

A Primer on Critical Thinking and Business Ethics

The post-pandemic world presents leaders with unprecedented levels of dynamism and uncertainty, leaving top management teams no choice but to engage in critical thinking – higher order analyses in which assumptions are questioned and disconfirmation is no less important than confirmation. With critical thinking coming to the forefront of leadership development, we as educators need to reflect on our present MBA curriculum in terms of both content and delivery. These three monographs are a must-read for anyone interested in developing graduate-level critical thinking skills and teaching future corporate leaders how to take a more nuanced perspective on the paradigm-shifting challenges they are likely to face when transitioning into their managerial career.

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Management, Coller School of Management,
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Organizational leaders continually tell us that what they need most are employees that know how to think and learn. Such skills are necessary for identifying problems, collaborating on solutions, and driving organizational change. Including these monographs on critical thinking in the MBA curriculum will go a long way to providing this essential need for the market.

Dr Kevin Rockmann, Professor of Management,
George Mason University, USA
Editor, *Academy of Management Discoveries*

As someone who teaches business leadership and human values and courses introducing and providing frameworks for analyzing healthcare markets, critical thinking is essential for me and my students. These authors clearly motivate the importance of critical thinking and present techniques to encourage students' development. I could envision these books enhancing my preparation of students, who will become business leaders so they sharpen interpretations and decisions regarding the production and delivery of healthcare services, to create value for those with a financial stake in their organizations' successes and for stakeholders including suppliers, patients, employees, and the community in which healthcare organizations operate.

Kevin D. Frick, Professor,
Johns Hopkins Carey Business School, USA

A Primer on Critical Thinking and Business Ethics: Recent Conceptualizations of Critical Thinking (Volume 1)

BY

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INVESTOR IN PEOPLE

To all teachers who believe in critical thinking as the ultimate differentiator, and to all students who have a penchant for analyzing, assessing, and improving in all that they do.

This volume is gratefully dedicated to the late Father William Tome SJ, Founder Director of XLRI, under whom the first author worked for over five years during his first innings at XLRI (1977–1983).

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Table of Contents

| | |
|--|--------------|
| List of Figures and Tables | <i>ix</i> |
| List of Exhibits | <i>xi</i> |
| List of Critical Thinking Models and Critical Thinking Exercises | <i>xiii</i> |
| About the Authors | <i>xvii</i> |
| Foreword | <i>xix</i> |
| Acknowledgments | <i>xxiii</i> |
| Introduction: Why We Need Critical Thinking | 1 |
| Chapter 1 Characterizing the Concept, Domain, and Scope of Critical Thinking | 13 |
| Chapter 2 History of Critical Thinking and Some Models of Critical Thinking | 41 |
| Chapter 3 Critical Thinkers and Practical Models of Critical Thinking | 81 |
| Chapter 4 Critical Thinking of Our Beliefs, Behaviors, and Their Impact Systems | 117 |
| Chapter 5 Systems Thinking Through the Lens of Critical Thinking | 147 |
| Chapter 6 Critical Thinking for Understanding Fallibility and Falsifiability of Our Knowledge | 187 |

viii *Table of Contents*

References 217

Index 233

List of Figures and Tables

Chapter 2

Figure 2.1. A Process Model of Critical Thinking. 53

Chapter 4

Figure 4.1. The Thinking–Beliefs–Behaviors–Impact Loop of Our Social Structures. 118

Chapter 3

Table 3.1. The Prevailing System of Management with Its Constraints and Regimentation. 85

Table 3.2. The Domain of Business Executive’s Critical Thinking—Model of Three Dichotomies. 96

Table 3.3. Critical Questions for Managing Required Change in Organizations. 105

Table 3.4. Synthesizing Various Approaches to Critical Thinking. 110

Table 3.5. A Fourfold Typology of Critical Thinking. 114

Chapter 4

Table 4.1. Uncritical (Unexamined) Versus Critical (Examined) Thinking and Belief Processes. 121

Table 4.2. Traits of Disciplined Critical Thinking Versus Traits of Undisciplined, Uncritical, and Blind Thinking. 124

Chapter 6

| | | |
|------------|--|-----|
| Table 6.1. | Fooled by Randomness. | 198 |
| Table 6.2. | A Taxonomy of Human Knowledge and Ignorance. | 204 |
| Table 6.3. | Possible Good and Bad Consequences of Human Knowledge and Ignorance. | 214 |

