

Why do Soft Skills Matter?

WHAT ARE “SOFT SKILLS”?

Soft skills—also known as life skills, socio-emotional skills, and transferrable skills—“refers to a broad set of skills, competencies, behaviors, attitudes, and personal qualities that enable people to effectively navigate their environment, work well with others, perform well, and achieve their goals. These skills are broadly applicable and complement other skills such as technical, vocational, and academic skills.” (USAID 2015)

WHAT THE EVIDENCE SAYS

Research shows that soft skills are predictors of employment and earnings among young people.

“Soft skills’ are centrally important for human capital development and workforce success. A growing evidence base shows that these qualities rival academic or technical skills in their ability to predict employment and earnings, among other outcomes (Kautz, Heckman, Diris, ter Weel, & Borghans, 2014). As the workplace has modernized around the world, the demand for such skills has increased over the past 20 years (Balcar, 2014; Carnevale, 2013; Eger & Grossmann, 2004; International Labour Organization, 2008). Nevertheless, a soft skills “gap” is noted by many employers around the world, who report that job candidates lack the soft skills needed to fill available positions (Manpower Group, 2013).”

Source: Laura H. Lippman, Renee Ryberg, Rachel Carney, Kristin A. Moore (2015). *Key “Soft Skills” that Foster Youth Workforce Success: Toward a Consensus across Fields*. Child Trends. Retrieved from: <https://www.usaid.gov/sites/default/files/documents/1865/KeySoftSkills.pdf>.

Soft skills are in high demand by diverse range of employers around the world.

“The ability of global companies to harness the growth potential of new technological adoption is hindered by skills shortages.”

Source: World Economic Forum (2020). *The Future of Jobs Report 2020*. Retrieved from: <https://www.weforum.org/reports/the-future-of-jobs-report-2020>.

“More than half (56%) of employers say communication skills, written and verbal, are their most valued human strengths followed by collaboration and problem-solving, according to the global Talent Shortage Survey. These soft skills will help your career both in the short and long term.”

Source: Manpower Group (2019). *Mastering Soft Skills in the Workplace*. Retrieved from: <https://workforce-resources.manpowergroup.com/blog/mastering-soft-skills-in-the-workplace>.

“Organizations are realizing too that the combination of soft and hard skills is the best blend. Sixty-four percent of employers are upskilling people in hard skills through technical certifications, apprenticeships and programming courses and 56% in soft skills including customer service, sales and communications.”

Source: ManpowerGroup (2017). *Solving the Talent Shortage: Build, Buy, Borrow and Bridge*. Retrieved from [https://go.manpowergroup.com/hubfs/TalentShortage%202018%20\(Global\)%20Assets/PDFs/MG_TalentShortage_2018_lo%206_25_18_FINAL.pdf](https://go.manpowergroup.com/hubfs/TalentShortage%202018%20(Global)%20Assets/PDFs/MG_TalentShortage_2018_lo%206_25_18_FINAL.pdf).

Soft skills boosts earnings for those who are self-employed in the informal economy. According to an evidence review by USAID’s former Senior Economist, one of the most cost-effective approaches to increasing youth earnings in the household production sector includes developing their soft skills.

“Programmes to help youth more rapidly enter and make money in the household production sector (farm and non-farm). Of these, easing access to finance combined with brief practical business start-up training, as well as **programmes to develop negotiation, communication, client service, and other soft skills**, seem to hold the most promise as a cost-effective approach.”

Fox, Louise and Upasna Kaul (2017). *The evidence is in: How should youth employment programs in low income countries be designed?* USAID. Retrieved from: <http://www.youthjobcreation.org/the-evidence-is-in-louise-fox-usaid/>.

The most common soft skills linked to workforce development outcomes are social skills, communication, and higher-order thinking skills (including problem solving, critical thinking, and decision-making). These are further supported by the intrapersonal skills of self-control and positive self-concept.

