

Valuing Soft Skills



The project management community and the wider business community are becoming increasingly aware of the importance of soft skills. However, being aware of their importance and deciding to invest in developing improved capabilities are two different concepts. Before most organisations (and individuals) will invest in developing improved soft-skill capabilities, their value needs to be demonstrated.

A 2015 report prepared for McDonald's UK¹ provides a solid foundation for understanding the importance of soft skills to the UK economy as a whole, and is likely to be indicative of the situation in the Australian, and most other developed economies.

Soft skills fall into six interlinked sets of competencies²:

- **Communication skills**³
 - Effective listening⁴
 - Accurate and concise communication
 - Effective oral communication
 - Communicate pleasantly and professionally
 - Effective written communication⁵
 - Ask good questions⁴
 - Communicate appropriately using social media
- **Decision-making/ Problem solving skills**⁶
 - Identify and analyse problems
 - Take effective and appropriate action
 - Realise the effect of decisions
 - Creative and innovative solutions
 - Transfer knowledge between situations

¹ See: <https://www.backingsoftskills.co.uk/>

² Crawford et al: *Comparative Analysis of Soft Skills*, Michigan State University, August 2011. A seventh cluster – Experiences is included in the Crawford paper.

³ For more on **communication skills** see: https://www.mosaicprojects.com.au/WhitePapers/WP1066_Communcation_Theory.pdf

⁴ For more on **active listening** see: https://www.mosaicprojects.com.au/WhitePapers/WP1012_Active_Listening.pdf

⁵ For more on **writing skills** see: https://www.mosaicprojects.com.au/WhitePapers/WP1010_Writing_Skills.pdf

⁶ For more on **decision making** see: https://www.mosaicprojects.com.au/WhitePapers/WP1053_Decision_Making.pdf

- Engage in life-long learning
- Think abstractly about problems
- **Self-management skills⁷**
 - Efficient work habits
 - Self-starting
 - Well-developed ethics and sense of loyalty
 - Sense of urgency to address and complete tasks
 - Work well under pressure
 - Adapt and apply appropriate technology
 - Dedication to continuing professional development
- **Teamwork skills**
 - Productive as a team member
 - Positive and encouraging attitude
 - Punctuality and meets deadlines
 - Maintains accountability to the team
 - Works with multiple approaches
 - Aware of and sensitive to diversity
 - Shares ideas to multiple audiences
- **Professionalism skills**
 - Effective relationships with customers, businesses and the public
 - Accept critique and direction in the workplace
 - Trustworthy with sensitive information
 - Understands role and has realistic career expectations
 - Deals effectively with ambiguity
 - Maintains appropriate decorum and demeanour
 - Selects appropriate mentors and sources of advice
- **Leadership skills⁸**
 - Sees the 'big picture' and thinks strategically
 - Recognises when to lead, and when to follow
 - Respects and acknowledges contributions from others
 - Recognises and deals effectively with conflict
 - Builds professional relationships
 - Motivates and leads others
 - Recognises when change is needed, and contributes to the change effort

⁷ For more on *personal time management* see: https://www.mosaicprojects.com.au/WhitePapers/WP1054_Personal_Time_Management.pdf

⁸ For more on *leadership* see: https://www.mosaicprojects.com.au/WhitePapers/WP1014_Leadership.pdf



To assess the contribution of soft skills to the overall economy required some extensive analysis; as a starting point, the overall productivity in the economy was disaggregated into the five drivers of productivity (as defined by HM Treasury and the Department for Business, Innovation and Skills):

1. Investment,
2. Skills,
3. Innovation,
4. Entrepreneurship and
5. Competition.

The value of the skills driver component was then further disaggregated into the following elements:

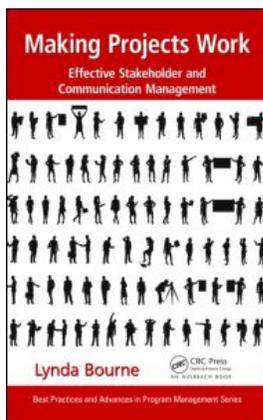
- Technical skills,
- Technology skills,
- Literacy,
- Numeracy, and
- Soft skills, where soft skills covered the range of capabilities outlined above.

Based on this analysis, soft skills were found to underpin around 6.5% of the economy as a whole, and this contribution was expected to grow strongly over the next five years.

The research also highlighted that employers ranked soft skills above academic qualifications and ahead of or equal to other competencies, with 97% believing that soft skills are important to current business success. Worryingly, 75 percent of employers say there is a soft skills deficit within the workforce but many job applicants don't list soft skills in their résumés.

Employee results supported this concern as it was revealed that 54% of employees said that they have never included soft skills on their CV and one in five felt that they would be uncomfortable discussing their soft skills with an employer.

The research found that deficiencies in the UK's current stock of soft skills were imposing severe penalties on the economy, causing major problems for business and resulting in diminished productivity, competitiveness and profitability. Over half a million UK workers will be significantly held back by soft skills deficits by 2020.



Observation of project managers in Australia, the USA and South America suggest to me that the UK findings are likely to be repeated in most similar economies. Helping to change this observed lack of focus on the linked capabilities of effective stakeholder engagement and communication was one of the reasons for writing my book *Making Projects Work: Effective Stakeholder and Communication Management*⁹; it really does not matter how good the technology is, if people don't understand it and don't want to use it your project will fail!

In summary, soft skills matter and contribute significantly to productivity. But there is a measurable, and widening, skills gap and soft-skills are under represented in skills development initiatives. Changing this is a major challenge for organisations, business and people seeking career development.

⁹ For more on *Making Projects Work*, see: <https://mosaicprojects.com.au/shop-making-projects-work.php>

For individuals, the report findings clearly show the importance of demonstrating soft skills in the way your CV is prepared and the way you engage with senior managers. For organisations, the report suggests that investing in soft-skill development is an important way to gain a competitive advantage.

One of the key areas where the application of soft-skills contributes to the organisation's success is stakeholder engagement. We have previously looked at valuing the ROI from investing in stakeholder engagement initiatives in our White Paper WP1083 **Valuing Stakeholder Management**¹⁰.

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¹⁰ Download WP1083 **Valuing Stakeholder Management**:
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