# Utilising Soft Skills to Enhance Work Readiness

A behavioural economics intervention

Introduction

- The Australian Government provides a range of support to help unemployed people into work. Many job seekers can find work relatively quickly and may only need basic support, such as help with their job search.

- On the other hand, job seekers with more complex barriers to employment may require significant changes in their personal circumstances and a conducive external economic environment to find work.

- This trial was conducted with the aim of assisting more disadvantaged job seekers to become more job ready, by improving indicators of work readiness such as self-esteem and resilience.

What soft skills are we looking at?

- Using a framework by Lippman et al. (2015), this study primarily focuses on positive self-concept (or psychological readiness).

- However, we also considered more traditional measures of soft skills like communication and higher-order thinking from a more descriptive perspective.

Higher order thinking

Social skills

Self-control

Communi-cation

Positive self-concept
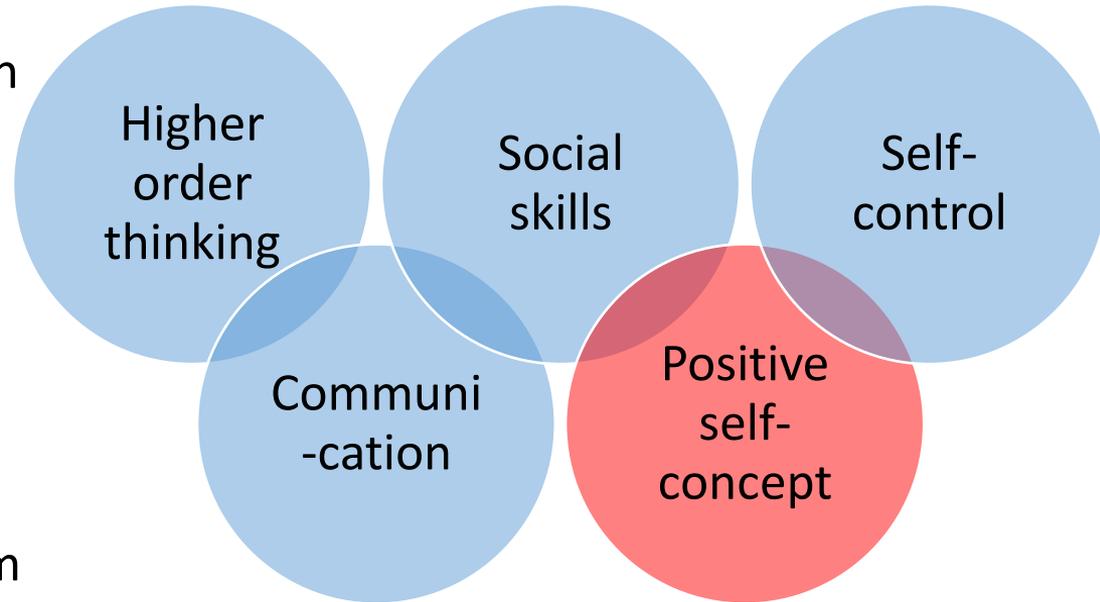
Why soft skills?

- The department's 2016 Survey of Employers' Recruitment Experiences found 72 per cent of employer's place at least as much, if not more, emphasis on people and personal skills than they do on technical skills.

- Previous researchers have been able to demonstrate that soft skills measures such as self-esteem, self-efficacy, resilience and life satisfaction are positively associated with job search behaviours and employment outcomes.

  - higher resilience in job seekers is associated with increases in the likelihood of assertive job searching (Moorhouse and Caltabiano 2007)

  - self-esteem and self-efficacy are positively correlated with persistence in job search (Wanberg et al. 2005)

  - low life satisfaction is associated with a decrease in the likelihood of reemployment compared to moderate or average life satisfaction (Rose and Stavrova 2019)

Exploratory research

- 20 Stream B and C job seekers who had recently completed some type of soft skills training were interviewed to understand their experiences.

- Of those interviewed, common themes included:
    - A trusting relationship with the trainer
    - A dynamic and social learning environment
    - The importance of pre-course information

- Used to inform intervention training.

"The trainer created a comfortable environment, she was in charge but treated as us equals, we were not looked down on."

"… being in a room with other people who are in the same situation, feel the same way and struggle with different social aspects. It does help to be able to bounce things off other people, you know."

The intervention

- The department tested a 3-week training program, underpinned by behavioural economics, to improve the work readiness of more disadvantaged job seekers in Stream B and C.

