

Does Your Organization Have a Critical Thinking Gap?

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Theranos, the healthcare technology company that had a spectacular fall from grace in 2015, has been back in the news recently with the high-profile trial of its former CEO. Valued at \$9 billion at its peak, the company claimed that it had revolutionized blood testing by requiring only a drop of blood. However, [a series of investigative articles](#) uncovered that the technology did not work, and the senior leaders knew it.

How could the organization deceive investors, partners, patients, and the media for over 10 years? As it turns out, a broad lack of critical thinking had a lot to do with it. For one, [no one was equipped](#) to ask the right questions. Theranos attracted prominent board members – former U.S. Secretaries of State, Senators, CEOs of major corporations – the majority of whom did not have the requisite experience to evaluate its technology. The media did not help either. The company was primarily covered by reporters specializing in tech rather than healthcare, and they failed to dig into the right details. Moreover, there was a general belief in Silicon Valley that visionary start-up founders [could do no wrong](#). In this environment, investors [raced to invest](#) before they fully understood the evidence for fear of missing out on a potential “unicorn”.

Theranos is certainly an extreme example. However, most organizations are not immune to the erosion of critical thinking, and they suffer very real consequences if they do not prevent it from happening.

The business consequences

Signs of declining critical thinking can be spotted across an organization. Workload is often impacted. Organizations start taking on more and more new projects, considering every new initiative to be worth pursuing. Little is done to evaluate the capacity to deliver these projects, their strategic importance, or the interplay between them. This, in turn, can cause employees to burn out and the organization to lose sight of its mission.

Data use is another area where critical thinking can fall short. Today’s companies are drowning in data, but merely having data access doesn’t automatically translate into well-informed business decisions. A polished results graph doesn’t show bad raw data, faulty assumptions, or an incorrect analysis. Without asking challenging questions

about the data and the analysis, organizations can end up going down the wrong path while under the impression that they are making data-driven decisions.

We also see gaps in critical thinking in the decisions that organizations make about their people, including succession planning and forming leadership teams. Decisions about who to promote can be driven by personal biases, favorites, or past performance, rather than a critical look at the role requirements and individual potential. Similarly, senior leadership teams often end up bloated with people because CEOs are reluctant to move people to avoid creating conflict instead of thinking critically about the team's mandate and the capabilities needed to drive strategic priorities.

Finally, corporate mergers and other restructuring efforts can fail to live up to their expectations because of a lack of critical thinking around downstream effects. For example, when the focus is placed squarely on the financials in a merger without sufficient thought given to how to integrate different cultures or which capabilities will be needed to meet future business needs, the new organization will struggle to meet its goals.

Factors that contribute to the erosion of critical thinking



Leaders don't model critical thinking or actively discourage it



There is pressure to move fast with no time to consider issues fully



The loudest voice in the room is the most likely to be listened to



Leaders jump on the latest trends for fear of missing out



Tasks that require critical thinking have been outsourced to AI

How critical thinking erodes over time

There are a number of [well-documented cognitive biases](#) that affect our ability to think critically. However, the environment that organizations create also matters, and some environments are sure-fire killers of the ability and the desire for critical thinking.

When leaders don't model critical thinking for their teams, or even actively discourage it, it is not surprising that this competency erodes. Theranos senior leaders, for example, repeatedly dismissed questions from their employees about the technology, sending the message that they should not look at things too closely.

Many organizations also put pressure on their people to move fast. In the relentless drive to achieve results and work efficiently, there is a lack of spare capacity to fully appreciate the complexity of business issues and the impact of decisions on others. To keep up, leaders begin to treat high-complexity issues as low-complexity, caught in perpetual firefighting, rushing from one crisis to the next. They don't allow for [sufficient pause](#) to reflect on the intricacies of the problem they are facing to avoid falling behind or being perceived as a roadblock.

This is compounded by our growing habit to skim content, resulting in people spending increasingly more time in [non-demanding shallow work](#) that creates limited value – a habit fueled by social media and networking tools. [One recent study](#), for example, found that participants spent more time looking at articles that aligned with their views than those presenting opposing views. Moreover, when given an option to upvote articles, participants didn't read 12% of the articles for which they voted. When this superficial approach to consuming information becomes the primary way leaders make decisions, there is little room for critical thinking. As a consequence, taking the time to reflect and think critically is neither encouraged nor valued given the time and effort it requires.

There can also be a propensity inside organizations to listen to the loudest voice in the room or get behind the latest trends, for fear of missing out. Take, for example, corporate wellness programs, which continue to gain popularity with a promise of improving metrics such as overall health, engagement, and absenteeism. Upwards of [80% of North American organizations](#) now offer wellness programs as a benefit, despite [recent research](#) suggesting that their impact on health and employment outcomes is limited.

Many organizations have also jumped on the AI bandwagon, in some cases outsourcing critical thinking to machines, rather than using AI as a tool to support their own thinking. But when organizations put blind trust in machine learning outputs without understanding what's inside “the black box”, they risk making the wrong decision. Amazon, for instance, had to scrap their [AI-based recruiting system](#) because it ended up favoring male applicants – an outcome largely driven by how the system was trained.

Helping critical thinking flourish

So what can you do to shift this dynamic and not only stop the erosion of critical thinking, but help it grow inside your organization? Start by assessing your values and priorities – if they don't demonstrate that critical thinking is important in your organization, then you will have a hard time fostering its growth.

Here are a few questions you could ask:

- **Do the senior leaders in our organization model critical thinking in all of their actions – asking the hard questions, scratching below the surface, and listening for unconventional ideas?**

Leaders need to set the example for others. If leaders don't think critically, it's unreasonable to expect others to do so.

- **Does our organization prioritize training to help others build critical thinking skills?**

When things get busy, learning is one of the first things to go. But it is precisely in those moments of project overload that critical thinking skills are most valuable and developing them would have the greatest impact.

- **Do we allow for sufficient time to evaluate high-complexity ideas before pushing for a decision?**

If asking questions is synonymous with “holding up the process” in your organization, your leaders are penalized for thinking critically. Moving fast can't come at the expense of fully evaluating a complex problem.

- **Do we set expectations for data-driven analysis in presentations, new product or service development, personnel decisions, and strategic planning?**

Decision-making needs to be evidence-based across your organization. It can't be primarily driven by biases, personal preferences, or loudest voices.

- **Do we create an open and safe environment where opposing viewpoints can be presented, heard, and productively debated?**

You will only harness the benefits of critical thinking when employees can engage in open dialogue and no one fears that there may be consequences for digging deep.

In reflecting on these questions, you may discover that you have some room to grow, and that's expected. But don't lose sight of the areas where you are already strong. For example, maybe some of your leaders model critical thinking already or a department has structured processes for data-driven analysis. Use these as a foundation to build on, so that you can embed critical thinking deeper in your organization. By deliberately taking steps towards encouraging critical thinking, you'll not only stop its erosion, but will actively help it flourish.

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