

## Economics Graduate Employability

### Aims

The broad aims of this project were to attempt to understand employers' requirements of economics graduates, to establish whether they think these graduates generally possess the required skills and knowledge and to reveal any clear shortfalls in order to inform the UK economics academic community. The main challenges here were to identify and contact employers and to invite them to participate.

To assess employers' requirements and experience of economics graduates:

- Do they possess the required skills.<sup>1</sup>
- Do they possess the required knowledge<sup>1</sup>.
- Are there any shortfalls/deficits

### Methodology

A two-stage approach was adopted in order to ensure a full appreciation of employers' attitudes.

#### *Stage One: In-depth interviews*

##### *Aims/focus*

- To understand employers' experience of economics graduates in terms of their skills.
- To understand employers' experience of economics graduates knowledge.
- To identify any skills/knowledge deficits.
- To establish whether recruitment processes identify issues.
- To establish whether training programmes suggest that these graduates are deficient in necessary skills or knowledge.
- To obtain feedback on the Benchmark Statements and the draft questionnaire
- To use this information to help develop the survey questionnaire

##### *Key Findings*

- Communication Skills: a wider range of communication formats and greater attention to detail in written work
- Application of knowledge to problem solving processes
- Employment: preparation for application process and employment
- Debating Skills



## *Stage Two: Survey*

### *Employers Requirements*

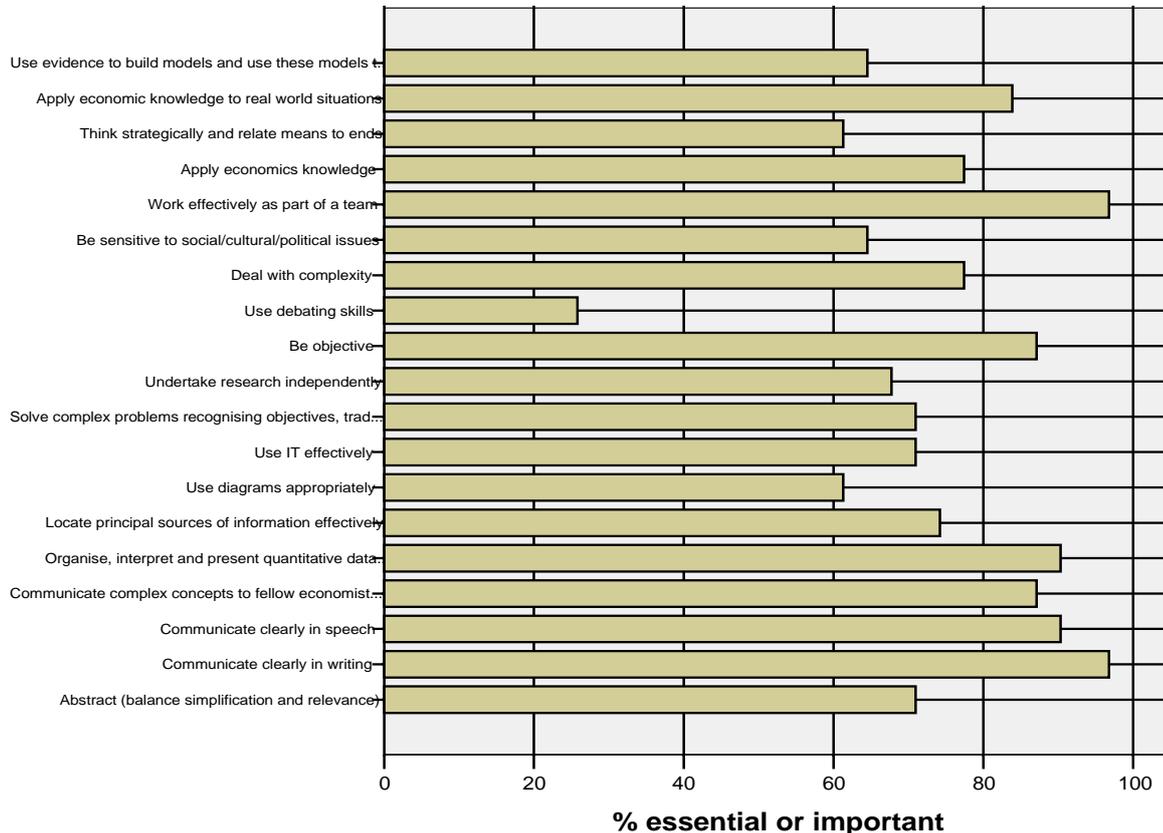
- To establish the **skills** that employers are looking for in a graduate economics student (skills list supplied by interviews and benchmark statements)
- To establish what **knowledge** employers are looking for in a graduate economics student (knowledge and understanding supplied by benchmark statements)

### *Employers Assessment*

- To establish the **skills** employers believe their current graduates bring with them to employment
- To establish the **knowledge** employers believe their current graduates bring with them to employment
- To establish whether employers believe there is a skills/knowledge deficit and to identify any areas in which this occurs.