List of Exhibits

Chapter 1

| | | |
|-------------|---|----|
| Exhibit 1.1 | A Good Set of Working Principles for Critical Thinking | 17 |
| Exhibit 1.2 | An Agenda for Critical Thinking Investigation – Examining the Structured Layers of Our Thinking and Reasoning | 19 |
| Exhibit 1.3 | Countering the Structured Layers of Our Thinking and Reasoning | 21 |
| Exhibit 1.4 | Skills of a Good Critical Thinker | 22 |
| Exhibit 1.5 | Desirable Principles of Critical Thinking | 25 |
| Exhibit 1.6 | Advanced Principles of Critical Thinking | 25 |

Chapter 2

| | | |
|-------------|---|----|
| Exhibit 2.1 | Strategies for Using Socratic Questioning | 42 |
| Exhibit 2.2 | Applying Socratic Questioning Methods | 46 |
| Exhibit 2.3 | Applying Cartesian Methodic Doubt | 50 |
| Exhibit 2.4 | Baconian Empirical Probing Method | 51 |
| Exhibit 2.5 | Applying Definitions of Critical Thinking to Organizational Inputs, Processes, and Outcomes | 57 |
| Exhibit 2.6 | Applying Critical Thinking Concerns of Habermas and Others to Global Efficiency, Stability, and Justice | 61 |
| Exhibit 2.7 | Applying the Definitions of Edward Glaser | 64 |
| Exhibit 2.8 | Types of Critique and Critical Thinking Prescriptions | 71 |
| Exhibit 2.9 | Foundations for All Thinking and Critical Thinking in Particular | 79 |

Chapter 4

| | | |
|-------------|---|-----|
| Exhibit 4.1 | Critical Thinking Model to Analyze Our Major Belief Systems | 134 |
| Exhibit 4.2 | Epistemological Assumptions of Our Thinking and Reasoning | 137 |
| Exhibit 4.3 | Organizational Assumptions of Our Thinking and Reasoning | 138 |

List of Critical Thinking Models and Critical Thinking Exercises

Chapter 2

| | |
|---------------------------------|----|
| Critical Thinking Exercise 2.1. | 44 |
| Critical Thinking Exercise 2.2. | 49 |
| Critical Thinking Exercise 2.3. | 50 |

Chapter 3

| | |
|----------------------------------|-----|
| Critical Thinking Exercise 3.1. | 82 |
| Critical Thinking Exercise 3.2. | 82 |
| Critical Thinking Exercise 3.3. | 84 |
| Critical Thinking Exercise 3.4. | 87 |
| Critical Thinking Exercise 3.5. | 88 |
| Critical Thinking Exercise 3.6. | 91 |
| Critical Thinking Exercise 3.7. | 92 |
| Critical Thinking Exercise 3.8. | 93 |
| Critical Thinking Exercise 3.9. | 94 |
| Critical Thinking Exercise 3.10. | 95 |
| Critical Thinking Exercise 3.11. | 98 |
| Critical Thinking Exercise 3.12. | 99 |
| Critical Thinking Exercise 3.13. | 101 |
| Critical Thinking Exercise 3.14. | 103 |
| Critical Thinking Exercise 3.15. | 106 |
| Critical Thinking Exercise 3.16. | 108 |

| | |
|--|-----|
| Critical Thinking Model 3.1. Making Better Sense of the World Around Us | 93 |
| Critical Thinking Model 3.2. Reflective Thinking | 93 |
| Critical Thinking Model 3.3. Questioning and Challenging Status Quo | 94 |
| Critical Thinking Model 3.4. Positive and Normative Science | 95 |
| Critical Thinking Model 3.5. Spiritual Intelligence | 95 |
| Critical Thinking Model 3.6. Building Your Strengths and Ignoring Weaknesses | 99 |
| Critical Thinking Model 3.7. Changing the Way We Think | 103 |
| Critical Thinking Model 3.8. Valuing Knowledge Resources Hierarchically | 106 |

Chapter 4

| | |
|---------------------------------|-----|
| Critical Thinking Exercise 4.1. | 127 |
| Critical Thinking Exercise 4.2. | 129 |
| Critical Thinking Exercise 4.3. | 131 |
| Critical Thinking Exercise 4.4. | 132 |
| Critical Thinking Exercise 4.5. | 132 |
| Critical Thinking Exercise 4.6. | 134 |
| Critical Thinking Exercise 4.7. | 140 |
| Critical Thinking Exercise 4.8. | 142 |
| Critical Thinking Exercise 4.9. | 146 |

