Training in Soft Skills and Its Importance

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ABSTRACT

There are many people who endorse training for its important role in improving a firm’s performance, yet at times it has been called unnecessary, fashionable or too expensive and not transferring to the job. Many studies have remained inconclusive and some have failed to find the desired results. This paper aims to highlight the effects of specific training in soft skills on firm performance by reviewing theory and previous empirical studies on the relationship between this training and firm performance. The paper aims to describe the importance of soft skills, the myths and truths of soft skills, the types of training modules to be designed and discusses a framework for analysing training and firm performance issues. The analysis indicates that there is a positive relationship between training and firm performance which may be mediated by employee knowledge and organization attitude. Furthermore, capital investment or organisational strategy does moderate the training-performance relationship. Finally, the article discusses and identifies the limitations of previous studies and directions for future research on this topic.

Keywords:
Soft skills, Training, performance

INTRODUCTION

Training of employees for specific orientation has become of utmost importance to companies seeking advantage among competitors. There is significant debate among professionals and scholars as to the effect that training has on both employee and organizational goals. One school of thought argues that training leads to an increase in turnover while the other states that training is a tool that can lead to higher levels of employee retention (Colarelli & Montei, 1996; Becker, 1993). Nevertheless, it is universally accepted that training professionals for overall performance of the organization is indeed imperative. This involves spending a lot of money on the part of the organization. To quote a few examples, in 1995, $7.7 billion was spent on the wages and salaries of in-house company trainers and $2.8 billion was spent on tuition reimbursement (Frazis, Gittleman, Horrigan, Joyce, 1998). The American Society for Training and Development found that in 2004, the average annual training expenditure per employee was $955, which is an increase of $135 per employee from the previous year. The number of formal learning hours per employee also rose from 26 hours in 2003, to 32 hours in 2004 (atsd.com, 2005). As the investment in various training programs continues to rise, it becomes even more imperative for employers to understand the impact that training has on their organization.

Despite the initial monetary costs, staff and employee training pays back your investment. There are several reasons why good training becomes a necessity for all organizations these days.

The organization is better geared to face the quick changes in the dynamic environment today. These are turbulent times and a well equipped employee force can ward off adversities that suddenly become visible in the environment. Organizational needs never remain the same. They keep changing with technological advancement, change in management policies and strategies.

The level of knowledge and skills of employees is honed not only theoretically but more importantly in the practical area. They may be employees from any profession; they stand to gain from specific training sessions. Well framed training modules cover the entire personality of an employee. Such modules not only increase the knowledge and information but also groom the personality of the employee. Training sharpens the faculties and enhances the soft skills of the trainees from all professions.

The performance of the department improves with the performance of the individual employee and this leads to an improvement in the overall performance of the organization. It is a well known fact that only achieving commendable levels in hard skills is not enough in the present scenario. After having gained very good knowledge in one’s core subject, he/she also needs to ensure that he is fully conversant with the soft skills which play a very important role and on which depends almost 80% of his success. This can be done only through exclusively designed training programmes and organizations are advised by reputed consultation firms to run such training programmes round the clock.

Framing effective and result oriented training programs is a challenge that every organization faces in the present dynamic scenario where every company needs to retain good and sincere employees, improve the performance of those employees and sustain the quality of work done in that company. Consequently, as a rule, training modules should lay emphasis on specific key abilities for specific
segment of employees. Several white papers and reputed journals suggest innumerable innovative concepts of training that would make it effective. Usually, innovation is in execution and some tried and true methods are innovative simply in the way they are carried out. Most of the organizations outsource their training programmes.

No organization can get a candidate who exactly matches with the job and the organization requirements hence, training is important to develop the employee and make him suitable to the job. The process of teaching new employees the basic skills they require to do their job effectively and help in the progress of the firm should be so modified that they become an asset to the organization and the organization provides opportunities for the continuous development of employees not only in their jobs but also to develop their capabilities for other jobs for which they might late be considered.

Due to Globalisation and worldwide expansion of companies, Indian organizations have realized the importance of soft skills training in all sectors.