- Trainers addressed individual challenges with training that utilises psychosocial solutions from a variety of models:

  - Positive Psychology

  - Emotional Intelligence and
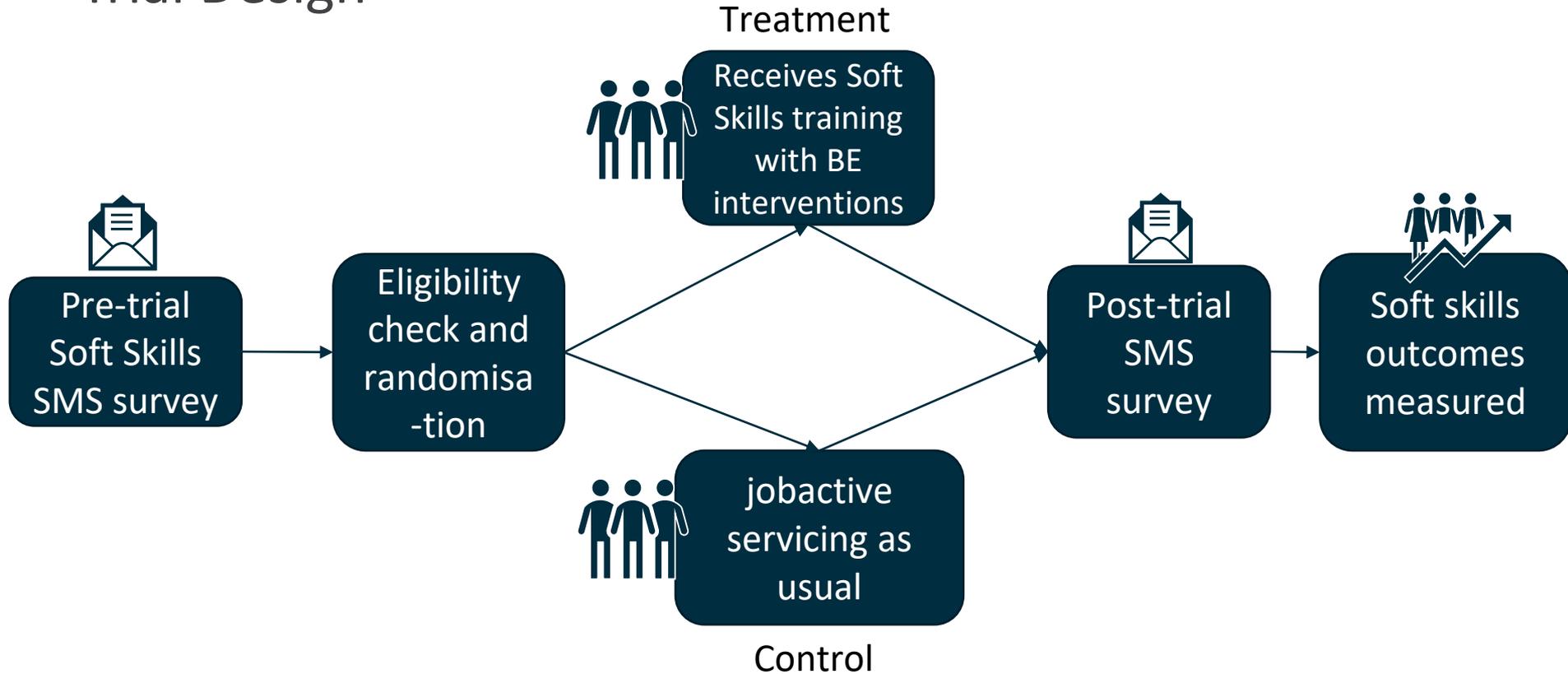
  - Cognitive Behavioural Therapy.

The intervention

- The objectives for the intervention included:
  - Building as a first step confidence, resilience and motivation to go out and find work.
  - Building on this by ensuring job seekers had the tools and resources they needed to find work, such as practical advice to improve their job search skills.

- The intervention was trialled in Melbourne, Sydney, Brisbane, Newcastle and Regional Victoria.

- The trial ran from March 2019 to December 2019, with a total of 17 training courses.

Trial Design

Treatment

Receives Soft Skills training with BE interventions

Pre-trial Soft Skills SMS survey

Eligibility check and randomisa-tion

jobactive servicing as usual

Control

Post-trial SMS survey

Soft skills outcomes measured

Methodology

Outcomes

- Satisfaction with Life
- Rosenberg Self-Esteem Scale
- Career Self-Efficacy Questionnaire
- Brief Resilience Scale
- Employment

Measures

- Survey outcomes were continuous, with pre and post measures.
- Employment outcomes were measured as a binary (1/0).

Methodology

- The team measured both intention to treat and local average treatment effects.

- There was only one sided non-compliance. No one in the control group accessed the training, while treatment group participants could choose to access the training or not.

