Today’s graduates: Worth their weight in gold?

Our latest research suggests that social and emotional competencies are vital to future business success – but can be lacking in today’s graduates. Why so? What can HR do to develop these essential skills in younger workers? >>
92% of HR directors (HRDs) believe that emotional and social skills are increasingly important as globalization accelerates and organizational structures change.
Much has been made of the latest generation to enter the workplace. The consensus seems to be that their motives, attitudes, behaviors and expectations are different.

Some say that they can lack ‘soft’ skills – the essential people skills that allow us to navigate the workplace, understand organizations and get on in our careers. Younger generations, the argument goes, have their own way of interacting with colleagues, be it face to face, over the phone or digitally, one to one or in teams. And then there’s their instinctive and continual use of technology.

Whatever the rights and wrongs, it’s probably fair to say that millennials’ mode of communication doesn’t always go down well with their older colleagues.

**Softly softly**

Yet people skills – we call them emotional and social competencies – are worth their weight in gold. In fact, they can be more valuable than what we think of as ‘hard’ skills – the technical abilities needed to do a job.

Studies show that in many complex roles, top performers are 127 per cent more productive than average ones; and that only a third of the difference depends on their technical and cognitive abilities. The rest is down to their emotional and social competencies.

Our own research among HR directors (HRDs) and recent graduates in work suggests that these abilities are becoming increasingly important to business success – and even survival. But they can be lacking in the graduates currently entering the workforce.

**In their own words**

We spoke to 450 HRDs and 450 recent graduates working in India, China and the US about emotional and social skills. Our study revealed three important findings (see panel, *Our survey says*):

1. HRDs overwhelmingly consider emotional and social skills to be critical to their organizations’ success. Yet graduates don’t see these abilities as important.
2. Organizations are struggling to attract and retain younger workers with highly developed emotional and social skills.
3. Efforts to address the issue aren’t working.

*Four years ago, Harvard Business Review predicted that the so-called ‘millennial’ generation (or ‘generation Y’) would account for almost half the global workforce by 2014.*

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2. Source: Hunter, Schmidt and Judiesch, 1990

> Today’s graduates are tomorrow’s leaders. If the generation coming through lacks social and emotional skills, how are they to lead their organizations to future success?

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Our survey says

*Our research among HR directors (HRDs) and young professionals in China, India and the US found that:*

**HRDs see emotional and social skills as critical to individual performance and organizational success...**

- 88% think that a talent pool with strong emotional and social skills is essential to stay ahead of the competition.
- 92% believe that emotional and social skills are increasingly important as globalization accelerates and organizational structures change.
- 88% describe entry-level graduates with these skills as “worth their weight in gold”.
- 85% believe that emotional and social skills, not technical skills, are the real differentiator.
- 90% say that people with strong emotional and social skills have more commercial impact.
- 91% agree that people with strong emotional and social skills advance further in the business.
- 79% say that graduates who do not develop emotional and social skills have no place in their organization.
- 83% state that graduates who do not quickly develop emotional and social skills will never be high performers.

**...yet graduates don’t believe these abilities are important.**

- 69% say that emotional and social skills “get in the way of getting the job done”.
- 69% are confident that they will succeed in the workplace regardless of their emotional and social skills.
- 48% do not see the value of “pandering to the feelings of others” at work.

“83% of HRDs state that graduates who do not quickly develop emotional and social skills will never be high performers.”
Organizations are struggling to attract and retain younger workers with the necessary emotional and social skills.

- **80%** of HRDs claim their business struggles to find graduates with the necessary emotional and social skills.
- **73%** believe that less than a quarter of graduates in their organization have the right emotional and social skills.
- **83%** face increasing competition to attract entry-level professionals with strong emotional and social skills.
- **82%** believe that emotional and social skills are harder to find than technical abilities.
- **86%** describe retaining graduates with the right emotional and social skills as a "concern".
- **79%** have found themselves with no option to but to hire graduates who they feel lack the necessary emotional and social skills.

HRDs believe they are making efforts to address the issue...

- **87%** claim to have adequate training in place to develop emotional and social skills in their graduates.
- **84%** say their line managers spend more time training entry-level graduates on team-working than on technical competencies.

...but their measures aren’t necessarily working: recent graduates are still struggling in their new workplace:

- More than **50%** have considered leaving their job because they say they “don’t fit in”.
- **52%** have struggled to build relationships at work.
- **42%** find it difficult to deal with stress.
- **49%** say that seniors rarely listen to their ideas.

More than **50%** of graduates have considered leaving their job because they say they “don’t fit in”.

About the research
The study is based on the views of 450 HR directors and 450 recent graduates working in China, India and the US.
A different breed?

- In some aspects, Gen Y can seem a breed apart, especially to older colleagues. That’s the impression we get from our conversations with clients.

