

Developing Your Critical Thinking Leadership Skills

Monday 26 September, 2011

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By taking responsibility for your own leadership critical thinking processes, you are taking action to analyze and adapt your approach to decision-making and problem-solving. You put yourself - and your company - in a much stronger position to lead and succeed in the "new normal" business world.

There is a growing recognition that the old, pre-crisis way of doing business is never coming back. In its place is the "new normal". While some classic leadership strategies and skills will continue to be effective, leaders in this brave new world will need to lead differently - and think differently.



Critical thinking enables leaders at every level to understand the impact of their decisions on the business as a whole and ensures both alignment with organizational goals and accountability for results.

The "new normal" is a different kind of competitive landscape, buffeted by geopolitics and global instability, rapid technological change, unique financial pressures, a rising tide of data and information to filter through, and the proliferation of new corporate business models.

The mind-set that made leaders successful in the past probably won't ensure success in the future. In fact, several recent studies and surveys have identified critical thinking as the number one requirement for successful leadership in the 21st century. Yet there is mounting evidence that many current and emerging leaders lack this quality. And it is this competency gap that is shaking up and reshaping leadership as we have come to know it.

Leadership in the "new normal"

In the wake of the economic crisis, we all know what a failure of leadership looks like. The companies that folded in the GFC serve as stark examples of what happens when decisions are based upon erroneous, partially false or incomplete information and when management fails to think clearly and strategically about the full implications of its actions. The resulting fall-out put an end to business as usual and created a "new normal" that looks markedly different from anything anyone has seen before.

Business organizations must be prepared to do things differently if they expect different results. In this demanding, dynamic landscape, it is only natural that they also require a different mind-set from those in charge.

The equation works like this: Thinking drives behavior; behavior drives results. So enterprises that want to change the results - and, indeed, change the organization itself - can achieve the highest leverage by changing the thinking of leaders and managers throughout the organization.

But what kind of thinking - or rather rethinking - will be required of leaders if they want to succeed in the "new normal"?

Why critical thinking is critical

Critical thinking appears to be exactly what is needed from leaders who are navigating the volatility of the "new normal". Diane Halpern, an award-winning professor of psychology at Claremont McKenna College and a widely-read author on the subject, offers this definition in her seminal book, *Thought and Knowledge*:

"Critical thinking is the use of those cognitive skills or strategies that increase the probability of a desirable outcome. It is used to describe thinking that is purposeful, reasoned, and goal-directed - the kind of thinking involved in solving problems, formulating inferences, calculating likelihoods, and making decisions ... it's the kind of thinking that makes desirable outcomes more likely."

If ever there was a time for clear, discerning, solution-centric thinking, this is it.

Every two years since 1983, Executive Development Associates (EDA) has conducted an extensive survey on trends, growth and the evolution of executive development. The *2009/2010 EDA Trends in Executive Development: A Benchmark Report* revealed trouble on the horizon for corporations seeking future business leaders.

To gauge the readiness of the next generation of leadership talent, EDA asked senior executive development professionals to share their views on the strengths and weaknesses of the incoming leadership group - the people who are most likely to fill executive-level positions in the next three to five years - and the subsequent impact on executive development.

The survey identified "hot topics" in executive development for the next two to three years. At the top of the list was leadership, followed by "business acumen, honing skills in strategy execution, leading / managing change, and talent management."

But when asked "What competencies are your leaders lacking?" their responses indicated little confidence that leaders had what it takes to execute in these critical areas successfully. Here's what they said was missing:

- Strategic thinking
- Leading change
- Ability to create a vision and engage others around it
- Ability to inspire
- Understanding the total enterprise and how the parts work together

What critical thinking looks like

Having established the need for a mind-set shift to more critical thinking, we need to be clear on what that means in the workplace.

In general, critical thinking is the ability to deal with the contradictions and problems of a tumultuous environment in a reasoned, purposeful, productive way. Decisions are made using an approach that is fair, objective, accurate and based on information that is relevant to the situation.

Critical thinking is also reflective and focused, constantly evaluating the thinking process itself. It is thinking with a purpose. Critical thinking requires a healthy dose of skepticism and an equal measure of good judgement.

For decades, companies have relied on the *Watson-Glaser Critical Thinking Appraisal*, a widely-used assessment tool for evaluating the cognitive ability of current and future leaders. Developed in 1925, the model identifies factors that are key to critical thinking and decision making and predicts judgment, problem solving, creativity, openness to experience and other leadership behaviors.

Five sub-tests measure critical thinking as a composite of attitudes, knowledge and skills:

- Inference
- Recognition of assumptions
- Deduction
- Interpretation
- Evaluation of arguments

Professionals with high scores in these sub-tests are able to identify and examine the assumptions, influences and biases that might sway them. They stand back from the fray and strategically assess the strengths and weaknesses of alternative solutions, conclusions or approaches to problems. They make business decisions that answer the right questions, solve the right problems, mitigate risk and improve productivity. They also lead from a position of strength, being able to motivate and move people both inspirationally and intellectually by providing solid reasons for actions.

Whether they lead teams, departments or entire enterprises, leaders who apply the skills of critical thinking to their roles perform at a higher level and offer their organizations a distinct competitive advantage.

