

**UNIVERSITY OF STRATHCLYDE
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**SOFT SKILLS DEFICITS IN
SCOTLAND: THEIR PATTERNS,
DETERMINANTS AND EMPLOYER
RESPONSES**

by

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REQUIREMENTS FOR DEGREE OF DOCTOR OF PHILOSOPHY**

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07/09/09.

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LIST OF ABBREVIATIONS

Abbreviation	Meaning
ASA	Attraction – selection – attrition
ASTD	American Society for Training and Development
BUPA	British United Provident Association
C and B	Conference and Banqueting
CIPD	Chartered Institute of Personnel and Development
CSE	Cartography Systems Engineer
DfEE	Department for Education and Employment
DfES	Department for Education and Skills
DGM	Deputy General Manager
DIUS	Department for Innovation, Universities and Skills
DTI	Department of Trade and Industry
DWP	Department for Work and Pensions
EI	Emotional Intelligence
EOC	Equal Opportunities Commission
ESRC	Economic and Social Research Council
ESS	Employers' Skills Survey (Scotland)
EU	European Union
F and B	Food and Beverage
FE	Further education
FG	Focus group
FBM	Food and Beverage Manager
FO	Front Office
FOM	Front Office Manager
FSS	Futureskills Scotland
FSHC	Firm specific human capital
FU	Fontainebleau University
GIS	Geographic Information Systems
GM	General Manager
HC	Head Chef
HE	Higher education
HH	Head Housekeeper
HoC	Head of Cartography
HoD	Head of Discipline
HoIT	Head of IT
HoP	Head of Petrology
HoS	Head of Seismology
HQ	Headquarters
HR	Human Resources
HRC	Human Resources Co-ordinator
HRM	Human Resource Management
HtFVs	Hard to fill vacancies
ICS	Interpersonal Competence Scale
ICT	Information and communication technology

IT	Information Technology
IQ	Intelligence quotient
JDI	Job Descriptive Index
JDS	Job Diagnostic Survey
JSA	Job Seekers' Allowance
JSS	Job Satisfaction Scale
KP	Kitchen Porter
LEF	Local Economic Forum
LFS	Labour Force Survey
LP²	Low pay/low prospect
LSC	Learning and Skills Council
M and E	Meetings and Events
MBA	Master of Business Administration
MSQ	Minnesota Satisfaction Questionnaire
NEET	Not in employment, education or training
NESS	National Employer Skills Survey (England)
NMW	National Minimum Wage
NS-SEC	National Statistics – Socio-Economic Classification
NVQ	National Vocational Qualifications
OCB	Organisational Citizenship Behaviour
OJT	Off-job training
ONS	Office for National Statistics
PDM	People Development Manager
PDP	Personal development plan
PM	Personnel Manager
PO fit	Person-organisation fit
PT fit	Person-team fit
R	Receptionist
RJP	Realistic Job Preview
SKOPE	Centre for Skills Knowledge and Organisational Performance
SPSS	Statistical Package for the Social Sciences
SQA	Scottish Qualifications Authority
SS	Station Secretary
SSO	Scientific Support Officer
TMT	Top Management Team
VET	Vocational education and training
WERS	Workplace Employment Relations Survey

ABSTRACT

This thesis examines the incidence of soft skills deficits in Scotland, the pattern of these deficits, why these occur and how employers respond to them. The examination of these issues is achieved through the examination of, in the first instance, the macroeconomic Scottish Employers Skills Survey (ESS) which was then used to inform the selection of in-depth organisational case studies reporting differing levels of soft skills deficits in different sectoral contexts. For comparability, case study establishments in service sectors were examined as one particular service sub-sector, hotels and restaurants, was the worst affected by soft skills deficits in the Scottish economy. The approach allowed the economy wide pattern of soft skills deficits to be examined as well as the manner in which particular organisational and sectoral contexts affected the presence or not of soft skills deficits.

The study found that soft skills deficits were most likely in sectors and occupations where interactive service work was the predominant activity and constituted a 'core competency' (in for example, customer facing occupations in hospitality and retail). Soft skills do, however, appear to be an important skill set throughout the economy. Whether or not soft skills deficits were actually reported depended on context specific factors especially the degree to which management strategically selected staff in line with organisational requirements and engaged in appraisal and informal, regular, feedback to identify and respond to soft skills problems within their workforce. There was also limited evidence that some employees withdrew soft skills because of breaches in the psychological contract. The thesis also strengthens the conceptualisation of soft skills as 'skills' by confirming that they are more than traits and dispositions and rely on broader social experience alongside mastery of certain organisational contexts. The true extent of skill employees were allowed was, however, also reliant on work organisation.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

This thesis is concerned with the examination of soft skills deficits in the Scottish economy. The nature of skill is now expanding and numerous commentators have demonstrated how the terrain of skill is shifting into areas which would once have been considered personal attributes or characteristics. Such skills are now termed ‘soft skills’ and are becoming increasingly important in the modern economy (see for example, Keep and Mayhew, 1999; Payne, 1999, 2006; Grugulis et al., 2004). Skill had traditionally been associated with technical ability typically signalled through qualifications and training (Spence 1974; Brown, 2001); mastery of a trade and production processes (Braverman, 1974; Attewell, 1990); or physical and motor skills (Warr, 1971; Fleishman et al., 1984). Skill was, therefore, accredited, involved technical or cognitive abilities and increased with the time taken to learn the skill. Soft skills however, tend to be viewed as generic in that they can be used in any organisational setting (NSTF, 2000; Felstead et al. 2002); they are ‘non-cognitive’ in nature (Heckman, 2000; Heckman and Rubenstein, 2001); and frequently take the form of interpersonal interactions in social settings, especially in service workplaces (Brown, 2001; Grugulis et al., 2004; Bolton, 2004; Korczynski, 2005).

The focus on Scotland was informed by the first Scottish Employers’ Skills Survey (ESS) in 2002. The ESS was itself partially stimulated by press reports in Scotland anecdotally reporting serious skills shortages in the Scottish labour market in technical and practical skills (FSS, 2003). The findings of the ESS, however, ran contrary to this and found that where Scottish employers reported skills shortages (in potential applicants in the labour market) and skills gaps (in current employees) these tended to be in generic ‘soft’ skills (ibid). These soft skills included oral communication, team-working, customer handling, planning and organising and problem solving. This study aims to provide more complete analysis of the macroeconomic picture regarding soft skills deficits in Scotland and to enrich this with in-depth establishment level analysis.

The reported growth in the importance of soft skills and, indeed, their very conceptualisation as skills has created controversy amongst some who believe that it is incorrect to refer to such skills as ‘skills’ in the traditional sense of the word (see for example, Keep and Mayhew, 1999; Payne, 1999; 2006). Whatever their appellation, the growing importance of soft skills in the contemporary labour market (as highlighted by the ESS) highlights that investigation is required as to the way in which individuals form these skills, how employers use them, why deficits are reported and how these deficits may be addressed. This thesis seeks to investigate these questions at the economic, organisational and individual level in order to further our understanding of the nature and use of soft skills in the workplace.

1.2 Rationales for the study

There are both empirical and conceptual rationales for the investigation of soft skills and soft skills deficits and gaps in the literature which this study seeks to address.

Empirically, it was noted in section 1.1 that large scale macroeconomic data in Scotland has revealed the importance of soft skills to employers and that soft skills frequently constitute employers’ primary skills needs when deficits are reported. This in itself does not automatically warrant further investigation but the macroeconomic data lacks detail and more is needed on exactly *where* and *why* soft skills deficits occur. Within the current UK data, on occasion, attempts are made in various reports on both the Scottish ESS and its English equivalent (the National Employer Skills Survey (NESS)) to make some direct interpretation of exactly *where* soft skills deficits occur in terms of sectors and occupations. This is, however, all too often inferred from aggregated analyses (see for example, FSS, 2003, 2004, 2005; LSC, 2004, 2004a, 2005, 2005a, 2006). Whilst these aggregated analyses often appear logically intuitive and consistent with the primary skill needs of sectors and occupations (e.g. the finding that soft skills deficits are reported alongside deficits in customer facing employees and service establishments), direct analysis is needed to ascertain direct relationships.

A further weakness with the current macroeconomic data is that because of the focus on skills *deficits* the degree to which certain skills are used in certain jobs and workplaces is not directly gauged. For example, establishments within a particular industry sector may not report particular soft skills deficits because such skills are not especially important within the sector, or alternatively soft skills *are* important in the sector but potential recruits and current employees are simply more proficient in these skills. Although a separate long running survey series, the Skills Survey, conducted at the employee rather than establishment level *does* measure the skills that are important in particular jobs (see for example, Ashton et al., 1999; Felstead et al., 2002; 2007), reconciliation is needed with the skills deficits data. Furthermore detail is also required on exactly how employers use individuals' soft skills in the workplace and the manner in which this contributes to skills deficits. Although numerous studies have examined the way in which work is organised to utilise soft skills (see for example, Leidner, 1993; Taylor and Bain, 1999; Hochschild, 2003; Grugulis, 2006 *inter alia*) explicit linkages need to be made between the use of soft skills and employers' reported deficits. This study, therefore, seeks to combine data on skills deficits with data concerning the skills that are actually used in certain jobs and the manner in which these skills are deployed.

A final empirical gap with the current data on skills deficits is because of its very scope there is a lack of contextual detail on skills deficits and *why* they occur. Given the scope of both the ESS and NESS and the need to be nationally representative this lack of depth is entirely understandable. Case study analysis is needed, however, to elucidate upon why soft skills deficits are reported, or not, in any given setting. This detail also needs to be extended to current analyses on employer responses to skills deficits, which is also analysed at the aggregated level. The reasons why employers engage in certain responses to skills deficits rather than others or what affects the decision to respond at all are all largely absent from current analyses. Through analysing the behaviour of particular employers, methods through which other employers may also address skills deficits or proactively stop their existence can be identified. Analysis of workplaces which drills below the nationally representative data is, therefore, required to provide the level of contextual detail which can both complement and extend the current large scale data sets.

Conceptually there are also gaps in the literature that require redress. Most notably, the literature on skills deficits assumes, not unreasonably, that they occur because individuals lack skills that, in turn, necessitate employer or government response depending on where the skills deficit is identified (see for example, Kellard et al., 2001; DWP, 2002; FSS, 2003, 2004, 2005; Hogarth et al., 2003; Rowley et al., 2000). In studies which identify employer action it *is* frequently realised that the employers themselves may be culpable for skills deficits for reasons such as: poor pay and poor job quality attracting poor staff (Hogarth et al., 2003); inadequate recruitment and selection (Rowley et al., 2000); and poor induction and/or training (Rowley et al., 2000; Dickerson and Wilson, 2002; Mason and Wilson, 2002). The assumption, however, remains that skills deficits remain attributable to employees lacking skills. What is missing, thus far, is any consideration that employer action may also cause those who *do* have skills to withdraw skill and effort, manifesting itself as a skills gap within the firm. This study seeks to address this omission by considering the manner in which soft skills gaps may be evident even where employees possess the desired skills.

A further issue is the need to use a number of conceptual resources from different disciplines to address the issue of soft skills deficits. Conceptual frameworks from the disciplines of psychology, sociology and economics can be used, where appropriate, depending upon the level of analysis. For example, when considering soft skill formation the role of social background and social experiences can be used drawing on the work of Pierre Bourdieu (Bourdieu and Passeron, 1977; Bourdieu, 1989; Thompson, 1991). The role of efficiency wages (Akerlof and Yellen, 1986) and job quality in secondary labour market jobs (Doeringer and Piore, 1971) can be used to assess why employers may not be able to attract appropriately skilled staff and how this may cause skills deficits. Furthermore individual level analysis allows consideration of skills withdrawal through breaches in the psychological contract and resultant attitudes (Rousseau, 1995; Guest, 2004 *inter alia*) and may help to explain why some employees' skills deteriorate over time. A final example is the manner in which the generic nature of soft skills and the resultant fear of poaching may help to elucidate upon whether or not training is used as a response to soft skills deficits, drawing on human capital theory (Baron and Kreps, 1999;

Crouch, 2004). All of these different disciplinary perspectives offer potentially pertinent starting points for the analysis of soft skills deficits and this thesis will assess the relative utility of a number of concepts to explain why soft skills deficits may occur in any given workplace. The use of multiple concepts, although not a contribution per se, is a means through which the other objectives of this thesis are met.

Whilst previous studies have attempted to utilise concepts from a number of disciplines and use different levels of analysis, this is often incomplete. For example, the employee level Skills Survey integrates both psychological notions of competence and job analysis and sociological notions of discretion when measuring skills usage at the level of the individual, whilst also considering monetary return for skills and training time commonly used when assessing skill in the discipline of economics (Ashton et al., 1999; Felstead et al., 2002; 2007). There is, however, no attempt to link skills deficits to particular organisational contexts or employer policies, for example.

By utilising different levels of analysis; assessing employer context in terms of skills demand, skills deficits and responses to deficits; drawing on a number of conceptual resources; and considering skills withdrawal, this study, therefore seeks to add to the literature on soft skills and soft skills deficits.

1.3 Research objectives and structure of thesis

The following objectives are to be examined within the thesis, consistent with the genesis for the study and the conceptual and empirical rationales presented above. These are:

1. To examine how individuals believe soft skills are developed.
2. To establish the extent and pattern of soft skills deficits in Scotland as a whole in terms of sectoral and occupational distribution.

3. To examine why soft skills deficits occur, taking into account the role of individual employees, labour market conditions, workplace contexts and HR policies.
4. To examine how and why employers respond to soft skills deficits and what the most effective responses are, through examination of both macroeconomic data and individual workplaces.

The literature review is contained in Chapters Two to Four. Chapter Two sets the economic context to the study by assessing the growing importance of soft skills in the UK economy and the structural reasons for this. Chapter Three then discusses the concept of 'skill' and how this relates to the analysis of soft skills by drawing on different disciplinary definitions of skill. The manner in which soft skills are developed by individuals is also discussed in Chapter Three, drawing particularly on the social element of their development and the work of Pierre Bourdieu. Chapter Four concludes the literature review by assessing the role of government and, in particular employers, in the soft skills deficit picture. This chapter discusses the possibility of government intervention in addressing soft skills deficits before considering elements of employers' HR policy which may alleviate soft skills deficits or contribute to them if not implemented properly. The issue of skills withdrawal is also presented in Chapter Four as a possible individual response to poor employer behaviour.

Chapter Five presents the methodology which begins by synthesising the literature review and research objectives and developing research questions, propositions and sub-hypotheses. The critical realist philosophy underlying the study is then discussed before considering the research design in detail, the methods used and the tools and measures used within each stage of the research. The research was designed in multiple stages in order to firstly, ascertain the macroeconomic patterns before selecting case studies to allow contextual depth. The Scottish ESS data from 2002 was analysed quantitatively to ascertain the macroeconomic patterns. The case studies were then selected so as to allow all the research objectives to be met. To this end an establishment reporting soft skills

deficits in the 2004 ESS, in a badly performing sector (Hotels and Restaurants) was compared to another hotel where soft skills deficits were not reported. The establishment reporting soft skills deficits had also responded to these deficits. An establishment *not* reporting soft skills deficits in a comparable sector relatively *unaffected* by soft skills deficits, Business Services, was also examined to allow investigation of soft skills issues in a different sectoral context.

Within the establishments interviews were conducted with management and interviews and focus groups conducted with employees, whilst all employed in each establishment were also surveyed. This triangulation of methods not only allowed all relevant concepts to be covered but the use of qualitative methods allowed a degree of depth not realised within the ESS surveys.

Chapters Six to Ten then present the findings from the fieldwork following a logic based upon decreasing levels of analysis. Chapter Six presents the macroeconomic findings from the secondary data analysis of the ESS datasets in furtherance of research objectives two and four. Chapters Seven and Eight then present the case study findings focussing on skills demand and the labour market in Chapter Seven and the internal HR policies of the firm in Chapter Eight. These chapters present the findings used to meet research objectives three and four. The final findings chapters then focus upon individual reasons for skills deficits. The way in which respondents believed soft skills were formed is presented in Chapter Nine; and the issues of skills withdrawal, the psychological contract and work attitudes in Chapter Ten. Chapter Nine thus addresses research objective one whilst Chapter Ten addresses research objective three at the individual level.

Chapter Eleven then summarises the findings for each research question before discussing the findings in the light of the conceptual and theoretical frameworks discussed in chapters Two to Four. The conceptual themes that are covered relate to the various level of analysis conducted. Analysis of the labour market draws on theories of efficiency wages, dual labour markets and their effect on the ability to attract suitable applicants. Organisational factors were also pertinent in explaining soft skills deficits,

particularly the manner in which organisations engaged with the labour market and the degree to which they strategically selected employees in line with their organisational and brand requirements. Finally, individual factors were seen as related to skills development, particularly social and work experiences, whilst skills withdrawal as a result of individual disaffection was also evident. Chapter Twelve then presents the overall conclusions drawn from the discussion in Chapter Eleven. This final chapter discusses the implications for government policy makers and HR practitioners, discussing the limitations of the study and highlighting areas for future research. The conclusions also highlight how the conceptual robustness of soft skills has been strengthened by the thesis.

CHAPTER TWO: THE IMPORTANCE OF SOFT SKILLS IN THE UK ECONOMY

2.1 Introduction

The ideal of the ‘knowledge’ or ‘high skills’ economy is one that is readily espoused by some academics, policy makers and those in the business world and many would claim that today in the UK, and indeed, throughout much of the developed world, we find ourselves in such a position. This chapter aims to assess whether the high level technical and cognitive reasoning skills associated with the knowledge economy are truly those which are demanded by employers or whether other skills are of equal or greater importance. The predominant objective of this chapter is, therefore, to show the types of skills that employers are *actually* seeking in the UK labour market. Skills demand can be seen to depart from the knowledge economy rhetoric in that soft, interpersonal and generic skills are not only in great demand but also contribute strongly to deficiencies reported by employers in prospective and current employees. By establishing these trends in skills demand and skills deficits, the appropriateness of focusing on soft skills deficits within this thesis, as discussed in the introduction, is established.

The chapter begins by defining what is meant by the ‘knowledge economy’ and discussing types of work included within this model. The assumptions of the high skills model are then questioned before discussing the reality of job creation within the UK and the types of skills which employers demand and believe are lacking in the workforce. The chapter concludes that despite the ‘knowledge economy’ rhetoric much job creation is found in the service sector and that employers are constrained as much, if not more, by problems associated with soft skills rather than high level cognitive, reasoning and technical skills.

2.2 Characteristics of the knowledge economy

The first issue to be addressed is what is actually meant by the term 'knowledge economy', 'learning society' or 'high skills economy', with these terms often used interchangeably. There is general agreement that the model posits the advancement of skills, learning and the level of knowledge in the economy in order to increase a country's competitive advantage. The ideal has been advocated by the UK's New Labour Government since their election in 1997. The Secretary of State for Education and Employment stated, in 2000, that '...skills and learning must become the key determinants of the economic prosperity and social cohesion of our country' and that 'economic performance depends increasingly upon talent and creativity' (DFEE, 2000 p3). The idea that competitive advantage is to become based upon invention and innovation rather than cost is a common theme alongside the idea that the creation of a 'knowledge economy' will lead to the end of low skilled jobs and the death of Fordist methods of production (Crouch et al., 1999). 'High skills' are therefore important not only in creating ideas and knowledge but also in implementing these ideas in products through new methods of production, better utilising the skills of workers in the process. Economic prosperity, therefore, depends upon the knowledge of individuals rather than restrictive work practices aimed at minimising skill and discretion through the micro-division of labour.

Knowledge workers use their powers of innovation and creativity and information and communication technologies (ICT) to engage in 'systematic activity that traffics in data, manipulates information and develops knowledge' (Despres and Hiltrop, 1995 p3). The characteristics and roles of the 'knowledge worker' are exemplified in the writings of, Robert Reich, in his seminal piece *'The Work of Nations'* (1992) which heralds the 'new' economic order of globalisation, intangibility and knowledge as the source of competitive advantage. Reich describes knowledge workers as 'symbolic analysts' who perform tasks related to problem identification and solution and the brokering of strategic services. These are experts whose work involves conceptualising complex, often abstract problems; defining solutions to these problems; and executing the outcomes, with their

income dependent upon the quality of the solution and the degree of innovation which is used.

Academia plays a central role in the creation of a knowledge economy. Most obviously universities supply the highly educated symbolic analysts on which the knowledge economy relies with the increasing participation of young people in higher education a key government policy to this end in the UK (DFEE, 2000). Indeed, one of New Labour's key policy goals is to increase the supply of graduates in the labour market, with the assumption that this will drive the knowledge economy. The most famous example of this is the oft quoted '50 per cent figure' with Labour's 2001 election pledge for a '...historic commitment to open higher education to half of all young people before they are thirty' (Blair, 2001 p20).

The increasing numbers of knowledgeable experts that companies within a knowledge economy will have to employ also has implications for organisational behaviour and design. The structures of organisations supposedly become flatter and more collegiate to facilitate knowledge transfer and creation (Despres and Hiltrop, 1995). As managerial control over knowledge and ideas may threaten professionals' notoriously protective sense of position and integrity, the management of expertise becomes analogous to 'herding cats' with professionals subsequently granted considerable autonomy (Scarborough, 1996 p35). Such autonomy is also advocated by Ewart Keep (2000) who, in his recommendations for 'upskilling' the Scottish labour market, extols the virtues of 'high trust' work systems at all levels of the organisation not simply for professionals. Whilst the symbolic analysts operate within self managing networks 'upskilled' workers throughout the organisation are, in theory therefore, increasingly allowed to use their knowledge and skills as only they know best with work carried out by self managed teams who control processes, even on production lines (Adler, 2004).

Some evidence suggests that the UK is indeed, moving towards this knowledge economy ideal in certain high technology companies. Examples include the growth of high value added regional biotechnology clusters in Oxford, Cambridge Manchester and Newcastle.

In 1994 the UK accounted for 45 per cent of *all* European biotechnology firms many around the elite universities (Shohet, 1998). This clustering phenomenon is also evident in Scotland with the growth of a high technology cluster in the 'Silicon Glen' area near Livingston (Keep, 2000). By 2000 the UK was also the fourth highest producer of optoelectronics in the world (DFEE, 2000). As a result of these successes the then Minister for Education and Employment claimed that 'we are improving our capacity to turn *ideas* into the products of the future' (op cit p5 emphasis added).

Further promising evidence is found in the growth of ICT employment, essential for the information needs of a knowledge economy with the ICT industry described as '...the paradigm sector for the future economy' (Crouch, 2004; p107). Indeed, in terms of wage returns, the use of 'complex' computing skills at work has been found to have a particularly high wage premium (Felstead et al., 2007). One commentator estimated a 300 per cent increase in the IT workforce between 1982 and 2003, with ICT ability seen as the most important source of contemporary human capital in modern economies (Peneder, 2003). Research conducted by e-skills UK (the ICT Sector Skills Council) also highlights positive developments consistent with a highly skilled knowledge economy. Employment in computer software companies increased by 5 per cent in the third quarter of 2003 with the employment of user support technicians increasing by 66 per cent (e-skills, 2003). In the final quarter of 2003 employment in telecommunications services and IT manufacturing had also increased (e-skills, 2004). The regular UK-wide Skills Survey also reveals the increasing importance of computing skills in the economy with the proportion of workers using computerised or automated equipment increasing from 40 per cent in 1986 to over 75 per cent in 2006 (Felstead et al., 2007). The proportion of employees reporting that computer use was either essential or fairly important in their jobs had also increased from 58 per cent to 74 per cent between 1997 and 2006 (ibid).

The UK also fares well internationally in terms of the number of graduates in the labour market. The rate of higher education participation has increased greatly since the late 1980s with the biggest increase seen between 1988-91 where the participation rate increased by twelve percentage points to 32 per cent of eighteen year olds (Perryman,

2002a and 2003). Between 1989 and 1996 the number of first degree holders in the UK increased by 89 per cent (Green and Sakamoto, 2001). When comparing the UK's university participation rates internationally the 32 per cent participation rate in 1999 was superior to countries such as Denmark (5 per cent), Germany (8 per cent), Sweden (12 per cent) and the Netherlands (25 per cent) meaning that the UK is one of the top performers in the OECD in terms of the number of young people in tertiary education (Perryman, 2002a; 2003). The Skills Survey also reveals an increase in the skills level of UK jobs. One key piece of evidence to this end is the increase in the demand for graduates as the proportion of jobs requiring a degree had risen from approximately 20 per cent to 30 per cent from 1986 – 2006 (Felstead et al., 2007).

The UK ostensibly appears to be in a good position with a high degree of university participation, a plentiful supply of graduates and employment growth within the ICT sector, coupled with an enviable global position in certain technologies. However, the position thus far has focussed on the ideal and some limited supportive evidence, both of which need to be placed within the context of the economy as a whole. The high skills assumptions of the knowledge economy are subsequently questioned. By assessing the robustness of the model itself the vision of an economy predicated upon high level reasoning, abstraction, innovation and technical skills can be questioned. This is done by questioning the very term 'knowledge work' and questioning some of the positive indicators above. The reality of job creation in the UK is then assessed alongside the types of skills which really matter to employers.

2.3 Questioning the high skills presumptions of the knowledge economy

The logical place to start when assessing the knowledge economy is whether much 'knowledge work' really is worthy of the title, as it must be accepted that *all* work, however, simplistic or menial requires *some* form of knowledge. However, the first point of contention is whether much work classified as knowledge work is indeed, consistent with what would be expected from the definition of 'knowledge worker' in the style of Reich's symbolic analysts. Darr and Warhurst (2004) highlight how occupations as

diverse as musicians, call centre workers and even front-line workers in restaurants have at one time or another been classified as knowledge workers, with the implication that almost anyone can be classified as such just by using or applying knowledge. Indeed, once the range of so-called knowledge workers is examined '...the sheer banality of the description becomes clear' (Warhurst and Thompson, 1998 p4).

Thompson et al (2001) differentiate between knowledge work and *knowledgeability* as all workers are likely to be knowledgeable about their work and even F.W. Taylor realised that all workers had tacit knowledge about their work that could not be captured by management. As a result, simply being knowledgeable *about* work is clearly not the same as using knowledge to add value via intangible ideas. Similarly, processing information is clearly different from creating and using knowledge in the 'symbolic analytical' manner outlined above. Thompson et al., (ibid) sum up the position by stating that only 10 per cent of new jobs can actually be classified as knowledge work and, as such, high level abstract analytical and reasoning skills are not as widely used as many believe.

When examining work which involves routine information transfer such as in call centres or back office data processing jobs work beyond mundane tasks is generally referred to as superior (Warhurst and Thompson, 1998). Employees only, therefore, deal with information in a predetermined and limited way. Within many call centres each, customer interaction is frequently scripted and the employee has little control over the interaction or the amount of discretion that can be exercised in their dealings with the customer, with the employee tightly monitored through management control systems (see Lewig and Dollard, 2003; Taylor and Bain, 1999, 2000). An illustrative example of this is Direct Line the insurance company. Direct Line's systems guide their employees through sales or customer queries on computer screens, in a predetermined step by step manner, with occurrences outside of the situations displayed seen as too complicated for the operator (Scarborough, 1996a). The operators are effectively de-skilled by this technology as the thinking is done for them by a management system, separating

thinking and doing much in the manner that Braverman (1974) identified when examining the de-skilling of non-manual jobs throughout society.

When examining Peneder's (2003) claim that the number of ICT jobs had increased by 300 per cent between 1982 and 2003. However, this data included *users* as well as ICT experts, many of which are likely to be found in the kind of mundane data processing work discussed above. Although the UK does have a relatively healthy ICT sector compared to the EU as a whole the number of people employed in creating knowledge systems is minimal. When examining EU wide data, the country with the highest incidence of ICT *occupations* (rather than simply ICT users) was the Netherlands at 3.2 per cent of total employment with Ireland having the highest amount employed in the ICT sector at 2.9 per cent. The UK's figures were 1.8 per cent of employment in ICT occupations and 1.9 per cent in the ICT Sector, marginally above the EU average employment rates of 1.8 and 1.3 per cent (SIBIS, 2003 pp 67-68). The amount of people employed in ICT occupations and in the ICT sector remained low and certainly did not appear to have the prominence that those advocating a knowledge economy would suggest.

As stated in section 2.2 a knowledge economy requires highly educated people in order to take on symbolic analytical work and create the ideas which drive the economy forward. It was found that the UK is in a healthy position *vis a vis* the supply of graduates in the labour market. If a high skills knowledge society truly is in evidence then it would be expected that, if anything, firms would be *constrained* by the amount of graduate labour on offer and that graduates would have few problems utilising their 'graduateness' in the workplace.

Despite the policy goal of enabling increasingly more young people to complete degree courses and the fact that almost a third of 19 year olds in the UK are currently participating in further education a number of studies suggest that graduates' skills are not being fully utilised. A number of ways have been used to measure the skills utilisation of graduates with the most common being whether jobs required a degree

upon entry (to assess whether 'underemployment' exists) and whether graduates believe that they use either the knowledge or skills gained through their degree in their work ('underutilisation') (Felstead et al., 2007). The second measure is rather less generous than the first as graduates may well have required a degree to get their job but may not feel that they actually need it to do their work. This 'credentialism' (Goos and Manning, 2007) may in part be stimulated by an over supply of graduates as employers make a degree a pre-requisite of a job, even where one is not required.

The latest findings from the 2006 Skills Survey, directed at a representative sample of British workers, asked the skills level needed to get jobs and whether or not respondents believed that they were actually *using* these skills in work. The figures suggest that, the government's supply side interventions (i.e. increasing the number of graduates) are not working as demand from employers for graduates currently lags behind supply. In 2006 it was estimated that the supply of degrees outstripped the number of jobs requiring a degree by approximately 1.1 million, growing from an oversupply of 'only' 300,000 in 1986. The incidence of underemployment (i.e. graduates in jobs not requiring degrees) is also accelerating and had more than doubled from 1997 – 2006 (Felstead et al., 2007).

Concurrent with this large degree of over qualification in the labour market, Felstead et al (op cit) cite a slight increase in 'credentialism' at degree level and above, with respondents reporting an increased tendency to believe that they were being 'under utilised' in the workplace. In 1986 81 per cent of respondents with degree level qualification thought that their degrees were 'essential or fairly necessary' to do their job whilst this figure had fallen, significantly, to 75 per cent in 2006. Furthermore, although relatively few respondents with a degree in 2006 reported that their qualification was 'totally unnecessary' to do their jobs (9 per cent) this had almost doubled since 1986.

It could be expected, however, that if graduates are originally overqualified for work, employers could 'upskill' and widen the content of jobs in order to accommodate their skills or even transfer them on to graduate schemes (Elias and Purcell, 2001). Research suggests that this does not happen and that once in a non-graduate job graduates are

likely to stay there. Mason's (2001) study of graduates in the service sector found that graduates in non graduate work were left to compete for promotion on the same terms as non graduates with little chance of being transferred to 'graduate' career tracks, supporting research conducted in other sectors (Perryman, 2002b). Although Mason's study focussed on English service companies nationally representative research in Scotland comes to similarly bleak conclusions regarding the upskilling of jobs and the transfer on to graduate trainee programmes of over qualified' graduates (Elias and Purcell, 2001). There is, thus a wealth of evidence that graduates' abilities, knowledge and skills are not being used to the full.

Even within a knowledge economy, production needs to occur and it would be difficult to define workers engaged directly in production as knowledge workers. However, that is not to stop production workers from becoming 'high skill' workers, using their expertise to the best effect in the flat 'high trust' organisations described above. Such technical workers would typically be educated to sub-degree level and hold 'level 3' qualifications¹. These workers, in theory can help to move the economy away from competing via Fordist mass production and cost based competition towards competing along the lines of product quality and productivity, both of which improve with the expertise and knowledge of the worker (Keep and Mayhew, 1999).

The pattern of qualifications within the UK and employer demand for those with intermediate, technical skills suggests that the high skills ideal has not been implemented in intermediate workers any more than it has for those with higher qualifications. In 1998, only 18 per cent of UK adults had level three as their highest qualification level compared to 51 per cent in Germany and 42 per cent in Japan (Green and Sakamoto, 2001 p130). In 2002 24 per cent of the UK population had the equivalent of level 3 qualifications whilst 8 per cent held higher education at sub-degree level (ONS, 2002). The number of people with these 'intermediate skills' thus remains comparatively low

¹ Level 3 corresponds to A-levels, Scottish Higher Grades, NVQ advanced or equivalent (Ashton et al., 1999; Felstead et al., 2002).

and led the Secretary of State for Education and Skills in 2000 to opine that in the UK the ‘...historic deficit in critical intermediate level skills persists’ (DFEE, 2000 p4). There is some evidence for the assertion that employers are constrained by intermediate level skills shortages from the nationally representative National Employers Skills Surveys (NESS) conducted in England between 2003 – 2005 by the Learning and Skills Council and their Scottish equivalent conducted by Futureskills Scotland (FSS) from 2002 – 2004 (see LSC, 2004; 2005; 2005a; 2006; 2006a and FSS, 2003; 2004; 2005). In England, across all surveys, skills shortages (where a vacancy is hard to fill because applicants lack the desired skills at the point of recruitment) were predominately in technical and practical skills and in intermediate occupations (such as skilled trades and associate professionals) and technical ‘low skill’ occupations such as operatives. Furthermore in Scotland, technical skills were the greatest cause of skills shortages, in 2003 and it was Skilled Trades occupations which were the worst affected group.

Despite this fact it would be incorrect to state that employers are champing at the bit to move towards high skills production. The skills shortages mentioned above were only reported by approximately 2 per cent to 4 per cent of establishments in the respective survey years in each country. Furthermore, because of the small number reporting any skills shortages and the fact that the surveys were establishment based, this may show problems with recruitment in particular local labour markets or for certain establishments rather than the UK as a whole.

Closer examination of the employee level Skills Survey data quoted earlier shows that despite the apparently low level of workers with intermediate skills in the UK, employer demand still lags *behind* supply; and to an even greater extent than was apparent for degree level qualifications. In 2006 the demand for level 3 qualifications lagged behind supply by approximately 2 million people. As with the demand for degree level qualifications, this situation has fluctuated between the years but had considerably worsened since 1992 where the over-supply of level 3 qualifications was approximately 200,000 (Felstead et al., 2007). The story, however, does not end here as the demand for employees with *no* qualifications vastly *outstrips* supply by almost 5 million (op cit).

These macroeconomic findings suggest that employers demand a greater proportion of workers with no qualifications than they do for all other levels of qualification combined. Because of the reality of skills demand Keep and Mayhew (1999) reject the 'high skills' economy notion, stating instead that many UK organisations still compete on the basis of cost requiring low skilled workers. The authors, however, realise that some organisations do compete through adding value rather than cutting costs with a concomitant demand for high skills workers. Keep and Mayhew conclude that whilst many jobs are low skilled the UK is not purely in a low value added, low skills equilibrium between product and labour markets, but rather in a mixed 'high skills/low skills equilibrium'.

This polarisation of demand between high skills and low skills is widely held (see for example, Brown, 2001) and is supported through econometric analysis of job creation. Goos and Manning (2003; 2007) refer to this polarisation variously as 'McJobs' (low skill work typified by fast food restaurants) and 'Macjobs' (those requiring high skills particularly in ICT) and 'lovely' and 'lousy jobs'. When analysing the quality of jobs in terms of wages, Goos and Manning (2007) report a growth in the top two deciles of the wage distribution but a larger increase in jobs in the bottom two deciles, with contraction of employment in all jobs paying in the third – eighth decile of the wage distribution. Whilst there is growth at both the bottom and top of the wage distribution, therefore, "middling" jobs have been disappearing' (ibid; p70). It is not appropriate to see ourselves in a high skill economy but perhaps rather in a 'polarised' economy, where many jobs require a low level of technical skills and pay poorly as a result. The question therefore arises as to the *reality* of job creation in this polarised economy and the subsequent effect that this has on the skills which matter in the labour market

2.4 What types of jobs are being created?

Although jobs are created throughout the economy, the service sector in particular has enjoyed particularly strong growth over the past 30 years. This growth has often been at the expense of manufacturing employment. Westwood (2002) quotes a 50 per cent decrease in the share of skilled manual workers in the economy in the last thirty years

combined with an increase of approximately 100 per cent in service workers in shops, restaurants and personal services. Recent LFS data confirms this fact. In October 2006 LFS data shows that 82 per cent of employment in the UK was in service industries (including public services), compared to 11 per cent in manufacturing industries, 5 per cent in construction and 1.5 per cent in the Agriculture, Mining and Energy industries (ONS, 2006). Furthermore, the growth in the service industry has been much sharper than other employment which has generally, declined. Table 2.1 shows the change in the proportion of employment in the four broad sectors between 1984 and Winter 2005/6. It can be seen that whilst employment in the primary industries fell by over half and manufacturing employment declined by just under half, construction employment increased by 0.3 of a percentage point and service industry employment grew by almost a quarter. Given these figures it is safe to claim that the UK typifies a 'service economy'.

Table 2.1: Changes in employment by industry 1984 – 2006

	per cent total employment - Spring 1984	per cent total employment - Winter 05/06
Agriculture/Energy/Mining	4.9	2.3
Construction	7.7	8.0
Manufacturing	24.9	13
Services (inc. public sector)	61.9	76.8

Source ONS 2006a

It is however, wrong to view the service sector as homogenous as it '...contains some activities that use the most advanced skills (such as aspects of financial and health services) with those that need very little (such as fast food outlets and cleaning activities)' (Crouch, 2004, p104). Trends *within* the service sector typify the polarisation of jobs in the whole economy. Table 2.2 breaks the employment growth identified above down by constituent service sectors. It can be seen that the largest growth between 1984 and 2005 was in the Banking and Financial Services sector, a growth in employment of almost 70 per cent, whilst the Public Sector also experienced employment growth of just under 40 per cent. There was little change in the proportion of employment accounted for by the Distribution, Hotels and Restaurants sub-sector, Transport and Communications and Other Services, although the last of these sectors (including sewage, membership organisations and recreational services) experienced a large relative increase of approximately 20 per cent.

Table 2.2: Employment growth within the service sector 1984 - 2006

	per cent total employment - Spring 1984	per cent total employment - Winter 05/06
Distribution, Hotels and Restaurants ^a	20.3	19.2
Transport and Communications	6.3	6.8
Banking, Finance and Insurance, Other Business Services	9.3	15.8
Public Administration, Education and Health	20.9	29.0
Other Services	5.1	6.1

Source ONS, 2006a: *Note ^a This category collapses the Retail, Wholesale and Hotels and Restaurants sub-sectors*

By breaking down these sectors further (as the Distribution, Hotels and Restaurants and Public sectors, in particular combine some very different activities) the total proportion of jobs in autumn 2006 can be established for each sub-sector. These results are presented in Table 2.3. It can be seen that only the Retail Trade, Business Services and Health and Social Work each accounted for over 10 per cent of total jobs in the UK. As indicated by the growth in the broad financial services sector, it is the Business Services sub-sector which is the largest employer in the service sector housing 14 per cent of the UK's employees. The Retail, Education, Hotels and Restaurants, Public Administration and 'Other' service industries, in that order each comprised six – nine per cent of total UK employment.

Table 2.3: Jobs in Service sub-sectors autumn 2006 (per cent total jobs in all sectors)

	Approx per cent total jobs
Sale, Maintenance and Repair of Motor Vehicles, Sales of Fuel	2
Wholesale and Commission Trade	4
Retail Trade	11
Hotels and Restaurants	7
Air, Land and Water Transport	2
Activities Supporting Transport and Travel Agents	2
Post and Telecommunications	2
Financial Intermediation	4
Real Estate, Renting of Machinery Equipment and Goods	2
Computer, Research and Development and Other Business Activities (Business Services)	14
Public Administration, Defence and Compulsory Social Security	6
Education	9
Health and Social Work	12
Other Services NEC	5

Source ONS, 2006

Given the trends in Tables 2.2 and 2.3 it may seem surprising that there is an apparent oversupply of workers with the highest qualifications and a demand for low level skills. Business Service activities such as consultancy would seem to require symbolic analytical skills in abundance, whilst many public-sector jobs in education and health, require a professional education.

Goos and Manning's (2003) analysis highlights that even *within* sub-sectors polarisation is apparent. In health, for example, although there has been an increased demand for health professionals there has also been strong employment growth in low skilled hospital ward and care assistants. Although there has been growth at the top end of the wage distribution throughout the service sector in public service officers, health professionals, engineers and technologists there has been strong growth at the bottom end of the distribution in sales assistants, checkout operators, cooks, waiting staff, bar staff and health assistants.

Many of these low skilled and low paid service jobs in which strong growth is apparent rely on a rather different set of skills, than for example, Business Services. The majority of employees in the Hospitality, Retail, and Wholesale trades and an increasing number in industries such as Banking, Insurance and Real Estate services, for example, work on the front line with customers. Dealing with the public is also one of the primary activities associated with many public sector employees. This work is termed by Leidner (1993) as 'interactive service work' requiring '...workers to interact directly with customers or clients' (p1). There is a contrast throughout the service sector of the centrality of this interaction to their work. Management Consultants, for example, may be required to interact with clients, but the service they provide is more concerned with the value added through their symbolic analytical skills that are utilised to produce solutions for their clients' needs. For front-line workers in hospitality and retail, however, dealing with customers is, *the* central part of their job. This increasing focus on interactive services and dealing with people has a concomitant effect on the skills which employers demand in the labour market; especially in terms of 'soft' skills.

2.5 Which skills really matter to employers?

Jobs in which interactive service is the primary activity are not viewed as consistent with the knowledge economy. Such work is, therefore often described as 'low skill' in the sense that there is little technical element and the job has few cognitive demands (see for example, Keep and Mayhew, 1999; Nickson et al., 2002; Payne, 2006). Nickson et al., for example, quote Riley's (1996) assertion that approximately 64 per cent of hospitality workers are either semi-skilled or unskilled. Furthermore, the authors realise that the common perception of service work by many academic and journalistic commentators as 'low skill' or even 'unskilled' stems from the fact that the criteria used to denote skill are often purely technical, as was demonstrated above when discussing knowledge work. They argue that this approach is somewhat narrow and that although hospitality work (and indeed, front-line service work in general) does not require a high degree of technical skill, employers in the service sector predominantly demand a different set of skills; soft skills.

As outlined in the introduction 'soft skills' cover a number of facets of the individual such as social and interpersonal skills, communication, working with others and self-presentation (Grugulis et al., 2004; Korczynski, 2005). Such skills are especially important for interactive service work due to the demands which such work makes of the individual. Burns (1997) states that '...working in such an environment (service work) requires more than the ability to operate a cash register; emotional demands are made of employees to constantly be in positive joyful and even playful mood. An ability to cope with such demands must be recognised as a "skill" par excellence' (quoted in Nickson et al., 2002 p38). This is supported by other writers who cite the emotional demands of service work and the skills needed to regulate oneself; from Hochschild's (2003) classic study of airline stewardesses to Bolton's (2004) appraisal of a number of elements of service work from waiting tables to caring for the sick. As such it is soft skills which service employers frequently demand at the point of entry into employment rather than any technical skills which may be involved, such as experience of using till systems or product knowledge (SCER, 2004; Nickson et al., 2005). Even in cases where a service

job does require technical knowledge of both the service being provided and the systems used to provide the service, such as in banking call centres, employers select staff on the basis of soft rather than technical skills (Callaghan and Thompson, 2002; Nickson et al., 2005).

The importance of soft skills in the labour market can be established through analysis of the skills which employees believe are important in their jobs and the perceptions of employers regarding the skills of potential candidates and their own employees through the individual level Skills Survey and representative employer establishment level skills surveys carried out in England and Scotland. When examining the skills that individuals believe are important in their jobs, the authors of the Skills Survey cite the increase in the use of 'generic skills' as further evidence of an upward trajectory in the skills content of UK jobs (Felstead et al., 2007). Not all of these generic skills would be classified as 'soft' skills (for example, physical skills, literacy, numeracy, checking skills and technical know-how) and the authors do not use the term soft skills. There has, however, been an increase in all generic skills aside from physical skills in the period 1997 – 2006. When examining those which could conceivably be described as soft skills (influencing, communication, problem-solving, planning and management) the rise in influencing others (clients or colleagues) and planning skills have been especially prominent (ibid).

When examining occupational change the rise in the importance of generic skills from 1997 – 2006 had been especially prominent amongst 'lower status' occupational groups which section 2.4 highlighted have been expanding. When examining the softer generic skills the largest increases in the importance of problem solving skills were amongst Sales and Elementary Occupations, whilst planning skills experienced particular growth amongst Personal Service and Plant and Machine Operative occupations (ibid). Of those generic skills which were identified which had a particular interpersonal nature the largest increase in horizontal communication (i.e. with co-workers) skills was amongst Sales and Elementary occupations, whilst client communication increased the most amongst Sales occupations (ibid). Influencing skills have increased substantially in all groups in the period aside from Professionals. Generic skills are, thus, of increasing

importance in lower skilled occupations with certain interpersonal skills of particular importance in jobs which may require a high degree of customer contact.

When examining the employer skills surveys, for the sake of expedience, it is the two largest constituent countries in the UK which are focussed upon as it is these for which there is most complete information available. The following data is obtained from the English National Employer's Skills Surveys (NESS) in 2003 – 2005 (LSC, 2004; 2004a; 2005; 2005a; and 2006) and from the Scottish Employers' Skills Surveys (ESS) 2002 – 2004 (FSS, 2003; 2004; 2005).

As noted in section 2.3 when English employers reported skills shortages in potential applicants these were predominantly in technical and practical skills. When examining skills *gaps* in England, however, (which exist where managers in an establishment report that at least one member of an occupational group is not fully proficient) it became apparent that employers believed a mix of skills contributed to such gaps. In the NESS conducted between 2003 – 2005 skills gaps were reported by 16 per cent – 22 per cent of all establishments. Furthermore, it was *soft skills* which were the biggest cause of skills gaps. Communication, customer handling and team-working skills (in that order) were the largest cause of skills gaps in the 2003 and 2004 surveys reported by 47 per cent – 51 per cent of establishments with skills gaps. Technical and practical skills then followed reported by 43 per cent – 45 per cent of establishments in 2003 and 2004 respectively (LSC, 2005a). Team working and customer handling were also the two most common causes of skills gaps in 2005 (LSC, 2006).

Examination of the Scottish data shows even greater problems in terms of soft skills. In terms of skills *shortages*, Scottish employers reported the rate of hard to fill vacancies was similar to their English counterparts, with only 4 per cent – 5 per cent of establishments reporting a skills shortage in the survey years 2002 – 2004. Unlike England, however, in Scotland it was *soft skills* that were the biggest concern in two of the three surveys. In the 2002 and 2004 surveys oral communication (reported by 47 per cent and 57 per cent of establishments with a skills shortage) and customer handling (50

per cent and 52 per cent) were the biggest cause of skills shortages. Although technical and practical skills were the main constituent of skills shortages in 2003 they were only ranked as the fifth and seventh most numerous causes of skills shortages in 2004 and 2002 respectively. This trend was even more pronounced when examining skills gaps. The five soft skills identified by FSS (oral communication, customer handling, team-working, problem solving and planning and organising) constituted the five most widely reported causes of skills gaps in each survey wave, reported by 45 per cent – 63 per cent of establishments with a skills gap. Of these skills planning and organising and customer handling were the soft skills which affected establishments the most.

In England, the industries worst affected in terms of the proportion of vacancies which could be attributed to skills shortages were primary and secondary industries, rather than service industries. This appears consistent with the fact that it was predominantly technical and practical skills, which one would associate with work in these sectors, which constituted shortages. Skills gaps were, however, spread throughout a variety of private and public service and manufacturing sectors. The English analyses also reported on the specific types of skills gaps that affected each sector, with the types of skills constituting gaps tending to follow the activities of the sector. Service sectors, therefore, tended to experience gaps in the soft skills whilst primary and secondary sectors tended to experience gaps in technical and practical skills.

In Scotland a mixture of primary, secondary and tertiary sectors experienced problems with skills deficits in the three survey waves, although various service sectors (such as public administration, utilities, business services and transport) were particularly badly affected by skills shortages. Unfortunately, no detailed disaggregation of the types of skills causing deficits was provided by sector highlighting the need for more detailed analysis. Notwithstanding this aggregation, given the variety of sectors reporting deficits and the high proportion of soft skills reported as causing skills shortages, this suggests that employers may demand soft skills even in industries where dealing with the public is not a primary end. The picture for internal skills gaps, however, showed greater intuitive consistency between the types of skills in deficit and the sectors reporting skills deficits.