## Skills

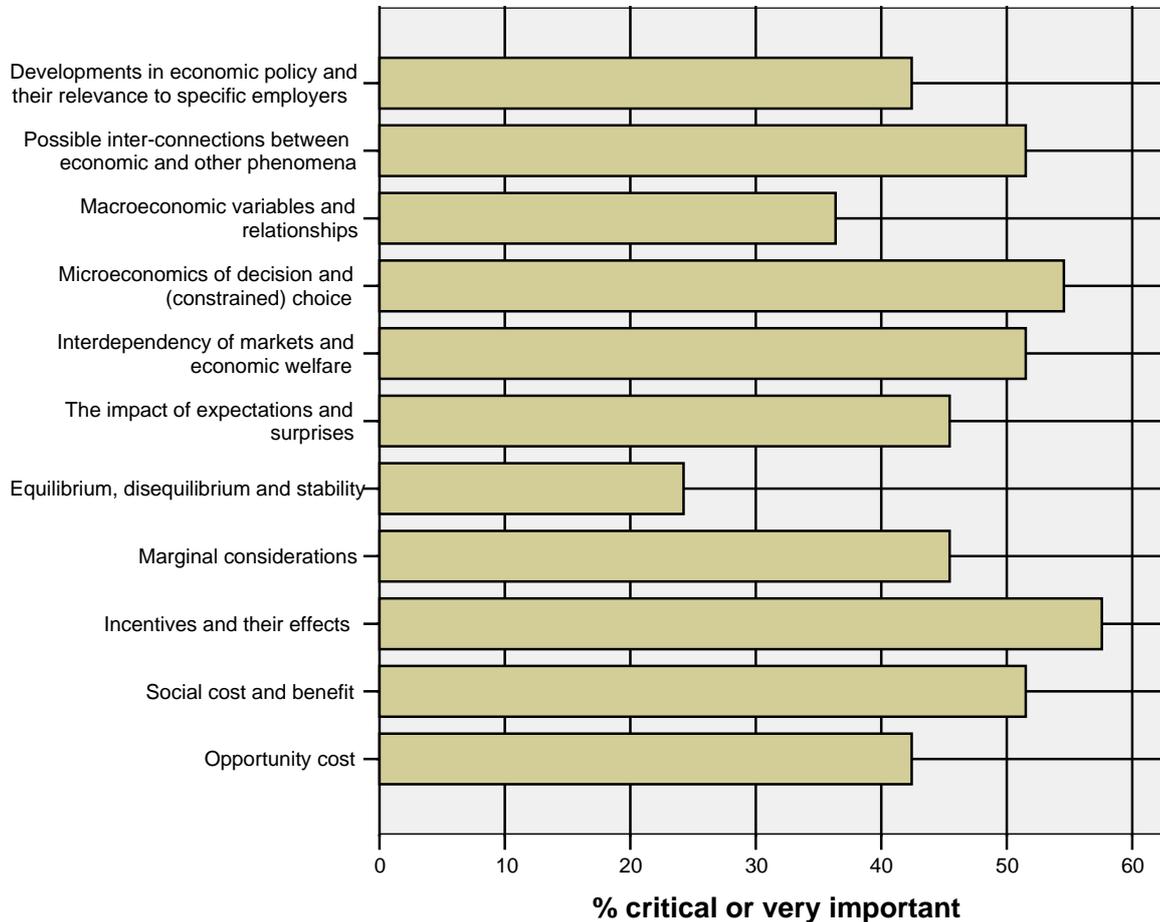
The chart below indicates, for each skill, the % of respondents who considered the skill was **Essential or Important** (as distinct from useful or not required)



Of those who thought the skill was **Essential or Important**, what % considered economics graduates to be **Excellent or Strong** in that skill?

