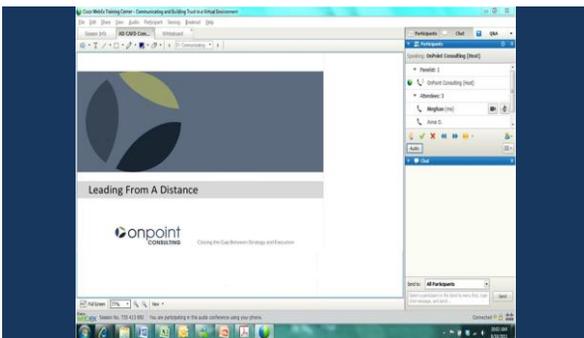




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Objectives

- Understand your style for making decisions and how it impacts your judgment and the quality of your choices
- Learn strategies to strengthen your critical thinking skills



Definition

Critical Thinking is the process of evaluating **truthfulness** and **value** of information and opinions in a **systematic, purposeful, and efficient** manner

Making Sense of the World

- Some of the “short cuts” are:
 - Seeking ideas and data that confirm what we already suspect
 - Finding ideas and data provided by people we trust to be more appealing than those of people we don’t trust
 - Treating our own experience as evidence
 - Blurring the line between what we feel to be the case and what we know to be the case

Chat Box: Effective Critical Thinkers

1. Think of someone you've worked with who you believe is an effective critical thinker.
2. What personal characteristics and behaviors did you observe?



Question the Conventional

Critical Thinkers Are...



Common Biases

- Availability: choosing solutions we are familiar with
- Hasty generalization: drawing inappropriate conclusions from specific cases
- Anchoring: initial assumptions shape our subsequent reasoning

Common Biases

- Confirmation: seeking only evidence that supports our intuition before deciding
- Escalation of commitment: continuing to invest in a failing course of action

Polling Question #1

“All the customers I spoke with are happy with our service; we don’t need to make any changes.”

Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. Escalation of commitment

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Polling Question #2

An individual investor is more likely to buy stocks of a company that is often covered by media as opposed to stocks of a less known company

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Polling Question #3

An employer who believes that a job applicant is highly intelligent focuses on information that is consistent with that belief.

Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. Escalation of commitment

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Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. **Confirmation**
- E. Escalation of commitment

Polling Question #4

Motorola released the Iridium phone to the market in 1998 after 15 years of R&D. The phone cost \$3,000 and was literally the size of a brick. The company continued to invest in this product, even when the market conditions changed dramatically and the product lost its competitive edge.

Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. Escalation of commitment

Polling Question #4

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Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. **Escalation of commitment**

Polling Question #5

Mock jurors tend to vote to acquit a defendant when they are shown information about the innocence of the defendant before they see information about his or her guilt.

Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. Escalation of commitment

Polling Question #5

Mock jurors tend to vote to acquit a defendant when they are shown information about the innocence of the defendant before they see information about his or her guilt.

Which bias does this example illustrate:

- A. Availability
- B. Hasty generalizations
- C. **Anchoring**
- D. Confirmation
- E. Escalation of commitment

Polling Question #6

Which critical thinking mistakes do you observe being made most frequently?

- A. Availability
- B. Hasty generalizations
- C. Anchoring
- D. Confirmation
- E. Escalation of commitment

Strategies for Improvement

Critical Thinking skills can be improved significantly:

- By becoming well-informed and open to new experiences
- By checking one's reasoning process
- By using systematically decision making models

Critical Thinking Model



Source: TalentLens, the Talent Assessment business of Pearson, the world's leading learning company, develops selection and development assessment solutions for the 21st century workforce.

RED Model: Recognizing Assumptions – Separating Fact From Opinion

Recognize Assumptions

R Framing the issue and separating fact from opinion

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

Reframing Issues

Paraphrase:

- *Initial:* How can we reduce our shipping delays?
- *Reframe:* How can we ensure customers receive their orders on time?

