

SOFT SKILLS AND ECONOMIC EDUCATION

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Abstract: This paper aims at highlighting the importance of soft skills and economic education towards an economist' career management & development within the complex context of a knowledge-based society. The authors believe strongly that economic education like life long learning in general is at a turning point. Starting from the most important requirements of the labour market but taken also into account the trends regarding the social & occupational evolution in the long-run we have to identify what kind of skills might make the difference for an economist career management & development in the new context of the knowledge-based society. We strongly believe that one possible answer is given by soft skills and the paper includes some ideas with this respect.

Key words: soft skills, economic education, economists, career management and development, knowledge-based society.

Introduction

Economists are highly appreciated today. Economic and business universities were in the last two decades on the top of students choices. In UK, for instance, in the period between 1992-2010, each year, more than 50,000 students were chosen to study economics and business. Analysis involving economics graduates from a number of selected top schools of economics in UK shows nearly 80 percent in employment six months after graduation – with a wide range of roles and employers, including regional, national and international organizations, across many sectors. For many students who have decided to become an economist we had identified that they really believe that this is one of the most attractive career choices they have. Recent research in the field of career management and labor market demonstrates that each year thousands of students graduate schools of economics and business and they do not have difficulties in finding jobs. On the labor market the demand of economists is still high and the number of new employed economists remains impressive. According to *Occupational Outlook Handbook* (2012) only in 2010 in USA were 15,400 economists. For next decade, 2010-2020, they expect a 6% increase.

In Romania, an economist can find a job in the first three months after graduation, which placed economists in the second position after architects in a job opportunities hierarchy (Voicu et al 2010). The number of students enrolled in schools of economics and business increased spectacular from 1990.

In the university year 2007-2008 it was achieved the highest number of students in economic university education and a new record established - 91.884 economists

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graduated. In spite of doubts regarding graduates employability expressed by media, thousands of students chosen to study economics and business next years. In 2013, the *Bucharest University of Economic Studies* expects to have 30,000 students. *The Bucharest University of Economic Studies* is considered to be “*the university with the best visibility from students’ perspective and employability*” in Romania (Pricopie, 2013).

Research regarding students’ employability shows that even, in these conditions, there is a mismatch between competences students developed at university and competences required on the labor market. Typically, universities put a lot of efforts to produce and deliver knowledge and develop professional/specific competences while employers are looking for more “*soft*” *competences* (Voicu et al 2010) such as teamwork, decision-making, and communication — that, in employers understanding, would help them to become effective employees and managers.

Competences on the labor market

According to *the Job Outlook 2008 survey* (NACE, 2008) conducted in USA by *the National Association of Colleges & Employers* (NACE), the top characteristics looked for in new hires by 276 employer respondents were *soft skills*: communication ability, a strong work ethic, initiative, interpersonal skills, and teamwork. Soft skills are considered critical to developing a strong, vibrant workforce (Schulz, 2013).

Research also suggests that soft skills are important not only for first-time employees, but for the experienced professional too (Neill, 2011). These skills include critical thinking/problem solving, leadership, professionalism/work ethic, teamwork/ collaboration, and adaptability/flexibility.

Soft skills are considered skills or competences for the 21st century work (SHRM 2008). The most common soft skills mentioned in international and national skills assessment (ODEP, 2013) are: critical thinking, problem solving, communication, collaboration, and flexibility and adaptability together with other important analytical, interpersonal skills, abilities, and capacities.

Critical thinking is considered a competency that enables success in a wide range of occupations and leadership roles that involve think critically and creatively, share thoughts and opinions, use good judgment, and make decisions.

Problem solving – Problem solving involves goal-directed thinking and action in situations for which there is no routine procedure to conduct to solution. The process of problem solving consists in understanding of the problem situation and its step-by-step transformation and implies planning and reasoning. Problem solving is strongly related with critical thinking. Both refer to the ability to use knowledge, facts, and data to effectively solve problems, in other words to think independently, assess problems and find solutions. Problem solving has become a key component for workplace success.

Within an economy that demands flexibility and innovation instead of repetitive tasks, problem solving skills are positively related with high-performance.

Collaboration (see Table 1) is considered a broader concept that requires both effective communication skills and also a broader sensitivity to co-workers: “*In an increasingly interdependent world, individuals need to be able to engage with others, and since they will encounter people from a range of backgrounds, it is important that they are able to interact in heterogeneous groups*” (Occupational Outlook Handbook, 2012).

Table 1: 21st-century main important competences

Analytic skills	Interpersonal skills	Ability to execute	Information processing	Capacity for change
Critical thinking	Communication	Initiative and self direction	Information literacy	Creativity/innovation
Problem solving	Collaboration	Productivity	Media literacy	Adaptive learning/learning to learn
Decision making	Leadership and responsibility		Digital citizenship	Flexibility
Research and inquiry			ICT operations and concepts	

Teamwork involves building relationships and working with other people: cooperatively; contributing to groups with ideas, suggestions, and effort; communicating (both giving and receiving information); responsibly; showing respect for different opinions, customs, and individual preferences; participating in group decision-making processes.

