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Strategic Talent Management: A Comparative Analysis of Hard Vs. Soft Skills

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ABSTRACT

The war for talent is an ongoing problem for organizations. This study examined strategic talent management in the workplace. It compared three talent management dimensions including: a) attraction b) selection and c) retention in hard skills and soft skills. The research reviewed the barriers to effective talent management and successful policies. The author conducted semi-structured interviews with 24 human resources (HR) professionals, focusing on strategic talent management dimensions in hard skills and soft skills. Responses from the interviews were coded and details about the differences were summarized. The data from the interviews were evaluated using chi-square analyses to identify statistically significant differences in HR professionals' perceptions of strategic talent management in hard skills versus soft skills. The research suggested plausible reasons for the significant differences in managers' perceptions of talent management effectiveness in hard skills and soft skills. These results create a comprehensive framework for organizations to develop strategic talent management guidelines.

Keywords: Soft skills, Strategic talent management, Human resource management, and Hard skills.

INTRODUCTION:

Organizations focused on talent management and developments have been criticized for a lack of effective employee skills. Talent management is one of the most essential elements used by companies in determining proper methods for enhancing employee skills (Werner, 2022). This study used strategic talent management theory to examine human resource managers' perceptions of employee hard and soft skills. Feedback from human resource (HR) managers allows organizations to benchmark necessary skills and performance and to track progress. Open communication provides HR managers with an opportunity to provide comments about employee skills that may result in improvements to employee training and development practices. HR managers' opinions about talent management and employee skills are sought by most organizations, especially in the form of feedback questionnaires. Improvement of employee skills directly impacts organizational effectiveness. Hence, the enhancement of strategic talent management practices shapes the field of HR management and the business environment.

Problem Statement

Practitioners are challenged to find employees with proper skills that enhance organizational effectiveness. Competition amongst organizations forces them to adopt a market orientation strategy to differentiate their talent management practices from those of their

competitors. HR managers have certain expectations about talent management and skill requirements. To sustain this growth and enhance the quality of the HR offerings, it is imperative to measure HR managers' perceptions of hard skills and soft skills. Measurement of these variables provides organizations with tools to make talent management activities more effective. As a result, practitioners can enhance the quality of employee skills. The problem was described as a lack of empirical data that utilizes strategic talent management theory in measuring HR managers' perceptions of employee hard skills and soft skills. There has been no other research that uses interviews and also incorporates strategic talent management theory to evaluate HR manager perception of hard versus soft skills. The purpose of this study was to the utilize dimensions of strategic talent management theory to analyze HR managers' perceptions of the hard vs. soft skills of employees. The study was not meant to compare hard skills to soft skills merely to prove which one is better, but rather it aimed to highlight some of the possible strengths and weaknesses which may help to make improvements in organizations. The intent was to add to the current body of research by utilizing the voice of HR managers about hard and soft skills. The overall objective of this study was to utilize the findings to enhance the quality of strategic talent management activities for practitioners in the workplace (Ratan *et al*., 2020).

Review of Literature

In the past when employees started a new job they were simply hired and placed into a job but today that task is more complex, and it is known as the human resource function of talent management. Talent management is evident when organizations recruit and develop employees with explicit skills. These talented employees demonstrate elevated levels of productivity and are willing to stay with the organization for a long time (Pagan-Castaño, Ballester-Miquel, Sánchez-García, & Guijarro-García, 2022). The field of talent management is in a constant state of transformation, and this is an ongoing issue for human resource managers and practitioners. Talented employees have specific skills that help shape an organization and they can be the most crucial resource for organizations (Acar & Yener, 2016). When hiring new employees, managers must first find applicants with the applicable skills and then match the applicant to the right job.

Technology is ever-changing, and it has had a major influence on the skills that employers are seeking from candidates today. New jobs have evolved, creating new skill demands (Wikle & Fagin, 2014). When cutting positions today managers believe that technical skills are not enough to keep individuals employed. Hard skills and technical aspects are keys to many top educational programs, but soft skills are getting more emphasis in the colleges so that students learn the importance before beginning a career (Robles, 2012). Hendarman and Cantner, (2018) found that hard skills and soft skills are significantly and positively associated with individual innovation.

Strategic Talent Management

Strategic talent management is defined as the activities and processes that involve the systematic identification of key positions that contribute to an organization's sustainable competitive advantage (Beutell, Kuschell, & Lepeley, 2021). This involves the development of high-potential talent and performance to fill open roles and the expansion of the human resource structure to facilitate filling positions with competent employees to ensure continued commitment to the organization (Collings & Mellahi, 2009). In other words, strategic talent management means that when HR is hiring and developing employees, the activities associated with that are in line with the company's mission and goals. Organizations consider employee skills when they are strategically managing talent, including hard and soft skills.

