

# **Soft Skills: Crucial to Weathering an Economic Storm**

**White Paper**

**By Kali Evans-Raoul**



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Notre Dame's legendary coach Knute Rockne was fond of saying, "when the going gets tough, the tough get going." He was talking about football, a sport where being soft is not considered an asset. However, during these tough economic times, successful companies are getting tough by going soft. They recognize the important role "soft skills" play in generating success for their businesses and they're doing something about it.

This report examines three ways companies benefit from the development of their employees' soft skills. Developing a strong professional presence and related soft skills in employees will increase a company's success and add to its bottom line by:

- Building brand credibility
- Reducing workforce turnover, and
- Retaining diverse talent.

### **People ARE the Brand**

Proper branding is important for the long-term success of a business. A quick search on Amazon.com produces more than 13,000 titles on branding. Google the words *branding workshops*, and 24 million options pop up. Marketing gurus talk about brand story, brand promise, brand value, brand credibility and brand ambassadors. The term brand is applied to companies, products, and people, (not to mention, cows).

Interactive marketing expert Pete Blackshaw explains that in today's environment where anyone can use the internet to broadcast his or her unhappiness with a company or product, the consumer is the boss . . . and brand credibility is the key to success. "Credibility may not be on your balance sheet," Blackshaw says, "but it's the best asset you've got."

In his book, Satisfied Customers Tell Three Customers, Angry Customers Tell 3,000, Blackshaw identifies six drivers of brand credibility: trust, authenticity, transparency, affirmation, listening and responsiveness. All six drivers are heavily impacted by the quality of interactions between employees and customers. Furthermore, the quality of those interactions depends on the strength of employees' soft skills.

Many companies invest a fortune on slick marketing collateral, brochures and mailers, signage and ads, but often neglect their most powerful marketing asset – their employees. Employees are the face of a company to the clients and customers, they are who lives the company's brand and delivers on the company's brand promise every day. Making a similar investment to ensure employees effectively communicate the company's brand and their own competence and ability to meet customer expectations leads to an increased bottom line in multiple ways by:

- keeping customers satisfied
- shortening sales cycles

- generating new business
- building the company's reputation
- protecting and reinforcing the company's brand

When employees directly interact with customers or clients, it is critical that they “live the brand.” That doesn't mean simply wearing the uniform; it is much more intrinsic. “Living the brand” involves expressing to customers that they, as dedicated employees, truly embody the qualities of the company's brand. It is about authenticity and credibility. Most importantly, it is about making sure customers believe that these employees will be able to deliver on the brand promise.

Of course, performance is essential to delivering on the brand promise. However, performance is not enough. In most instances, before employees have the opportunity to demonstrate that they **can** deliver, customers have already formed an impression about **whether or not they will** deliver.

New Yorker magazine staff writer and author of Blink, Malcolm Gladwell, says “People make decisions about an individual in less than 10 seconds. Often you don't have to even open your mouth and speak.” In his book, Gladwell cites a 1993 study by Tufts University social psychologist Nalini Ambady. This study found that participants viewing silent footage of instructors teaching a class needed only six seconds to make judgments about the quality of the instructors' teaching skills. Even more remarkably, their judgments correlated closely with those made by students who had spent an entire semester in class with the same instructors.

People use an employee's non-verbal cues to form their first impressions of a company's brand. Their first impressions run the gamut of criteria from how the employee dresses to their body language and eye contact. Often times employees are unaware that the “wrong” clues they give translate into negative messages to others. The “right” messages involve skills and knowledge that can be learned by any employee. Enhancing soft skills is what executive coaches and image consultants do - they teach their clients how to develop the professional presence and communications skills to reassure customers and employers that they can deliver.

First impressions have such enormous staying power that even the introduction of new facts does not usually change one's initial impression. Gladwell uses former president Warren Harding as an example of the power of first impressions. President Harding was considered remarkably handsome and quite “presidential.” However, in hindsight many consider Harding to have been one of the worst U.S. presidents ever, according to Gladwell. Though his speeches were often characterized as pompous and empty of substance and his legislative record was mediocre at best, because he was well put together and had a deep resonant voice, he was elected by a landslide in 1920.

