

2015/3

15 Jan 2015

## Pocket Watch – The (economic) case for soft skills

### Introduction

Much has been written about soft or personal skills in recent years, some might say too much, but the latest **report** on the matter, commissioned by fast food chain McDonalds, and published this week is of interest for a number of reasons. First because McDonalds has a particular interest in this area, it's a major employer of young people and it's where many of them develop such skills. Its 2014 survey for instance found that *"over 50% of current employees reported that the soft skills they had developed whilst working at McDonald's had provided a major boost to their self-confidence."* McDonalds accordingly takes the whole thing seriously. And secondly because the report looks at things from a socio-economic perspective; it calculates for instance how much such skills are worth to the economy, just under £88.5bn by the way, and goes on to break it down by sector and region. In essence, therefore, it helps build an economic case for these skills which McDonalds and other companies are now pledging to support in a new 2015 campaign.

### Which soft skills?

The report goes for five, all pretty familiar and all evident in most other lists drawn up in recent years. The five are: communication and interpersonal skills; teamwork; time and self-management skills; decision-making and initiative-taking; and taking responsibility. Some might bridle that there's no reference to numeracy, a staple of BTEC's original common core competencies, regularly highlighted as an area of concern in CBI reports and referred to by the Skills Minister recently as an essential life skill. Others might point to a lack of any reference to problem-solving, integrity or customer awareness, all of which appear on other versions yet the list could become endless and in all fairness, the report goes on highlight the importance of what it calls *"characteristics, attributes and skills"* such as *'show respect'* and *'accept responsibility'* that underpin soft skills and cover some of what's missing.

### What is the economic case?

Employers have been saying almost since time immemorial how important such skills are and the report runs through a number of recent employer surveys emphasising the point. In many ways there's always been some disconnect between what employers want and what the education and training system provides but this report suggests that the economic argument behind soft skills in particular is incontrovertible. Here's some of the figures from the report which back this up: the contribution of soft skills to the UK economy is expected to increase by 44% over the next ten years; the annual expected loss of production resulting from soft skill shortages is predicted to hit £7.4bn by the end of the decade; over the next ten years the number of unfilled vacancies due to soft skills shortages is likely to hit 1.78m. And yes, the report does explain the methodology it has used to reach such conclusions.

### What now?

McDonalds is supporting a campaign with other organisations including the CBI, Work Foundation, Barclays, the AoC and others, working alongside entrepreneur James Caan to help improve the lot of soft skills. The campaign is calling for suggestions and will then publish a short report *'listing recommendations that have come out of it.'* It's looking for action.



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**The case for soft skills Jan 2015**