

Critical Thinking

Getting to the right decision

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Let's explore:

- What good critical thinking is
- Why it's important for our decision-making & problem-solving
- Identify & avoiding traps, trips & landmines that foil our decision-making.....maybe even disarming them?
- Harvard's experience
- Characteristics required

www.dysartjones.com for slides & worksheets



“in making decisions, you may be at the mercy of your mind’s
strange workings....”

Hammond, Keeney & Raiffa, *The Hidden Traps in Decision Making*, [Harvard Business Review](#),
January 2006

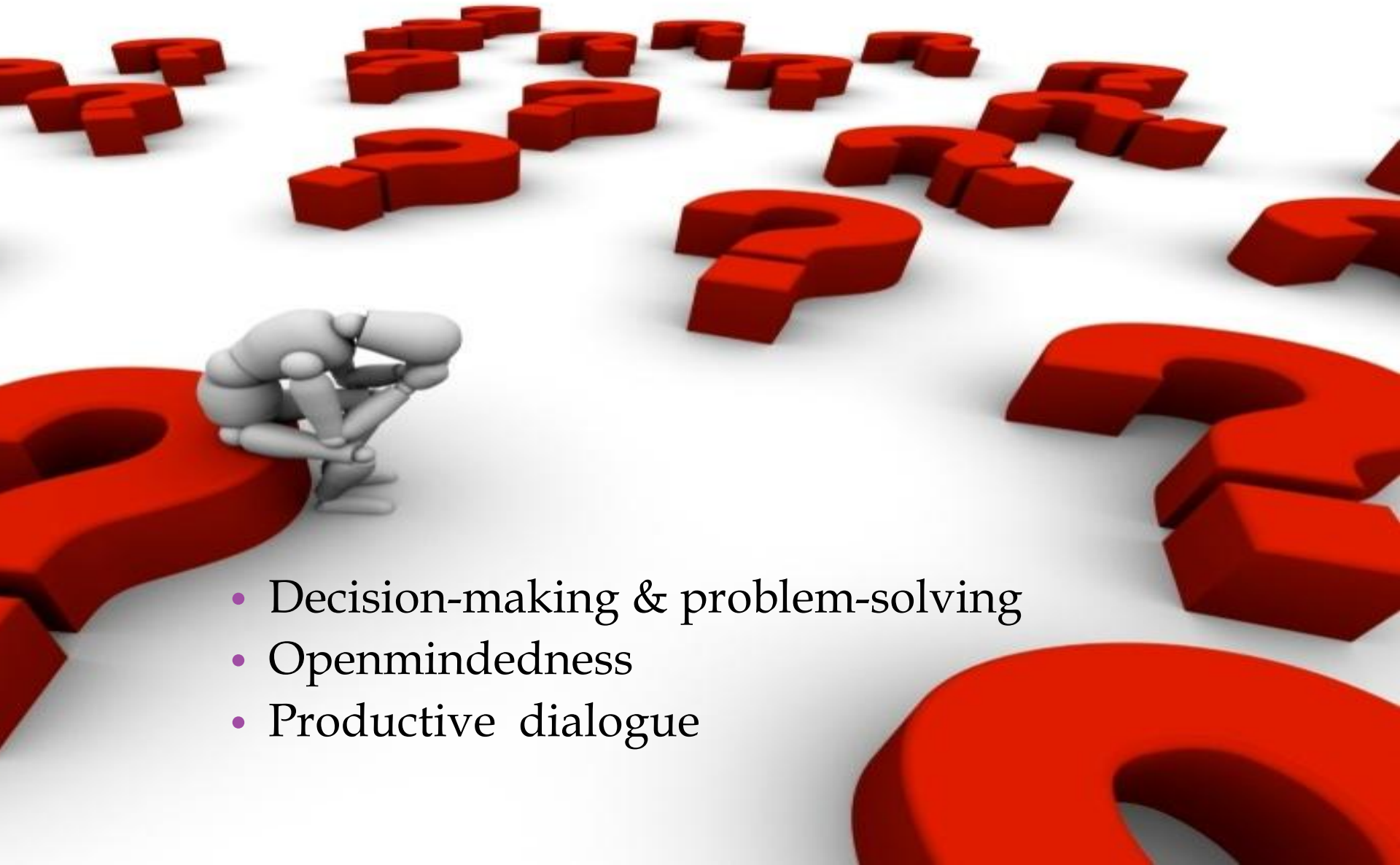
Critical Thinking: formal definition

“ the intellectually disciplined process of actively and skillfully conceptualizing, applying, analyzing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action.”