Hotels and Restaurants reported particularly high skills gaps rates (skills gaps as a proportion of all employees) in all three years with rates 25 per cent – 50 per cent greater than the average. The Financial Intermediation, Retail, Public Administration and Transport, Storage and Communication sectors all reported skills gaps rates 25 per cent above the average in at least one of the survey waves. The levels of skills gaps in service industries appear consistent with the fact that most skills gaps were in soft skills, suggesting sectoral specific problems despite the absence of direct analysis of the types of skills causing deficits within each sector.

Given the problem with soft skills gaps, and the assertion that jobs in which soft skills are essential are frequently associated with ‘low skilled’ employees the types of occupations affected by skills deficits needs to be briefly addressed. In England in 2003 – 2005 it was indeed, lower skilled occupations such as Sales, Elementary and Operative occupations that had the highest skills gap rates, on occasion accounting for a greater share of skills gaps than their share of employment. When directly examining some of the types of skills that constituted skills *gaps* within various occupations ‘soft’ skills, for example, team-working and oral communication, affected a number of occupations from Elementary occupations to Managers and Senior Officials. The soft skills gaps that were reported were, however, particularly concentrated in lower skilled occupations, especially those with a customer focus. This reaffirms the finding that whilst soft skills may be important in a number of occupations it is ‘lower’ skilled customer facing employees who are apparently worst affected by soft skills gaps

For Scottish skills gaps it was also typically low skilled and customer facing staff which appeared worst affected. In 2003 this was especially pronounced with Personal Service, Sales and Customer Service, Machine Operatives and Elementary occupations all reporting skills gap density rates (the proportion of all employees the economy who are deemed as having skills gaps) of 11 per cent – 13 per cent, with the next worst affected groups reporting a density of 8 per cent. In 2004, Elementary occupations (12 per cent), Personal Service and Sales and Customer Service Staff (both 11 per cent) also had the highest skills gap density rates. The Scottish data also specifically examined some of the

types of skills which constituted gaps in different occupations, although this analysis was again, incomplete. The general pattern across all surveys was that in higher skilled jobs such as Managers and intermediate occupations such as Associate Professionals and Administrators, problem solving and planning and organising were especially problematic. Lower skilled occupations with a customer facing focus (such as Sales and Customer Service, Personal Service and Elementary occupations), however, had particular problems with customer handling skills whilst Operative occupations had large gaps in oral communication. Team-working appeared problematic across all occupations.

The picture with skills gaps reaffirms the importance of soft skills in the economy. Soft skills gaps appear to frequently materialise in service sectors and in lower skilled customer facing occupations, especially in Scotland, although further systematic disaggregation is necessary. Despite this apparent concentration of soft skills deficits in services and low skilled occupations, there were deficits in certain soft skills, especially planning and organising and problem solving, at higher organisational levels, showing that soft skills deficits are not purely a problem in customer facing service staff.

Although job creation in jobs that utilise soft skills as the primary job activity appears to have accounted for the majority of soft skills deficits, the size and growth of the interactive service sector is not the only factor behind the growth in the importance of soft skills.

Writers for a number of years have realised the importance of soft skills at higher organisational levels, in *all* manner of organisations, even those outside the service sector. One example of this is the classic work of Mintzberg (1973). Mintzberg identified the roles of CEOs, in a number of different industries and formulated three groups of activities which were common to all CEOs; *interpersonal roles, decisional roles and informational roles*. It is the interpersonal roles which most explicitly utilise soft skills as the manager is required to act as a figurehead, a leader and a liaison point within the organisation. Such skills require mastery of communication, self presentation, team-working and even customer handling. Soft skills are, however, also used within informational activities as the CEO acts, for example, as a spokesman for the

organisation or as a negotiator. The work of CEOs provides a good example of the use of soft skills in jobs for which soft skills do not constitute the primary job activity.

It is also the case that where ambitious and talented managers and executives fail this is often due to a lack of soft skills rather than technical or cognitive skills. A study of 62 executives in top US companies concluded that 'derailment' (when an otherwise promising executive is fired, forced to quit or receives no further promotions) tended to be caused not by technical expertise but rather because of poor relationships and interpersonal skills or else poor self-awareness and rigidity (Leslie and Van Velsor, 1996). As a result top companies often look for soft skills at the point of recruitment with such skills being an essential part of the competencies which are required for selection (Goleman, 1998).

Goleman (ibid) gives examples of high technology companies where soft skills were seen as essential for success. Within large technology, petrochemical and medical research facilities managers sought team-working, co-operation, relationship building, leadership, the ability to influence and develop others and customer handling skills as well as technical skills and knowledge. Such skills are included in competency analyses of jobs and used to select the correct people. Goleman then extended his study to examine 181 different positions in 121 varied companies and found that over two thirds of the competencies deemed essential for a job were in what he termed 'emotional competencies' i.e. the ability to manage one's own emotions and those of others to facilitate relationship building and co-operation. This led Goleman to conclude that 'Compared to IQ and (technical) expertise emotional competence mattered *twice* as much. *This held true across all categories of jobs and in all kinds of organizations (sic)*' (ibid, p31 emphasis added).

Finally, evidence of the importance of soft skills in interactive service work for managers as well as customer facing staff is provided by Du Gay (1996). In 1990-1 WH Smith conducted a company wide employee survey of manager's competencies which concluded that whilst managers had good technical and hard competencies they scored

poorly on attributes such as instilling motivation and creating a 'happy work environment'. In another of Du Gay's case studies a company had changed from a JFDI (Just Fucking Do It) approach towards a consultative and integrative approach to managing staff. Indeed, within this case study interpersonal skills for managers were seen as more important than vocational and technical skills such as cash control and administration

Soft skills *deficits* in the UK thus, appear to be concentrated primarily in service work and in lower skilled occupations although more direct analysis of these trends is needed. The Employers' Skills Surveys, however, show this picture was not absolute with soft skills important across all jobs in the economy, a finding that has been replicated in numerous other studies. Soft skills are important not just in customer facing interactive service work but across organisations and at the highest organisational levels, although deficits appear more prevalent where such skills are an essential job activity.

2.6 Chapter summary and conclusion

In summary, this chapter has sought to show the kind of economy in which the UK finds itself, the types of skills which employers demand and employer perceptions of skills deficits. This discussion has been utilised in order to show the importance of soft skills in the economy and justify the focus of this thesis. The existence of the knowledge economy in the UK, reliant on high level cognitive and abstract reasoning skills, so popular with policy makers and certain academic writers, has been shown to be questionable. Notwithstanding this, it must be noted that examples of knowledge work certainly exist and the UK can be seen as having knowledge economy 'pockets'. Much job creation, however, tends to be in low skill jobs and frequently in the service sector and it would be more correct to depict the UK as a service or polarised economy rather than a knowledge economy.

The type of economy that the UK possesses does, in turn, have an effect on the kinds of skills which employers' demand. Although the service sector itself is heterogeneous

many jobs in the sector are reliant not on technical expertise but rather soft interpersonal and social skills. Even where service jobs are reliant on knowledge, high level reasoning skills and technical expertise (for example, in professional and business services) soft skills may still be an important concern. Concomitantly soft skills gaps appeared to affect service sectors and customer facing occupations to a large extent although there was evidence of gaps in other sectors and occupations. This is consistent with previous research leading to the conclusion that although soft skills are required in jobs throughout the industrial and occupational spectrum, deficits are most likely in low skilled occupations, especially where such skills are essential to the primary job function; such as in interactive service work.

This chapter identified the importance of soft skills and service work to the UK economy thus providing the rationale for the focus on soft skills and the subsequent focus on the service sector. The reported skills survey findings also reveal incomplete sectoral and occupational disaggregation and the need for systematic evaluation of the distribution of soft skills deficits as required by research objective two (see Chapter One section 1.3). Thus far, however, the question of what skills actually *are* has been viewed unproblematically with certain skills simply classified as, for example, 'soft', 'hard' or 'technical' and any attributes demanded by employers described as 'skills' until this point. Little attention has been given as to how 'skill' may be defined and whether soft skills can realistically be described as skills. The previous discussion has also largely accepted the oversimplified tenet that jobs which rely on soft skills as a primary activity, such as front line service work are 'low skilled'. Chapter Three thus seeks to build upon this broad contextual discussion and elucidate upon the problematic and nuanced nature of 'skill' by addressing the changing nature of skill; the appropriateness of conceptualising soft skills as skills; and cautions which must be borne in mind when examining employer demand for skills due to the nature of the way in which the concept of skill is socially constructed. The next chapter thus seeks to conceptually underpin the types of skills that this chapter has identified as essential in the contemporary economy.

CHAPTER THREE: THE CHANGING MEANING OF SKILL AND SOFT SKILL FORMATION

3.1 Introduction

As stated in the conclusion to Chapter Two, the concept of skill has, thus far, been viewed simplistically in terms of 'high skilled' workers using technical and cognitive skills and 'low skilled' employees who do not use such capabilities. Many of these low skilled employees are in jobs where the display of soft skills is the central purpose of the role; particularly those in interactive service employment. Because of this association with low skilled employment the question arises as to whether soft skills really are skills at all, or whether they are simply inherent characteristics of workers such as personality or attitudes. This problem is also apparent in the way that, thus far, skill has been primarily conceptualised only in terms of employer demand, with the qualities that employers look for in their workers seen as constituting 'skills' without any real examination of what the term skill means and the way in which this differs from other worker characteristics.

The aim of this chapter is to establish different perspectives on the meaning of skill and show how the term has evolved beyond a vocational and technocentric view. The appropriateness of defining soft skills as skills is then discussed as this conceptualisation is relevant to all of the research objectives outlined in Chapter One. It is concluded that although some caution must be exercised as, on occasion, employer demand for soft 'skills' includes characteristics which are not really skills, it is, indeed, largely appropriate to conceptualise soft skills as skills.

The chapter also considers how individuals develop soft skills, in furtherance of research objective one (see Chapter One section 1.3). The issue of soft skill formation is essential for understanding in whom deficits may occur and why. Whilst considering the importance of individual traits such as personality, the discussion draws on the preceding argument that the term skill denotes more than inherent characteristics. In this vein and

because soft skills are largely reliant on social interaction, it is concluded that they are developed through the accumulation of various social resources and experiences. The discussion on soft skills development is, therefore, framed within Bourdieu's theory of social, cultural, educational and economic capital, all of which are seen as beneficial in building social competence, especially in the kind of (formal) situations which are commonplace in the world of work.

3.2 Soft skills - an introduction

Soft skills are heterogeneous and a number of alternative terms have been used to describe them including basic, generic or transferable (Payne, 2006). They are unrelated to any particular academic discipline, vocation or profession and can be used throughout the labour market (NSTF, 2000; Felstead et al. 2002). Their interpersonal and social nature is also generally agreed upon along with the fact that they are of particular concern within interpersonal services (see for example, Brown, 2001; Grugulis et al., 2004; Korzynski, 2005; Payne, 2006). As soft skills involve social display and dealing with people it is necessary for individuals to manage themselves in social situations in order to be described as possessing such skills. Individuals need to 'self monitor' (Snyder, 1987) and display 'emotional intelligence' (Goleman, 1996; 1998) so that they can effectively deal with others socially. That is, individuals need to manage their own behaviour, empathise with the position of others and know how to react depending upon how others are feeling.

The general approach by writers defining what soft skills actually *are* has been taxonomical with skills often identified as 'soft' or 'hard' on a post hoc basis after identifying activities which are important in the workplace. Such taxonomical reviews have identified a number of skills as falling within the 'soft' definition including communication, customer handling, team-working, self presentation, planning and organising, problem solving, leadership and the ability to learn (see for example, Harvard, 1997; Futureskills Scotland 2003, 2004, 2005, 2007; Futureskills Wales, 2003; Grugulis and Vincent, 2004; Grugulis et al., 2004; LSC, 2004, 2005, 2006, 2006a).

A number of similarities exist between the skills identified as 'soft' and the previous assertion in this chapter that such skills are generically applicable to any number of workplaces and are concerned with interpersonal behaviour, intrapersonal self-management and the regulation of social encounters. Problems do arise, however, when applying these criteria to skills such as planning and organising, problem solving and the ability to learn. The last of these is, perhaps, least consistent with the soft definition as it is most closely associated with cognitive ability (Haslam, 2007). Skills such as planning and organising and problem solving, however, create something more of a quandary. It cannot be denied that problem solving has a cognitive element and to a lesser extent planning and organising. Problem solving may also rely on specialised knowledge of a particular kind, for example, mathematics, depending upon the nature of the problem being solved. However, the terms are non-specific and could relate to any number of activities, both social and cognitive. Whether planning and organising and problem solving can be viewed as soft or hard skills depends very much on the context in which they are being used. Such activities may thus fall between 'soft', interpersonal and intrapersonal skills and 'hard' skills reliant on cognitive ability and intelligence. Planning and organising and problem solving do, however, appear to have enough consistencies with other soft skills to be considered alongside these in subsequent analyses, whilst recognising that the form these take may differ depending upon the context.

Bringing the characteristics of soft skills together a working definition is thus formed. *Soft skills are generic, non-technical and not reliant on abstract reasoning or cognition, involving interpersonal and intrapersonal abilities to facilitate mastered performance in social situations.* It is this definition which is used when discussing soft skills throughout this thesis.

3.3 What is meant by 'skill'? Disciplinary definitions and developments

The discipline of psychology focuses on the way that skills are developed to enable individuals to perform discrete tasks. The discipline of economics, however, views skills as a factor of production and considers the way that skills are used by firms within the

economy, the means used to indicate to employers that an individual has acquired certain skills (qualifications) and the economic return to individuals for investing in skill acquisition. Sociology, on the other hand, analyses skill at the group level, with types of skills possessed by certain groups used to differentiate themselves from other groups. Sociological approaches to skill also consider not only the skill of the individual but the manner in which the work and organisational context (for example, the degree of discretion allowed) effects the amount of skill required in a particular job. Critical sociology expands the concept of skill further to examine the way in which skills are socially constructed by groups to meet their own ends, whether this is to gain status and power or to control particular processes. Despite differences between the perspectives in the way in which skill is conceptualised, certain similarities do exist, namely the idea of learning, mastery and adaptation in the face of uncertainty. The way in which the meaning of skill is broadening to cover non-technical and non-cognitive elements is also a common theme.

From a psychological viewpoint skills are learned by an individual over time and relate to specific competencies on discrete tasks (Landy, 1989). The distinction is made between *abilities* and *skills* with the former related to general traits that are observed across a number of tasks and the latter concerned with the performance of *specific* tasks (Fleishman and Quaintance 1984). Skill is thus seen as '...the level of proficiency attained on the task as a function of the level of ability...and the particular strategies developed in the task situation' (Landy, 1989 p677). From the classical psychological viewpoint an individual would have many specific skills related to the tasks which they perform, with skill becoming greater as familiarity with the task increases, adaptation by the individual ensues and specific habits are acquired. Using these criteria, skill on a given task could possibly become 'automatic' over time as the individual is effectively trained via either external means or through their own efforts, to optimise their task performance. Perhaps because of this automation developed over time, the psychological literature had traditionally focused on physical ability and motor skills such as reaction time and the improvement in strategies to perform relatively simple tasks (see for example, Fleishman and Quaintance, 1984; Warr, 1971)

Other personal constructs such as *traits* and *attitudes* are distinguished from the concept of skill due to their lack of task centrality. Skills are considered to be learned and developed, whereas traits, in particular, are thought to be partially innate. For example, numerous studies have depicted the trend that personality tends to be fixed and stable by the time an adult reaches 30, with stability increasing after the age of about 20 due to maturity (McCrae and Costa, 2005). These findings on personality appear to 'apply to virtually everyone' whether they be male or female, black or white (ibid, p4).

More recent conceptualisations of intelligence within psychology have expanded from simply cognitive ability to include non-cognitive dimensions indicating the manner in which the concept of ability (which underlies skills) is changing. Examples include tacit knowledge and applied intelligence (Sternberg, 1996); Gardner's (1983) multiple intelligences which include bodily co-ordination, social intelligence, musical and creative intelligence; and emotional intelligence (EI) (Goleman, 1996; 1998). Although intelligence itself is not a skill, EI, for example, is thought to improve over time, can be learnt in the same way that a skill can, and facilitates improved interpersonal relations. EI requires empathy with others and an understanding of their feelings and reactions to manage the way in which an individual acts in social situations (ibid). This expansion in the conceptualisation of intelligence is consistent with the abilities that are needed in order to develop soft skills.

Further evidence of the growing importance of soft skills within psychology is the concept of 'contextual performance'. This type of performance is seen as distinct from 'task performance' which relates to performance on specific technical aspects of the job in the traditional sense of the psychological notion of skill (Motowidlo and Schmit, 1999). Contextual performance, however, '...maintains the broader organizational social and psychological environments in which the technical core must function' (ibid, p60). The effectiveness with which contextual performance is carried out requires a degree of skill related to an understanding of the social environment, with skill improving as the individual becomes more familiar with the social context of the organisation and develops appropriate strategies on how to behave. Contextual performance is thus reliant

on social skill whilst also accepting that the social context of the organisation has a bearing on the way on which skills are developed and displayed. There is a criticism of the contextual performance construct as it is seen as occurring outwith the job, whilst in certain jobs, such as in front-line interactive service work, the use of social skills is integral to the task. Motowidlo and Schmit, however, explicitly state that the growth in jobs requiring customer service means that the importance of contextual performance and social skill is increasing.

For economists, skill is traditionally determined by the monetary investment in training made by an individual and the value added (in monetary terms) by an individual in the workplace (Attewell, 1990). From an economic viewpoint scarcer skills that are harder to obtain and have a longer training time hold a higher market value than those which are more common. Indeed, the skills survey researchers use evidence of the increasing demand for higher education qualifications alongside the growth in proportion of jobs requiring more than two years training and the reduction of jobs requiring less than one months learning, as evidence that the skills content of UK jobs is increasing (Felstead et al., 2007). Economic analysis on the value of skills is traditionally derived from Human Capital Theory, which posits that a rational individual will invest in education if they believe that doing so will increase their market value in the form of wages (Elliot, 1991). The skill of an individual is thus neatly packaged in the form of qualifications and credentials, with the firm compensating the individual for attaining the level of skill which such qualifications signify (Spence, 1973; Crouch, 2005). The income foregone by remaining in education is compensated for by increased earnings upon leaving said education, assuming that the extra income will be greater than that eschewed in favour of investing in human capital (Elliot, 1991). Within this theory, importantly, qualifications act as 'signals' for scientific and technical skills (Spence, 1973), with human capital theory effectively concerned with specialised technical knowledge and skill with workers reduced to '...a bundle of technical skills that are fed in to the economy' (Brown, 2001; p13).

As in psychology, however, soft 'non-cognitive' skills are becoming included in analysis

of human capital, most notably in the work of US Noble Laureate James, J Heckman and his colleagues. Indeed, Heckman and Rubinstein (2001) state that 'It is thus surprising that academic discussion of skill and skill formation almost exclusively focus on measures of cognitive ability... The early literature on human capital... ignores non-cognitive traits entirely. The signalling literature... emphasized that education was a signal of a one-dimensional ability usually interpreted as a cognitive skill' (p145). Heckman instead states that the full spectrum of skills, cognitive and non-cognitive, which are important in the contemporary economy should be considered and that conventional analyses of human capital theory and skills policy interventions should be adapted to consider the 'socially useful skills embodied in persons' i.e. soft skills (Heckman, 2000 p4). The ignorance of the importance of non-cognitive skills by those who formulate education policy is in part because of the 'lack of any reliable measure of them' which is in stark contrast to certified educational attainment and long established measures of IQ (Heckman and Rubinstein, 2001 p145). Heckman (2000) concludes that whilst education attainment is important, non-cognitive skills are essential in today's economy to secure employment, and that employers are as concerned with these softer skill as with hard skills.

Notwithstanding Heckman's critique of the lack of progress made in measuring non-cognitive skills, even within educational qualifications the notion of skill is expanding. Indeed, education policy within the UK has shifted away from purely technical and vocational skills to also include generic or transferable skills. Within vocational education and training (VET) in the UK, 'generic' skills (referred to originally as 'core skills') are now taught alongside cognitive technical skills (Green, A, 1998). The concept of 'core skill' was primarily stimulated by mass youth unemployment in the 1970s alongside concerns from employers that young recruits lacked certain 'social' and 'life' skills, which were then subsequently introduced on to National Vocational Qualifications (NVQs) curricula (ibid). The concept of core skills is one that UK governments continue to be keen to enforce and presently cover a range of generic skills that are seen to aid young people once in employment across all post 16 routes outwith higher education. These skills cover both cognitive and non-cognitive skills such as numeracy, IT, problem

solving, communication and working with others, and are now referred to as 'key skills' in England, Wales and Northern Ireland whilst retaining the label 'core skills' in Scotland (DIUS, 2007; SQA, 2007).

The perspective of skill within those developing skill measurements at the level of the economy has thus moved away from notions of simply technical accreditation towards a focus on generic and soft skills. The fact that these are included within education indicates that, for policy makers at least, generic skills, including soft skills, can be *learned, developed and mastered*. Indeed, Heckman (2000) is cognisant of this point and believes that one of the reasons that soft non-cognitive skills are overlooked by both policy makers and academics is because they are learned and developed within the family and during life, often away from educational institutions. Informal learning is learning nonetheless and skills remain skills wherever or however, they are learned.

A perspective which bridges the ideas of economics and sociology is the Marxist tradition which analyses not only the way in which proletariat labour creates surplus value for the bourgeoisie but also the skills which differ *within* the proletariat. Although Karl Marx himself had little to say on 'skill' directly, the notion of skilled labour is still evident in his discussion of class formation and the notion of a labour aristocracy. In the Marxist sense skill comes from the craft tradition with skilled labourers investing in the acquisition of the necessary skills to become craftsmen alongside knowledge of the methods of production (Braverman, 1974). The mastery of a trade denotes work as skilled as such high levels of competence and control over the labour process, enables workers to deal with unusual situations as they arise, rather than simply following a pre-determined pattern (Ainley, 1993). Mastery is achieved through intimate knowledge of the work and production process in ways that those outwith the 'craft' cannot grasp, and such mastery implies that individuals can cope with anything which comes their way in the course of their work. The mastery of a trade is used by the labour aristocracy to their advantage in terms of the value of their labour (wages). Those not possessing knowledge of the trade are excluded from the artisan's activities. As a result, the labour aristocracy has scarcity value giving them bargaining power (Attewell, 1990)

The traditional Marxist perspective does, therefore, see skill as related to technical ability in specific tasks, in a way broadly similar to both traditional psychology and economics. The idea of craft mastery is also central to the de-skilling hypothesis of Braverman (1974). Braverman asserted that the spread of scientific management and Fordist methods of work organisation had led to de-skilling in the manufacturing process as workers now had little autonomy over their work and simply did repetitive tasks as dictated by management. Furthermore, Braverman believed that this process was being mirrored within white collar as well as blue collar jobs. Reducing a task to such simple terms thus removes the element of any skill as the individual cannot master the process and respond to uncertainties as they arise (Ainley, 1993). The declining craft tradition had thus led to the micro-division of labour and production line work where little control over the overall process or product by workers was allowed. Workers, therefore, lost *discretion* over the task, with discretion seen by sociologists as an essential determinant of skill (Noon and Blyton, 2002; Green, 2006).

The centrality of discretion to analysis of skill has traditionally been less of a concern in economics although contemporary economists are increasingly realising the importance of this key concept. Indeed, Francis Green (2006) bemoans the attention paid to discretion throughout the social sciences. The skills survey and its precursors examined discretion and although not associating skill directly with discretion notes that these concepts tend to be correlated at least at a theoretical level (Felstead et al., 2007 see also Green, 2006). The skills survey authors note a paradox in the ostensibly higher levels of skills required in UK jobs alongside an erosion of discretion. When examining whether employees reported that they had a 'great deal' of influence over how hard they work, what and how tasks were done and quality standards the proportions answering that they did fell by between 13-18 percentage points from 1992 – 2006 (ibid). Green (2006) notes a similar decline in those reporting that they had 'a great deal of choice' in how they carried out their work from 1986 – 2001. From a sociologist's viewpoint, these trends would be taken as evidence that skill levels are declining and that some of Braverman's fears have been realised.

The traditional association of skill with manual craft workers in sociological enquiry and the privileged status of technical cognitive and physical tasks is an example of how the definition of activities as 'skilled' is socially constructed. When examining the concept of skill and status, Ainley (1993) believed that 'There is always a triangular definition of skill that comprises not only the person performing the task and *the social estimation of the skill involved in it* but also the task itself' (p21 emphasis added). Thus, the status of the individual as 'skilled' exists as a socially constructed opinion of which tasks are considered as more worthy and difficult to master than others. The distinction in the previous chapter between the rhetoric of the high skilled knowledge economy in the UK and the reality of the polarised high skill/low skill service economy, illustrates this point nicely.

As within economics and psychology, however, the techno-centric view above is changing with the acceptance of social competencies and of the importance of soft skills. Even some following the Marxist tradition have attempted to move the argument on from the 'polemical denunciation' of Braverman's de-skilling argument (Adler, 2004 p245). Adler explicitly points to the socialisation of the production process as a form of up-skilling stating that even within some production line work methods are decided upon by management *and* workers with an emphasis on task socialisation and team interdependence to solve problems and devise appropriate coping strategies. The integration of semi-autonomous team-working and employee involvement, amongst other practices, into work design has been called, variously, 'high commitment work practices' or 'high performance work systems' (Harley, 2005). It is thus through greater *social* interaction that groups master tasks and maintain control over work processes; which can aid both firm performance and also improve the quality of working life through worker empowerment (ibid; Adler, 2004). Adler believes that developments in socialising the production process to facilitate team-working and interdependence in this manner require greater interactive and social (i.e. soft) skills. Even within work that has a technical focus, therefore, soft skills have been increasing and by utilising soft skills workers can improve mastery of the task via group decision making processes. It must be stated that there is some debate about the extent to which such socialised high

performance work systems do generally involve worker input in task design and the maintenance of discretion, with many examples of organisational rhetoric not matching the reality as experienced by workers (see for example, Danford et al., 2004; Harley, 2005). Notwithstanding this debate, the theoretical point made by Adler still remains and is a significant departure from traditional technocentric conceptualisations of skill.

A further departure from the technocratic school of thought regarding skill is the so-called 'ethnomethodologist perspective' (Attewell, 1990). Such writers see skill in a somewhat different light to those espousing that skill is purely a technical, cognitive or vocational phenomenon. Ethnomethodologists instead see all human activity as complex not just that associated with technical competence. Tasks that have become embodied and that are performed unconsciously reflect a high degree of learning and expertise and are therefore highly skilled (ibid). It is through social experience and learning that individuals master how to behave in certain situations, with skilled behaviour reflecting mastery of the social context as well as technical or cognitive abilities. It is not so much the content of an activity that defines it as being skilled but rather the degree to which an individual has had to learn and master the activity, which separates skilled from unskilled behaviour. This mastery may be in the form of technical, expertise or specific knowledge exercised on a job but it may just as easily be in terms of social skills.

It is this last point that provides the commonalities between particular perspectives. *All* perspectives when describing skills talk of the need to learn and master activities in order to differentiate one as skilled or unskilled. In psychology, skills are firmly embedded within particular tasks but it is learned strategies developed on these tasks that separate skill from ability. Within economics, human capital theory ascribes an individual to be skilled when they have learned a particular discipline or technique and have shown sufficient mastery of this to hold a qualification. Within sociology, mastery, discretion and control over craft processes denotes skill for traditional Marxists, whilst for newer writers mastery of a task can be facilitated by greater social and group understanding which creates tacit knowledge, group discretion and expert performance. The concept of discretion is also becoming more central in economics with this now considered a key

aspect in the analysis of work skills, even if it is considered to be a corollary rather than a pillar of skill. A further commonality is that this mastery is increasingly seen as expanding from purely technical tasks into 'softer' skill areas across all social disciplines, despite the fact that jobs which predominately use soft skills are socially constructed as 'low skill' or 'unskilled'.

As soft skills can be learned and mastered and also require substantial adaptation within differing social situations it would, therefore, appear that they are worthy of the label 'skill'. The next section uses the above discussion on the definitions of skill to assess the extent to which employers really are seeking soft skills in the workplace or whether they are, in actual fact, seeking submissiveness and/or trying to reduce the amount of skill that employees need to perform tasks. Given that much of the debate focuses upon whether soft skills really are worthy of the term skill it is the 'low skilled' end of the labour market that is the focus of section 3.4. By focussing on this low skilled group, especially front-line interactive service workers, the range of factors which leads some to doubt whether employers are really demanding 'skills' can be established.

3.4 Demureness, deskilling and dissonance - the critique of the expanding meaning of skill and its implications for service workers

As was shown in section 3.3 the meaning of skill is, to a degree, socially constructed with cognitive and technical skills typically privileged. Indeed, many commentators believe that soft skills are themselves socially constructed to be skills when they are not worthy of the term and that the increased use of the term 'soft skills' does not hide the fact that such skills are simply personal characteristics, embodied traits and attitudes (see for example, Keep and Mayhew, 1999; Payne, 1999, 2006; Grugulis et al., 2004). One of the strongest critiques of the expansion of the concept of skill into soft skills is Jonathan Payne. Payne has provided an erudite and thought provoking critique of the expanding notion of skill and, in particular his problems with conceptualising interactive service work reliant on emotional labour as 'skilled'. His cynicism regarding the increasingly vague meaning of skill as the concept departed from the 'technical know-how, manual

dexterity and spatial awareness of the craft worker' (p1) was first noted in 1999. This paper posited that skill now meant 'all things to all people' and was 'more conceptually equivocal than it had ever been' (ibid). Of particular issue in this earlier piece was the application of the label 'skill' to 'a veritable galaxy of "soft", "generic", "transferable", "social" and "interactional" skills frequently indistinguishable from personal characteristics, behaviours and attitudes.' (ibid, see also Payne, 2004). Indeed, Payne sees many of these 'generic skills' as little more than the possession of middle class advantage as 'Many of these skills such as deportment and accent...can be linked to social class, family socialisation and educational background' (Payne, 2004 p4). These criticisms have been levelled at two particular elements that underpin service work by Payne and others - emotional and aesthetic labour.

The term 'emotional labour' was first coined by sociologist Arlie Russell Hochschild and has become synonymous with her seminal work *The Managed Heart* (2003), primarily focusing on airline stewardesses. Hochschild characterised emotional labour as that which '...requires one to induce or suppress feeling in order to sustain the outward countenance that produces the proper state of mind in others...' (p7). Essentially this is commodified by employers with the employee selling their emotional labour for a wage. It is here where the difference lies with *emotion work* which requires emotional input but where the emotions of the individual are not commodified by the employer; for example, in caring roles (Zapf et al., 1999). Emotional labourers are required to display emotions that are necessary as part of their role and to withhold any of their own emotions that may contradict this (Bolton, 2004; Hopfl, 2002). Resultantly, it has been argued that employers seek to employ people with the 'right' personalities and dispositions consistent with being cheerful, good natured, outgoing, flexible and 'naturally' warm and friendly (Bunting, 2004; Grugulis, 2006). Generic traits are thus seen as becoming more important rather than any particular skill adapted by the individual to the demands of their work.

An overview of the ambivalence that many have towards the concept of interactive service work as 'involving 'skills' is given by Payne in his 2006 critique entitled 'What's

wrong with emotional labour?' Payne's central argument is that as many of the skills needed for emotion work are learned outside the workplace and in early socialisation, success in emotion work may be seen as a 'relatively mundane or ordinary accomplishment...how many of us are *not* "truly multi-skilled social actors" ' (p16). Resultantly, Payne attributes the poor pay and labour power of emotional labourers to the relative lack of scarcity of such skills. Payne then offers as further evidence for the lack of skill involved in much emotion work the findings that: training is often limited in such positions and that soft skills are not amenable to measurement; that the manner in which soft skills are ingrained and embodied in individuals and are performed 'unconsciously' means that such skills cannot even *be* trained; and that control and discretion in much interactive service work is limited.

Aesthetic labour is a further concept which appears to rely on characteristics which cannot be described as skills as employers employing such labour ' . . .rely to a large extent upon the physical appearance or more specifically the embodied capacities and attributes of those to be employed or are employed...' in order to sell the product or service (Warhurst et al., 2000 p2). Employers then develop and commodify these attributes as skills using not only the organisational hardware (i.e. the physical fixtures and fittings) but also the organisational software (i.e. the employees) as a means of distinguishing oneself from the competition (Witz et al, 2003). As people have no control over their genetic make up, physical attractiveness and beauty itself cannot be viewed as a skill, which adds further weight to the critical writers that interactive service employers seek traits rather than skills.

Further evidence which sheds doubt on emotional and aesthetic labour as skilled work is given by the 2006 Skills Survey which, for the first time, included emotional and aesthetic labour amongst the generic skills which employees may use at work² (Felstead et al., 2007). It was found that there was no significant wage premium associated with

² The full list of generic skills considered by the survey were literacy, planning skills, problem-solving skills, horizontal communication skills (i.e. with peers), checking skills, influence skills, client communication skills, technical know-how, number skills, physical skills, emotional skills, aesthetic skills and management skills. The level of computer usage within a job was measured as simple, moderate, complex and advanced.

emotional or aesthetic skills or indeed, other generic soft skills (such as communication and planning and organising) supporting Payne's assertion that service skills are mundane and possessed by everyone. Indeed, such low monetary returns are given as an economic indication that soft skills are not valued by employers as skills with work reliant on such skills, therefore, seen as 'unskilled' in the eyes of economists.

A key component of the preceding discussion of emotional and aesthetic labour is that by extending the nature of skill into attitudes, dispositions and looks employers seek to commodify and control these elements of an individual for organisational needs. Indeed, one of Payne's central critiques regarding the status of emotional labour as skilled was the lack of discretion afforded to many emotional labourers. As such, employees are '...encouraged to feel emotions to order and to act them out *in specified ways* (emphasis added)' (Grugulis, 2006 p95). Employees thus lose control over their own emotions and appearance as the organisation dictates how, where and when employees have to act. As discretion was seen above as a key component in denoting skill due to the allowance of control over work processes, the removal of discretion indicates that skill requirements are actually *decreasing* with employers wresting control from employees (see also Noon and Blyton, 2002; Green, 2006; Felstead et al., 2007). In the case of emotional labour, discretion can be seen as being removed from service interactions in much the same way as Braverman (1974) recognised that management were separating the planning and execution of technical activities from employees in manufacturing and clerical work. This has the implication that, if taken to extremes, the deskilling of service employees can lead to the creation of 'perfect company robots' who are actually devoid of any of their own emotions, having relinquished control of their interpersonal skills to the organisation (Bolton, 2004).

The increased use of 'scripting' in developing such 'robots' has been widely examined with a number of service employers going to increasing lengths to ensure that service encounters and emotional displays are uniform and predetermined (Bolton, 2004; Korczynski, 2002; Leidner, 2003; Ritzer, 2004). This scripting is found in organisations as diverse as fast food restaurants, airlines, call centres and insurance companies

(Leidner, 1993; Taylor and Bain, 2000; Warhurst and Thompson, 1998; Hochschild, 2003). Indeed, Grugulis (2006) commenting on Hochschild's stewardesses comments that 'almost nothing was left to the discretion of the individual worker with feelings and forms as tightly controlled as the shovelling done by (F.W.) Taylor's Schmitt' (p103).

Scripting can be done through either memorising paper scripts or through electronic prompts (Leidner, 1993; Warhurst and Thompson, 1998; Taylor and Bain, 2000). Such controlled processes may also determine not only the content of the service encounter but also pace at which this is to occur with the automatic routing and predetermined length of calls in some call centres proving exemplar, alongside standards in Mc Donalds which specify how long a customer is to wait in line and stand at the counter when being served (Grugulis, 2006; Leidner, 1993 respectively). However, scripting is manifested the critique is simple; by extending organisational requirements into areas such as emotion, dispositions and traits and, more importantly, by seeking to *control* these characteristics, employers are removing discretion and therefore skill from their employees.

The logical conclusion of this control is that in order to please customers, employers are looking not for skilled emotion managers but rather employees with an attitude bordering on deference and subservience (Paules, 1996). Indeed, Grugulis (2006) notes that unlike life in general emotional labourers cannot step away from a quarrel with a customer and that; 'There is a great difference between choosing to act and being told to act (by management or customers)...Work that focuses on customers' desires frequently does so at the price of the employee' (p104).

This last point regarding subservient attitudes and employer demand for such deferential and submissive attitudes framed as 'soft skills' can be found amongst any number of occupations, particularly those which are low skilled and have poor terms and conditions of employment. Such cynicism regarding employer intentions within the changing nature of skill has existed for over a quarter of a century. Oliver and Turton (1982) believed that the 'social skills' which employers were increasingly looking for in new recruits included courtesy and willingness with employers using such criteria as a form of control

in order to find a 'good bloke' who would act submissively in ways entirely congruent with the employer's wishes (p199). This finding was also noted by Cappelli (1995). Cappelli noted that U.S. employers were more concerned with personal attitudes and traits when recruiting rather than skills, especially those of a technical nature. These work attitudes, such as perception to authority, were controlled by employers to create so-called 'pro-social' behaviour – effectively going beyond the call of duty in complying with organisational requirements (ibid).

Lafer (2004) gives a further example of how submissive and compliant attitudes have been transformed into 'skills'. U.S. employers, according to Lafer, not only demanded interactive soft skills (such as communication and customer service) but also motivational skills and 'behavioural skills' such as time keeping and following instructions. Lafer's main contention is with federal and state sponsored training initiatives for the long term unemployed which offer a mix of '...harsh discipline and hokey motivational seminars' (p120). The work experience offered on these schemes was at the lowest level (such as street cleaning), often in poor conditions and unpaid, with the prospect of very poor pay and conditions if the trainee maintained employment. Despite these poor conditions and potentially degrading work, the training courses espoused the development of soft motivational skills such as enthusiasm, loyalty and commitment to the employer. As such the 'attitudinal skills' which employers were seeking became '...a matter of *will* not skill' (p117, emphasis added). The expansion of skill into softer interpersonal elements, if taken to extremes, amounts to little more than a requirement for deference, which is clearly not a skill.

Even Heckman's work on the growing importance of non-cognitive skills is guilty of conflating certain attitudes and traits with 'skills'. Indeed, Heckman and Rubinstein introduce their (2001) discussion of the importance of non-cognitive skills by stating that 'It is common knowledge outside of academic journals that *motivation, tenacity, trustworthiness and perseverance are important traits for success in life*' (emphasis added; p145). Whilst it is not to be denied that these traits are beneficial for individuals, writers should take care in describing some of these as 'skills'. Whilst Heckman (2000)

opines that as these are all abilities which can be developed over time and are more than simply innate traits which are fixed from an early age, the use of for example, motivation and perseverance in far from ideal conditions, as 'skills' may have pernicious consequences. The chance that such 'non-cognitive skills' may amount to little more than a desirable attitude is especially relevant as much of Heckman's work is focussed on the labour market outcomes of the excluded who have often initially failed in education. Such individuals are likely to be found in low skill, poorly paid work that may be far from 'motivating'.

3.5 The counter critique: 'skilled' emotional and aesthetic performance and the maintenance of employee discretion

The critique above suggests that the concept of soft skill in service work is troubled as emotional labour is reliant simply on the 'right' personality and disposition, with service encounters themselves often tightly scripted and controlled. Because of the requirement to put on a particular 'show' in service work an analogy is frequently drawn between 'performance' in interactive service work and acting (Hopfl, 2002). This analogy utilises Goffman's (1959) dramaturgical metaphor itself used to conceptualise all public social interaction as a form of performance, with the nature of the performance depending upon the particular *context and the others involved in that context*. Every interaction will be different no matter how tightly the employer tries to control it and in order to control the said interaction employees will need to show a certain amount of skill. It is not simply having a 'nice' personality which denotes skill but rather knowing how to act in a particular situation in order to control the interaction, which requires social knowledge and awareness and the ability to manage one's own behaviour accordingly. The emotional labourer needs to regulate their own and others' feelings'...via excitement, calm, deference, congeniality and even persuasion, in a way consistent with the service encounter' (Bolton, 2004 p19). These abilities mirror the concept of emotional intelligence, but, as Bolton suggests, this needs to be adapted to the particular context and even the individual customer.

This importance of understanding social situations is mirrored in Pierre Bourdieu's (1992) work on language. As with Goffman, Bourdieu's concepts apply to all social interactions but are ideal for explaining social interactions in the workplace. Bourdieu used an economic analogy for social interactions stating that linguistic exchange depends upon '*...practical cognition and recognition of the immanent laws of a market*' (emphasis added, *ibid* p 78). Individuals thus need to fully comprehend the context within which they find themselves and the sanctions of inappropriate behaviour in order to select the correct strategy for social interaction. Emotional labourers and workers in any job involving interaction with others, therefore, need to be skilled in order to select the correct form of interaction given their understanding of the situation.

If it is appropriate to describe the requirements of emotional labour as skilled, the physical appearance of aesthetic labourers may seem a more obvious case where the concept of skill has been stretched into areas over which the individual has little control. Aesthetic labour, however, is concerned with more than simply physical appearance and also encapsulates, body language, the use of personal space, facial expressions and other aspects related to the 'sensory experience' such as aural interactions both face-to-face and in call centres (Warhurst et al., 2000). Physical appearance itself can also be consciously modified through grooming, style and dress. The 'skill' therefore relates not to physical attractiveness but rather the way in which individuals manage their self appearance in a way conducive to the requirements of the establishment or organisation. As with emotional labour, the individual needs to have a mastery of the social situation into which they are entering in order to decide upon the appropriate appearance and deportment. The dramaturgical metaphor is again appropriate as aesthetic labourers are trained in where to stand, how to approach customers, what to say and how to say it (Witz et al. 2003). It is thus important for aesthetic labourers to learn to 'hit their marks' which could take some practice. Although many service companies do have strict dress or uniform codes (see Nickson et al., 2005; SCER, 2004) others allow their employees considerable leeway in their skilled use of appearance. Physical self presentation is also important in professional occupations where the individual has considerable leeway in choosing how to present themselves with Grugulis (2006) giving examples of research

highlighting the growing importance of aesthetics and style for accounting, banking and law firms in order to present a certain image to colleagues and clients.

Even if it is accepted that employees in interactive services, in theory, require social understanding and cognition of social situations the criticism still remains that in many cases employers try and reduce the amount of skill which individuals' need by tightly controlling and scripting the service encounter. Even in tightly controlled settings, however, the opportunity to exercise discretion and exert skill still exists. Work in fast food restaurants is exemplar in this regard due to the highly standardised nature of products and procedures (Ritzer, 2004). Leidner (1993), in her account of service work in Mc Donalds, gives examples of scripts and routines which were used to maximize the speed and efficiency of the worker, with little apparent room for any display of social skill by the employees. Even within this Tayloristic environment, however, Leidner noted that staff who served customers found ways of using their interpersonal skills, 'for example, they (employees) might use a pre-emptive display of determined friendliness or helpfulness to discourage apparently irritable customers from being difficult' (p130). Leidner concludes that workers who,

paid attention to customer's interactive cues and were willing to adjust their own behaviour increased customer satisfaction and spared themselves angry outbursts ... crew members' *skills* in reading customers' moods and responding to them could be important to the smooth running of the store' (ibid, emphasis added).

Various studies support Leidner in the assertion that employees use various coping mechanisms to maintain the amount of skill in service encounters. The most obvious of these is *outright resistance*. In Paules' (1996) study of a chain of US roadside diners, the waitresses would, on occasion not passively accept 'misbehaviour' by customers, feeling free to exhibit spontaneous exhibitions of anger to reinforce the fact that *they* were in control. Paules summarised that '...for all the grit and grind of their work these waitresses were not passive victims of exploitative processes' (p265). Although such outbursts do not imply mastery of certain situations (and indeed, there are numerous

examples of the waitresses beginning arguments themselves), the waitresses did not feel controlled by the interaction and were free to use their soft skills on the customers they believed were deserving of them.

A more subtle approach, consistent with Goffman's (1959) dramaturgical approach to social interactions is to use 'backstage' areas away from public view as a means of venting displeasure with the other(s) present in the encounter (Hopfl, 2002). Such an approach is consistent with the notion of skill as the employees show sufficient mastery to remain calm whilst on stage, whilst also retaining an outlet for frustration. For example, in Hochschild's (2003) study stewardesses would often remove their colleagues from potentially stress inducing situations, under some pretence and take them to an 'offstage' area where they could vent their displeasure. Management discouraged such an approach as it was seen to spread resentment amongst staff, but it was a coping mechanism used by the stewardesses nonetheless.

An alternative method of avoiding restrictions imposed by organisations and customers in service encounters is to appear as though the performance is consistent with the organisational requirements whilst subtly maintaining control in a manner of the skilled employee's choosing. Examples of this include doing the absolute minimum required in an effective work to rule, or flagrantly over performing, behaving ironically and mocking the role (Hopfl, 2002). Mars and Nicod (1984) give examples of such behaviour in their ethnographic study of waiters. To maintain control, for example, waiters pronounced French dishes in an exaggerated manner after customers had mispronounced them or ostentatiously examined and heated a Brandy glass of an overly picky customer, so that all other customers and waiters could see the scene that was being created.

A further form of resistance, in a similar manner to over-performance is to introduce uncertainties in scripted encounters in order that the skilled employee can maintain some control over the process. Employees doing so have to be careful, however, that managers and customers do not interpret their behaviour as a deliberate act of defiance. One example of such behaviour is found in call-centre workers using exaggerated strong

regional accents to deliberately confuse customers (Bolton, 2004).

This manipulation and management of the service encounter requires a high degree of mastery of social rules with the emotion worker actively participating in the encounter rather than passively accepting constraints. It could even be argued that maintaining control over the process whilst simultaneously not being 'caught out' implies truly nuanced and complete understanding of the social situation, implying behaviour that is worthy of the label skilled. This does not negate the argument that much interactive service work is de-skilled and tightly controlled but to dismiss all interactive service employees as low skilled or deskilled is ignoring the discretion and skill that many still maintain.

A final piece of evidence to suggest that soft skills are not necessarily subordinate to other skills is the 2006 skills survey evidence on the wage premia associated with certain skills. As noted above emotional and aesthetic labour and other generic soft skills had no significant wage premiums but neither did a number of generic technical skills such as technical know-how (Felstead et al., 2007). The only two skills for which both males and females reported significant wage premiums were 'influencing' and computer skills. Increasing influencing skills by one point resulted in a 7% - 8% premium whilst using computers at a 'moderate' or 'complex' level was associated with an 11% - 18% increase in pay compared to 'otherwise identical jobs not using a computer' (ibid, p 141). 'Influencing' can be viewed as a soft skill in terms of influencing subordinates, colleagues or even customers/clients and so the lack of a wage premium associated with many soft skills and interactive service work does not mean that soft skills in more 'influential' positions are not rewarded.

Despite the evidence that soft skills in interactive services are generally skills in the true sense of the word, this author does not believe that everything which employers seek that are included under the term 'soft skills' should necessarily be described as such. This caution in describing soft skills as skills is most evident in the expansion of skill into personal characteristics and traits which may have pernicious consequences for

employees such as selection for deference and subservience, especially in low skill work with poor employment conditions. It is also the case that some employers allow employees more skilled discretion in their work than others and thus the true amount of skill in any particularly service organisation is likely to be contextually bound. Emotional and aesthetic skills also attract no wage premium and so the extent to which service employees are rewarded for their skills in the economic sense of 'skill' is questionable.

With the general appropriateness of defining soft skills as skills established, the final section of this chapter seeks to determine how such skills are formed within individuals and why certain individuals may not be able to develop soft skills as effectively as others. Section 3.6 begins by discussing possible *psychological* precursors of soft skills.

3.6 How soft skills are developed part 1: Individual differences

The nature of soft skills, as has been shown throughout, is intrinsically linked with the individual and therefore it is to be expected that, in part, these skills are dependent upon individual differences, for example, differences in personality. Although the argument has been made that soft skills are distinct from traits such as personality because of the fact that simply, for example, being nice is not enough without mastery of the social situation, traits would still appear important in soft skill formation.

