

Measuring the value of an economics degree based on how well it prepares students for work

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Abstract

In this paper, I describe the skills that employers say economics graduates typically need when they start work. I review whether, based on a set of criteria linked to best practice teaching and learning strategies, economics degrees are effectively developing these skills. Where gaps are identified, I consider what the challenges are to designing and implementing a skills-focused degree. The ability of an economics department, as a whole, to overcome these challenges can help improve the relative quality of one degree relative to others when the skills development dimension is considered in isolation.

Keywords

economics education, employability skills, degree value, employer views

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Section 1: Introduction

One way to consider the value of an economics degree is to evaluate the extent to which it prepares students for their working life. This is by no means the only purpose of a university degree but ensuring graduates are equipped with the skills needed to secure a graduate job and to do well in their careers is an important dimension (McCowan, 2015; Rich, 2015). It is also a policy priority for higher education, as emphasised by the House of Commons Education Committee (2018), the Europe 2020 strategy initiatives and the OECD Ahelo Project.

Measures such as the proportion of students in graduate employment or the median salary of graduates tell us very little about how well a degree has prepared students for their working life (Rich, 2015). What if a graduate *chooses* to undertake a low paid role in a charity and excels in that role? Has the student's university provided them with a low-quality degree? At the other end of the spectrum, what about a graduate who secures a high paid job in the financial service sector but struggles to progress in their career because they are not able to work effectively with others? Has the student's university provided them with a high-quality degree?

Instead of focusing on narrow employment metrics we should explore what is happening on the ground in economics degrees to develop skills. We need to understand, as Teichler (2007) notes, what are the drivers behind success, or lack of, in this area. What we need to know is if, given their ability, economics graduates have the skills to progress with their personal career ambition and how, if at all, their degree experience helped them to 'make it'.

In this paper I describe the skills that economics graduates typically need going into the world of work. I present criteria that a 'high quality' economics degree would be expected to exhibit if it is deemed to develop these skills effectively. Designing and implementing a

‘high quality’ degree in this context is not straight-forward with a range of challenges to overcome.

I end with a reminder that an economics degree is only one input into any graduate’s career and cannot be held to account for all dimensions of an individual’s experience in the world of work. However, the relative quality of economics degrees can be judged, to some extent, based on the extent to which they implement teaching, learning and assessment strategies that support the development of discipline-relevant skills and content knowledge.

Section 2: What skills do graduates need?

Economics is not a degree that prepares students for one walk of life. Economics graduates do not all become academic economists, or even professional economists. A high-quality degree, if considered from this perspective, needs to equip students with knowledge and skills that are relevant for many career paths.

The Economics Network Employers’ Surveys (2007, 2012, 2015, 2019) identify skills that employers of economics graduates think are most important. These include being able to communicate complex economic ideas to economists and non-specialists and being able to undertake data analysis by organising, interpreting and presenting quantitative data. The ability to apply economics to the real world was identified as the most important skill. This involves being able to critically analyse economic, social and business issues and being able to do this by framing the problem and simplifying it for analysis without losing the core relevance and context of the issue. In addition to these skills, employers involved with the 2019 Economics Network research on Employability in Economics Degrees also emphasised the importance of being able to work with others and being able to think strategically.

As discussed in Coyle (2012) and Rethinking Economics (2018), there is a potential skill deficit with employers finding that economics graduates do not have strong skills in the priority areas. The Economics Network Employer Surveys (various years) also found that

employers thought economics graduates lacked wider employability skills including ‘creativity’, ‘awareness of cross-cultural issues’ and ‘critical self-awareness’. The list of priority skills, and the finding of a skills deficit amongst graduates, is consistent with other literature that considers employer requirements in a more general context (Anand and Leape, 2012; Archer and Davison, 2008; Cranmer, 2006; Lowden et al, 2011; Pegg et al, 2012; Pereira et al, 2019; Rethinking Economics, 2018; Suleman, 2016).