- 319 people (or about 18.9%) participated in the training out of 1,690 allocated to the treatment group and 1,695 allocated to the control group.
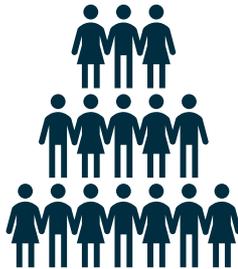
Methodology

Intention to treat

	Model A	Model B	Model C
Outcome	Post-assessment result (continuous)	Post-assessment result (continuous)	Post-assessment result (continuous)
Covariates	Allocation	Allocation, age, unemployment, stream, gender, pre-assessment result	Allocation, age, unemployment, stream, gender, pre-assessment result, and participation wave (one to 17)

Instrumental variables

	Model A	Model B	Model C
Outcome	Post-assessment result (continuous)	Post-assessment result (continuous)	Post-assessment result (continuous)
Instrument	Allocation	Allocation	Allocation
Covariates	Attended training	Attended training, age, unemployment, stream, gender, pre-assessment result	Attended training, age, unemployment, stream, gender, pre-assessment result, and participation wave (one to 17)

Note: Allocation refers whether a participant was allocated to treatment or control. In the regressions this is expressed as 1 equal to treatment and 0 equal to control. Robust standard errors are also used for all specifications.

Results

- Intention to treat and instrumental variables models show the training intervention leads to improvements in:
  - Life satisfaction
  - Self-esteem and
  - Resilience.
- No improvements were detected for employment outcomes or career self-efficacy. However, this may be due to impact of COVID-19 and bushfires.
- Attrition was an issue with post-intervention response rates around 60%.

Descriptive results – gross flows for treated

Soft skills indicator	Movement	Number of job seekers	Percentage change
Life satisfaction	Low to Average or High	44	51.8
Life satisfaction	Average to High	29	31.2
Self-esteem	Low to Average or High	39	47.6
Self-esteem	Average to High	14	9.9
Resilience	Low to Average or High	51	50.5
Resilience	Average to High	7	5.7

Life satisfaction regression results

ITT	Model A	Model B	Model C
Treatment group	0.58* (0.33)	0.55** (0.25)	0.59** (0.25)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.00	0.41	0.42
Observations	2114	2114	2114

IV	Model A	Model B	Model C
Treatment group	2.45* (1.37)	2.33** (1.05)	2.46** (1.05)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.01	0.42	0.42
Observations	2114	2114	2114

Self-esteem regression results

ITT	Model A	Model B	Model C
Treatment group	0.39 (0.24)	0.37** (0.17)	0.37** (0.17)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.00	0.50	0.50
Observations	2103	2103	2103

IV	Model A	Model B	Model C
Treatment group	1.63 (1.01)	1.55** (0.71)	1.56** (0.72)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.01	0.50	0.51
Observations	2103	2103	2103

Resilience regression results

ITT	Model A	Model B	Model C
Treatment group	0.05 (0.04)	0.09*** (0.03)	0.09*** (0.03)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.00	0.44	0.45
Observations	2080	2080	2080

IV	Model A	Model B	Model C
Treatment group	0.20 (0.15)	0.38*** (0.11)	0.38*** (0.11)
Controls for age, gender, unemployment duration and Stream and pre-intervention assessment result	No	Yes	Yes
Controls for waves of participation	No	No	Yes
R-squared	0.01	0.45	0.51
Observations	2080	2080	2080

Summary

- Behaviourally informed soft skills training leads to improvements in life satisfaction, self-esteem and resilience.

- There was no impact that could be measured on career self-efficacy or employment outcomes likely due to COVID-19.

- Overall, soft skills training can lead to participants getting closer to being job ready through improved psychological readiness.

- The application of behavioural economics techniques such as anchoring and reframing negative thoughts along with increased social networks and trainer quality resonated with participants.

References

- Lippman LH, Ryberg R, Carney R, Moore KA (2015) Workforce Connections: Key "soft skills" that foster youth workforce success: toward a consensus across fields, *Washington, DC: Child Trends*.

- Moorhouse A, Caltabiano ML (2007) Resilience and unemployment: Exploring risk and protective influences for the outcome variables of depression and assertive job searching, *Journal of Employment Counseling, 44*(3):115-25.

- Rose D and Stavrova O (2019) Does life satisfaction predict reemployment? Evidence form German panel data, *Journal of Economic Psychology, 72*:1–11

- Wanberg CR, Glomb TM, Song Z, Sorenson S (2005) Job-search persistence during unemployment: A 10-wave longitudinal study, *Journal of applied psychology, 90*(3):411.