Soft skills are different from other skills in terms of these being the only set of skills which can never truly be crammed by anybody. These skills can only be polished at best. No one can teach you how to be polite, but a basic knowledge of social etiquette and professional protocol can go a long way in the corporate world.

Soft skills are essential for professional and business success. Corporate training and educational institutions concentrate on equipping individuals with technology and industry knowledge. Though these are core entities for business operations, businesses can become ineffective if employees are not well trained in soft skills.

Definition of soft skills is most commonly based on competence management. Often they are restricted to interpersonal or social skills (e.g. Staden et al. 2006). Fan et al. (2005) give the following skills: coordination, persuasion, negotiation, communication with supervisors, peers, or subordinates; communication with persons outside the organization, establishing and maintaining interpersonal relationships. Boyatzis (1982) found evidence for 6 clusters as basic functions for management jobs: planning, organizing, controlling, motivating and coordinating.

REVIEW OF LITERATURE

India was able to ride the crest of the software wave in the late nineties with its base of technically qualified, English speaking professionals. While Indian software professionals are acknowledged for their technical expertise the world over, it is also recognised that they lack the soft skills, which become much more important as Indian companies move up the value chain in business.

- Boyatzis (1982) was one of the first to study the relation between soft skills and Managerial skills. He used multiple methods to study competencies and established that the basic functions of management require soft skills but he did not throw light on the reasons for soft skills training being more or less effective and this needed to be researched by measuring the performance level.
- James Mankelow founded Mindtools.com, a leading management and career skills training community, in (1995). He began his research into practical skills needed to make progress in his career. Mindtools soft skills training community teaches members skills in leadership, team management, communication, decision making, problem solving, project management, stress management etc. Proper training is essential to function effectively, however figures show that average employee receives as little as one day’s training each year as other areas have more immediate demand on training budgets. He concludes that employees should be given access to convenient and accessible soft skills training but he does not discuss other variables like age, gender, background etc. that may hamper or help effectiveness in performance level.
- Winfred Arthur, Winston Bennett and Pamela. S. Edeus and Suzanne T. Bell (2000) studied the relationship between specified training design and evaluation criteria and effectiveness of training and development efforts. They first identified the design and evaluation features related to effectiveness of training in performance and then used meta analytic procedures to quantify the effect of each feature on effectiveness and finally came to the conclusion.
- Shaheen Majid, Zhang Liming, Shen Tong, Siti Raihana in their paper suggests certain measures for improving soft skills of students which may also help improve their employment perspectives used a questionnaire to collect data from undergraduate business management students from four universities in Singapore, i.e. Nanyang Technological University (NTU), National University of Singapore (NUS), Singapore Management University (SMU), and Singapore Institute of Management (SIM). The questionnaire was mainly consisted of multiple choice and rating scale matrix questions to solicit responses.

It was concluded that communication skills were perceived to be the least important by the students and probably that is why they did not try to improve these skills. It was a matter of concern as many previous studies, investigating competencies sought after by potential employers, reported that communication skills were
among the most desired soft skills. Thus there is need to create awareness among the students about the importance of communication skills for career advancement and how to develop and practice such skills.

Another related finding was that a majority of the students expressed the opinion that soft skills training should be embedded in appropriate business courses. Probably this approach was preferred because it could provide an opportunity to the students to understand how to apply these skills in a specific situation. The paper thus discusses the importance of soft skills and does not research further on effectiveness in performance.

The paper by S. EZHILAN examined empirically four levels of measuring training effectiveness with the help of a questionnaire using a sample of the trainees who attended the training programme. The first level focused on student’s reactions to the training programme. The second level focused on knowledge and skills gained from the training. The third level focused on the changes in the task behaviour of students after attending the training. The fourth level focused on the changes in the functioning of parts or the entire college which have resulted from changes in the task behaviour originating in training. The study also attempted to identify some of the variables that help in examining the achieved level of effectiveness. The results of chi-square analysis point out those demographic characteristics of students like social background, gender and English language skills are not statically significant when it comes to determining the overall efficacy of the training programme.

