

# Role of Soft Skill Training in Performance of Workforce

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## Abstract

The purpose of the present study is to analyse the impact of soft skill training on the performance of employees working in banks in Mumbai. To serve the objective of the study, an empirical attempt with the utilization of regression analysis has been made. For conducting the study, a well-structure and pre-tested questionnaire has been utilized. Besides, the selection of banks and customers was based on convenience sampling approach. The developed scales assessing soft skill training and employee performance has been examined for statistical appropriateness. Further establishing the statistical appropriateness, regression analysis has been employed and the results have unveiled significant positive impact of soft skill training on employee performance. Based on the finding of the study, plausible suggestions have been made to banks for enhancing the effectiveness of soft skill training and its impact on employee performance.

**Keywords:** Soft Skill, training, performance, banks, employees

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## Introduction

Employees are the face of the organizations in the service industry. They are the point of linkage between the organization and its customers. Accordingly, service sector organizations have started focusing on strategies which will enhance the performance of employees as one of the imperative source of competitive advantage (Suciu and Borza, 2010). Alike other service organizations, banking sector has also started focusing on employees and their performance (Jassim, 1998). In the present era, where all the banks provide identical financial services, relationship between banks and its customers has been considered as one of the key means to achieve sustainability and profitability in the marketplace (Kebebde and Tegegne, 2018). Customer relationship, largely, includes the interaction of banks' employees and its customers whether through electronic media or face-to-face interaction. Thus, banks are focusing on ways and means to enhance the performance of employees. In this regards, a novel but one of the promising area which is being increasingly focus by banks is the soft skills of employees.

Soft skills can be understood as the collection of qualities, personal disposition, habits, attitudes and societal refinement possessed by individuals in varying intensity (Maniscalco, 2010). Likewise, Lorenz (2009) has narrated soft skills as the group of personal and behavioural traits which make an individual a good employee and a compatible co-worker. The aforementioned definitions of soft skills makes it clear that soft skills deal with psychosomatic attributes which are different from hard skills. Hard skills are the job or knowledge specific skills that are required in a job and the same can be measured (Wats and Wats, 2009). Hard skills are quantifiable and demonstrable while soft skills are qualitative and cannot be demonstrated (Kerr, 2019). For instance, in case of banks, hard skills are the skills including operating the technology, mathematics excellence etc. while soft skills needed by the employees include communication skills, handling customers effectively with traits, such as, courtesy, empathy, etc. Further, soft skills will not only enhance the bank-customer relationship but also lay foundation of conducive working environment with efficient interpersonal workplace relationship.

Recognising the importance of soft skills, banks are providing soft skills training focused on aspects like team building, time management, query handling, complete and concrete communication, etc. periodically. But while doing so, banks have also to analyse the impact of soft skill training on performance of employees periodically as the purpose of such training is to enhance the performance of the employees. But an extensive review of literature has unveiled that the research evidences pertaining to India and specifically Mumbai are scarce. Taking this into contemplation, the present study focus on analysing relationship between soft skill training and performance of employees in banks in Mumbai, India.

### Literature Review

Each and every training program framed and executed by the organizations has the underline rationale of enhancing its productivity and profitability through enhance employee performance (Salah, 2016). Thus, the focus of very training program is to enhance the employee performance. The effectiveness of any training program depends on its impact on the performance of employees and to determine this, organizations have to deliberately analyse the impact of training programmes on the performance of employees and so is the case with soft skill training.

Considering this, Boyatzis (1982) has attempted to analyse relationship between soft skill training with the performance of employees. The study has highlighted that

the managerial skills of employees get enhanced when they are provide with soft skill training.

With reference to banking sector, Ahlawat et al. (2013) has unveiled that the soft skills of employees are the part of employees' contribution in the success of the organization. The findings of the study also indicated the soft skill of the employees distinguish good performers from bad performers.