Baron (1996) highlights the role of individual differences in facilitating soft skills in his literature review of interpersonal relations (reliant on soft skills) in organisations. Baron identified various aspects of organisational behaviour that are affected by individual differences. Positive affectivity, empathy, internal locus of control and low egocentrism tended to result in more instances of 'pro-social behaviour', co-operation and helping; leadership was positively associated with three of the big five personality constructs (extraversion, openness to experience and conscientiousness) and negatively related to two (neuroticism and agreeableness); whilst impression management was related to self monitoring. Individual differences can, therefore, have an effect on skills development, even if they do not, in themselves constitute skills, with skill tending to mediate the

effect of individual differences on task performance (Campbell et al., 1996; Motowildo and Schmit, 1999). Indeed, Campbell et al., (1996) state that it is only skill, task knowledge and procedural knowledge that have a direct effect on work performance with individual differences of ability, personality and personal interests having an indirect effect. Such differences, therefore, can be seen as underlying the development of certain workplace skills.

Whilst it is not denied that individual differences aid the formation of various soft skills, a detailed study of the manner in which individual differences determine skills is beyond the scope of this thesis which is primarily concerned with soft skills deficits in Scotland as seen by employers, the reasons for these deficits and measures to reduce them.

Individual differences and skill are essentially different, as the above discussion on the psychological notion of skill with its distinctions between abilities, traits and the development of context specific skills shows. It has been stated throughout that what differentiates soft skills from inherent traits and characteristics is the fact that an individual needs to practise and develop their skills socially in order to subsequently master social interactions in the workplace. A theoretical framework is, therefore, needed which accounts for the manner in which social resources accrued to the individual effect both the way in which social situations are approached and the opportunities to accrue social experiences which aid soft skill development. The focus now shifts to such a theoretical framework that explicitly studies the manner in which certain social resources impact upon social behaviour.

3.7 How soft skills are developed 2: The role of habitus and cultural, social, educational and economic capitals

Pierre Bourdieu was concerned with the way in which social actors behaved and the factors that dictated their practice in social situations. Much of his work famously investigated class replication and most importantly how the bourgeois and middle classes maintained themselves. Class background also was seen as important by Bourdieu, when investigating the ways in which individuals conducted themselves in social situations.

This importance of class is due to certain acquired dispositions that Bourdieu referred to as *habitus* (Bourdieu, 1977; Bourdieu and Passeron, 1977; Bourdieu, 1989; Thompson, 1991). Habitus constitutes a form of inherited and acquired identity that is used by individuals and class groups to indicate and legitimate their position within different social fields or markets. The notion of habitus allows analysis of individual actions, whilst appreciating that this is influenced by structures such as class background and primary socialisation (Postone et al., 1993). This argument is summarised by John B Thompson (1991) in his introduction to a translated collection of Bourdieu's writings on 'Language and Symbolic Power; 'The habitus is a set of predispositions which incline agents to act and react in certain ways. ... early childhood experiences are particularly important . . . they unavoidably reflect the social conditions within which they were acquired' (p12). Habitus thus aids people in social situations as its acquisition through socialisation ' . . .gives them (social actors) a feel for the game . . .a practical sense' (p13). This 'feel for the game' is then used subsequently by individuals to help them develop particular strategies for social interactions.

In addition to habitus, when deciding what to say during a particular interaction and the appropriate way in which this should be done, the speaker is reliant upon ' ...competence which is acquired *in a social context* and through *practice* (which) is inseparable from the practical *mastery* of situations in which this usage of language is socially acceptable' (emphasis added) (Bourdieu, 1991 p82). Thus although behaviour in interpersonal situations is aided by acquired habitus, this alone is insufficient as the individual requires direct practice in social situations in order to learn and therefore master which form of interaction is socially acceptable.

This opportunity to practice social interactions is, in Bourdieu's eyes, dependant upon different forms of 'capital '. When discussing capital, Bourdieu does not simply consider capital in the economic sense of the word but also other forms of capital: cultural, social, academic/educational and symbolic (Bourdieu and Passeron, 1977; Bourdieu, 1989; 1991; 1991a). Economic capital is self-explanatory constituting wealth, whereas social capital refers to the breadth and nature of social contacts and networks that an individual

possesses. Analysis of social capital has traditionally been conducted in terms of the resources that reside in social networks that an individual can utilise to their advantage in various social situations, for example, in securing employment (Lin, 2001). Academic, or educational, capital refers to the level of education obtained by an individual, but this does not simply constitute qualifications as in human capital theory. The concept also considers wider socialising effects such as the role that the family has on the education of the individual and also the effects of schooling that are not recognised by formal qualifications (Bourdieu and Passeron, 1977). A university drop out for example, may have no qualifications to show for their efforts but will still have been exposed to the academic environment and will thus have gained some educational capital as a result.

Cultural capital is perhaps Bourdieu's most well known concept and relates to the use and consumption of cultural goods and knowledge, self-presentation and the aforementioned linguistic competence within a certain field (Bourdieu, 1989). Such capital is inexorably tied in with educational capital as those possessing greater education are also seen to possess greater knowledge and therefore cultural capital. Different social classes have different levels of cultural capital that is signalled through their patterns of consumption. Cultural capital is also indicated through distinction by the way in which one dresses and presents oneself linguistically and corporeally, and is encapsulated in a bodily hexis possessed by the individual (Bourdieu, 1977, 1989, 1991, 1991a; Thompson, 1991). This hexis is conceptually distinct from habitus as although habitus represents acquired dispositions that in turn affect an individual's behaviour, hexis is specifically embodied and demonstrated through affectation, deportment and dress. Language is again considered to be a centralising theme as Bourdieu considers not only what is said but also the way in which the speaker says it (i.e. affectation) as '...linguistic features (are) never clearly separated from the speaker's whole set of social properties (bodily hexis, physiognomy, cosmetics, clothing)...' (Bourdieu, 1991a p89). Thus cultural capital denotes class position through appearance, bodily hexis, what one says and how one says it. In short cultural capital can affect a number of soft skills, most particularly those of communication and self-presentation.

The most explicit link between Bourdieu's capitals and soft skills would therefore appear to be aesthetic labour, with those possessing more cultural capital (i.e. those from middle class social backgrounds) having a better idea of how to present themselves and meet employers' aesthetic requirements. Indeed, the aesthetic labour researchers recognise that employers, especially in high-end service establishments are seeking the display of 'middle classness' in their front-line service employees (Nickson and Warhurst, 2006; Witz et al., 2003). This has led to the belief that many from the working class are at a disadvantage when seeking work that requires aesthetic labour, with the example that whilst there is much job creation in service jobs in the centre of Glasgow, this exists alongside high levels of unemployment in the inner city, as such jobs are taken by students or young people from more affluent suburbs nearby (Nickson et al., 2001).

Bourdieu's theory of social practice, however, revolves around action in all social situations and the role of class and life chances are salient when examining all areas of soft skill formation. As has already been stated linguistic competence is related to cultural capital using Bourdieusian analysis and it follows that soft skills such as communication, customer service and teamwork would be affected by this as a result. Bourdieu believed that those from the middle or upper classes were particularly privileged when studying formal social interactions as this is the field with which they are most familiar, whilst those from lower class backgrounds can engage in popular speech or slang because they have experience of fields where this is valued (Bourdieu, 1991; 1991a). As it could be assumed that the soft skills required within employment are probably more formal than informal it could be expected that those from the middle classes would be in a better position to react to such social situations.

Soft skill formation is also intrinsically linked to social capital as wider networks and contacts allow the accumulation of wider social experiences in differing situations, which would allow social experience to be accumulated. These experiences, in turn, facilitate practical mastery that can be used to develop soft skills and inform behaviour in future social interactions. Economic capital also, therefore plays a role, as a number of potentially beneficial social experiences, such as travelling, cost considerable amounts of

money. Experiences such as travelling do give individuals advantages when seeking jobs as, for example, Brown and Hesketh (2004) found in their study of graduate recruitment.

It must be noted that Bourdieu's analysis does seem a little elitist and archaic and he was writing in a period (especially the 1960s and 1970s) where class distinctions were clearer and more durable than they are today. The ideas of capital, habitus and practical mastery are however, all salient when discussing soft skill formation. Bourdieu's analysis also does not prohibit those from outside certain class groups learning how to improve their cultural and social capital, as although habitus is determined to some degree by inherited institutions and customs, the reflexive nature of Bourdieu's work allows individuals a role in acquiring their own habitus (Bourdieu, 1989 and 1991).

The role of educational capital in the broad sense posited by Bourdieu is also salient when examining soft skill development. Educational capital is seen to correlate closely with other forms of capital and therefore class and privilege, with educational level providing a good proxy measure of other forms of capital (Bynner and Parsons, 2002). Educational capital and cultural capital are hard to separate fully as education is part of the individuals' cultural capital and also helps to form the same. There is also considerable evidence that those participating in higher education are frequently not from working class backgrounds. Despite the increased participation of students in tertiary education since the late 1980s participation amongst those from working class backgrounds remaining proportionately much the same (Perryman, 2003).

A similar phenomenon has been noted in the United States with Heckman investigating the assertion that children from working class and underprivileged backgrounds do not participate in higher education for financial reasons. He concludes that whilst a lack of money does have some effect, a large number of bursaries and grants available to students from underprivileged backgrounds are simply not used due to a cultural phenomenon that pervades the working classes about the value of education (Heckman, 2000; Heckman and Masterov, 2004). Indeed, research conducted in a number of contexts has found that parents from middle class backgrounds, those which Bourdieu

believed possessed high amounts of cultural capital, tend to take a greater interest in their children's education and value it highly, encouraging children to accumulate educational and cultural capital (see for example, Bynner and Parsons, 2002; Marjoribanks, 2003). When noting that employers at graduate assessment centres were selecting for soft skills as much as educational achievement or intelligence, Brown and Hesketh (2004) believed that it was not only experiences gained at university which improved such skills but also the class background of the individual. Those from more privileged backgrounds were often viewed as better communicators and more confident and had been given the opportunity to engage in activities which were used to form a 'narrative of employability' on the part of the applicant. It was also noted that employers were particularly keen to recruit graduates from elite institutions, which themselves are associated with students from higher class backgrounds (ibid).

The role of education in shaping technical and high level reasoning competence is explicit in traditional, narrower concepts of skill, but graduates are clearly also valued for their soft skills as much as their technical or symbolic analytical abilities. Graduates themselves identified many soft areas as their main competencies stating that they believed their communication and self-development skills afforded them competitive advantage in the labour market (Perryman, 2002a). It is not only university study that can help develop the soft skills of students but also the very process of being a student and university life. Perryman (2002) considered the effect of staying at home whilst going to university, with the belief that graduates staying at home may miss out on the development of soft skills that are developed through life experiences once students have flown the nest. This is a particular concern in Scotland where more students stay at home than any other region of the UK (Elias and Purcell, 2001). By learning to live independently as adults it is considered that students learn invaluable 'life skills' that improve their mastery of social situations which in turn facilitate improved competence in soft skills. Social capital is also developed as students make new friends from diverse backgrounds and engage in part-time work, which also give the opportunity to practice soft skills (see Curtis and Lucas, 2000). Educational capital, itself linked with cultural and economic capital can allow soft skills to be formed as its acquisition is not purely

related to knowledge and cognition, but also allows the development of social capital and the opportunities to master various social fields and different kinds of interaction.

A final example to illustrate the usefulness of Bourdieu's ideas to the formation of soft skills is that of the socially excluded and the unemployed as such groups may lack the capital to form soft skills. They may also be affected by 'a crisis of confidence' that has been noted before within Scotland, particularly in deprived areas (Craig, 2001). This crisis is accentuated by Presbyterian culture and the desire to ensure people do not 'get above their place', which has many negative implications. If an individual from a poorly educated family living in a deprived area is made to feel that they cannot and indeed, should not attempt to improve their educational, social and cultural capital then they are unlikely to do so due to the pervasiveness of social norms. Within England a similar phenomenon has been observed in the unemployed through analysis of the National Employers' Skills Surveys. Findings revealed that some employers had stopped using job centres as recruitment tools as the unemployed were viewed as lacking the required skills, attitudes and personality traits which they sought, due to their exclusion from the labour market and also a degree of stigma attached to this excluded group (Hogarth et al., 2003). Soft skills gaps identified in lower occupations may, therefore, arise because some employees that fill low skill jobs are not sufficiently socialised or educated in soft skills or work attitudes (Cappelli, 1995; Holzer, 2005). Previous analysis, above, *has* argued that work attitudes and skills should be separated out as different concepts and should not be conflated. The fact remains, however, that those excluded from the labour market are not able to develop the same levels of social capital as their employed counterparts and also do not have the ability to practice their soft skills in the labour market.

The examples of linguistic competence, habitus, practical mastery and the formation of cultural and social capital highlight the appropriateness of Bourdieu's theories of practice and class distinction for analysing the formation of soft skills. Those with greater amounts of the various capitals and those from more privileged backgrounds may, therefore, have better opportunities to develop, practice and master their soft skills in a variety of social settings. One on level it could be argued that the use of Bourdieusian

analysis simply reflects Payne's critique that many soft skills simply reflect class distinctions and are performed unconsciously by those who are more privileged. Indeed, Bourdieu does assert that habitus and hexis are embodied through (especially primary) socialisation and become ingrained in individuals over time. This process, however, still requires social learning and cognition on the part of the individual, whilst the preceding discussion also highlighted the centrality of practice and practical mastery of social skills in order to know how to act in particular social situations. Furthermore, Bourdieu acknowledges that individuals can play a *conscious* role in developing their *own* habitus, although those from less privileged backgrounds may have greater difficulty in accessing the resources needed to develop cultural capital. Bourdieu's writing thus departs from elements of Payne's critique of the nature of soft skills and has consistencies with the manner in which skill is conceptualised within this thesis.

3.8 Chapter summary and conclusion

This chapter has sought to critically discuss what is meant by 'skill' from a number of disciplinary perspectives and to ascertain whether it is correct to characterise soft skills as 'skills'. Even though different social science disciplines view skill in different ways the discussion revealed that there are commonalities across all when describing an activity as 'skilled'. All disciplines highlight that for an individual to be said to be skilled they have to learn and master a particular activity or body of knowledge, whilst writers in all disciplines also recognise the extent to which this learning and mastery can be extended to soft, interpersonal or non-cognitive skills as well as in the traditional technical and cognitive skills. Furthermore, within sociology and psychology further commonalities exist in that in order for an activity to be described as skilled the individual has to have mastered the particular context in which an activity takes place. Skill thus increases as individuals learn and develop control over work processes, develop context and task specific strategies and eventually learn to cope expertly with any uncertainty within the given context. As these criteria can be applied readily to soft inter and intra personal skills then it is indeed, correct to conceptualise soft skills as skills.

That is of course not to say that employer demand for skill, especially in the kinds of low level service work where soft skills deficits were most widely reported, should be viewed uncritically as some employers appear to express a demand for compliance and positive work attitudes rather than skill, often in the face of less than ideal employment conditions. This is an example of how traits and dispositions may be socially constructed by employers as 'skills' to suit their own needs. Furthermore it can be seen that some service employers do effectively try and deskill work through removing the worker's ability to control the use of their soft skills, thus extending employer control into employees' emotions with potentially pernicious consequences. However, it is doubtful whether an employer can completely remove an individual's discretion over their interpersonal skills and emotional display and thus totally remove the skilled element from the work. Furthermore, a plethora of resistance and coping strategies that employees can engage in to retain control over service encounters, and therefore retain skill, are apparent. Caution is therefore urged in interpreting employers' demand for soft skills whilst maintaining the general applicability of describing soft skill as such.

The chapter concluded by examining a pertinent theoretical framework through which to examine the manner in which individual's develop soft skills. As it safe to posit that soft skills are learnt and denote social mastery, a framework is needed that incorporates these elements and Bourdieu's theory of social action and the capitals that affect this are ideal to this end. Subsequently, those with greater economic, cultural, social and educational capital may be in a better position to develop the habitus and hexis needed for the accumulation of soft skills and to master these skills in a variety of social contexts. Whilst the author is aware that such a frame of analysis does privilege those from more affluent backgrounds, the use of Bourdieu's theory does not preclude the development of soft skills in those from other class backgrounds, whilst also recognising the essential role of social learning, mastery and practice in soft skill development. Soft skills deficits may thus occur if individuals have not accumulated the required capitals, habitus and hexis that Bourdieu identified.

Thus far, the demand for soft skills and the appropriateness of using the 'skills' label to define them has been established alongside the fact that certain social resources aid the development of soft skills and, in their absence, may cause soft skills deficits. It has also been established that soft skills deficits appear to be particularly problematic in interactive service establishments and in lower skilled employees. What is required now is an examination of employer and government action that may be taken to resolve soft skills deficits, where employers report that individuals do not have the soft skills that they require. Furthermore, it needs to be considered that soft skills deficits may not be attributable purely to individuals alone and that, in certain cases, deficits may be occurring because of faults in employer practice rather than the employees themselves. Chapter four now examines employer and government policies and practices and the way in which these may be used to alleviate, and themselves contribute to, soft skills deficits.

CHAPTER FOUR: SOFT SKILLS DEFICITS: THE EMPLOYER AND GOVERNMENT ROLE

4.1 Introduction

This chapter examines the action that government and employers may take to resolve soft skills deficits; and ways in which employer action, in particular, may actually contribute to the soft skills deficits which employers report. This discussion is important to meet research objectives three and four (see Chapter One section 1.3) concerned with *why* skills deficits occur and how employers respond. Given that soft skills deficits appeared especially prominent in service sectors and 'low skilled' occupations, the possible actions taken to resolve such deficits are discussed with the context of front-line service work primarily in mind. In line with one of the rationales for this study the chapter takes a multi-disciplinary perspective discussing economic, human resource management and organisational psychology theories.

Attempts to address soft skills deficits fall within six broad categories which form the basis of the argument presented within this chapter: Attempts to increase the supply of soft skills within the labour market (government action); attracting those with the desired soft skills to organisations; ensuring that selection procedures select employees with appropriate soft skills; socialising new recruits into the requirements of the organisation and their jobs; training employees in soft skills; and the reduction of employer action which creates negative work attitudes which may lead individuals to withdraw effort and/or skill.

Firstly, the focus for attempts to increase the supply of soft skills in the labour market is on groups for which the government has the greatest responsibility - those who are in state provided education (either prior to entering the labour market or completing vocational education and training (VET)), and those who are currently out of the labour market. As the labour market is external to the firm, it is primarily soft skills *shortages* that are discussed here.

The chapter then considers employer action to resolve soft skills gaps. Two actions at the juxtaposition between the labour market and organisational entry are identified. Firstly, attracting the best recruits and selecting those with the correct soft skills may reduce soft skills gaps realised within the firm. A second type of intervention is to improve the soft skills of employees already in the organisation through socialisation and training. Although employers are entitled to expect a degree of proficiency in soft skills at the point of hiring, they should also be prepared to bear some of the cost in furnishing individuals with the skills that they demand through organisationally specific socialisation and training. The final section considers the notion that individuals who possess soft skills may choose to withhold them, which is then manifested as soft skills gaps in the eyes of employers. It is this issue of skills withdrawal which addresses one of the key gaps in the literature as identified in Chapter One. This section identifies how the actions of employers may cause dissatisfaction or resentment amongst their staff, with the withdrawal of skill and effort a possible response. The possibility of withdrawal is discussed in terms of breaches arising in the psychological contract.

4.2 Government action: Increasing the supply of soft skills

Although soft skills shortages in potential recruits were relatively rare, reported by only 2% - 4% of establishments, in the various Employers Skills Surveys in both England and Scotland, the state still has a role to play in furnishing individuals with the skills that they require for success in the labour market. Indeed, the state is seen as the 'most obvious source of collective goods (such as skills) in modern societies' (Crouch, 2004 p98). Governments are seen as particularly responsible for providing a general level of education and specific vocational skills to their populations (ibid). The focus of this section is thus on those yet to enter the labour market and on VET in particular, as well as a further group for which the state has a responsibility, those who are excluded through social disadvantage and unemployment (Kellard et al., 2001). Although the government's role is not confined to young people in VET and the excluded, it is these for which they have primary responsibility, whilst employers would appear to have more influence on those currently employed (Crouch, 2004).

The rationale for government intervention in soft skill development is essentially one of 'employability'. The quest for 'employability' is a key contemporary policy tenet relating to the attributes of an individual that make them attractive to an employer (Giguere, 2001). The outcome of developing employability is that individuals should have '...the capability to gain initial employment, maintain employment and obtain new employment if required' (Kellard et al., 2001 p6). The focus of employability is what that individual can bring to the employer. Drawing on the work of Bourdieu, the 'personal' or 'identity' capital of individuals is seen as an essential part of employability (Brown and Hesketh, 2004; Bynner and Parsons, 2002). These concepts relate to how individual attributes and skills, shaped by experiences and socialisation, are used by individuals to gain employment. Importantly, as with Bourdieu's work, personal and identity capital are believed to be associated with class position and advantage. Similarly, when examining the existence of disadvantaged young people described as NEET (not in education, employment or training) Bynner and Parsons (2002) see social background as a key determinant. It is indeed, well established across the developed world that those from less privileged backgrounds tend to have lower levels of education, which subsequently disadvantages them in securing employment (see *ibid*; Marjoribanks, 2003; Heckman and Masterov, 2004 *inter alia*)

Exclusion from the labour market due to a lack of education can itself lead to problems in developing soft skills as such skills are developed through work experience as well as education (Heckman, 2000). An example of the importance of work experience is that government schemes that involve NEET individuals in some kind of activity whilst unemployed such as training or volunteering have been seen to maintain soft skills (Kellard et al., 2001). Indeed, many of the criticisms levelled by employers towards the unemployed, particularly the long-term unemployed, are not related to vocational skills or education itself but rather generic and social skills and work attitudes (see for example, Cappelli, 1995; Hogarth et al., 2003; Holzer, 2005).

Research commissioned by the then Department for Education and Skills (DFES) suggests that unemployed groups will not be able to tackle issues of employability

themselves and need help in job search, labour market decisions and the development of social capital, in order to become 'self sufficient' in the labour market (Kellard et al., 2001). Without such help the self-awareness, self-confidence and importantly *social networks and social skills* that are seen as essential to develop employability cannot be developed (ibid, emphasis added). Exclusion from the labour market, therefore, not only reduces familiarity with the world of work but also inhibits the creation of social capital. As has been argued here, the development of social capital is essential in allowing exposure to a variety of social situations required to develop, practice and master soft skills.

Those from disadvantaged backgrounds, therefore, have differential access to experiences and institutions that affect the acquisition of soft skills affecting initial employability, which is then exacerbated by further exclusion from the labour market. Someone, therefore, needs to provide those from disadvantaged backgrounds with the opportunity to develop employability, a responsibility that appears to rest with the government. This appears to have been realised by New Labour through strong rhetoric that labour market inclusion is the best route to social inclusion with a strong focus on the equality of opportunity to work (Newman, 2001). Given the centrality of soft skills in today's economy, the question arises as to whether policies directed at the socially excluded pay sufficient attention to soft skills.

Various UK government policy papers realise that the socially excluded require assistance in developing employability. Support, especially of the long-term unemployed and the goal of helping the long-term unemployed back into work, is a key tenet of New Labour's economic reforms (Newman, 2001). To this end, the Employment Action Plan (DWP, 2002) states that one of the key considerations in employability was to '...promote social inclusion, by focusing greater support to hard to help groups among the unemployed' (p6). Although the government are keen to point out that individuals also have a responsibility and indeed, an 'obligation' to find work for themselves whenever possible they stipulate that they themselves have '...an equal responsibility to

provide everyone with the help they need to get back to work, when they need it...' (HM Treasury/DWP, 2001 p IV).

This commitment is reflected in the New Deal policy where assistance in gaining employment becomes especially intensive after a job-seeker has been unemployed for six months, with the programme providing job-search skills, job matching skills and remedial assistance (DWP, 2002). This remedial assistance is primarily focussed on the basic skills of literacy and numeracy (HM Treasury/DWP, 2001; DWP, 2002; DFES, 2005). Policy documents related to skills and employment all espouse the need to develop these basic skills. 'Wider employability skills' are also recognised within employment policy but there is little if any explicit recognition of what these constitute in relation to soft skills (DFES, 2005 p17). Basic skills are naturally a primary concern due to their centrality for all employment and the UK does have a relative problem with such abilities. In 2005 the government estimated that around 5 million and 15 million UK adults had literacy and numeracy skills below level 1 (equivalent to GCSE grade level D or lower) respectively (DFES, 2005). The focus on improving basic skills for the long-term unemployed is, therefore, not questioned.

What can be questioned, however, is the centrality of other skills to the government's employability interventions. In keeping with knowledge economy rhetoric, ICT skills are viewed by policy makers as, '...essential skills for the modern world' (DFES 2005 p19). Although a basic grasp of ICT skills is needed for a considerable amount of employment, the policy suggests more than this. Indeed, labour and skills shortages in the IT sector were identified by the government as indicating that the unemployed should seek employment here, and develop appropriate skills (DWP, 2002). As demonstrated in Chapter Two the demand for specialist IT skills is not particularly high and it is misdirected to try and find the unemployed work in specialist ICT positions, as was attempted in a New Deal scheme in Glasgow (Lockyer et al., 2004). Even those with high-level ICT abilities, including those at postgraduate level, are now finding it difficult to find work. As a result there is a 'reverse' skills escalator with ICT professionals working in jobs for which they are grossly overqualified (ibid). Given this over-supply,

focussing on skills in which employers actually report deficits, such as soft skills, may be a preferable strategy.

The responsibility of the government for employability extends beyond provision for the unemployed to those entering the labour market for the first time, partaking in vocational education and training (VET). The focus of government policy in this area is to 'upskill' through the supply of vocational and technical skills at the intermediate level (level 3) particularly in '...technician, advanced craft, skilled trade and associate professional areas' (DFES, 2005 p23). Modern Apprenticeships³ provide such opportunities for young people combining vocational education and work whilst subsidised training is also available for adults in order to gain such qualifications (DWP, 2002; DFES, 2005). As Chapter Two highlighted, the UK skills profile is becoming increasingly polarised and intermediate level skills are required for the production of certain high-technology products. However, focussing only on these skills could become problematic, as the current supply of intermediate level skills outstrips demand (see section 2.3). The growth of the interactive service economy has increased the importance of soft skills, whilst soft skills are also required to a greater or lesser extent in non-service work and for securing employment at all levels. The growing importance of soft skills appears to require greater emphasis within the VET system⁴.

Despite the apparent focus on technical skill, soft skills have been included in VET to some extent. UK governments for a number of years have realised that the demand for soft skills exists, with their perceived importance growing over time. Indeed, the inclusion of 'core' and 'key skills' identified in Chapter Three was explicitly stimulated by 'employability' problems of young people in the 1970s and 1980s (Green, A 1998; Payne, 1999). These generic key skills whilst including literacy, numeracy and basic ICT also include soft skills such as communication, team-working, problem solving and improving one's own learning and performance (Green, A, 1998). This inclusion of soft

³ In England Modern Apprenticeships are now 'Apprenticeships' whilst they retain the label Modern Apprenticeships in Scotland.

⁴ This author is cognisant of the argument, presented in Chapter Two that a focus on soft skills may maintain the UK's polarised skills equilibrium (Keep and Mayhew, 1999; Brown, 2001) at the expense of technical skills and high value added products. This is however, beyond the scope of the discussion.

skills in VET, however, does not negate the fact that they are apparently still secondary to technical skills in the government's plans for employability.

Overall, therefore, the support offered by the government for the unemployed is certainly an improvement on previous free market approaches championed by previous governments (Crouch, 2004). Notwithstanding these efforts, the focus on the provision of technical skills in both training for the unemployed and VET suggests that the development of soft skills, at present a secondary concern, is an area where more policy effort could be directed. Employers' views of the soft skills of those coming from state provided education and unemployment schemes are, therefore, important when examining why soft skills deficits occur.

4.3 Job quality and the recruitment of suitable applicants

This section considers whether the types of jobs in which particular problems with soft skills deficits appear to be occurring (i.e. front-line service work) are of sufficient quality to attract appropriately skilled applicants. It subsequently examines the possibility that improved job quality may attract improved applicants. This examination predominately draws on the economic theories of dual labour markets and efficiency wages.

The theory of dual (or segmented) labour markets analyses jobs in terms of primary and secondary labour market segments with the quality of work in the primary segment superior to that in the secondary segment (Sapsford and Tzannatos, 1993; Smith, 1994). The theory was popularised by Doeringer and Piore (1971) who neatly characterised the two segments of the labour market thus; 'Jobs in the primary market possess several of the following characteristics: high wages, good working conditions, employment stability, chances of advancement, equity, and due process in the administration of work rules. Jobs in the secondary market, in contrast, tend to have low wages and fringe benefits, poor working conditions, high labour turnover, little chance of advancement and often arbitrary and capricious supervision' (p165). In addition to this secondary segment work is seen as (technically) unskilled, '...either requiring no skill at all, or

utilizing basic human skills and capacities shared by virtually all adult workers' (Berger and Piore, 1980 p18). The characteristics of secondary segment jobs are seen to cause greater turnover, tardiness, absenteeism, insubordination and even theft (ibid).

A key issue in the secondary segment is that of flexibility, with employers increasingly using forms of employment organisation traditionally described as 'non-standard' such as part-time, seasonal, casual, temporary and fixed-term work (Dex and McCulloch, 1997). Workers employed in such non-standard work are sometimes referred to as the 'periphery' to distinguish them from permanent, full-time staff in the 'core' (Handy, 2002). Employers use flexible work to meet a number of their own needs, for example, to respond to seasonal or fluctuating demand. It must still be remembered, however, that part-time and seasonal work may be mutually beneficial to groups such as students or those with childcare responsibilities (for a discussion of the choices of working women see Hakim, 2000 and for students see Curtis and Lucas, 2000). Many jobs which utilise a high degree of 'flexible' labour are associated with other characteristics of secondary labour market such as inferior contractual terms; poor conditions of employment; inferior rewards; a higher incidence of downward mobility and over-qualification; and impoverished access to training and development opportunities (Mc Givney, 1994; Rubery and Wilkinson, 1994). The segmentation of core and periphery workers is also seen as leading to the creation of primary and secondary labour markets *within* firms as well as between them (Rubery and Wilkinson, 1994). The important point is a simple one; as firms seek to increase flexibility, jobs with characteristics of the secondary labour market segment increase.

A readily apparent critique of dual labour market theory is that it is overly simplistic to separate the labour market into employers who provide 'good' and bad 'jobs'. Michael Piore, one of the keenest advocates of the theory recognises that, at its simplest, the dual labour market hypothesis is 'limited' (Berger and Piore, 1980 p17). The example given above of segmentation *within* firms as well as *between* firms is a good one as it demonstrates how the theory is overly reductionist and 'fail(s) to capture the complexity and differentiation within firms' employment policies' (Rubery and Wilkinson, 1994 p4).

Berger and Piore (1980) attempt to address the over-simplicity of the theory by recognising that, 'three and for some purposes four distinct segments or strata are recognised' (p17). The primary sector is split into an upper tier and a lower tier, translating to professional, highly skilled and abstract work in the upper tier; and blue and some white collar work in the lower tier. A fourth segment can also be established; 'craft work' between the upper and lower tiers in the primary sector (Berger and Piore, 1980). The different sectors also have corresponding work conditions with, for example, the lower tier of the primary sector seen as 'a far more stable working environment' than the secondary sector (ibid, p18). Security, wage advancement, career opportunities, training, the existence of formal rules customs and procedures and the existence of unions and collective bargaining are all present in the lower tier but not in the secondary sector (ibid). A similar distinction between 'professional', 'subordinate' and 'craft' primary sector segments and the secondary sector is made by O'Connell and Gash (2003 p79) in their study of labour market mobility and pensions in Ireland. Although not addressing all criticisms, particularly in terms of complexity *within* organisations the extension of the theory to differentiate within the primary segment represents progress. Segmented labour market theory also remains a useful conceptual tool for analysing employment and to assess the types of jobs for which skills deficits are reported.

Various economic studies and data indicate that much low skilled work in the service sector can be described as 'poor quality' and consistent with some of the characteristics of the secondary segment. This has led to the genesis of the term 'Mcjob' typified by the fast food sector and involving 'casualised employment relations...transience and aimless drift' (Lindsay and Mc Quaid, 2004 pp299-300).

By taking the most clear objective predictor of job quality, pay, data show that interactive service workers generally receive poor pay. Goos and Manning's (2007) analysis of growth in 'lovely' and 'lousy' jobs in the UK from 1979 - 1999 identified the ten 'lousiest' jobs by median wage. All such jobs were in either interactive service sectors, such as Retail and Hospitality (jobs such as shelf fillers, checkout operators and bar and waiting staff) or Personal Services (for example, hairdressers, beauticians and

cleaners). Furthermore there was a marked growth in 'lousy' jobs with care and education assistants amongst the highest growth occupations in the period. There was also substantially above average growth in seven of the ten worst paying occupations, of which all apart from one (shelf fillers) were in customer-facing service positions.

Mason et al.'s (2008) analysis of current UK Labour Force Survey (LFS) data reveals that over half of all low paid workers (earning less than 2/3 of the UK median wage) are concentrated in the Retail, Hotels and Restaurants and Hospital sectors. The industry with the highest proportion of all low paid workers was the Hotels sub-sector, with 59% of staff classed as low paid (ibid). Hotels and Restaurants is also the worst sector in terms of employers breaking the law and paying below the minimum wage (NMW), with 4.7% of workers in this sector paid below the NMW compared to the national average of 1.3% in 2006 (ONS, 2007).

When combining pay with other objective measures, this reinforces the low quality nature of much service work. Siebern-Thomas (2005) identifies jobs that can be classified as 'dead end' and 'low pay/low productivity' from his analysis of macroeconomic employment data throughout the EU. 'Dead end' jobs are non-supervisory jobs either without a formal contract or on short/fixed term contracts and with no training provided by the employer; 'low pay/low productivity' (shortened to LP²) jobs pay below 75% of the country median wage but offer job security and/or access to employer provided training but not necessarily both. Across the EU approximately 10% of service workers and 20% of agricultural workers were in dead end jobs, whilst almost 40% of service workers were in LP² jobs. Further disaggregation shows that within the service sector it is the Retail and Hotel and Restaurant sectors that have the lowest job quality. Forty percent of Retail jobs are low quality, along with 64% of jobs in Hotels and Restaurants. Furthermore, Siebern - Thomas notes that wages in the UK hospitality sector were amongst the lowest, for any industry, in the entire EU⁵ at the time.

⁵ This data was collected on the EU 15 prior to the accession states joining.

Other secondary labour market characteristics are widely reported in the UK service sector, especially in Hospitality and Retail. These include factors such as high incidence of part-time agency and temporary workers (Bishop 2004; Dutton et al., 2008; Grimshaw et al., 2008); high turnover (CIPD, 2006; Nickson, 2007); demanding management who like to control costs and 'kick employees hard' (Lucas, 2002; Martin, 2004) and below average levels of union recognition (Lucas, 2002; 2004).

Recent qualitative case study research of low-wage sectors in the UK identified job quality issues in all sub-sectors which were studied; Call Centres, Food Processing, Hotels, Hospitals and Retail (Grimshaw et al., 2008). However, the Hotel sector fared the worst in terms of job quality with evidence of increased work intensification and use of flexibility (especially in upmarket hotels), a *de facto* reduction in pay rates and the increased use of agency staff (in the London case studies). Room attendants were also tightly supervised and offered little opportunity for career progression (Dutton et al., 2008). Many of these findings were also true of Food Processing, whilst Retail workers experienced worsening pay and increased uncertainty over their working hours (Grimshaw et al., 2008).

The basic implication for skills deficits is that if the quality of work is poor then the applicants an employer attracts may be correspondingly poor. Although employers may be able to do little about the actual *activity* of the job on offer, they may be able to change other aspects of the job to attract better applicants and reduce skills deficits. This can be most obviously done through pay, drawing on another theory within labour economics, efficiency wages. This theory posits that wages do not simply measure the cost of labour in terms of productivity but also effect, effort, the morale and *quality* of employees and recruitment and retention (Martin, 1995). As interactive service work has relatively poor wages, this model can have pertinence for improving the quality of labour available to such organisations.

Efficiency wage theory was postulated, originally, to describe the phenomenon realised by a number of studies that even in times of excess supply (i.e. high unemployment)

firms do not typically cut their wages, due to the deleterious affect that this would have on the composition of their workforce (Weiss, 1990). This *adverse selection model* states that workers are of heterogeneous ability and that ability is positively correlated with an individual's reservation wage (the minimum wage for which workers are prepared to work). Firms paying better wages than their competitors can, therefore, attract better workers and exclude anyone willing to work for less than the 'efficiency wage' on offer (Weiss, 1990; Akerlof and Yellen, 1986). Cutting wages, on the other hand, would have the effect that '...the workers that would be discouraged from applying...would be the workers that the firm finds most desirable' (Weiss, 1990 p15). If employers increased their wages in relation to their competitors then they could, in theory, attract better applicants and reduce skills deficits through hiring fewer 'lemons' (Akerlof, 1970) who do not have the skills which employers demand.

Furthermore, efficiency wages can work to reduce skills gaps within the firm by considering the 'shirking' and 'turnover' models. By raising the wage above the market rate, an employee is mindful not to shirk, as there is an opportunity cost in doing so due to the risk of being fired (Akerlof and Yellen, 1986). The turnover model works on the same principle but instead of employees being fired for lack of effort the opportunity cost of the efficiency wage inhibits them from leaving the firm voluntarily (ibid). By reducing shirking, skills gaps can be plugged directly and reduced turnover, in turn, reduces the need to turn to the external labour market and risk hiring a 'lemon'.

The theory of efficiency wages has a rather fundamental flaw in that people are required to assess their own skills in an unbiased and realistic manner and attach some kind of monetary value to this. People may not adequately or truthfully assess their ability far less put a concrete value on this even if they can. Notwithstanding this it is intuitively appealing to believe that individuals have some value of their worth and subsequently seek to match this through their choice of employer. There is also a somewhat narrow focus, concentrating only upon wages and not other elements of the reward package, which may potentially be included by applicants in their assessments of the attractiveness

of potential employers. There is, however, no reason why these other elements cannot be included within efficiency wage type models.

A further criticism of the idea that improved job quality may reduce skills gaps is that an individual with a high level of skills may be unwilling to work in the secondary segment of the labour market at all, whatever the relative attractiveness of an organisation's reward package. However, it is not only individuals with 'poor' skills who work within secondary segment jobs, but also those seeking employment as a secondary activity, who may be highly skilled, such as working mothers and students (EOC, 2007; Grimshaw and Rubery, 2007; Curtis and Lucas, 2000)⁶. The growth in these secondary earners has been particularly strong amongst students with Curtis and Lucas (*op cit*) stating that 'for most students their status has changed permanently from full-time student to a combined status of student and worker (p39)'. Furthermore, Labour Force Survey data shows that working students are concentrated particularly in the service sector (*ibid*). This leads Curtis and Lucas to state that the employment of full-time students in service sectors creates a 'coincidence of needs' as both employers and employees demand flexibility (*ibid*, see also Hurrell, 2005). Women-returners, working mothers, secondary wage earners and students are all groups who may not be 'low skilled' and can potentially be selective about who they work for. Employers may be able to attract these skilled workers through efforts to improve the quality of the terms and conditions on offer, in line with adverse selection models of efficiency wages.

4.4 Selecting for soft skills – the strengths and weaknesses of various models of selection

Selection is an area deserving particular attention as data from the UK highlights that skills gaps are vastly more numerous than skills shortages and affect a much higher proportion of establishments (see section 2.5). This suggests that although few skills shortage vacancies exist, problems become apparent once employees are within the firm.

⁶ It is realised by the author that the nature of women taking part-time work in order to look after children has wider implications for the role of women in society and also for discrimination in general (see for example, Grimshaw and Rubery, 2006; EOC, 2007) but these are beyond the remit of this thesis.

Although skills gaps are often transitory and occur because the employee has not completed provisional training in the requirements of the particular organisation (see for example, LSC, 2004; FSS, 2003), the fact still remains that the higher rate of skills gaps than shortages suggests possible shortfalls in selection procedures. To discuss this further, the literature on recruitment and selection is divided into three main 'paradigms' as identified by Iles (1999) which employers may use when selecting employees. The first of these is the psychometric paradigm, dominant in the selection literature, which advocates the use of scientific methods high in predictive validity. It is the kinds of techniques associated with this model that are traditionally seen as constituting 'best practice' for employers (Herriot, 1993). There are, however, shortcomings with these 'best practices', particularly for low skill workers, and subsequently other approaches are examined - the strategic paradigm and the social process paradigm.

Within the psychometric paradigm, the starting point is the job for which individuals are to be selected, broken down via job analysis, with selection then '...specifying a criterion (component of job performance) worth predicting, choosing a way to assess candidates that may predict it, correlating scores on the predictor with criterion measures and...selecting among candidates by giving preference to high scorers over low scorers...' (Guion, 1998; p352). Resultantly, much academic endeavour has been directed at assessing the predictive validity of various selection techniques in terms of future job performance (Herriot, 1993).

Hermelin and Robertson's (2001) meta-analysis showed that the psychometric procedures with the highest validity are cognitive ability testing and structured interviews. Other tests with 'medium ranking' validity include personality testing, bio data, integrity testing and unstructured interviews (ibid; Robertson and Smith 2001). Iles (1999) concurs (with the exception of unstructured interviews) but adds that more valid still are assessment centres, peer evaluation and work sample testing. Crucially Iles concludes that '...many commonly used methods (e.g. unstructured interviews and references) do not come out very well as predictors of job success, not much better than astrology or guess work' (ibid, p65). The reduction of skills deficits from the

psychometric paradigm is a simple one. Through using high validity methods that have been 'scientifically' designed and objectively shown to predict future job performance, better performers can be selected and skills gaps reduced

The poor uptake of high validity methods is seen as especially pertinent for entry-level front-line jobs in interactive services. For example, research in the English hospitality sector stimulated by the NESS found that many employers would indiscriminately hire anyone to quickly fill a position and would therefore take little if any care over recruiting front-line staff (Rowley et al., 2000). Similarly, a study of Scottish hotels found little use of sophisticated selection methods, high on predictive validity (Lockyer and Scholarios, 2004).

The latest data from the 2004 UK wide Workplace Employment Relations Survey (WERS) reveals mixed evidence regarding the use of valid techniques in interactive service sectors and other sectors which were badly affected by skills deficits in England (Manufacturing and Construction). Wholesale and Retail and Hotels and Restaurants workplaces reported a 'middling' propensity to use personality/attitude tests 'routinely for some occupations'; whilst Manufacturing and Construction were amongst the least likely to do so (Kersley et al., 2006). WERS also enquired about the use of performance/ability testing for specific job requirements. Hotels and Restaurants, Retail, Manufacturing and Construction all reported below average (46%) use of such tests with 33% - 37% of workplaces using performance and ability tests routinely for some occupations (ibid). These sectors were also the most likely to report using 'informal' recruitment channels (such as directly approaching recruits, referrals from current employees, or word of mouth) with between 72% - 80% of workplaces doing so to recruit core⁷ employees in the 12 months preceding the survey, compared to 64% of all workplaces. Hotels and Restaurants (77%) and Construction (80%) were the two sectors reporting greatest use of such informal methods.

⁷ 'Core' employees in WERS are defined as '...the largest non-managerial occupational group at the workplace' (Kersley et al., 2006 p72)

The phenomenon of employers in the low wage labour market using informal techniques has also been replicated in the US with Holzer (2005) finding that 60% - 70% of jobs in his sample of 3,200 low wage companies were filled through informal methods such as referrals from employees, 'help wanted' posters and 'accepting walk-in job seekers' (p91). Similarly 'screening procedures were frequently restricted to short written applications and interviews rather than extensive testing or background checking' (ibid).

In addition to the sectoral pattern, the occupations covered by personality and ability tests in the WERS data were generally those at the top of the hierarchy. For example, performance tests were used in approximately 55% - 56% of workplaces to select Professional and Administrative and Secretarial staff, but only 23% reported doing so for Elementary occupations (Kersley et al., 2006). The question arises, therefore, as to whether service organisations could rectify soft skills gaps through the increased use of high validity procedures such as psychometric testing. Indeed, the notion that the soft skills needed for interactive service work can be predicted through objectively reliable methods is supported, for example, by a meta-analysis showing the predictive validity of certain psychometric techniques in predicting future customer service performance (Frei and McDaniel 1998). The study showed that there were strong and positive associations between the personality constructs of agreeableness, emotional stability and conscientiousness with customer service performance, supporting the use of personality tests in selecting customer facing staff.

Many employers of low wage service labour, or indeed, any low wage labour, however, would use a cost-benefit justification to dismiss the use of psychometric testing. Calculations of financial utility are usually based on the validity coefficient of a selection method; selection ratio (the proportion of potential applicants who are hired); the cost of the method; the length of time that an employee will stay with the organisation; the standard of the employees selected as shown by standardised scores; and the expected monetary return to the company for each standard deviation increase in employee performance (Russell et al., 1993; Williams and Dobson, 1997). Utility is positively correlated with the tenure of employees, variability in job performance and value placed

upon this performance, the selection of those with higher standardised scores, the validity coefficient, and the number of applicants selected. The selection ratio and cost of the procedure are negatively associated with utility (ibid). For jobs which have high turnover, low tenure, a high selection ratio, low variability in performance and a low value attached to improved performance, therefore, even the most valid selection methods may have low utility.

The discussion on dual labour markets highlights that for many jobs in which soft skills gaps were reported turnover is rife, tenure is short and employers are often willing to hire most people who apply for the jobs (high selection ratio). In addition to this the value associated with improvements in performance is low in entry-level jobs. For the occupations in which soft skills gaps were most widely reported, the use of psychometrically valid methods may, therefore, simply not be worthwhile from a utility point of view. Some larger interactive service employers, such as TGI Fridays, have been found to use personality assessments, work samples and role plays to select front-line staff (Du Gay, 1996), whilst the Marriot hotel group has recently introduced an online selection tool for all UK staff in both customer facing roles and non-customer facing roles such as housekeeping and laundry (Majid, 2007). This test ‘...aims at understanding if the person’s talent aligns with the working style of Marriott’ (p9). These are, however, exceptions in large and highly well resourced companies.

Although employers may be acting rationally in deciding not to use highly valid and expensive selection methods for lower-level employees, it is not *only* this group that reports soft skills deficits. Indeed, the Scottish data shows that the biggest increase in skills gaps between 2002 and 2003 (the majority of which were soft) was in Managerial and Senior Official positions (FSS, 2003; 2004). Employers may find, therefore, that the utility associated with high validity, high cost selection methods increases where soft skills gaps are found in either senior or highly complex ‘expert’ jobs.

There is also an argument that soft skills are not adequately identified through these highly valid, objective and sophisticated techniques. Because of their dynamic and

interpersonal nature psychometric tools may not adequately assess soft skills, even where such measures do exist (Jacobs, 1989). Such a pre-validated measure for predicting service ability is the Interpersonal Competence Scale (ICS) first developed by Holland and Baird (1968). Research on the ICS in transport operatives by Alge et al (2002) found no significant predictive validity between the scale and both supervisor ratings of employee performance and 'objective' customer service performance data held by the organisation.

Although Alge et al relate their findings back to the need to re-think the types of personality constructs which need to be measured when selecting customer service employees, the findings may have wider implications. A number of studies have identified that structured and behavioural interviews are positively correlated with the identification of social skills, which may be amongst the most frequently measured constructs at interview (see for example, Moscosco, 2000; Morgeson et al., 2005). Structured interviews are generally 'high validity' with much thought going in to their design and implementation. Given the utility of such high validity methods for senior positions it may, therefore be structured interviews rather than psychometric testing *per se* which are the best methods for the identification of soft skills.

The argument can be extended further, however, to include the fact that low validity and informal methods may be even be *better* ways of identifying soft skills. As it has been shown that such skills depend on interpersonal mastery rather than simply personality traits it may be interactions during an interview (traditionally dismissed as 'bias') that are essential for identifying soft skills rather than highly structured competency type interviews. A study by Scholarios and Lockyer (1999) in the hiring of accountants, lawyers, architects and surveyors found that companies placed high emphasis on general attributes and interpersonal skills in selection and that 'non-validated' semi structured techniques were frequently relied upon. The use of such informal means is also commonplace even within highly valid assessment centres where applicants' soft skills are frequently differentiated from one-another through informal interactions with fellow applicants and assessors, as well as during the assessment exercises themselves (Brown

and Hesketh, 2004). Soft skills are frequently not assessed using methods with high predictive validity but rather through 'gut feeling' assessed through interpersonal interactions, with these assessments sometimes the deciding factor (ibid). This finding is also realised in Posthuma et al.'s (2002) extensive review of research on selection interviewing, with some studies highlighting that interviewers made subjective judgements regarding the suitability of the applicant to the organisation based on social interactions at interview rather than objective job criteria. For reasons of both utility and effectiveness, therefore, procedures advocated by the psychometric paradigm might not be appropriate and alternative approaches need to be assessed.