According to Werner, (2022), strategic talent management theory is based on the attraction, selection, and retention of employees, which involves a combination of HR processes across the employee life cycle. Strategic talent management is a primary function of human resource management, and it is a valuable resource for companies and employees (Acar & Yener, 2016). Attraction is when a candidate is interested in and applies for a job at a company (Collings & Mellahi, 2009). Attracting skilled employees is essential for organizational success. Selection, or the placement of a properly skilled employee into an appropriate position, is a requirement for organiza-

tional efficiency and effectiveness (Gallardo-Gallardo, Nijs, Dries, and Gallo, 2015). Retention involves keeping talented employees and reducing turnover and it contributes to organizational sustainability (Werner, 2022). Skills, both hard and soft, are essential for the operational performance of companies (Hendarman & Cantner, 2018; Patacsil & Tablatin, 2017). To effectively manage talent; HR managers must decipher skills, including hard and soft skills, for organizational success and sustainability (Beutell *et al*., 2021).

Hard Skills

Hard skills are the specialized expertise and knowledge needed for a job (Robles, 2012). Hard skills involve proficiency acquired through training, education, education, and/or experience (Wikle & Fagin, 2014). Historically, hard skills, or technical skills, were the only skills necessary for the employment (Robles, 2012). Hard skills have been foundational for many jobs in the past and remain important today. But in a recent study by Jones, Baldi, Phillips, and Walkar, (2016), organizations reported that they are not as concerned with high grades and math abilities from new hires as they were in the past. There has been a recent shift in employer preferences for evidence of successful internships and community-based work, as opposed to inferring potential only from transcripts and test scores (DeLong & Elbeck, 2018). Plus, the need for soft skills over hard skills increases substantially when an employee is promoted to a supervisor level (Hasan and Karim, 2022). Hard skills are the essential for technical jobs but if an employee also has positive personal attributes their career success increases greatly (Pagan-Castaño *et al*., 2022).

Soft Skills

Soft skills are interpersonal abilities, or people skills, that people have at various levels (Robles, 2012). Soft skills may be seen in different contexts, but they all share a common purpose of structuring, enabling, and enhancing development, learning, and employment success (Gibb, 2014). Employees demonstrate soft skills through effective communication, customer service, awareness of diversity, critical thinking, problem-solving, emotional intelligence, sociability, ethics, teamwork, and leadership (Matteson, Anderson, Boyden, 2016; Ngang, Hashim, & Yunus, 2015; Mitchell, Skinner, & White, 2010). Jones *et al*. (2016), found that the communication was shown to be a characteristic that organizations seek in new hires, and they emphasized the enhancement of communication programs in business schools. According to DeLong and Elbeck, (2018), business colleges are catering to industry expectations for both hard and soft skills by including a broader range of the subjects, teaching methods, and assessments into the curricula.

The lack of soft skills has been shown to the put organizations at risk for reductions in performance. Businesses continuously report new employees are often deficient in soft skills (Mitchell *et al*., 2010). Rowthorn, Olsen, and Hirson, (2014), found that soft skill instruction will improve team effectiveness, which will lead to increase the productivity and efficiency. In a study by Ngang *et al*. (2015), soft skills were found to supplement hard skills and increased work levels and employability. Robles, (2012), listed 10 important soft skills acknowledged by managers including: work ethic, integrity, responsibility, social skill, communication, positive attitude, courtesy, professionalism, teamwork, and flexibility. Soft skills development has increased given their inclusion in the education and training, especially in mentoring systems (Gibb, 2014). Both hard and soft skills are keys in hiring decisions, with favoritism shown to soft skills because it provides higher utility for differentiating candidates. Soft skills form the basis of organizational success. The significance of soft skills and their application in organization is a dynamic process and requires ongoing research (Chakraborty, 2021).

Research Questions

The study contained the following research questions:

R1. What are the differences, based on the strategic talent management dimension of attraction, between hard skills and soft skills?

R2. What are the differences, based on the strategic talent management dimension of selection, between hard skills and soft skills?

R3. What are the differences, based on the strategic talent management dimension of retention, between hard skills and soft skills?

