Developing Employees’ Critical Thinking Skills in Malta: Evaluating a Hypothetical Business Proposal

Daniel Xerri
University of Malta
ORCID: https://orcid.org/0000-0002-5397-0647

Abstract

Critical thinking is considered one of the most significant competencies that employees need to develop in order for them to contribute to an organisation’s success and productivity. The lack of professional development opportunities aimed at enhancing the critical thinking capacity of employees might be deleterious for organisations seeking to capitalise on this competence as a means of remaining innovative. By means of a conceptual case study of Thinkerly – a business-to-business (B2B) firm offering critical thinking training solutions in Malta – this article considers the firm’s business idea, target customer segment, and competitive external business environment. The hypothetical business proposal analyses the internal and external factors affecting the firm’s performance and evaluates the positioning, strategy and competitive advantage of the bespoke training firm. The primary objective of the conceptual case study is to indicate the main considerations a B2B company needs to take when developing critical thinking training in a specific context. To illustrate how any such proposal is likely to have its limitations, two of the models utilised in the design of Thinkerly’s proposal are subjected to critique.

Keywords/key phrases: critical thinking, professional development, bespoke training solutions, business-to-business, business proposal, higher-order thinking

1. Introduction

Recently, businesses in Malta have called for training initiatives aimed at developing employees’ critical thinking skills (Malta Employers’ Association [MEA], 2022). As a far better predictor of real-world outcomes than intelligence (Butler et al., 2017), critical thinking is considered a key cognitive ability that employees need to bank on in order to enhance their productivity, problem solving and creative output (Bednarz, 2013; Ejiogu et al., 2006; Sattar, 2018). For instance, Amine (2010) shows that the absence of critical thinking in the business sector can result in failure, this being a product of rigid thinking and the inability to apply critical thinking to processes and situations. In fact, even smart employees are fully capable of making serious mistakes if they lack the capacity to think critically (Butler, 2017). However, many businesses struggle to recruit employees that are equipped with this capacity (Taylor, 2010). This situation is not helped by the absence of bespoke training solutions focusing on the development of critical thinking within businesses.
This conceptual case study considers what such an initiative might consist of if a B2B company were to implement it in the Maltese context. For the sake of this article, this hypothetical company will be called Thinkerly. The article describes the company’s target customer segment before analysing its competitive external business environment. After a SWOT analysis, the positioning of Thinkerly’s business idea, its strategy and its competitive advantage are elucidated. Lastly, there is a critique of two of the models used in constructing this proposal. Readers interested in the professional development of employees with respect to higher-order competencies might find this exercise in speculative thinking useful because it foregrounds some of the considerations that need to be taken when developing specialised training initiatives.

2. Business Idea

Thinkerly is a firm that specialises in providing micro, small and medium-sized enterprises (SMEs) with training solutions focusing on the development of employees’ critical thinking. The latter can be taught either via stand-alone courses or else by being integrated into the teaching of other content (Hatcher, 2006). Even though both approaches are effective (Abrami et al., 2015), Thinkerly uses the former given that it focuses on the needs of individuals who are already in employment and who have limited time for training. While critical thinking is given importance in many undergraduate and postgraduate business degree programmes (Critchley, 2011; Desai et al., 2016), not all employees within a firm are alumni of such a programme. In addition, critical thinking is a higher order function that requires careful nurturing if it is to be implemented successfully outside the educational domain (Lee, 2018). Hence, continuing professional development related to it is essential.

In line with the definition of innovation as something that not only consists of developing new services but also involves tapping new markets and bringing a service to new customers (Szirmai et al., 2011), the innovative nature of Thinkerly’s services is constituted by the identification of a training gap that very few competitors are presently addressing in the Maltese context. Notwithstanding the fact that critical thinking is one of the most pivotal skills that organisations look for in prospective employees (Korn, 2014; World Economic Forum, 2016, 2020), at present many businesses are encountering difficulties when trying to find training solutions geared towards the development of critical thinking in their staff. This is where Thinkerly can step in.