The final point regarding subjective perceptions of 'fit' by interviewers introduces the second paradigm in recruitment and selection, the strategic model. Much of the focus of the strategic literature is on the way in which HRM policies (including selection) synergise with organisational level and product market strategy, either responding to external forces (the matching model) or driving the organisation's competitive advantage (the resource based model). A full discussion of the evidence related to strategic HRM is beyond the remit of this thesis (for a discussion of the strategic role of HR see Grant, 1991; Boxall, 1994; 1996; Lado and Wilson, 1994; Huselid, 1995; and Koch, Lundquist and McGrath, 1996; Guest, 1997; Williams and Dobson, 1997 and Purcell, 1999).

What is important, however, is the concept of selecting individuals so that their skills strategically match the organisation's purpose, culture and values with writers opining that systematic selection is one of the most important HR practices for organisational success (Pfeffer, 1998). It is particularly important from the resource based strategic perspective to ensure that staff are selected who exhibit and can contribute to the 'core competencies' of firms. Core competencies are developed through a firm's human resources as the knowledge and talents of individuals are collectivised, commodified and systematised and used to the firm's competitive advantage (Grant, 1991; Boxall, 1994; 1996; Lado and Wilson, 1994; Huselid, 1995). Furthermore, because of their location in individuals core competencies are seen as hard to replicate by other firms employing different individuals (ibid).

Within the strategic perspective of recruitment and selection 'person-organisation (PO) fit' is seen as more important than the person-job fit, advocated in the psychometric approach (Schneider et al., 1997). It is more important to select someone in line with the values and goals of the organisation rather than specific job qualities. This approach has been seen as particularly useful where the organisation is in a turbulent, rapidly changing environment where many jobs may be 'envisaged rather than operational' and thus no person-job fit is possible (Williams and Dobson, 1997 p236). Strategic selection has, therefore, subsequently also been associated with change management and selection at the highest levels for those that drive strategy and determine the subsequent direction of the organisation. Indeed, Purcell (1999) when discussing competitive advantage through strategic staffing claims that the 'strength' in human resources only lies in 'a tiny fraction of the workforce' and it is on them that the strategic model should focus (p36). This group would tend to consist of those employees near the top of the organisation in managerial and professional roles with the greatest 'criticality' for the organisation in terms of their skills and autonomy (Williams and Dobson, 1997). The question arises therefore as to whether this model is suitable for many of the entry-level positions where soft skills deficits are reported.

Schneider et al., (1997) disagree with the assertions of Williams and Dobson and Purcell and posit that strategic selection may indeed, be *most* appropriate when selecting entry-level employees, especially those in customer facing positions. Schneider et al. state that when selecting members of the top management team (TMT) there may be a danger in hiring too many people that 'fit' with the organisation. If too much fit is evident in the TMT organisational development may be stifled due to a 'conformity of outlook' (ibid, p400). Conversely for those employees for whom strategic decision making is not part of their work (such as front-line interactive service employees) personal alignment with the organisation's goals and culture may be useful. Indeed, Schneider et al. believe that where the delivery of a service is an integral part of the organisation's function then agreement with the values and vision of the organisation is likely to be reflected within that service. Front line employees may then come to personify the organisation themselves through the careful selection of those that fit the style of service on offer

(Witz et al., 2003). Through strategically selecting those that fit the organisation service skills gaps may, therefore, be reduced.

Furthermore, PO fit can influence not only job performance but also organisational climate as the selection of people who share similar values to the organisation may make for an enjoyable workplace; as Schneider (1987) states in the title of a paper, 'the people make the place'. The primary way in which PO fit has been conceptualised in terms of individual outcomes is through analysis of the way in which congruence exists between the values of the individual and the organisation (Chatman, 1989; Kristof, 1996). Value congruence is now the 'defining operationalisation of PO fit' (Kristof-Brown et al., 2005 p285). This concept has also been extended to sub-organisational levels with a growing literature on 'person-team fit' (PT) (ibid). Schneider (ibid) and Schneider et al (1995) use the concept of value congruence to develop the 'attraction, selection attrition' (ASA) framework. The ASA framework states that selecting for value congruence between individuals and organisations ensures that positive outcomes will ensue for both. If, however, organisations fail to attract employees with values that 'fit', attrition can ensue which means that more new employees need to be recruited, potentially increasing skills gaps further. A recent meta analysis found significant correlations between PO/PT fit and intention to quit, supporting the ASA model (Kristof-Brown et al., 2005). PO/PT fit selection practices do *not*, therefore, have to be tied directly to business strategy to be effective, but simply require thought about the organisation and the type of people it wishes to employ.

A critique of the advocacy of strategic recruitment and selection, however, is that there is an implicit assumption that the strategic model utilises psychometric techniques (Iles, 1999). Even if the model is applicable to front line service employees, there may, therefore, be no utility in doing so. Strategic selection can, however, be achieved *without* necessarily resorting to psychometric techniques. Indeed, Purcell (1999) highlights how the individualised nature of organisational strategy means that 'best practice' (e.g. psychometric selection) will not be applicable to all organisations and thus organisations will develop their own HR strategies based on 'best fit'. To illustrate Purcell's point,

both Posthuma et al (2002) and Brown and Hesketh (2004) found that PO fit could be determined through informal means or apparently 'subjective' judgements inconsistent with best practice. Furthermore, Lockyer and Scholarios' (2004) study of the hospitality sector found that although the use of 'sophisticated', valid techniques was not widespread, nevertheless, organisations *did* engage in recruitment and selection procedures that had strategic direction. Decisions were informed, for example, by knowledge of the local labour market in terms of where to advertise, who to employ and where to collect information on suitable applicants as well as whether the applicant would 'fit' with the organisation.

Whilst the strategic model has provided an explanation as to why organisations should seek PO/PT fit and value congruence, the direction of the selection appears to be one sided and focussed upon what the organisation should do to select appropriate employees. As is explicit in the ASA framework, however, thought also needs to be given to the manner in which the organisation can *attract* employees with commensurate values. In this light it is important to realise that the applicant has agency in the process and, as such the role of the applicant in selecting the organisation is equally important if a correct fit is to occur. This two-way process is conceptualised in the 'social process' model of recruitment and selection (Herriot, 1989; 1993).

Within the social process model the selection process is seen as 'a sequence of episodes' with each episode containing 'the communication of a set of expectations to the other party, who responds' (Herriot, 1989 p175). Examples of episodes in the selection process may include, filling in the application form, partaking in on line tests, attending an interview and attending an assessment centre. Decisions to exit the selection process may be taken at any stage from either party if the response of one or the other does not match expectations held by the other party. These expectations are of two types, the behaviour expected in the selection process and expectations relating to the future job (ibid). The selection process is, therefore an essential element in creating expectations in the applicant about their future job role, the organisation and the responsibilities of organisational agents to employees. The selection process thus forms the first stage of

the psychological contract between applicants and organisations where information is mutually exchanged and role expectations are clarified and negotiated upon (Anderson, 2004; Herriot, 1993). If applicants find, post-entry that their expectations are not met, then the psychological contract developed during the selection process may be breached (Herriot, 1989). This can create possible negative outcomes within the employee, such as poor commitment, recalcitrance, distrust, reduced effort, and exit from the organisation (Rousseau, 1995; Morrison and Robinson, 1997).

As a result of the two-way exchange advocated by the social process model, applicants do not simply provide information about themselves but 'will expect to be provided with information by the organisation on its culture and on the nature of jobs and careers' (Iles, 1999: 99). As the applicant can decide to leave the process at any time organisations should do their utmost to provide as much detail as possible about the job and themselves in order to attract the correct applicants and also deter any applicants for whom the post is not suitable, consistent with the ASA framework.

An implication for selection viewed from this particular viewpoint is the creation of realistic job previews (RJPs) to reduce the possibility of a poor fit between the applicant and the job and/or organisation (Wanous, 1992; Schneider et al., 1997). Figure 4.1 considers the relationship between the organisation's message during the selection process and the candidate's perception (adapted from Anderson and Ostroff, 1997). Quadrants one and two suggest a correct perception of the organisation by the applicant either through correct information from the employer or a correct realisation that the employer's information is incorrect. Quadrant one has the optimum utility for both parties as the decision to take the job or exit the process is well informed and the applicant makes the correct decision. In quadrant four, the organisation provides inaccurate RJPs that the candidate takes at face value leading to unrealistic expectations, which may later cause disappointment. In quadrant three the organisation provides accurate information but the candidate does not process this information correctly and again forms unrealistic expectations. There is little that the organisation can do to rectify the situation in quadrant three, aside from minimising the chance that misperception will

occur through salient and transparent information and RJPs (Wanous, 1992). The main point remains, that if organisations are to achieve good fit between themselves and their new recruits they need to consider the applicant's perceptions and facilitate fit, attraction and selection through RJPs.

Figure 4.1: The concept of person-organisation fit from the applicant's perspective

Candidate perception		Organisational message	
		Accurate	Inaccurate
Accurate		1. Realistic – correctly construed	2. Unrealistic – correctly construed
Inaccurate		3. Realistic – misconstrued	4. Unrealistic – misconstrued

Adapted from Anderson and Ostroff, 1997

The usefulness of the social process model is, in part, its very simplicity. By simply considering that recruitment is a two way process and that the applicant has a role to play in the selection process, the organisation can maximise the potential for good fit and reduce skills deficits. Furthermore the potential utility issues raised by the other perspectives for selection of lower level service staff are largely circumvented. It does not take much to develop RJPs either in terms of instrument construction or informing the applicant about the reality of the organisation. As it has been shown that identification with the organisation's values may be especially important for staff directly serving customers, staff for which the utility of more costly methods is severely questionable, this consideration of the social process and the creation of RJPs may be of particular pertinence when trying to address soft skills deficits in these employees. If organisations *do* wish to use highly criterion valid techniques for low skilled workers, this is not to be discouraged, but consideration should first be given to ideas of PO fit and RJPs as these are likely to improve the selection of skills in any member of the workforce, in line with an organisation's particular needs, whilst also maintaining high utility.

4.5 Socialising new workers

After employees have been selected, the next stage of organisational entry is socialisation (Wanous, 1992). Some employers may decide to eschew directing resources to

recruitment and selection in favour of intensive induction training and socialisation once employees are in the firm or else use these to complement selection procedures. The use of induction and training rather than sophisticated recruitment and selection procedures is especially common for low-skilled workers and is a strategy used extensively in, for example, the hospitality industry (Rowley et al., 2000) and in many organisations following generic 'low cost' strategies (Schuler and Jackson, 1987).

Whilst particular skills may be provided through training, socialisation is likely to provide general information required in order to function generally within the organisation. Socialisation is defined by Cable and Parsons (2001) as, '...the process by which an individual acquires the attitudes, behaviour and knowledge needed to participate as an organisational member' (p2). Socialisation occurs throughout an individual's career when they experience changes in location, role or assignment, but is most obvious and intense when an individual first joins the organisation (ibid).

Socialisation can improve task mastery, role clarity, social integration and aculturation, providing individuals with a framework for deciding how to respond to situations within the organisation and how to co-ordinate with others (Bauer et al., 1998). In addition, socialisation may also help stimulate PO fit and value congruence helping an individual to identify with the organisation's goals and perform accordingly (Anderson and Ostroff, 1997; Cable and Parsons, 2001).

The relevance of socialisation for this study is, firstly, that employers in both the English and Scottish employer skills surveys suggested that skills gaps were frequently transient; that is they were most apparent in new organisational members that had not yet received training or had sufficient time to learn their roles (FSS, 2003; LSC, 2004). If an individual has not been socialised and therefore does not know how they should behave within an organisation this could manifest itself as a skills gap in the eyes of managers. By improving PO fit and value congruence the chance of such a skills gap is reduced as the employee falls into line with organisational requirements. Furthermore, the socialisation literature highlights that much of the information gathered and given during the socialisation process is of a social nature (Jones, 1983; Bauer et al., 1998).

Socialisation may, therefore, be particularly helpful in reducing soft skills gaps through enhancing an individual's knowledge of the correct form of behaviour to be shown within the organisation.

Socialisation itself may have differing levels of success for differing types of occupation. Van Maanen and Schein (1979) identified three distinct role orientations that newcomers can adopt, *custodianship, content innovation and role innovation* (p228-9). These effectively lie on a continuum from acceptance and conformity with the organisations prevailing norms at one extreme (custodianship) and a rejection of prevailing organisational norms and an active change of the role at another (role innovation). As organisations presumably socialise front-line service employees to serve customers in line with their prevailing norms and values, custodianship appears to be the desired response for interactive service organisations (see for example, Leidner, 1993). That is not to say that skill necessarily has to be removed through over prescription of the organisation's service requirements or scripting, but rather that the employee needs to understand how to utilise their soft skills in a particular organisationally relevant way.

It has been found that in order to induce custodianship highly 'institutionalised' socialisation is best which is highly structured, timetabled and uses strong organisational role models to encourage acceptance of the organisation's prevailing norms (Allen and Meyer, 1990; Bauer et al., 1998). More individualised practices that are less structured, ambiguous and encourage the individual to develop their own strategies for dealing with problems were seen as consistent with role innovation (ibid). Highly structured and normative induction processes, may be particularly useful if organisations wish to instil a certain customer service ethos in their service staff.

It is important to be cognisant of the fact that socialisation can also be associated with control or exploitation. Pascale (1985) in his (almost ubiquitously positive) discussion of the effects of socialisation in various companies stated that '...the concept (of socialisation) makes most of us cringe ... as (socialisation is) alien and vaguely sinister (p27)'. This 'sinister' nature is also realised by Gorz (1999) who discusses the issue of

cultural control and organisational socialisation alongside the trends of a loss of collective identity in society as a whole. Against these trends the company itself offers workers an 'identity' and integration into this culture is seen to 'substitute for membership of the wider society' (p36). Because of this level of socialisation, the cost of exit according to Gorz (ibid) is a 'total loss of self-worth' (p36). Similarly, Ciulla (2000) states that '...the greatest downside to it (socialisation into strong corporate culture) was that employees became increasingly dependent on work to fulfil needs e.g. for friendship- that they might otherwise have filled outside work' (p113).

A further element, associated with control is the amount of effort that organisational members are socialised into exerting. Gorz (ibid) talks of the fact that employees socialised into organisations with a strong corporate culture are expected to give their 'body and soul' in exchange for the identity with which the organisation imbues them. This frequently takes the form of long and intense working hours. Pascale (1985) cites examples of such strong culture companies as IBM, Procter and Gamble, AT&T and Morgan Stanley stating that, 'placing oneself at "the mercy" of the organisation imposes real costs' (p27). These costs were also apparent in Bunting's (2004) study of the UK's overwork culture, which found exacting demands in another blue chip company; Microsoft. Bunting found that it was expected that young knowledge workers would, albeit for a relatively short period of time, exhibit exemplary dedication and total commitment to their work and the company. As one middle manager stated, 'There's a lot of people here that get into trouble. They are addicted to Microsoft...It's a bit lame when Microsoft say it's their choice. If you have an alcoholic in the house you don't put a bottle of gin by the bed' (p101).

Bunting also found strong socialisation and demanding work within Asda at the 'low skill' end of the service sector. Here it was emotional labour demands (see Chapter Three) that were evident, reinforced through a stringent service culture. This culture was expected to be upheld whilst paying front-line employees rates near to the minimum wage (also reported by Blythman, 2004). The store manager in Bunting's (ibid) case

study had even made his management team perform the 'Wal-Mart chant'⁸ with the service ability of those who did not 'throw themselves into it' questioned (p104). In line with Asda's core values there were a number of employee involvement schemes and recognition through various honours systems and prizes, given to those upholding the service culture and working 'above and beyond the call of duty' (ibid p104).

Socialisation into Asda's culture means that individuals value this recognition in the absence of decent pay. The concept should, therefore, be viewed cautiously in much the same way as when investigating whether employer demand for 'soft skills' is actually little more than a search for subservience.

Socialisation may, if done at extreme almost 'cult-like' levels, have a pernicious effect on individuals but it can have positive effects for employees upon entering a new firm or changing roles. Strongly institutionalised socialisation and induction may also be beneficial for helping employees to understand the customer service requirements of organisations where a custodial response is required. This could potentially help to reduce soft skills gaps, in for example, the worst hit service sectors, as non-compliance with the organisation's ethos may manifest itself as a customer service skills gap.

4.6 Training in soft skills

Training is, perhaps, the most immediately obvious response to a skills gap. Indeed, evidence from the various UK Employer Skills Surveys suggest that employers in both England and Scotland tend to use training when skills gaps occur, as reported by 69% – 89% of establishments with skills gaps in the various survey waves (FSS; 2003; 2004; 2005; 2007; LSC; 2004). There is, however, a question of whether employers engage in this response for soft as well as hard skills gaps and indeed, whether employers feel they *should* provide training in soft skills.

It has been stated throughout that soft skills are generic, i.e. they can be transferred from firm to firm and have value in the general labour market. By turning again to the

⁸ Asda is now owned by the US company Wal-mart despite maintaining their own name and brand values.

discipline of economics, implications can be drawn for employer investment in soft skill training. Traditional human capital theory states that firms will not train for such skills and indeed, that they should not be expected to. Training employees in such generic skills (or general purpose human capital - GPHC) is expected to have benefits for rival firms, creating a positive externality and effectively a public good (Crouch, 2004). As a result, 'Given that general training enhances a workers' mobility on the labour market at large, the firm would be reluctant to contribute towards its cost' (Hart and Moutos, 1995 p12).

One of the key variables that affect the returns to a firm from training (and therefore the decision as to whether or not to invest in it) is the length of time that an employee will stay with the company. An increase in GPHC, however, increases the attractiveness of the worker to competitors meaning that tenure may be reduced. A 'rational' decision in the economic sense therefore, is often taken *not* to invest in GPHC (Baron and Kreps, 1999). There are also indirect costs incurred as a result of replacing these workers now hawking their newly developed skills on the external labour market (ibid). In this competitive model, firms wishing to maximise returns will poach ready trained workers from rivals thus cutting their own training costs and also, in theory, receiving more productive workers than those who have not received any training. This poaching behaviour will be engaged in as long as wage increases needed to attract new workers are less than the training costs which the company will incur (Crouch, 2004). As a result of the threat of poaching in free markets, sub-optimal investment in GPHC training is made even if the training can have some benefit for the firm (Ashton and Green, 1996).

Investment in firm specific human capital (FSHC), however, has the opposite effect in terms of tenure, turnover and the potential benefits to poaching firms. The specificity of FSHC training decreases the opportunity wage, as salary gains cannot be replicated outside the current firm as other firms will not be willing to pay for HC they cannot utilise (Hart and Moutos, 1995). The employee thus has a far greater incentive to remain with the firm and tenure is increased (Lazear, 1995). The costs and benefits are thus shared between employer and employee; the firm reaps the reward of FSHC over a long

period of time, whilst the employee receives better wages in the firm than in the external labour market and also has the chance for career progression (ibid). As soft skills are generic and can be utilised on the external labour market, it would thus be surprising if employers invested in training for soft skills, using the traditional human capital model.

As with other models predicated upon 'rational' economic behaviour, the application of human capital theory to workplace training can be critiqued. Firstly, it is assumed that GPHC is of equal value to all firms without considering the fact that this may be altered by any FSHC that an employee also develops (Baron and Kreps, 1999). All training will have been undertaken in the context of the firm meaning that GPHC may not be as 'general purpose' as first thought. Indeed, Crouch (2004) uses the example of interactive service workers to illustrate the difference between GPHC and FSHC and why firms may be willing to train in soft skills: 'restaurants may be content to employ as waiters young people who come to them with the skills...provided by general public education. They then complement that with training in style and social presentation that they see as special to their individual enterprise' (p100). In this manner soft skills are not truly generic but through training are adapted to a particular organisation through the formation of FSHC.

Secondly, to poach other firms' employees requires access to transparent information about individuals' skills, as present in perfectly competitive markets (Baron and Kreps, 1999). Perfect competition is a theoretical construct and is simply not apparent in real labour markets, with the associated risk of hiring 'lemons' who do not have the desired skills (Akerlof, 1970). It is also incorrect to see training in either GPHC or FSHC as beneficial only to the employee trained, as 'spill over' effects exist which benefit other employees as knowledge from training is passed on (Baron and Kreps, 1999). The firm can benefit from this without incurring the direct costs of training these extra employees.

A further critique is that potentially beneficial worker behaviours emanating from GPHC investment, such as loyalty and commitment, may increase tenure and also effect job performance. For example, an employee may view the provision of any training as a 'gift

exchange' regardless of what the training covers and reciprocate through effort and loyalty (Green, 2000). Indeed, Green (ibid) uses the example of training in supposedly generic social skills to illustrate his point. The provision of training may also form part of the employee's psychological contract with a lack of training causing feelings of resentment and possible detrimental outcomes such as a withdrawal of effort (Rousseau, 1995). The tenet of human capital theory that training in generic soft skills is undesirable is, therefore, deeply questionable.

Representative statistical evidence on the content of training in the UK paints a rather mixed picture as regards soft skills training and suggests that some employers may be taking the human capital theory stance towards skills that ostensibly comprise GPHC. Most studies suggest that it is training in areas compelled by law or in immediate job needs which are the most likely to occur. Table 4.1 shows the areas in which employers reported offering the highest amounts of off job training (OJT) in the 1998 and 2004 WERS surveys. The surveys do suggest that training in soft skills was occurring in a substantial proportion of workplaces, with customer service and communication appearing amongst the most popular training activities in both years. Furthermore soft skills training had increased between 1998 and 2004. It was, however, health and safety training, in particular, and operation of new equipment that were the most frequently reported trainings in both survey waves. Where training in soft skills was forthcoming this was often apparently related to sectoral requirements, for example, 89% of hotel workplaces which trained offered customer service training compared to 9% in manufacturing (Cully et al., 1999).

The latest data from the 2006 Scottish Employers Skills Survey indicated that 86% of establishments providing training did so in job specific areas, 74% in health and safety (compelled by legislation) and 56% in induction training (FSS, 2007). In addition 52% of establishments trained in new technology whilst 41% and 36% of employers offered management or supervisory training which may include a soft skills element. Only approximately 1% of establishments trained employees in customer service or customer

care, although FSS themselves realise that ‘...it may be that these types of training are normally embedded within the job specific training category’ (ibid p37).

Table 4.1: Most popular areas of off job training provided by employers in 1998 and 2004 WERS

	Workplaces providing training 1998 (% of all providing OJT)	Workplaces providing training 2004 (% of all providing OJT)
Health and Safety	62	70
Operating new equipment	50	50
Computing skills	42	45
Teamwork	41	<i>Not reported in publication</i>
Improved communication	41	45
Customer service	38	41
Problem solving	24	<i>Not reported in publication</i>
Quality control	<i>Not reported in publication</i>	38

Adapted from Cully et al., 1999 and Kersley et al., 2006

The English NESS took a rather different approach in 2005 asking employers the proportion of their training which was either in health and safety or induction training, with the realisation that these were likely to be the most widely engaged in training activities (LSC, 2006a). When using this measure 10% of those providing OJT and 11% of those providing on the job training *only* did so in health and safety and/or induction whilst 25% and 27% of establishments provided between 50% and 100% of their training in these areas (ibid). This reinforces the popularity induction and health and safety training, although a lack of further disaggregation of training activity means that the extent of soft skills training could not be truly identified. Clearly further disaggregated research is needed on soft skills training in the UK.

As well as examining employer propensity to train in particular types of skills it is also important to identify *who* receives training in terms of both the sectoral and occupational trends. It has been noted in numerous statistical studies that OJT in the UK is most prevalent in higher skilled occupations rather than low skilled occupations where the majority of skills gaps appear to be concentrated (see for example, Cully et al., 1999; Rowley et al., 2000; NSTF, 2000; Kellard et al., 2001; Dickerson and Wilson, 2002). This finding is reinforced by the 2004 WERS data. When asked whether they had received any OJT in the 12 months prior to the survey only 43% - 48% of Elementary,

Process Plant and Machine Operatives and Skilled Trades staff had done so, compared to 76% - 79% of Managers, Professionals and Associate Professionals. The WERS data found that those with higher qualifications prior to entering the firm also received more training (Kersley et al., 2006). One caveat to this finding is that large scale survey evidence suggests that more informal and immediate on job training may be provided to low skill occupations instead of OJT, which means that they may receive training in some form (Spilsbury, 2003; LSC, 2006a)

The 2004 WERS data also revealed that the Hotels and Restaurants sector provided the least amount of training. When managers in this sector were asked whether they had provided any OJT for 'experienced core employees' (thus reducing the possibility that induction training would be included) in the 12 months prior to the survey, only 53% of Hotel and Restaurant workplaces reported doing so compared to the national average of 84% (Kersley et al., 2006). Other sectors performing below average were Construction and Manufacturing. Interestingly, the Retail sector provided more training than average, with 87% of workplaces providing OJT in the 12 months prior to the survey. This data leads to the conclusion that training activity could certainly be improved in certain sectors and occupations, especially those seemingly the worst affected by soft skills deficits, in order to reduce the incidence of skills gaps.

The rationale for not training at the lowest organisational levels, especially in transient service sector jobs can be justified through use of the human capital theory model presented above. As employment in low skilled jobs in the service sector, in particular, is transient with high turnover (see above and Hogarth et al., 2003) employers may feel that the benefit of training is quickly lost to the external market and not invest in training as a result (see for example, Rowley et al., 2000; FSS, 2003; 2007). It is however, narrow to focus purely on immediate returns as service employers fully utilise the flexibility of the labour market to meet changing demands. If employers wish to reap the rewards of using the flexible labour market then they should be prepared to bear some of the costs associated with ensuring that individuals remain employable within said market after their services have been discarded. Through providing training, of course, all employers

also ultimately benefit from a pool of more highly skilled labour (Kellard et al., 2001; DFES, 2003).

Given that, theoretically, training in soft skills is justified, the final question remains as to whether such training is *possible* given the intangible nature of soft skills and even whether such training can have a discernible impact. A number of authors from both the academic and practitioner sphere have indeed, espoused the value of training in soft skills. Perhaps the best example of this is work on methods to improve ‘emotional intelligence’ (EI) defined as ‘the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships’ (Goleman, 1998 p317). EI is both inter and intrapersonal and is thus an important component for any number of soft skills from customer service (Garavan, 1997) to leadership and management (Tucker et al., 2000). As stated in Chapter Three EI is unlike intelligence as ‘...unlike IQ itself – it (EI) *can improve throughout life*’ (ibid p240; emphasis in original). The development of these ‘emotional competencies’ that underlie soft skills should be linked to organisational goals, so that emotionally intelligent behaviour is practised and appraised through regular feedback from superiors and colleagues (Cherniss and Goleman, 1998). The main point is a simple one; EI is a central component of soft skills and it can be developed and learned, meaning that it can also be *trained*.

Various examples of EI programmes and training in soft skills are provided in the literature. One such study compared the scores of hotel staff on a ‘mystery customer’⁹ survey before and after training and found statistically significant differences on two thirds of the service dimensions being studied. This was contrasted to a ‘control hotel’ where the scores remained constant (Garavan, 1997). Training in EI is also not confined to customer facing staff or in the service sector. A large scale American study of 35 varied ‘blue chip’ organisations found that 27 of these had invested in emotional competence training throughout the organisation (ASTD, 1997). A case study of a leading US pharmaceutical company investigated the benefit of 12 managerial training

⁹ This refers to the common practice within interactive service organisations of assessing customer service through evaluation by customers who do not reveal their purpose to those employees serving them.

programmes used to improve emotional competencies. The study found that four of the twelve programmes used to improve EI had significant and expedient financial returns of up to nearly 2000% in the first year after training (Morrow et al., 1997).

Further evidence of training managers in soft skills (although not specifically EI) yielded positive results. A study of 1,457 subordinate assessments of 252 executives from 48 organisations on interpersonal skills training revealed a positive effect of training on certain soft skills. These included motivating subordinates, rewarding and evaluating performance, and structuring subordinate's behaviour in line with organisational goals (through for example, communication, planning and organising and goal setting) (Hunt and Baruch, 2003). There was, however, less evidence of positive outcomes on the most "soft and feely" skills for example, leadership, empathy and sensitivity (ibid p 745). Given this evidence that some soft skills training programmes did not work, firms need to select their training programmes carefully.

A further example of a soft skill that appears to be trainable is the self-presentation required by 'aesthetic labourers'. Various examples are cited of employers who include personal grooming skills in their induction programmes, including hair styling and shaving (Warhurst and Nickson, 2001; Grugulis, 2006). It is also the case that self-presentation, not related to physical attractiveness, including deportment and body language is also trained by various large employers (Du Gay, 1996; Garavan, 1997). This training in self-presentation is not only confined to front-line low skill service employees but is also becoming increasingly common for those engaged in professional services (Grugulis, 2006).

The statistical evidence on the extent of soft skills training in the UK suggests that training in soft skills does occur to some extent and typically where such skills are an essential part of the service on offer. The true extent of soft skills training, however, is difficult to determine, due to the unspecific nature of much of the macro level data, especially that on 'job specific training', highlighting an empirical gap that needs to be covered. Given, the occupational and sectoral distribution of training, however, there is a possibility that the jobs worst hit by soft skills deficits are not receiving soft skills

training and this may contribute towards skills gaps. Given the high proportion of employers responding to *all* skills gaps with training in both England and Scotland, however, this assertion is made tentatively. The possibility that employers act in a way consistent with human capital theory seeing investment in soft skills as constituting economically unviable GPHC remains, with further research specifically on soft skills needed to determine the true extent of soft skills training. As there are multiple examples of the benefits of soft skills training, employers not engaging in such training may be leaving out a key weapon in their armoury to reduce soft skills gaps.

The final section of this chapter now considers the possibility of employer action to reduce apparent soft skills deficits in a somewhat different manner than in previous sections that have assumed that employers need to act because individuals do not possess soft skills. Section 4.7 considers that employees who possess soft skills may decide to withdraw these (or withdraw effort which may manifest itself as a skills gap in the eyes of management) because of disaffection. Employers need to be aware of how this may occur in order to try and prevent such a situation from occurring.

4.7 Understanding possible skill withdrawal by employees

The characteristics of the jobs which are the worst affected by soft skills deficits have been outlined in some detail above as possessing numerous secondary labour market job characteristics that could cause dissatisfaction for the individual. Perhaps the most striking of these is the issue of pay and conditions. There is an argument over the extent to which pay causes job satisfaction and motivation, with several classic studies suggesting that the intrinsic nature of the job itself may be of more importance (see for example, Herzberg, 1959, 1966; Hackman and Oldham, 1975). However, pay is fundamental to all work and even if pay does not cause positive satisfaction then it can realistically be posited that poor pay levels can cause dissatisfaction in the individual and constitutes a 'hygiene factor' (Herzberg *op cit*). Although Herzberg's work has faced much methodological criticism (Foster, 2001) his assertion that low levels of pay may cause dissatisfaction is, at the very least, consistent with common sense. Other

characteristics of secondary labour market jobs in terms of employee relations, flexibility, uncertainty and poor training and development could also cause dissatisfaction, potential disenchantment and even resentment of the employer. The fact remains that many individuals willingly accept 'lousy' jobs, as it is beneficial to them to do so. This willingness is especially evident when considering the flexibility of many front line interactive service jobs, which may suit certain groups of workers. Evidence from the labour force survey suggests that most part-time work is undertaken voluntarily i.e. the individual displays a *preference* to work part-time (Hakim, 2000; Bishop, 2004). Certain workers, therefore, may accept employment in jobs with the flexible characteristics of the secondary labour market as it suits them to do so. For example, working mothers and students were both highlighted as groups who may *choose* interactive service work and whom employers may want to attract.

If the kinds of jobs which appear to have the greatest incidence of soft skills deficits can attract staff potentially high in soft skills who *choose* to work there then it may be the case that objective job characteristics do not cause resentment and withdrawal *per se* (if this occurs) so much as employer behaviour once inside the organisation. This premise presupposes that upon entry to the firm the conditions were satisfactory, or that the employee was willing to accept them. There may, of course, be an issue here with the fact that employers may not have used RJPs creating unrealistic expectations in the employee. Either way, it does not necessarily matter exactly *what* on the job causes disenchantment but rather the fact that the employer has somehow reneged on their perceived responsibilities or promises towards the employee on any number of issues and it is this which causes disenchantment.

Alluded to above when discussing pre-entry expectations and RJPs, the discussion and focus of this final section now turns to the psychological contract as the basis for potential skill withdrawal. The psychological contract can be defined as '...the perceptions of mutual obligations to each other held by the two parties in the employment relationship, the employer and the employee' (Herriot et al., 1997; p151). Although work has been undertaken which focuses explicitly on what employer

expectations of the contract may be, the majority of research has focussed upon employee expectations (Guest and Conway, 2002). It is the employee perspective that is discussed here due to the proposition of skill withdrawal on the part of the employee. The contract as perceived by the individual takes the form of ‘...individual beliefs *shaped by the organization*, regarding terms of an exchange agreement between individuals and their organization’ (Rousseau, 1995; p9 emphasis added). These employee expectations can cover any number of factors but commonly expected pay and conditions *in return for work done* is one of the central pillars of the contract (Makin et al., 1996). The difference between this concept of reciprocity and the absolute ‘objective’ conditions of a job is essential to understand the proposed role of the psychological contract in skill withdrawal. If an individual feels that the reward and/or conditions they are subjected to do not reflect the work done then skills may be withdrawn as a result, *even if they were originally willing to accept these terms and conditions*. According to the theory of met expectations such incongruence has the effect of disillusionment, affecting subsequent behaviour (Foster, 2001). It is, therefore the expectations of rewards for a given level or type of work that are important, and the manner in which the exchange relationship is shaped by organisational actions, not the absolute level of reward *per se*.

The psychological contract is, however, not simply built on expectations about employer obligations in relation to reward and work effort. An example of the multiplicity of possible items that constitute the psychological contract are contained within Lester et al.’s (2001) study of 268 employees enrolled on a part-time MBA course in the US. The study found that 32 of the 38 items which were listed as potential contributors to the psychological contract were rated on average as either “very”, or “extremely” important (ibid p13). The 32 items identified by Lester et al. cover elements such as pay and rewards; intrinsically rewarding work; influence in the workplace; promotion, advancement and development; honesty and respect in the workplace; competent and supportive managers and co-workers; adequate resources to do the job; job security; health and safety; and work scheduling. A further critical incidence study of 184 employees identified a number of perceived organisational obligations in the categories

of: training; fairness and justice (in for example, selection and appraisal); needs and humanity (acting in a ‘personally, socially responsible and supportive way towards employees’); employee consultation; job discretion; recognition; safety; pay and benefits; and job security (Herriot et al., 1997 pp156-157). The implication is simple; a perception that *any* of these perceived obligations have not been met has the potential to cause disillusionment within employees. Resultantly it is more useful to investigate the *state* of the psychological contract as a whole (i.e. fulfilled or unfulfilled) in order to assess its role in determining employee behaviour (Guest, 2004).

The perceived obligations that an employee has of their organisation are developed subjectively, so that individuals within the same organisations or even the same jobs may have differing contracts (Morrison and Robinson, 1997). A central feature of the psychological contract is the fact that it consists of ‘...*individual* beliefs or perceptions regarding reciprocal obligations’ (Robinson et al., 1994; p138, emphasis added). Indeed, contracts are formed not simply through obligations that are explicitly communicated by the organisation but also through those that are implicitly communicated through the behaviour of organisational agents, conversations, customs and practice, or organisational procedures (Herriot et al., 1997; Lester and Kickul, 2001). A further implication of this social construction is that the contract is not static and develops and changes as, ‘...deals are likely to be re-negotiated or modified over time’ (Guest, 2004; p545). Such changes may be due to experience, perceptual biases created through prolonged exposure to the organisation and/or social information processing as employees observe others (Robinson et al., 1994). Because the contract is individualised and dynamic employers must consider that their actions have differing effects on different individuals and, furthermore that this may change over time.

Thus far it has been established how the contract is formed and what it consists of but the discussion now turns specifically to the concept of breach and the behavioural and psychological outcomes of this. Guest (2004) proposes a model where contextual and background factors and employer policy and practice combine to form the psychological contract; whilst the state of the contract (i.e. delivered or undelivered) can have various

attitudinal consequences such as organisational commitment, job satisfaction, motivation and stress. In turn these attitudinal outcomes may themselves impact upon certain behaviours such as attendance, intention to stay and perhaps most importantly for the skills withdrawal phenomena, *performance* (p550 emphasis added). Work attitudes can thus be seen to mediate psychological contract breach and behavioural outcomes. Morrison and Robinson (1997) also identify similar outcomes from their study with pernicious effects on attendance, turnover, co-operation and extra-role behaviours occurring when contracts are broken. As skills gaps are defined in terms of proficiency, a poorly performing employee may be identified as having a skills gap, when in fact they are reacting to the state of their psychological contract by either withdrawing effort or co-operation.

Furthermore, a breach in the psychological contract is seen to produce more 'intense' reactions than simply a breach in expectations, as although unmet expectations are an essential part of contract breach, breach of the contract also involves 'general beliefs about respect for persons, codes of conduct and other patterns of behaviour associated with relationships' (Robinson and Rousseau, 1994 p247). This intense emotional reaction is referred to as 'violation' rather than simply breach, illustrating the depth of such an affront to the individual (ibid; Morrison and Robinson, 1997; Robinson and Morrison, 2000). As soft skills are personal to the individual and involve utilisation of the self in particular social situations, action which causes contract violation is especially likely to affect the display of such skills.

Rousseau (1995) identifies various types of responses to a broken or violated contract depending on whether the behaviour is active or passive and whether the outcome is constructive or destructive. Four possible outcomes are identified taking the degree of passiveness and destructiveness into account (see Figure 4.2). The most explicit withdrawal of skills is of course *exit* but this would simply create turnover and a recruitment need rather than an internal skills gap, which is the focus of this section. The *neglect/destruction* response is the key category for the purposes of this argument. In this response, skills are withheld either passively- aggressively (neglect) manifested as a

‘work slowdown or *providing customers with a poor service*’ (my italics); or more actively (destruction) including such behaviour as ‘interpersonal aggression’ (Rousseau, 1995 p138). These examples clearly illustrate how this response can be related explicitly to soft skills and may be seen by employers as a soft skills gap.

Figure 4.2 Possible responses to a violation in the psychological contract

	<i>Constructive</i>	<i>Destructive</i>
<i>Active</i>	Voice	Neglect/Destruction
<i>Passive</i>	Loyalty/Silence	Exit

From Rousseau 1995

What response an individual takes will depend on a number of factors including their personality, the degree of trust inherent in the contract, the amount of time the individual has spent in the organisation and the behaviour of others in the organisation (Rousseau, 1995). If, for example, the breach is perceived to be outwith the organisation’s control (for example, because of economic circumstances) and there is a high degree of trust between the employee and the organisation as a result of a long relationship between them, then the breach may be accepted by the employee. This is especially likely if the organisation can adequately explain the mitigating circumstances (Morrison and Robinson, 1997).

A further variable that can affect the employee’s perception of the psychological contract is whether the contract is *relational* or *transactional* (Herriot et al., 1997; Morrison and Robinson, 1997; Robinson and Rousseau, 1994). A relational contract involves a higher degree of trust and attachment between the parties and is typically formed over a longer period of time or with an extended stay in the organisation in mind, with loyalty to the organisation an outcome of such a contract. A transactional contract on the other hand is more instrumental involves less trust and a smaller affective element and centres on rewards rather than loyalty (ibid). The implication of these two types of contracts for breach and violation are mixed. Transactional contracts tend to be far easier to breach due to the low levels of trust that are apparent but in circumstances where a contract *is* breached, then feelings of violation are much stronger in relational contracts (ibid).

Structures within the organisation may also affect the type of response an individual chooses as depicted in Figure 4.2. The destructive response is seen as particularly likely where no opportunity for engaging in a constructive response exists, for example, through good relations with management or forums through which to express 'voice'. Voice is used by employees to actively try and remedy the situation in order to receive compensation for the breach and restore trust. Furthermore invoking the 'voice' response may cause a beneficial change in behaviour resulting in *improved* performance (Rousseau, 1995). Where this approach is unavailable or does not work then neglect and destruction may ensue.

The implications of skill withdrawal (or effort and co-operation withdrawal manifesting itself as a skills gap) is particularly salient as the sectors which apparently report a high soft skills gap rate such as hospitality, are particularly likely to engage in paternalistic management styles and a lack of employee involvement and consultation (Lucas, 2002; 2004; Royle, 2002). As such sectors are also characterised by low trust employment relations the development of transactional contracts is more likely, whilst the trust that potentially moderates perceived breach of the contract may not be apparent. Furthermore because the make up of the front-line workforce is predominantly young and part-time with many workers working to earn some extra money whilst in education it can realistically be expected that many contracts would be transactional. This has the effect that breaches are more likely to occur, although, on a more positive note, feelings of personal violation where the contract is not fulfilled are *less* likely to occur.

If an individual feels that they are being under-rewarded or are being asked to input too much effort, breaking the assumptions and expectations essential to the psychological contract then effort may be reduced. Dissatisfaction with the employer rather than the work *per se* as evidenced by the psychological contract may also explain the transient nature of, many workers who stay within service sectors but drift from employer to employer (Hogarth et al., 2003). Such workers may be engaging in the 'exit' response identified in Figure 4.2. The contract thus can be seen as constituting a 'trigger

mechanism' with the relative state of the contract potentially causing skilled employees to appear unskilled (in the sense of not being fully proficient) to managers.

The implication for organisations is that they may need to consider their actions not from the point of view of whether or not an individual possesses the soft skills that are desired but rather whether their action causes proficient employees to 'withdraw' their skills. The discussion of psychological contract formation, breach/violation and possible responses to these has implications for organisational practices, structures and culture.

Organisations should consider such things as clear communication of organisational expectations and responsibilities from and to employees; communicative and approachable management; open and trusting employment relations; and forums and mechanisms with which to air grievances. The creation of RJPs and the consideration of selection as a social process are also highly relevant pre- organisational entry. The highly individualised and dynamic nature of the psychological contract also suggests that effort should be made to assess the state of an individual's contract through mechanisms such as appraisal and insight from day to day interaction with the employee.

Interestingly, it seems that relatively few employers use appraisal and feedback as a way of addressing skills deficits, with this being one of the lowest reported measures to resolve skills gaps. In Scotland this was reported by only 2% of employers in 2003 and was not even reported at all in the other years (FSS; 2003; 2004; 2005; 2007). Similarly, only approximately 3% of employers in 2002 reported that they had considered raising wages to counter skills gaps (a potential outcome to resolve psychological contract breach in terms of effort/reward) whilst this was, again, not reported on in any other survey year (ibid). Similarly, no English employers reported the use of appraisal or similar measures in any skills survey and only 1% of establishments responded to skills gaps in the 2005 survey by increasing salaries or building up team spirit and motivation (LSC, 2004; 2005a; 2006a).

If employers were to use appraisal for the reduction of skills gaps the literature suggests that appraisals should be highly formalised to ensure that employee performance and

subsequent skill gaps are identified in a systematic, fair, valid and reliable manner (see for example, Analoui, 2007; Boxall and Purcell, 2008). As previous research suggests that management may see performance appraisal, especially that which is highly formalised and institutionalised as a 'chore to be got out of the way' the use of appraisal systems as a means to reduce skills gaps may be met with considerable resistance, hence possibly explaining its poor uptake (Boxall and Purcell, 2008 p 182). Appraisal best practice also suggests that feedback on skills and performance issues should be as close to any observed behaviour as possible to reduce de-motivation (Fletcher, 2000). Formalised appraisal systems may, therefore, simply not be proximal to any particular performance issue in allowing for the reduction of any observed skills gap, offering a further possible explanation for the poor uptake of this method.

It must be noted, however, that employers were not asked in detail *why* they engaged in particular responses and so consideration of the psychological contract may have simply proved ineffective; appraisals may have already been in place and not considered a 'response'; or else informal and immediate employee feedback may not have been considered an appraisal related response. Further case study research is needed to adequately identify whether or not employers have ignored the potential role of the psychological contract or simply not found it a relevant precursor of soft skills gaps.

All of the possible responses and courses of action presented in this chapter may be considered by employers in order to reduce soft skills deficits. Elements of 'good', theoretically justifiable action to resolve soft skills deficits have been presented but the route taken by any organisation will depend upon the context in which they find themselves and policies already in place or those that have previously failed. For example, it has been shown that if an organisation experiences soft skills deficits in higher level managerial employees it may be worthwhile investing in psychometric selection techniques, whereas for low skill jobs it may be more economically justifiable to concentrate on enhancing person - organisation fit and allowing the applicant a role in establishing whether they fit with the employer through the provision of RJPs. Similarly, an organisation experiencing skills deficits that already offers superior pay, terms and

conditions than their competitors, may not wish to consider the attractiveness of the establishment through addressing job quality. The current chapter provides a framework of employer action, with the actual effect on soft skills deficits likely to differ between and even within organisations, depending upon particular contexts.

4.8 Chapter summary and conclusions

This chapter has shown how government and employer policy has a role in both responding to and contributing towards soft skills deficits. In terms of the government's responsibility there is some evidence that soft skills may need to be given greater prominence in VET and programmes for the low skilled, young labour market entrants and the unemployed. Although employers report few soft skills shortages in potential recruits in the labour market the fact remains that government skills policy could improve this situation further still.

When examining employer practices, especially in relation to the kind of customer facing interactive service work that appears to have the greatest problem with soft skills deficits, it is apparent that a number of practices may contribute towards reported soft skills deficits and could subsequently be used to respond to them. In terms of establishments experiencing skills deficits because of an inability to attract appropriate applicants this may be because the kinds of jobs apparently worst affected by soft skills deficits display secondary labour market characteristics and do not pay efficiency wages. Such issues with job quality could not only cause skills shortages in recruitment but also skills gaps if the supply of labour is so poor that the firm is forced to hire employees without the appropriate skills.

Given that the proportion of establishments in both England and Scotland reporting internal skills gaps was considerably higher than those reporting skills shortages in potential applicants, shortcomings in recruitment and selection may be an especially pertinent factor. 'Best practice' psychometric recruitment and selection may not always be appropriate for the jobs seemingly worst affected by soft skills gaps for reasons of

both financial utility and validity. Indeed, psychometric methods appear to be less frequently used for some of the jobs worst affected by soft skills deficits than for other jobs. Considerable utility may still, however, be gained by establishments through considering how selection processes can be strategically aligned with the organisation's requirements. Furthermore, consideration of the social process of selection and the provision of RJPs to allow applicants a role in deciding whether or not they want to work for the organisation may help to facilitate person-organisation fit and reduce attrition thus also reducing soft skills gaps. Such methods may also be seen to have greater financial utility than other more expensive methods with just as much validity.

After selection organisations may further enhance the quality of employees' soft skills through consideration of socialisation and training. As skills gaps were particularly widely reported in new organisational members then socialisation processes may be a beneficial way to reduce these through providing new entrants with the information required to participate as an organisational member, for example, during induction. Furthermore if an organisation selects the correct form of socialisation for the desired role orientation then soft (or indeed, any) skills gaps may be reduced further.

In terms of specific training in soft skills there is evidence that training in such skills is not uncommon. However, certain employers may still be adhering to the traditional human capital perspective that training in soft skills constitutes general purpose human capital with employers instead preferring to train in statutory or job specific 'harder' elements. Further disaggregation is however, needed as certain forms of job specific training may include soft skills. Furthermore, there is evidence that some of the occupations seemingly worst affected by soft skills deficits, for example, staff at lower organisational levels, particularly in hospitality, are amongst those receiving the lowest amount of training, suggesting an area where organisations could improve. Training in soft skills does, of course, offer both a means to ensure that gaps do not occur and also a response where gaps are identified.

