Are Soft skills Important in the Workplace? – A Preliminary Investigation in Malaysia

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Abstract
Soft skills are described as career traits that employees should possess, such as leadership skills, communication skills, a positive work attitude and teamwork. In the twenty-first century workforce, soft skills are critical in the business sector. In Malaysia, the general sentiment of employers is that graduates fail to meet the market expectation and hence are lagging behind. This has become a grave concern as Malaysian graduates are seen as lacking in soft skills. The soft skill gap is said to have caused the high unemployment statistic of graduates. This paper seeks to contribute to the body of knowledge on the critical soft skill factors of new graduates from the employers’ perspective through a qualitative study and an empirical examination in Malaysia. As this is a pilot paper, the objective of this study is to explore and examine the importance of soft skills competencies at the Malaysian workplace and to identify critical soft skills that are needed at the workplace in Malaysia on a small sample. This study will be helpful to institutions of higher learning because the findings reported will help to identify the most critical workforce skills and this will be useful for educators to more effectively include employability skills in their courses.

Keywords: critical soft skills, competencies, employability, unemployment and institutions of higher learning

1.0 Introduction
Between the years 1991 to 1997, Malaysia experienced a rapid economic growth. The steady growth of 8.5% in Gross Domestic Product (GDP) had not only enabled the country to maintain a low inflation rate but also to gradually drive its unemployment rate down. During this era the manufacturing industry emerged as the major contributor towards job creation and low unemployment rates. However, the post 1997 financial crisis, saw a shift in the economic structure from the manufacturing industry to the service industry. The growth of the service industry was largely propelled by the proliferation of Multinational Companies (MNCs). Although, during these times, the Malaysian economy had been growing annually at the rate of 6.6% for the past three decades, yet anomalously, unemployment rates also increased from 2.6% in 1996 to 3.6% in 2003 (Baharudin, 2003). According to Wong, (2010), there were between 80,000 to 100,000 unemployed graduates in Malaysia in the year 2009. Graduan2u (2010) indicated soft skill gap as being the main reason for the high unemployment statistics.
among young graduates. The MNCs fundamentally, required employees with a specific set of soft skills such as communication and interpersonal skills and English language proficiency in their employment. However, the availability of adequately trained graduates who possess such skills was not aplenty. From the numerous researches conducted in Malaysia and cited, it has become apparent that there is an employment shift in Malaysia requiring employees to demonstrate competencies in various soft skills such as those mentioned above.

According to the National Graduate Employability Blueprint 2012-2017, Malaysian industries are focused on a specific skill set that the graduates must possess when applying for a job. This skill set is divided into two categories comprising hard skills and soft skills. Various writers have outlined a variety of dimensions to represent soft skills. They include communication skills, low self-confidence, poor problem solving skills and poor attitude towards work, to name a few (Ministry of Education, 2012).

There has been an emerging focus on soft skills around the world in recent times as they are deemed to be imperative for organizational productivity. (Nealy, 2005). It appears that whilst the employment sector, perceive these skills to be taught in universities and higher institutions of learning, this is not the case in reality (Sparks & Waits, 2011). In the United Kingdom, it has been found that organizations have to spend more money to train their underperforming managers with the said soft skills as they are not adequately trained and prepared for the working world (Garwood, 2012). A survey by the Workforce Solutions Group at St. Louis Community College in the United States finds that more than 60% of employers feel that today's new graduates do not have the necessary communication and interpersonal skills which represents an increase of approximately 10% in two years. A large majority of employers concede that today's new graduates are not able to think critically and creatively, solve problems or write well (White, 2013).

The paradigm shift in the 21st century has forced upon the importance of soft skills and that it has become critical even in the technical industries. This confirms the sentiment that equipping graduates with soft skills can make a difference in obtaining and retaining a job that they had been hired for. James & James (2004), posit that historically there was an emphasis for hard skills being the only requirement for employment, however recent times have strongly indicated that technical skills alone cannot secure employment.