The strength of first impressions is something that can work either for or against a company. Once a poor impression is made, it is hard to overcome. Conversely, good impressions help create the credibility that Blackshaw talks about. Good impressions can

ensure that when something does go wrong, customers will give the company an opportunity to make it right.

### **Satisfied Employees Reduce Turnover and Lead to Stronger Financial Results**

A second way in which it pays to help employees improve their soft skills and professional presence involves the satisfaction that comes from being seen for who you really are and what you can do.

Individuals who exude competence and confidence are more successful in their work because the people they work for and with respond more positively to them. When an employee experiences cooperation on the job and respect for their skills and ultimately feels valued, that employee tends to work harder, feel more connected with the organization and experience greater job satisfaction.

In a March 2007 Harvard Business Review article, widely published experts on the relationship between productivity and training Laurie Bassi and Daniel McMurrer identified five core human capital management (HCM) drivers that impact a company's performance. These include leadership practices, **employee engagement**, knowledge accessibility, workforce optimization and organizational learning. They noted that while the specific effect of individual drivers will vary from company to company, when taken as a whole, their demonstrated influence reinforces the good sense of investing in employee training and development.

For instance, in a 2004 study of 11 publicly traded financial-services firms, Bassi and McMurrer gathered information on the firms' use of the five core HCM practices. One year later they compared the stock performance of the 11 companies. Five firms whose HCM practice scores were average clustered in the middle of the pack in terms of their stock performance. However, the three firms with above-average HCM scores produced as a group significantly higher stock appreciation than the three firms with lower than average HCM scores. Bassi and McMurrer reported that these results mirrored outcomes of numerous other studies and work the two had done with a wide range of organizations over several years.

Gallup research published earlier this year also supports the findings of Bassi and McMurrer, indicating that management practices that improve employee satisfaction may increase business profits." These findings amplify earlier Gallup research that showed engaged employees "are more productive, profitable, safer, create stronger customer relationships and stay longer with their company than less engaged employees . . . [and such engagement] is a powerful factor in catalyzing 'outside-the-box' thinking to improve management and business processes as well as customer service."

Clearly job satisfaction and employee engagement contribute to a company's overall productivity. But what drives employee satisfaction? Global consulting firm BlessingWhite specializes in creating high performance cultures that drive bottom-line results. The firm reported in its 2008 Employee Engagement Report that the most common factors influencing job satisfaction for employees are:

- having opportunities to use one's talents and
- access to career development and training.

Most companies today understand career development is an important aspect of performance management. But they tend to concentrate on technical skills, while often ignoring the soft skills which are critical to an employee's career advancement.

Performance *is* important to career growth. In fact, Harvey J. Coleman, an executive coach who has spent the last 30-plus years consulting with Fortune 500 companies, government agencies, not-for-profit organizations and educational institutions, calls it "the common denominator in the promotion process." Strong performance gets you into the game, but it doesn't buy a promotion. Image and exposure, the other two components in his formula for career success, are the differentiators when management surveys a pool of excellent performers in search of their next EVP.

Image, he says, is about "personal expression, the way you walk, the way you sit, the clothes you wear, your pleasant (or foul) demeanor. Everything about a person, from dress to speech to attitude, sends a strong message to business associates." And 70% of image, he believes, results from non-verbal communications (those clues people pick up on in the first two seconds which Gladwell refers to, before one even opens his or her mouth). Exposure, Coleman's third component, involves "the ability to become visible in a positive way and influence others who can help us reach our goals." Together image and exposure account for 90% of the success formula. Both components draw overwhelmingly on soft skills.

Cecilia Conrad and Wilhelmina Leigh, in a 1999 article for Focus, a publication of the Joint Center for Political and Economic Studies, defined soft skills as "non-technical skills, abilities and traits required to function in a specific environment" and noted that not only are soft skills used as hiring criteria (two studies they cited produced findings of 50% and 86% of companies surveyed used soft skills as hiring criteria) but in reviewing job inventories at companies throughout the country they also found that employers consistently listed "skills in communications, interpersonal relationships and problem-solving along with personal qualities such as self-esteem and motivation as critical for workforce productivity." Clearly developing these skills is critical to an employee's ability to experience career growth.