Following the same path, Bhal (2015) has conducted a study which highlighted that soft skills not only enhance communication skills but also focused on listening skills. The study also unveiled that soft skills cannot be transferred and females usually have more soft skills. Further, the study has related soft skill training with the effective performance of employees.

Ibrahim et al. (2017) has carried out an empirical study focused on employees of Malaysian private companies. The analysis of 810 employees from nine different countries has indicated that the acquisition of soft skill through training predict the performance of the employees. Likewise, the research reservoir has been found to be filled with theoretical as well as practical research focusing on soft skill training and its relationship with performance of employees, such as, Al-Abduwani (2012), Salah (2016), Emerson (2017), Escrig-Tena et al. (2018), Egbuta (2019), etc. But to the best of the knowledge, none of the studies have focused on the branches of the banks in Mumbai. Therefore, the present study has been framed to explore the impact of soft skill training on employee performance with reference to banks in Mumbai, Maharashtra.

### Research Methodology

The prime objective of the present study is to explore impact of soft skill training on the employee performance. The present study novel in nature, as previous research attempts are being found lacking in considering banking employees employed in the branches of Mumbai city. This makes the study is exploratory in nature.

Further, the scope of the study includes front-line employees working in banks in Mumbai as they are the face of the banks for the customers. Accordingly, data have been collected from 264 employees of varied banks in Mumbai. The selection of banks as well as employees was based on convenience sampling Approach. Accordingly, a total of eight branches (two branches each of SBI, HDFC, AXIS, YES Bank) have been selected and a total of 33 employees have been contacted.

Further for collecting data, a well-structured questionnaire has been drafted and the same has been pilot tested on 45 employees working in HDFC bank. After the initial

screening of 264 responses, 12 responses have been deleted owing to issues like half-filled responses, thereby, reducing the usable data 252 responses.

To serve the purpose of the present study, soft skill training and employee performance has been assessed through development of scale. The scale assessing soft skill training and employee performance has been developed on the basis of research work done by Tabouli et al. (2016); Salah (2016); Emerson (2017); Ibrahim et al. (2017) and Escrig-Tena et al. (2018). Accordingly, a 30 item inventory and a 20 item inventory has been developed assessing soft skill training and employee performance, respectively. Besides, the questionnaire has also enquired about the demographic features of the sampled employees.

### Findings of the Study

An outlook at the socio-economic features of the sampled bank employees has depicted that the average age of the said employees is 30.12 years (SD: 10.43) which range from 19 to 56 years. Also, the average income (monthly) is found to be 28000 (SD: 35610.49) ranging from 25000 to 67000. Further, more than 50 per cent, i.e., 65 per cent of the sampled employees are found to be males, while, the percentage of female is noticed to be 35. The distribution of the sampled employees on the basis of educational qualification has depicted that majority of the sample (78 per cent) has qualification equals to post graduation and above. Whereas, 22 per cent of the sample is found to possess qualification equals to graduation or less. Furthermore, majority of the sampled employees (79 per cent) have total working experience of less than or equals to 10 years in the same bank. Contrary, 21 per cent possess work experience of more than 10 years.

Although employees, in banks, are observed to work in different departments periodically, yet at the time of data collection, majority of the employees (76 per cent) were noticed to work in customer-facing department, whereas, only 24 per cent were working at back end. Also, almost half of the sample, i.e., 54 per cent is found to be unmarried

following 45 per cent of the sample which was married at the time of data collection.

Advancing in the present research, an attempt has been made to explore the relationship between soft skill training and employee performance statistically by employing regression analysis. Before applying regression analysis, both the aforesaid scales (scales assessing soft skill training and employee performance) have been exposed to the test of normality, reliability, dimensionality and validity.