The final area identified in the chapter where employer action may contribute to soft skills deficits posits that skills gaps may occur even where employees possess soft skills. If employers breach the psychological contract that an employee holds upon entering the organisation then it is possible that negative attitudinal and behavioural outcomes may occur including the withdrawal of skills. Managers, those who report the existence of skills deficits in the national survey series, may therefore identify an employee as lacking full proficiency despite them possessing the skills that are required. This explanation is also appealing as very few employers reported using appraisal and feedback as ways through which to reduce skills gaps. As appraisal is an opportunity to both communicate and renegotiate the psychological contract and to provide employees with the necessary voice to resolve any breaches then increased use of appraisal may help to alleviate any skills withdrawal.

As stated above a multitude of possible organisational practices may contribute to the realisation of soft skills deficits in any given establishment, with establishments also faced with a number of possible responses to soft skills deficits where they occur. In order to ascertain how these factors interplay and to better understand *why* soft skills occur and particular responses are engaged in detailed contextual investigation is needed. To this end the organisational practices and contextual elements (e.g. the sector of an establishment and the availability of appropriately skilled labour) discussed above are all considered in the ensuing research questions, discussed in the methodology chapter that follows. Furthermore the research design discussed in the methodology incorporates a strong contextual element through the use of organisational case studies to add depth to broad macro level data.

In addition to the organisational factors discussed in this chapter the subsequent empirical investigation outlined in the methodology also seeks to establish the importance of soft skills to the economy and to directly investigate the macroeconomic pattern of soft skills deficits. This investigation is to confirm the patterns discussed in Chapter Two that soft skills are especially important to interactive service organisations with deficits tending to be concentrated in low-level interactive service workers. These

broad patterns are predominantly achieved through investigation of nationally representative Scottish data, with the importance of certain skills to establishments also investigated through case study investigation.

The subsequent empirical work also considers the manner in which individuals perceive that soft skills are developed, utilising the conceptual frameworks which were discussed in Chapter Three, especially that of Bourdieu. Within the subsequent case study investigation, therefore, consideration is given to the resources that individuals' believe help them to develop soft skills as where particular resources are not accrued to the individual then soft skills deficits may occur.

Chapters Two to Four thus provide the conceptual basis through which to investigate soft skills deficits in the Scottish labour market in order to meet the empirical and theoretical rationales discussed in Chapter One. The subsequent investigation thus considers how individuals may develop soft skills; the pattern of soft skills deficits in the economy; how and why soft skills deficits may occur; and the patterns of, reasons for and effectiveness of particular responses to soft skills deficits. The next chapter, the Methodology, begins by synthesising the literature review into research questions and propositions and proposing a conceptual model for the empirical research. The research design used within the fieldwork is then established alongside the methods used and the measures contained therein.

CHAPTER FIVE: METHODOLOGY

5.1 Introduction

Chapter Five develops the research questions from the research objectives and discussion of present theory and research in chapters Two to Four, followed by a discussion of the critical realist approach which was adopted and the multi-method research design. The construction and order of the seven research questions follows a logic based upon level of analysis and thus differs in logic from the presentation of the research objectives. The macroeconomic pattern of soft skills deficits is considered first before addressing organisational trends and then individual factors that are related to soft skill development and deficits. The data collection itself then also followed these levels of analysis by first examining the macroeconomic trends in soft skills deficits and employer response through secondary analysis of the 2002 and 2003 Scottish Employers Skills Surveys (ESS), with samples of 8,507 and 3,006 establishments respectively. This was then followed by case studies that represent three establishments. Two of these were in the worst affected sector identified in the ESS (Hotels and Restaurants) one reporting soft skills deficits and one not. To complete the picture and allow investigation of the role of sectoral context in skills demand and any subsequent skills deficits an establishment not reporting soft skills deficits from the, largely unaffected, Business Services sector was investigated as a third case study. The total case study sample draws on 18 management interviews, 22 employee interview and focus group respondents and 183 survey responses.

5.2 Research questions and propositions

Before presenting the specific research questions and the way in which these relate to the literature review the research objectives need to be re-stated in order to contextualise the ensuing discussion. The broad research objectives for the study were:

1. To examine how individuals believe soft skills are developed.

2. To establish the extent and pattern of soft skills deficits in Scotland as a whole in terms of sectoral and occupational distribution.
3. To examine why soft skills deficits occur, taking into account the role of individual employees, labour market conditions, workplace contexts and HR policies.
4. To examine how and why employers respond to soft skills deficits and what the most effective responses are, through examination of both macroeconomic data and individual workplaces.

The research objectives follow a logic based on the process by which soft skills deficits occur and are responded to (i.e. beginning with the development of soft skills, progressing to where and why deficits occur and finally, to responses engaged in to rectify deficits). The research questions, however, follow a logic based on level of analysis, which is appropriate as the research questions drove the empirical work and are therefore also used as the structure for the presentation of the findings in chapters Six to Ten. The research questions thus started at the broadest level (the Scottish economy) before moving to the organisational and then individual levels. This allows for greater clarity in the presentation of the empirical findings and for each research question the research objectives that are being addressed are explicitly stated.

Chapter Two highlighted the fact that despite the rhetoric of a knowledge or high skills economy the UK actually finds itself in a polarised/service economy where soft skills are in particular demand. Soft skills deficits are seemingly ubiquitous but are particularly apparent in Scotland and in low skill interactive service workers. Indeed, the genesis of this project was the first Futureskills Scotland (FSS) Employer Skills Survey (ESS) in 2002, which identified a particular problem with soft skills deficits and suggested the need for further explanation of employer response and practice.

At the macroeconomic level, although the reports published from the ESS appear to suggest that it is 'low skill' employees (such as Customer Service, Elementary, Personal Service and Operative occupations) and interactive service sectors (such as Hospitality and Retail) which were worst affected by soft skills deficits, this is largely inferred from aggregated analysis of the types of skills in deficit and the sectors and occupations which were worst affected (see Chapter Two section 2.5). The first research question, therefore simply sought to describe the macroeconomic picture regarding soft skills deficits and their sectoral and occupational distribution in line with objective 2. The question used the apparent patterns within the large scale data and the findings from Chapter Two regarding the centrality of certain skills to certain sectors and occupations to inform sub-propositions regarding the sectors and occupations most likely to experience soft skills deficits. The first research question (RQ) and propositions (P) were, therefore:

RQ1. In which industry sectors and occupational groups do soft skills deficits occur?

P1.1 Soft skills deficits will be more prevalent in sectors that have an element of interactive service work.

P1.2 Soft skills deficits will be concentrated in lower-level occupations with a customer-facing element such as Personal Service, Sales and Customer Service and Elementary occupations.

With this descriptive pattern established, the second research question attempted to ascertain which factors had the greatest overall effect, along with sector and occupation, in predicting where soft skills deficits would occur, given that a multitude of variables are likely to contribute to their existence. Research Question 2 was, therefore:

RQ2. What are the main determinants of soft skills deficits in Scotland?

With the deficits pattern in Scotland as a whole established the pattern of employer response to such deficits at the macroeconomic level was then examined in furtherance

of research objective 4. The sub-propositions in Research Question 3 were informed by human capital theory and the proposition that training in generic soft skills, especially in lower level occupations with high turnover, may be seen as economically unviable (see Chapter Four section 4.6). Previous research has also suggested that, in terms of training and other possible responses (such as improvements to recruitment and selection), it is higher level and intermediate occupations which are most likely to have been attended to, with training in soft skills secondary to training in technical skills or statutorily enforced matters (see also section 4.6). As a number of responses were identified in the Scottish ESS the tenets of human capital theory were applied to all possible responses to skills deficits. Research Question 3 and its related propositions are as follows:

RQ3. What is the pattern of employer response to skills deficits?

P3.1 Employers will be more willing to respond to skills deficits when reported in hard skills.

P3.2 Employers will be more likely to respond to soft skills deficits in employees at higher and intermediate organisational levels such as Professionals, Managers and Senior Officials, Associate Professional, Skilled Trades and Administrative and Secretarial Occupations.

This descriptive analysis was then extended to discover the most important determinants of response to skills deficits through multivariate analyses.

RQ4. What are the main determinants of employer response to skills deficits in Scotland?

A multitude of possible employer practices were identified as possible remedies to soft skills deficits with employers not engaging in certain practices seen as more likely to experience soft skills deficits (See Chapter Four sections 4.3 – 4.7). The particular reasons determining whether employers experience soft skills deficits and whether or how they respond are likely to differ depending on the organisational context. As well as

the internal firm context, the external labour market is also likely to influence both soft skills deficits and employer response (see sections 4.2 and 4.3 for discussions of the external labour market). For example, service establishments displaying the characteristics of secondary sector jobs may find it difficult to attract suitable applicants and the transient nature of customer facing service work may mean that employers in such establishments make little effort to recruit employees with the desired skills. This may be a particular problem where local labour market conditions mean that few suitable applicants are available. Employers may instead train and socialise employees inside the firm, or alternatively ‘muddle through’ with staff that lack full proficiency. Research question 5 seeks to drill below the macroeconomic data in order to discover the way in which particular organisational contexts affect the presence of and response to soft skills deficits, meeting research objectives 3 and 4 at the workplace level. The propositions pay particular attention to the activity of the organisation; the local labour market; recruitment and selection activities; and other skills-related HR policies (training and appraisal). The research question also considers that organisational practices and policies may stand in the way of employees effectively developing and using their skills in their work, which may appear to management as skills gaps.

RQ5. How does organisational context in terms of the activity of the organisation; the local labour market; recruitment and selection activities; and skills related HR policies (such as training and appraisal) affect the presence of soft skills deficits and employer response?

P 5.1 The activities of the establishment will affect the skills that are demanded and the reasons for soft skills deficits where they occur.

P 5.2 Soft skills deficits will be more prevalent where there is a paucity of suitable candidates in the local labour market or the organisation cannot attract suitable recruits.

P 5.3 The presence of soft skills deficits and the effectiveness of responses will depend upon the efficacy of recruitment and selection policy, training and HR practices within the firm.

P5.4 Employees may be seen to exhibit skills gaps if they perceive that barriers exist inhibit skill development and job performance.

With the effect of organisational context established the research then turned to consider the individual level of analysis and what it is that employers and individuals believe help people to develop their soft skills to meet research objective 1. As discussed in Chapter Three, soft skills are socially manifested and are, therefore also socially developed. The discussion of Bourdieusian theory on individuals' actions and position in society led to the conclusion that those with greater educational, cultural and social capital were more likely to have been given the social experiences to develop and practice their soft skills. Research question 6 thus applies Bourdieusian theory directly to soft skills development. The different forms of capital may be developed through any number of social resources or are signalled by a number of proxies including education, socio-economic background, attendance at university and any periods of unemployment. It was also realised that individuals may also identify individual resources such as personality as important in the development of soft skills and so the question was left open to also consider these.

The question focused on the perceptions of managers and employees rather than a claim that this study could objectively establish which factors led to soft skill development. Because of the importance placed upon establishment contexts within the study it was considered possible that the perceptions of how skills are developed may depend upon the demands and environment of particular establishments. Perceptions of soft skills development were, therefore, also used to link soft skills and any skills deficits to their particular organisational context. There is, however, a sub-proposition to research question six that posits that a relationship will exist between an individual's perception of their proficiency in soft skills and certain objectively identifiable social resource proxies,

which were measured through the employee survey. This approach is consistent with Research Question 6 as a whole as the outcome measure was an individual's *perceptions* of their proficiency in using their soft skills within their particular workplace (see section 5.5.2.1 below). The resources considered in proposition 6.1 were identified in Chapter Three section 3.7 as important in the development of soft skills. Research Question 6 and proposition 6.1 thus read:

RQ6. Which social and individual resources do managers and employees perceive to aid the development of individuals' soft skills?

P6.1 Socio-economic background, educational achievement, experience of being a student and any time spent away from the labour market on Job Seekers'

Allowance will affect employees' perceptions of their proficiency in soft skills.

Research Question 7 considered the final individual element of soft skills deficits, the manner in which the interaction between an individual and their organisation may cause soft skills gaps due to disaffection. This research question therefore sought to meet the gap in the literature in terms of skills withdrawal and examined a specific element of research objective 3 at the individual level. This question used the discussion of the psychological contract in Chapter Four (section 4.7) to investigate whether breaches in said contract might cause individuals with appropriate soft skills to 'withdraw' these skills, causing a perceived soft skills gap in the eyes of management. If evidence of this withdrawal exists, the reduction of possible disaffection is a further response in which management can engage to reduce soft skills gaps. Research question 7 addresses a theoretical proposition that goes against conventional wisdom that skills gaps occur because employees lack skills. As a breach of the psychological contract may have multiple attitudinal and behavioural outcomes that have been identified by previous research (see for example, Guest, 2004) directional hypotheses were formulated and research question 7 thus contains three sub hypotheses (h7.1 – 7.3).

RQ7. Can soft skills gaps be attributed to employees withholding skills due to disaffection with their employers?

H7.1 Individual soft skills deficits will be negatively related to the degree of fulfilment of the psychological contract.

H7.2 Individual soft skills deficits will be negatively related to: job satisfaction, organisational commitment, motivation, the perceived state of management employee relations and effort; and negatively related to absence.

H7.3 The work attitudes and behaviours contained in hypothesis 7.2 will mediate the effect of psychological contact fulfilment on soft skills deficits.

Figure 5.1 demonstrates how the research questions were used to develop a conceptual model. The bold arrows show proposed causality in the realisation of soft skills deficits and the dotted arrows demonstrate how different concepts are interrelated with one another. Essentially the model proposes that an individual may be skilled or unskilled because of the acquisition of social resources but whether or not soft skills deficits are reported in a particular workplace depends upon a number of contextual dependencies such as the activities of the establishment, the local labour market, organisational policies (especially in HR) and whether skills withdrawal is apparent.

As stated throughout, this research did effectively stem from employer conceptualisations of skills and skills deficits. The concept of 'skill' is, however, not viewed uncritically in the analysis and the separation between employer demand for skills and attitudes is kept in mind alongside consideration of the degree of 'skill' which employers actually allow employees in their work as discussed in Chapter Three. Although the government role was not directly investigated through the empirical work for reasons of practicality, the effectiveness of government policy in furnishing individuals with the soft skills that employers require is considered when investigating

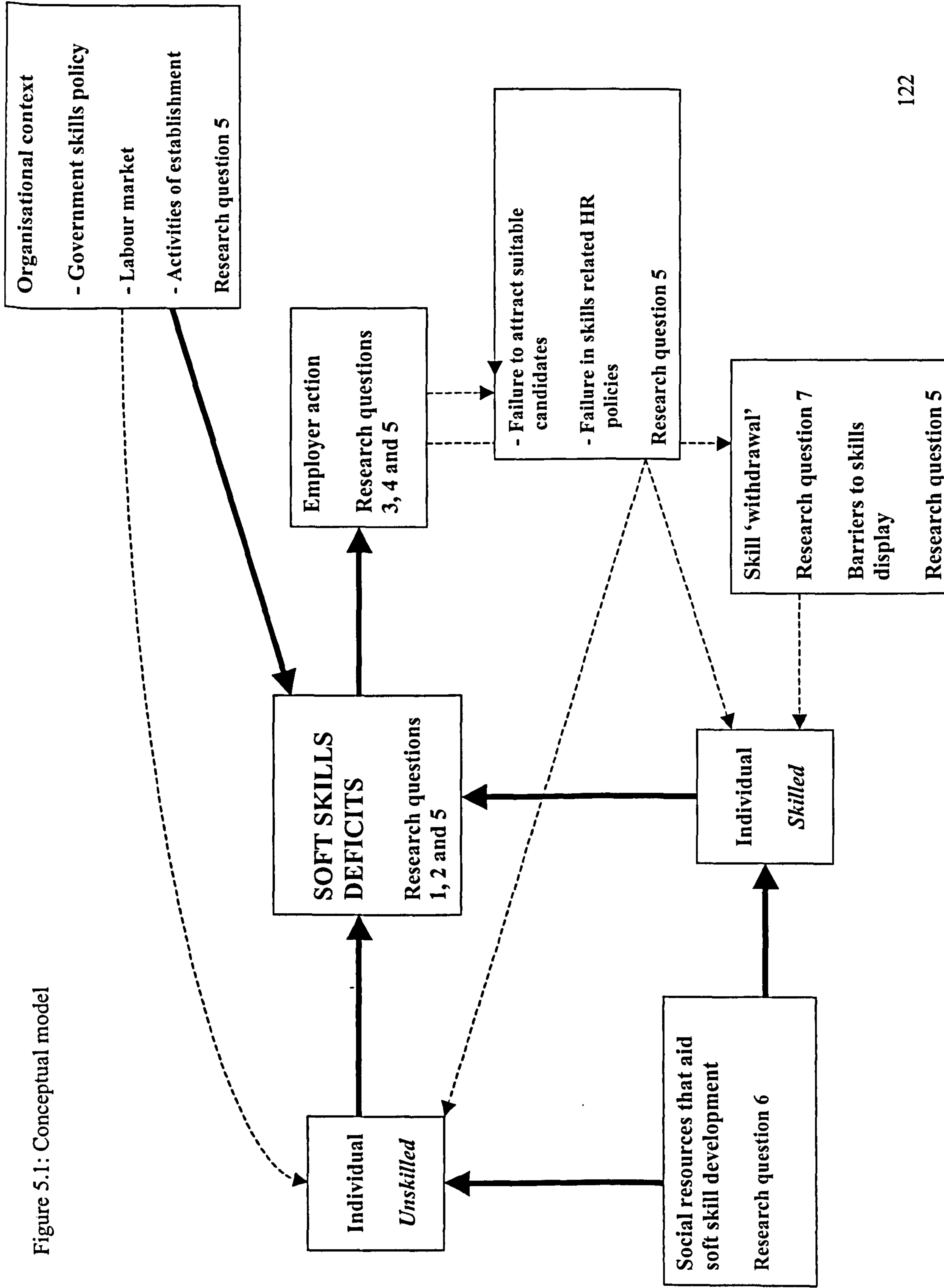
labour supply in the local labour market. Policy recommendations are also made in the conclusions chapter (Chapter Twelve) from the research findings.

5.3 Research philosophy; Critical Realism

Research Questions 1 – 4 seek to examine the ‘reality’ of the soft skills deficit picture in the Scottish economy. This assumes that this reality is in some way measurable and can be abstracted in order to produce aggregated results. These research questions have been driven by previous research and theory and effectively test prior assumptions as to what the macroeconomic picture will be. Furthermore, Research Questions 2 and 4 assume that it is possible to determine the most important determinants of soft skills deficits and response to these deficits by isolating the variable(s) that have the largest effects.

The assumptions underlying these four research questions are seemingly consistent with what one may expect if the research had been driven by a positivist philosophy. The positivist movement is concerned with the use of ‘scientific’ methods to uncover social reality and holds that rules and laws, such as found in the natural sciences are also present and identifiable in the social realm. Halfpenny (1982) described that the positivist rationale is to test social ‘facts’, make generalisations and predict future phenomena. Ragin (1994) in turn posits that the three main goals of positivistic research are to identify patterns and relations, test theories and make predictions. Positivists aim to discover universal laws and constant conjunctions that can be seen to hold for the maximum number of cases in the widest variety of settings.

Figure 5.1: Conceptual model



The positivist philosophy, therefore, allows time and context free generalisations to be discovered which can enable us to understand the 'reality' of the social world (Tashakkori and Teddlie, 1998). The onus is, therefore, on large samples and there is no room in positivist thinking for small scale studies that cannot be generalised statistically to whatever the population of interest is. To this end, the use of valid scales in order to measure social phenomena or behaviour is essential, the results of which can be used to test whether certain hypotheses hold in as controlled a manner as possible (Ackroyd, 2004). If, using this approach, certain phenomena are invariably related to others then these relationships have a strong explanatory power. The overarching aim of the positivist is to reduce phenomena to as parsimonious a level as possible; that is the fewer independent variables that can be seen to 'explain' a dependent variable the better.

Such an approach requires certain ontological and epistemological assumptions about the nature of social 'reality' and the ways in which knowledge is constructed. Ontologically, as the previous discussion should make clear positivists believe that there is a *single* reality (Tashakkori and Teddlie, 1998). Epistemologically positivism relies upon the fact that what is observed is real and it is from these 'real' events that theories can be tested (Ackroyd, 2004). It has been noted within the positivist school by Popper that it is impossible to ever collect enough information to *conclusively* prove that a theory is universal and it is instead only possible to conclusively state when a theory is *not* universal; the *falsificationist* theory (Chalmers, 1978; O'Hear, 1980). Notwithstanding Popper's critique however, the attempt to find universal laws and seek parsimonious explanations is not questioned, and the positivist ontology remains. Subsequently, the role of the researcher within the positivist school is that they should have no bearing on the reality being studied and investigation should be purely objective and value free (Tashakkori and Teddlie, 1998). Although Popper also questioned whether total value neutrality could ever truly be achieved the attempt for objectivity and distance is still a fundamental tenet of positivism.

Whilst it is possible (and indeed, preferable) to identify broad, generalisable trends and to try and isolate variables which have particularly strong effects, it is not assumed in this study that *causality* is uniform across all contexts. For this reason the study seeks to move beyond positivism and instead embraces critical realism.

Differing reasons for the same social phenomena (for example, the presence of soft skills deficits) may be apparent in different contexts, whilst a single observed phenomenon might have multiple causes and outcomes. Furthermore, the cause of social phenomena within any given context will not always be easy to identify or even possible to observe, but that does not mean that such objective relations do not exist. Research Questions 5 – 7 accept that a multiplicity of causes may explain soft skill deficits and employer action in any given context and moves beyond the assumption that there is a single best explanation of this phenomenon. These research questions also seek the perceptions and opinions of the social actors within these contexts.

The critical realist movement believes that objective ‘scientific’ laws do exist beyond the discourse and understanding of particular individuals and groups as to believe otherwise would lead to a completely uncertain existence. This is illustrated by Thompson (2004) who states that ‘...nobody would leave the house let alone get on an aeroplane or submit themselves to surgery if science had not discovered *truths* bounded by the laws of probability’ (p57 emphasis added). Despite this belief that real objects and structures exist in society this does not mean that individuals are simply passive recipients of social forces and the existence and replication of such structures depends largely on the actions of individuals within them (Sayer, 1984). Whilst accepting to a degree the positivist ontology of an objective world existing outside the individual, critical realists accept that the role of agency is also important. People not only exist within certain ‘real’ social structures but also, through their actions, help to change and form them.

The principle way in which critical realism explains social events is through allocation of phenomena within causal sequences, with an action being ‘... causal if its outcome is produced by a mechanism operative *in a given context*’ (Ackroyd, 2004; p152 emphasis added). Causal mechanisms may be unseen and difficult to establish objectively, mediated as they are by people’s conceptions of them, but that does not mean that they do not exist. This differs from the positivist assumption that ‘real’ phenomena are both observable and unambiguous. The purpose of social study is thus ‘...to analyse the way outcomes are the consequence of particular causal processes in which some actions and contributions will undoubtedly be more salient

than others' (ibid). It is wrong to say that 'real' social entities do not exist but it is equally wrong to state that there is one 'right' explanation for each social phenomenon. It is, therefore, incorrect to state 'universal laws' without considering the context in which research findings take place (Sayer, 1984). Here the role of theory is sacrosanct in establishing what causal mechanisms are present in a given situation. This essentially goes 'behind' observed data to ask what it is that may be occurring in a particular context that leads to certain observed outcomes. These theories may be open to debate and are constantly changing but this is no matter as '...the search for better metaphors and models for interpreting the world is central to theorising in social science' (Sayer, 2004, p10). By testing the applicability of a number of theories this thesis hopes to establish which are salient causal mechanisms in certain organisational contexts and which are not, building a model for the existence of soft skills deficits and employer responses in the process.

A critical realist philosophy accepts an 'objective' social reality outside of individuals' understandings, whilst also emphasising the importance of context and individual action and experiences within this context. By understanding context and experiences, causal mechanisms that explain broad data can be hypothesised, however, complicated and elusive they may be. The importance and value placed upon individuals within critical realist research is, however, not akin to an alternative research philosophy, which rejects the notion of objectively identifiable forces and mechanisms that exist outwith an individuals' understanding of them. This approach, *interpretivism* or *phenomenology* is briefly outlined to highlight the distinction of the critical realist approach.

Within interpretivism the search for social 'truths' and generalisable facts is seen as not only *impossible* but also *undesirable*. Interpretivists believe that positivism, grand theory and quantitative generalisability do not allow the *meanings* of social actors and situations to be investigated and analysed. The key objectives of interpretivist research do not involve the establishment of causal mechanisms. Instead what is acquired is depth of meaning, the ability to illuminate upon situations and describe the 'reality' of the situation as perceived by the actors that experience them (Silverman, 1985). The interpretivist researcher tries to act like an insider gaining a truly deep understanding of how individuals have experienced a particular setting or

phenomenon (Bryman, 1993). As those being studied in the social sciences are human, this school of thought believes that study should be in terms of the ‘...*unique* (author’s italics) properties of social experiences both individual and collective’ (Ackroyd, 2004 p150). Researchers should, therefore, devote time and energy to *understanding* those they research and the manner in which they conceive their own social reality. For the interpretivist school objective reductionism and the search for causal mechanisms that exist independently of the individual is a fruitless pursuit.

In the present research an objective reality that exists beyond individuals’ perceptions is accepted, as is the proposition that different causal mechanisms will be operating in different contexts, with some theories having greater explanatory power than others. This is reflected in the research questions. Multiple possible causes have been considered and the ways in which these work within certain contexts is an essential part of the analysis. The establishment of a universal cause for soft skills deficits or a single pattern of response, however, is not the object of this study.

5.4 Research design

The research was designed in two stages. Stage one involved secondary analysis of the Futureskills Scotland Employer Skills Surveys (ESS) of 2002, which constituted a representative sample of Scottish business establishments. Stage two then provided an analysis of case study establishments drawn from the data set to expand upon the broad trends discovered from the research in stage one. Stage two, in turn, consisted of three sub-stages: Semi-structured interviews with HR representatives and line managers; a survey of all employed in the establishments; and employee focus groups/interviews in the third stage. The sampling approach and response rates are discussed below.

5.4.1 Stage 1- Secondary data analysis of Futureskills Scotland 2002 Employers’ Skills Survey

The broad representative sample for the secondary data analysis is that used by Futureskills Scotland in their 2002 Employers Skills Surveys. The survey was administered at establishment level and took the form of a structured telephone

survey answered by either the establishments' HR representative or equivalent. The response rate for the survey was 55 per cent, giving a total response of 8,507 establishments (FSS, 2003). The samples were generated to be representative of both broad industry sectors and size band, with an intentional bias towards larger establishments to give greater coverage of total employment in Scotland (FSS, 2004). The results were also weighted by the Inter-Departmental Business Register (IDBR) to aid representativeness of Scotland as a whole (ibid).

5.4.2 Stage 2 – Case Studies:

The case study establishments were drawn from the 2004 ESS dataset, which became available in 2005. Although the secondary data analysis had been completed by then this sampling frame was used rather than the 2002 sample to increase the likelihood that employers would still be in business; that contact details would be up to date; and that contacts would have only recently completed the survey and so would be familiar with the subject matter. Three case studies were examined; two establishments in the sector that reported the highest soft skills deficit rate (one reporting soft skills deficits and one not reporting soft skills deficits) and one establishment in a comparable sector which reported a low soft skills deficit rate which did *not* report soft skills deficits.

The degree that the sectors were affected by soft skills deficits was ascertained by constructing indices for each sector. A composite measure was constructed which considered both the proportion of establishments reporting soft skills deficits within the sector and the sector's relative contribution to the soft skills deficits in Scotland as a whole. Although detailed sectoral results are presented in Chapter Six, the index construction is presented here as it was used for the selection of the case studies. The measure considers both soft skills gaps and shortages. Given that only a small proportion of establishments reported soft skills shortages, combining the two deficit measures loses no information. The index was constructed thus:

1. Taking those sectors with a significantly greater observed than expected rate of establishments reporting soft skills shortages in 2002, as shown by chi-square (χ^2) analyses (the establishment soft skill shortage rate).

2. Weighting the soft skills shortage rate for each of the sectors selected in step 1, by the rate of all soft skills shortages in Scotland that the sector accounted for. This rate is represented by the percentage of Scotland's overall soft skills shortages that can be attributed to the sector.

3. Following the same procedure in steps 1 and 2 for soft skills gaps in 2002.

4. Adding together the weighted rates for soft skills shortages and soft skills gaps for each sector reporting significantly high rates in 2002, giving an index score for each sector for this year.

This gives the equation: $((S_{2002} \times P_{s2002}) + (G_{2002} \times P_{g2002}))$

Where S represents the sector's establishment soft skills shortage rate; G the sector's establishment soft skills gap rate; Ps the proportion of soft skills shortages in Scotland as a whole accounted for by each sector; and Pg the proportion of soft skills gaps in Scotland accounted for by each sector. The subscript number 2002 simply refers to the survey wave. This procedure was repeated to ascertain the worst performing sub-sectors *within* the broad sectors with the highest index scores, Distribution Hotels and Restaurants, Retail and Public Administration Education and health. The same procedure was repeated on a service sector with a particularly low index score (Banking, Finance and Insurance and Business Services) to identify the 'best' performing sub-sector for comparison. When constructing the sub-sector indices the rates S and G identified in the equation referred to the sub-sectors rather than the broad sectors whilst Ps and Pg referred to the proportion of the broad sector's soft skills deficits that the sub-sector accounted for rather than Scotland as a whole.

The concept of using only those with greater observed than expected frequencies in significant models is sound as it prohibits those sectors which were over-represented in the sample from exerting an undue effect on the results. If, for example, all sectors were included, irrespective of the χ^2 results and one sector had a relatively low rate of establishments reporting soft skills deficits, but accounted for a high proportion of reported deficits in the Scottish economy because of the sample size, this would skew

the results. The χ^2 procedure avoids this bias and allows the index to reflect those with significantly greater sectoral rates before then taking into account which of these had the largest effect on the Scottish labour market.

The worst affected sector in terms of soft skills deficits, from the indices, was the Hotels and Restaurants (Hospitality) sub-sector in the Distribution Hotels and Restaurants broad sector. The chosen comparator sector was the Business Services sub-sector of the Banking, Finance and Insurance and Business Services broad sector. Although a number of non-service sectors reported few problems with soft skills deficits it was decided to select a comparator from a service sector, albeit a different one. The rationale behind this selection was to ensure that the case study contexts were not so different that meaningful comparisons could not be made. By choosing to compare an industry reporting relatively few problems with soft skills deficits to industries reporting problems, it can be established whether there was simply no demand for soft skills within this industry or whether soft skills *were* still demanded by employers but other factors contributed to the low deficit rate. It is thus the industrial context and the effects of skills demand in different industries which drove the case study selection to examine whether soft skills were simply less integral in the business services sub-sector which reported few soft skills deficits, compared to the hospitality sector reporting high levels of deficits. Given the findings in Chapter Two regarding the centrality of soft skills to interactive service industries, such as hospitality, and the importance of cognitive skills to business services the skills demand in these two service sectors was expected to be a potential contributor to the soft skills deficits rates. Furthermore, by comparing an establishment reporting soft skills deficits in the worst affected hospitality sector to one *not* reporting such deficits, differing organisational contexts *within* this sector were examined. The selection of the two case studies within the hospitality sector thus enabled the examination of establishment specific factors, other than industrial context, in determining whether or not soft skills deficits were reported. The selection of the three case studies, therefore allowed *inter* industry comparisons to be made whilst also allowing for an *intra* industry comparison within the sector reporting the greatest amount of soft skills deficits. For these reasons three case study establishments were deemed sufficient to meet the research objectives.

When selecting the case study establishments several variables were taken into account, besides the sector in which they operated. Only large establishments employing over 100 employees and belonging to multi-site organisations were considered as such establishments are more likely to have centralised HR practices (Cully et al., 1999). In theory this means that employer response to deficits is more likely to be formalised and consistent throughout the organisation. By examining large multi-site firms that account for a greater proportion of employment in Scotland as a whole, the situations affecting 'leading' employers who contribute greatly to the Scottish economy can also be established. In order that all variables of interest were considered only establishments reporting soft skills deficits that had also responded to these in some manner were considered. The final criterion was that the establishment must have agreed to be re-contacted for future research.

After applying all of these filters, there were few establishments suitable for potential inclusion (24 in Hotels and Restaurants (5 reporting soft skills deficits) and 35 in Business Services). It was hoped to select all three establishments from the same labour market so that any observed differences should come from the establishments themselves rather than the labour market. It was thus especially important to draw the two hotels from the same labour market. Glasgow had the greatest number of suitable hotel establishments (40% of those reporting skills deficits and 32% of those not reporting skills deficits) and the hotel reporting soft skills deficits in the 2004 ESS was the first selected. The two possible establishments were put into a hat and the final choice was drawn at random. The named (HR) representative was contacted by phone and agreed to be part of the study. When selecting the hotel that had reported no soft skills deficits during the 2004 ESS there were six suitable Glasgow based establishments. It was, however, realised that the author had a contact within the HR department for one of the six establishments on this list, who had recently completed a degree in HRM at the university of Strathclyde, including a research dissertation. This establishment was selected after Fontainebleau and there had been response problems within Fontainebleau (see below) that the author wished to avoid in the second hotel establishment. It was hoped that the known contact would, firstly, agree to be part of the study and, secondly, it was hoped that a better quality of access would be gained, as the respondent was familiar with the research process and response rate issues. The contact was approached and agreed to be part of the study,

although response rate issues *did* still subsequently occur within the second hotel establishment (see below).

None of the eight suitable Business Services establishments identified in Glasgow agreed to be part of the study, with the majority citing the timing (these case studies were approached close to the end of the financial year). As the two establishments from the same sector *were* situated in approximately the same locale this was viewed as relatively unproblematic and an alternative was sought. As the hotel case studies were situated in Scotland's largest city the Business Services list was narrowed down further to include only establishments in Edinburgh, Scotland's second largest city. The twelve suitable establishments from Edinburgh were placed in a hat and the first randomly selected establishment agreed to be part of the study.

The final case studies were thus two hotels, *Fontainebleau* and *Oxygen* and a business services firm, *Silex*, which provided geographical science services to both government and business clients. The hotels were both part of leading internationally renowned chains, whilst *Silex* had establishments throughout the UK, with the majority of staff concentrated in the Scottish HQ (the establishment being investigated) and the UK HQ in England. Within the hotels, *Fontainebleau* had reported soft skills deficits at the time of the 2004 survey whilst *Oxygen* had not. Despite the controls noted above there was some disparity in the sizes of the establishments although all employed over 100 staff. *Fontainebleau* employed approximately 130 staff, and *Oxygen* and *Silex* approximately 220. Due to the large part-time contingent in both hotels and the need to employ occasional seasonal staff the exact number of the workforces for both hotels was difficult for management to ascertain. The stages used within each case study are now discussed in turn

Semi-structured management interviews

All case studies had dedicated establishment HR representatives who were selected for interview. Within *Silex* there were two HR interview participants - the site's Personnel Manager (PM) and the 'Station Secretary' (SS) who effectively managed the day to day running of the site. In *Fontainebleau* the HR representative interviewed was the HR Co-ordinator (HRC) responsible for the establishment, whilst in *Oxygen*

the representative was the People Development Manager (PDM) responsible for training and skills issues. The line manager respondents were selected after discussions with the HR specialists to determine the major occupational groupings within each establishment. In the two hotels this was the same with interviews planned with the hotel's General Manager (GM) or their deputy (DGM) (responsible for the management team); the Food and Beverage Manager (FBM) (responsible for bar, restaurant and events/meetings/conference staff¹⁰); the Front Office Manager (FOM) (responsible for receptionists); the Head Housekeeper (HH); and the Head Chef (HC).

Within Oxygen the interview sample went according to plan. The only caveat was that the GM was on paternity leave and so the DGM was interviewed in his place. Within Fontainebleau, however, the process was less smooth. The GM could not be interviewed according to the HRC, and the DGM had already been interviewed as he was also the FBM and did not have time for a second interview regarding the management team. The HRC thus provided the interview regarding the management team in this hotel. As this HRC was different to that originally interviewed for the HR role (who had left the establishment to work in another Fontainebleau hotel approximately 1 month after beginning the study) this ensured that a different respondent was interviewed. The HH made a number of promises regarding interview dates and did not honour them meaning that this respondent was not interviewed despite attempting to do so for 10 months. Six interviews were thus conducted within Oxygen and five within Fontainebleau. Management interviews within Oxygen lasted for between about 40 minutes to just over an hour for the line managers, with the HR representative interview lasting an hour and 45 minutes. Within Fontainebleau line management interviews ranged from approximately 30 to 50 minutes with the HR representative interview lasting approximately one hour and 15 minutes.

¹⁰ In Fontainebleau staff who worked at events such as business meetings, weddings and other functions were known as Conference and Banqueting (C and B) staff whilst in Oxygen they were known as Meetings and Events (M and E) staff. The majority of such staff's work involved catering, waiting and bar work although they may also have to set up rooms for business meetings and act as liaisons with event organisers. In both hotels there were line managers who dealt with these departments but, like the restaurant and bar managers in each hotel, they answered to the Food and Beverage Manager

Silex operated a 'matrix structure' meaning teams were constructed for particular projects from various departments. Notwithstanding this there were distinct occupational groups for which managers could be identified. Interviews were planned with a senior Head of Discipline (HoD) (responsible for other Head Scientists in, for example, Petrology, Seismology and Palaeontology); a Head Scientist (responsible for both scientific staff and scientific support staff within a department); the Head of IT (HoIT); the Head of Cartography (HoC); and the Head of Administration (who was also the Personnel Manager (PM)). The sample thus covered a member of the senior management team; managers of scientists, associate professional and technical staff; and managers of IT and administrative support functions. These interviews were all conducted as planned. Indeed, because of the large number of scientific staff employed two Head Scientists were interviewed - the Head of Petrology (HoP) and the Head of Seismology (HoS). Although the PM was interviewed twice she was interviewed jointly for personnel matters and alone for the administrators for whom she had line management responsibility. Seven management interviews were thus conducted in Silex covering, in effect, eight respondents. The interviews in Silex ranged from approximately 30 – 60 minutes for managers; with the HR interview taking approximately 90 minutes.

Employee survey

All employees in each case study, managerial and non-managerial, were targeted for the survey (130 staff in Fontainebleau and 220 in Oxygen and Silex). The surveys were distributed to staff individually in the hotels through their line managers and returned in pre-paid envelopes. The response rates, however, were relatively poor in the two hotels *despite* offering every respondent the chance to enter a £100 prize draw in each establishment. In Fontainebleau, 22 per cent of staff responded (29 usable surveys) and 23 per cent did so in Oxygen (50 surveys). Within Silex the response rate was 47 per cent (104 surveys). These response rates are problematic and are viewed as a source of potential bias, particularly as managerial and full-time staff were over-represented in the two hotels. In both hotels managers accounted for approximately 10 per cent – 12 per cent of all employees. The final samples, however, included 46 per cent in Fontainebleau who was managers or supervisors and 48 per cent in Oxygen. Although this includes supervisors who would be classed as

employees rather than managers, the sample is still biased towards managerial employees. When considering part-timers although 60 per cent to 65 per cent of employees in the hotels were part-time only 17 per cent of the realised sample in Fontainebleau and 26 per cent in Oxygen were part-time. As the overall numbers were low, weighting was considered untenable, as bias may have been accentuated. There was also an over-representation of managers in the final Silex sample with approximately 10 per cent of the establishment's employees employed as managers, but 39 per cent of the final sample consisting of managerial and supervisory employees. The full/part time split was however, representative.

These low response rates also created potential issues with the multivariate analyses conducted in Chapters Seven to Ten as it is generally considered that there should be 10 – 15 times as many cases as independent variables, which was sometimes difficult to fulfil (Field, 2000; Hair et al., 2003). The effects that this may have had on separate analyses are presented as they occur but on the majority of occasions the models were statistically robust.

There are a number of possible reasons for the poor response rates. Within the hotels as employees do not have fixed desks or workstations and work irregular shifts, it was difficult to ensure that each employee received a survey. For this reason they were distributed directly to individuals by line managers. The customer focussed nature of work in the hotels also meant that there was little opportunity whilst on shift to complete the surveys. In Silex this was easier as staff often managed their own time and generally had fixed workstations. A final factor contributing to the poor response rates in the hotels was that both employed a large number of migrant workers, who did not speak English as their first language. At the time of investigation (2005) although the accession states had joined the EU the speed with which workers from these states had taken jobs in the UK has been underestimated. Although the survey instrument was worded so as to be clear and easy to understand as possible (see Appendix 1) the fact remains that some questions may have been difficult for respondents whose first language was not English. This difficulty was indeed, confirmed by the HR representatives in the hotels.

Efforts were made to improve the response rates in both hotels. In Oxygen the HR specialist was sympathetic to the vagaries of research, having recently completed her degree dissertation and did her utmost to improve the response rates by encouraging staff to complete surveys. This individual distributed additional surveys at a training session for customer facing employees. She believed that any further persuasion by the author visiting the hotel would have been fruitless and was not willing for this to occur. In Fontainebleau the original response rate, via post was only 18 surveys (17 of which were usable) and the HR specialist allowed access to the staff room for three days to try and improve the response rate. The three days were, however, during the week as it was considered too busy at the weekends, which would have been a preferable time to visit the hotel. Notwithstanding this, the visit yielded a further 12 survey responses.

Employee focus groups/semi-structured interviews

It had originally been planned to conduct two or three focus groups with four to eight staff within each establishment. In all case studies the main contacts (the HR specialists in the hotels and the SS in Silex) believed that it would be too difficult to organise separate focus groups for each occupation and so it was decided to conduct mixed focus groups for all front-line non-supervisory staff, with the final number of groups depending upon the total number of participants. In Fontainebleau the HRC agreed to facilitate voluntary participation in the focus groups by placing a 'sign up' sheet designed by the author in the staff room and staff canteen. The proposed times and days of the focus group were designed to capture the maximum number of staff either before or after their shifts, with employees asked to sign up to one of three proposed focus groups. As employees were not to be paid by Fontainebleau for taking part, music/DVD gift vouchers were offered as an incentive. Despite these efforts not one person signed up for the focus groups.

Within Oxygen the HR specialist had agreed to try and organise two mixed focus groups with staff and was going to build this in to their shift so that they would be paid. Unfortunately, despite attempting to roster staff in order to do this, she could not manage to do so because of staffing levels and business within the hotel.

In Silex, the SS distributed an e-mail written by the author to staff. Because the focus groups were organised during work time no incentive was considered necessary. Only three, responses were forthcoming and the SS sent a follow up e-mail to managers in an attempt to try and persuade their staff to attend. Managers however, were either unwilling to try and persuade their staff where they had not made a voluntary decision to participate, or else were preoccupied with how the staff were to be paid and were unwilling to allow employees the time to participate. The Station Secretary believed no more could be done and one 'focus group' with three employees was conducted within Silex. The focus group lasted for approximately an hour.

In both hotels the main contacts were happy to allow access to staff to interview them individually, if their line managers agreed. Individual interviews were thus conducted on a 'convenience' sampling basis. Within Oxygen the PDM organised the interviews and recruited four individual interviewees. Two of these were from the food and beverage (F and B) team (one from one of the restaurants and one working in F and B generally), one from the meetings and events (M and E) team and one from the front office (FO) team. It was considered too difficult to recruit housekeeping or kitchen staff, because of workload and also, in the case of housekeeping staff, because most did not speak English as a first language. The PDM also made a transcript available of a focus group she had conducted herself in the hotel for her dissertation project earlier in the year. This focus group, consisting of eight customer facing staff in food and beverage and front office positions was conducted around the topic of aesthetic labour and included questions about self-presentation and customer service in general, as well as managers' expectations of customer facing staff and recruitment and selection issues. As this focus group was not designed specifically for the purposes of this study it was used sparingly and mainly for contextual purposes but was still an invaluable source. The full focus group interview schedule is included in Appendix 2. Interviews with employees in Oxygen ran from approximately 30 – 50 minutes.

Within Fontainebleau the author contacted line managers directly and the Front Office Manager, Conference and Banqueting (C and B) Manager and Restaurant Manager all agreed to allow staff to be interviewed. One receptionist, two members of waiting staff and four members of C and B staff (who also predominantly engaged

in waiting and/or bar work) were interviewed. The kitchen was considered too busy to allow staff time for interviews, whilst the HH was, again, not willing to co-operate. The conference and banqueting interviews were conducted as two interviews each with two respondents. Five interviews were thus conducted with seven respondents. The interview times ranged from approximately 25 - 35 minutes. Tables 5.1 and 5.2 show the breakdown of respondents in each case study, and the characteristics of the employee interviewees.

Table 5.1: Breakdown of case study respondents

Case study	Survey responses	Survey response rate	Management interview respondents	Employee interview respondents
Fontainebleau	29	22.3%	5	7
Oxygen	50	22.7%	6	12 (8 as a focus group)
Silex	104	47.2%	7 (2 interviewed for initial HR interview one of which also interviewed as line manager)	3 (as a 'focus group')

Table 5.2: Characteristics of employee interviewees in the case study organisations

Case study	Gender mix	Occupations	Full/part-time
Fontainebleau	5 male 2 female	4 Conference and Banqueting; 2 waiting staff; 1 Receptionist	3 FT; 4 PT
Oxygen Interviews	1 male 3 female	2 Food and Beverage; 1 Meetings and Events; 1 Front Office	1 FT; 3PT
Oxygen focus group	Both male and female	All customer facing (e.g. food and beverage, meetings and events, front office)	Both full and part-time
Silex	1 male; 2 female	1 Geographical Information Systems Analyst/programmer (scientific staff member); 1 Cartographer; 1 Scientific Support	All FT

It is undeniable that the sample of employee interviewees was neither as numerous nor as diverse as intended, despite the best efforts of the author and the main contacts in each case study. This does have the caveat that the depth and intensity of the qualitative research intended as part of the critical realist approach was not quite achieved to the desired degree, although valuable and deep insights were still gained. Whilst the samples of employees are not generally representative of all employees in each establishment, however, Table 5.2 shows that they did still come from a number of occupational groups and included both male and female and full and part time staff. In Silex all respondents were full time, but this was consistent with the vast

majority of staff employed at the establishment. In the two hotels the fact that the majority of employee interview respondents were part-time also served as a way to validate the survey sample that was skewed towards full-timers. The relatively small number of respondents means that the interview findings should be interpreted with caution, but, when combined with management interviews and the employee survey, the interviews provided much detailed information. It is, however, accepted that problems with the volume of data impacted the analysis of those research questions that drew predominantly on the employee interviews, most notably Research Question 6 examining perceptions of soft skills development. Issues with response rates are unfortunate although do arise from survey fatigue (Klassen and Jacobs, 2001) which may be a particular risk where respondents are contacted a number of times in a short space of time (Sinickas, 2007) as was the case in this study. Data inadequacies are noted, where appropriate, in the analyses that follow. The number of the management interviews was not considered problematic as the managers that were selected were 'key respondents' responsible for the major occupational groups within the hotels and were in the best position to comment about skills issues within their employees alongside relevant organisational issues, policies and practices.

As well as the issue with the volume of employee qualitative data for certain research questions, it could be the case that as management effectively selected the respondents in both hotel case studies, there may have been bias in terms of selecting respondents with positive views on the organisation. In both hotels, however, managers simply selected from whomever was available at the time with the times of interviews determined by the author. It is also the case that in all establishments the interview respondents were non-managerial which helped to remove some of the bias evident in the survey sample. The interviews thus, despite the issues raised above, allowed employee voice to be heard, provided some depth absent in the survey, served as a means for validating the survey responses through data triangulation and reduced some of the issues with bias in the realised survey sample.

Pilot Study

Although occurring before the case studies the pilot study is discussed here as it was used to test the methods that are discussed in detail below in section 5.5. The pilot

study establishment was selected so as to be representative of the establishments in the main study. It was decided that the pilot should be in one of the worst affected sectors (Hospitality or Retail), that it should have over 100 employees, be part of a multi-site organisation and be in the 'Central Belt' region of Scotland. Pre-existing contacts within the Scottish Centre for Employment Research in the Department of Human Resource Management at Strathclyde University were used in order to choose a suitable establishment. Unfortunately, no suitable hotel establishments were able to assist at the time and thus a retail establishment was selected. The establishment chosen was a branch of 'White's' a supermarket chain operating throughout Britain. The establishment was situated in East Kilbride (near Glasgow), employed approximately 155 staff and had a large contingent of part-time staff (approximately 60 per cent of front-line staff). Within the pilot study the HR interview was conducted in full and surveys were distributed to all employed within the store. No line manager had time to conduct a full interview but one spared some time on her break to look through the schedule to highlight any difficulties or ambiguities. The employee questions were also discussed with an employee on her lunch break.