A research by the American Society of Training and Development (ASTD) in 2012 and recorded in the State of the Industry Report, American industries spent up to USD156.2 billion on employee training and development in 2011. Roehl & Swerdlow (1999), report that the companies in the United States spend an average of 2% of their total work time on training and development, while Japanese and German companies reportedly spend 10%.

These statistics indicate the importance of soft skills for employee performance and why recruiters need to hire the best possible talent for the organization. In this context, this study seeks to contribute to the body of knowledge on the critical success factors for new graduates from the employers’ perspective through a qualitative study and an empirical examination in Malaysia.

This paper is a preliminary inquiry and serves as a pilot study for a full extended research in the future. This paper has taken the following structure:
Firstly, to carry out a review on existing literature on the meaning and understanding of soft skills and the challenges that the current workforce is facing.

Next the literature review will be used as the basis for conducting a qualitative study to identify the critical soft skill factors considered by employers when evaluating new graduates.

Following this the qualitative findings will be extended by conducting an empirical study on the importance that employers place on soft skills and how they rank the critical soft skill factors in order of importance.

2.0 Literature Review

According to Robles, (2012), soft skills encompass character traits, attitudes, and behaviors rather than technical aptitude or knowledge. Soft skills are described as being intangible, nontechnical, personality-specific skills that help ascertain one’s strengths in leadership, facilitating, mediating and negotiating.

In defining soft skills, Deepa & Seth, (2013) stated that these skills refer to personality traits, attributes, high levels of commitment to the job that would make the applicant stand out ahead of his peers. The authors further input that soft skills also refer to attributes that individuals may possess such as team skills, communication skills, leadership skills, customer service skills and problem solving skills. Salleh, (2010) described soft skills as being interpersonal skills, technology skills and communication skills and that in the coming future the needs and importance for these skills in the market place will increase.

James and James (2004) concurred that soft skills is a contemporary way to describe a set of abilities or talents that an individual can bring to the workplace. Robotham & Jubb (1996), recognized that soft skills competencies are related to personal qualities that lay behind people’s rational behavior. A research done by Andrews & Hugson, (2008) went on to explain that soft skills include professionalism, reliability, the ability to cope with uncertainty and work under pressure. Holtbrugge and Mohr (2010) added the skills of leadership, relationship, communication, team working and Information management as carrying the meaning of soft skills.

Wellington (2005) characterizes soft skills based on his experiences in various management positions, which was primarily within human resources. Those of whom enjoyed career advancement enjoyed their success because they had both excellent technical and soft skills. In fact, soft skills are so crucial that they are ranked as the most important factor for potential job hires in many occupations and industries (Robles, 2012). Employing new graduates who possess interpersonal skills is pivotal for successful organizations to maintain a competitive advantage.

In a study done by Minnesota State College, United States, there are three skills that business leaders seek from their employees; namely: technological skills, business soft skills and skills that are required for the emerging business practices such as green production (Sparks & Waits, 2011). Education, (2012) referred to soft skills as team working skills, presentation skills, decision making skills, understanding of career area and few others. This view is supported by Leong & Kavanagh (2013) and Nathan & Taylor (2003) and added further by saying it also involves thinking beyond completing the given task.
Realizing these industry needs, according to Sparks & Waits (2011), the higher institutions of learning should also take the cue in providing the relevant occupational skills while disseminating knowledge. More specifically, skills such as critical thinking, problem solving and creativity and innovation are some of the ‘must haves’ among the graduating students. Ramli et al. (2013) and Ranasinghe (2011) opined that the interpersonal skills, problem solving and self-management skills are the prime important factors that need to be possessed by the graduating students. Back & Sanders (1998) concur with this viewpoint and further added that effective communication skills seems to be one of the factors that are glaringly inadequate among graduate students. Chiefly, this is attributed to the ignorance of the graduates themselves on the pertinence of good communication skills in the working life. This has resulted in the industries being forced to provide in-house trainings for the recruited graduates Nicholson & Arnold (1989). Diamond et al. (2009) posited that effective communication encompasses eloquent speaking, listening ability and demonstration of empathy to others. In addition to that, flexibility and sensitivity are also important factors that need to be instilled in graduating students. This is in preparation of them facing managers and colleagues who have rose through ‘rank and file’ and lack tertiary education compared to the young graduates.

