

Strategic and Critical Thinking

**“No problem can withstand the assault of sustained thinking”
(Voltaire)**

Bill Kaplan, CPCM, Fellow

Source: Pearson

Critical Thinking in Today's Workplace

- Work has changed
- From Mfg to Service economy
- Employees face “**Complex Flow of Information**”
- Must focus on most relevant info, ask the right questions, separate fact from fiction, avoid false assumptions



Critical Thinking in Today's Workplace

- Decision making pushed to lower levels
- Independent, well thought out and quick decisions are required at all levels



When you consider the challenges that business face today...competition, technology, the speed of change...it has simply made business more complicated. This has reduced layers of bureaucracy and passed responsibility further down the organization. We now expect the people at those levels to act with a sense of understanding, agility, and critical thinking.” (Ed Reilly, American Management Association)

All Jobs Today Require Critical Thinking



- **Contracting professionals** have to keep pace with an increasingly dynamic regulatory environment and understand how to design business solutions to meet their customer's requirements, budgetary, and performance goals.
- **Nurses** need critical thinking skills when evaluating the rapidly changing condition of the patient. They must be able to accurately assess the information at hand and make the right decisions for the patient's well being.
- **Football coaches** need to put aside emotions to make the best choice for the next play, such as overconfidence in a favorite player or perhaps anger at a referee's bad call. Critical thinking provides a clear picture of the best options.
- **Salespeople** often make the mistake of focusing on what they can provide their clients, rather than what the clients are really looking for. By thinking critically, however, salespeople can better recognize the need to consider all points of view.

What is Critical Thinking?

Thinking logically with clarity and precision so that you can

Recognize Assumptions

Using an approach that is objective and accurate to

Evaluate Arguments

Focusing on information that is relevant to

Draw Conclusions

According to a Society for Human Resource Management survey, critical thinking is the skill of most increasing importance over the next 5 years

Yet only 28% of college graduates are rated as having excellent critical thinking skills.

Even many emerging leaders (those being groomed for the C-suite) lack good critical thinking. →



Source: Trends in Executive Development Report, Executive Development Associates and Pearson

RED Model

RED critical thinking model provides individuals with a framework for “thinking about their thinking.” The RED model is based on three keys of thinking critically. Each of the skills fits together in a process that is both fluid and sequential.



Recognize Assumptions

It is deceptively easy to listen to a comment or presentation and assume the information presented is true even though no evidence was given to back it up. Noticing and questioning assumptions helps to reveal information gaps or unfounded logic. We also need to examine assumptions from different viewpoints.

Evaluate Arguments

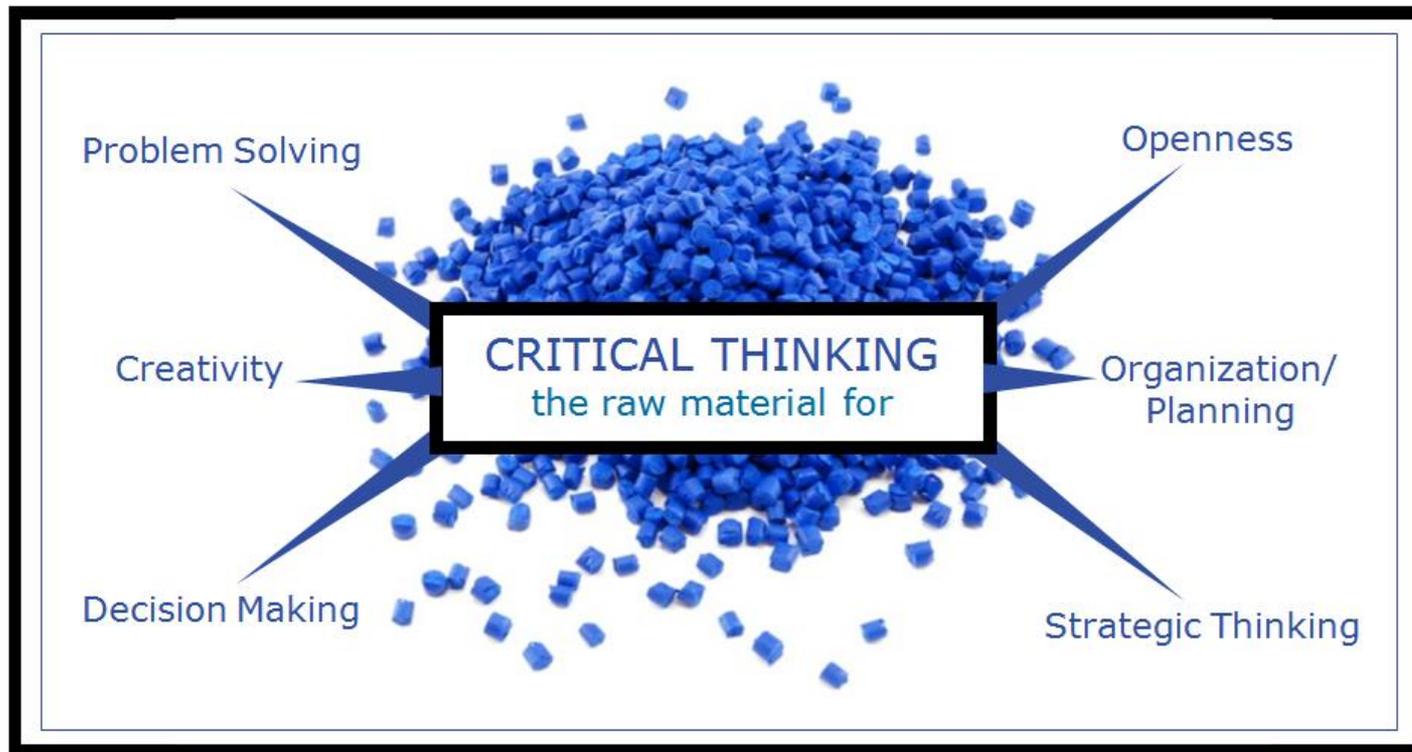
The art of evaluating arguments entails analyzing information objectively and accurately, questioning the quality of supporting evidence, and understanding how emotion influences the situation. Common barriers include confirmation bias, or allowing emotions to get in the way of objective evaluation.