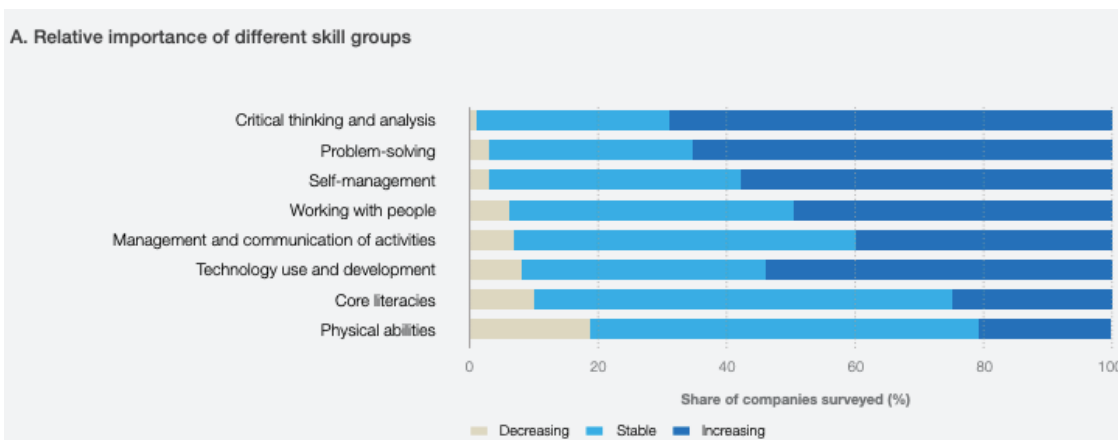


Source: Lippman et. al., 2016

“We’ve identified five key soft skills that — according to researchers, employers, youth, and program implementers — most enable youth (15-29) worldwide to be successful in the workplace.” “[These are] skills most likely to increase odds of success across all outcomes and which employers expect employees to have: social skills; communication; and higher-order thinking skills (including problem solving, critical thinking, and decision-making); supported by the intrapersonal skills of self-control and positive self-concept.” (Refer to graph at left.)

Source: Laura H. Lippman, Renee Ryberg, Rachel Carney, Kristin A. Moore (2015). *Key “Soft Skills” that Foster Youth Workforce Success: Toward a Consensus across Fields*. Child Trends. Retrieved from: <https://www.usaid.gov/sites/default/files/documents/1865/KeySoftSkills.pdf>.

“The top skills and skill groups which employers see as rising in prominence in the lead up to 2025 include groups such as critical thinking and analysis as well as problem-solving, and skills in self-management such as active learning, resilience, stress tolerance and flexibility.”



Source: World Economic Forum (2020). *The Future of Jobs Report 2020*. Retrieved from: <https://www.weforum.org/reports/the-future-of-jobs-report-2020>.

In addition to predicting workforce success and labor market returns, soft skills are linked to positive youth outcomes across a multitude of sectors, including education, employment, health, and violence prevention.

“Evidence across fields and disciplines highlights the importance of “soft skills” to long-term education, employment, health, and violence prevention outcomes (Deming 2015; Almlund et al., 2011; Heckman et al., 2006; Carneiro et al. 2007). Empirical research indicates that self-control and positive self-concept prevent crime, delinquency, risky sexual behaviors, and unemployment, and promote better health outcomes and workforce success in adulthood (Fitzsimons and Finkel, 2011; Goodman et al., 2015; Lippman et al., 2014; National Research Council, 2012). Social and emotional skills predicted high social returns and medium labor market returns, according to cross-country longitudinal analyses by the Organisation for Economic Cooperation and Development (OECD) (OECD, 2015).”

Source: YouthPower2 Learning and Evaluation. *Soft Skills for Positive Youth Development*. Retrieved from: <https://www.youthpower.org/soft-skills-positive-youth-development>.

“Although the returns to cognitive and technical skills have long been recognized, recent literature suggests that soft skills rival cognitive skills in their ability to predict positive outcomes. Moreover, evidence suggests that soft skills are more malleable than cognitive skills among adolescents and youth adults (Heckman et al., 2006; Kautz et al., 2014). [...] In addition to workforce development, violence prevention and sexual and reproductive health (SRH) have received considerable attention by international youth development programs and donors, including USAID. [...] Three skills were identified as having strong support across all three outcomes—positive self-concept, self-control, and social skills—while additional skills emerged as critical for one or two of the three outcome areas.”

Source: Gates, S., Lippman, L., Shadowen, N., Burke, H., Diener, O., and Malkin, M. (2016). *Key Soft Skills for Cross-Sectoral Youth Outcomes*. USAID’s YouthPower: Implementation, YouthPower Action. Retrieved from: <https://www.youthpower.org/resources/key-soft-skills-cross-sectoral-youth-outcomes>.

