

SOFT SKILLS AS PART OF THE COMPETITIVE ADVANTAGE FRAMEWORK

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ABSTRACT

Soft skills cannot be replicated, whereas machines can be replicated. The business environment's dynamism has elevated business leaders' stress levels to pursue good core competency. Soft skills are environmentally advantageous as skills such as team building, work ethic, creativity & problem-solving are empowering across all industrial roles. Conversely, the defining characteristics of the technology are represented by the changes it undergoes. Relevant hard skills today could be irrelevant tomorrow. The study aims to determine the strength of soft skills as part of the competitive advantage framework. A successful organisation was involved in the study, whereas the respondents of the study were 110 executives. The findings found that soft skills, such as emotional intelligence and organisational citizenship behaviour, play a critical role in improving the organisation's competitive advantage and achieving a more robust performance.

Keywords: Productivity, Unique Market Leader, Organization Performance, Human Resource

INTRODUCTION

Interpersonal skills, empathy & resilience, are soft skills highly desired by most employers in a competitive business environment. Similarly, these soft skills are essential during the business recovery period. Organisations must strengthen themselves to advance. Many people will remember 2020 as the year that the entire world was affected by the Covid-19 pandemic & an unordinary typical business year. Some businesses had to shut down, while some had to pull their socks up.

Several business sectors underwent a total standstill due to the Covid-19 pandemic. Specific industries, particularly the tourism & aviation industries, are still gasping for air as they need to stay resilient and steer themselves out of turbulence (Deloitte Development LLC, 2020). The disruption faced by the organisations has caused their employees to test their emotional & social operating system (Stokes, 2020). The Covid-19 pandemic has jolted many organisations by forcing them to shift their platforms and change strategies. The Resource-Based View Model is a business strategy adopted to focus on the people to sustain. Soft skills have recently gained much importance, whereas technical skills are critical (Dean, 2017)

The business environment has turned more complex and complicated. The employees' skill set requirements are shifting to complement the competitive field as companies face an evolution. The new world comprises workgroups that can interact with people from different nations and cultural backgrounds. Workers must possess crucial interpersonal communication skills to work with and comprehend their team members. The employee mixture is changing, while businesses mirror biology in several ways. Darwin asserted that those who survive are neither the strongest nor the most intelligent but the most adaptable to change (Stokes, 2020). The study aimed to examine the influence of emotional intelligence skills during the challenging Covid-19 situation. In addition, the study also focused on the employees' level of organizational citizenship behavior.

LITERATURE REVIEW

Emotional Intelligence

Emotional intelligence is a soft skill that affects employees & business productivity. Soft skills are categorised as personality traits or habits that include interpersonal skills, such as emotional intelligence & organisational citizenship behavior (Feffer, 2016). Soft skills that drive businesses are argued to signify the core values. Emotional intelligence is the people's ability to successfully manage extreme emotions, such as anger, sadness, fear, & happiness, which influence them & others surrounding them. Highly emotionally intelligent people are deemed to be very productive and substantially influence organisational performance.

Workers with higher emotional intelligence are argued to stay & work with the organisation during challenging situations (Hahn & Pedersen, 2020). These skills are needed to form the core competency skills that are essentially required during turbulent times. According to Hashem (2010); Danquah (2014), highly emotionally intelligent people can enhance their performance. Palmer & Stough (2001) developed a construct with five emotional competencies displayed at the workplaces. The emotional competencies are emotional recognition and expression, understanding others' emotions, emotions direct cognition, emotional management, and emotional control.

Employees with greater emotional intelligence tend to be alert and conscious of the situations their workmates are experiencing. These people tend to recognise the emotional level in their surroundings and show empathy and concerns toward their fellow workmates. Their behaviour improves the working environment by strengthening the bond among the employees and subsequently becomes an organisational asset. The Covid-19 pandemic has turned the business environment Vulnerable, Uncertain, Complex and Ambiguous (VUCA).

Organisational Citizenship Behaviour

Displaying organisation support, being responsible, attentive & conscientious are examples of organisational citizenship behaviour. Podsakoff, et al., (1990) mentioned that organisational citizenship behaviour comprises five elements, *i.e.*, conscientiousness, sportsmanship, civic virtue, courtesy, and altruism. The behaviour positively influences people in their workplaces, and productivity increases (Hall et al., 2009). Farooqui (2012) suggests that these behaviours support workers in performing their job roles effectively and efficiently.

Furthermore, these behaviours or skills are essential, especially during challenging situations, such as the Covid-19 pandemic or VUCA periods. The behaviours give the flexibility necessary to work through various unexpected circumstances, such as assisting workmates requiring urgent help. Additionally, workers show care for the company's assets and possess commendable attendance attitudes beyond enforceable levels with positive inclusion (Organ, 1990), proving that such behaviours are an organisational asset.

METHODOLOGY/MATERIALS

A successful plastic manufacturing organisation was selected to fulfil the purposes of the study. This organisation was established in 1963 & have been in existence for more than 57 years. The organisation has grown from a two-person workforce to approximately 1000 workers in three Malaysian states, namely Selangor, Melaka & Penang. Successful organisations effectively & efficiently utilise their limited resources to their maximum gain. The organisation is listed as one of Malaysia's top ten plastic manufacturing producers by the Malaysian Plastics Manufacturers Association.

