From attitude to empathy, we explore the power of soft skills in an automated world.
Unlocking entrepreneurial potential—and perhaps even GDP growth

Consider the experiences of two groups who, at first glance, could not appear to be less similar: participants in a women’s entrepreneurship training program in Guatemala and Major League Baseball’s 2016 World Series champions, the Chicago Cubs. The success of each has been attributed in part to soft skills awareness and development.

Funded by Oxfam America, the Women in Small Enterprise program is the focus of Not Strictly Business: Improving Women’s Entrepreneurship Through Soft-Skills Training and Engagement of Men. The report was co-published by Oxfam America and Value for Women in October 2016. Author Daina Ruback was interested in determining which barriers were preventing women from starting businesses and participating fully as entrepreneurs. She also sought to resolve the question of why women drop out of programs that offer training and support for women in entrepreneurship.

Her study found that soft skills development in areas such as negotiation and communication, along with leadership training, put women on a more level playing field with their male counterparts and strengthened their prospects for long-term success. “Soft skills development empowers them to be able to do better in business and helps them to advocate and make decisions if they’re in a position where maybe they don’t control the money in the household,” Ruback says. “Especially in Latin America, we’ve seen that the women who get soft skills training wind up staying in the entrepreneurship or business development programs for longer, feel more successful, and keep pursuing the small business path.”

Those results are significant not only for the individual women, but also potentially for the global economy. An October 2014 BCG Perspectives article reported: “if women and men participated equally as entrepreneurs, global GDP could rise by as much as 2 percent or $1.5 trillion, according to research by The Boston Consulting Group.” We can’t conclude that soft skills training has the power to be directly responsible for sparking that increase, but there is evidence to suggest that it would help position women to launch and sustain businesses capable of generating that trillion-plus dollar increase.

The world is navigating a transition from the knowledge economy to the self-knowledge economy. In every area of operations, automation and robotics are remaking the way we manage traditional day-to-day tasks. Virtual collaboration platforms are altering how we manage digital access to data is driving unprecedented capacity—and demand—for real-time decision-making. Yet as we reinvent the way we do business, the real game-changer may prove to be neither algorithms nor artificial intelligence, but rather human intelligence.

People, it seems, still have one commanding competitive advantage over technology: the ability to understand other people. To express empathy, communicate persuasively, and seek common ground in a manner that allows groups to agree on an action plan and, more important, to feel collectively invested in its success. Throughout the world, market demand is placing a premium on job applicants who demonstrate these and other “soft skills,” and companies are investing in development programs that strengthen these attributes in their employees.

As tasks are automated and job roles and responsibilities evolve, human qualities are the new essential for the workforce and the workplace.

What’s driving this rush of enthusiasm? There’s yet to be a study conducted that demonstrates in hard numbers that soft skills play a direct, causal role in driving success for either candidates or corporations. But individual organizations have become attuned to the impact of soft skills deficiencies within their ranks, and pioneering studies suggest that training in these areas can contribute to conditions that strengthen sustained organizational performance and financial results.
As for the Chicago Cubs: observers have noted that emphasizing soft skills played a key role in recruiting and developing a team that would win its first World Series championship since 1908. This October 2016 Quartz article reveals how managers sought players with such qualities as character and ability to cope constructively with failure. They instructed their talent scouts to seek details of instances in which prospects had weathered adversity on and off the baseball diamond—a skill that would take on tremendous significance during post-season play.

By placing value on these personality traits and not just on batting and fielding skills, the organization assembled a team that won 103 of 161 games during the regular season. The players went on to win the championship by persevering despite having fallen behind in the series by three games to one.

With examples like these—even to the extent that they’re anecdotal rather than empirical—it’s no wonder that companies are exploring what they can achieve by making these traits a priority in recruitment and professional development. But regardless of the extent to which they can unlock increased profit and growth potential, soft skills are becoming a business imperative because legacy skills are losing relevance as the nature of work is disrupted.

“Soft skills played a key role in recruiting and developing a team that would win its first World Series championship since 1908.”
The new workplace demands an update to old work skills

In January 2016, the World Economic Forum published a Global Challenge Insight Report titled The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution. "The accelerating pace of technological, demographic and socio-economic disruption is transforming industries and business models, changing the skills that employers need and shortening the shelf-life of employees’ existing skill sets in the process," the authors wrote. "For example, technological disruptions such as robotics and machine learning—rather than completely replacing existing occupations and job categories—are likely to substitute specific tasks previously carried out as part of these jobs, freeing workers up to focus on new tasks and leading to rapidly changing core skill sets in these occupations.”