Chapter 5

| | |
|---------------------------------|-----|
| Critical Thinking Exercise 5.1. | 153 |
| Critical Thinking Exercise 5.2. | 154 |
| Critical Thinking Exercise 5.3. | 155 |
| Critical Thinking Exercise 5.4. | 156 |
| Critical Thinking Exercise 5.5. | 158 |
| Critical Thinking Exercise 5.6. | 159 |
| Critical Thinking Exercise 5.7. | 160 |

| | |
|----------------------------------|-----|
| Critical Thinking Exercise 5.8. | 161 |
| Critical Thinking Exercise 5.9. | 163 |
| Critical Thinking Exercise 5.10. | 164 |
| Critical Thinking Exercise 5.11. | 165 |
| Critical Thinking Exercise 5.12. | 166 |
| Critical Thinking Exercise 5.13. | 168 |
| Critical Thinking Exercise 5.14. | 170 |
| Critical Thinking Exercise 5.15. | 173 |
| Critical Thinking Exercise 5.16. | 174 |
| Critical Thinking Exercise 5.17. | 176 |
| Critical Thinking Exercise 5.18. | 177 |
| Critical Thinking Exercise 5.19. | 179 |
| Critical Thinking Exercise 5.20. | 182 |
| Critical Thinking Exercise 5.21. | 183 |
| Critical Thinking Exercise 5.22. | 185 |

Chapter 6

| | |
|----------------------------------|-----|
| Critical Thinking Exercise 6.1. | 190 |
| Critical Thinking Exercise 6.2. | 191 |
| Critical Thinking Exercise 6.3. | 192 |
| Critical Thinking Exercise 6.4. | 193 |
| Critical Thinking Exercise 6.5. | 194 |
| Critical Thinking Exercise 6.6. | 196 |
| Critical Thinking Exercise 6.7. | 197 |
| Critical Thinking Exercise 6.8. | 198 |
| Critical Thinking Exercise 6.9. | 200 |
| Critical Thinking Exercise 6.10. | 201 |
| Critical Thinking Exercise 6.11. | 202 |
| Critical Thinking Exercise 6.12. | 202 |
| Critical Thinking Exercise 6.13. | 203 |
| Critical Thinking Exercise 6.14. | 204 |
| Critical Thinking Exercise 6.15. | 205 |
| Critical Thinking Exercise 6.16. | 206 |
| Critical Thinking Exercise 6.17. | 207 |

xvi *List of Critical Thinking Models and Critical Thinking Exercises*

| | |
|----------------------------------|-----|
| Critical Thinking Exercise 6.18. | 208 |
| Critical Thinking Exercise 6.19. | 209 |
| Critical Thinking Exercise 6.20. | 213 |

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Foreword

Business schools as *the* major global institution for educating future leaders in business are under fire for at least two reasons. On the one hand, they are accused of not educating their students in a way that prepares them for core management tasks awaiting them in later organizational life. “What” and “how” skills and competences taught in major areas such as accounting, finance, logistics, and marketing are inadequate to help graduates grapple with the problems they face in practice. On the other hand, an arguably more fundamental accusation is the existence of a massive blind spot: the education of leaders fails in going beyond optimizing organizational performance according to traditional items of the balance sheet and take into account the role of organizations as corporate citizens with a coresponsibility to make the world a better place (Mabey & Mayrhofer, 2015).

A common thread runs through major organizational scandals of the past decade, e.g., German payment processing company Wirecard revealing in 2020 what they argued was an “accounting error” that grossly inflated the balance sheet by about US\$ 2.3 billion, German car maker Volkswagen being accused in 2015 of implementing software that could cheat emission tests (“dieselgate”), and international soccer association FIFA being the target of the United States Department of Justice’s accusation of money laundering conspiracy, racketeering, and wire fraud in 2015: simply, not only did their upper echelon have insufficient technical skills and competencies to successfully manage their respective organizations but also made conscious decisions that led their organizations down the dark route of shady business. In a simplistic version of events, finger-pointing, identifying scapegoats, and highlighting personal deficiencies such as greed or lack of a moral compass to navigate the turbulent and dynamic waters of doing business in today’s volatile, uncertain, complex, and ambiguous world serves as explanation. However, a more refined effort would point toward the fundamental problem outlined above: the lack of comprehensive education that many future leaders get in business schools and, more broadly, in universities and other higher education institutions around the globe that goes beyond a traditional “facts and figures approach.”