In the Malaysian context, the Ministry of Higher Education has urged all higher institutions of learning to include soft skill training in the undergraduate programs. The Ministry highlights seven skills ie Communication Skills in English; Critical Thinking and Problem-Solving Skills; Team-Working Skills; Lifelong Learning and Information Management Skills; Entrepreneurial Skills; Moral and Professional Ethics; and Leadership Skills (Wilson et al., 2012). According to the research done by Salih (2008), the Ministry of Higher Education of Malaysia has defined soft skills as cognitive elements associated with non-academic skills. Similarly, Finch et al. (2013) described soft skills as non-academic skills that are presumed to be useful in working environments. Based on their research, the specific soft skills that may affect employability are communication skills, professionalism and interpersonal skills. Surprisingly, problem solving (critical thinking, creativity and leadership skills) is seen as a separate skill and not as part of soft skills.

2.1 Theoretical debate on soft skills and employability

This section examines the Expectancy Theory and the Conflict Theory of employability of graduates and attempts to integrate them with the existing literature. The Expectancy Theory is a cognitive process theory of motivation that is based on the idea that people believe there are relationships between the effort they put forth at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance (Vroom, 1964). In other words, people will be motivated to adopt behavior or skills if they believe that it will lead to good performance and good performance will lead to desired rewards. Therefore identifying the desired rewards of a target group will be instrumental in motivating them towards adopting skills and higher levels of job performance. The target group in this case being the new graduates (who are mostly from the Generation Y).

In a comparative study done by Barford & Hester, (2011) the Generation Y was researched along with the Generation X and Baby Boomers on the importance they place on 4 work variables ie free time, compensation, advancement potential and responsibilities. The Generation Y scored lowest in responsibilities and compensation but scored highest in free time and advancement potential. In a separate study done by Seager (2014), it was reported that
this generation is less interested in financial gain and more concerned with job fulfilment. This theory tends to blame the higher institutions of learning for instilling workplace expectations that failed to motivate the new graduates who then saw no motivation in adopting the critical soft skills for workplace success.

Meanwhile, Conflict Theory as observed by Brown et al. (2013) highlights the fact that different groups, namely employer, employee and educators, have their respective access to power and opportunities. In the capital-labour conflict, Selvadurai et al. (2012) observed that there has been an ongoing debate with respect to the employer’s role in transferring soft skills and employees not being able to adopt skills through the trainings provided by the employers. Then, there is the employer-educator conflict where the employers concur that the higher institutions of learning have not been providing adequate courses to transfer these skills to the graduates. The Conflict Theory argues for the employers to take responsibility in providing workplace experience to the graduates and for the educators to re-design the curriculum and delivery techniques in order to fill the soft skill gap among the new graduates.

3.0 Justification of Study

The common complaint amongst employers these days is that graduates lack a positive attitude towards work. Punctuality and proper work ethics is a genuine problem. According to “Professionalism in the Workplace” survey from York College of Pennsylvania in 2013, respondents claim that more than half (53 percent) of new employees demonstrate poor work ethics (Bloomberg, 2013). The survey went on to identify poor work ethics as encompassing laziness, a false sense of entitlement and a casual work attitude. Prof. Dr. Mohd. Salleh Abu, the Dean of Faculty of Education, University Teknologi Malaysia mentioned in an interview that soft skills incompetence is one of the factors that contribute to local graduate’s unemployment. He added that about 70-80% of the factors are attributed to soft skills deficiencies. (Hairi, et al., 2011)

It is strongly suggested that the employability of the graduates today is dependent on the skills that they possess. There are various studies done on what is required by the employers today from the graduates. And often, it is contradicting with the graduate’s perception. James & James (2004) cited in Mitchell & Skinner (2010) argued that the hard (technical) skills were seen as the only skill required from the employees historically. However, in recent history, there are numerous examples of the failure of the said skill to secure a job for the employee and shelter him from retrenchment, position cuts and lay-offs. A survey conducted by the Association of Graduate Recruiters in Britain forecasted that 40% of large companies will face problems in filling graduate vacancies due to applicants who do not possess the “right skills” such as teamwork, determination and communication even though they are academically qualified (Agr.org.uk, 2012).