Initially, normality of the data has been examined through the value of skewness and kurtosis. The value of skewness and kurtosis in case of all the measures assessing both the aforesaid scales is found to in compliance with the criterion range suggested by Hair et al. (2012), i.e., all the values are found to range between +3 to -3 as represented in the Table 1, thereby, eliminating the presence of plausible outliers. Further, the next test suggested by the aforesaid researchers is cronbach alpha ( $\alpha$ ) statistic as it examines reliability of the scales. The reliability of the scales reflects internal consistency of the measures. Thus, an outlook at the values of cronbach ( $\alpha$ ) statistic has indicated that the values of all the measures assessing both the constructs are found to range between 0.70 to 0.90 except for two measures assessing soft skill training. ON the basis of 'if item deleted criteria' recommended by Hair et al. (2012), two measures assessing soft skill training and one measure assessing employee performance have been identified as potential measures whose dropping will enhance the reliability of both the scales. Thus, the two measures have been dropped from the scale of soft skill training and one measure from the scale of employee performance, thereby, reducing the scales to 28 measures and 19 measures, respectively. After dropping the said items (i.e., EP6, SST24 and SST25), cronbach  $\alpha$  statistics has been again estimated and the values are noticed to be 0.89 and 0.85 in case of soft skill training and employee performance, respectively (refer Table 2). This indicates that the scales have shown significant level of internal consistency.

**Table 1. Data Normality and Reliability**

Construct	Items	Skewness	Kurtosis	if item deleted	Cronbach $\alpha$ (after deletion)
	EP1	-0.38	0.56		
	EP2	-0.47	0.43		
	EP3	-0.81	-0.12		
	EP4	-0.55	-0.32		

<b>Employee Performance</b>	<b>EP5</b>	-0.59	0.17	0.79	0.85
	<b>EP6</b>	-0.78	0.32		
	<b>EP7</b>	-0.71	-0.33		
	<b>EP8</b>	-0.63	-0.23		
	<b>EP9</b>	-0.77	0.22		
	<b>EP10</b>	-0.62	0.04		
	<b>EP11</b>	-0.80	0.52		
	<b>EP12</b>	-0.83	0.93		
	<b>EP13</b>	-0.79	0.59		
	<b>EP14</b>	-0.88	0.87		
	<b>EP15</b>	-0.59	-0.45		
	<b>EP16</b>	-0.33	-0.54		
	<b>EP17</b>	-0.43	-0.37		
	<b>EP18</b>	-0.59	-0.44		
	<b>EP19</b>	-0.51	-0.37		
	<b>EP20</b>	-0.59	-0.12		
<b>Soft Skill Training</b>	<b>SST1</b>	-0.77	1.69	0.83	0.89
	<b>SST3</b>	-0.79	1.31		
	<b>SST3</b>	-0.83	1.43		
	<b>SST4</b>	-0.91	0.56		
	<b>SST5</b>	-0.72	0.34		
	<b>SST6</b>	-0.60	1.55		
	<b>SST7</b>	-0.63	0.34		
	<b>SST8</b>	-0.73	1.66		
	<b>SST9</b>	-0.93	1.45		
	<b>SST10</b>	-0.78	1.80		
	<b>SST11</b>	-0.88	1.34		
	<b>SST12</b>	-0.82	0.98		
	<b>SST13</b>	-0.62	0.77		
	<b>SST14</b>	0.25	-0.16		
	<b>SST15</b>	-0.34	-0.33		
	<b>SST16</b>	-0.34	-0.45		
	<b>SST17</b>	-0.20	-0.39		
	<b>SST18</b>	-0.54	0.45		
	<b>SST19</b>	-0.51	0.35		
	<b>SST20</b>	-0.44	0.36		
	<b>SST21</b>	-0.22	0.34		
	<b>SST22</b>	-0.55	-0.37		
	<b>SST23</b>	-0.82	0.76		
	<b>SST24</b>	-0.65	0.43		
	<b>SST25</b>	-0.73	0.33		
	<b>SST26</b>	-0.78	1.43		
	<b>SST27</b>	-0.35	0.99		
	<b>SST28</b>	-0.62	-0.43		
	<b>SST29</b>	-0.65	-0.23		
	<b>SST30</b>	-0.43	-0.43		