- Clients tell us that millennials tend to arrive in the workplace brimming with confidence. They’re keen: they want to be able to perform from the off, not always realizing that emotional and social skills and expertise take time, practice and dedication to develop. They’re fast: the ‘140-character generation’ wants to do everything at speed. And they’re ambitious: they’re looking for rapid promotions and pay rises.

- Younger generations also have their own ways of communicating. Used to the informality of the virtual world, their communication can seem at odds with corporate culture.

- But in other ways, they’re no different from the rest of us. Like any generation, they have a strong need to feel that their work is valued.

- New graduates may face a steep learning curve when they enter the workplace. But organizations must also learn how to cultivate this generation’s new ideas about working practices, not to mention their technological prowess. HR needs to work out how to get the best from their Gen Y recruits. After all, the future is in their hands.

The ‘140-character generation’, they are fast and want to do everything at speed.

A perfect storm

Before answering that, we need to understand why young graduates lack the emotional and social skills that employers believe are required.

The truth is there’s no one explanation. A perfect storm of factors is driving a gap between the competencies businesses need, and the abilities today’s graduates typically bring.

1 Economic fortunes

Different regions have experienced very different business climates in recent years. Yet the ‘boom’ cycle in growing economies and ‘bust’ conditions affecting mature markets have had something in common. Both have intensified the need for workforces with strong emotional and social competencies.
• **Mature markets**

For businesses in ‘old’ economies, the turbulent market conditions following the financial crash led to a period of ruthless cost-cutting.

This has had three important effects:

I. It has increased the demands on workforces in terms of performance and productivity – and therefore the range of skills (both technical and emotional) they need.

II. It has reduced the numbers of junior and middle managers on hand to help guide career starters as they learn to navigate life in the workplace.

III. It has ramped up the competition for starter positions. Many graduates find they have to work for little or nothing to get a foot in the door, and make an impact quickly to secure a permanent role and get their career up and running. Success depends on having the intuition to understand the workplace, and the ability to work well with others from the outset.

• **Fast growing markets**

Firms in rapidly evolving economies such as China are having to adapt to the transition from breakneck expansion to a smoother growth cycle.

In the earlier stages of economic acceleration, emerging markets tend to be awash with opportunity. Business growth depends simply on meeting customers’ most immediate demands. There’s little need for professional management, operational excellence or innovation. It’s a case of just getting on with the job.

But over time, growth slows from these heady heights. Opportunities remain plentiful, but markets become more sophisticated and competitive, so success becomes harder to achieve.

Sustaining growth in these conditions demands stronger leadership, better management, tighter operations and more innovation. And it requires closer cooperation between co-workers, driving a need for people skills.

Employees must work together to find solutions to complex problems, rather than ploughing on quietly with their head down as they did in the past. They must influence others to secure the resources and support they need.

Smoother growth also drives companies to adopt complex and fluid matrix structures as they expand in size and intricacy. As a result, leaders are expected to lead teams without formal authority over them and others are expected to work under several bosses in a short space of time – or sometimes at once. For new graduates learning to find their way in the workplace, this can be a daunting experience.

A more competitive environment also makes for a highly pressured one. People are expected to demonstrate results faster than ever – particularly in Asian cultures like China, which place great emphasis on success. For those that shine, rapid promotion is on offer. Young graduates can quickly find themselves among the ranks of junior, middle and even senior management. They need the confidence and resilience to cope with the pressure, and adapt to increasingly large and important roles – while retaining a positive mindset.
I. Globalization 2.0

The shift in economic power to emerging regions is creating intense competition for new markets with highly localized dynamics.

This is driving a need for internationally mobile talent with a keen cultural awareness and adaptability – skills which depend on strong emotional and social competencies.

II. Digitization

The all-pervasive use of online and mobile technology and social media – particularly among millennials – means that:

- Younger workers tend to have less developed verbal communication skills and shorter attention spans.
- Younger employees have different modes of communication. Talking while you text is acceptable, as is using the informal, abbreviated language of social media in work emails. We’ve heard from some clients – particularly in Asia – that millennials can be more articulate on digital platforms than when communicating in person.

III. Individualization

Growing affluence for millions of people in emerging markets (the result of globalization 2.0) is reshaping their needs. For the first time, they can base their life and career decisions on their personal motives, rather than economic necessity.
Changing working practices

The upshot of the megatrends is that at a time when businesses need to be more connected than ever, workers increasingly want to work their way.

To compete under globalization 2.0, companies need people to work more collaboratively, join multi-disciplinary teams and operate under looser, more agile structures. This demands emotional and social abilities such as self-awareness, team-working and influencing.

Yet at the same time, digitization allows people to work remotely – which many tech-savvy younger workers no doubt prefer to do. And in an increasingly individualistic world, they expect their demands to be heard.

The way forward

So why aren't employers managing to develop the social and emotional abilities they need in their workforces?

In our experience, organizations tend to neglect efforts to develop these abilities in their staff, expecting it to happen 'on the job.' Yet by necessity, the early days of young recruits' careers are spent learning the technical competencies needed to perform their roles. Too often, that's where his or her initiation ends.