Critical thinkers think differently about their impact on the organization - understanding how their decisions and actions influence business both inside and outside their narrow functional silos. These leaders are able to balance department or team issues with broader company issues and embrace a larger responsibility for the success of the organization. This keen sense of accountability is what enables them to execute for results now while fulfilling their obligations to positively impact the future.

Leaders who engage in critical thinking also understand the total organization and how the individual parts work together. Context is key. Now more than ever, business acumen is foundational to effective leadership. It is impossible to apply critical thinking skills to the business of making money without an understanding of the business drivers that connect day-to-day decisions and actions to key financial and strategic performance goals of the organization. It is one thing to understand one's role as a leader. It is altogether another thing to understand how to set direction and directly affect the outcomes.

Critical thinking is big-picture thinking too. As Hagemann describes it, "Leaders need to be able to comfortably climb to the 30,000-foot view and analyses a dynamic system, while simultaneously and adeptly analyzing information to quickly make decisions across levels." Critical thinkers operate from a broad perspective in order to make sure the correct problems are addressed and they are taking acceptable risk. They recognize the difference between short-term gains and sustainable, long-term results and lead accordingly.

The advantages of this kind of leadership behavior are readily apparent. Critical thinking enables leaders at every level to understand the impact of their decisions on the business as a whole and ensures both

alignment with organizational goals and accountability for results. It's exactly the type of leadership behavior demanded by the "new normal" - and exactly what's missing. And this disconnect is likely to intensify over time.

Given the critical-thinking competency gap exposed by the EDA survey and other research, the obvious assumption is that the traditional development process that businesses have relied upon in the past to prepare leaders simply hasn't kept up. So, what's the solution? To accelerate development and raise leadership accountability to a whole new level of awareness and action, there needs to be a new emphasis on critical thinking in leadership development.

Learning to think like a leader

The good news is critical thinking is a skill that can be taught. According to Halpern, "There is a large body of evidence showing that people can learn to think better. Of course, education makes us all more intelligent, but critical thinking is more focused. Everyone can learn to recognise and use the skills of critical thinking, and we can always get better."

New competencies, however, may require a deeper, more analytical approach. The challenge today is not to discard what has been learned in the past, but to build upon traditional competencies with a whole new and more complex set of skills, tools and sensitivities.

Leaders in the new normal need to learn how to be discerning, how to think clearly and wisely, and how to be accountable for their impact on the business.

Discovery learning in leadership courses

Critical thinking can be impacted by the right leadership courses. However, the process can be more challenging than improving a behavioral skill, because you can't easily measure it. Success is demonstrated in results.

As with any skill, intellectual or otherwise, the key to building critical thinking - and achieving successful results - is practice. Research has demonstrated that people learn best when they are actively involved in the learning process and engaging in the behaviors they want to learn. But what's vital in developing critical thinking skills is framing the concept of practice within a relevant, job-related context.

Acquiring critical thinking skills requires participating in learning experiences that force you to consider new ways of thinking about and acting within complex situations that are directly related to the work you do. You need the opportunity to respond to issues, reflect on and reframe your experiences, develop new thinking, and, in turn, engage in new behaviors and actions that are relevant to your position and objectives.

Developing your critical thinking skills

In addition to participating in these types of leadership courses, leaders can take charge of their own critical thinking development by taking these actions:

- **Get some feedback about your critical thinking skills from a trusted boss, colleague or coach**

Are you jumping to conclusions or using a reasoned, analytic process as you work toward a goal? Are you able to put aside biases and assumptions during analysis and decision-making? What kind of "thinker" are you perceived to be and why?

- **Challenge yourself to develop a deeper understanding of your company's business, especially its financial and strategic drivers of success**

Are you clear about what drives the organization's decisions, how financial success is achieved and how you impact both strategy and the bottom line? Are you making decisions that are aligned with this understanding? Is your knowledge of the business strong enough to drive behavior and to engage teams and employees?

- **Use multiple sources of data to form an "information web" before making a decision or forming a conclusion**

Are you asking a lot of questions? Identifying stakeholders and their issues and opinions? Separating facts from assumptions? Are you using the Internet as "one" source of information rather than "the" source? Can you analyze information from different perspectives and viewpoints?

- **Take time to think**

Are you rising above the fray when it's important to make a decision, take action or form an opinion? Are you aware of the distractions getting in the way of your thinking time and taking action to minimize these distractions? Are you finding time and space to let your mind focus and reflect on important issues?

- **Ask for input, critique and opinions from others as you analyze alternatives**

Are you checking tentative conclusions with others? Using peers, coaches or mentors to critique your thinking process? Are you willing to open your mind to other ideas or alternatives?

Author Credits

Catherine J. Rezak, Paradigm Learning. Paradigm Learning offers two dynamic training solutions that help leaders develop critical thinking skills. One focuses on building business acumen and the other zeros in on leadership accountability. The knowledge and skills developed in these programs drive real business results - providing leaders with a robust understanding of the company's financial and strategic performance drivers and a keen sense of accountability for achieving those goals. Find out more at www.paradigmlearning.com