The twenty-first century workforce has gone through tremendous changes and soft skills are needed in every business sector however, the challenge is that these employers frequently report that new graduates are deficient in these soft skills (Mitchell & White, n.d.). The National Business Education Association in the US report that the shortage of soft skills among employees is an acute problem that needs to attention and resolve. Therefore to ensure success, students entering the twenty-first century workforce must possess non-technical soft skills along with technical competence (PCBEE, 2000).
Myatt, (2012) says to be an effective leader one needs to be a good listener and that the greatest form of discourse takes place within a conversation, and not a lecture or a monologue. However the observation from most employers is that these young employees do not favor face to face communication. Because of such extensive reliance on online communication, many young employees have missed out on valuable face-to-face interactions and failed to learn how to speak in a polished manner, listen attentively and read other people’s expressions and body language (BBC Capital, 2013).

In Malaysia, the general sentiment of employers is that graduates fail to meet the market demands and expectation and hence are lagging behind. This has become a grave concern as Malaysian graduates are seen as lacking creativity, competitiveness, not being innovative and poor in communication skills (Zaharim et al, 2009). A Central Bank of Malaysia survey in 2004 involving 312 companies shows that 77.6% of respondents feel that Malaysian graduates do not have the necessary skills needed in the workplace (Ng et al., 2009). This sparked concern among the academia in the country and other regions. It is therefore timely for Malaysia to reorganize its higher education system to be market centric in order to produce ‘industry preferred graduates’.

A survey was conducted by Jobstreet.com(2005), an online Malaysian job search agency on 3,300 human resource personnel in 2005 attributing the main deficiencies and problems relating to graduate unemployment as; Poor English language proficiency – 56%; Poor social etiquette – 36%; unrealistic pay expectation – 32%; irrelevant degrees – 30%; too choosy – 23%; No vacancies – 14 %. These findings clearly indicate that Malaysian graduates are unemployed not because they lack academic qualifications but rather because most of them lack soft-skills.

Researchers, Maelah et al. (2012) noted that the current development in the Malaysian business environment strongly indicate that accounting graduates need to have sound technical skills as well as be proficient in soft skills to increase their marketability for employment. The study aimed to establish that industrial training was able to enhance the graduates’ soft skills in three categories which are communication, leadership and teamwork and self-management. Higher institutions of learning need to therefore be flexible and to the needs of employers in order to maintain a better fit between the graduates they produce and industry requirements (Maelah et al. 2012).

4.0 Research Methodology
As this is a pilot paper, the goal of this study is to explore and examine the importance of soft skills competencies at the Malaysian workplace and to identify critical soft skills that are needed at the workplace in Malaysia on a small sample. The research will answer the following questions.

RQ1: How important are soft skills in the work place?
RQ2: What are the critical soft skills of new graduates that are needed in the Malaysian workplace?

To this end I conducted a mixed mode research that incorporates 2 phases. In Phase One I conducted a qualitative study to provide preliminary justification and support for the importance of soft skills for graduates to succeed in the workplace and to explore and identify 6
critical soft skills. Phase Two encompasses an empirical examination to establish generalizability of my findings in Phase One on a broader sample population.