One issue that needs to be addressed at the design stage is that of response rate in the pilot study and measures taken to overcome problems in the main study. The surveys in the pilot were left by the HR manager in the staff room along with employees' pay slips, a paid return envelope and an explanatory note as to the purpose of the study. Originally only 17 responses were returned, a response rate of approximately 11 per cent. In order to improve this, the author was allowed to visit the store for a day to approach employees in the staff room; chocolate was also offered to increase the response rate. Six extra responses were collected, giving an overall sample size of 23, a response rate of approximately 15 per cent. Although this was poor the responses were considered an adequate sample on which to conduct reliability analyses, presented in the survey measures section below.

Ways to improve the response rate in the main study were considered and it was decided, where possible, to interview line managers first in order to increase managerial 'buy in' with the project in an attempt to allow staff time to complete the surveys. It was also attempted to distribute the surveys to staff directly rather than leaving them somewhere to be collected. Although this was difficult in the two hotels,

as staff rarely had fixed places of work, in Silex surveys were either placed in staff 'pigeon holes' (i.e. post boxes) or delivered directly to their desks. The HR representative in Oxygen also attempted to give some surveys to staff directly through distributing them at a training session. In Fontainebleau the establishment was also visited in an attempt to improve response rates as in the pilot (see above). The final and perhaps most direct measure to maximise the response rates was to offer all completing the survey the chance to enter a prize draw for £100 in each establishment.

5.5 Methods, research tools and measures

5.5.1 Stage 1 – Secondary data analysis of FSS 2002 employer skills survey

Before considering the specific measures that were utilised from the surveys, a brief discussion is needed on the use of survey methods, which are also applicable when discussing the employee survey used in the case studies. Traditionally, the use of surveys is seen as consistent with positivist epistemology in that objective abstractions can be extracted from social subjects. They generate large scale, representative, data from which generalisations can be made (Ragin, 1994). Through sampling and statistical procedures such as weighting, survey data can be representative of the population being studied in a way that smaller scale research cannot. Furthermore surveys can help to reduce bias in the process as they are often completed in the absence of the researcher and data is, therefore, not open to subjective interpretation on the part of the researcher (Mangione, 1995).

The disadvantages of surveys are also self-evident from both the advantages highlighted above and the earlier discussion of interpretivist ontology. Most pertinently surveys do not allow the depth of understanding which qualitative investigation allows in terms of the experiences and meanings of the social actors under investigation (Bryman, 1993). Furthermore the 'objective' imposition of the researcher's framework through pre-established closed questions may not allow the true reality of a situation to be uncovered, instead forcing actors into pre-determined closed answers. This imposition also means that emergent concepts cannot be analysed as they can through techniques such as interviews. It can also be the case

that by simply establishing statistical results and relationships the researcher is effectively abstracting social phenomena whilst possibly ignoring the underlying reasons *why* things are as they are (ibid).

Adopting a critical realist viewpoint can negate many of the problems associated with survey research. The causes of observed results in a particular setting can be contextually elucidated, whilst also accepting the possibility that multiple causes for any given statistical relationship or finding may be apparent (Ackroyd, 2004). Furthermore, the triangulation of quantitative and qualitative methods within this study allow for a level of depth that surveys alone do not allow.

Survey measures

A full discussion of the contents of the Futureskills Scotland (FSS) Employer Skills Surveys (ESS) (hereafter referred to as the ESS) is beyond the remit of this research, but the variables used within the secondary data analysis are discussed below. The full FSS survey schedule is contained in Appendix 3 and all references to specific questions in this section are made in relation to this appendix. Essentially, the surveys allowed the presence of skills shortages and gaps to be identified within each establishment. For skills shortages this was done through a series of questions designed to establish whether hard to fill vacancies (HtFVs) were present and if so whether these were skills-related (questions 23 – 32, excluding 30). Skills gaps were assessed through the proficiency of employees in each major occupational group (questions 46 – 49, excluding 48). This approach is also consistent with the English National Employer Skills Surveys (NESS) conducted between 2002 and 2005 (LSC, 2003; 2004; 2006). Twelve skills were identified as possible reasons for deficits including five soft skill areas: Oral communication, customer handling, team-working, problem solving and planning and organising. The ‘hard skills’ identified by FSS were basic and advanced ICT skills, written communication, literacy, numeracy, strategic management and technical/practical skills (see questions 32 and 49). Skills deficits were reported by occupational group, listed as the broad categories in the government’s most recent version of the Standard Occupational Classification (SOC) (ONS, 2000): Managers and Senior Officials; Professionals; Associate Professionals; Skilled Trades; Administrators and Secretaries; Personal Service; Sales/Customer

Service; Process Plant and Machine Operatives; and Elementary Occupations (see question 47a). The industrial classifications used to categorise establishments were based upon the broad classifications of the official 1992 Standard Industrial Classification (SIC) devised by the Office for National Statistics (ONS). The final nine classifications in the surveys were Agriculture, Forestry and Fishing; Energy, Water Mining and Construction; Manufacturing; Banking, Finance and Insurance and Other Business Services; Public Administration, Defence, Education and Health; Transport and Communication; Distribution, Hotels and Restaurants; and Retail and Other Consumer Services (question 4).

As well as information on the sector in which an establishment operated, other establishment information was also included: the geographical location of the establishment (based on Scottish Enterprise's 22 Local Enterprise Forums (LEFs) areas); the number of employees employed by the establishment; and whether the establishment was a multi-site establishment (questions 1b, 3, 4 – 6 and 8 - 9). Measures were also included on firm specific characteristics and procedures. The turnover rate was calculated from questions 12 - 14 whilst respondents were asked to evaluate the attractiveness of their establishment, compared to competitors, for someone seeking their first full-time job on a four point scale ranging from 'not at all attractive' to 'very attractive' (question 44). Respondents were also asked to state which of a number of formal skills related HR practices were in place within the organisation (questions 72-73). These skills related HR policies included a business plan, an HR plan, a training budget, training needs assessments and staff appraisals. These five elements were constructed into an index for multivariate analyses with a one point increase for each additional practice, with the index ranging from 0 – 5.

As well as assessing the extent of skills deficits, the survey asked establishments if and how they had responded to these. The responses identified for skills *shortages* were: Offering higher pay/financial rewards; enhancing terms and conditions; considering a wider range of applicants; giving tasks to other staff; automating tasks; hiring part-time staff; hiring contract staff; building links with schools/colleges/universities; using more extensive recruitment channels; spending more on recruitment/using more expensive recruitment methods; recruiting staff from overseas; offering training to the less well qualified; retraining existing staff;

contracting work out; and any 'other' response (see Q 37). The possible responses to skills *gaps* identified in the surveys (question 51) were: increasing recruitment; providing further training; changing work practices; relocating work within the company; expanding recruitment channels; increasing/expanding trainee programmes; recruiting from overseas; and using monitoring, appraisal or feedback. The range of possible responses identified by the ESS, therefore, covers the possible responses discussed in chapter 4 sections 4.3 – 4.6 (with the exception of socialisation which may be covered within training). The ESS also offer alternatives not discussed, such as recruiting from overseas.

5.5.2 Stage 2 - Case Studies

Before discussing the case study selection itself the merits of the case study approach need to be addressed. Case studies themselves by their very nature do not lend themselves easily to definition. Indeed, each case study in each piece of research is unique. However, the role of context is key with Yin (1993) describing case studies as '...the method of choice when the phenomenon under study is not readily distinguishable from the context' or where the '...boundaries between phenomenon and context are not clearly evident' (p3). Thus rather than examining phenomena in abstract it is assumed the context itself may provide explanation for the phenomena under observation.

This importance placed upon the role of context within this study is essential given the critical realist approach to social discovery that was adopted. As a wide range of dimensions can be covered in a case study, unlike the traditional parsimony found in positivist research it is the detail and depth of the data collected which are of key importance (Gomm et al., 2000). The fact that contextual factors both within and outwith the firm have been postulated here to provide possible explanations for skills deficits suggest that it is incorrect to ignore context and thus the use of the case study method is entirely appropriate. Furthermore, what is found in one case study may be true of what is happening in a similar context elsewhere, allowing for theoretical, if not statistical, generalisation. By developing theory and assigning importance to the role of context case study findings can be both informative and valid.

The possible critique of the lack of representativeness of case studies can also be allayed through considering the present research design as a whole. Within this study the case studies are not used in isolation and the selection of the case study establishments was from representative macroeconomic data. The case studies were chosen so that the patterns of soft skills deficits in the national data could be elucidated upon whilst also allowing inferences about causality to be made. These are not idiosyncratic case studies but selected systematically so as to be of maximum relevance to the study and the phenomena under investigation

Within the case studies data triangulation was achieved to increase the validity of the results through using interviews, a survey and focus groups. Triangulation is defined as ‘using several methods to reveal multiple aspects of a single empirical reality’ (Miller and Fox, 2004 p35). By examining phenomena from more than one standpoint, this allows more to be discovered about an object or event in order to establish best the reality of the situation. By using multiple sources of data collection, the advantages of one method can often be used to counter the disadvantages of another method. Thus, for example, interviewing case study respondents can expand upon the lack of any qualitative depth in the FSS data regarding certain trends. It is also the case, as discussed above, that the qualitative methods can be used to reduce sampling bias evident in the survey.

5.5.2.1 Case study method 1 - Employee survey

The discussion of survey methodology above has highlighted the usefulness of surveys at the macroeconomic level, but surveys also allow representativeness to be achieved within smaller settings, such as individual workplaces. This is especially pertinent where it is feasible to sample the entire population under study, as in the case study establishments investigated here. The measures used in the survey and their sources are discussed here. The full survey instrument is included in Appendix 1 and any references to specific questions in this section are made to this appendix.

Survey Measures:

Many of the measures in the surveys constituted pre-validated scales used in previous research. All measures used and any alternatives considered are presented below depending upon the construct they are measuring. The survey itself consisted of five sections (see Appendix 1). Section A 'About your job' asked respondents for information on their job title; time in their job, company and labour market; employment status (i.e. full time, part-time, permanent and temporary); the importance of various skills used on the job and their ability to carry out certain activities related to soft skills. Section B 'Your perceptions of your employer' focussed upon the state of the psychological contract; and various outcomes of the contract such as absence, motivation, loyalty and the perception of employee relations. Section C 'Satisfaction with your job' contained a further psychological contract outcome, job satisfaction, broken down by various facets. Section D 'Training and rewards' was concerned with training and appraisal activities and the receipt of pay rises or other enhancements. The final section, E, 'About you and your family' asked demographic questions such as age; highest achieved level of education; whether or not the respondent was at university or college; salary; questions to ascertain the socio-economic background of the respondent's parents; and a further question concerning any periods of unemployment.

The structure thus went from reasonably descriptive job related questions through to work attitudes and organisational experiences and then finally, on to potentially sensitive questions regarding class and personal information. This type of structure has been recommended so that sensitive questions least likely to be answered come at the end of the survey in order not to prejudice the collection of other data (Sudman and Bradburn, 1982). Such a structure also builds confidence in the respondent by starting with relatively simple factual information before moving on to attitudes (ibid). Other elements of good survey design were followed such as a full explanation of the study; informed consent and assurances of confidentiality; polite, clear and unambiguous question wording; and the use of filter questions where appropriate (for a general discussion see ibid; Oppenheim, 1992; Mangione, 1995; Czaja and Blair, 1996)

The importance of soft skills

The importance of soft skills for employees' jobs was measured through two approaches contained within questions 7 – 34, both of which constituted a job analysis approach to skills requirements. In question 7 respondents were asked to select the skills that they used in their jobs on a daily basis. The categories used for this question were from the ESS, alongside three soft skills areas that were missing from this source (leadership, managing appearance and emotional self-presentation). Respondents were then asked in question 8, to rate which three skills from those they selected were the most important within their job. The use of the ESS skills measures was important to ensure consistency with the large scale data and also allowed the importance of *all* skills to the job to be assessed rather than the soft skills alone. By asking respondents about the use of all skills the relative importance of soft skills for each job was ascertained.

Questions 9 - 34 assessed the importance, specifically, of soft skills to the respondent's job. The Skills Survey, conducted by associates of the leading UK research centre Skills. Knowledge and Organisational Performance (SKOPE), funded by the Economic and Social Research Council (ESRC) was considered an ideal source to assess the importance of soft skills. The Skills Survey is an established UK wide survey of job skills taken from the point of view of the individual worker. The survey has been repeated in 1986, 1992, 1997, 2001 and 2006 with the final samples approaching 5,000 individuals so as to be representative of the UK labour force (Felstead et al., 2007).

Within the Skills Survey scales measuring the importance to employees' jobs of the 'key skills' of 'problem solving', 'communication and social skills' and 'team-working', were identified. Each skill was measured on a five point Likert scale ranging from 'essential' to 'not at all important'. The scales had reported Cronbach alpha reliabilities of 0.86, 0.80 and 0.74 in the 1997 Skills Survey (Ashton et al., 1999). A further scale was developed which constituted planning and organising. Ashton et al., conducted factor analyses and found that the problem solving and team-working scales were all explained by a single factor. The communication and social skills scale, when combined with skill areas identified as constituting planning and

organising was, however, seen to load onto four factors namely client communication (akin to customer service), horizontal communication, professional communication (akin to leadership and making presentations) and planning and organising. The 'key' skill variables identified by Ashton et al., (1999) were retained for the employee survey and the scales were used in this study in terms of the factors identified above. Questions 9-14 in the employee survey constitute the communication and social skills scale, questions 15 and 16 the team-working scale, questions 17-20 the problem solving scale and questions 21-24 the planning and organising scale. In addition to the skills represented by these scales the various different communication factors are formed through combining questions 10, 15-16 and 22 for horizontal communication; 9 and 12-14 for client communication; and 10 – 12, 20 and 22 for professional communication.

The scales used above neglect the soft skills of self-presentation and emotion management pertaining to aesthetic and emotional labour. Although scales covering emotional and aesthetic labour skills were contained in the 2006 skills survey, this was published too late to be used in this study (Felstead et al., 2007). Questions from a survey of aesthetic labour (SCER, 2004) were considered applicable even though they were originally used to obtain categorical data rather than trying to 'scale' the skill of physical self-presentation. Indicative questions were selected and formatted according to the scale used by Ashton et al (1999). These aesthetic labour questions are contained in questions 25-26, 31 and 34 in the final employee survey.

For emotional 'self-presentation', that is the ability to present oneself positively to others, various measures were considered but those eventually chosen were two subscales used by Zapf et al., (1999) in their study of the link between the requirements of emotion work and stress. The scales, both three questions long, measure 'sensitivity' and the 'positive emotions' requirements of jobs, which were found by Zapf et al. to constitute two single factors. This scale, therefore, includes items such as empathy, the expression of pleasant emotions and showing different emotions depending on the situation. Within Zapf et al.'s study, which consisted of three different samples the alpha scale reliabilities for sensitivity were 0.92, 0.80 and 0.82 whilst for the expression of positive emotions they were 0.90, 0.81 and 0.52. The wording was changed slightly from Zapf et al.'s study as their focus was solely on

customer relationships, whilst the purpose here is to consider any self-presentation in work whether this is for customers or colleagues. The sensitivity requirements scale is found in questions 27 - 29, whilst the requirement for positive emotions is found in questions 30 and 32 - 33.

Other possible measures for emotional self-presentation, considered, were Brotheridge and Lee's (2003) emotional labour scale and Snyder's (1987) self-monitoring scale. Brotheridge and Lee's scale covered the factors of, duration, frequency, intensity and variety of emotional display at work and the engagement in surface acting and deep acting (op cit). Although the 'surface acting' factor reflects changing one's behaviour to that which is appropriate for the situation it was considered to be inappropriate, as such questions are not entirely consistent with the job analysis approach. A job will only require 'surface acting' if the employee's affective state is different from the emotion they are showing, thus surface acting is not a job requirement *per se* but a way in which a job requirement is fulfilled in a particular affective state.

The job analysis questions of Brotheridge and Lee regarding the duration, frequency, intensity and variety of emotional display were also considered. However, the scale reliabilities were not as high or consistent as those reported by Zapf et al. The questions were also concerned solely with the frequency and intensity of emotional display rather than the requirement to know *when* to behave in a certain manner and the *nature* of the emotions (e.g. positive or negative) being expressed.

The self-monitoring scale has been used in a number of psychological studies and is a well-established research tool, but was ultimately deemed inappropriate (Snyder, 1987). This scale aims to establish the degree to which an individual monitors his or her own behaviours in social situations. The scale was rather long and as many other measures are also included, the use of 18 questions to establish self-presentation was considered excessive. Although the scale did on occasion focus on behaviour this was not related to job requirements and the scale on the whole was more concerned with innate traits. This is inconsistent with the approach taken here to analyse the requirements of jobs, rather than the traits of those doing the jobs.

The most widely cited factor analysis of this scale is that conducted by Briggs et al (1980). This identified three factors, 'extraversion', 'acting' and 'other directedness'. The first two of these are inappropriate as it is not the aim of this study to measure personality traits and the acting sub-scale appears '...a better instrument for selecting actors than it is a measure of self-presentation in everyday life' (p684). It is the person's ability to fulfil soft skills related job requirements rather than an innate quality that makes a good actor, which is being considered in this study.

The 'other directedness' factor appeared the most relevant as this is related to the consideration of others in social situations. Many items, however, were simply related to appeasing people. These are subtly different; doing exactly what people want is not the same as skilfully adapting your behaviour to suit certain social situations. Briggs' study found that people scoring well on the 'other directedness' measure tended to be tense, awkward and inhibited socially, without the confidence, self-assurance and shrewdness which Snyder associated with high self-monitors. This runs contrary to the theory uncovered through the literature review that those with good self-presentation are likely to be assured in social situations and know exactly when to show the 'correct' emotions.

Soft skills deficits

In order to establish whether individuals may have a skills deficit, the competency of individuals in their work was assessed. For consistency, competency questions matching the job analysis questions from Ashton et al.'s (1999) Skills Survey were selected. Those selected were simply those that match the job analysis questions with the responses for each ranging from 'always' being able to carry out the activity effectively to 'hardly ever' being able to carry out the task effectively. The scales are however, 'stretched' at the top end to allow a greater variety of response (Ashton et al., 1999 p 29). By anchoring skills in job behaviour and asking how frequently respondents can carry out the 'soft skill' elements of their work, it can be established whether a mismatch occurs between the requirement to carry out certain tasks and the respondents' effectiveness in said tasks.

For the self-presentation and aesthetic labour questions there were no 'ready made' corresponding competency questions. Competency questions were, therefore, created by formatting the questions regarding the importance of self-presentation and aesthetic labour to employees' jobs in the same manner as had been used in the Skills Survey. The competency questions were also presented in a different order to the questions regarding the importance of soft skills to avoid response set bias (Ashton et al., 1999). The competency questions are contained within questions 35 - 61 of Appendix 1.

The use of these job analysis type questions that embed skills in the job is done to remove the possibility of response bias. It is not appropriate to ask employees directly how 'skilled' they perceive themselves to be as this phrasing effectively wedds the skill to the individual. This has the connotation that such questions may be linked intrinsically to an individual's sense of self worth and self esteem, making a negative response less likely (Ashton et al., 1999).

A soft skills deficit index was created for each of the soft skills scales. This self-perception of deficit was measured using the individual's competence score for each of the soft skills items captured in the survey, weighted by the reciprocal of the corresponding question which asked how important each skill was to the individual in their job. The competency scores were reversed so 'always' being able to carry out a task was scored as 1 and 'hardly ever' being able to carry out a task as 5. Each item was then weighted by the reciprocal of the importance scores with 'essential' being 5/5 and 'not at all important' 1/5. For each soft skills scale the weighted items were then averaged to give an overall deficit index for each ranging from 0.2 – 5. A composite index was also created for all soft skills by combining and averaging the individual soft skills deficit indices. Higher values thus indicated lower competency and therefore a deficit.

Psychological contract measures

As has been stated in Chapter Four the concept of the psychological contract is included to establish whether contract breach and possible outcomes of this reduce effort or cause soft skills deficits through 'withdrawal'. The measures that establish

psychological contract breach and possible mediating outcomes of this are taken from research conducted for the CIPD (Guest and Conway, 1997 and 2001). The state of the contract was measured through an eight item scale regarding employees' perception of the fulfilment of various organisational obligations such as fair pay for work done; promises about the amount of work and effort required; job security; career promises; and relationships with management. The items each used four point response categories ranging from complete fulfilment of obligations to non-fulfilment of obligations.

Measures used in other studies were also considered although many of these focussed specifically on the content of the psychological contract rather than its fulfilment and potential outcomes of breach. Herriot et al, (1997), for example, based their study of 184 employees on critical incident interviews to determine the content of the contract rather than the degree to which the contract had been fulfilled. A further study by Rousseau (1990) was concerned with the types of obligations inherent in the contract and differences in the perceptions of obligation between management and 'new hires'. Rousseau's study was outside the scope of this study as the primary focus is on skills withdrawal and the state of the contract rather than congruence between managers' and employees' views.

A further longitudinal study by Rousseau et al (1994) investigated changes in employees' perception of employer obligations over time. This was considered as inappropriate as it was not the aim of this present study to determine the manner in which employees' perceptions of obligations had changed and indeed, this would be impossible as the fieldwork for this thesis is not designed longitudinally). A suitable study that investigated contract breach was considered (Robinson and Rousseau 1994), however, the authors used single items to measure contract breach and thus the multi-item approach of Guest and Conway was considered preferable. A final alternative considered was Lester and Kickul's (2001) study of the elements that 268 MBA graduates believed were important in the psychological contract and the degree to which these had been fulfilled, however, the scale used was 38 items long. This was considered too lengthy for the present study, as the questionnaire contained many measures it was considered necessary to keep batteries of questions as short as possible, whilst still using multi-items scales. Furthermore, the respondent group for

Lester and Kickul's study (MBA students) may have had very different expectations to the respondents from this study, especially where 'low skilled' service employees are concerned.

The questions taken from Guest and Conway's survey instrument, regarding the state of the contract itself, are contained in the survey in questions 62 - 67c. Guest and Conway's analysis of the reliability of this scale revealed that these questions loaded onto a single factor and had an alpha reliability of 0.82 in 1997 and 0.88 in 2001.

Outcomes of psychological contract breach

It was also stated in Chapter Four that outcomes such as job satisfaction, effort, commitment, motivation, absence and the perception of employee relations may mediate the relationship between the psychological contract and any observed behavioural outcomes. Guest and Conway's (1997; 2001) surveys measured such relationships and included measures for these outcomes. Although Guest and Conway did also include a global job satisfaction measure, this was considered to lack detail on specific job facets. The satisfaction scale, therefore, was dropped and a facet measure chosen which is discussed below. Measures on job security and organisational citizenship behaviours (OCB) were also dropped from Guest and Conway's study. The job satisfaction measure eventually chosen included job security as a facet, whilst OCB was considered outside the scope of this investigation as the withdrawal of skill revolves around role behaviours expected of the job rather than *extra* role behaviours.

The motivation scale consisted of two items (questions 68 and 72, Appendix 1) that was shown to have a reliability of 0.72 by Guest and Conway (2001). The perceived effort scale in the 1997 survey consisted of four items with an alpha of only 0.56 so the single item measure used in the 2001 survey was included in question 69.

Commitment to the organisation as shown by loyalty was measured through two items in questions 70 and 71. The alpha for this scale was 0.72 in the 2001 CIPD survey. Perception of management/employee relations was included as a two-item measure in the 1997 CIPD survey with an alpha of 0.75 and is contained within questions 73 and 74. The absence measure (question 75) simply asked about the

number of absences in a year not related to employer-sanctioned activities such as statutory leave and training.

Job satisfaction was included as a potential outcome of perceived psychological contract breach that could cause disaffected employees to withdraw skills. It was decided that a global measure of job satisfaction lacked detail and a facet measure was chosen instead. The measure chosen was Hackman and Oldham's (1975) measure of job satisfaction from the Job Diagnostic Survey (JDS) including the facets of job security, pay, personal growth, supervision and social relations. The original study of 658 employees in seven organisations only provided reliabilities for three of the sub scales (growth, social and supervision) as the other two sub-scales were added after data collection. Whilst the growth and supervision sub-scales had high alphas in Hackman and Oldham's study (0.84 and 0.79); social satisfaction only had an alpha of 0.56 (op cit p164). The reliability of the growth score and the overall measure for general satisfaction is further supported by later research (Champoux, 1980; Ferris and Gilmore, 1984, Bottger and Chew, 1986). A further study (Bishop, 1999) also validated the social relations and supervision facets in a study within a US automobile plant; the two scales had alphas of 0.86 and 0.93 respectively. Satisfaction with social relations at work thus had an acceptable alpha within Bishop's study and was retained for the employee survey. On balance, the reliability of the scale as assessed by previous research indicates that the measures are acceptable for inclusion. The JDS satisfaction measure is included in questions 76 – 89 (see Appendix 1). The security subscale is represented by questions 76, 85 and 86; the pay and rewards sub-scale in questions 77 and 89; the growth satisfaction sub-scale in questions 78, 81, 84 and 87; the social relations sub-scale in questions 79, 82, 85 and 86; and the supervision sub-scale in questions 80, 83 and 88.

The JDS was retained for reasons of practicality and appropriateness as well as reliability. The measures covered are those that could possibly lead to withdrawal of soft skills i.e. job conditions (pay and security), the quality of interactions with others (social and supervision) and the intrinsic appeal of the job itself (growth satisfaction). The discussion in Chapter Four highlighted that poor pay, security, authoritarian supervision and poor intrinsic satisfaction were all features of 'secondary labour

market' or 'lousy' jobs. The measure is also relatively short, a key consideration given the fact that the number of items making up the survey was large.

Other facet measures of job satisfaction were considered such as the Minnesota Satisfaction Questionnaire (MSQ) the Job Descriptive Index (JDI) and Spector's (1997) Job Satisfaction Survey (JSS) measure. These have all been tested and verified in various settings (Price, 1997; Spector 1997). The JDI is however, rather long, especially for a multi faceted survey such as this and was impractical with 72 items in total (Price 1997; Spector1997). The MSQ long form was also considered impractical as it takes 15-20 minutes to complete by itself. The MSQ short form is considerably shorter at 20 items and was more suitable for inclusion. However, problems exist as each facet is only assessed by one question (Spector, 1997) and not all of the facets are relevant to this study. The JSS is also problematic in that it is rather long and one of the most interesting facets, co-worker satisfaction, had a low reliability (0.60) and was in any case similar to the social element of the JDS measure (Spector, 1997).

Training activity

As training was the most popular response to skills gaps in the large scale employer skills surveys in both England and Scotland the provision of training by employers was a key variable to be ascertained. Training activity is considered in questions 91 - 93. Question 91 simply asks whether the respondent has received any training in the past 12 months. The possible content of the training contained within the categories in question 92 are taken both from the FSS Surveys and the Workplace Employee Relations Surveys (see Appendix 3; WERS, 1998). The on/off job distinction determined in question 93 is that commonly used to assess the formality of training, with off job training seen as more formalised and less likely to be related only to immediate job needs (FSS, 2003; Cully et al., 1999).

Performance reviews and enhancements in pay and conditions

Question 90 included possible responses identified in the ESS which the respondents may have experienced personally such as an improvement in pay, terms and conditions and an appraisal or performance review (See Appendix 3 and FSS, 2003;

2004). The inclusion of matters related to material rewards was so that any employer effort to improve elements of the job that could potentially alleviate psychological contract breach or dissatisfaction could be ascertained. The inclusion of appraisal and performance reviews was also considered important as evidence that employers were systematically assessing performance and potential skills deficits. Appraisals may also allow employers to assess employees' attitudes. Although the content and role of appraisal cannot be assessed directly from the survey the qualitative techniques used within the case studies allowed the details of appraisal process to be elucidated upon.

Social resources: Cultural, educational and social capital

The questions on the socio-economic background of a respondent's parents contained within questions 94 - 98 are a proxy for cultural capital (see Chapter Three). To this end, the Government's official self report 'National Statistics Socioeconomic Classification' (NS-SEC) measure was used (ONS, 2005). Specifically, the self-report measure was used within the employee survey although asked in relation to the respondent's *parents* rather than themselves, as is usually the case (ONS, 2005a). The reasoning behind asking about the respondent's parents rather than themselves is that it is the social resources that the employee brings to the job that are important, not their status because of their job.

This approach differs to that used by other cultural capital researchers. The approach used originally by Bourdieu (1989) and subsequently others (see for example, Bennett et al., 2005; Moss, 2005) was to ask respondents directly about 'cultural' events and experiences. Bourdieu, for example, ascertained respondents' knowledge of various classical artists, operas and participation in events, which would be considered 'high culture. This is a somewhat narrow view of cultural capital and ignores other elements of cultural practice that could conceivably also denote an individual as 'cultured'. The definition of a particular activity as 'cultured' is also somewhat subjective and depends upon the researcher's interpretation. Indeed, Bourdieu himself realised that '(cultural) Taste classifies (the subject) but it also classifies the classifier (i.e. the researcher)' (Bourdieu, 1989; p6). Decisions to include some activities as 'cultured' and some not, may, therefore, say more about the researcher than the subject.

Further proxies for cultural, educational and social capital were the highest achieved level of education (question 101), whether the respondent was currently a student (question 102) and any periods of unemployment (question 103). It has been noted that educational achievement and the experiences of being a student are intrinsically linked to the acquisition of cultural and social capital, whilst time spent out of the labour market not only detracts from social capital but also reduces the chance to practice soft skills in the workplace.

Demographics

Questions 1 and 2 asked the employee to state their job title and whether or not they had supervisory/management responsibility and, if so, for whom. Question 6 established their employment status - whether the respondent was part or full time, temporary or permanent. Questions 3-5 assessed the time that respondents had spent in their current job, the organisation as a whole and the labour market. This was important not only for establishing whether the employee was relatively new to their job and possibly lacking experience, but also to ascertain how much *general* work experience they had. It was discussed in the literature review that social experiences including work experience were deemed to influence the formation of soft skills, especially in how they are used in the workplace. Gender, age and income were included for control purposes in questions 99, 100 and 105.

Piloting the survey

Reliability analysis was conducted within the pilot study on all multi item scales with three or more items (reliability analysis is not suitable for 2 item scales). Table 5.3 shows the Cronbach's alpha reliability coefficients for the pilot study. All scales aside from the communication and social skills, aesthetic labour and client communication measures had scores of 0.70 or over, the conventional acceptability score for reliability estimates (Nunnally, 1978). Even the scale with the worst coefficient, client communication skills, had an alpha of 0.61, improving to 0.64 if the importance of selling a product or service was removed. Similarly the communication and social skills scale (alpha = 0.67) was improved further to 0.69 when removing the same

variable. Given the relatively small increase this item was retained for the main study, where the alphas were reassessed, with particular attention paid to this variable. Given the good alphas for all of the other skill requirement scales, it was considered best to leave the scales as they were, as even the worst alphas were close to 0.70. The aesthetic labour scale was also only marginally below acceptability at 0.69 and so was also retained. One multi-item satisfaction sub-scale, satisfaction with pay and rewards, was omitted from the pilot study, as it was believed that these questions were covered within the psychological contract measure. It was, however, ultimately considered inappropriate to exclude the battery of questions on pay satisfaction due to consistency with the original measure and also the fact that *satisfaction* with pay is not the same as believing this element of the psychological contract has been breached or fulfilled. The pay satisfaction sub-scale was thus included in the final survey tool. In the main study sample the alpha coefficients for each scale were 0.70 or above.

As well as this quantitative analysis qualitative validation of the survey was obtained through discussing the survey with employees who had completed it, during the visit to 'White's' to increase the response rate. All employees stated that the survey had not been difficult to answer and that they had not experienced any ambiguity in answering the questions. There was one exception to this in the original wording for one of the aesthetic labour items (q26) which originally asked about the importance of 'displaying style'; after consultation with the respondent the wording was changed to 'showing a particular sense of style'.

The final stage of piloting was to use a 'think aloud protocol' with two research student colleagues, both of whom had worked in the retail sector. 'Alison' has previously worked in a UK wide supermarket chain on the delicatessen counter and later as an HR assistant, whilst 'Catherine' had been employed as a sales assistant in 'Science' a bespoke highly stylised retailer in Glasgow selling designer labels. The think aloud protocol involves respondents reading the questions aloud and telling the researcher their thoughts on the meaning of the questions, allowing probing to determine whether the respondent truly comprehends the question (Blair and Presser, 1993). Alison believed that the survey tool was not only clear to her but would also have been clear to employees within her old establishment, with one exception. The

original wording to one of the psychological contract items regarding promises kept about the respondent's career (q 67a) originally simply read '...your career'. As Alison pointed out that many employees in her old store (and indeed, in many part-time service jobs) were not looking for a long-term career this was considered potentially confusing. It was agreed that changing the wording to '...your career to date' was sufficiently precise.

Catherine believed that although the survey contained few ambiguities there were some areas that needed clarification. Originally question 5 had asked employees how long they had been in the labour market, but Catherine believed that this could cause confusion in some respondents and so this was changed to 'how long have you been in any paid employment'. The original wording to question 25 asked about the importance of 'regulating your appearance' but this was considered confusing and so was simply changed to the importance of 'your general appearance' to the job. The final change discussed with Catherine was that originally a 'don't know/not applicable' category was included in the competency questions. As the importance of the various soft skills had been assessed in the previous batch of questions a 'not applicable' category was considered unnecessary. These small changes were all incorporated in the final survey tool shown in Appendix 1.

5.5.2.2 Case study methods 2 - Semi Structured HR and Line Manager Interviews

For HR representatives and line managers for each major occupational group employed within the case study companies a semi-structured approach was used, with the HR managers' and supervisors' interviews structured around some of the questions used in the Futureskills Scotland Employer Skills Surveys (ESS) in order to allow comparability of certain elements. The interviews were, however, not wholly structured and thus allowed emergent themes to be uncovered as well as asking questions of importance that were not included in the ESS.

The semi-structured approach was chosen in preference to a fully structured interview. A fully structured interview, only allows certain predetermined responses in an attempt to remove any bias caused by interviewer interpretation (Fontana and Frey, 1998). Such an approach, however, would not only fail to elicit the reality as

experienced within the case studies but is also undesirable given that the survey data in this study and also in the ESS, was in a closed response format and thus little would be added to the survey research by a fully structured interview. A completely unstructured interview, however, a ‘conversation with a purpose’, allows the interviewee to discuss what it is that is important to them about the situation under investigation to be discussed (Burgess, 1982). Such an open approach has the caveat that although it allows the meaning sought by interpretivists to be uncovered it would be impossible to compare such interviews either to each other or to the large scale survey data. Furthermore it is easier in such a situation for the interviewer to lose direction and possibly not discover what it is they wanted to on commencing the interview (Whyte, 1984). By combining structure with open-ended questions both comparability to the ESS and depth could be obtained.

Table 5.3: Pilot survey item reliability coefficients

Scale	N items	Cronbach's alpha
<i>Soft skill requirements scales</i>		
Communication and social skills	6	0.67
Problem solving	4	0.82
Planning and organising	4	0.88
Client communication (customer handling)	4	0.61
Horizontal communication (general communication)	4	0.77
Professional communication (leadership)	5	0.77
Aesthetic labour (physical self-presentation)	4	0.69
Emotion requirements (emotional self-presentation)	3	0.80
Sensitivity (emotional self-presentation)	3	0.80
<i>The psychological contract fulfilment</i>	8	0.86
<i>Job satisfaction</i>		
Growth and development need satisfaction	4	0.82
Social relations satisfaction	3	0.72
Satisfaction with supervision/supervisor	3	0.82

Measures and questions

For the questions that relate to the ESS, the structure from that survey is followed (see Appendix 3 for the full ESS survey schedule). The interview questions adapted from the ESS are: the size of the establishment (adapted from q3 in the ESS; turnover (q12 - 14); the proportion of employees within each establishment in each SOC group

(q 46b); the existence, composition and occupational distribution of skills shortages and gaps (questions 23 – 32 (excluding 30) and 46 – 49 (excluding 48)); the responses to skills deficits (q37 for skills shortages and 51 for skills gaps); the HR and skills planning and business strategy policies followed by the company (q 72-73); the perceived attractiveness of the establishment (q44); and questions around the provision of training (q 55-59). Other questions in the schedules relate to matters of interest not included within the ESS, or are else adapted from elsewhere as described below. The full HR Manager's interview schedule is contained in Appendix 4.

Section 1 – About the establishment

Section 1 of the HR representative interview was descriptive and simply sought to establish the number and types of employees employed at the establishment. The questions regarding the numbers employed at the establishment, the number of new recruits and leavers in the past 12 months and the numbers employed within each occupational group in questions 1.2 – 1.5 were taken directly from the ESS. If respondents were unsure about how the classification of occupations from the SOC translated to their own employees, examples were given on 'flash cards' from the broad SOC codes (adapted from ONS, 2000). Extra questions outwith the ESS were also included; question 1.1 asked the respondent's job title and question 1.6 sought to elaborate on turnover by asking whether specific job categories had experienced particular problems and if so, why.

Section 2 – Skills and skills deficits

Section 2 established whether the establishment had any skills deficits. Skills shortages were established using the same pro-forma as the ESS survey. Questions 2.1a to 2.6 sought to establish the existence of skills shortages through a series of questions assessing whether the establishment had vacancies, whether these were hard to fill and if so, why. Questions 2.7 and 2.7a sought to elucidate on any *soft* skills shortages by asking whether particular social groups applying for jobs were especially unsuitable or whether certain characteristics had been obviously lacking and whether this was the same for all soft skills. Question 2.8 (a and b) asked respondents whether any characteristics in the local labour market made it hard to fill

vacancies and whether managers viewed the establishment as an attractive place to work to expand upon the reasons for any skills shortages.

Questions 2.9 – 2.11b sought to establish the existence of soft skills gaps through the ESS survey questions, in terms of how many staff within each occupational group were fully proficient and, if any were not, what skills they lacked. Whether skills deficits were because employees had not completed training was also ascertained. Question 2.11 asked which occupational groups used soft skills in case no deficits were apparent, to establish the importance of soft skills for each group. Question 2.12 concluded the section by asking respondents what social and personal characteristics respondents thought individuals needed to be proficient in soft skills and whether different soft skills were dependent on different aspects.

Section 3 – HR policies and responses to skills deficits

Section 3 established the existence and efficacy of HR policies in place within the workplace and the manner in which any skills deficits had been responded to.

Questions 3.1 – 3.2d were concerned with recruitment and selection asking respondents which methods were used, whether these differed at all by occupational group, the overall efficacy of the process and which methods worked best. The list of recruitment and selection methods was obtained from a number of different sources (see Appendix 3; Cully et al., 1999; Iles, 1999; Robertson and Smith, 2001; Searle, 2003; Dessler, 2005). Despite this exhaustive list, respondents were free to add other methods that they used, if applicable.

Question 3.3 then established what responses had been engaged in if the establishment had experienced skills shortages, using the responses identified in the ESS whilst also allowing any ‘other’ responses not covered by the list to be included. To elucidate respondents were then asked whether responses had been targeted at different occupational groups, or towards specific skills shortages, what had been the most successful response and why in question 3.4

With developments in ‘outward looking’ HR practices identified, the interview then moved on to establish policies regarding employees already in the firm. Question 3.5 was taken from the ESS and asked whether the establishment or company as a whole had a number of skills related HR planning policies. These were a business plan, HR

plan, training plan, training needs assessments and staff appraisals. Respondents were also asked if any other important elements of HR policy relating to employee skills were in place. The situation regarding training was then elaborated upon in questions 3.6 -3.6f asking respondents, whether training had been provided, whether it was on or off the job, who received training, what was covered within training and whether this differed by occupation. If no training had been provided respondents were asked why, using potential reasons identified in the ESS survey. The sequence of questions was based around the ESS survey, although types of training were also added from the WERS survey schedule (WERS, 1998). The training sections also added to the ESS approach by asking respondents to elaborate on why training had been provided to certain groups and not others, whether training differed by occupational group and why this occurred if it had.

The situation with appraisal was then ascertained in questions 3.7 – 3.7f, an element that was not covered within the ESS survey. As few employers had reported the use of appraisals to combat skills gaps appraisal was an important element of the study. Respondents were asked what was covered in appraisal; whether all employees were appraised and if not why; how frequently employees were appraised and whether this differed between occupational groups; and what the intended outcomes of appraisal were.

Section 3 concluded by assessing how any skills gaps had been responded to in questions 3.8 -3.11a. Respondents were given a list of possible responses taken from the ESS as well as allowing other responses to be highlighted if they were not included on the list. This section of questions followed the same sequence and had the same rationale as for when examining responses to skills shortages, discussed above. The issue of job quality was expanded upon by asking whether pay, terms and conditions had been improved as a response to skills deficits, the reasons for this (or for not doing this) and whether this was targeted at specific occupational groups. The final questions then examined the issue of the psychological contract by asking whether there was ever evidence of employee's skills *worsening* over time and whether it had been considered that a lack of equitable treatment had been considered as a reason for skills gaps.

Section 4 – Views of skills policy and the unemployed

Question 4.1 asked the respondent's opinion of government led skills and training initiatives and whether these meet their needs, in order to establish whether the government addresses employers' skill needs. The final question, 4.2, asked whether the establishment selected from the unemployed or was involved with other government schemes for the unemployed such as the New Deal. Respondents were then asked the extent to which participants from such schemes and members of the unemployed had the skills that the organisation required, to establish perceptions of the socially excluded.

The line manager interview was shorter than the HR representative interview but was based upon the HR respondent's schedule. Detail was left out of the line manager's interview, as some knowledge was considered most likely to be held by the HR specialist at the workplace. Furthermore, because the line managers only answered for their own occupational group rather than the establishment as a whole, this reduced their interview considerably. The other main difference between the schedules was that line managers were asked at the beginning of the interview about the main duties of their employees, the skills that were important in their employees' work, the importance of soft skills and what managers expected in terms of soft skills (question 1.1). The content of the remaining questions was, however, similar to the HR managers apart from the specificity of the occupational group being referred to. The line manager interview is given in Appendix 5.

Piloting

As with the survey, the HR and line managers' interviews were piloted. A full interview was conducted with the HR manager whilst a line manager also looked through the relevant schedule. Neither respondent highlighted any problems with the interviews and stated that they could adequately answer all questions (although estimating the proportion or number of employees for certain questions was sometimes not straightforward). The schedules were thus used in the main study.

The only issue that did arise was in the classification of occupational groups with the HR respondent, understandably, tending to define people by their job titles rather than

their SOC classifications. In order to combat any confusion 'flash cards' were made with examples of jobs within each SOC group provided for assistance. Similarly flash cards were made to list examples of soft and hard skills as the line manager's interview asked about the types of skills used in their employees before addressing skills deficits, which is where the list was shown to respondents in the HR interview.

5.5.2.3 Case study methods 3 - Employee focus groups and interviews

The employee interviews also followed a semi-structured approach but were considerably less structured than the management interviews. This is because there were no employee questions from the ESS to compare results. Indeed, the addition of a stage to ascertain employee experiences is a major strength of this study as the ESS only asked the views of management. Furthermore, because the survey itself was a structured and closed response tool, the qualitative stage gave employees the chance to expand upon their responses and put their experiences in their own words. It was, thus, considered necessary to impose as little structure as possible.

Although the planned employee focus groups were replaced with individual interviews in Oxygen and a mixture of individual and two person interviews in Fontainebleau, the use of the focus group needs to be discussed as this approach was used in Silex. The rationale behind the choice of focus groups rather than individual interviews was that a dynamic should be established within the group which may allow shared experiences to be freely elicited which may not have occurred under one to one interview conditions. Although it may seem strange to suggest that people are *more* willing to reveal information within a group situation the 'solidarity' that can be achieved within the group can reduce discomfort about particular topics (Wilkinson, 2004). The fact that respondents can also build upon the answers of other respondents also means that data from focus groups is also likely to be more elaborate than that generated from individual interviews (op cit). This is entirely suitable for the present study as, for example, individuals may initially feel reluctant to admit that they are 'withdrawing skills' but may do so when surrounded by their colleagues. The focus group was composed of those *without* management or supervisory responsibility thus those who may have conceivably reacted the worst to admittance of skills withdrawal were not be present. As such, in order to develop this dynamic interaction, it was

necessary to impose less structure than in the HR manager and supervisor interviews whilst still making sure that all areas of interest in the study were covered.

A caveat to the use of focus groups is that any particularly strong character within the group may dominate a discussion and that 'group think' can ensue as members agree with the group consensus rather than eliciting their own views (Bryman, 2001). Although it may be nigh on impossible to eliminate 'group think' and indeed, to realise whether it is happening this is an acceptable risk given the possible benefits of a focus group discussion. Within any research method that relies on social interaction this 'reactivity' problem is one that is always a risk whether this is in the interaction of focus group respondents or the interaction between interviewer and subject. Reactivity is virtually impossible to eliminate or even on occasion to detect. Within the focus group and group interviews conducted within this study no one respondent dominated proceedings and respondents were also happy to state experiences that were not necessarily consistent with their colleagues. The dynamic within each group was such that respondents did build and elaborate on one another's experiences. The focus group and group interviews thus worked as planned and much relevant and rich data was obtained. That is not to say that individual employee interviews did not allow this, but the success of the focus group and group interviews reinforced the fact that these were the ideal method by which to conduct the qualitative employee research. Regrettably, this was not possible in all cases.

The same schedule was used for both employee interviews and focus groups and is contained in Appendix 6. Employees were primarily asked, in question 1 what the most important aspects of their work were and what skills they believed were the most important in their work using the same prompts as for the management interviews. Question 2 covered whether employees believed that they could always carry out the tasks in question 1 effectively and if not *why*. They were prompted for reasons such as training, induction and appraisal (or lack of); management and organisational practices; co-workers; and the actions of clients/customers. This was done to highlight whether any possible skills deficits highlighted by managers may occur because the employee could not perform their role, as they would like. This also has the added advantage that the study is not simply relying on management's

views of skills deficits as occurring because the employee lacks skills; instead considering multiple reasons for any observed skills deficits.

The questions then moved on to consider attitudes towards the organisation. Question 3 asked whether employees enjoyed working at the establishment and why. Prompts included rewards and terms and conditions; relationships with others at work; the nature of the work itself; and the organisation as a whole. Question 4 then asked whether they believed the organisation had delivered their side of the bargain as they would have expected and, if not how they had reacted to this. This allowed both job quality and satisfaction issues and, indirectly, the state of the psychological contract.

Questions were then asked about recruitment and selection due to its centrality in furnishing the organisation with the correct skills and also in creating certain expectations in employees about the nature of the organisation and the job itself. Question 5 simply asked how respondents had been recruited and selected. Question 6 considered the social process of recruitment and selection and whether the organisation had painted a realistic picture of itself in terms of how respondents now experienced their jobs. Respondents were then asked in question 7 what they believed managers were looking for in recruitment and selection prompting for such factors as work experience; social experiences; style/speech/affectation; personality; or simply a body to fill a position.

Because of particular problems with soft skills deficits in service industries respondents were asked two questions regarding customer service. These were most relevant to Oxygen and Fontainebleau as the questions concerned interactive customer service work, rather than project work done for clients. Employees within Silex were however, also asked about their experiences with dealing with customers for consistency. Firstly, in question 8 employees were simply asked what they believed management were looking for in terms of customer service prompting for such factors as the 'style' of the service encounter; the expression of a certain look or 'style' by employees; and the degree of autonomy employees had in dealing with customers and the existence of any scripting. This was to ascertain both the content and style of the service encounter and the degree of task discretion that was required in the interaction as evidence of the use of 'skill'. Respondents were then asked, in

question 9, how they and/or their colleagues reacted when customers treated them badly. They were prompted for factors such as whether they felt supported by management and the ways in which they coped with bad customer experiences.

The final question, 10, asked employees how they believed that themselves and their workmates developed soft skills. Although this was an open ended response respondents were prompted if required for aspects such as family background, social experiences, work experiences and individual factors such as personality. This covered the same range of possibilities as management respondents.

Piloting

The interview/focus group schedule was discussed in depth with two White's employees on their breaks and they believed that all the questions were clear, that they could answer them and, furthermore, that they had opinions and experiences concerning the topics which were being discussed. Alison, the research student who had previously worked as an HR Assistant in a supermarket chain also believed that the questions were self-explanatory and could easily be answered by any colleagues she used to work with.