Skill	%
Communicate complex concepts to fellow economists and lay people	41
Communicate clearly in writing	54
Think strategically and relate means to ends	57
Abstract (balance simplification and relevance)	58
Use diagrams appropriately	60
Apply economics knowledge to real world situations	63
Deal with complexity	66
Communicate clearly in speech	68
Solve complex problems	69
Be sensitive to social/cultural/political issues	70
Use evidence to build models	71
Be objective	72
Use debating skills	72
Undertake research independently	77
Work effectively as part of a team	79
Locate principal sources of information effectively	83
Use IT effectively	85
Organise, interpret and present quantitative data <sup>3</sup>	85
Apply economics knowledge to real world situations	87

## Knowledge



Of those who thought the knowledge was **Critical** or **Very Important** what % considered graduates to be **Excellent** or **Strong** in it?

Knowledge	%
Interconnections between economic and other phenomena	50
Developments in economic policy and their relevance	50
Marginal considerations	53
Impact of expectations and surprises	53
Interdependency of markets and economic welfare	53
Macroeconomic variables and relationships	54
Microeconomics of decision and constrained choice	59
Social cost and benefit	65
Incentives and their effects	65
Equilibrium, disequilibrium and stability	67
Opportunity Cost	71



## *Verbatim Comments*

### *Application of Knowledge to Problem Solving Processes*

All of these (*benchmark statements*) play some role. I would like to see more enthusiasm and imagination from economics graduates for economics in a wider range of application areas.

I have a real concern that too narrow a set of theories and models is taught in top UK universities and that opportunities to help students develop a better understanding of the world are missed.

I would like to see more interaction/case study practice developing skills (team work, communication at different levels) and thinking across subjects. The knowledge here is pretty standard for all those we have employed so far but the graduates offer little in the way of application to real situations.

We get the odd outstanding individual who really lives economics. The others are key because of their knowledge areas and we can train them to suit our needs.

We only employ people with excellent economics but I am often surprised by the number of applicants we interview (with good degrees etc) who are unable to explain micro concepts such as consumer welfare, allocative or productive efficiency, etc.

... an ability to think about novel situations in relation to economic theory.

Graduates who see economics in the world around them and don't need the parameters spelt out.

Graduates are weak in this area .. Perhaps more concentration on case study work?

### *Communication*

Some economics graduates we have recruited have had poor writing skills. This includes not being able to think clearly through an issue, structure a report and identify key conclusions.

We know there isn't a huge emphasis on communication skills ...we therefore look for potential.

They don't have a wide enough range of presentation skills ...we need communication over a range of methods ... oral, written, reports, drafts, proposals, journalism vs technical reports.

Inclusion of a dissertation indicates some ability in communication.

Attention to accuracy in written work is imperative and often lacking.

It's the quality of the writing, it's the accuracy ... you know a number doesn't mean anything unless you've got the source, year and context.

### *Numeracy/Quantitative methods*

I have been most disappointed by the ability of recent graduates to handle data sensibly ... almost to the point of wondering whether they have ever tried as part of their studies.

For me what is important is number sense. Experience about how data interrelate and some sense of what the answers to questions might be expected to be. I am surprised that this is not on the list. Beyond that I require problem-solving capacity and the ability to absorb modelling frameworks.

Of greater interest is the quantitative skills and business awareness of economics graduates ... rather than module/knowledge- specific skills.

### *IT Transferability*

Ability to use essential software packages such as Excel, Stata and SAS is quite important as well. In general, an ability to learn such software easily is desirable.

Modeling knowledge or some experience is desirable.

### *Employability*

The graduate market has changed over the past 20 years. In the past it was generally good enough to have a degree but in view of the growth in the graduate market it is now additional features that make a graduate stand out.

Employability says they turn up smart, on time, their soft skills are good, they can listen, diagnose ... have an ability to think.

They don't regurgitate what you have told them ... they have an ability to think.

An ability to demonstrate the worth of any work experience (not necessarily internship or placement).

The fact that they have worked and understand what it means to them in terms of skills and experience.

Training in the application process is needed – they fail to get or succeed in interviews because they:

- have not completed the application form appropriately (fully or without spell checking).
- do insufficient research on the company and job.
- have poor interview skills .. you can see the difference between those who have received training and those who have not.

Attention to the application process and requirements is inadequate by three quarters of all applicants.



### *Macro*

Macro is vital for many here ... macro awareness and understanding is vital for rounded economists.

### *Micro*

We also specifically look for a general understanding of industrial organisation/economics and a very good grasp of microeconomic theory. Good econometrics skills are also important.

### *Markets and Competition*

An understanding of 'market processes' or 'the nature and effects of competition' is important to us and, I suspect, to others employing economists. In this area, I find that graduates have been exposed to a rather poor and narrow training in what competition is and what markets do.