a project is.

For some, it's a difficult or unpleasant task, like planning the office holiday party. For an IT manager, it may be implementing a multi-million dollar software product that involves hundreds of tasks and numerous milestones, dependencies and stakeholders. For others, it may be somewhere in between. So critical thinking may look different based on your role in the organization, your communication skill or the tasks you are called upon to manage.

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Sources of ROI for Boosting Critical Thinking Behaviors	
Improved Profitability	**Improved Capability**
▪ Increased sales ▪ Reduced cost of customer acquisition ▪ Increased customer retention and satisfaction ▪ More effective negotiation with vendors ▪ Improved work processes ▪ Look for opportunities to innovate	▪ Increase staff resourcefulness ▪ More effective problem solving ▪ Improve decision making ▪ Increased capacity to leverage learning ▪ Build more effective team collaboration ▪ Enhance different types of thinking (creative, strategic)

What does the end game look like

Think of critical thinking in terms of skills, behavior and outcomes to develop indicators that can help guide employee behavior, give managers the tools they need to mentor employees to develop their critical thinking and evaluate the quality of ideas, decisions and plans. This will help you measure progress.

For example:

Critical Thinking Skills	Critical Thinking Behaviors	Outcomes
- Distinguish fact from opinion - Seek multiple perspectives - Recognize assumptions - Identify bias and persuasion - Evaluate arguments for relevance and accuracy - Weigh data appropriately - Use multiple sources rather than a single source - Balance logic and emotion - Use diagrams to visually represent processes and thinking	- Asks questions that furthers understanding - Doesn't draw conclusions too hastily - Considers all sides of an argument - Uses criteria to evaluate information - Can "push back" effectively - Recognizes other people's agendas - Explores multiple perspectives - Adjusts assumptions in light of new evidence - Understands how conclusions were drawn - Identify what's not known and what isn't	- Well-thought out decisions based on a sound rationale and evidence - Information, conclusions and decisions are revised as new information comes to light - Decisions reflect a "systems thinking" rather than "silo" approach - Information evaluated based on evidence, logical inference, and informed guesses - Ideas and plans are presented in a coherent and well thought out fashion

Jumpstart

There are three things you need to do to jumpstart a critical thinking corporate culture:

1. Clearly articulate the vision: Describe what a robust critical thinking organization looks like and what critical thinkers do. We gave you some very general ideas, but you will want to make these very concrete and specific to your company.

2. Clearly state the benefits: Make sure everyone knows what's in it for them and why it's a "burning platform" for your organization's survival. If you can't think of a compelling reason for boosting your critical thinking capability, it will be very difficult to get the support and commitment you need to make it reality.

3. 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.

Critical thinking can't be taught in a day or even in a course; it's an applied skill. People get better at it by making a commitment to apply the techniques you learn in the situations you face every day. A good mentor - a manager or coworkers – can really help.

Start by getting a very clear picture of why critically thinking is of mission-critical importance to your company. Look for specifics relevant to your organization rather than general statements that would apply to any company.

You can uncover some of this with questions like these:

➡ What's not happening that you think would be happening if people were better critical thinkers?

➡ Why is that important to the survival of your company?

➡ What would happen if nothing changed?

➡ What does a good "critical thinker" do? (How do you know when someone does this well?)

➡ Is there someone everyone knows who does this pretty well now?

➡ What can we do to build on existing strengths and mentor them in others?

Improving your critical thinking skills is life-long learning in action. It's never boring. It's habit forming. And it can pay off in ways you may not have considered.

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