4.1 Findings and Analysis

Phase One

5 respondents each from a different industry sector were chosen for the semi structured interview based on referrals provided by faculty members. The interviews were conducted on a one on one basis at the respondents’ office premises. The questions were structured in an open ended design, allowing the respondent to freely give out ideas and viewpoints. Semi structured approach was chosen to enable the interviewer to probe areas suggested by the respondents’ answers, gathering and sourcing information that had either not occurred to the interviewer or of which the interviewer had no prior knowledge and also because of the richness of the data. This method allows for the exploration of emergent themes and ideas rather than relying only on concepts and questions defined in advance of the interview (Corbin & Strauss, 1990). Each interview took an average 15-20 minutes and was conducted over a period of 3 months from July 2013 to September 2013.

From the interviews that were conducted, Respondent ‘A’ an Assistant Vice President in a local Bank here in Kuala Lumpur described soft skills as being the thrust of organizational efficiency. She says that “a young graduate may come here with sound knowledge of his or her area of specialization and may actually have good ideas, but if he or she is unable to communicate those ideas of what use is the person to the organization?” She further implores to the higher institutions of learning to revisit the learning system so as to create more ‘quality graduates’. The critical soft skills according to respondent ‘A’ are, communication skills, a positive attitude towards work, leadership and teamwork.

Respondent ‘B’ a Senior Partner of a law firm in Mont Kiara explains that young lawyers fresh from law school although with impressive qualifications, want to be ‘spoon fed’. “Many even lack communication and presentation skills and are therefore reluctant to venture into litigation, opting for the less daunting conveyancing matters”. The respondent continued to express his viewpoint that the higher institutions of learning could be partly responsible in not creating ‘job-ready graduates’. According to respondent ‘B’ key soft skills include its leadership, analytical thinking, a positive attitude towards work and communication skills.

Respondent ‘C’ a Senior Vice President in an American training consultancy here in Kuala Lumpur, says that a majority of organizations that hire his company’s services, spend much of their training budget on fresh graduates as they lack the necessary skills such as presentation, teamwork and leadership. Critical soft skills for new graduates according to this respondent are, interpersonal skills, teamwork, a good attitude, communication skills and analytical mind.

Respondent ‘D’ a Project Director of a multinational company in Malaysia who has had substantial working experience in Malaysia and abroad, is of the opinion that the generation gap is primarily the biggest challenge. An after sales contact according to respondent ‘D’ implies an opportunity to build relationships and secure a long term business relationship. Hence, a telephone call or a personal visit is important. The new generation of graduates however says the respondent, “complete the task with an email or worse, sometimes even a SMS” (short messaging service). Commitment to work is another frequently cited problem. Respondent ‘D’ suggests that new graduates fail to see how commitment to their job is the long hard road to success, instead they want everything instantaneously. It is posited that the critical soft skill
factors are, commitment, positive attitude, communication skills, teamwork and analytical skills.

Respondent ‘E’ a Production Manager with a manufacturing plant in Nilai, says that the new batch of engineers he has hired are poor in communication skills. They are unable to communicate their ideas and even their written communication is poor. “Sometimes a simple letter needs frequent proof reading and editing.” They are unable to work independently and constantly need supervision and instructions. Commitment towards work and self-improvement is low. According to respondent E, new graduates lack, a good grasp of the English Language, communication and presentation skills, interpersonal skills and commitment. It was suggested that the higher institutions of learning redesign their course structure to create more industry preferred graduates.

The prevalent feeling among the respondents was that, the new graduates are simply not trained or equipped to meet the needs of the job market. All participants strongly felt that soft skills are important for organizational performance and productivity as well as being a success factor for the graduates own career advancement. The respondents were also unanimous in their opinion that employability largely depends upon the new recruits’ soft skill competency. As to whether they felt if soft skills were more important than hard skills, 3 respondents were undecided stating that it would greatly depend on the nature of the job whilst 2 strongly felt that it is more important. One respondent was of a strong viewpoint that new employees should take ‘personal ownership’ of their job and work as if the company was their own entrepreneurial endeavor. “If everyone worked at their job like it was their own business, would not everyone also enjoy the fruits of their labour?” This respondent cited a positive attitude to be especially lacking in new graduates. Upon regrouping the list of skills the participants have cited, the 6 key skills identified as critical success factors are communication skills, analytical skills, positive attitude, teamwork, leadership skills and interpersonal skills. Several participants felt that higher institutions of learning need to take on a bigger role in creating more skilled graduates who are ready for the current market needs.