180° Turnaround:

- *Initial:* How can we encourage employees to follow the new procedure?
- *Reframe:* What might we be doing that discourages employees from following the new procedure?

Reframing Issues (cont.)

Broaden it:

- *Initial:* Should we expand our product line to China?
- *Reframe:* How can we achieve increased financial success in China?

Redirect the problem:

- *Initial:* How can we increased our revenue?
- *Reframe:* How can we decrease our costs?

Recognize Assumptions Scenario #1

When product A was launched in India, TV commercials proved to be the most effective marketing tool. That is why to support the launch of the product in our market we should allocate most of the budget to TV commercials.

Which of the following is a fact and which is an assumption?

1. The two markets have similar consumer media preferences.
2. TV commercials that supported product A launch in India had the highest ROI among media channels.

Recognize Assumptions Scenario #1

When product A was launched in India, TV commercials proved to be the most effective marketing tool. That is why to support the launch of the product in our market we should allocate most of the budget to TV commercials.

Which of the following is a fact and which is an assumption?

- Assumption:** The two markets have similar consumer media preferences.
- Fact:** TV commercials that supported product A launch in India had the highest ROI among media channels.

Recognize Assumptions Scenario #2

I do not support telecommuting (e.g. working remotely) in our region. When we tried to implement this a few years ago, the initiative failed because of technology. People could not access the Intranet when away from office and the narrow bandwidth made it impossible to hold virtual meetings.

Which of the following is a fact and which is an assumption?

1. The issues that prevented the successful rollout of telecommuting previously have not been resolved yet.
2. Access to necessary technology has a great impact on the effectiveness of people working remotely.

Recognize Assumptions Scenario #2

I do not support telecommuting (e.g. working remotely) in our region. When we tried to implement this a few years ago, the initiative failed because of technology. People could not access the intranet when away from office and the narrow bandwidth made it impossible to hold virtual meetings.

Which of the following is a fact and which is an assumption?

Assumption: The issues that prevented the successful rollout of telecommuting previously have not been resolved yet.

Fact: Access to necessary technology has a great impact on the effectiveness of people working remotely.

RED Model: Evaluating Arguments – Analyzing Information Objectively

Evaluate Arguments

E Analyzing information, questioning quality of evidence, recognizing the effect of emotions

- What are the pros and cons of the solution that you are proposing?
- What are your biases? Is there someone who has a different opinion than yours that you could run your ideas by?
- What impact will your decision have on others?
- Who would disagree with your proposed solution? What is the rationale that supports their viewpoint?
- What key points, models and/or perspectives do you need to keep in mind as you evaluate the options?
- What will be the impact of your decision?

What If?



Evaluate Arguments Scenario #1

We got 101 complaints this month compared to only 73 last month. The Customer Service team is not effectively doing its job.

Is this argument weak or strong?

Evaluate Arguments Scenario #1

We got 101 complaints this month compared to only 73 last month. The Customer Service team is not effectively doing its job.

Is this argument weak or strong?

Argument is weak: The absolute number of complaints is not as important as its proportion to all the requests processed. For example, it is possible that the customer service team is now serving twice as many customers. Then, in relative terms, they the number of complaints have decreased.

Evaluate Arguments Scenario #2

We should remove the word “frozen” from the description of our product. In blind taste tests 87% of consumers give top ratings to our product while 78% of the same consumers rate the same product unfavorably if they read the description that says it is a frozen food prior to tasting.

Is this argument weak or strong?

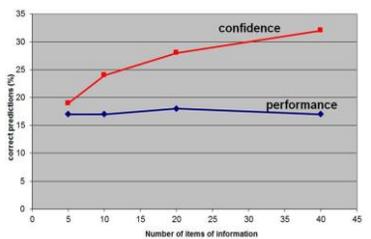
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Is this argument weak or strong?