"Soft skills are becoming a business imperative because legacy skills are losing relevance as the nature of work is disrupted."

Professionals will need more than freedom to take on their new responsibilities, and studies suggest that neither employees nor employers have prepared adequately for the shift that is already underway. Findings of the Workforce 2020 study conducted by Oxford Economics and SAP underscore the depth of the divide. The report, based on a survey of more than 2,700 executives and 2,700 employees in 27 countries, found that according to more than 50 percent of executive respondents, “problems with talent and key skills are affecting business performance.” At the same time, half of employees said they do not expect their current skills to be adequate just three years from now. Anxieties in that regard are heightened by the fact that according to both executives and employees, only half work at companies that have “a culture of continuous learning.”

“59 percent of hiring managers said soft skills are ‘difficult’ to find in job applicants.”

Within this changing dynamic, there is a growing demand for soft skills not only for their intrinsic value, but also because they give employees a basis for learning and gaining command of new responsibilities.

When LinkedIn surveyed 201 hiring managers in the United States, it found that 59 percent said soft skills are “difficult” to find in job applicants. The problem is serious enough that 58 percent of respondents said soft skills deficiencies in the pool of candidates are “limiting their company’s productivity.” In August 2016, Guy Berger, Ph.D., an economist at the company, published findings of an analysis of soft skills listed on the LinkedIn profiles of people who had listed a new employer between June 2014 and June 2015. His review identified communication, organization, teamwork, consistent punctuality, critical thinking, social skills, creativity, interpersonal communication, adaptability, and a friendly personality as the ten soft skills most in demand among employers.

This is not a comprehensive or universal list of what constitutes soft skills. Critical thinking, for example, is regarded by some experts as a subset of facility at problem-solving, which can fall within the category of hard skills. And beyond soft skills basics like strength in communication and interpersonal relationships are more nuanced capabilities that are gaining importance in an increasingly global and inclusive workplace. When the Pew Research Center conducted a review of The State of American Jobs, it found that 85 percent of respondents ranked “ability to work with those from diverse backgrounds” as a key soft skill. But while there may not be unanimous agreement about the way we define soft skills or their parameters, there is consensus that employees must demonstrate some combination of these skills to be assets in today’s workplace and to be equipped for continued productivity throughout their careers.
The move to promote soft skills is not a privilege that only the most developed economies and job markets can afford to indulge. Companies, governments, NGOs, and individuals in Europe, Asia, Africa, and the Americas are convinced that soft skills contribute to strengthening productivity, customer relationships, and overall performance. Belief in their power to transform individual and team potential has been a catalyst for the launch of training initiatives across many industries and around the world. Recent news includes these reports from:

**Canada**

CIC News, the Canada Immigration Newsletter, provided readers with information about an October 2016 webinar, Career Success and Communication Skills in Canada. The information, which was addressed to the “skilled immigrant” population, counseled that “developing your workplace communication skills may be one of the most important factors in achieving your career goals in Canada.” It went on to explain that this skill involved not just speaking English well, but “effective workplace communication” overall. This was defined as including tone of voice, body language, cultural sensitivity, sense of humor, and other communication-related soft skills that contribute to making a positive impression.

**India**

In September 2016, The Asian Age reported that the Central Industrial Security Force, which manages security in the Delhi Metro network, would provide soft skills training to 250 staff members. The article quoted a senior CISF official as saying that the training would help personnel to develop the interpersonal skills necessary to deal with passengers—particularly tourists—in a “more friendly” and “more dignified” manner. The initiative is part of an ongoing program that began with training conducted by private companies. Results of those initial efforts led the CISF to bring its own soft skills trainers in-house. And in October 2016, The Hindu reported on the Puducherry government’s announcement that its Department of Information and Technology would provide soft skills training to 5,000 candidates. Conducted in collaboration with the Information Communication Technology Academy, the training would provide candidates with assessment and certification intended to help trainees qualify for employment at multinational corporations.

**Malta**

According to data compiled by the Employment and Training Corporation (a division of the Ministry for Education and Employment), the percentage of foreigners in the country’s labor force has more than doubled since 2008. In December of that year, the figure stood at 9,821, or 14.7 percent. In a Times of Malta column published in August 2016, Lawrence Zammit, Founding Partner and Director of consulting firm MISCO, attributed the trend to a shortage of local labor “both in quantitative and qualitative terms.” He called on young people to develop the communication, interpersonal, organizational, and other soft skills required to compete successfully for jobs in this market.