Networking is important as a strategy for career development and exploration. A personal network is a group of people that interact and exchange information and experiences for both social and potential professional reasons. Most people actually learn about job openings through friends, relatives, or others who are part of their personal network, and because each person in a particular network has a network of his or her own, the potential contacts can grow exponentially. Networking can lead to informational interviews and great exposure for potential jobs' candidates. *Social networking* became more important as the internet became part of the daily life and has significantly changed the way people connect each other, do business, and socialize. Social media develops social skills, digital competence and do research. Social networking can open up a new world of communication, integration, and community participation.

The most important 21st century competences can be grouped in five broad categories: analytical skills, interpersonal skills, ability to execute, to process information and capacity for change.

An extended list of the 21st century competences and skills would include: creativity/innovation; critical thinking; information literacy; problem solving; decision making; flexibility and adaptability; learning to learn; research and inquiry; communication; initiative and self direction; productivity; leadership and responsibility; collaboration; ICT operations and concepts; digital citizenship; media literacy. Based on the analysis of more than 2.000 interviews with employers – small, medium and large-sized companies a competence model which includes 14 key competencies was developed in Czech Republic (Competencies for Labour Market, 2013). The “*soft*” competences identified are: (a) effective communication; (b) co-operation; (c) entrepreneurship; (d) flexibility; (e) customer orientation; (f) efficiency; (g) independence and decisiveness; (h) problem solving; (i) organizing and planning; (j) life-long learning; (k) proactive approach; (l) stress resiliency; (m) exploring and orientation in information; (n) communication in foreign languages.

The gap between academic education and required skill sets on the labour market for different industries has been addressed on several occasions, especially in ITC oriented branches.

Problem Based Learning was subject of several academic studies covering best practices in academic education (Wahl et al, 2012). Some authors illustrate the importance of some soft skills and values as work readiness skills for the vocational graduate. The challenging situation of today’s economy means that it is no longer sufficient for graduates to have only knowledge of an academic subject; it is required for student to increase the skills which will enhance their prospect of good employment (Wilson et al. 2011). In addition, the attributes (knowledge, attitudes and abilities) of the graduates seems to be very decisive in the workplace which ultimately empowering the student as a critical life-long learner (Wheelahan and Moodie, 2011).

Competences required for the career management & development in the case of an economists

A typical description of the work an economist is supposed to perform indicates activities and operations like: analyzing data and statistics, identifying trends in economic activity, economic confidence levels, and consumer attitudes, assessing information based on statistical analysis, recommending methods/ways to improve the efficiency of a system or take advantage of trends.

The Occupational Outlook Handbook (2012) presents ‘*quick facts*’ about economists and their duties. The job description indicates the main categories of activities economists do: research; analyze economic reality; conduct surveys, collect data; analyze data based on models and statistical techniques; prepare reports that present research results; interpret & forecast market trends; advise businesses, governments, and individuals on economic topics; design policies or make recommendations for solving economic problems.

In order to act in a competent, effective and efficient way an economist lifelong learning education requires mostly:

- **Analytical skills.** Economists must be able to review data, observe patterns, and draw logical conclusions. For example, some economists analyze historical employment trends to make future projections on jobs.
- **Critical-thinking skills.** Economists must be able to use logic and reasoning to solve complex problems. For instance, they might identify how economic trends may affect an organization.
- **Detail oriented.** Economists must pay attention to details. Precise data analysis is necessary to ensure accuracy in their findings.
- **Math skills.** Economists use the principles of statistics, calculus, and other advanced issues in mathematics in their economic analyses.
- **Speaking/communication skills.** Economists have to be able to explain their work to others. They may provide presentations, reports, or advise clients on economic issues. They have to explain economic concepts to people who don't have a background in economics.
- **Writing skills.** Economists have to be able to present their findings clearly. Many economists prepare reports for colleagues or clients; others write for publication in journals or for news media.

From an economist point of view critical or essential competences are: communicating complex concepts to fellow economists and lay people; communicating clearly in writing; thinking strategically and relate means to ends; abstracting (balance simplification and relevance); using diagrams appropriately; applying economics knowledge to real world situations; dealing with complexity; communicating clearly in speech; solving complex problems; being sensitive to social/cultural/political issues; using evidence to build models; being objective; using debating skills; undertaking research independently; working effectively as part of a team; locating principal sources of information effectively; using ITC effectively; organizing, interpreting and presenting quantitative data; applying economics knowledge to real world situations (O'Doherty et al., 2007).