3. Target Customer Segment

As a B2B firm, Thinkerly caters for the needs of SMEs in Malta by providing their employees with critical thinking training via face-to-face and online courses. Given the value that innovation has for the long-term success of SMEs in a constantly evolving operating environment (Brines et al., 2013), developing the critical thinking capacity of employees working for such companies has the potential to give the latter a competitive edge (Coley, 2013). Even though Thinkerly can service the training needs of an entire firm’s employees, its main customer segment consists of decision-makers and management. This is because the domain-specific expertise and experience of such individuals help them to perform better on business-related critical thinking assessment (Dwyer et al, 2015). Moreover, the critical thinking needs of those occupying top tier positions within an organisation are greater than those further down the hierarchy (Ramazani & Jergeas, 2015). One of the reasons for this is that critical thinking has a positive effect on strategic thinking (Çiçek & Naktiyok, 2013).
4. Competitive External Business Environment

In this section, STEEP Analysis and the Five Forces Model (Porter, 1979, 2008) are used to examine Thinkerly’s competitive external business environment.

4.1. STEEP Analysis

STEEP Analysis allows Thinkerly to identify opportunities, threats and problems that might have an impact on the purchasing patterns of its clients throughout the lifetime of its relationship with them (Ryals, 2008).

4.1.1. Socio-cultural

In 2022, active SMEs in Malta amounted to 58,279, which is an increase of 2,426 business units over the previous year (National Statistics Office [NSO], 2023). This is an indication of a healthy business environment for Thinkerly’s clients, with certain sectors registering the highest number of SMEs: wholesale and retail trade; automotive repair; professional, scientific and technical activities; construction; and real estate (NSO, 2023). This information helps Thinkerly to hone its targeting efforts.

4.1.2. Technological

Thinkerly’s provision of follow-up training via an online platform is sensible given that many SMEs in Malta are positively disposed towards technology and leverage it to gain a competitive advantage. In fact, all SMEs use IT systems and the internet in day-to-day operations, and a significant proportion of them (53% of microenterprises and 84% of small and medium business units) have invested in a web portal that they use to enhance their brand and communicate information about their company (Malta Communications Authority [MCA], 2021). In addition, when compared to other EU countries, Malta places towards the top of the list with regard to the use of online commerce and marketing by businesses. In fact, 46% of Maltese SMEs use the internet to advertise their products or services, and 71% make use of social media for promotional purposes (MCA, N.D.). Around 53% are keen to invest in the digital (Malta Chamber of SMEs, 2021).

4.1.3. Economic

Even though the vast majority of Maltese SMEs are investing, their expenditure on employee training lags far behind that of their EU counterparts. In fact, training is an investment priority for only 8% of SMEs in Malta when compared to 13% in the rest of the EU (Grech, 2018). This is obviously a disconcerting fact for a firm like Thinkerly, whose services are exclusively training oriented. However, Maltese SMEs are eligible for EU grants through a €51 million scheme aimed at enhancing their competitiveness (PwC, 2023). These grants can be spent on personnel related costs.

4.1.4. Environmental

In line with the EU’s (2018) Green Action Plan for SMEs, Thinkerly can promote its courses as a means of enabling firms to think critically about how they can operate in a more sustainable and resource-efficient manner while still performing better financially (Confino, 2014). Research shows that SMEs can successfully compete in fluctuating market conditions while being committed to sustainable development by adopting sustainability-oriented innovation practices (Klewitz & Hansen, 2014). These practices can be identified and implemented as a
result of employees engaging in critical thinking given that this cognitive function facilitates problem solving when people are encouraged to think about corporate social responsibility (Deer & Zarestky, 2017).

4.1.5. Political

The Maltese government is highly supportive of SMEs. Through one of its agencies, Malta Enterprise, it provides firms with various kinds of technical and financial support. With respect to employee training, for example, an incentive called Knowledge Transfer addresses skill shortages by providing employees with training and re-skilling in relation to the skill requirements identified by industry (Malta Enterprise, 2023a). Another two schemes run by Malta Enterprise (2023b) – Skills Development Scheme and Family Business Support Services – can also be used by Thinkerly’s clients. Hence, it is important for Thinkerly to be registered as a training provider with Malta Enterprise.

4.2. Five Forces Model

The Five Forces Model facilitates the analysis of an industry’s competitive forces and the identification of opportunities and threats. Porter (2008) argues that the configuration of the five forces is not the same for all industries; hence, the most powerful competitive force/s shapes an industry’s profitability and becomes the most significant driver behind strategy formation. Strong forces have the potential to depress Thinkerly’s profits whereas weak forces can be seen as opportunities (Hill & Jones, 2010).