**Peru**

In October 2016, members of the Asia-Pacific Economic Cooperation (APEC) Forum met in Lima for the International Symposium on Strategies for Strengthening Employability (Soft) Skills: Facilitating Quality Growth Through Upskilling. Speaking at the symposium, Alfonso Grados, Peru’s Minister of Labor and Employment, equated lack of soft skills with limited access to the employment market. He added that Peru plans to create a network for exchange of knowledge and best practice in the development of soft skills as a means of strengthening employability. The objective is to create a “global benchmark” that benefits all APEC members.

**South Africa**

In Johannesburg, Chief Financial Officers are developing the skills they need to transition from operational and risk management responsibilities to more complex roles as strategists, catalysts, and leaders. In an October 2016 interview with Business Report, Ajit Kambil, global research director of Deloitte’s CFO program, spoke of the company’s CFO Transition Labs. The one-day workshops are designed to help new CFOs to learn to “define and communicate their priorities, assess and develop a talent strategy, understand and influence key stakeholders, and develop an action plan for their first 180 days.” These areas of focus drive home the realization that facility with numbers is not enough for CFOs in today’s market: they must also have the soft skills necessary to be able to create a narrative of the company’s story.

**United Arab Emirates**

In October 2016, Dr. Dala Fakki Kakos, chief education and strategy officer of Valour Ventures in Dubai, hailed soft skills as “the way forward to allow for lifelong learning and lifelong job security.” In a column published in The National, he called for a paradigm shift in education and training toward greater emphasis on soft skills “to bridge the existing gap between outdated graduate skills and what the modern workforce needs.”

**United Kingdom**

A survey conducted by British Gas found that employers actively seek entry-level candidates with communication, time management, leadership, and other soft skills. More than half revealed that they look into candidates’ volunteer experience as one indicator of those skills, TheBusinessDesk.com reported in August 2016. The article noted that 90 percent of responding employers advised new graduates to focus on soft skills in equal measure with grades and experience. They place such a premium on these attributes that 25 percent said they examine prospective candidates’ social media presence to gain clues into their personality type and style of interacting with others before they’ll extend an interview invitation.
Moving ahead requires moving beyond the comfort zone

Among the challenges in soft skills training and development: cultivating these capabilities in professionals who traditionally did not need them and who may even have been drawn to careers that did not require them. As accounting, finance, and technology become more automated, for example, there’s less room in the workplace for people who aren’t adept at verbal communication and hoped to find refuge in calculations or code. Likewise, employees who say they work best independently will need to learn to contribute within teams in the new culture of collaboration.

“The old adage was that you hire for attitude and train for skills,” says Stephan Howeg, Adecco’s Chief Marketing and Communications Officer. “Now that most people will need to continuously update their skills throughout their careers, attitude and mindset are more important than ever. Soft skills have value in themselves and are a good barometer of job candidates’ facility for adapting to change and contributing to the organizational agility that is essential to success in today’s market.”

But soft skills are also known as non-cognitive skills, so in many cases, their development means learning to adapt behaviors or practices as opposed to mastering systems or executing tasks. When faced with the need to learn to be more communicative or to adjust the way they interact with others, many people feel as though they’re being asked to change their nature. How can they improve, rather than tear down and rebuild, who they are? How can the managers, executives, and leaders in their organizations create the best environment for teaching, recognizing, and rewarding behavioral learning?

“Some programs developed by psychologists work on what they call theory of mind skills—the ability to put yourself in someone else’s shoes mentally, think how they think, and anticipate their needs and reactions,” says David J. Deming, Professor of Education and Economics at Harvard University’s Graduate School of Education.

Those skills come into play when someone is planning a presentation or negotiation, for example. What are audience members likely to ask during the question and answer session following the presentation? Which negotiating points are likely to face opposition, and how can anticipating those objections aid in developing ways to reach common ground? Deming explains: “You have to think, ‘Well, if I were asking the questions, I would ask these, but other people don’t think like me. How do they think?’ There are programs that try to get people to build those skills.”
Examining perceptions, using persuasion, seeking partnership

A refined sense (or at least awareness) of empathy, then, is a cornerstone of soft skills development. “The principles of persuasion, getting people around to your way of thinking, depend largely on your ability to connect with them on an individual level as opposed to a rationally built and maintained argument,” says Linda Chander, director of Sydney, Australia-based Enskills Learning & Development.

That can require a significant shift in mindset and practice for people who are accustomed to getting ahead professionally by demonstrating how intelligent they are. The danger is that they will be seen as trying to appear not just knowledgeable, but smarter than the colleagues or partners they’re trying to engage. Doing so can backfire to the point of undermining their authority and prompting others to withdraw support that they might otherwise have provided. Conversely, exercising soft skills encourages all parties to recognize commonality, feel a sense of rapport, and arrive at agreement on decisions and actions.