In this list there are many skills that are consistent with the attributes that are seen as a strength of an education in economics. Logical thinking, data analysis, critical analysis and problem-solving spring to mind for example. The Economics Network (2019) found that economics departments prioritise similar skills to employers in their undergraduate degrees, in particular data analysis, applying economics of the real world and communication. However, the emphasis is very much on academic skills which do not necessarily correspond to what is needed in the workplace. Graduates may not be as well-equipped for broader professional careers as those putting effort into skill development in the degree may hope.

Section 3: How good are economics degree at developing graduate skills?

Most undergraduate economics degrees have learning outcomes that incorporate development of skills similar to those listed above. The harder issue is how to deliver on the ambition of the learning outcomes through the design of curriculum content, teaching and learning strategies and assessment. A balance needs to be struck between providing opportunities for skills to be developed, incentivising students to take those opportunities, and ensuring that the time required to cover the content (knowledge) is not overly squeezed.

Moreover, it is important to recognise that an economics degree is not a training course, and nor should it be. Much learning happens ‘on the job’ and the degree should not be trying to replicate workplace learning or pre-empt what specific skills will be needed ten or twenty years down the road. The role of the degree is to prepare students to be open to life

learning and to learn how to learn for themselves. This means giving them opportunities to try things out, within the context of their economics degree; allowing them to explore their potential.

Based on a review of UK degrees, the literature and focus group discussions with employers, academics and students the Economics Network (2019) established a set of criteria that are needed for effective skill development in a degree. These are illustrated in Figure 1. An economics degree that meets more of these criteria could be considered ‘higher quality’ relative to others, in the narrow context of how well a degree prepares students for their working life.

Figure 1: Criteria for effectively embedding employability skills development in degree



The Economics Network (2019) research emphasises that change can only happen across a degree if there is a whole programme approach, with a conscious choice made by the senior leadership team to embed employability skills across the degree and if culture and processes are adapted to support this vision.

There should also be engagement with employers and alumni to ensure that the degree is focusing on skills that are consistent with what is needed for the workplace. This could be through co-design of class-based activities and assessment with employers. Incorporating workplace learning experiences, such as internships or placements, within the degree can also help but are not necessary. Co-ordination between learning in the degree and workplace learning is also advocated by OECD (2016) and Rich (2015) who emphasises the value of students learning how to behave in the workplace.

The top down coordinated approach should ensure that skills are developed within economics courses, alongside subject knowledge, to ensure the ability to apply the skill in context is developed. This is consistent with Anand and Leape's (2012) argument that skills should be developed that are complementary to the knowledge and Cranmer's (2006) research that embedding skill development in modules is more effective than having bolt-on skills courses. There may be a place for additional 'skills specific' modules but these cannot be relied on as the only mechanism for skills development.

Many authors, including Anand and Leape (2012), emphasise the need to provide many opportunities across the degree to practice applying economics to develop skills. One-off opportunities will have limited value. It is important to think about how skills are developed within and across degrees so that students see progress in skill development as well as knowledge development.

Learning needs to revolve around the principle that students will only develop skills by doing things themselves. This is consistent with a focus on active learning as best practice pedagogy (Prince (2004)). Explaining to students how economists solve a policy problem 'from the front' is far less effective than giving them a problem and asking them how they would solve it (Cotronei-Baird (2019)). Becker and Watts (2001) note that traditional 'chalk and talk' methods of teaching are far more common in economics than in other disciplines. This runs

counter to what is needed to get students active to develop skills. As emphasised by Rethinking Economics (2018) there needs to be greater emphasis on case studies, project work, experiments, role play, working bottom up starting with finding data and more problem solving linked to real world workplace situations. The activities should include working with others, ideally with peers from other disciplines. The skills underpinning these activities need to be assessed alongside any content/knowledge to ensure students, and lecturers, see the value of the skill development.