METHODOLOGY:

Data was obtained by conducting interviews with HR managers from 24 US-based businesses. HR mana-

gers' perceptions of strategic talent management and hard vs. soft skills were obtained. Two skills, hard and soft, were analyzed based on strategic talent management theory. The variables of strategic talent management theory including attraction, selection, and retention of employees, were applied and utilized in the study (Collings, Scullion, & Caligiuri, 2019; Scullion, Collings, & Caligiuri, 2010). Following this study's goal of investigating HR managers' perceptions of hard versus soft skills in strategic talent management, a cross-sectional analysis was used to obtain the results of the study. Data was gathered at one point in time from HR managers. The cross-sectional design was most appropriate for the study because it did not require follow-up or repeat data collection. The design allowed for the identification of varying levels of attraction, selection, and retention among the managers and whether they were related to any pre-selected variables. This study consisted of an interview with HR professionals, using open-ended questions, regarding their perception of the practice of strategic talent management theory. The interview questions allowed the researchers to obtain specific details regarding the three talent management dimensions, attraction, selection, and retention. The information obtained from the open-ended interview questions gave an in-depth understanding of the HR managers' expectations of employee skills and allowed the managers the ability to expand on the talent issues being studied.

Validity/Reliability

The study was comparative and non-experimental in design. There was no manipulation of variables or random assignment of participants. A panel of three HR experts reviewed the interview questions in November 2022 to establish content validity plus the literature addressed the questions. The researcher pilot-tested the instrument in December 2022 for this study to identify inconsistencies that could threaten internal validity. The interview instrument was checked for consistency and accuracy by using Cronbach's alpha internal consistency reliability analysis. Each of the three dependent variables was analyzed. The reliability coefficient was .89 for the questions about attraction, .92 for the questions about selection, and .90 for those that examined retention; therefore, the instrument is reliable. This study was designed primarily to inform the executive decision-making teams of the participating organizations regarding their talent management practices. Situations and circumstances cannot be identical so there was no intent to generalize beyond the human resource managers at the participating organizations.

Interviews

During February and March 2023, a total of 24 HR professionals were interviewed for the study. Hard skills interviews were completed with 12 HR professionals working in engineering, IT, construction, and accounting fields. Soft skills interviews were fulfilled with 12 HR professionals working in retail, customer service, sales, and advisor fields. The HR professionals worked at large companies with a minimum of 100 employees. Each was deemed an expert in the field of HR and had a minimum of 15 years of experience and HR certification. Participants were sent an email and asked to participate in the interview. Participation was voluntary.

Instrument

The interview contained six questions. A total of 24 HR professionals, twelve from hard-skill industries and twelve from soft-skill industries, were asked a series of semi-structured, open-ended, interview questions. The interview questions were designed to obtain in-depth results regarding HR managers' perceptions of strategic talent management experiences. The interview questions supported the research found in the literature review. Each interview question focused on a dependent variable: attraction, selection, or retention. The questions were developed around the dependent variables and corresponded to the principles and literature of strategic talent management theory.

RESULTS:

The interview was administered to the HR professionals under the strictest confidentiality. There were two questions corresponding to the dependent variable attraction, two to selection, and two to retention. Questions asked the HR professionals for their perceptions of managing talent in a strategic HR environment. HR professionals were asked to provide specific examples. The interview response data was examined using chi-squared analyses.

Research Question Review

Research Question #1: Hypothesis #1

Reject Ho: HR talent management policies that take strategic attraction into consideration are no different than HR talent management policies that do not take strategic attraction dimensions into consideration.

Attraction Interview Findings

There were statistically significant differences related to the dependent variable, attraction. **Table 1** below shows the significant findings for the first dependent variable, attraction.

Table 1: Attraction/ Statistically Significant Differences.

Number	Question	P Value
1	What attracts an employee to a company?	.003
2	What activities help attract better-quality candidates?	.002

These two *attraction* items, as identified in the table above, show the proportional differences between hard and soft skills. There are plausible reasons why they may be significant. These reasons can be demonstrated through the predominant theme of the strategic talent management approach. Strategic talent management theory was explained in the literature, and it also identified differences between talent management of hard and soft-skill employees.

Research Question #2: Hypothesis #2

Reject Ho: HR talent management policies that take strategic selection into consideration are no different than HR talent management policies that do not take strategic selection dimensions into consideration.

Selection Interview Findings

There were statistically significant differences related to the dependent variable, selection. **Table 2** below shows the significant findings for the second dependent variable, selection.

Table 2: Selection/ Statistically Significant Differences.