4.2.1. Threat of Entry

While currently there are no private training firms specialising in critical thinking in Malta, it is possible that universities and other organisations seek to establish a foothold by designing courses and materials that they can sell to SMEs. An example of this might be the University of Malta’s M.A. in Creativity and Innovation. It is also possible that international training providers might seek to make inroads in the Maltese market. Once Thinkerly manages to become an established firm with a portfolio of bespoke training solutions, the main barriers to entry faced by potential competitors include brand loyalty and absolute cost advantages. If Thinkerly becomes associated with critical thinking training, then it would be difficult for a competitor to encourage clients to switch to a new brand. Similarly, once Thinkerly develops a repertoire of top-notch services via the expertise of leading scholars and sell these services to multiple clients, then competitors would find it challenging to match its lower cost structure.

4.2.2. Power of Suppliers

Thinkerly’s suppliers consist of scholars who specialise in critical thinking. Their research helps the company’s trainers to develop courses and materials for use with SMEs. While most research is made available via subscription-based academic journals, some research is commissioned by Thinkerly from the institutions that employ these scholars. The number of scholars that Thinkerly can consult when developing its services is not very small; hence, the company can afford to keep its costs down and increase the quality of the work it commissions. However, there is the risk that the institutions that these scholars work for might decide to enter the industry and compete with Thinkerly directly by offering their own training solutions.
4.2.3. **Power of Buyers**

At present SMEs in Malta interested in developing the critical thinking capacity of their employees lack purchasing power because there is virtually no competition to Thinkerly’s services. Hence, the company can afford to set prices that cover its costs and make a tidy profit. However, once competitors enter the market, switching costs for SMEs are fairly low so they can force Thinkerly to reduce its prices.

4.2.4. **Threat of Substitutes**

While Thinkerly prides itself on delivering training specialising in critical thinking, SMEs can choose to train their staff by means of courses focusing on similar competencies (e.g., creativity). In Malta, such services are already available and while they are not widely used by SMEs, Thinkerly’s success might encourage competitors to market their courses more broadly. This would obviously dampen the company’s profits by forcing it to reduce its prices.

4.2.5. **Rivalry Among Competitors**

Currently, Thinkerly’s specialisation means that it enjoys a monopoly in the training industry in Malta; this allows it to determine prices. However, if the level of demand is sufficiently enticing, competitors might be encouraged to develop similar services and help to push down prices. At the same time though, growing demand would eventually reduce rivalry since there would be enough customers for Thinkerly and its competitors.

5. **SWOT Analysis**

The SWOT Analysis below is meant to enable Thinkerly to determine which internal and external factors inhibit or enhance its performance (Leigh, 2010).

<table>
<thead>
<tr>
<th><strong>Table 1. SWOT Analysis</strong></th>
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<tr>
<td><strong>Strengths</strong></td>
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<tr>
<td>• Thinkerly delivers bespoke training solutions focusing on critical thinking;</td>
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<tr>
<td>• Its courses and materials are based on cutting edge research conducted by established scholars;</td>
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<tr>
<td>• Training is business-related rather than generic;</td>
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<tr>
<td>• Training is provided via face-to-face and online formats;</td>
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<tr>
<td>• The company is the only one that specialises on critical thinking in the Maltese market.</td>
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<tr>
<td><strong>Opportunities</strong></td>
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<tr>
<td>• Thinkerly’s specialisation allows it to monopolise business training related to critical thinking in Malta;</td>
</tr>
<tr>
<td>• The lack of competitors enables the company to determine prices;</td>
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</tbody>
</table>
6. Positioning, Strategy and Competitive Advantage

Thinkerly positions itself as a training provider that specialises in developing the critical thinking needs of business clients. Even once it expands its repertoire of services to address training needs related to a select few other competencies, Thinkerly will continue to position its brand and services as quality driven, specialised and business oriented. Its chosen corporate strategy is influenced by how it positions itself, which in turn contributes to its competitive advantage.

Thinkerly’s growth strategy can be explained by means of Ansoff’s (1957) framework. It is envisaged that in its first year of operations the company will adopt market penetration as a strategy. This will allow it to increase its market share for its training services by winning over new clients within its chosen segment, i.e., SMEs in Malta (Keig & Eliot Brouthers, 2013). In order to implement this strategy, Thinkerly will need to make adequate investments in branding and brand identity (Thomson & Martin, 2010).