Fine-tuning and heightening a sense of empathy also requires practice. It’s a habit that can be developed deliberately and consciously in tandem with a greater degree of self-awareness. Someone who advocates passionately for a certain course of action, for example, can shift from assembling counter-arguments for those who have another viewpoint to thinking about the ways in which their concerns are valid. Choosing to look at the issue from their perspective can help to understand differences of opinion and outlook, and that understanding creates a basis for finding common ground and moving toward consensus.

Deming points out that whereas chess is a zero-sum game from which a winner and loser will emerge, “that’s not really the most common scenario in the business world.” In a business context, there’s a desire for partnership, whether with clients, colleagues, and ideally, even rivals within the organization. Best practice is to share the workload and assign individual responsibilities based on each team member’s strengths, to communicate well, and to ensure that the collective effort produces stronger results than individuals could deliver on their own.

Becoming adept at this component of soft skills isn’t intended to lead to executing an immediate shift from opposition to agreement. Rather, its purpose is to encourage a greater measure of receptiveness on all sides to listen to other points of view and a move away from simply retrenching and restating existing positions. Like intelligence, soft skills can be used to achieve many aims, from critiquing others’ ideas constructively to communicating in a manner that is persuasive and encourages people to come together in pursuit of a shared goal.

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When everyone in a business setting has worked toward optimizing soft skills, they create an environment that encourages interdependence and fosters a sense of trust in project partners. Deming therefore sees soft skills development as a kind of capacity building that has diverse applications and is able to deliver far-reaching individual and team benefits.—
Soft skills training is a platform for leadership development

At an institutional level, soft skills development programs therefore create an opportunity to identify and cultivate formal and informal leaders throughout the organization. Those with a natural inclination to be communicative, encourage team-building, foster creativity in problem-solving, and facilitate adaptability in pursuit of superior solutions will emerge as role models. They’ll be in a position to lead by example and bring out the best in colleagues who struggle more in developing those skills.

“As workplace demands evolve, leaders will be recognized for their ability to cultivate soft skills throughout the enterprise,” says Alain Dehaze, Chief Executive Officer of the Adecco Group. “In this context, leadership will reflect merit and success in reaching performance targets rather than titles or positions on the organizational chart. This is in keeping with another trend in business, the flattening of traditional hierarchies and creation of opportunities for more people to take charge and help drive the company forward. And we will see this in blue-collar industry as much as in white-collar corporations.”

Another complementary trend is the move among successful companies to give their employees more creative freedom and increased opportunities to explore innovative ideas. Chander sees this as providing indirect support of soft skills development because it “loosens the commercial constraints that we put on other people and encourages greater cooperation within the company itself.”

At that end, she urges employers not to put the onus of soft skills development entirely on employees, but to recognize the role that corporate culture plays in empowering them to realize their full potential in these areas. The embrace and promotion of that culture must come from the top down and must clearly establish the organization’s standards and expectations. “In the sessions I run, I say that as a leader, your minimum standards become their maximum standards,” she says.

Another area of organizational initiative is in skills definition and identification. Deming encourages companies to put an explicit focus on the soft skills they need, screen employees for those abilities, and implement a development strategy for those members of the staff who fall short of expectations. He believes soft skills or social skills assessments conducted by psychologists can be useful in this regard.

An area that companies have neglected, he adds, is “intentional evaluation and analysis of group work” to identify members of the staff who “make their team better, even if their contributions don’t always show up. Those people are probably undervalued because we don’t have a good way of measuring their contributions.”

Organizations that find a way to identify, recognize, and reward these often unsung heroes can create a significant competitive advantage by motivating more members of the team to emulate these colleagues’ conduct. “The key, as in any corporate culture initiative, is to show—not just tell—employees the kinds of contributions and behaviors most valued by the company and to make the recognition meaningful to those who have earned it.”

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A mechanism for making all work less mechanical

These principles apply equally to enterprises of all sizes and workplaces across all industries, says Adecco Public Affairs Specialist Menno Bart. Employees who are equipped with soft skills are better positioned to take a more active part in their companies’ growth and their own career achievements. “They discover within themselves a capacity for doing something more than simply counting their hours and doing their job each day,” he says. “Rather than just performing their assigned tasks, they begin to see their work in the larger context of the activities of the organization as a whole, and they become more open to seeking opportunities to expand their role in support of those activities.”

