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Creating the leaders of the future – we need to broaden our focus on soft skill development in order to achieve organisational success

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As we enter what is being referred to as the 'Fourth Industrial Revolution', characterised by its rapidly changing, technology focused and competitive environment, organisational leaders are faced with new challenges when striving to achieve organisational success. According to recent research undertaken by McKinsey & Co across the USA and Europe, we are facing a significant shift in the skills employees and leaders will need to achieve success. Not surprisingly, it is expected that between 2016 and 2030, the hours spent using technological skills (advanced IT skills, programming and basic digital skills) will increase by 55%. This is

only part of the picture however as the research also indicates that the use of 'social and emotional' skills will increase by 25% in the same period. The types of skills classified as 'social and emotional skills' include advanced communication and negotiation skills, empathy, leadership skills, adaptability and coaching, skills that are often referred to as 'soft skills'.

Whilst some organisations and educators at all levels (primary, secondary and tertiary), have invested a great deal of time and effort in preparing for the technological skill shift, there has been arguably much less focus on preparing for the increased need in 'soft skills'.

Current research being undertaken at James Cook University (JCU) is focused on gaining a deeper understanding of the skills and behaviours required by organisational leaders to deliver organisational success now and into the future within the Australian context. Furthermore, the research is seeking to identify where there are perceived significant gaps between skills required in future leaders and those being observed in prospective organisational leaders (graduates and junior managers). Early results highlight the importance of 'soft skills' and recognise a significant gap in these skills within the current work environment.

Skills required by our future leaders



As part of the research project at JCU, organisational leaders in Australia operating across public, private and not-for-profit sectors were invited to participate in semi-structured interviews and complete a questionnaire. The research participants are working across a range of industries including health, human services, banking, mining, sustainability, higher education and insurance. When asked what skills and capabilities are required in order to lead an engaged and productive workforce, the research participants identified authentic engagement, connection and communication with staff as the most important skills. These were immediately followed by the ability to self-reflect, empathise, remove barriers and support autonomy across the workforce, motivate and stretch staff, create and clearly articulate a vision and purpose and to be able to connect staff contributions to the organisations vision and purpose.

Other important skills and abilities identified included the ability to engage in courageous conversations, deal with ambiguity and create clarity out of chaos, establish great networks to gain broader insights, be adaptable and transparent. Participants also highlighted the importance of creating a culture of 'team' where you felt safe, supported and felt your leader had 'your back' and believed in you.

Specifically, interviewees stated:

'I think we know that where people feel safe, valued and empowered and asked to be their real genuine authentic self they come forward with new ideas'

[General Manager, one of Australia's top four banks]

'(a leaders) intelligence can be up and down I don't think any of that matters because great leaders get the right people around them and that support enables them to deliver the best outcome.'

[Senior Manager, Organisational Development, State Government]

When asked to identify what skills and behaviours will be most important for the leaders of the future, the top 20 skills and behaviours identified were all 'soft skills' relating to either self-management or people management. Interestingly, these outcomes correlate with those identified through a research study conducted by Google that looked at the hiring, firing and promotion data accumulated since 1998, to identify the eight (8) most important qualities of their top employees. The project was titled 'Project Oxygen' and it found that out of the top eight skills, seven (7) were skills that would be considered 'soft' or 'higher cognitive' skills. The top seven characteristics at Google, according to this research, are:

- Being a good coach;
- Communicating and listening well;
- Possessing insights into others (including others different values and points of view);
- Having empathy toward and being supportive of one's colleagues;
- Being a good critical thinker and problem solver;
- Being able to make connections across complex ideas.

The eighth and final characteristic is subject matter expertise, namely STEM expertise.

Where is the gap?



A recent study by Deloitees involving 4000 Gen Z participants found that 37% experience concern that technology is weakening their ability to maintain strong interpersonal relationships and develop people skills. Deloittes insights paper on "Generation Z enters the workforce" states:

whilst these digital natives may bring an unprecedented level of technology skills to the workforce, there are some apprehensions about their ability to communicate and form strong interpersonal relationships.

Specific concerns include,

Technology has impacted the development of cognitive skills, including intellectual curiosity, amongst the next generation, creating the risk of skill gaps when they enter the workforce en masse. A shortfall in highly cognitive social skills such as problem solving, critical thinking, and communication, could be particularly evident.

The ability to skillfully interact and communicate with others not only contributes to successful relationships but also drives accumulation of tacit knowledge, which is usually passed down through decades of communication and collaboration in a work place. This may include specific information relating to processes, customers and other things, like culture. This type of knowledge is difficult to transfer through the digital realm as it is 'rooted in context, observation and socialisation'. The Deloitte paper discusses how the communication skill gap in Gen Z may potentially hinder the transfer of tacit knowledge.

The JCU research results also highlight the critical gaps that are perceived to currently exist within Australian workplaces between critical skills required of a good leader and observed competency of emerging leaders in these skills. Research participants were asked to rank the 'level of importance', and then rank the 'observed general competency', of skills demonstrated by potential leaders within their organisations. The highest level of discrepancy between ranked level of importance and observed competence of prospective leaders was 'the ability to manage conflict'. This was followed by six other people management skills, namely the ability to; influence others, delegate, motivate others, negotiate, inspire others, give positive and negative feedback, empower others and develop others.

Research participants observed that the areas where the skill gaps appear minimal include: setting specific goals and targets, self-confidence, passion, optimism, making analytical decisions, innovation and assertiveness.

Why is this relevant for Conflict Management and Resolution Practitioners



Through literature reviews, semi-structured interviews and questionnaires, the JCU research has found a significant overlap between the skills required to be a good leader and the skills

required to be an effective CMR practitioner. These skills include:

- Honesty
- Self-awareness
- Comfortable with uncertainty
- Able to hold multiple perspectives
- Identify options
- Behavioural observation
- Emotional intelligence
- Understand broader views
- Empathy
- Active listening

As such CMR Practitioners will have the opportunity to play a critical role in addressing the gap in 'soft skills' and supporting organisations to build, develop and improve on their soft skills within their leadership (current and future) cohorts. This may be achieved in a number of ways including:

- Practitioner helping organisations to manage an increasingly high volume of workplace conflicts as a result of leaders not having the capability to manage or resolve conflict themselves.
- Capability builders— educating and supporting organisations to build the capacity of their workforce, including bespoke training on important skills such as resilience communication, feedback, and other 'social and emotional' skills.
- **Taking on leadership positions** as many of the skills are transferable some CMR practitioners may choose to utilise their skills by taking on operational leadership roles.

All research participants were clear on the importance of investing in skill development for their workforce's. One participant stated:

[Need to invest in the soft skills....] 'without those skills you are not going to have a very good workplace, you are not going to have engaged staff, it leads to all sorts of issues, so it's well worth investing in.'

[Senior Leader, Tertiary Education]

Therefore, as CMR practitioners, we may find increasing demand for our services and an expansion in the types of roles that exist for individuals who are competent practitioners and trainers in social and emotional skills.

Claire Holland and Amaya Mo presented on their research at the National Mediation Conference in April 2019, and a publication of the results is forthcoming.





Amaya is the Principal of Zing & Co, a management consultancy specialising in creating, developing and supporting high performing, engaged, happy and resilient workforces. Amaya is also a lecturer and researcher in the JCU Conflict Management and Resolution Program.



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About Claire Holland

Claire is the Director and lecturer in the Master of Conflict Management and Resolution Program at James Cook University. Her research interests include mediation and conflict resolution processes, interfaith dialogue, coaching and capacity building, and wellbeing in the law. She is a practicing Nationally Accredited

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