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Bosses Seek ‘Critical Thinking,’ but What Is That?

An Important Skill for Young Workers Has a Variety of Definitions

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Critical thinking is a critical skill for young workers these days. What that means, though—and how to measure it—is less clear. Employers complain that colleges are not producing graduates who can solve problems and connect the dots on complex issues, but bosses stumble when pressed to describe exactly what skills make critical thinkers. That leaves job seekers wondering what employers really want and, once on the job, unsure of whether they’re supposed to follow the rules or break them.

Mentions of critical thinking in job postings have doubled since 2009, according to an analysis by career-search site Indeed.com. The site, which combs job ads from several sources, found last week that more than 21,000 health-care and 6,700 management postings contained some reference to the skill.

“It’s one of those words—like diversity was, like big data is—where everyone talks about it but there are 50 different ways to define it,” says Dan Black, Americas director of recruiting at the accounting firm and consultancy EY.

Brittany Holloway, a music-business major who graduated last spring from New York University, says critical thinking appeared in so many postings during her job search that it, along with traits like “detail-oriented” and “organized,” was nearly meaningless. Only in interviews could she tell what a company meant when it sought those traits.

Ms. Holloway, who now works as a content-review and fraud specialist at Brooklyn-based digital-music distributor TuneCore, defines the skill as “forming your own opinion from a variety of different sources.”

Ms. Holloway, 21 years old, says her current job requires her to think critically when screening music releases before they’re sent to digital stores like Apple Inc.’s iTunes.

Behavioral interview prompts, such as “Talk about how you handled working with a difficult person,” help EY bosses assess critical-thinking skills, says Mr. Black. (His definition: “The ability to work with data, to accumulate it, analyze it [and] synthesize it, in order to make balanced assessments and smart decisions.”)

In late-round interviews, candidates must show how they would tackle business problems, such as whether it makes more sense for a company to make or buy a product, and why.

Goldman Sachs Group, Inc. asks investment-banking and sales-and-trading candidates to assess company valuations and stock pitches and then to explain how they arrived at their conclusions.

By the end of one of those exercises, “the candidates should have displayed whether they possess critical thinking,” says Michael Desmarais, global head of recruiting for the bank.

Critical thinking may be similar to U.S. Supreme Court Justice Potter Stewart’s famous threshold for obscenity: You know it when you see it, says Jerry Houser, associate dean and director of career services at Willamette University in Salem, Ore.

When recruiters tell Mr. Houser they want students with problem-solving skills, “that usually has something to do with critical thinking,” he says. His office encourages students to prepare stories to illustrate their critical-thinking prowess, detailing, for example, the steps a club president took to improve attendance at weekly meetings.

Colleges’ capacity to mold thinkers has been a topic of heated debate. Richard Arum, co-author of “Academically Adrift” and “Aspiring Adults Adrift” as well as an NYU sociology professor, is a prominent critic of how schools are faring on that front.

“Schools have institutionally supported and encouraged [a] retreat from academic standards and rigor,” he says, adding that he thinks colleges have allowed students to focus on their social lives at the expense of academic pursuits.

According to research detailed in those books, students rarely study on their own for more than an hour a day, and most don’t write in-depth papers that require sustained analysis.

For their part, students seem to think they are ready for the office. But their future bosses tend to disagree. A Harris Interactive survey of 2,001 U.S. college students and 1,000 hiring managers last fall found that 69% of students felt they were “very or completely prepared” for problem-solving tasks in the workplace, while fewer than half of the employers agreed.

Judy Nagengast, CEO of Continental Inc., an Anderson, Ind., staffing firm, says she has come across young graduates who “can memorize and they can regurgitate” but who struggle to turn book learning into problem solving at work.

Ms. Nagengast says she grew frustrated with young accountants who didn’t understand the importance of accuracy on tax forms and filed “B-minus financial statements.” She wants and needs to recruit young workers, though, and she is testing the waters with a fresh graduate who’s handling the firm’s compliance with the Affordable Care Act.

Linda Elder, an educational psychologist and the president of the Foundation for Critical Thinking, which promotes educational reform, says employers really want well-trained problem solvers and not critical thinkers, especially in the lower ranks. Critical thinkers, she says, tend to challenge the status quo, which isn’t always what a boss is after.

At Goldman, “we don’t expect new hires to propose changes to our chairman or board on a firm-wide strategy level on Day One,” says Mr. Desmarais. But the bank’s entry-level hires are expected to do more than just fulfill orders, he adds. “We do encourage our junior people to recommend changes.”

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