Millennials enter the workforce expecting that experience from the start of their careers. They regard jobs not just as a way to earn a living, but also as means of creating meaning in their lives. As soft skills help to foster stronger and more productive human relationships, they complement and support this generation’s approach to working. An additional advantage is that they have the opportunity to cultivate soft skills as they develop work habits that are best suited to the current and emerging professional environment.

Conversely, their colleagues who are at mid-career may find it necessary to unlearn habits formed by now-outmoded workplace dynamics. They may find it more challenging to acquire and apply soft skills in an environment in which virtual collaboration has become commonplace and communication often occurs in a vacuum devoid of in-person communication cues such as tone of voice and facial expression.

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On the other hand, Millennials face the additional challenge of having to monitor industry and job market changes and anticipate the soft skills development they should pursue now so that they’re able to adapt to role shifts for decades to come. Thus, regardless of career stage, all employees can derive value from cultivating soft skills—and all face risks should they fail to do so. Those risks are real and not to be underestimated. “Soft skills are essential,” Chander says. “They can make a massive difference to business output and to the individual experience in the workplace.”

Creating community without sacrificing conviction

Soft skills are a powerful tool for strengthening relationships and managing change. At the same time, employees and organizations need to recognize the need to both exercise and control these skills—to use them wisely and in moderation. Chander stresses the importance of distinguishing between taking others’ opinions and perspectives into account and being accommodating to the point of failing to stand firm on core convictions and commitments.

Being equipped with exemplary soft skills should not prevent any professional from being passionate and taking firm positions. Rather, being adept at communication, persuasion, and personal interaction strengthens the ability to advocate effectively for that position and make that passion infectious. And when everyone on a team approaches strategy development, problem-solving, decision-making, and execution of action plans from that position, the result is a conclusion reached in an environment of mutual respect, interdependence, and confidence.

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“Soft skills are a force that, once harnessed, can drive optimal individual and enterprise-wide performance now and into the future.”

Those qualities, in turn, support organizations’ and individuals desire to instill a sense of ownership in projects, an investment in their success, and a feeling of collective achievement as each new milestone is reached. By that standard, soft skills are a force that, once harnessed, can drive optimal individual and enterprise-wide performance now and into the future. With power of that magnitude, these capabilities will remain in demand and will continue to set the most successful companies apart from their competitors.

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Resources and Further Reading

For additional information about soft skills development theory and practice, consult these reports, studies, articles, and online resources.

Hard Thinking on Soft Skills
The Brookings Institution
http://www.brookings.edu/research/hard-thinking-on-soft-skills/

Seven Facts on Noncognitive Skills from Education to the Labor Market
The Hamilton Project
http://www.hamiltonproject.org/papers/seven_facts_on_noncognitive_skills_from_education_to_the_labor_market

The Soft Skills of Great Digital Organizations
Harvard Business Review
https://hbr.org/2016/02/the-soft-skills-of-great-digital-organizations

Hard Measurement of Soft Skills
The World Bank Development Impact Blog

Indiana Wesleyan University and CPA Center of Excellence launch international partnership to boost soft skills Accounting Today

Wanted: Accountants with Mix of Hard and Soft Skills
AccountingWeb.com

How to Strengthen Your Staff’s Soft Skills
Associations Now
http://associationsnow.com/2016/06/how-to-strengthen-staffs-soft-skills/

19 soft skills every leader needs to be successful
The Australian Financial Review

Study shows MBA students want to learn soft skills, but not self-awareness
The Australian Financial Review

What’s more important: Technical ability or soft skills?
CGMA (Chartered Global Management Accountant) Magazine

How to Bridge the Soft Skills Gap
Chief Learning Officer
http://www.chieflearning.org/2016/04/19/how-to-bridge-the-soft-skills-gap/

Technology skills demand accelerates outside the IT department
Computer Weekly

Soft Skills: An IT Career Must-Have
Datamation.com
http://www.datamation.com/careers/soft-skills-an-it-career-must-have.html

5 Soft Skills You Need to Master for Workplace Success
Inc.com
http://www.inc.com/the-muse/5-emotional-intelligence-leadership-skills-you-need-for-success.html

Why soft skills are important for every employee
Learning & Development Professional
http://www.lphpub.com/general-news/why-soft-skills-are-important-for-every-employee-223585.aspx

How humans will learn to coexist with bots
VentureBeat.com

Why There’s Nothing “Soft” About Soft Skills
U.S. News & World Report

Hunting for Soft Skills, Companies Scoop Up English Majors
The Wall Street Journal
http://www.wsj.com/articles/hunting-for-soft-skills-companies-scoop-up-english-majors-1477604605

For additional information about soft skills development theory and practice, consult these reports, studies, articles, and online resources.