Embedding skills development within economics courses, ideally those that are compulsory, will help engage students with the activities. Assessing them should increase engagement further, if the skills element of the activity counts sufficiently. Assessments should reflect what problem-solving is like at work; encouraging students to research answers, work in teams and consider problems from different angles. Closed book exams and multiple-choice quizzes, unless very cleverly designed, are unlikely to be the best place to assess skill development.

Where more activities are open book and in independent learning time, students, particularly those who struggle, can get left behind. It is important to have support structures in places, such as interim (perhaps formative) assessments for feedback, extra office hours and discussions forums. It is also important to explain clearly to students what skills they are developing through a course and what the value of the skills are for their study and for future careers. Having previous cohorts, alumni and employers reinforce the message about the value of the skill development may help here. Rich (2015) suggests developing Skills Frameworks for a degree so that students can map skills with content in different courses.

Section 4: Challenges of embedding skills in an economics degree

Implementation of these criteria across a degree is not without challenge. It is a big ask to become a 'high quality' degree based on these dimensions.

Time, or lack of, is one challenge that many lecturers mention. This reaction reflects a common perception that working on skills development is a substitute for working on content/knowledge. However, as Pegg et al (2012) and Knight and Yorke (2006) argue, changes in teaching strategies can mean that it is possible to develop skills and teach content/knowledge simultaneously. For example, it may be appropriate to teach some content outside of the classroom, for example through pre-recorded videos, to allow more time for discussion and active learning in the classroom. Important content does not have to be sacrificed for skills-based activities.

A second challenge is student engagement with the activities. Most (economics) students optimise their time and effort. If they do not see the purpose of an activity it is likely they will not invest effort in it. As discussed earlier, assessing the skill development itself, communicating the value of engaging with the skill development and providing support for independent learning activities are important. Developing a culture of independent working, key to the idea of students learning how to learn themselves, is also needed from the start of their Higher Education journey.

A final challenge is resistance from teaching staff. This can be a mix of cultural inertia, with a lecturer convinced that how things were done before works best, and uncertainty about how to design and implement alternative teaching and learning strategies. Rich (2015) emphasises that most academics have never worked outside of the education sector and are unfamiliar with what employability skill requirements are. Academics may therefore require guidance from employers and alumni. Rethinking Economics (2018) highlighted best practice where economics departments were involving employers in curriculum design at degree and course level. Anand and Leape (2012) similarly suggested the need for professional economists to explain what was needed to academics.

Providing support to lecturers that are open to making changes will help incrementally. However, in many departments a wider change of incentive structures may be needed. Pegg et al (2012) note that research activity may be rewarded more than teaching, and this may discourage lecturers from investing in skills-related innovations in their courses. Lowden et al (2011) went so far as to recommend that promoting employability skills should be built into funding mechanisms for grants and requirements of Research Excellence Frameworks to align research and education interest. Many of these ideas cannot be implemented at institutional level and are unlikely to arise soon across the discipline. It is perhaps more credible to identify ways to persuade lecturers that the effort required is less than they think. Cole and Tibby (2013) emphasise the need to look at what is taught and how it is taught and to find ways to reframe courses using existing resources rather than increasing lecturer workload. Upfront investment in support for staff and students will be needed.

Section 5: Conclusion

Researchers and policy makers often use metrics like % of graduates in graduate level employment or median salary when considering the ‘employability’ value of an economics degree. These numbers are easy to find and present. It is much harder to define outcome measures that capture the broader impact of the degree on the experience a graduate has in their career. I have presented a set of criteria, based on how students learn in practice and how a degree is designed, that can be used to judge how effective, or ‘good’, an economics degree is at embedding skill development into the curriculum.

This is one perspective on how to measure the value of an economics degree. It is important to recognise that a degree is only one input into a graduate’s success, relative to their personal ambition, in the labour market. Universities must play their part but also have a realistic expectation of how much can be done in a degree and how much comes from work itself and wider life experiences. Maybe we should stop trying to ‘measure’ the outcomes and

instead focus on improving the inputs within our control, embedding skill development alongside the teaching of core knowledge.

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