After its first year, Thinkerly will adopt market development as its growth strategy. This will enable it to increase its sales of training services in markets beyond Malta. At the same time, by not catering exclusively for SMEs, its customer base can be expanded by targeting new customer segments through the repositioning of its services (Campbell & Craig, 2005). An effective marketing plan would be vital to the success of this strategy.

If Thinkerly manages to secure a large enough market share, it can choose to grow even further by using product development as a strategy. This will allow it to develop new training services for its existing customer segments; for example, selling SMEs and other businesses courses related to analytical and creative thinking, which are the most important skills for employees at present (World Economic Forum, 2023). This strategy implies making significant additions to Thinkerly’s repertoire of services so as to extend its life cycle and facilitate its uptake by its clients (Thomson & Martin, 2010). Thinkerly will have the option of either seeking to develop
new services on its own or else in conjunction with a university or other organisation with relevant R&D expertise (Keig & Eliot Brouthers, 2013). The acquisition of another specialised training provider might also be feasible if Thinkerly secures the required capital.

In line with Porter’s (1980) Generic Strategies Model, Thinkerly will seek to differentiate itself from the competition by underscoring the quality and bespoke nature of its critical thinking training services. In this way, it will be able to charge premium prices. Initially, in terms of its scope, Thinkerly will focus on the SME segment only before selling its services to other kinds of businesses. However, this will still equate to the focused differentiation position. Thinkerly’s attainment of competitive advantage will be a result of its strategic choice to differentiate itself from other training providers along the lines of specialisation and quality of service, and by limiting its scope to business clients.

7. Critique of Models

The Five Forces Model (Porter, 1979, 2008) used above to assess Thinkerly’s competitive external business environment has a number of limitations to it. Managers using this model might feel that it fails to explain what actions they can take with respect to any of the five forces that are impinging on their business (Grundy, 2006). It might also lead them to think of an industry as having fixed boundaries rather than fluid ones (Grundy, 2006). The fact that the model is not adequately related to STEEP factors and that it employs economic jargon might also be problematic for managers (Grundy, 2006). According to Lee et al. (2012), one of the reasons why the model has not gained sufficient attention from practising managers is due to its “difficulty in operationalization; that is, its analytical power is limited in that the overall competitive condition as well as the degree of each force cannot be quantified” (pp. 1783–1784). The Five Forces Model has also been criticised for being antiquated in the social era given that companies wishing to win over clients and be profitable have to focus on selling distinct items in quick response to direct customer feedback (Merchant, 2012).

The Generic Strategies Model (Porter, 1980) used above to explain how Thinkerly’s strategy will allow it to achieve competitive advantage has also been the subject of critique. For instance, it has been pointed out that companies do not need to choose one strategic position over another since in some cases they can pursue all of them in the same industry (Cunningham & Harney, 2012). In addition, the model assumes that strategy implementation runs quite smoothly, but in reality there is a big difference between choosing a specific route to competitive advantage and actualising it in practice (Cunningham & Harney, 2012). Datta (2010) claims that the strategies are excessively broad and that the model presents a restricted view of differentiation. Similarly, the assumed mutual exclusivity of differentiation and cost leadership has long been criticised (Raisch, 2004).

8. Conclusion

The owners and managers of SMEs place a significant amount of importance on critical thinking, valuing it for its capacity to bolster the resilience of a business unit (Kotsios, 2023). Given the current absence of bespoke training focusing on the critical thinking capacity of employees working for SMEs in Malta, it is worth examining what this might consist of as a business proposal. While Thinkerley’s budget and sales pitch are missing from the above proposal, the main purpose of the conceptual case study was to evaluate the main considerations
that a B2B company would need to take when seeking to develop training solutions focusing on the enhancement of employees’ critical thinking in the country.

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Declaration Statements

Conflict of Interest
The author reports no conflict of interest.

Funding
The author received no financial support for this article's research, authorship, and/or publication.

Ethics Statement
No dataset is associated with this article.

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Corresponding Author
The corresponding author for this manuscript is Daniel Xerri who can be contacted by email via daniel.xerri@um.edu.mt