Another common barrier to career advancement is not knowing or understanding "the unwritten rules." Writing in the Harvard Business Review, John Beeson, a principal of Beeson Consulting which specializes in succession planning, executive development and organizational design, noted that "many of the unwritten rules are especially hard to pin down . . . [because] they relate to the 'soft' skills that combine to give decision makers an intuitive sense of whether a candidate will succeed at the senior level." When employees don't know the rules, they can unwittingly break them. Working harder doesn't help; even working smarter doesn't seem to get them anywhere. They get frustrated, dissatisfied, and ultimately, are less productive.

So in the same way that an employee's personal presence and soft skills impact the credibility of a company's brand, they also affect his or her personal effectiveness on the job and career potential. Career opportunity has a large impact on employee engagement and satisfaction, which are important drivers of employee productivity and retention.

### **Diversity Matters . . . So Why Do Companies Keep Losing Diverse Employees?**

A third way in which helping employees with their development of personal presence and soft skills impacts the company's success is in the area of diversity. Nowhere is the connection between personal presence and career advancement more apparent than with minorities and women.

Today companies in general know they need a diverse workforce in order to penetrate the multicultural markets, which represent the greatest opportunity for growth. They know that many prospective employees, minority and otherwise, consider the company's record on diversity in deciding whether they'd like to work there. More and more they are looking for suppliers who are either themselves "diverse," i.e., minority- or women-owned firms, or who can demonstrate their commitment to diversity. They see third-party reviewers of management excellence increasingly include diversity performance and policy as a key measurement. They know diversity matters . . . intuitively, from their own experience and because empirical research has demonstrated it.

For instance, in a 2004 study conducted with 353 companies in five industry groups, the women's business advocacy and research organization Catalyst found that companies with the highest representation of women on their top management teams produced better financial performance than companies with the lowest women's representation on their senior teams. The study analyzed two financial measures: return on equity (ROE), which was 35% higher, and total return to shareholders (TRS), which was 34% higher.

Yet one of the greatest challenges companies face is retaining strong minority and women employees.

Why is this so challenging? Diversity consultants Janice Fenn and Chandra Irvin in their book Do You See What I See posit that the major reason is because executive management as well as individual managers view the experiences of people of color (POC) through the lens of their own experiences. This is understandable but until there is an effort to see things from multiple perspectives, the root causes of the departures will not be identified and cannot be addressed.

Fenn and Irvin acknowledge that POC often let their managers off the hook by giving "safe" half answers when publicly speaking of their reasons for leaving: that they have a better opportunity elsewhere, or "this is not a good social environment." In more candid settings, however, they are likely to voice concerns that essentially boil down to a feeling that they cannot succeed in the organization. To demonstrate this point, Fenn and Irvin provide a list of reasons minority employees have given in focus groups and exit interviews the authors have conducted over the years through their consulting assignments. The list includes such issues as whether the employees were guided, coached or mentored; whether they were acknowledged, rewarded or promoted; whether

they perceived that there were advancement opportunities for them in the organization; whether or not they felt valued.

These reasons are not unlike those noted earlier in discussing job dissatisfaction and frustration around career advancement in general. What research frequently shows however is that these factors seem to resonate, particularly with women and minorities. For instance, another Catalyst study showed that lack of access to informal networks, especially networks that can provide insight into the unwritten rules, is one of the primary barriers to career advancement for women and women of color. Respondents to this study indicated they wished they “had known that just working hard is not enough to succeed or that they had been more aware of organizational politics and about the advantages of self-promotion.”

### **So What is a Company to Do?**

Ambitious executives have been personally engaging image consultants and executive coaches to develop their soft skills and personal presence for a long time, and more recently some forward-looking companies have engaged these experts to help groom high-potential individuals. But few have taken the leap to recognizing that providing group training and coaching on these skills for employees at other levels can produce significant productivity benefits for the company as a whole.

BlessingWhite notes in its 2008 Employee Engagement Study that North America has one of the highest percentages of engaged employees worldwide. But there remains lots of room for improvement. “Fewer than 1 in 3 employees (29%) are fully engaged” the study shows, “and 19% are actually disengaged.” Given the role that soft skills play both in creating strong brand ambassadors and in career advancement, which leads to job satisfaction and engagement, investment in helping employees develop such skills provides a clear opportunity for competitive advantage. The economic sense of investing in soft skills training, in particular for customer-facing employees such as sales and customer service groups, as well as minorities, women and middle managers, seems apparent.

