

# Soft Skills and Team Performance: A White Paper

November 2023

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## Introduction

Soft skills are the personal attributes, competencies and behaviours that enable people to interact effectively and harmoniously with others. They include interpersonal skills, self-awareness, team dynamics, group decision making and organisational dynamics and leadership styles. Soft skills are essential for team performance, especially in sectors that require high levels of collaboration, creativity and problem-solving, such as healthcare, ICT and government.

In this white paper, we will explore the importance of soft skills for team performance, drawing on evidence from research and practice. We will also examine the benefits of investing in soft skills development for organisations and employees, such as achieving 'flow states' by high value employees in critical roles. Flow states are optimal psychological states of engagement, focus and enjoyment that result from challenging and meaningful work. Finally, we will provide a call to action for executives and managers to critically evaluate their teams' performance and potential, and to invest in their teams' soft skills as a strategic priority.

## The Importance of Soft Skills for Team Performance

Soft skills are not only desirable but necessary for team performance. Research has shown that soft skills account for up to 85% of job success, while technical skills account for only 15% (Heckman & Kautz, 2012). Moreover, soft skills are increasingly in demand in the labour market, as automation and digitalisation transform the nature of work and require more human skills such as communication, collaboration, creativity and critical thinking (World Economic Forum, 2018).

Soft skills enable teams to perform better by enhancing their collective intelligence, cohesion and effectiveness. Collective intelligence is the ability of a group to perform complex tasks that require diverse perspectives and expertise. Studies have found that collective intelligence is not determined by the individual intelligence of team members, but by their soft skills, such as social sensitivity, equal participation and emotional regulation (Woolley et al., 2010). Cohesion is the degree of attachment and commitment that team members have to each other and to their common goals. Research has shown that cohesion is positively related to team performance, satisfaction and retention (Salas et al., 2005). Effectiveness is the extent to which a team achieves its objectives and meets the expectations of its stakeholders. Effectiveness depends on the alignment of team members' soft skills with the task requirements, the team culture and the organisational context (Driskell et al., 2018).

## The Benefits of Investing in Soft Skills Development

Investing in soft skills development can bring significant benefits for organisations and employees. For organisations, soft skills development can improve team performance, productivity and innovation, as well as reduce turnover, absenteeism and conflict. For example, a meta-analysis of 168 studies found that soft skills training had an average return on investment of 259% (Blanchard & Thacker, 2013). Another study estimated that improving soft skills could increase global GDP by \$5.3 trillion by 2030 (PwC, 2017).

For employees, soft skills development can enhance their career prospects, well-being and happiness. One of the most important outcomes of soft skills development is achieving 'flow states' by high value employees in critical roles. Flow states are optimal psychological states of engagement, focus and enjoyment that result from challenging and meaningful work (Csikszentmihalyi, 1990). Flow states can boost employees' performance, creativity and learning, as well as their intrinsic motivation and satisfaction (Nakamura & Csikszentmihalyi, 2009). Flow states can also buffer employees from stress, burnout and boredom, which are common challenges in today's work environment (Bakker & Oerlemans, 2019).

## A Call to Action for Executives and Managers

Given the importance and benefits of soft skills for team performance, executives and managers should take action to assess and improve their teams' soft skills as a strategic priority. The first step is to evaluate the current state of their teams' soft skills using valid and reliable tools such as surveys, assessments or feedback systems. The second step is to identify the gaps and opportunities for soft skills development based on the team's goals, challenges and needs. The third step is to design and implement a tailored soft skills development plan that includes a combination of formal training, coaching, mentoring, peer learning and experiential learning. The fourth step is to monitor and measure the impact of soft skills development on team performance using relevant indicators such as quality, efficiency, innovation or satisfaction.

The time to act is now. In a rapidly changing and competitive world, organisations cannot afford to neglect or delay investing in their teams' soft skills. By doing so, they risk losing their competitive edge, their critical talent and their organisational culture. On the other hand, by investing in their teams' soft skills, they can unlock their teams' potential, enhance their teams' performance and create a great workplace for their employees.

## Conclusion

Soft skills are the key to team performance, especially in sectors that require high levels of collaboration, creativity and problem-solving, such as healthcare, ICT and government. Soft skills enable teams to perform better by enhancing their collective intelligence, cohesion and effectiveness. Soft skills also enable employees to achieve 'flow states' that boost their

performance, creativity and well-being. Investing in soft skills development can bring significant benefits for organisations and employees, such as improving productivity, innovation, retention and happiness. Executives and managers should take action to assess and improve their teams' soft skills as a strategic priority, using a systematic and evidence-based approach. By doing so, they can unleash their teams' potential, improve their teams' performance and create a great workplace for their employees.

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