5.6 Analytical strategy

As the preceding discussion has shown, a 'mixed methods' approach was used, combining both quantitative and qualitative research in order to address the research questions. Such an approach is driven by critical realist ontology that dictates that methods should be fit for the purpose for which they are used. Surveys thus allowed broad trends at both the macroeconomic and workplace levels to be ascertained whilst depth was achieved through qualitative research, although the caveat remains that the smaller than desired number of employee interviews, in particular, impacted upon the degree of intensive depth which was achieved. By using multi-methods and realising that every element of the research design is fit for a particular purpose, the critique that one philosophical school of thought (or group dogmatically engaging in the exclusive use of either quantitative or qualitative methods) levels at one another can effectively be absorbed within the process. By combining methods, a static

quantitative picture can be illuminated by qualitative research giving a 'full' picture of the processes involved (Bryman, 2004). Triangulating data sources can help to obtain multiple perspectives in the hope of establishing the causal mechanisms present in a particular context. The data sources and techniques used for each research question are addressed in turn.

Research Questions 1 and 3

These research questions are addressed together as both were answered using the same source; the 2002 Scottish ESS. Given the macroeconomic level at which this data was collected the surveys are ideal for attempting to answer research questions 1 – 4. The measures were mainly nominal and allowed categorisation of skills deficits and employer response by occupation and industry. The detail regarding the *types* of soft and hard skills that were responsible for deficits in Research Question 1 also allowed differences in responses to different types of skills deficits to be determined for Research Question 3. The analyses for research questions 1 and 3 were achieved through crosstabulation and testing the observed distributions for statistical significance, where possible, using chi-square analysis.

Research Questions 2 and 4

The data for research questions 2 and 4 was also taken from the 2002 ESS. Analysis was, however, multivariate considering not only the categorical variables discussed above but also establishment characteristics such as attractiveness to potential recruits, HR policy and turnover. As the analyses needed to assess the likelihood of establishments belonging to a particular group (i.e. experiencing a soft skills deficit and responding to skills deficits) the dependent variables are nominal rather than scale in nature. Because of the characteristics of these dependent variables multivariate, logistic regression was used as ordinary least squares (OLS) regression is unsuitable for categorical dependent variables (Field, 2000).

For research question 2 the presence or absence of a soft skills deficit was predicted using industry sector; the occupations in which skills deficits were reported; the region of Scotland in which the establishment was located; the number of employees

working in the establishment; whether establishment was multi-site; turnover and the HR policy index score created from the elements identified on the ESS. The same variables were used to predict whether or not an establishment had responded to skills deficits with the exception of the location of the firm which was seen as theoretically inconsequential for responses to skills gaps; and with the addition of whether or not the establishment reported a soft skills deficit as this was seen as an essential independent variable in the prediction of responses to all skills deficits. The dependent variable when examining responses was thus whether *any* skills deficit had been responded to in order to allow differences in soft and hard skills deficits to be ascertained.

Research Question 5

The context of the establishment and workplace and organisational policies were primarily ascertained through management interviews, as these actors had the best knowledge of HR and business policies and the nature of the local labour market, whilst also having knowledge of the skills used in the workplace and whether soft skills deficits existed. Managers are also the group most likely to know the extent to which responses had been engaged in and their effectiveness in addressing skills deficits. Other sources were, however, also essential for various sub-propositions which are discussed separately as a result.

P5.1: The activities of the establishment will affect the skills that are demanded and the reasons for soft skills deficits where they occur.

The employee data was also utilised to a large degree for proposition 5.1 alongside the management interviews. The survey questions regarding the importance of certain skills and also the employee interviews and focus groups were used to ascertain the types of skills which employees believed were important in their work with the qualitative data supplementing and expanding upon the quantitative data. This data was also compared with management's responses to ascertain whether the types of skills viewed as important tallied between the two groups. In keeping with the definition of skills deficits occurring when managers perceived a lack of full

proficiency in current employees or a hard to fill vacancy because applicants lacked the correct skills, management interviews only were used to identify skills deficits.

P5.2 Soft skills deficits will be more prevalent where there is a paucity of suitable candidates in the local labour market or the organisation cannot attract suitable recruits.

This proposition was primarily examined through managerial responses regarding the attractiveness of the firm and the characteristics of the local labour market. Employee interviews were also used to expand upon managers' views of the attractiveness of the establishments by asking employees what they liked about working for the organisations, although the small number of employee interviews was acknowledged.

P5.3 The presence of soft skills deficits and the engagement and effectiveness of responses will depend upon the efficacy of recruitment and selection policy, training and HR practices within the firm.

This proposition was, again primarily addressed through HR representative and line manager interviews, Descriptive indicators of HR policy as covered in the 'training and rewards' section of the employee survey were also used to contextualise management responses to assess the number of employees who had been affected by certain practices. Employees' perceptions of HR practices and whether their experience of them was consistent with management responses were also ascertained from the employee interviews and focus groups, allowing experiences of practices to be added to the patterns obtained from the survey. For example, when asking employees whether they could carry out their job duties effectively, the usefulness of training, appraisal and induction were considered. This qualitative stage was particularly important for recruitment and selection as employee experiences were an integral part of assessing the effectiveness of the processes and were not asked on the employee survey. Although employee interview numbers were small recruitment and selection had also been covered extensively in the management interviews giving a frame of reference for the interpretation of employee data.

P5.4 Employees may be seen to exhibit skills gaps if they perceive that barriers exist that inhibit skill development and job performance.

The employee interviews and focus groups asked for reasons *why* employees believed they could not always fulfil the requirements of their jobs if they believed this was not always possible. This approach allowed employees to highlight any possible reasons for any observed skills deficits that may have been beyond their control. Although it was not possible to generalise from the employee interviews alone, indicative findings on barriers to skills display were still identified.

Research Question 6

Information for Research Question 6 regarding the social resources that aid soft skill development was obtained mainly from the qualitative data although the demographics of the workforces collected from the employee survey were also used for illustrative purposes. Within both the management and employee qualitative stages respondents were asked which factors they believed helped individuals to develop soft skills. Although the focus of these discussions was on social resources (such as class background and various social experiences) individual factors (such as ‘personality’) were also considered if respondents viewed them as salient. As stated above, this research question was particularly reliant on the qualitative employee interviews with the small sample sizes meaning that definitive representative data on soft skill development could not be collected. The interviews revealed only indicative perceptions of employees but these were found to correspond to management opinions and were consistent within each establishment, indicating a degree of reliability.

P6.1 Socio-economic background, educational achievement, experience of being a student and any time spent away from the labour market on Job Seekers’ Allowance will affect employees’ perceptions of their proficiency in soft skills

This proposition was examined using the establishment survey. Employees’ self reported measure of soft skills deficits were obtained from the soft skills deficit indices as discussed in the survey measures section. The deficit measures for each

soft skill were used as dependent variables in multiple regression models to assess the role of various social resource proxies on individuals' perceptions of their soft skills. The social resource proxies described in the proposition were used as independent variables, whilst also controlling for factors such as age, time in the organisation and labour market, employment status and gender. This analysis utilised the employee survey measures exclusively.

Research Question 7

The relationships between the psychological contract, other work attitude measures and soft skills deficits were primarily ascertained through the employee survey measures in hypotheses 7.1 – 7.3, discussed below. Correlations, however, do not indicate whether the proposed causal mechanisms (i.e. skills withdrawal) were at work and so qualitative verification was used to inform the quantitative results with the combination of methods allowing for increased explanatory power. Managers were asked at interview whether employees' skills and/or performance declined over time and if so why they thought this was, as well as asking whether they believed that employees might withdraw skills and effort if they felt inequitably treated. Employees were also asked at interview whether their expectations about the organisation and their job had been met, if not what aspects troubled them, and how they reacted to unfulfilled obligations.

H 7.1 Individual soft skills deficits will be negatively related to the degree of fulfilment of the psychological contract.

The measures in the employee survey regarding the state of the psychological contract and the deficit measure created from the job analysis questions were regressed to ascertain whether any correlation existed, in the presence of any significant social resource and control variables from the analyses in research question 6. The fulfilment of the psychological contract was also compared between the three establishments to ascertain whether the state of the contract differed in organisations where managers reported and did not report soft skills deficits.

H 7.2 Individual soft skills deficits will be negatively related to other work attitudes and behaviours such as job satisfaction, organisational commitment, motivation, and the perceived state of management employee relations; and positively related to effort and absence.

The measurement of work attitudes and behavioural outcomes was achieved through the employee survey. As with the psychological contract scores, differences in the attitude scores were established between establishments to ascertain whether these may have affected soft skills deficits as measured by management. Hypothesis 7.2 itself was primarily addressed through multivariate regression of the relevant psychological contract outcome measures alongside any significant social resource and control measures on the soft skills deficit indices. The extent to which employees were satisfied with their jobs was also ascertained qualitatively through asking them the most and least liked aspects of their work, validating and expanding upon the survey results which showed high degrees of consistency with the employee qualitative data.

H 7.3 The work attitudes and behaviours contained in hypothesis 7.2 will mediate the effect of psychological contract fulfilment on soft skills deficits.

This final hypothesis was analysed using the employee survey measures to ascertain whether any work attitudes which were significantly related to soft skills deficits measures were themselves significantly related to the state of the psychological contract. Through combining the data in hypotheses 7.1 to 7.3 direct effects of psychological contract fulfilment on an individual's self reported soft skills deficits could be measured as well as investigating whether an indirect relationship was evident, mediated by work attitude measures.

5.7 Chapter summary and conclusions

This chapter has set out the research questions, research design, methods and measures that were used in the empirical work, as well as the analytical strategy to be used when interpreting the results. The multi-level, multi-method design follows from the requirements of the research questions, themselves informed by gaps in the

current literature on soft skills deficits and the conceptual resources covered in Chapters Two to Four.

The study is driven by critical realist ontology, leading to a focus on both analysis of broad macro-level trends and subsequent investigation of the multitude of possible causal mechanisms that may lead to soft skills deficits and choices of response within particular establishments. The approach chosen allows broad statistical patterns to be supplemented with intensive case study depth, facilitated further by the use of mixed quantitative and qualitative methods within the case study establishments. The research methods chosen are considered fit for the purpose they are used for. The chosen combination of different methods and levels of analysis are considered the optimal way in which to investigate the reality of the patterns and determinants of soft skills deficits, and employer responses to these, within Scotland.

With the methodology of the study now detailed the first empirical chapter, Chapter Six, presents the secondary analysis of Futureskills Scotland's 2002 ESS. This chapter focuses on research questions 1 – 4 investigated at the broadest level of analysis - the Scottish economy. The data in Chapter Six thus investigates the economy wide trends in soft skills deficits and in which industries and occupations these occur, before then examining trends in employer response to skills deficits and in which types of skills and occupations responses are most likely. Multivariate analysis is also used to ascertain which factors at the economy level appear to be the greatest determinants of soft skills deficits and employer responses to skills deficits.

CHAPTER SIX: SECONDARY DATA ANALYSIS: THE MACROECONOMIC PATTERNS OF SOFT SKILLS DEFICITS

6.1 Introduction

The analysis in this chapter is based on the Futureskills Scotland (FSS) Employer Skills Survey (ESS) data collected in 2002. The chapter presents summary statistics on the sectoral distribution of soft skills deficits (propositions 1.1), and examines any occupational differences in the incidence of soft skills deficits (propositions 1.2). The likelihood of establishments responding to soft skills deficits and the occupational groups at which such responses are targeted are also considered (propositions 3.1 and 3.2). Multivariate analysis is then used to establish the most important determinants of soft skills deficits and employer decisions to respond to skills deficits, predominantly in order to establish whether the findings of the bivariate statistics remain when controlling for other variables (Research Questions 2 and 4).

Throughout this chapter the terms skills shortages and skills gaps are used as they have been throughout the literature review, referring to external and internal skills deficits, respectively. The soft skills identified by FSS in the surveys were: oral communication, team-working, customer handling, planning and organising and problem solving.

6.2 The industrial and occupational distribution of soft skills deficits

Section 6.2 seeks to examine Research Question 1, which asked 'In which industry sectors and occupational groups do soft skills deficits occur'. As stated in Chapter One the original 2002 FSS Employer Skills Survey was, in part motivated by extreme media interest in perceived skills deficits in the labour market (see for example FSS, 2003). The results from the Futureskills surveys, however, present a far from calamitous picture; although skills deficits still affected substantial minority of employers (see Table 6.1). Substantially more establishments saw problems with skills gaps within the firm (reported by approximately 16% in 2002) than skills shortages at the point of recruitment (reported by approximately 3% of establishments). The majority of establishments also reported problems with *soft*

skills, with 70% and 69% of establishments respectively reporting that skills shortages and gaps were attributable to such skills.

Proposition 1.1 Soft skills deficits will be more prevalent in sectors that have an element of interactive service work.

When examining the distribution of soft skills deficits within sectors the Standard Industrial Classification (SIC) broad sectoral groups are used as discussed in the methodology. The differences in the frequency with which establishments in the broad sectors reported soft skills shortages and gaps were compared using chi square (χ^2) analysis¹. When reporting results only industry sectors with greater observed incidence of soft skills deficits than would be expected if these were distributed evenly amongst the sectors are presented.

Table 6.1 shows those sectors with greater observed than expected incidence of establishments reporting soft skills shortages using chi square analysis. The table shows that the Distribution, Hotels and Restaurants (Hospitality) sector was the worst affected with 3% of establishments reporting a soft skills shortage, followed by the Transport and Communications sector (2.5%) and the Public Administration, Education and Health (Public Services) sector (2.0%). Establishments within the Hospitality sector also accounted for the greatest proportion of all soft skills shortages in Scotland – almost a third.

¹ Chi square (χ^2) analysis ascertains the significance of any observed differences in contingency tables. The procedure compares the results expected if there was no variation (expected count) with the count observed in the data. The effect of chi square is that where results appear significant this may actually be due to the relative number of cases within any of the cross tabulated categories rather than any real difference. The chi square test assesses whether observed and expected results are significant despite the relative number of cases falling within each variable.

The χ^2 value is then tested for significance using known probability values with the associated p value showing the extent to which the null hypothesis, that no difference exists in the categories under investigation exists. Within these analyses a significance value of 0.05 is used thus if there is a greater than 5% chance that the null hypothesis is correct the results are rejected as statistically insignificant.

Table 6.1: Soft skill shortages by broad industry sector: sectors with significantly greater observed than expected frequencies using chi square analysis

2002 ($\chi^2 = 463.20^{***}$)	% establishments reporting soft skills shortages	% of Scotland's soft skills shortages attributable to sector
Distribution, Hotels and Restaurants	3.3	31.4
Transport and Communications	2.5	5.9
Public Administration, Education and Health	2.0	13.3

Note***p<0.001

In terms of establishments reporting soft skills gaps four different industries reported greater observed than expected frequencies of gaps in soft skills. Table 6.2 shows that the Hospitality, Retail, Public Services and Manufacturing broad sectors were the worst affected with approximately 11% - 14% of establishments in each sector reporting soft skills gaps. As with soft skills shortages, the Hospitality sector was the worst affected with approximately 14% of establishments reporting a soft skills gap. Interestingly, the fact that the Manufacturing sector also reported a relatively high incidence of soft skills gaps in 2002 (11% of establishments) suggests further that such skills are not simply used in service sectors. Proposition 1.1 is therefore afforded considerable support by the broad trends as service sectors were the worst affected by soft skills deficits. However, the presence of Manufacturing as a significantly affected sector suggests that this trend is not absolute.

Table 6.2: Soft skills gaps by broad industry sector; sectors with significantly greater observed than expected frequencies using chi square analysis

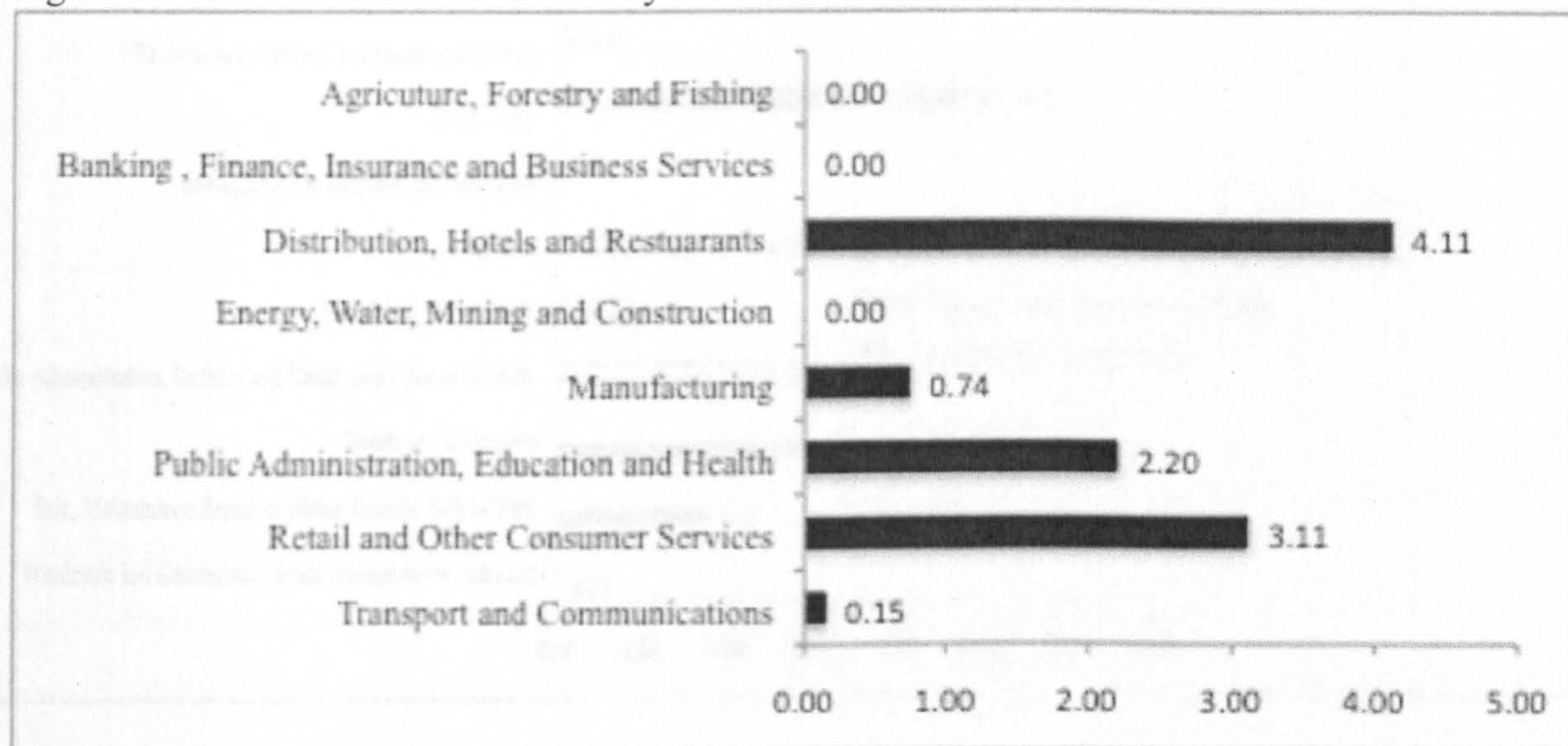
2002 ($\chi^2 = 901.23^{***}$)	% establishments reporting skills gaps within sector	% of Scotland's skills gaps attributable to sector
Distributions, Hotels and Restaurants	13.8	22.3
Manufacturing	11.0	6.7
Public Administration and Defence, Education and Health	12.9	15.0
Retail and Other consumer services	11.6	26.8

Note***p < 0.001

As a number of sectors were affected by both shortages and gaps, a composite index was constructed as described in Chapter Five (section 5.4) considering both the proportion of establishments within each sector reporting soft skills deficits and the contribution each sector made to Scotland's soft skills deficits as a whole, again including only those sectors with greater observed than expected rates of soft skills deficits using chi square analysis. Figure 6.1 shows the index scores. Figure 6.1 offers

strong support for Proposition 1.1 as the three worst affected sectors. Hospitality (index score 4.11), Retail (3.11) and Public Services (2.20) are all sectors that involve interactive service work, with this work essential to the Hospitality and Retail sector. The indices also support the descriptive statistics, as the Hospitality sector was the worst affected overall. Three broad sectors, the Banking, Agriculture and Energy Broad Sectors all had index scores of zero, reflecting the fact that none of these had significantly higher observed than expected chi square frequencies for either gaps or shortages.

Figure 6.1: Soft skills deficit indices by broad sector of establishment

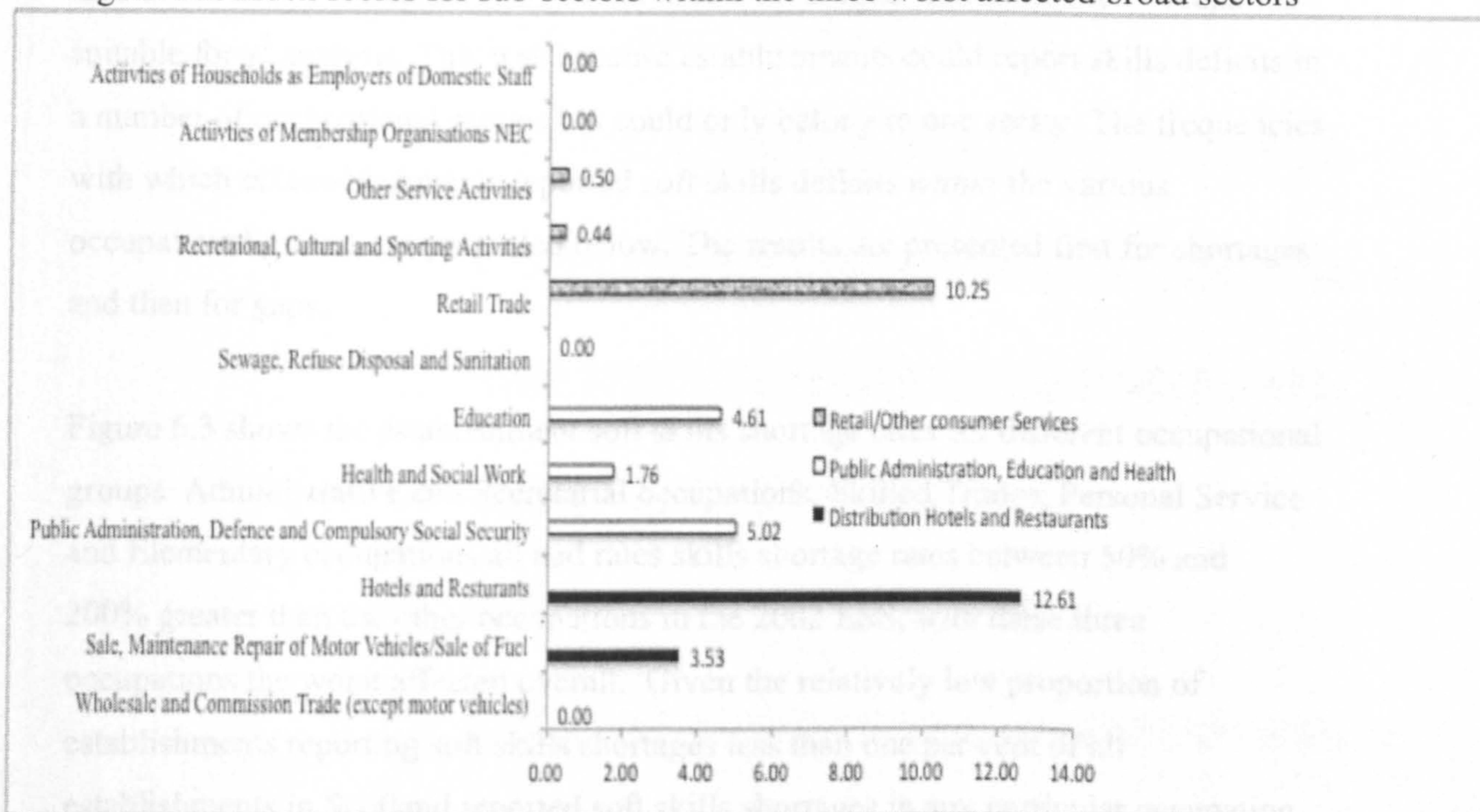


The indices for the three worst affected sectors were broken down to identify the worst affected sub-sectors *within* the broad sectors (see Figure 6.2). This was done by analysing establishments by their 2 digit Standard Industrial Classification (SIC) codes. As in the previous analysis the skills deficit index equation was used and adapted to reflect the sub-sectors contribution to the broad sector rather than to Scotland as a whole (see Chapter Five, section 5.4).

The Hotels and Restaurants sub-sector was the worst within Hospitality (index score 12.61). Within Retail, the Retail trade was the worst affected sector (10.25). Public Administration, Defence and Compulsory Social Security (5.02) was marginally the worst affected within the Public Services broad sector. Proposition 1.1 is further supported by these results as the Retail and Hotels and Restaurants sectors

are those where interactive service work is arguably of highest importance within their respective broad sectors. In the Public Services sector where such a distinction between sub-sectors is less clear, there were greater internal consistencies. As stated in chapter 5 section 5.4, these results were also used to select the case study establishments for the research presented in chapters 7 – 10.

Figure 6.2: Index scores for sub-sectors within the three worst affected broad sectors



Proposition 1.2: Soft skills deficits will be concentrated in lower-level occupations with a customer-facing element such as Personal Service, Sales and Customer Service and Elementary occupations

Higher, intermediate and lower level occupations were defined from the Standard Occupational Classification (ONS, 2000). Higher occupations are comprised of SOC major groups 1 and 2 (Managers and Senior Officials and Professional Occupations); Intermediate occupations from SOC major groups 3 - 5 (Associate Professional, Administrative and Secretarial and Skilled Trades occupations); and lower occupations from SOC major groups 6 - 9 (Personal Service, Sales and Customer Service, Plant Process and Machine Operative and Elementary occupations). The Employers Skills Surveys in both England and Scotland, discussed in Chapter Two suggested that it was 'lower' occupations which were the worst affected by soft skills

deficits, especially where these occupations engaged in customer service but as with sectoral patterns, this was generally inferred from aggregated results.

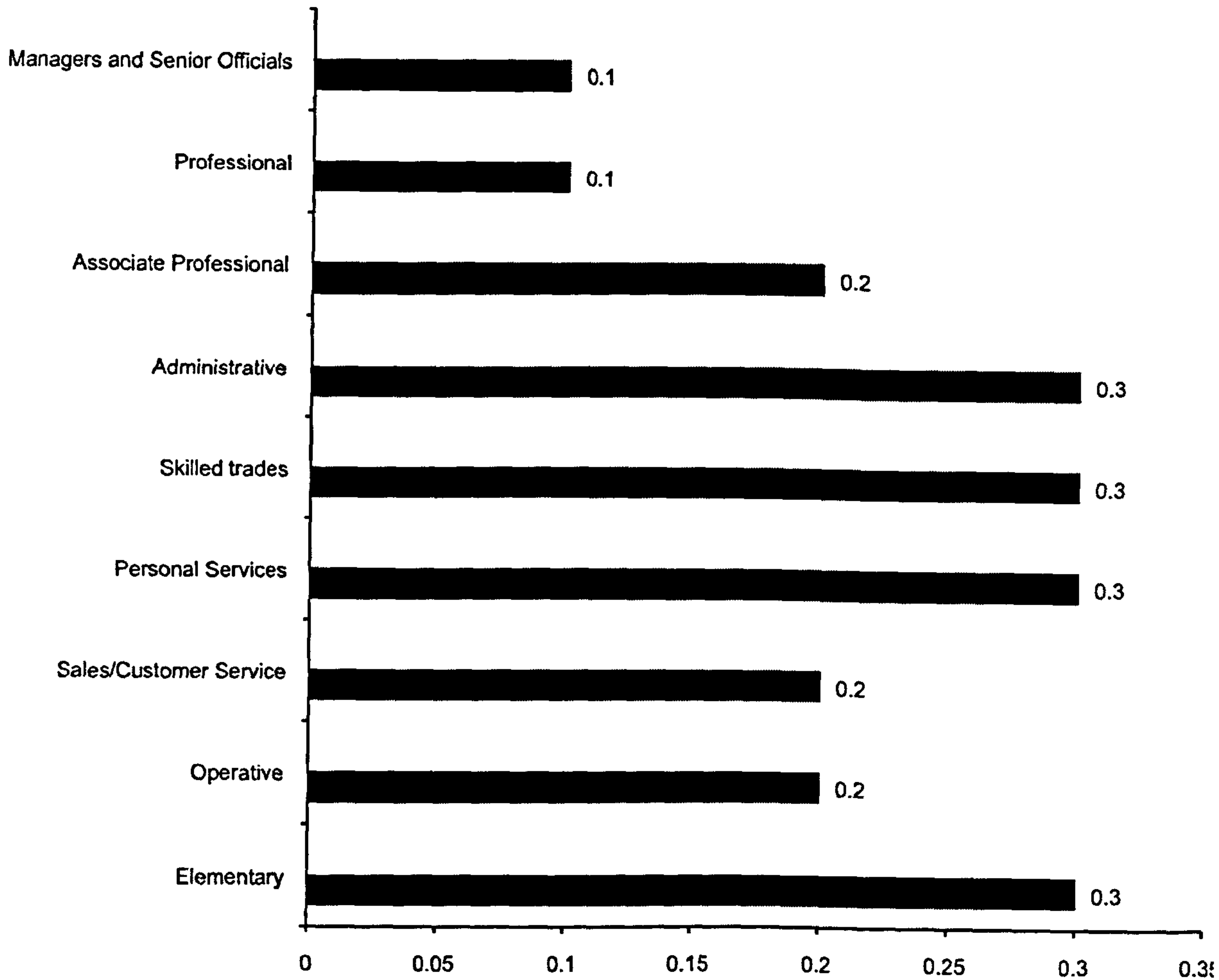
The nature of the occupational variables within the FSS dataset meant that it was not possible to examine the significance of differences in types of skills deficits between occupational groups². The occupational categories were not mutually exclusive and thus could not be collapsed into one variable with unique values for each occupation suitable for χ^2 analysis. This was because establishments could report skills deficits in a number of occupational groups but could only belong to one sector. The frequencies with which *all* establishments reported soft skills deficits *within* the various occupational groups are presented below. The results are presented first for shortages and then for gaps.

Figure 6.3 shows the establishment soft skills shortage rates for different occupational groups. Administrative and Secretarial occupations, Skilled Trades, Personal Service and Elementary occupations all had rates skills shortage rates between 50% and 200% greater than the other occupations in the 2002 ESS, with these three occupations the worst affected overall. Given the relatively low proportion of establishments reporting soft skills shortages less than one per cent of all establishments in Scotland reported soft skills shortages in any particular occupation.

Figure 6.4 shows the occupational pattern for soft skills gaps. Sales and Customer Service employees were the worst affected with just below three per cent of establishments reporting soft skills gaps in this occupation in the 2002 ESS. Elementary and Managerial occupations were also badly affected with two per cent of establishments reporting soft skills gaps in these occupations. In other 'lower occupational groups (Operatives and Personal Service employees) establishments did not report especially high rates relative to other occupations.

² The occupational groups used for the analysis are the nine major groups identified by the Standard Occupational Classification (SOC). These occupations are: Professionals, Managers and Senior Officials, Associate Professionals, Administrative and Secretarial, Skilled Trades, Personal Service, Sales and Customer Service, Plant, Process and Machine Operatives and Elementary. This is consistent with the approach followed by Futureskills Scotland (FSS, 2002, 2003)

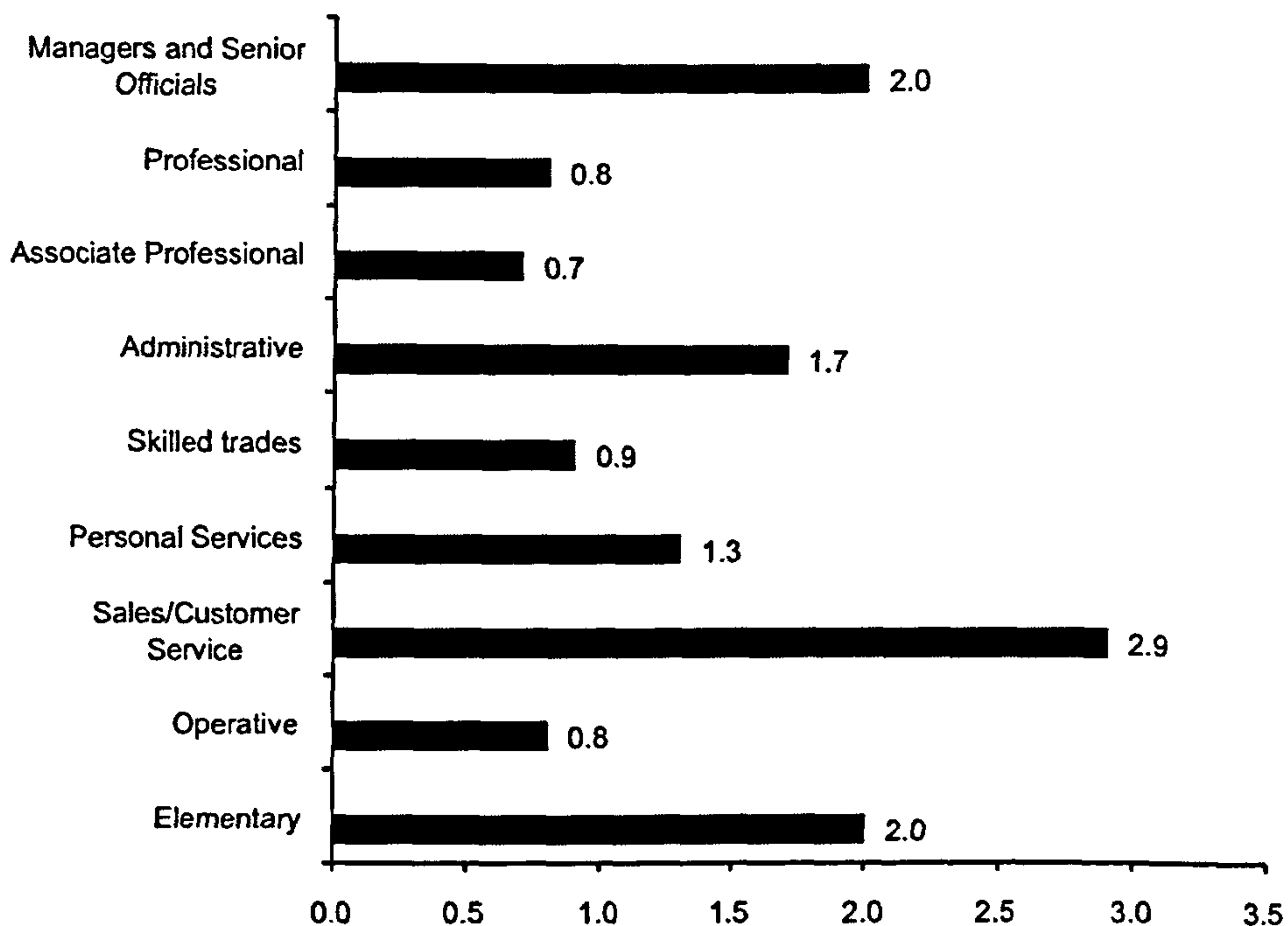
Figure 6.3: Overall rate of establishments (%) reporting soft skills shortages by occupation



(Base = all establishments)

There is thus some support for proposition 1.2 with particular problems in Sales and Customer Service and Elementary occupations for soft skills gaps and in Personal Service and Elementary occupations for soft skills shortages. The worst affected lower-level occupations were those that had a large customer facing element, offering support for proposition 1.2. This is self evident in Sales and Customer Service staff, but Elementary employees also have a large customer facing contingent. For example, customer facing staff such as bar and waiting staff in the worst affected sub-sector (Hotels and Restaurants) are all classified as 'Elementary'. Managers were, however, also particularly badly affected by soft skills gaps and Skilled Trades and Administrative occupations by soft skills shortages showing that soft skills deficits are not purely a problem in low level customer facing occupations and are a problem in various occupations throughout the occupational hierarchy.

Figure 6.4: Overall rate of establishments (%) reporting soft skills gaps by occupation



(Base = all establishments)

6.3 The main determinants of soft skills deficits in Scotland

Research Question 2 sought to establish the main determinants of soft skills deficits in Scotland. Logistic regression was conducted primarily to ascertain whether the effects identified in the bivariate statistics remained in the presence of other potentially significant variables, whilst also establishing whether other variables of potential interest also affected the presence or not of soft skills deficits. The dependant variable in the analyses was the presence or not of soft skills deficits. The explanatory variables were: the one digit SIC sector in which establishments operated; the types of occupation reporting *any* skills deficits; a scale representing the sophistication of human resources (HR) (as described in Chapter Five section 5.5); and a scale of 1 - 4 representing how 'attractive' the managerial respondents believed their firm to be as a destination for recruits looking for their first full-time job. These cover factors which have a potential salient effect which relate both to the external context in which a firm operates (sector), the internal context of the firm (relative attractiveness and HR policy sophistication) and the effect of occupational requirements. In addition, three further control variables were included; firm size,

staff turnover and the location of the establishment (derived from Scotland's 22 Local Economic Forum (LEF) areas).

The coefficients presented in the following models show the likelihood of reporting a soft skills deficit depending upon the characteristics of the independent variables. Where these are scale in nature (such as for size of firm, turnover, attractiveness of establishment and HR policy) the coefficient indicates the increased likelihood of belonging to the category under investigation if the independent variable is increased by one unit. If the independent variables are nominal (such as for area of establishment, industry sector and occupation reporting a skills gap) the coefficient shows the likelihood of reporting a soft skills deficit depending upon group membership³. Where the variables are polychotomous and mutually exclusive, (such as for sector and area) the effect of each category on the dependent variable is compared to a reference category, usually the last category within each variable. For industry the reference category is the Retail and other consumer services sector and for geographic area, the reference category is the Western Isles. The overall predictive power of the model is shown by the pseudo R² measure⁴, whilst the extent to which the model fits the observed data is shown by the Hosmer and Lemeshow test⁵. As so few establishments reported soft skills shortages, the analysis is conducted only for soft skills gaps⁶.

³ In the case of LEF area and sector of establishment the likelihood of displaying the characteristic of the dependent variable for each category is compared to a reference category (the Western Isles region and the Retail sector respectively). This is the case for all nominal polychotomous variables included in such analyses. For the occupational variable the categories took the form of dummy variables with a skills deficit in an occupational group coded 1 if present and 0 if not present. Each occupation therefore takes the form of a separate dichotomous variable rather than a category of one polychotomous variable.

⁴ The pseudo R² is calculated by interpreting the residuals in the null model compared to the final model. This measure is thought to be more accurate than the Cox and Snell and Nagelkerke measures reported by SPSS (Field, 2000; Hair et al., 2003) The equivalent in logistic regression to the residual sum of squares is the -2 log likelihood (-2LL) statistic. This statistic can also be calculated at each stage in the analysis if a hierarchical approach is used. The equation for calculating the pseudo R² (or R²_{logit}) is:

$$R^2_{\text{logit}} = \frac{-2LL_{\text{null}} - (-2LL_{\text{model}})}{-2LL_{\text{null}}}$$

⁵ This test analyses the significance of any differences between the observed data and that modelled. As the model should fit the data well significant tests show that statistically pertinent differences exist between the actual data and that predicted by the model.

⁶ The overall fit of the model is calculated by comparing the null model with no explanatory variables to the final model with all significant independent variables included. In the null model all cases are assumed to belong to the most popular category of the dependent variable with the model trying to

The analysis takes a hierarchical form entering the variables in three blocks. This was done by grouping the variables into endogenous firm characteristic variables (size of establishment, turnover, perceived attractiveness of firm to potential recruits and HR policy scale); those exogenous to the establishment (geographical area and industry sector); and the occupational variables. If adding a block did not significantly improve the fit of the model the variables were not included in the final model.

The final model containing all three blocks had the best fit and predictive power. The final model yielded significant coefficients in all three blocks but the occupation in which establishments reported skills gaps was the best predictor of whether an establishment reported a soft skills gap (see Table 6.4). As the variables considered whether or not a skills gap was reported by the establishment in each occupation, this by definition increased the opportunity of experiencing a *soft* skills gap but the differences are revealing. It was when establishments reported skills gaps in the 'lower' occupations that they were most likely to report a soft skills gap. Where a skills gap was in Personal Service, Operative, Elementary and Sales and Customer Service Occupations the likelihood of reporting a soft skills gap increased by 43, 49, 82 and 94 times respectively. It was, therefore, lower level occupations in which establishments were most likely to report soft skills gaps especially in Sales, Customer Service and Elementary occupations. The patterns from the bivariate statistics are thus supported and indeed, strengthened in terms of occupation with lower-level employees engaging primarily in customer service the worst affected, even when controlling for other variables. These findings, therefore, offer stronger support to Proposition 1.2.

The endogenous and exogenous blocks contained some much smaller but significant coefficients. When examining the exogenous characteristics, only the Hospitality sector had a greater likelihood (16%) than the comparator sector, Retail, to have experienced a soft skills gap, supporting the soft skills deficits indices used to test Proposition 1.1 and the bivariate sectoral statistics. All other sectors had a reduced

improve upon those which are incorrectly classified as a result. As only approximately 2% of establishments in both survey years reported soft skills shortages 98% of cases would be correctly classified in the null model. This has the effect that a significant improvement is unlikely and thus the analyses are not conducted for shortages.

likelihood of experiencing a soft skills gap with the Agriculture sector the least likely; only 45% as likely as the Retail sector, again supporting the bivariate statistics and indices and offering support for Proposition 1.1.

The Endogenous variable with the largest effect was the perceived attractiveness of firm scale, which *reduced* the likelihood of experiencing a soft skills gap by approximately 17%. Interestingly, for each extra element of 'good' HR practice identified by FSS (namely a business plan, an HR plan, training needs assessments, a training budget and staff appraisals), establishments were 16% *more* likely to report a soft skills gap. This may seem counter-intuitive but the results are likely to reflect the fact that firms exhibiting more elements of HR policy related to skills and training are simply more likely to realise the skills needs of their employees. Although these effects are small and at the aggregated level do not reveal much detail, they confirm that HR policies may influence whether or not soft skills gaps are reported and reaffirm the importance of the detailed contextual investigation of HR practices which follows in the case study research.

The final model correctly predicted 89.2% of establishments with a soft skills gap correctly. The significant Hosmer and Lemeshow test, however, indicated that a significant difference existed between the observed data and that predicted by the model. Given that in very large samples, such as are being examined here, small differences are likely to be significant this may explain the good correct prediction rate and the significant Hosmer and Lemeshow test (Hair et al., 2003). The associated pseudo R^2 measure was 0.52. The model thus had a reasonably good fit but 48% of the observed variance in the presence of soft skills gaps was still unaccounted for. The improvement in the model upon adding the occupational variables in the final block, however, shows the relative predictive power of each block and confirms the importance of occupational variables when investigating the existence of soft skills gaps. The endogenous factors alone only predicted 0.2% of establishments with a soft skills gap correctly whilst adding the exogenous variables only increased this to 0.3% (associated pseudo R^2 s 0.04 after block 1 and 0.05 after block 2). The type of occupation reporting a skills gap appeared the strongest determinant of whether a soft skills gap existed within an establishment, although other factors also had smaller

effects. Proposition 1.2 therefore appears to be that which is most strongly supported when controlling for other variables.

Table 6.4: Logistic regression determinants of establishments reporting soft skills gaps in Scotland, 2002

Variable	Categories	Coefficients
<i>Block 1</i>	-	
HR Policy	-	1.16**
Perceived attractiveness of firm	-	0.83**
Number of employees	-	1.0***
Labour turnover	-	1.0***
<i>Block 2</i>		
Sector [†]	Agriculture/forestry/fishing	0.55***
	Energy/water/mining/construction	0.86*
	Manufacturing	0.73***
	Distribution/hotels and restaurants	1.16***
	Transport/communications	0.71***
	Banking/finance and insurance/business services	0.88**
LEF area of establishment ^{††}	Glasgow	0.53***
	Grampian	0.56***
	Renfrewshire	0.49***
	Caithness	0.57**
	Orkney	0.47**
	Ross	0.37***
	Skye	0.15***
<i>Block 3</i>		
Occupation reporting a skills gap	Managers and senior officials	5.10***
	Professional	14.54***
	Associate Professional	12.61***
	Administrative	12.97***
	Skilled trades	14.30***
	Personal service	42.57***
	Sales and customer service	93.64***
	Plant process and machine operatives	49.18***
	Elementary	81.72***

***significant at $p \leq 0.00$ **significant at $p \leq 0.01$ *significant at $p \leq 0.05$

[†]Coefficients reported relative to reference category; retail and other consumer services

^{††}Coefficients reported relative to reference category; Western Isles

6.4 The pattern of employer response to soft skills deficits

Research question 3 sought to establish the patterns of employer response to soft skills deficits in terms of differences between soft and hard skills deficits and types of occupation. As differences in response between soft and hard skills deficits are considered all skills deficits are investigated with a 'hard' skills deficit defined as occurring when an establishment reports either a skills shortage or a skills gap, which

is not due to soft skills. When examining all skills deficits employers responded in a number of ways. Table 6.5 shows the breakdown of responses to skills shortages and Table 6.6 the breakdown of responses to skills gaps.

The most popular responses to all skills shortages were those directed at the external labour market and were concerned with recruitment strategies and pay and terms and conditions, rather than changes to the job or work itself (see Table 6.5). Building links with schools/colleges and universities (28% of establishments in the 2002 ESS) was by far the most popular response to skills shortages. Considering a wider range of applicants (11% of establishments with any skills shortages) and using more extensive recruitment channels (11%) were the second most popular responses in the 2002 ESS. Considering a wider range of applicants may, however, in theory contribute to skills *gaps* if poor applicants are selected. Improving terms and conditions and pay were the fourth and fifth most popular responses in 2002. This last finding suggests that some employers were willing to change the objective conditions of employment to attract better applicants.

Interestingly, with the exception of two responses (offering training to the less well qualified and using more extensive recruitment channels) a greater proportion of establishments reported using each response for soft skills shortages than hard skills shortages, including efforts to improve the objective conditions of jobs. Clearly establishments used a number of different methods to attract applicants where soft skills were in short supply including reviewing job quality, although considering a wider range of applicants (a potentially dangerous response as outlined above) was also more widely reported where soft skills shortages were reported. Furthermore, the finding that effort to reduce hard skills shortages included offering training to those without the required qualifications may reflect the nature of these skills as more readily measured through qualifications than soft skills.

When investigating the types of responses engaged in by establishments reporting all skills gaps the most popular responses were the provision of further training (69% of establishments reporting a skills gap in 2002), changing work practices (37%) and increasing and expanding trainee programmes (32%) (see Table 6.6). The use of appraisal and feedback was amongst the least popular responses, reported by around

2% of establishments in each year. Each type of response to skills gaps was engaged in more by those establishments reporting soft skills gaps than hard skills gaps, including the most popular response – providing further training (78% versus 44%). This again suggests that establishments are prepared to consider a number of responses where they report soft skills gaps and employers are not ignoring deficits in soft skills. Furthermore, the high proportion offering training as a response to soft skills gaps suggests that employers do consider such skills to be trainable.