Number	Question	P Value
1	What is the top reason for your selection of an employee?	.005
2	Explain if there were ever a time when you did not select a candidate due to a lack of hard and/or soft skills.	.007

These two *selection* items, as identified in the table above, show the proportional differences between hard and soft skills. There are plausible reasons why they may be significant. These reasons can be demonstrated through the predominant theme of the strategic talent management approach. Strategic talent management theory was explained in the literature, and it also identified differences between talent management of hard and soft-skill employees.

Research Question #3: Hypothesis #3

Reject Ho: HR talent management policies that take strategic retention into consideration are no different than HR talent management policies that do not take strategic retention dimensions into consideration.

Retention Interview Findings

There were statistically significant differences related to the dependent variable, retention. **Table 3** below shows the significant findings for the third dependent variable, retention.

Table 3: Retention/ Statistically Significant Differences.

Number	Question	P Value
1	What makes an employee stay at a company for a long time?	.003
2	Why do employees leave an organization?	.005

These two *retention* items, as identified in the table above, show the proportional differences between hard and soft skills. There are plausible reasons why they may be significant. These reasons can be demonstrated through the predominant theme of the strategic talent management approach. Strategic talent management theory was explained in the literature, and it also identified differences between talent management of hard and soft-skill employees.

Summary of Key Findings

Hard Skills Talent Management

The data collected from the interviews provided the following evidence about talent management of hard skills:

- HR departments are strategically involved in activities that attract quality candidates.
- HR's selection decisions impact the knowledge and abilities of employees hired into technical departments.
- HR has the power to help improve retention rates through a variety of activities with hard-skill employees.

Soft Skills Talent Management

The data collected from the interviews provided the following evidence about talent management of soft skills:

- HR is the first contact for new applicants and HR's utilization of soft skills can help attract quality candidates.
- HR creates new policies and greatly impacts on the selection practices and the soft skills of employees.
- HR can bolster retention with cultural activities that require the use of soft skills.

Implications and Applications

The results of this study offer evidence for a successful model of hard and soft skills for strategic talent management. Professionals in the field of HR provided their perceptions of hard and soft-skill employees regarding strategic talent management in the areas of attraction, selection, and retention. Study findings show that HR managers take a strategic approach to talent management. The first implication arising from the results of this study relates to the need for organizations to attract talented employees. HR managers said that hard-skill employees are attracted to organizations offering competitive salaries and advancement opportunities. Soft-skill employees are attracted by a positive culture if they know someone that already works there. Strategic attraction occurs when HR participates in formulating the overall strategic plan. HR must align the HR functions with the company's strategy. Strategic attraction is most effective when HR coordinates not only talent management but all HR activities.

The second inference arising from the results of this study relates to the importance for practitioners to select employees with essential talent. HR managers said that they select employees requiring hard skills when they show greater knowledge and intelligence. Employees are selected for jobs requiring soft skills when they are friendlier and have effective communication skills. Strategic selection occurs when HR has a high authority level. Strategic selection is enhanced when HR participates in the selection of both hard and soft-skill employees.

The third implication arising from the results of this study relates to the need for companies to retain employees. HR managers indicated that hard-skill employees stay with an organization if they are paid fairly, challenged, and empowered. Retention of soft-skill employees increases when workers are provided with work/life balance, collaboration, and decision-making authority. From an HR perspective, strategic retention greatly improves if HR joins executives in making strategic decisions and is fully integrated with other organizational functions.

CONCLUSION AND RECOMMENDATIONS:

It is clear from the research that attraction, selection, and retention are important dimensions of strategic talent management in organizations. These principles were explored in hard and soft skills. HR professionals' responses showed that differences exist in their perceptions of strategic talent management in the two types of skills. A predominant theme that emerged was the use of the strategic talent management approach in organizations. The results of this study concluded that HR's involvement in strategic talent management decisions is crucial to organizational success and sustainability.

This study has limitations that must be considered when attempting to determine the impact of the results. More information may have been collected if a larger number of HR professionals had participated or if more questions were asked in the interviews. This study focused on one stakeholder, upper management level in HR. Viewpoints of non-managerial HR employees were not considered. Therefore, caution should be exercised when generalizing the results. Although confidentiality was stated, some HR pro-

fessionals may have not participated or provided full disclosure for fear of disapproval or a negative impact on their careers. There are several recommendations for future studies. Future studies could incorporate the use of a different methodology, such as a survey or focus group. The study could research hard skills or soft skills in more depth. Additional research could focus on a specific demographic. It could compare male and female responses or various age categories. Finally, future studies could test one of the variables (dimensions) in more depth to examine the detailed differences.

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CONFLICTS OF INTEREST:
The author declares no conflicting interests.

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