Draw Conclusions

Bringing diverse information together to arrive at conclusions that logically follow from the available evidence is crucial when making a decision. People who can do this are careful to not inappropriately generalize beyond the evidence and they can change their position when the evidence warrants doing so. They are often characterized as having “good judgment.”

Critical Thinking: What Will You Do With It

Research shows that critical thinking serves as a solid foundation for building a variety of other important skills. For example, good critical thinkers tend to suspend judgment early, which is important in the creative process. They also consider problems from multiple perspectives and grasp the “big picture” by seeing how parts of a system work together.



Source: Pearson

Critical Thinking: Gone Wrong - Done Right

WRONG

Circuit City



In 2007, Circuit City fired thousands of employees who were being paid an above average salary for their position. The retailer assumed that firing these employees would help the company remain competitive with Best Buy. Unfortunately, many customers boycotted the store because of its shabby treatment of employees. Sales plummeted and the company closed its doors in 2009.

Schlitz



Schlitz beer was the #2 beer in the nation in the 1970s. In order to cut costs, the company replaced barley malt with corn syrup and added a foam stabilizer. The result was a beer with a drastically different taste and a gooey sediment coating the bottom of the can. While they saved money upfront, within just a few years the company's Milwaukee, Wisconsin plant was closed and ultimately the company was sold.

RIGHT

Henry Ford's Assembly Line



One decision that went against the norm of the time ended up changing the entire future of an industry – Henry Ford's auto assembly line. Ford's logical approach to auto manufacturing reduced the cost of each vehicle, which led to a steady increase in sales. Despite the lower cost of the Ford Model T, Ford quickly began to outsell and out earn its competitors that were catering to the luxury market. This process opened up the auto market to everyday consumers and revolutionized American manufacturing.

Chevy Volt



In December 2010, the much anticipated Chevy Volt hit the streets of America. The Volt was one of two electric vehicles to come to market in December, the other was the Nissan Leaf. After years of consumer and technical research, Chevy's decision to release a range-extended vehicle instead of an all-electric vehicle paid off. By addressing consumer concern about driving range and offering a gasoline engine backup, Chevy was able to outsell the Nissan Leaf by 17 to 1 despite the higher price tag.

Source: Pearson

Training Your Staff to Think Critically

Critical Thinking

1 is the #1 skill of increasing importance in the workplace.

2 is the raw material for problem solving.

3 gives your company a competitive advantage.

4 is more important in today's service-oriented workplace.

5 has a direct effect on an employee's overall performance.

Perhaps more than any other business skill, critical thinking can make the difference between success and failure as every dollar an organization spends or receives is a direct result of a decision.

Fortunately, these skills are not out of reach – they are readily available to employees at all levels through the RED model.

Once gained, critical thinking skills last a lifetime, and become a powerful asset for any organization.

So what are you doing to develop critical thinking in your organization?

Quick Cards

21 RED Questions to Ask

R

RECOGNIZE ASSUMPTIONS

1. What is the key issue/problem that you are trying to solve?
2. What information and facts do you have about this issue?
3. What are your ideas and assumptions that support your strategy or plan?
4. Is there solid evidence to support those assumptions, and what might be some gaps in your reasoning?
5. Who are the key stakeholders and what are their viewpoints?
6. What other ideas should be explored?
7. What else do you need to know?

E

EVALUATE ARGUMENTS

1. What are the pros and cons of the solution you are proposing?
2. What are your biases?
3. Is there someone who has a different opinion that you could run your ideas by?
4. What impact will your decision have on others and how will you handle this?
5. What will be the financial impact of your decision?
6. Who would disagree with your proposed solution and what is the rationale that supports their viewpoint?
7. What key points or perspectives do you need to keep in mind as you evaluate the options?

D

DRAW CONCLUSIONS

1. After evaluating all of the facts, what is the best possible conclusion?
2. What specific evidence is driving your conclusion?
3. Is there new evidence that would impact your decision?
4. What does your common sense and experience tell you to do?
5. What is the timeline for making a decision (e.g., would your decision be different in a month)?
6. What opportunities does your conclusion provide?
7. What risks are associated with your conclusion?

Critical Thinking Quick Test

- Take 5 min to read the Passage
- We will answer the questions if we have time
- I have the answers which I will share with you





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Concept | Strategy | Practice



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