Left to work things out for themselves, they tend to acquire 'soft' skills in one of two ways.

If they’re lucky, they find an informal mentor. This is usually a peer or frontline supervisor, rather than a leader or senior technical expert with formal responsibility for developing people. But they have their own job to do, and can’t give all new recruits the attention they need.

Alternatively, they learn simply by getting it wrong. They develop people skills from the behavioral mistakes they make as they adapt to life in the workplace. Some will no doubt have the resilience to learn from embarrassing slip-ups – but for others, bad experiences will dent their confidence, hampering their early career development.

Brain training

It doesn't have to be this way. A haphazard approach to fostering emotional and social skills isn't necessary. The fact is that the right behaviors for the workplace can be learned. The brain is a malleable organ. It's perfectly possible to 'train' it – to develop new thought processes and behaviors, just as one can develop the muscles.

Emotional and social skills aren't learned by osmosis. HR needs to take a more proactive approach to giving graduate recruits these abilities early on in their careers. And they need to do so in ways that are compelling and relevant to the millennial generation. For example:

1 Create a feedback culture. Encourage staff to give constructive feedback – good and bad – on behaviors as well as technical abilities.

We all have unconscious emotional reactions to situations as we go through the working day, and may not always appreciate the impact these have. Organizations need to nurture an environment in which staff are comfortable pointing their actions out to each other when necessary.

Fostering such a climate means making feedback mechanisms, such as online 360-degree tools, readily available to all employees.

2 Encourage informal mentoring at all levels, not just by senior managers. Create structures and environments for people to help and support each other in real time – for example, on internal social media forums.

3 Boost organizational awareness. Help younger recruits to understand the organization and learn how to navigate the workplace.

Explain where they fit into the bigger picture. Give them opportunities to find out how other parts of the business work, who they need to know to get on in their careers, and how they access people that can help them learn and progress.
4 **Provide opportunities to learn.** Encourage people to practice new behaviors in safe environments, on the job or away from the workplace.

This might entail tasking somebody with a listening assignment, in which they’re to have a conversation with a friend on an issue they disagree about, and try to understand the opposite point of view.

5 **Bolster self-awareness.** Start building self-awareness in young recruits from the off, by feeding back on how they performed during the hiring process. How did they come across at interview and/or assessment center? What behaviors did they display? What strengths and weaknesses were apparent?

Give people the tools to audit their own behaviors, moods and triggers, and understand how they work best. What makes them feel motivated, confident, anxious or stressed at work? How does this affect their behavior toward others, and their performance on the job?

Also, encourage staff to write down their own strengths and weaknesses, then send these to their line manager to get his or her view.

6 **Allow time to reflect.** Pausing for thought can be one of the most effective ways to learn. Give people the chance to get together and think about the successes and challenges of the projects they work on. And to reflect on their own contribution – both positive and negative – in order to build awareness of their behavior and impact.

7 **Leverage the power of technology.**

A report on generation Y by Cisco remarked that the smartphone could plausibly be considered 207th bone in their body. If this generation values their smartphones, tablets and social media platforms so much, then capitalize on that connection.

Structure learning around how graduates operate. Deploy tools that encourage them to improve behaviors over devices, on platforms and in ways that will capture their attention.

8 **Make it enjoyable.** Use gameplay to make learning compelling to the digital generation. ‘Gamification’ techniques – points, competition, levels, recognition and reward – tap into people’s achievement motive. This is what makes games so appealing – and it can be used to help encourage graduates to stay focused on developing social and emotional skills.

9 **Hit the sweet spot.** Focus development where it’s most effective. Learning in the workplace tends to follow the 70-20-10 rule: people acquire around 70 per cent of their working knowledge on the job, 20 per cent from colleagues and 10 per cent from training courses and background reading.

Delivering behavioral training over technology enables people to learn as they go, putting development resource where it’s most effective.

10 **Formalize it.** Soft skills should be essential to career progression. Build them into your performance management system, and make them part of employees’ performance reviews and development plans.

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Final word

The message for organizations is clear. The pressure is on to give younger workers the tools and opportunities to develop their social and emotional competencies; practice the right behaviors; pause and reflect; and receive ongoing feedback.

This will give workers the people skills that are crucial to survival in a changing business environment, but can be harder for younger generations to get to grips with.

It will also enhance the experience of career starters, helping to retain the best talent and protect the organization’s brand. For whether people stay with you or not, employees past and present are also potential customers. An unfortunate start can turn someone off forever.
Take your graduate hires on a Journey of self-discovery

Journey is our revolutionary new mobile app, which helps your new graduate hires master the emotional and social skills they need to excel at work.

Travelling through an animated landscape, the user has to complete a series of on-the-job exercises, that help them develop five of the skills that drive outstanding performance: self-awareness, self-control, empathy, influence and teamwork.

Journey is part of Hay Group Activate, an innovative suite of business apps to help your people make better decisions and improve their performance.

For more information please visit http://journey.haygroup.com
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