Argument is strong: The argument establishes the link between the consumers’ perception of frozen food and favorability. The fact that the same customers were surveyed in two different trials reduces the chance that other factors, like age, affected the conclusion.

More Data is Not Always Better



Use a Systematic Process: Decision Criteria

Decision criteria answer two questions:

- What will the best alternative look like?
- What are the characteristics of the alternative that will accomplish our objective in the best way?

Example: Buying a House

Decision Criteria	Alternative One	Alternative Two	Alternative Three
Cost less than \$450K			
4 bedrooms and 2 bathrooms			
Walking distance to shopping			
School district rated in top 5			
Large backyard			

Example: Buying a House

Decision Criteria	Alternative One	Alternative Two	Alternative Three
Cost less than \$450K	\$400,000	\$550,000	\$300,000
4 bedrooms and 2 bathrooms	3 bedrooms and 2 bathrooms	4 bedrooms and 3 bathrooms	2 bedrooms and 2 bathrooms
Walking distance to shopping	1 mile	1.5 miles	.5 miles
School district rated in top 5	Rated 7 th	Rated 1 st	Rated 3 rd
Large backyard	1000 sq. ft.	1,600 sq. ft.	800 sq. ft.

Keep an Open Mind

Decisions are not final:

- Are the new facts confirming the decision?
- Do we need to make any adjustments?

Drawing Conclusions Scenario #1

Unemployment among young professionals persists at 9%, which is higher than the 10 year average of 5.7%. The number of employees in the 1-3 years tenure group who intend to leave in the next 6 months has decreased by 15%.

Conclusion: Our company's efforts to reduce turnover have been successful

Does the conclusion follow?

Drawing Conclusions Scenario #1

Unemployment among young professionals persists at 9%, which is higher than the 10 year average of 5.7%. The number of employees in the 1-3 years tenure group who intend to leave in the next 6 months has decreased by 15%.

Conclusion: Our company's efforts to reduce turnover have been successful

Conclusion does not follow: It's possible that the economy played a significant part in an employee's decision to stay or leave, not just the company's initiatives.

Drawing Conclusions Scenario #2

The training budget has increased over the past 2 years. According to latest HR report employee productivity has increased twofold over the same period. The profile and skill level of incoming employees has remained the same and management procedures have not changed significantly.

Conclusion: Enhanced training led to increase in productivity.

Does the conclusion follow?

Drawing Conclusions Scenario #2

The training budget has increased over the past 2 years. According to latest HR report employee productivity has increased twofold over the same period. The profile and skill level of incoming employees has remained the same and management procedures have not changed significantly.

Conclusion: Enhanced training led to increase in productivity.

Conclusion follows: Since new employees were not significantly more skilled and there were no other significant changes, it is likely that the increased investment in training has impacted employee productivity.

Critical Thinking Summary

Skills	Behaviors	Outcomes
<ul style="list-style-type: none"> Distinguish fact from opinion Seek multiple perspectives Recognize assumptions Identify bias and persuasion Evaluate arguments for relevance and accuracy Balance logic and emotion 	<ul style="list-style-type: none"> Asks questions that furthers understanding Doesn't draw hasty conclusions Considers all sides of an argument Uses criteria to evaluate information Can "push back" effectively Recognizes other people's agendas Adjusts assumptions in light of new evidence 	<ul style="list-style-type: none"> Well-thought out decisions based on a sound rationale and evidence Information, conclusions and decisions are revised as new information becomes available Decisions reflect "systems thinking" rather than a "silo" approach

Key Learnings

What will you do differently to enhance your judgment and the quality of your decisions?

Best Practices

- Take time to understand and frame the issue
- Be aware of common cognitive biases and mistakes
- Thoroughly check your assumptions
- Diligently collect evidence and ask questions



Best Practices

- Seek disconfirming evidence and opinions
- Test the logic behind the conclusion
- Keep an open mind and be inquisitive





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