Beyond this, there are two ways in which companies can enhance their investment: adding follow-up coaching and investing in training for managers to help them provide effective soft skills feedback.

Although coaching implies one-on-one interaction, it can be quite effective in group settings when the circumstances are shared, for example, in helping a face-to-face customer service function enhance its public image and reputation. And when used as follow-up to an initial orientation-type workshop, it can amplify and extend the value of the workshop.

For instance, a widely cited study with managers in a public sector municipal agency found that managerial training followed by one-on-one executive coaching produced an 88% increase in productivity, compared with only a 22% increase in productivity when training alone occurred.

The second way to enhance a company's investment in soft skills training is to include training for managers, so they can effectively provide soft skills feedback and guidance to their employees. With most managers concentrating on technical skills and performance feedback, avoiding discussion of those soft skills and unwritten rules that have such a huge impact on career advancement, it is no wonder that employees become frustrated.

In their defense, managers often simply don't know what to say or how to say it. That is not surprising, since knowing what to say is not a simple thing; developing one's personal presence is not "one size fits all." The essence of a strong, effective personal presence or image is authenticity. The outside has to match the inside. No one can tell someone else how they should look, but they can learn how to provide feedback and organizational perspective while coaching employees to discover and reveal their unique presence and strengths, which will allow them to be seen, heard and understood for what they can contribute to their company's success.

What should companies do? The research suggests that investing in helping employees develop strong soft skills can improve a company's bottom line in multiple ways, including:

- Making their employees stronger, more effective brand ambassadors, leading to enhanced brand credibility, satisfied customers, and increased sales,
- Supporting employee career growth, which creates more satisfied and engaged employees, increases productivity and reduces turnover, and
- Helping to retain diverse talent by providing minorities and women with the organizational perspective and knowledge they need to succeed in the corporate environment.



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## About the Author



Kali Evans-Raoul is the founder and president of The Image Studios, a Chicago-based image communication firm. She holds a Chemical Engineering degree from Carnegie Mellon University, and has spent over 25 years in the personal care product and service industry. Ms. Evans-Raoul has worked in research & development, marketing and consumer education for such companies as Soft Sheen, Kraft Foods, and the boutique hair care and beauty company Dudley Products. The Image Studios was born out of her passion for helping individuals move out of the shadows and be seen and heard and the firm has been featured on ABC's Starting Over, CNN.com, The Chicago Sun-Times, The Chicago Tribune, Well Magazine and Crain's. Corporate clients include ExxonMobil, Citibank, KPMG, The Gap, Kraft Foods and PepsiCo. Ms. Evans-Raoul lives in Chicago with her husband, Illinois State Senator Kwame Raoul, and their two children, Ché & Mizan.

*Kali's mentoring has helped me navigate through the corporate structure of a fortune 50 company from young age. Kali is extremely insightful, which is attributed to her experience in corporate America and her observation of emerging leaders in different organizations. She coached me on the importance of a professional image as well as the quality of work when climbing the corporate ladder. I trust her advice implicitly. Without Kali's guidance, I would not be as well respected and highly regarded within my field. I have been promoted four times within the past seven years and manage multi-million dollar deals that help make my company profitable.*

Senior Real Estate Manager | Walgreens

*Kali was a pleasure to work with. She is exceedingly professional, an excellent listener, and she and her staff delivered exactly what I requested on time, and on budget. They understood my objectives, and delivered a cogent workshop that exceeded my expectations. The Image Studios' staff and associated professionals are top notch.*

Zachary D. Lazar, Jr. | President - Midwest | Harris Private Bank

*Kali took the time to truly understand the needs of our organization and the business reasons behind offering the program to our staff before she offered any solutions. In other words, she diagnosed before prescribing! Kali and her staff at the Image Studios were professional, easy to work with, and share a passion for professionalism and providing the customer with an exceptional program that gets results.*

Training Director | Chicago

*Kali Evans-Raoul is the consummate professional. She has excellent business sense and comprehensive knowledge of marketing and business infrastructure. Her business concept has been highly successful and in demand by corporate representatives.*

Hedy Ratner | Women's Business Development Center