Training of trainers. Teaching competence in Economics

Many economists agree that the purpose of teaching economics mostly at the university level should be more like understanding *the economic way of thinking*. As Garry Becker would say, '*looking at life*' economics professors would not have just to inform students in respect with economic ideas and theories. That means that, while teaching, economics professors would use chains of helping students to understand the economic way of thinking. Formative tools should be more important for an economics professor than the informative ones (Siegfried and Walstad, 1998). Moreover, economics professors and trainers are expected to:

- identify trade-offs & incentives in the context of existing constrains;
- apply both positive and normative analysis, emphasizing the differences

- between *what is* and *what ought to be* perspectives;
- derive implications from different changes (in demand, supply and prices etc);
 - explore the consequences of aggregation;
 - describe implications of changes in economic institutions and policies;
 - interpret data to evaluate and refine an existing understanding of economy;
 - check the validity of hypotheses about how economic agents make choices.

This is what is usually considered '*thinking like an economist*'. Economists are supposed to have problem-solving skills and to use analytical reasoning techniques and principles of economics. They need *creative skills* to frame questions, to select pertinent data and identify tools and principles that apply to particular problems, to understand or explain unexpected results.

One important principle in economics is the *ceteris paribus* one. According to this principle, economic analysis shouldn't examine many forces simultaneously. At a time, it should focus on one important factor, abstracting all the others. This involves using a simplified theoretical model, based on the assumption that only one factor is changing and all the others are fixed, to understand complex situations. The strength of economic analysis is the provision of focus and clarity, while the weaknesses are consequences of too much simplicity.

Economic approach is focused on *decision making techniques* and how choices are made and on consequences of choices too. Three aspects need to be underlined in respect to this: (a) comparison of alternatives; (b) measuring the costs of each alternative in terms of opportunity costs; (c) rational decision is the less costly one, in other words - the most efficient one.

Major in economics implies solid knowledge on economics: micro-, mezzo-macro- and international economics. At an introductory level fundamental economic concepts are introduced to students and is demonstrated how economics is applied to real life situations. The main purpose of introductory economics is to reveal the power of economic analysis and its practical utility. At an *intermediate level*, students are focused on economic theory and usefulness of theoretical topics and paradigms. For to achieve these objectives in teaching economics, the theory is confronted with data, models are applied to various problems and outcomes of alternative theories are compared. At this level, students are asked to apply what they have learned and exercise critical thinking. Quantitative methods courses are focused on: (a) measurement of economic variables; (b) organizing, working with and manipulating data for the purpose of comparison; (c) testing hypothesis empirically; (d) interpreting statistical data and results. Additional elective courses are focused on historical, international and political topics related to economics - economic history, history of economic thought, comparative economic systems, and area studies. On a deeper level of preparation, generally considered as intellectual maturation, students are required to apply what they have learned to an economic problem. So they are required 'to act as an economist'. That involves students formulate questions, gather structures, analyze information, and draw

conclusions in oral and/or written form. It also involves establishing of ‘*capstone experiences*’ (special seminars, honor research projects or independent studies).

Conclusions

Based mostly on the literature review (important when we want to implement a new way of thinking and acting in an efficient and effective way) the paper suggests that we are on a turning point regarding economic education. *Soft skills* are crucial for the complex and dynamic process of career management & development for an economist mostly within the knowledge-based society context.

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UMIEJĘTNOŚCI MIĘKKIE I EDUKACJA GOSPODARCZA

Streszczenie: Niniejszy artykuł ma na celu podkreślenie znaczenia umiejętności miękkich i edukacji ekonomicznej w kierunku zarządzania karierą i rozwojem ekonomisty w złożonym kontekście społeczeństwa opartego na wiedzy. Autorzy przekonani są, że edukacja ekonomiczna, podobnie jak uczenie się przez całe życie jest w punkcie zwrotnym. Zaczynając od najważniejszych wymagań rynku pracy, ale biorąc również pod uwagę tendencje w zakresie społecznej i zawodowej ewolucji w dłuższej perspektywie musimy zidentyfikować, jakiego rodzaju umiejętności mogłyby coś zmienić w zarządzaniu i rozwoju kariery zawodowej ekonomisty w nowym kontekście społeczeństwa opartego na wiedzy. Jesteśmy przekonani, że jedna możliwa odpowiedź to umiejętności miękkie i niniejszy artykuł zawiera kilka pomysłów z tym zakresie.

Słowa kluczowe: umiejętności miękkie, edukacja ekonomiczna, ekonomiści, zarządzanie i rozwój kariery zawodowej, społeczeństwo oparte na wiedzy.

软技能和经济教育

摘要: 本文旨在强调软技能和经济学家对经济教育的重要性的职业生涯管理和发展在复杂背景下的一个以知识为基础的社会。作者强烈认为，经济教育就像生命长学习一般是在一个转折点。但还采取进入劳工市场的最重要的要求从开始考虑有关社会的趋势，从长远来看我们要找出什么样的技能的职业演变可能区别为经济学家职业生涯管理与发展上下文中有新的以知识为基础的社会。我们坚信由软技能给可能的答案是，纸张包括这方面的一些想法

关键词: 软技能、经济教育、经济学家、职业生涯管理和发展、以知识为基础的社会