RESEARCH METHODOLOGY

The Research will be aimed to develop quantitative and qualitative methods within the context of substantive research and to promote the effective good practice through a range of related training activities. The Research Methodology will fall under three broad themes:

- Exploratory research design
- analysis of the data
- coming to a conclusion based on a large number of samples.

The training activities may include:

- training in quantitative and qualitative methods
- online resources for quantitative and qualitative analysis
- training in mixed methods and research design.

The main area of interest will be to study the impact of this training on the performance of the employees, the reasons for more impact and less impact and how the training can be made more effective.

OBJECTIVES

1. To explore the relationship between Training and employees performance.
2. To determine factors that would enhance the impact of training on employees’ performance.
3. To develop guideline for assessing the employee performance through training.

AREA OF STUDY

The paper is confined to a particular region, the Jaipur region; on the other hand it may be considered for the whole of India. The opinion of the employees of banks has been taken focusing on Jaipur region to discuss about the impact of training in soft skills on the performance of the employees and various emerging challenges have been recognized. Different views have been incorporated in this paper.

The organizations that wanted to survive and sustain their quality in the present turbulent times understood the importance of training in improving the employees performance. Past researches provides the evidence regarding the positive affect of training programs on both employee and organizational performance. On one hand previous work in the field proved that effective training programs lead to superior return on investment while on the other hand the other researches mentioned the positive role of training in attaining the supreme levels of employee retention (Colarelli & Montei, 1996; Becker, 1993).

Due to fast pace global and technological development the firms are now facing new changes as well as challenges. Technology has improved and made progress phenomenally and as a consequence all tasks need to be performed with considerable efficiency and expertise. Thus, to cope with these challenges, more improved and effective training programs are required by all corporates. Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (Wei-Tai, 2006).

Effective training programs helps employees to get acquaintance with the desired new technological advancement, also gaining full command on the competencies and skills required to perform at a particular job and to void on the job errors and mistakes (Robert, 2006).

Kozlowski, et al. (2000) suggests an approach to organisation improvement and development based on enhancing the knowledge, skills and attitudes or abilities of the workforce. The change in the established
parameters and the going beyond boundaries is achieved through specialized training modules and programs. This training directly improves the strategies, the work ethics and the style of the organization.

A theoretical framework was designed to establish the requirement to analyse the relationship between training and performance. The conclusion at which they arrived was that good training directly affects the objectives, results and performance of a firm and this is done by improvement in the performance of employees. The framework is shown below:

**Figure 1**

A framework for analysing training and firm performance issues

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Training' -> 'HR outcomes' -> 'Firm performance'
- Knowledge, skills and abilities
- Attitudes, behaviours and motivation
- Financial performance (ROI, ROA, ROE, ROS, sales, productivity)
- Non financial performance (Labour turnover, absence, conflict, quality)
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**Figure 2**

Training, organisational strategy, and firm performance

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Training' -> 'Organisational strategy' -> 'Firm performance'
- Financial performance (ROI, ROA, ROE, ROS, sales, productivity)
- Non financial performance (Labour turnover, absence, conflict, quality)
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There are certain factors which affect and enhance the impact of training on the performance of employees.

According to the Norwegian E-Learning delegation of Robert H. Smith School of Business (University of Maryland) there are many things that affect the impact of training on the performance of employees.

1) If the trainees apply whatever they have imbibed at their training centres, the skills, the knowledge and the right attitudes to their jobs then perhaps their performance may be better than before.

2) It is estimated that only ten percent of training expenditures actually translate into actual jobs. A lot depends on the training design, trainee characteristics and the work environment.