EXAMPLES OF USAID & USG SOFT SKILLS ACTIVITIES

USAID Mission	Activity Title	Activity Goal
Algeria	Algeria University Linkages Program (AULP)	Support university career centers to create opportunities for students through the development of viable links to private industry and a targeted soft skills training program.
El Salvador	Proyecto de USAID Puentes Para el Empleo/ Bridges to Employment	Increase and improve employment of vulnerable youth living in the country’s high-crime municipalities. The approach involves improving youth workforce readiness, improving the quality of workforce development services, and improving the enabling environment for workforce development.
Honduras	Empleando Futuros	Increase employment and protective factors for at-risk youth. This approach works through public and private service providers, building their capacity to deliver services, including establishing linkages with the private sector.
Indonesia	Ready-to-Work Accelerator Program (RWAP)	Works with public and private vocational training institutions, higher education institutions, the private sector, and government agencies to improve the quality of education available to poor and vulnerable students.
Jordan	USAID YouthPower Jordan Activity	Goal: Improve opportunities, well-being, and civic engagement for youth in 60 communities, namely by strengthening, establishing, and increasing access to the local systems and programs that serve youth. The three components are: youth engagement, community asset mapping, and a Youth Innovation Fund for youth to design and lead local development efforts.

USAID Mission	Activity Title	Activity Goal
Kenya	Kenya Youth Employment and Skills Program (K-YES)	Increase wage- and self-employment among underemployed youth who have not completed secondary school. This activity relied on community-based training models, combined with capacity building of public vocational training centers; it established 9 county youth employment compacts to drive collective action around youth development.
Lebanon	Higher Education Capacity Development Program	Support Lebanese higher education institutions in improving their administrative, academic, and job readiness capacity to better prepare graduates for employment and success in the labor market.
Morocco	USAID Career Center Program	Bolster the Government of Morocco's efforts to enhance the employability of 200,000 youth and assist their transition to employment through the launching of online and physical career centers.
Mozambique	YouthPower Action Mozambique: OVC Programming for Adolescents	Support older orphans and vulnerable children (OVC) to gain an integrated set of employability skills, improve basic education competencies, and develop health knowledge and behaviors.
Nicaragua	Technical Vocational Education and Training Strengthening for At-Risk Youth (TVET SAY)	Expand technical/vocational training, entrepreneurship, soft skills training for strengthening resilience and violence prevention, and job placement for at-risk youth living in the Caribbean Coast.
Philippines	Mindanao Youth for Development (MYDev); Opportunity 2.0	Increase youth skills among 18,000 youth in conflict-affected areas of Mindanao. Provide second-chance opportunities to 180,000 out-of-school Filipino youth including those from this city by strengthening existing education and workforce development systems.
Rwanda	Akazi Kanoze (2008-2015) Huguku Dukore (2015-2021)	Provide employment and self-employment opportunities for 80,000 youth, including out-of-school youth and those living in rural, food- insecure areas.
Tanzania	Feed the Future Tanzania Advancing Youth Activity (AY)	Increase economic opportunities for rural young people between the ages of 15 and 35. The approach develops and delivers training and mentoring focusing on three 'L's – Life skills, Livelihoods, and Leadership.

USAID RESOURCES

The following USAID resources offer guidance and evidence related to the development of soft skills across the following sectors: education, economic growth, food security, civic participation, violence prevention, health, gender inclusion, and positive youth development.

(For more information, go to: usaid.gov, edu-links.org, and youthpower.org.)

[Social and Emotional Learning and Soft Skills: Online Learning Module](#)

[Social and Emotional Learning and Soft Skills: USAID Education Policy Brief](#)

[Feed The Future Project Design Guide for Youth-Inclusive Agriculture and Food Systems Volume II – Implementation.](#)

[Getting Employment to Work for Self-Reliance: A USAID Framework for Employment Programming](#)

[Employment Framework Playbook](#)

[Soft Skills for Positive Youth Development](#)

[Key Soft Skills for Cross-Sectoral Youth Outcomes](#)

[Measuring Skills in International Youth Development Programs](#)