Further, the dimensionality of both the scales has been tested through exploratory factor analysis approach. Accordingly, the results have been computed by using principal component analysis with varimax rotation as prescribed by Hair et al. (2012). All the values of communalities and factor loadings are found to be above the criterion value of 0.50 (as shown in the Table 2) and the

values of KMO comes out to be  $>0.05$  and  $\chi^2 = 9898.52$  and  $7768.36$  ( $p < 0.01$ ) for the scale of soft skill training and employee performance, respectively. Further, the eigen value criterion has led to single factor solution in both the cases, thereby, indicating the un-dimensionality of both the aforementioned constructs.

**Table 2. Values of Communalities and Factor Loadings**

Construct	Items	Communalities	Factor Loadings
Employee Performance	EP1	0.83	0.89
	EP2	0.78	0.88
	EP3	0.76	0.83
	EP4	0.65	0.64
	EP5	0.79	0.79
	EP7	0.60	0.84
	EP8	0.59	0.84
	EP9	0.56	0.79
	EP10	0.65	0.81
	EP11	0.53	0.67
	EP12	0.62	0.69
	EP13	0.61	0.59
	EP14	0.76	0.73
	EP15	0.70	0.66
	EP16	0.64	0.71
	EP17	0.70	0.83
	EP18	0.69	0.73
	EP19	0.65	0.55
	EP20	0.73	0.60
	SST1	0.70	0.80
	SST3	0.60	0.78
	SST3	0.82	0.69
	SST4	0.64	0.54
	SST5	0.69	0.79
	SST6	0.71	0.60
	SST7	0.70	0.65
	SST8	0.56	0.61
	SST9	0.67	0.74
	SST10	0.66	0.73

<b>Soft Skill Training</b>	<b>SST11</b>	0.79	0.69
	<b>SST12</b>	0.64	0.78
	<b>SST13</b>	0.81	0.65
	<b>SST14</b>	0.83	0.88
	<b>SST15</b>	0.59	0.79
	<b>SST16</b>	0.65	0.80
	<b>SST17</b>	0.61	0.75
	<b>SST18</b>	0.72	0.72
	<b>SST19</b>	0.78	0.67
	<b>SST20</b>	0.72	0.81
	<b>SST21</b>	0.68	0.77
	<b>SST22</b>	0.80	0.79
	<b>SST23</b>	0.67	0.74
	<b>SST26</b>	0.69	0.84
	<b>SST27</b>	0.78	0.83
	<b>SST28</b>	0.66	0.82
	<b>SST29</b>	0.71	0.81
	<b>SST30</b>	0.63	0.78

Furthermore, structural validity of both the scales has been examined through confirmatory factor analysis on the basis of the criteria suggested by Hair et al. (2012). Accordingly, the values of construct validity and reliability come out to be above the referential values of 0.50 and 0.70,

respectively. The model fit indices have also indicated significant construct validity referred by Hair et al. (2012); and Lei and Wu (2007) and the same has been depicted in the Table 3.

**Table 3: Model Fit Indices of Constructs**

<b>Constructs</b>	<b>CMIN(<math>\chi^2/df</math>)</b>	<b>RMSEA</b>	<b>GFI</b>	<b>AGFI</b>	<b>CFI</b>
Soft Skill Training	2.53	0.035	0.980	0.944	0.922
Employee Performance	2.45	0.023	0.988	0.937	0.958
<b>Referential Values</b>	< 5	< 0.06			

Note: df = Degrees of Freedom; CMIN = chi-square; RMSEA = Root Mean Square Residual; GFI = Goodness of Fit Index; AGFI = Adjusted Goodness of Fit Index; CFI = Comparative Fit Index

Here, the CMIN values, RMSEA, GFI, AGFI and CFI values are utilized as these test statistics takes into consideration large sample size and number of measures utilized while reflecting structural validity of the constructs.