Critical Thinking as Defined by the National Council for Excellence in Critical Thinking, 1987

A statement by Michael Scriven & Richard Paul at the 8th Annual International Conference on Critical Thinking and Education Reform, Summer 1987}. <http://www.criticalthinking.org/page.cfm?PageID=766&CategoryID=51> Last accessed May 31, 2009

Critical thinking is really about



- Decision-making & problem-solving
- Openmindedness
- Productive dialogue



Implicit that we can't make
decisions alone or in a
vacuum

The decisions & problems we
face are increasingly
complex

It's hard, and it's worth it

Good Critical Thinking

- Raises the **right** questions – clearly & precisely
- Focuses on the **real** problem or decision to be taken
- Gathers & assesses **relevant** information
 - Uses abstract ideas to interpret info effectively
- Develops well-**reasoned** conclusions & solutions, testing them against relevant criteria and standards
- Relies on **recognizing & assessing assumptions, implications, & consequences**
- **Communicates effectively** with others in figuring out solutions to complex problems





Critical, not criticize





Why?

- **For our customers**
 - Designing meaningful services
- **For our organizations**
 - Planning, negotiating, managing & relationship building
- **For ourselves, and our professional credibility**
 - **Aware & factor in our :**
 - tendencies & assumptions
 - perceptions & selections based on conditioning, beliefs and desires, focus, emotions
 - reconstructive memory affected by time, what we want to remember, and after-acquired information and suggestion.
 - **Confident in our:**
 - knowledge
 - ability to reason

Wake up call



“Set in our ways” won’t move us forward

“Naming” the process at first makes it legitimate to:

- Challenge usual practices
- Rethink what has been thought
- Expand the emphasis from short-term fixes to long-term fusion

Common Decision Traps

- Framing
- Status quo
- Anchoring
- Sunk cost fallacy
- Information gathering traps
- Overconfidence bias
- Availability
- Confirmation bias
- Generalization
- False cause



Based on the work of Michael B. Metzger, Kelley School of Business, Indiana University

Framing

- Put the frame up first
 - May clarify status-quo, anchor & sunk-costs
- The questions we ask very often determines the type answers we get



To avoid this:

- Don't accept the first frame – or question
- “re-frame” or look at the issue from different perspectives, particularly from customer or stakeholder perspectives

Status-quo



- Like it or not, tendency is to perpetuate what we already know – like it or not
- Psychologically risky
 - *“breaking from the status quo means taking action, and when we take action, we take responsibility, thus opening ourselves to criticism and to regret.”*
 - Hammond, Keeney, Raiffa

To avoid this:

- Focus on the real goals & ask how status quo helps move towards them
- Evaluate vs. all other alternatives **IN TERMS OF THE FUTURE**
 - Ask outsiders to review your evaluations

Anchoring

- What we hear or see first influences our subsequent thinking
 - Past statistics & trends, an article, a colleague's comment
 - The order in which we receive info distorts our judgment



To avoid:

- Be aware
- Purposefully use different starting points
- As you gather other people to discuss the issue, try to limit the information you give them
 - Clarity what each of your base assumptions are
 - Keep coming back to the issue on which you are focusing

Sunk cost

- People want to justify past decisions, regardless of how present & future change the situation
 - Some cultures reinforce this by punishing decisions that haven't turned out as planned

“When you find yourself in a hole, the best thing you can do is stop digging.”

Warren Buffet

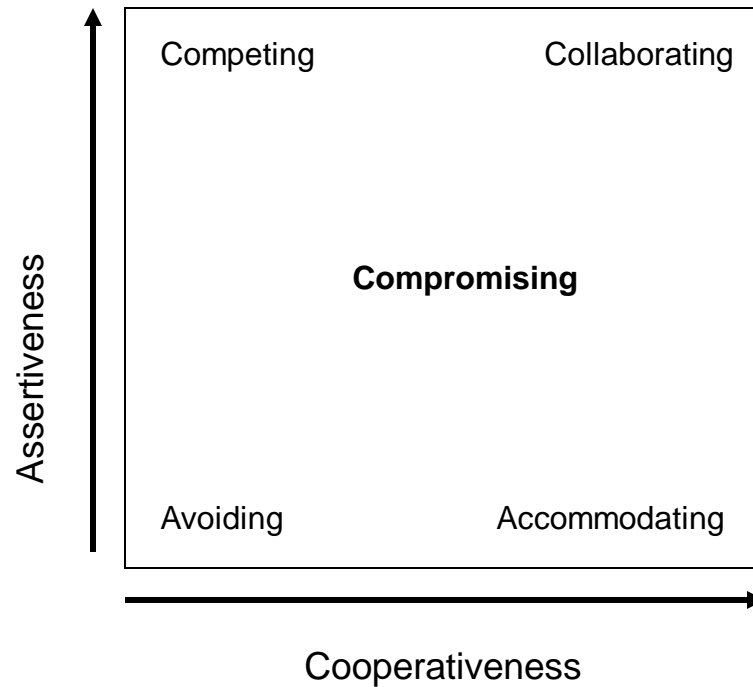


To avoid:

- Consciously set aside past investments
 - a rational decision is based on current assets & future consequences
- Stop “sinking” costs into “sunk” costs
- Reward turn-arounds & “try’s”

Reaching clarity means wading through confusion

Know your own conflict handling style



Harvard Business School's experience





We educate leaders who make a difference in the world.

We support Harvard Business School's mission by enabling the creation and exchange of ideas, expertise and information

Strategic Shifts	FY07	FY08	FY09	FY10
Integrate with Research Course Development	3 pilot MBA projects	34 projects Model developed	Develop - 3 Revise - 2 Enhance - 31	10% Growth Focus MBA and Exec Ed
Organize the School's priority information	Catalog books Socialize information management	Catalog electronic information: Institutional Memory (IM) Information Lifecycle Management Program	Complete IM and Centennial Assets Start Scholarly Assets Standards for SharePoint (Intranet)	Scholarly Assets Intranet content governance Web content management
Develop an enterprise Web service	Ad hoc – mainly work for KLS	iTRAC Governance Group reorganization and new hires 89 projects	74 projects Q1&2 School-wide Establish Intranet Program Office	TBD
Move to electronic products and services	Status Quo 2.5X electronic vs. print expenditure	First Knowledge Center – BBOP HC web properties 2.9X electronic vs. print	Institutional Memory Agribusiness Knowledge Center OPM eBaker 2.9X electronic vs. print*	Deliver products on SharePoint 2.3X electronic vs. print*
Support Global Research and Education	No Focus	Alliance with CBS Network with European universities Relationship with HBS Research Centers Global databases added (China, India)	Network with Chinese Universities and Harvard Launch GKEN – 40 Track global component of research support – 269 Q3 -1 st sourcing in China	Leverage GKEN Solidify relationships in China and Europe India? China Knowledge Center
Increase reach of faculty knowledge dissemination	Working Knowledge website and newsletter	Working Knowledge for Exec Ed, Publishing, media WK moved to daily content	Economic Crisis site Working Knowledge for Initiatives Alignment with Marketing Plan	Redesign pending stakeholder analysis

Exercising Good Judgment

- Capability Development
- Modeling Best Practice
- Road Maps
- Performance Management
- Project Management
 - Team Norms
 - Opportunity Management
 - After Action Reviews



All Day; Every Day

- Customer Service Standards
- Service Delivery Agreements
- Customer Relationship Management
- Exceptions Management
- Strategic Alignment
- Employee Engagement
- Balanced Score Cards
- Job Descriptions/Work Designs



Manage carefully – it's new

- Disagreement must be incited & managed
 - Once conflict becomes too intense people shut down
- Organizational culture must encourage questioning, especially of decision-makers' assumptions & propositions



Critical characteristics

- Communication skills
 - Listener
- Self-awareness & self-acceptance
- Curious, interested & questioning
- Admits lack of valid information or understanding
- Assesses & evaluates information & propositions for their value on the issue at hand



What's critical?

- Awareness
- Discipline your decision-making to uncover thinking errors & prevent judgment errors
- Trying it

If you're interested, try:

The Critical Thinking Community

<http://www.criticalthinking.org/articles/Open-minded-inquiry.cfm>

- Kramer, R. M., A. E. Tenbrunsel, and M. H. Bazerman, eds. *Social Decision Making: Social Dilemmas, Social Values, and Ethical Judgments*. Routledge, in press.
- Bazerman, Max, and D. Moore. *Judgment in Managerial Decision Making*. 7th ed. John Wiley and Sons, Inc., 2008.
- Milkman, Katherine L., Max H. Bazerman, and Dolly Chugh. "[How Can Decision Making Be Improved?](#)" *Perspectives on Psychological Science* (in press).
Abstract
- Raiffa, Howard, John S. Hammond, and Ralph L. Keeney. "The Hidden Traps in Decision Making." HBR Classic. *Harvard Business Review* 84, no. 1 (January 2006).
- Hammond, John S., III, Ralph L. Keeney, and Howard Raiffa. *Smart Choices: A Practical Guide to Making Better Decisions*. Boston: Harvard Business School Press, 1998. (Paperback: Broadway Books, 2002;

Thank you

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