The study focused on emotional intelligence, organisational citizenship behaviour, and organisational performance. The research objectives were:

- To investigate the relationships among emotional intelligence, organisational citizenship behaviour & organisational performance.
- To determine the mediating effect of emotional intelligence in the relationships among organisational citizenship behaviour & organisational performance.

The study used three different questionnaires. The construct of Palmer & Stough (2001) was used to examine emotional intelligence, whereas the framework developed by Podsakoff, et al., (1990) was employed to assess organisational citizenship behaviour. Data validity was tested using Cronbach alpha. The researcher was not allowed to enter the organisation during the Recovery Movement Control Order (RMCO). Thus, the questionnaire was distributed by the company's human resource officers, and all the executives responded to the questionnaires.

RESULTS & FINDINGS

Table 1 displays the regression analysis values between emotional intelligence, organisational citizenship behaviour & organisational performance. The R-value of 68% proves that emotional intelligence & organisational citizenship behaviour accounted for almost 70% of the variations to organisational performance. The high percentage shows the importance of these soft skills to the organisation performance. Additionally, emotional intelligence & organisational citizenship behaviour demonstrated a positive & significant relationship with organisational performance. Emotional intelligence showed a higher significant impact due to the t-value ($t=8.727$) than organisational citizenship behaviour.

According to Table 2, emotional intelligence dimensions have a positive relationship with organisational performance. Only understanding others emotions did not have a significant relationship from the five dimensions. Emotional recognition & expression ($t=4.565$) & emotions direct cognition ($t=3.477$) displayed a high t-value. Variables with high t-values indicated the influence on the dependent variable, namely organisational performance. Emotional recognition and expression refer to the employees' ability to recognise & express themselves well for their co-workers to understand their situation.

The ability to recognise emotions is vital in obtaining a correct response from others. Incorrect responses would lead to a misunderstanding and affect workplace harmony. Similarly, a correct decision will have a good impact on the organisational performance for emotions direct cognition. Employees with the authority and responsibility to make decisions must manage their emotions well and make decisions objectively. Their decision will influence the organisation's direction. Thus, emotional recognition and expression and emotions direct cognition are the primary soft skills required to be competitive in the industry.

Model		Unstandardized Coefficient		Standard Coefficient	t	Sig.
		B	SE	Beta		
	EI	0.863	0.099	0.642	8.727	0.000
	OCB	0.314	0.050	0.243	3.301	0.001
	R	R Square				
		0.824 ^a	0.680			

Note: EI – emotional intelligence; OCB – organisational citizenship behaviour

Model		Unstandardized Coefficient		Standardised Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.023	0.331		0.069	0.945
	ERE	0.320	0.070	0.325	4.565	0.000
	UOE	0.158	0.082	0.149	1.931	0.056
	EDC	0.250	0.072	0.263	3.477	0.001
	EM	0.164	0.076	0.168	2.155	0.033
	EC	0.178	0.069	0.167	2.596	0.011

Notes: a – Dependent variable (OP- organisational performance);
 ERE – emotional recognition and expression;
 UOE – understanding others' emotions;
 EDC – emotions direct cognition;
 EM – emotional management;
 EC – emotional control

Table 3 shows the direct and indirect effect of emotional intelligence & organisational citizenship behaviour on organisational performance. The r-value for the direct effect of organisational citizenship behaviour on organisational performance is 0.3144. Nevertheless, the r-value increases to 0.5558 when there is a mediating effect of emotional intelligence. The findings showed the significance of emotional intelligence as a soft skill that will significantly affect organisational performance.

	Effect	t	p
OCB and OP	0.3144	3.3012	0.0013
EI as a mediating factor	0.5558		

Abbreviations:
 OCB - organisational citizenship behaviour
 OP - organisational performance
 EI - emotional intelligence

CONCLUSION

This research was conducted during the movement restriction period. The movement restriction period is a VUCA time. Many businesses are trying hard to sustain & gain a competitive advantage in the business environment. Gaining a competitive advantage is not easy as businesses need to find unique and not easily substituted assets. The employees' skills are the organisations' assets. Soft skills focus on improving the organisation productivity, while technical skills are essential to perform productive tasks. Organisations depend heavily on the workforce as a strong workforce improves competitive advantage & the VUCA period's chances.

Both organisational citizenship behaviour & emotional intelligence have a positive & significant relationship with organisational performance. Likewise, emotional recognition and expression & emotions direct cognition were identified to have a more substantial influence on organisational performance. These soft skills were observed to have a significant impact on the organisation's performance.

This research has several limitations. The study was conducted during the movement restrictions order imposed to curb the pandemic. Thus, the researchers were unable to conduct a face to face interview with the respondents. The questionnaires were distributed through the organisation's human resource personnel. The study only employed two independent variables, namely emotional intelligence & organisational citizenship behaviour. The findings are restrictive to these variables. Therefore, other variables could be analysed in future studies.

The study was conducted in a single successful organisation from the plastic manufacturing industry. Hence, the findings are restrictive to organisations with a similar background. Conducting similar research in other organisations would be beneficial to the body of knowledge in future. The results of this study could relate to other organisations with similar characteristics. Nevertheless, each organisation may be different, and these diversities would be added knowledge and provide an advantage for other organisations. Other variables, such as organisational culture, could be studied in future researches.

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