Since the above mentioned results indicate statistical suitability of both the constructs, these scales can be used for the accomplishment of the objective of the present study. For the purpose of calculation, z-scores (with mean = 0 and SD = 1) of the total of both the scales have been taken.



Further, soft skill training has been taken as independent variable and employee performance has been taken as dependent variable. The values F-ratio is found to be

statistically significant at 1 per cent level of significance and the value of R square is found to be 0.31.

**Table 2. Results of Regression Analysis**

Model	Coefficient	t- Value
<b>Constant</b>	14.32	2.23**
<b>Soft Skill Training</b>	0.989	2.55**

Note: \*\*p<0.01

As depicted in Table 2, the t-values are found to be statistically significant at 1 per cent level of significance in both the cases, i.e., in case of constant and soft skill training. This indicates that the results of the regression analysis can be relied on. Further, the positive coefficient value equals to 14.32, in case of constant, reveals that the performance of employees tend to enhance even in the absence of soft skill training. In other words, it has been found that there are other factors which can enhance employee performance. Such factors can be compensation, motivation, etc. (Shaikh et al., 2017; Srivastava and Bhatia, 2013, etc.). Since the aim to the present study is focus on relationship between soft skill training and employee performance, only these two constructs have been taken into consideration.

Further, the positive coefficient value equals to 0.989 depicts that increase in soft skill training also enhances employee performance. In other words, the result value unveiled that the performance of employees enhances when they are being provided with effective soft skill training. These results are in convergence with the existing literature evidences (Emerson, 2017; Salah, 2016). Further, the significant coefficient value, in case of constant, indicates that irrespective of change in soft skill training, there are other factors which affect employee performance

### Implication

The results of the present study have indicated that soft skill training exhibit positive impact on the performance of the employees working in banks in the city of Mumbai. However while interpreting the results, demographic features of the sampled employees should be considered. Thus, it can be inferred that the performance of employees in the banks will enhance as they are provided with training focused on soft skills particularly in case of male employees who are 30 years in age; possess post-

graduation qualification; earn monthly income equals to Rs. 28,000 and are working in the respective bank for a period less than or equals to 10 years. Further, the performance of employees is found to enhance with the introduction of soft skill training in case of employees working in the customer-facing department.

These results act as a guiding torch for the branches of the various banks in Mumbai to frame the soft skill training keeping in view its probable impact on the performance of the employees. Although banks have started planning and executing various soft skill training programmes focusing on aspects like team building, time management, situation management, interpersonal skills, etc., yet it has been observed that the banks are not actively assessing the impact of such programmes on the performance of employees. Therefore, it has been suggested to the banks to adopt the measure which will focus on measuring the effectiveness of soft skill training programmes on the performance of employees and before doing that, banks should focus on areas of soft skill training by different employees. For instance, it might be possible that not all the employees in the organization need interpersonal training. So, it is suggested to the banks to explore the employees and the kind of soft skill training needed by them. Once, employees with varied needs of soft skill training are identified, banks are recommended to conduct training in groups and measure the pre-training and post- training behaviour.

Also, if the banks need to provide soft skill training to all the employees with the motive to sustain their soft skills, such training programmes can be role- based or situation based. Indeed in this case also, banks need to explore whether post training behaviour of employee is better than the pre-training behaviour with respect to that particular soft skill for which the training was given. Here, another important suggestion to banks is to focus on one particular

aspect of soft skill in a single training module and for different soft skills, distinct training programmes should be organized. Doing so will ensure that employees will be provided training on one aspect more comprehensively which will increase the chances of enhancement of that soft skill among the employees.

Besides the interpretation of results and its generalization to all the banking employees should be done cautiously keeping in view the demographic profile of the sampled employees. A study considering more employees from various other banks may add more insight into the understanding of relationship between soft skill training and employee performance.

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