**Phase Two**

Phase 2 was conducted to test the above findings by empirically examining the relative importance of these factors amongst employers using descriptive analysis describing responses or observations through percentage distribution, frequency and mean (Zikmund, 2003).

A survey was carried out with the use of a questionnaire on the views of employers and managers (involved in interviewing and hiring new graduates) and their expectations from the new recruits.

**4.1.1 Survey instrument**

The survey instrument included a total of 14 questions divided into 2 sections. Section 1 comprises 8 questions which require responses on a five point Likert scale, where 1 represents “Strongly Disagree” and 5 represents “Strongly Agree”; The questions under Section 1 are on the importance of soft skills for workplace success. Section 2, has 6 questions which require a rating scale using a simple check box response where 1 represents most important and 6 represents the least important in the scale. The 6 questions require the respondents to rank the 6 soft skills from most important to least important.
These questionnaires were sent to over a 100 mid-level to top level managers from varied sectors ranging from manufacturing, banking, legal, pharmaceutical, hospitality and higher institutions of learning located in Kuala Lumpur, Selangor and Negeri Sembilan via an online survey form. 95 responses were received, out of which 71 were found complete and usable. Finally, the data collected through the questionnaire was analyzed.

**Figure I**

![Pie chart showing responses to the question: Are soft skills important in the workplace?](chart.png)

From the collected data, and as illustrated by Figure 1 above, the findings show that 83% of the respondents concurred that soft skills play a pivotal role in success and promotional opportunities in the workplace, 14% were neutral and 3% said it was not important. Further analysis of the response also suggested that 81% of the respondents stated that soft skills competencies help secure quick employment. It is also interesting to note that when asked if they were satisfied with the soft skill competency of new recruits, only 12% of the respondents expressed satisfaction. When questioned on the quality of the new recruits joining the market place today, only 29% said that the new entrants have the necessary soft skills to enjoy a successful career at the workplace. 68% of the respondents’ agreed that there were gaps between industry preferred graduates and the graduates themselves in terms of soft skill competency. On this subject, a staggering majority of 89% stated that the curriculum in higher institutions of learning must be enhanced to equip and create industry preferred and relevant graduates. The respondents were also asked to rate the importance of 6 identified critical soft skills to succeed in the workplace. The results showed that communication skills received the maximum weightage of 28%, with positive attitude as a close second at 24%, followed by teamwork and interpersonal & social skills at 17% and 16% respectively, analytical & problem solving skills got 9%, while leadership received 6% weightage at the lowest.
5.0 Conclusion
In essence, organizations in the industry can rightfully have expectations of their prospective employees in having the relevant knowledge, good attitude, excellent communication skills as well as the willingness to learn (Education, 2012). Most previous studies are in agreement that employers value soft skills more than hard skills regardless of the size of firms (Lowden et al., 2011). Archer et al. (2008) further emphasized the needs of graduates to be equipped with deep intellectual capabilities and applied practical skills in order for them to be more work-oriented (Lowden et al., 2011). Future prospects entails graduate students to consistently have a burning desire to learn as one of the most important skills in the working world (Kavanagh & Drennan, 2012).

Therefore, this study shows in simple terms, that employers are not satisfied with the skillset of the new workforce graduating from higher institutions of learning and are of the opinion that these graduates should be better equipped with soft skills in addition to hard skills. The results also configure that the critical skills for workplace success should include good communication, to be able to maintain a positive attitude, the ability to get along with the next person, work in teams, and analyse and think critically in order to solve problems and to be able to lead. This study may be helpful to educators because the findings reported help to recognize the most critical workforce skills. In addition, this information may allow educators to more effectively include employability skills in their courses and to explore improved instructional methodologies.

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