*Infoline* focuses on eight initiatives to increase the successful transfer of training:

1) Focus on shortcomings: Identify training needs that will have a positive impact on business results.
2) Set up training transfer: Incorporate learning strategies that promote application and reinforcement of skills.
3) Coordinate learning networks: Organize support for reinforcement.
4) Prepare coaches: Get direct managers ready for their developmental role.
5) Integrate follow-up: Implement reinforcement programs with assessment and training programs.
6) Insist on accountability: Measure performance improvement and calculate return on investment.
7) Align culture—Modify the organization’s policies and practices to support performance improvement.
8) Gain commitment—Support follow-up reinforcement

Thus if we want training to have a positive impact on performance shortfalls we should design the modules in such a way that they improve the specific areas in which the employees are lacking.

Emerging Trends—Paradigm Shift in the Importance of Training of Soft Skills

Success in the extremely dynamic environment depends on effective delivery and expertise in handling problems, leadership qualities, impressive presentation and technical knowledge in today’s turbulent times. Your achievements are directly related to your brilliance in linking knowledge and technical skills with your Soft skills required to unfurl own potentials and for successful interactions with everyone you work with.

MYTHS AND TRUTHS ABOUT SOFT SKILLS

Soft skills are inborn qualities. Soft skills are not hereditary, these are skills that are acquired through proper training, practice, reading, teaching and other sources.

Soft skills are closely connected with the English language. Soft skills are not related to any specific language. These are skills that teach you how to speak not in which language to speak. People wrongly presume that those who speak English fluently have good soft skills.

Soft skills are synonymous with communication skills. The truth is that communication skills are both the cornerstone of soft skills and a subset of soft skills. People often emphasize that those who are good at communicating with others both in written and unwritten forms are experts in soft skills.

However, soft skills are broader in nature and go beyond communication skills. There are other skills—such as interpersonal skills, team building skills, negotiation skills, etiquette, motivation, time management, and critical thinking—that constitute soft skills.

Emotional intelligence alone encompasses soft skills. Emotional intelligence is a very important part of soft skills but it would be a mistake to think that emotional intelligence represents soft skills in totality. People who have emotional intelligence display maturity in managing emotions and are good at people skills.

Soft skills are interpersonal skills. Although interpersonal skills promote soft skills, soft skills are not synonymous with interpersonal skills. However, effective interpersonal skills promote better relations with others by minimizing the differences and promoting similarities among individuals. Hence, interpersonal skills pave the way for soft skills.

Soft skills symbolize the softness of people. Outward appearances have nothing to do with soft skills. They have more to do with a person’s attitude, behavior, communicating abilities etc. The truth is that soft skills are not connected with the external appearances.

Soft skills are synonymous with listening skills. People who are good listeners have good soft skills. Research reveals that only 5 percent of people are good listeners; the remaining 95 percent are average or poor listeners. It is rightly said that leaders are good listeners. Listening skills not only denote leadership ability, but also signify having good soft skills. Frances Hasselbein has this to say about listening: "[I]t's called respect, it's called appreciation, it's called reinforcement.

Women have better soft skills and men have better hard skills. This is the biggest myth of all. Soft skills are not gender specific.

Soft skills are not transferable. Soft skills are in fact the only skills that are transferable. More accurately, the other three skills—job related, self management and transferable are used across specific areas. Hence, it is a myth to conclude that soft skills are not transferable.

Frontline employees are better at hard skills, while support staff are better at soft skills. This is truly a wrong notion as all employees should possess both soft and hard skills. Frontline Staff does play a major role but the importance of support staff cannot be judged less as they play an important part in the success of the organization.

CONCLUSION

To conclude the argument it would be best to say that training for the employees of an organization is an essential component of their work routine. It is inappropriate to think that training, especially in which soft skills are incorporated, does not make any difference
or does not contribute to improvement in performance. It is unfortunate that people do not understand the importance of soft skills in these highly turbulent times; in fact this is one area where organizations must go the extra mile if they want to stand apart in the crowd.

This is not exactly a new theory. People have been talking and working on this for a long time as is evident from the review of literature given earlier. However, there is not substantial research done in this area and as such training in soft skills is still not considered to be an inseparable part of work curriculum of the employees of an organization. Nevertheless, people have started recognizing the need for this training in order to do well in any field. The monumental progress of technology and the world becoming a small place are the two major reasons for this change.

REFERENCES