A major part of a more comprehensive education involves skills and competencies that revolve around reflecting the status quo, questioning assumptions taken for granted, making choices in ethically charged situations, and thinking out of the box. In particular, this comprises critical thinking and aspects of business ethics addressing various facets of doing business. Typical examples at

different levels of social complexity include personal and often contested choices in one's career, such as foreign assignments heavily affecting stakeholders in one's life, interpersonal leadership issues such as in-group versus out-group dynamics that emerge when working in face-to-face groups, organizations externalizing costs by (ab)using natural resources and polluting the environment, grand-scale organizational layoffs affecting whole regions (if not countries), equality and poverty within and between countries, and, arguably, the multiple effects of doing business on the globe and in interstellar space.

The contributions in this book tackle these issues head on. They put critical thinking – in a nutshell “careful goal-directed thinking [whereby...] conceptions of it can vary according to its presumed scope, its presumed goal, one's criteria and threshold for being careful, and the thinking component on which one focuses” (Hitchcock, 2020) – front and center as they explore both the foundation and the application of ways of reflecting on what we find in (and how we construct?) reality, what this means, and how we act accordingly. Of course, critical thinking as such is not new. Some trace it back at least to titans of Greek philosophy such as Plato or Socrates, as well as different schools of Greek skepticism. Others point to the work of John Dewey who has established critical thinking as a potential educational goal. What makes this volume particularly interesting is its comprehensive approach, both in the sense of “horizontally” encompassing a broad range of topics and “vertically” containing phenomena at different levels of social complexity, including the spiritual as well as temporal dimensions of organizing in turbulent and unpredictable contexts (Hitchcock, 2020; Vogt, 2022).

Against this backdrop, the volume is timely and laudable. In it, the authors define critical thinking and examine theoretical developments. They describe and probe the elements, domain, scope, and paradigms of critical thinking, and identify major thinkers, theories, traditions, schools, and strategies. The volume also addresses the problems of fallacious thinking and identifies gaps in business education curricula, in order to show how students develop critical thinking and how it should be taught and measured. With this aim, the authors investigate and design models of critical thinking, including exercises, which unify themes and comprehensive frameworks to help students of business studies deal with complex problems. In this context, critical thinking is explored as being related to “systems thinking.”

I hope the readers will not only better understand critical thinking in its various facets but also include it organically in their own *praxis* of personal and professional lives. It is a must-read for faculty around the world. My compliments to the authors Oswald Mascarenhas, Munish Thakur, and Payal Kumar, who are all senior academics and authors in their own right.

–Dr Wolfgang Mayrhofer

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*Dr Mayrhofer is a prolific author-editor, including *Developing Leadership: Questions Business Schools Don't Ask* (SAGE, 2015).*

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This book represents the latest research and thinking in the domain of critical thinking as applied to corporate ethics and morals of business management. It has taken several years from conception to execution. The contents of this multi-volume book and the plan for it have been presented and discussed while conducting several graduate courses on *corporate ethics* and *managerial ethics* at various colleges of business administration, such as the University of Detroit Mercy, Detroit, Michigan (1983–2010), T. A. Pai Management Institute (TAPMI) Manipal, Karnataka (2010–2011), St. Aloysius (Autonomous) College School of Business, Beeri, Karnataka (2010–2013), and XLRI – Xavier School of Management, Jamshedpur, Jharkhand (2013–2021).

As the first author, my academic background is philosophy, theology, economics, marketing, e-business, and internet marketing, with an emphasis on ethical and moral market challenges and responses. Several professors molded me during my management studies and over the course of more than 40 years of teaching and research. I am especially indebted to Russell Ackoff, Paul Green, Len Lodish, and Howard Perl Mutter of the Wharton School of Business, Philadelphia, Pennsylvania, where I obtained my MBA and PhD. Professors Michael Bernacchi and Ram Kesavan were also my colleagues in the marketing department at the College of Business Administration, University of Detroit Mercy, during the 27 years I taught there. I have published over a dozen articles in refereed journals with them, and they have always supported and stimulated my intellectual efforts and research ventures. I regularly use our joint publications in these books, and I am grateful for their friendship and demanding scholarship.

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me, his impact on the book is no less significant. He would also like to express his gratitude to his wife, mother, children, and the rest of his family for allowing me to devote time to this endeavor.

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Over the last decade, the first two authors had the privilege of teaching at XLRI, the premier school of management in Jamshedpur, India. They have taught more than a thousand postgraduate students, covering all programs of business management. The encouragement and critical feedback from students on chapters, assignments, and cases have helped us rethink and redesign this book to its current level of readability and assurance of learning. We are beholden to them.

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