Table 6.5: Types of responses to skills shortages (% of establishments reporting a skills shortage engaging in said response)

Response	All skills shortages	Soft skills shortages	Hard skills shortages
Higher pay/financial rewards	8.7	9.2	7.5
Enhanced terms and conditions	9.7	11.1	6.5
Considered a wider range of applicants	10.8	12.3	7.3
Gave tasks to other staff	5.5	7.0	2.0
Automated tasks	1.8	2.8	0.0
Hired part-time staff	4.1	4.4	3.4
Hired contract staff	4.6	5.5	2.5
Built links with schools/ colleges/universities	28.1	29.4	25.2
Used more extensive recruitment channels	11	8.7	16.2
Spent more on recruitment/use of more expensive methods	5.3	4.7	6.6
Recruited staff from overseas	5.6	6.9	2.6
Offered training to the less well qualified	4.4	3.0	7.6
Retrain existing staff	0.5	0.5	0.4
Contracted work out	0.0	0.0	0.0
Other	1.0	1.2	0.5

Base = all establishments reporting a skills shortage

Table 6.6: Types of responses to skills gaps (% of establishments reporting a skills gap engaging in said response)

Response	All skills gaps	Soft skills gaps	Hard skills gaps
Increased recruitment	18.3	21.9	8.3
Provided further training	69.1	78.2	43.8
Changed work practices	36.8	46.1	10.9
Relocated work within the company	22.8	24.9	16.9
Expanded recruitment channels	10.6	13.4	2.7
Increased/expanded trainee programmes	32.4	39.2	13.4
Recruited from overseas	2.7	3.4	0.6
Monitor appraisal feedback	2.0	2.5	0.3
Other	0.8	1.1	0.0

Base = all establishments reporting any skills shortage

Proposition 3.1: Employers will be more willing to respond to skills deficits when reported in hard skills

This proposition is investigated first for shortages and then gaps. Establishments were classified as offering no response when either reporting that they had engaged in no response to skills deficits or did not know what they had done. The differences between responses to soft and hard skills shortages for each year are examined using χ^2 tests. Table 6.7 shows the case for both skills shortages and skills gaps in the 2002 ESS. When responding to skills shortages a high proportion of employers offered no response but where soft skills shortages were reported these were more likely to have been responded to than hard skills shortages (37% of employers offering no response compared to 41%). However when examining skills gaps the picture is reversed with establishments significantly more likely to respond to hard skills gaps than soft skills gaps, although approximately 95% - 98% of establishments with either kind of skills gap had offered a response to these. For both types of deficits differences in response were significant.

The differences between responses, therefore, make it difficult to provide a comprehensive conclusion to proposition 3.1. What can be said is that, overall, soft skills *shortages* were more likely to have been responded to, whilst hard skills *gaps* were more likely to have elicited a response. Skills gaps were however more likely to have been responded to than skills shortages for both soft and hard skills deficits suggesting that employers place more emphasis on skills issues with their current staff rather than trying to attract new staff.

Table 6.7: Proportion of establishments (%) reporting skills deficits and not responding to these in any way

	Soft skills deficit reported (%)	Hard skills deficit reported (%)	Chi square
Shortages	36.5	40.5	5.565*
Gaps	5.1	2.1	111.217***

Note: * $p < 0.05$, *** $p < 0.001$

Proposition 3.2: Employers will be more likely to respond to soft skills deficits in higher/intermediate occupations such as Professionals, Managers and Senior Officials, Associate Professionals, Skilled Trades and Administrative and Secretarial Occupations.

Proposition 3.2 was addressed by collapsing the occupational variables into Higher, Intermediate and Lower occupations as described when addressing proposition 1.2 above. Higher occupations thus contained Managers and Professionals; Intermediate occupations Administrators, Associate Professionals and Skilled Trades; and lower occupations Personal Service, Sales and Customer Service, Operatives and Elementary occupations. This approach allows significance to be ascertained between the groups, which the non-mutually exclusive nature of the occupational variables does not generally allow. The analyses ascertained whether establishments reporting a skills gap in an occupational group were more or less likely to respond than establishments *not* reporting a skills deficit in the said occupational group. As it was differences between occupations that were being considered rather than types of skills deficits, the analysis is conducted for soft skills only (see Table 6.8).

When examining soft skills shortages in Table 6.8 there were a large proportion of establishments offering no response to all occupations in the 2002 ESS. It was, however, higher level occupations in which response to soft skills shortages were least likely with almost 67% of establishments offering no response. Establishments reporting soft skills shortages in lower occupations were the *most* likely to have responded in this year, although 35% still offered no response.

When examining soft skills gaps it is noticeable that more establishments responded than for soft skills shortages and that the discrepancies between the occupations were smaller. Notwithstanding this, in 2002, establishments with skills gaps in higher occupations were substantially less likely to have responded in some way with 19% offering no response. This was compared to approximately three per cent of establishments with soft skills gaps in intermediate occupations offering no response and two per cent in lower level occupations.

Proposition 3.2 thus receives no support when investigating the bivariate statistics. Indeed, higher occupations were the group for which establishments were least likely to have responded to soft skills deficits, especially soft skills shortages. Scottish employers were also prepared to offer a response to soft skills deficits in lower skilled occupations in the vast majority of cases.

Table 6.8: Establishments offering no response to soft skills deficits when reported in differing occupation levels (% of establishments offering no response to deficits)

	Higher occupations		Intermediate occupations		Lower occupations	
	%	χ^2 Value	%	χ^2 Value	%	χ^2 Value
Shortages	66.7	109.852***	41.7	11.915**	35.0	5.497*
Gaps	18.9	2065.533***	3.4	18.161***	1.9	261.704***

Base = all establishments with soft skills shortages/gaps

*Note: Chi square (χ^2) values refer to the significance of establishments with skills deficits in a certain group offering no response to skills deficits compared to establishments without a skills deficit in said group. * $p \leq 0.05$, ** $p \leq 0.01$, *** $p = 0.000$*

6.5 The main determinants of employer response to skills deficits in Scotland

Research question 4 sought to determine the main determinants of responses to skills deficits in Scotland. As for the determinants of soft skills gaps, logistic regression analysis was performed to ascertain the main determinants of response to skills deficits. The analysis was performed on *all* skills deficits, rather than simply soft skills as whether or not response was affected by the presence or not of a soft skills deficit was a key independent variable. All other variables were the same as used when predicting the presence of a soft skills gap in Research Question 2 (see section 6.2). Responses to skills shortages are considered first and then skills gaps. Although relatively few establishments reported soft skills shortages there were a high number reporting no response in both years meaning that, unlike the analysis for the presence or not of a soft skills shortage, there was a sufficient distribution across the dependent variable for analysis (Hair et al., 2003). As with the logistic regression analyses for the presence or nor of a soft skills gap the regression was primarily conducted to ascertain whether the patterns identified in the bivariate statistics remained when controlling for other variables, although in order to examine the independent effect of whether skills deficits were reported in soft or hard skills, responses to *all* skills deficits are considered. As well as this conformation the regressions also allowed the identification of other potentially salient variables that may have affected an establishment's decision to respond to skills deficits.

For skills shortages in the 2002 ESS no single block was as obviously prevalent as occupational variables had been when predicting the presence of a soft skills gap (see Table 6.9). Two blocks, however, contained variables with large coefficients, namely the exogenous sectoral variables and the occupational variables. When examining sectors, and controlling for all other variables in the model, all of the significant sectors were more likely than the comparator sector, Retail, to have ignored skills shortages. The only non-significant sector, Public Services, was therefore, along with Retail, the sector most likely to have responded to skills shortages. Of those with significant remaining coefficients, the Hospitality sector had the smallest coefficient showing that the three sectors worst affected by soft skills deficits when examining Proposition 1.1 were also those most likely to respond to skills shortages

When examining occupational trends in Table 6.9 the three occupations for which establishments were *most* likely to have responded to skills shortages were Professionals, Administrative and Operatives. Establishments reporting skills shortages in these occupations were only 42% – 53% as likely to have ignored skills shortages compared to establishments reporting skills shortages in other groups. The occupations for which establishments were least likely to have responded to skills shortages were Associate Professional and Sales and Customer Service occupations. Establishments were approximately six and four times more likely, respectively to have done nothing in response to skills shortages in these occupations than those reporting skills shortages in other occupations. No definitive pattern therefore exists between Higher, Intermediate and Lower occupations when controlling for other variables in the model, contrary to Proposition 3.2. Interestingly, three of the four worst affected occupations by soft skills shortages, Skilled Trades, Elementary Occupations and Personal Services were not amongst those most likely to have elicited a response, although the fact that the model examines responses to *all* skills shortages may partially explain this.

Of the other significant variables in Table 6.9 that were apparently weaker determinants, the perceived attractiveness of the firm operated in an intuitively correct direction with a one unit increase in this scale reducing the likelihood of doing nothing to address skills shortages by approximately 34%. Interestingly the number of HR policy elements in place had no significant effect and neither did whether or

not the shortage was in soft skills. In terms of proposition 3.1, there was thus no significant effect of the type of skills deficit reported when determining whether employers responded to skills shortages, when controlling for other variables.

When examining the iteration history of the three blocks it became clear that the model left much variation in the decision to respond to a skills shortage to be accounted for. The final model only correctly identified 54% of establishments that had not responded to skills shortages with an associated pseudo R^2 of 0.20 and a highly significant Hosmer and Lemeshow test. Clearly the prediction of whether or not an establishment responds to a skills shortage depends on a multitude of factors, some outwith the model. Upon examining the model improvement on the addition of each block, the endogenous factors alone were poor predictors of whether or not establishments responded to skills shortages, with only 3% of those not responding correctly identified, with a related pseudo R^2 of 0.02. The model greatly improved when adding the exogenous factors with 42% of those not responding correctly identified at this stage (pseudo R^2 0.12). Although the final model including all three blocks was the best predictor with some large coefficients for the occupational variables the greatest improvement in the model was as a result of adding the exogenous variables, suggesting that the sector in which an establishment operates alongside the area control variables were important determinants of whether or not skills shortages were addressed in the 2002 survey. This finding perhaps reflects the fact that addressing skills shortages external to the firm depends more upon the external sectoral characteristics and labour market in which the firm operates, rather than internal firm factors.

With the case for skills shortages addressed, skills gaps were next considered. The only further variable change at this juncture was that geographical area of establishment was removed as there are no theoretical reasons to suggest that this would impact on internal HR policy. This was supported by their poor predictive power when examining the determinants of soft skills gaps in section 6.2. As 96% of establishments in 2002 had responded in some way to skills gaps, this creates the problem, that the majority of establishments are correctly predicted before the model is constructed (Hair et al., 2003). As there was more variation than when examining whether or not establishments had soft skills shortages for Research Question 2 and

many more establishments reported skills gaps than soft skills shortages, analysis was still attempted.

Table 6.9: Logistic regression determinants of establishments not responding to skills shortages, in Scotland 2002

Variable	Categories	Coefficients
<i>Block 1</i>		
Perceived attractiveness of firm	-	0.66***
HR policy sophistication	-	1.00***
<i>Block 2</i>		
Sector [†]	Agriculture/ forestry/ fishing	29.94***
	Energy/water/mining construction	5.77***
	Manufacturing	4.62***
	Distribution, Hotels and Restaurants	1.61**
	Transport and communications	5.61***
	Banking/finance and insurance/business services	3.04***
LEF area of establishment ^{††}	Borders	0.12**
	Dunbartonshire	0.14**
	Fife	0.15**
	Glasgow	0.15***
	Grampian	0.25**
	Lanarkshire	0.18**
	Lothian and Edinburgh	0.12***
	Renfrewshire	0.27*
	Tayside	0.14***
	Moray, Badenoch and Strathspay	0.17**
	Ross and Cromarty	0.09**
	Shetland	0.23*
<i>Block 3</i>		
Occupation reporting a skills shortage	Managers and Senior Officials	3.42***
	Professional	0.47**
	Associate professional	5.64***
	Administrative	0.58*
	Personal service	2.52***
	Sales and customer service	4.36***
	Plant, process and machine operatives	0.50**
	Elementary	3.63***

***significant at $p \leq 0.00$ **significant at $p \leq 0.01$ *significant at $p \leq 0.05$

[†]Coefficients reported relative to reference category, retail and other consumer services

^{††}Coefficients reported relative to reference category; Western Isles

To rectify the variation problem in the dependent variable a random sample of the over-represented category was taken that is closer to the number in the under-represented category (Hair et al., 2003). On this occasion, however, it was imperative to keep the total number of cases above the threshold of 300 (i.e. 20 cases for each of the remaining 15 variables), described when analysing responses to skills shortages above. In order to maximise the possibility of the model running it was decided to

select over 500 cases, with a final sample size of 512, with 182 (35%) of these not responding to skills gaps.

Despite this sampling procedure, the estimation of the 2002 ESS sample failed in the final occupational block due to numerical estimation problems. This is likely to be as a result of the small sub-sample and the fact that in order to keep the sample size viable there was a greater disparity between the smaller dependant group (i.e. those offering no response) and the larger dependant group than would be desired. Despite these problems, no error messages were encountered alongside significant coefficients and the 95% confidence intervals for significant variables were generally small, suggesting reliable beta coefficients. Bearing these characteristics in mind, the model results are reported below. As no results could be estimated for the occupational variables this suggests that these were not a strong predictor of response to skills gaps once controlling for other variables. This suggests that Proposition 3.2 may be mistaken in assuming that employers respond differently to skills gaps in different levels of the occupational hierarchy. The sample characteristics mean that this assertion is made cautiously whilst it must also be remembered that Proposition 3.2 specifically examined soft skills deficits whilst the logistic regression model examined all skills gaps, with the existence of soft skills gaps an independent variable. Given the findings for the regression model for skills shortages above, however, the fact that no clear pattern in occupational response existed suggests that Proposition 3.2 may be incorrect.

When examining the coefficients in the final model, the exogenous sectoral variables had the biggest coefficients, although the endogenous variables had larger effects than in previous multivariate analyses (see Table 6.10). Of those with significant beta scores only the Hospitality sector was more likely to have responded to skills gaps than the Retail sector (only 43% as likely to have offered no response). Of those with large positive coefficients, the Public Services sector was the least likely to respond being almost nine times more likely than the Retail sector to have done nothing as a result of skills gaps. For the sectors worst affected by soft skills deficits identified when examining Proposition 1.1 there were, thus, mixed results in terms of the responses to skills gaps.

For the endogenous variables in Table 6.10, both increasing the perceived attractiveness of the firm and the number of skills and training related HR practices by a unit *increased* the likelihood of an establishment ignoring skills gaps, by approximately 50% and 70% respectively. The endogenous variable with the largest effect was the existence of a soft skills gap with establishments three times more likely to have ignored skills gaps than those with a hard skills gap. This finding, when controlling for all of the variables in the model, is, therefore, consistent with the pattern from the bivariate statistics and offers support for Proposition 3.1. The finding that HR practices had a significant effect again justifies the examination of HR practices, in detail, in the ensuing case studies.

When examining the development of the model at each stage the endogenous factors accounted for considerably more of the variation in response to skills gaps than for skills shortages. After block one, including only the endogenous factors, 47% of those not responding were correctly identified with an associated pseudo R^2 of 0.13. Upon addition of the sectoral variables the number offering no response correctly predicted increased to 71% (pseudo R^2 0.26) with a significant Hosmer and Lemeshow test showing a difference between the observed results and those predicted by the model. The similar increase in the model fit statistics at each stage makes it difficult to decide which block is the best overall predictor but clearly both sectoral demands and establishment characteristics had an effect.

In summary, different factors were important when examining the likelihood to respond to skills shortages and skills gaps. Interestingly it appeared that whether a skills deficit was reported in higher, intermediate or lower occupations had little bearing on whether employers responded to skills deficits, running contrary to proposition 3.2 and suggesting that employers may not be privileging higher occupations in responding to skills gaps, which is promising given that it was in lower occupations which soft skills deficits (especially gaps) were most likely to be reported. Less promisingly, however, it appeared that employers were marginally less likely to respond to soft skills gaps than hard skills gaps with the multivariate models supporting the bivariate statistics for Proposition 3.1. This finding may have partially affected the occupational findings; although the bivariate statistics investigated for Proposition 3.2 suggested that the occupations worst affected by soft skills deficits

were also those in which employers were most likely to respond. The multivariate models thus indicate positive findings in terms of occupational response but also an area where Scottish employers may improve in terms of the overall propensity to respond to soft skills gaps. The subsequent case study research will elucidate upon these findings in particular contexts.

Table 6.10: Logistic regression determinants of establishments not responding to skills gaps in Scotland, 2002

Variable	Categories	Coefficient
<i>Block 1</i>		
HR Policy	-	1.70***
Perceived attractiveness of firm	-	1.51***
Soft skills gap present	-	2.85***
Size of establishment	-	1.00*
<i>Block 2</i>		
Sector [†]	Energy/water/mining/construction	5.31***
	Manufacturing	1.89***
	Distribution/hotels and restaurants	0.43***
	Banking/finance and insurance business service	4.41***
	Public Services/education/health	8.66***

***p>0.001 ** p<0.01 *p<0.05

[†]Coefficients reported relative to reference category, retail and other consumer services

Interestingly, exogenous factors appeared to be the most important when determining whether establishments responded to skills shortages whilst the endogenous factors were of little concern. When examining skills gaps, however, despite the fact that a number of factors were important from each set of variables, the endogenous factors were a much greater predictor of response. This seems intuitive and suggests that the external climate is the greatest concern when deciding on whether external skills deficits require a response, whilst internal HR policy determines whether internal skills deficits are addressed.

The importance of outward facing policies in addressing skills shortages was also reflected by the effects of the attractiveness of the establishment to potential recruits. Attractiveness was negatively associated with responses to skills gaps although it was positively related with the response to skills shortages. This suggests that the attractiveness of the firm may relate purely to the attraction of new recruits and action directed at the external labour market rather than addressing skills problems in current employees.

6.6 Chapter summary and conclusions

This chapter has established the macroeconomic picture for Scotland in terms of the patterns and main determinants of soft skills deficits and employer response. These findings largely support the aggregated analyses reported in Chapter Two that soft skills deficits are particularly prevalent in interactive service sectors, especially the Hotels and Restaurants and Retail Trade sectors and in lower level occupations such as Sales and Customer Service and Elementary occupations. Other sectors and occupations were, however, also affected by soft skills deficits, meaning that nuance is required when discussing the location of soft skills deficits and suggesting that soft skills may be important throughout the economy despite definite sectors and occupations being worst affected by deficits. The sectoral and occupational findings held when conducting multivariate analysis of the determinants of soft skills gaps in Scotland. Indeed, the existence of skills gaps in lower level occupations, especially those with a customer-facing element was the strongest determinant of an establishment reporting a *soft* skills gap. Notwithstanding the importance of sector and occupation in determining establishments' soft skills gaps there were also some weak yet significant effects for factors such as HR practices highlighting the importance of detailed contextual investigation of these.

The chapter also revealed that employers responded to skills deficits in a number of ways, with those reporting deficits in soft skills engaging in a wider range of responses than those reporting deficits in hard skills. Notwithstanding this finding establishments were marginally less likely to offer *any* response to soft skills gaps than hard skills deficits, suggesting an area where Scottish employers may be able to improve further. The propensity to respond to hard skills gaps rather than soft was supported by the multivariate analysis. Soft skills deficits were, however, certainly not being ignored by employers.

A further encouraging finding is that, contrary to Proposition 3.2; employers were not apparently privileging those higher up the occupational hierarchy when responding to both hard and soft skills deficits. The bivariate statistics suggested that higher occupations, such as Managers and Professionals, were the least likely to have had soft skills deficits responded to whilst the multivariate models revealed no clear

pattern of occupational response. It may be that for higher-level occupations soft skills are not the priority when responding to skills deficits, although this requires further investigation and shall be considered in the ensuing discussion of the case study findings. As with the existence of soft skills gaps, there were also significant effects of HR policy and perceived attractiveness of the firm when predicting whether or not employers had responded to skills deficits. Internally focussed firm factors (such as HR policy) were a greater determinant of response to skills gaps and externally focussed factors (such as sector and attractiveness of firm) were a greater determinant of responses to skills shortages. These findings reaffirm the importance of examining these factors in greater detail within the case studies that follow.

With the macroeconomic picture now established the empirical work now turns to the in-depth case study investigation of two case studies in the worst affected sector by soft skills deficits, (Hotels and Restaurants) and one from the comparatively unaffected Business Services sector. These case studies are used to add depth to the economy-wide picture and to elucidate upon causal mechanisms affecting the presence of soft skills deficits and responses to these in particular organisational settings. This analysis starts with Chapter Seven, which reports upon the demand for skills within the case study organisations, their experience of skills deficits and their relationship with the external labour market. Chapter seven thus seeks to determine the types of skills which each establishment required and whether managers reported any skills deficits which is essential contextual information for all of the following case study findings. The Chapter then also examines whether an establishment's ability to attract the skills it requires are affected by external factors such as the labour market and the attractiveness of the establishment to potential recruits.

CHAPTER SEVEN: ORGANISATIONAL CONTEXT 1: SKILLS DEMAND, SKILLS DEFICITS AND THE EXTERNAL LABOUR MARKET

7.1 Introduction

Chapters Seven and Eight present the findings for Research Question 5, the extent to which organisational context effects the presence of soft skills deficits and determines employer response, through the four related sub-propositions. This first chapter focuses on the first two of these propositions; that the activities of the firm will effect the presence of soft skills deficits (proposition 5.1) and that the perceived quality of candidates in the local labour markets and the firm's ability to attract suitable candidates will effect the presence of soft skills deficits (proposition 5.2). Chapter Seven presents the external context and the manner in which the market activities of the firm drive skills demand; Chapter Eight then focuses on the internal context in terms of skills-related human resources (HR) policies.

The present chapter draws on all case study data sources although particular reference is made to the managerial interviews as these were most relevant for establishment context and policies. The chapter concludes that there is generally strong support for both propositions, although the presence or not of soft skills deficits depends upon more than simply an establishment's demand for skills and the quality of available labour. The role of establishment context and the manner in which establishments respond to the market also impact greatly upon the realisation of soft skills deficits.

7.2 Employment profiles of each establishment

Before analysing the research propositions the make up of the workforce in each establishment is examined in order to contextualise the findings. Within each case study the HR representatives were asked some general questions about staffing patterns and organisational structures which were added to by the line manager respondents to create a picture of each organisation. *Fontainebleau*, as stated in the methodology, employed approximately 130 staff. Of these staff approximately 11% were Managerial occupations (including the Head Chef (HC)); 13% Administrative and Secretarial staff (receptionists and administrators); 8% were Skilled Trades (two

maintenance workers and eight Chefs); one Professional (an accountant); and the remainder (approximately 90 staff or 70% of the total) were employed in Elementary positions. Four or five employees were employed as Kitchen Porters (KPs) and a further four or five as Concierges. Approximately 50 were employed as front-line staff in Food and Beverage (F and B), whilst the remainder (approximately 30) were employed in Housekeeping.

Of the total staff approximately 60 were 'casual' part-time employees, whilst the majority of the permanent staff were full-time (approx 50/70). The total amount of part-time staff in the hotel was, therefore, approximately, 60% - 65%. The majority of these casual staff were employed in either F and B or Housekeeping. The HR Co-ordinator (HRC) reported that turnover for the previous year for the hotel as a whole had been 75% with casual staff experiencing turnover of approximately twice this average rate.

Within the Hotel there were 14 managers, six of whom were in the F and B department; three Bar Managers, a Restaurant Manager, the Conference and Banqueting (C and B) Manager⁷ and the overall Food and Beverage (F and B) Manager who was also the Deputy General Manager (DGM) of the Hotel. In addition there was also the General (Hotel) Manager (GM), the HRC, Head Housekeeper (HH), Customer Care Manager, Front Office Manager (FOM), the Night Manager and two Duty Managers. Fontainebleau itself was part of a Glasgow wide 'cluster' of three establishments with the majority of the administrative function for the cluster in another outlet, meaning that Fontainebleau itself had few administrative staff (approximately 10). The original HRC moved to this other outlet approximately one month into the case study, whilst the HRC from the other outlet moved to the establishment under investigation. These respondents are referred to as the first (or original) and second HRCs throughout.

Oxygen had a very similar departmental set up to Fontainebleau although it employed more staff. The staffing levels fluctuated with 220 being the approximate core number at the time of investigation (August/September) but the numbers increased

⁷ The C and B department oversaw special events such as weddings, Christmas Parties etc... The vast majority of C and B staff were casual as such events happened irregularly.

steadily to 280 plus from the end of September, peaking at Christmas, as 60 or more casual Meetings and Events⁸ (M and E) staff were generally recruited to cope with Christmas events. As with Fontainebleau the vast majority of staff worked in F and B, M and E and Housekeeping and were part-time⁹. When examining the numbers of staff employed in each group 22 were employed as managers (10%); approximately 14% in Administrative occupations (approximately 20 in reception and eight - ten in back office functions); nine percent of total employment was in Skilled Trades (four maintenance and 15 Chefs); there was one night security guard (Personal Service); eleven employees were in Sales and Customer Service occupations (including the regional e-commerce manager); and approximately 140 in Elementary positions in F and B, M and E, Housekeeping, Kitchen Stewards (analogous to KPs) and Concierges. Of these approximately 30% were in Housekeeping, 50% - 55% in F and B/M and E and 15% - 20% in the other positions. As in Fontainebleau the major occupational groups fell within the Front Office, Kitchen, F and B and Housekeeping Departments. Although back office staff for the region were also employed in this establishment the same employee groups as Fontainebleau were included in the study only, for consistency.

Approximately 65% of the total staff were part-time and staff turnover in the hotel as a whole was 42% in the previous year. Of the one-hundred new recruits taken on as replacement demand, at least 90% were part-time and generally in F and B and M and E. It was part-time staff, therefore which caused the majority of turnover.

The management structure in Oxygen was somewhat complicated especially given the fact that many of the managers for the region were stationed in Oxygen. The operational management team was, however, similar in structure to Fontainebleau. These were: General (Hotel) Manager (GM); Deputy GM (DGM); F and B Manager (FBM) HR Manager (whom the People Development Manager (PDM) operated under); Front Office Manager (FOM); Night Manager; Senior Meetings and Event Manager; Head Chef (HC); Head Housekeeper (HH); Chief Engineer and four bar

⁸ M and E staff are Oxygen's analogue of the C and B staff in Fontainebleau. In Oxygen such staff tended to be used more for parties and business meetings and conferences rather than weddings, which was the predominant function of these staff in Fontainebleau.

⁹ In Oxygen all staff on part-time contracts whether fixed-term or permanent were designated as casual. All staff had contracts and so technically the term "casual" is somewhat of a misnomer.

and restaurant managers. The remaining seven managers were in administrative functions such as Sales and Marketing, Finance, IT and Reservations, some of which had area wide responsibility or dealt with reservation agents in contact centres.

Within *Silex* the majority of the 220 staff were scientists or scientific support staff. All scientific staff specialised in geology and earth sciences, for example Petrology, Seismology and Palaeontology. Professional scientists accounted for 55% of staff (120) a further 20 (9%) were in Managerial occupations. The vast majority of managers were also either scientists or technicians that had been promoted to manage various disciplines, with the exception of the Station Secretary (SS), Personnel Manager (PM), Head of IT (HoIT) and Accounts Manager. The remaining 80 staff were classified as 'support staff' but these came in a variety of guises. Approximately 30 (14% of total) were Administrative and Secretarial staff dealing with business administration, records, reception duties and manning the shop which sold books, maps and rock specimens and was open to the public; there were two or three cleaners; approximately 10 (5%) were in IT support, 19 (9%) in Cartography and the remainder of approximately 20 (9%) were employed as technicians, scientific support and engineers. The majority of employees in the organisation were, therefore, in Professional and Associate Professional occupations.

Almost all *Silex* staff were full-time and staff turnover was markedly different from the two hotels. The SS and PM estimated that only approximately eight staff had left in the past year, giving a turnover rate of approximately 4%.

The organisational structure within *Silex* was somewhat complex as the establishment ran as a 'matrix', organised around different projects. This meant that the time of individuals was paid for by various project budgets. The administration and IT sections provided support across all departments whilst technical support was provided *within* each department. The Cartography department also provided project support as well as being a resource for *Silex*'s ongoing function, which was to trace the geological history and make up of the British Isles. This project was funded by the government and provided 50% of *Silex*'s total income, with private companies (generally oil companies) providing the remaining 50%.

The interview respondents for each establishment and their abbreviations are summarised in Table 7.1 to provide a reference point as for expediency, the respondents' job titles are abbreviated in the text. Where multiple employees from the same group were interviewed, these are simply numbered.

Table 7.1: Interview respondents in the case study establishments

Fontainebleau	Oxygen	Silex
<i>Management</i>	<i>Management</i>	<i>Management</i>
'Original' HR Co-Coordinator (HRC)	People Development Manager (PDM)	Station Secretary (SS)
Second HRC	Deputy General manager (DGM)	Personnel Manager (PM)
Food and Beverage Manager (FBM)	Food and Beverage Manager (FBM)	Head of Discipline (HoD)
Head Chef (HC)	Head Chef (HC)	Head of Petrology (HoP)
Front Office Manager (FOM)	Front Office Manager (FOM)	Head of Seismology (HoS)
	Head Housekeeper (HH)	Head of IT (HoIT)
		Head of Cartography (HoC)
<i>Non-management</i>	<i>Non-management</i>	<i>Non-management</i>
Receptionist (R)	Front Office (FO)	Cartography Systems Engineer (CSE)
Restaurant/waiting employees 1 – 2	Meetings and Events (M and E)	Scientific Support Office (SSO)
	Food and Beverage (F and B)	
Conference and Banqueting (C and B) 1 - 4	Restaurant	Geographic Information Systems Analyst (GIS)
	Focus group (mixed customer-facing employees) (FG) 1 - 8	

7.3 The activities of the establishments, skills demand and soft skills deficits

7.3.1 The skills which mattered in each establishment – management views

Section 7.3 seeks to address Proposition 5.1, that 'the activities of the establishment will affect the skills which are demanded and the reasons for soft skills deficits where they occur'. This discussion begins with an analysis of the skills that managers reported as important for employees. Within each case study line managers reported the three most important skills of employees within their department (see Tables 7.2

for the hotel establishments and 7.3 for Silex). The tables show that the most important skills differed by occupational group and sector. Technical and practical skills and specialist knowledge were important throughout Silex, with the exception of administrative staff, supporting the principal activities of the establishment. Within the two hotels, however, technical and practical skills were generally confined to chefs and kitchen staff, with the Food and Beverage Manager (FBM) in Fontainebleau also believing they were important in customer facing staff. When probing the respondent on the technical and practical skills element he said: 'We're looking for staff to be able to try and solve problems without having to take them further, use a bit of common sense and take ownership of customer problems as well ' This practical "common sense" was it would appear, related more to problem solving and thinking on one's feet rather than the display of technical prowess.

The hotel managers perceived that customer handling was important for front-line service staff such as food and beverage staff (e.g. bar, events and waiting staff) and receptionists. However, customer handling skills were also ranked as the most important skills in a number of occupations in which dealing with customers was not necessarily the primary aspect of their job. Within the management team in both hotels customer handling was amongst the most important skills and also for housekeeping staff in Oxygen. Customer handling also was seen as one of the most important skills for both ICT staff and Cartographers in Silex. The use of such skills was viewed as important by management due to the fact that staff frequently came together in project teams as and when required. This required dealing with *external* private and public sector clients and *internal* customers for whom specialist services were provided, as summarised by the Head of Petrology (HoP):

A lot of the work that we do is for commercial customers or for internal customers ... unless you can put the information over with people, you know, it's ... you don't get asked to do more jobs. You'd put yourself out of business very, very quickly.

Examination of the other soft skills shows a similar pattern to customer handling. Although soft skills were cited as the most important skills in the work of front-line interactive service workers, management believed that these were also important

throughout all three establishments. Oral communication, team-working and problem solving were particularly widely reported throughout the hotels, whilst oral communication, problem solving and team-working were widely reported by managers in Silex. Soft skills were thus an essential secondary skill set in Silex where the primary job activities were seemingly unrelated to the display of soft skills. The manner in which soft skills were seen as complementing technical skills in Silex was demonstrated by the most senior respondent, the Head of Discipline (HoD):

Increasingly, those (soft) skills are coming up our agenda because I haven't picked them out as being the three most important, that doesn't mean to say that we don't place importance on them.

7.3.2 The skills which mattered in each establishment – employees' views

The skills which employees believed were important to their jobs is important as any gap between employees' and managers' views could lead to skills gaps in managers' eyes. Survey respondents were asked to identify the three most important skills that they used from a modified list of FSS' skills types. The results are summarised in Table 7.4 for all employees and tables 7.5 and 7.6 for managerial and supervisory employees and line employees respectively. Examination of the survey results by each occupational group within the establishments was not possible because of the relatively low number of responses for the hotels.

It can be seen in Table 7.4 that the types of skills seen as the most important differed to some degree depending upon the activity of the establishment. Customer handling was thus amongst the most important skills in the two hotels whilst problem solving and ICT skills were especially important within Silex. Team-working was viewed as ubiquitously important across all establishments. Interestingly, planning and organising, was perceived as the most important skill in Fontainebleau showing that employees in interactive services did not only assign importance to skills reliant on communication and customer handling and that the whole range of soft skills were used within the hotel.

Table 7.2: Line managers' perceptions of the most important skills for their employee group; Fontainebleau and Oxygen

	Food and Beverage	Housekeeping	Kitchen	Management team	Reception
Fontainebleau	<p><i>Managers – Oral communication; Leadership</i></p> <p>Strategic management;</p> <p><i>Front-line staff - Customer handling</i></p> <p>Team-work</p> <p>Technical and Practical skills</p>	No interview	<p><i>Senior chefs - Planning and organising</i></p> <p>Team-work</p> <p>Basic ICT</p> <p><i>Junior Chefs – Planning and organising</i></p> <p>Oral communication</p> <p>Technical/practical skills;</p> <p><i>Kitchen Porters – Team-work</i></p> <p>Technical/practical skills</p> <p>Oral communication</p> <p>Self Presentation</p> <p>Team-work</p> <p>Technical and practical skills</p> <p><i>n.b. These skills were viewed as having the same importance for both chefs and “stewards” (Kitchen Porters)</i></p>	<p>Customer handling;</p> <p>Oral communication</p> <p>Team-work</p> <p>Problem solving</p>	<p>Customer handling;</p> <p>Oral communication</p> <p>Basic ICT</p>
Oxygen	<p>Customer handling</p> <p>Self Presentation</p> <p>Team-work</p> <p><i>n.b. These skills were viewed as having the same importance for managers and front-line staff</i></p>	<p><i>Supervisors – Oral communication</i></p> <p>Planning and Organising</p> <p>Problem Solving</p> <p><i>Front-line staff – Team-work</i></p> <p>Oral communication</p> <p>Customer Handling</p>		<p>Team-work</p> <p>Customer handling</p> <p>Planning and organising</p>	<p>Customer handling</p> <p>Oral communication</p> <p>Written communication</p> <p>ICT</p>

Table 7.3: Line managers' perceptions of the most important skills to their employee group; Silex

	Administrators	Cartographers	ICT staff	Scientific staff	Management team
Silex	<p>Team-work</p> <p>Oral communication</p> <p>Customer Handling</p>	<p>Advanced ICT (most important)</p> <p>Technical and practical skills</p> <p>Oral communication</p> <p>Planning and Organising</p> <p>Customer handling (internal customers)</p>	<p>Advanced ICT (= most important)</p> <p>Customer handling (= most important)</p> <p>Problem solving</p> <p>Planning and organising</p> <p>Team-work</p>	<p><i>Petrology</i> – Technical and practical skills</p> <p>Problem solving</p> <p>Numeracy</p> <p><i>Seismology</i> – Team-work</p> <p>Problem solving</p> <p>Technical and practical skills</p> <p><i>n.b. these skills were equally important for technicians and scientists</i></p>	<p>Advanced ICT</p> <p>Problem solving</p> <p>Written Communication</p> <p>“Specialist knowledge”</p> <p><i>n.b. these skills were equally important for scientists and engineers.</i></p>

Notwithstanding the fact that employees' perceptions of the importance of certain skills tended to follow the demands of the establishments, technical and practical skills were not amongst the top three skills in Silex (although narrowly outside the top three), despite being deemed as particularly important by some managerial interviewees. This highlights the perceived importance of more 'generic' skills to the work of Silex employees.

Table 7.4: Three 'most important' skills used on a daily basis; all case study survey respondents

	Skill (1)	%	Skill (2)	%	Skill (3)	%
Fontainebleau (n = 29)	Planning and organising	57	Team-working	57	Customer handling	53
Oxygen (n = 50)	Customer handling	60	Team-working	61	Oral communication	38
Silex (n = 104)	Problem solving	49	Team-working	47	Basic ICT skills	39

When examining those with managerial responsibility in Table 7.5 the top three skills in both the hotels were identical and correlated with the managers' views that planning and organising, team-working and customer handling were all important for managers and supervisors. The only skill which was mentioned by a number of managerial interviewees, but failed to make the top three skills reported by managers/supervisors in the surveys in either hotel, was problem solving. This represents one clear area where there may be a gap between senior management and other managers/supervisors in the hotels.

In Silex the top three skills were also those widely reported by the senior managerial interviewees although technical and practical skills were still not amongst the three most important skills. Almost 30% of managerial and supervisory employees however did report technical and practical skills as amongst the three most important in their daily work. The gap between managers' and employees' perceptions was, therefore, not as pronounced as in problem solving skills in the two hotels.

Table 7.5: Three ‘most important’ skills used on a daily basis; managerial/supervisory case study respondents

	Skill (1)	%	Skill (2)	%	Skill (3)	%
Fontainebleau (n = 13)	Planning and organising	77	Team-working	62	Customer handling	54
Oxygen (n = 24)	Team-working	70	Planning and organising	58	Customer handling	42
Silex (n = 39)	Problem solving	52	Planning and organising	51	Team-working	49

The results in Table 7.6 show that non-management employees tended to agree with the senior managers interviewed, especially in terms of customer handling, team-working and oral communication in the two hotels. In Fontainebleau the only real departure was that problem solving was not considered, on average, to be amongst the three most important skills by line employees. In Silex again technical and practical skills were not amongst the top three skills but were reported by over 34% of employees as one of their most important daily job skills, a figure which rose to 41% when recoding some of the ‘other’ skills reported as important. A significant minority of employees, therefore, did rate technical and practical skills as highly important.

Table 7.6: Three ‘most important’ skills used on a daily basis; non - managerial/supervisory case study respondents

	Skill (1)	%	Skill (2)	%	Skill (3)	%
Fontainebleau (n = 15)	Team-working	54	Oral communication	53	Customer handling	47
Oxygen (n = 25)	Customer handling	77	Oral communication	50	Team-working	46
Silex (n = 60)	Basic ICT	49	Team-working	48	Problem solving	48

The importance of various skills to the job was also ascertained through the employee interviews, which allowed validation and elucidation of the survey results despite the relatively small numbers. In both hotels respondents reported that it was soft skills which were the most important in their work, especially communication and customer service, or people skills such as being ‘sociable with the customers’ (C and B employee 3 - Fontainebleau). It must be remembered, however, that all respondents were customer facing. The Restaurant and M and E employees interviewed in

Oxygen were team leaders and also emphasised the importance of leading their teams and planning and organising during events in order that they ran smoothly.

The hotel employees tended to downplay any technical requirements. For example C and B employee 1 interviewed in Fontainebleau was consigned to the bar but stated that he did not need much 'technical' knowledge. For example when asked about wine he said, '(It's) Just really house wine that we put out and we've got a wine menu, so if somebody is wanting something specific they'll just look through that.'

Furthermore, he had received no other technical bar training such as cocktail training. Even where these customer facing staff did have to master some ostensibly technical elements of the work these were seen as easy to pick up and secondary to soft skills. The M and E employee from Oxygen, for example, believed that the technical aspects of his work, such as setting up rooms for functions, were simple and that they were "picked up" by watching other people. When asking the Receptionist (R) from Fontainebleau whether she used any technical skills at work the exchange went thus:

R: No. We use Fidelio (a generic hotel room booking system) but it's quite easy to master, because when I first came here I didn't have any clue about what Fidelio was so I got trained up and within two days I knew what do to.

SH: Oh, is it that simple?

R: Yes, it's that simple, it's basically two buttons you need to press.

In Silex, however, the skills set, in terms of what was most important in the work, was somewhat different. Although no scientists sat on the focus group, all three employees were employed in technical positions. The respondents primarily stated that planning and organising and problem solving were important to their work. The CSE reported that he basically acted as a 'help desk' and was called upon to fix problems as they arose with the GIS Analyst agreeing that in her role she was primarily solving problems of a various nature. All also stated that planning and organising was important as they were often working on a number of different projects at any one time and had to carefully plan their time and activities in advance. Because the nature of their work was so specialised specific technical knowledge and concomitant skills in dealing with certain systems and areas of science were also

essential to their jobs but were generally discussed under the heading of ‘problem solving’. This finding from the focus group helps to explain why problem solving skills were widely reported in the survey whilst technical and practical skills were less widely reported.

Given the centrality of these technical requirements and the use of technical problem-solving skills the Silex respondents were asked whether more interpersonal soft skills, were also important. In terms of customer handling they all stated that whilst they did deal with both internal and external customers, these skills were not a central concern on their jobs but rather a secondary skill set. For example, the GIS Analyst believed that, ‘I deal with quite a few EU geologists, so they’ll come to me on those projects for help, but I wouldn’t say customer handling is necessarily the biggest part of my job’.

The Silex employees did report, however, that team-working was highly valued in the establishment, due mainly to the fact that project teams were constantly changing and so employees had to fit into new teams quickly. Their views thus supported the importance placed on team-working in the survey results and by management.

7.3.3 The characteristics of desirable recruits

It was also necessary to examine the skills and qualities which management demanded in potential recruits in order to uncover whether it truly was ‘skills’ which management were looking for at the point of selection or whether other attributes were also sought. The levels of skills which were sought in potential recruits may have also affected skills gaps within the establishment. Due to similarities in the service requirements of the hotels desirable characteristics for these establishments are discussed before making contrasts with Silex.

Fontainebleau and Oxygen

In both hotels it was soft skills which were the main focus at the point of selection. All managers in Fontainebleau, with the exception of the Head Chef (HC) emphasised the importance of ‘personality’ when recruiting front-line staff and were

generally looking for extraversion and the potential to be able to deal with guests. The reason the HC gave for placing less emphasis on personality was that this was less important 'back of house'. The particular type of personality which was required from potential recruits was exemplified by the Front Office Manager (FOM) who said:

from a personality you can find out if they're bubbly, they're cheery... obviously if they're outgoing and whatever you know they're going to be able to deal with a guest, compared to someone that's really shy and withdrawn.

In addition to personality the FBM also stated that he was looking for other personal attributes and social skills, with self presentation and oral communication especially important. 'You'd be looking for, you know, whether that person's bright, articulate, you know. Whether they've got a bit of, you know, spark.'

The way in which managers described personality as being manifested, i.e. in interactions with other people, suggests that they were looking for more than simply personality but also the ability to utilise this in the form of interpersonal skills. 'Confidence' was also seen as essential by managers hiring customer facing staff. This confidence was gained, according to the management through practice and exposure to social situations both within and outwith the workplace.

Some Fontainebleau managers also sought technical and practical skills and/or work experience. This was, however minimal for front line employees. Soft skills were just as, if not more important when assessing work experience than technical skills. For managerial positions, however, this was different. Technical and practical skills, tied in with work experience in hotels, or in specific departments within hotels, were important for all managers; and for senior managers, cognitive skills (such as forward planning) and certain specialist knowledge was also required. The HC also stipulated that technical skills were important for more senior kitchen positions such as Chefs de Partie (who ran a section of the kitchen) and Sous Chefs.

A further aspect which management in Fontainebleau sought at the point of selection, especially for entry level staff, were a bundle of characteristics which could be realistically described as indicating reliability and a work ethic. The FBM stated that in selection he asked himself:

does it look like this person could hold down a job or does this person have an active life. Is the CV well written? What were the reasons for the people having left their last job? Are they potential trouble makers, you know

The original HRC also stated that one of the biggest problems she had found with applicants for entry level positions was that the applicants often did not appear that they actually *wanted* the job. She believed that this apparent apathy was not so much of a problem for part-time jobs, which were typically filled by enthusiastic students, but was a concern for full-time jobs, particularly where the local Job Centre had sent the applicants.

The HC also brought up the issue of reliability for entry level staff but appeared to go beyond a work ethic and was instead looking for something bordering on obedience. This respondent was mindful of the fact that many front-line jobs, especially for Kitchen Porters, (KPs) were not especially stimulating and he stated that for such jobs he just needed someone to 'turn up and do the job reliably.' He also commented, however, somewhat tongue in cheek, that when selecting apprentices he was looking for, 'eyes open, ears open, mouth shut.'

A final factor that managers in Fontainebleau considered when selecting front line staff was the degree to which the individual would fit in with the current team in their department and the hotel as a whole. The original HRC interviewed in Fontainebleau stated that one of the most important things in the hotel was the fact that there was a good team environment and that management had done their best to foster 'a happy place to work' and so it was important that everyone 'got on'. The HC noted that a key consideration in recruitment and selection was whether he believed that he and his team could get on with the candidate, whilst the FOM espoused the centrality of

the importance of working with others as part of a team when making selection decisions.

Within Oxygen, although the emphasis was on soft skills, management were looking for a slightly different manifestation of these skills than had been the case in Fontainebleau. Although the FBM in Fontainebleau had revealed that articulation had been important in selecting front line employees this was almost secondary to general confidence and a willingness to do the job. There was also no mention of a requirement for 'looks' or 'style' in Fontainebleau. Managers in Oxygen, however, placed a strong emphasis on articulation, the appearance and 'style' of customer facing employees and also a sense of 'warmth' and 'genuineness.'

The managers responsible for selecting customer-facing employees whose primary job activities involved interaction with customers all emphasised the importance of identifying soft skills at the point of recruitment. The FBM emphasised that whilst experience and qualifications (for managerial staff in particular) could be identified by filtering application forms and CVs the main purpose of the interview was the identification of soft skills. The FOM supported this and added that as well as interpersonal skills he was also looking for 'confidence and resilience' as this was essential to work on the front desk. The People Development Manager (PDM) stated that with customer service positions a lot could be gauged through the manner in which applicants greeted her. The importance of this first impression was also reiterated by the FBM who stated that he used to 'pop along' to see the candidates during interviews conducted by his line managers:

I just like them to kind of look me in the eye when they're speaking to me, maybe just a wee bit of a smile. And if they try and spark a conversation while you're speaking to them, you're like daddy-o ... you're the one for me ... Something stupid like, "Oh hello nice to meet you, how long have you worked here?"

A further implication for the selection of this particular brand of warmth, eloquence and friendliness was that managers tended to privilege certain groups of people when

selecting for customer facing positions. Those from the middle class and students were seen as particularly likely to have the desired skills:

You know there's no doubt that people come from... and maybe this is why there's so many students, but there's no doubt people come from like a middle class background have been ... you know, they're educated or whatever, they're front of house dealing with customers, they're a lot more outgoing because they're a lot more confident (PDM).

I know I sound like somebody from Hitler Youth, but yes I do (think social background matters) ... Do you know unless people are polished there is no hope for them? And yes we'll employ them in back of house areas, but then they're trapped, and they're not trapped because they're not capable, they're trapped because they're not articulate ... (DGM)

It was, however, reiterated that an applicant would not be judged on their background alone, with anyone displaying the desired polish, eloquence and articulation considered suitable. The implication of managerial demand on the selection of those from certain social backgrounds, however, remains clear.

As well as a certain style of interpersonal skills, management in Oxygen were also seeking aesthetic skills at the point of recruitment and selection. The FBM stated that physical self presentation was, in his eyes of equal importance to interpersonal skills and personality. This was not in terms of physical attractiveness *per se* but rather in terms of selecting people that were stylish:

The self presentation is particularly important to us here just because of the product we have in the hotel... It's very modern and it's sleek. It's very stylish and it's very attractive in the most parts, depending on your taste obviously

The PDM and DGM also emphasised the importance of self-presentation and style. Both of these respondents however believed that the interpersonal element and the person's warmth were of greater importance than physical attractiveness:

Oh definitely, there's no point, no matter how attractive somebody is, if they have the personality of a plank and they don't smile do you really care that they're good looking? (PDM).

Even in housekeeping and the kitchen softer skills and personal traits were still important, although the issue of style and eloquence was not so prominent. When selecting for junior kitchen positions the HC, much in the same manner as his Fontainebleau counterpart was initially looking for someone of a 'sound character'. After establishing character the HC would then probe further around the issues of experience and technical skills, with the amount of detail and level of skills dependent on the position. Essentially however, even for senior positions if someone had an excellent CV and technical skills but the character was not seen to 'fit' the kitchen they would not be hired as '...he may just come in as Mr Cocky and piss everyone off'. For the Head Housekeeper, as so many applicants were non-British she was primarily looking for their ability to communicate in English when selecting new staff.

A final consideration was Oxygen's requirements for managers. As in Fontainebleau the requirements for experience and technical skills, such as forward planning, forecasting and financial management were important as was managerial experience. Soft skills and customer handling were, however, also viewed as essential for senior managers. For customer facing positions such as outlet managers, soft skills were regarded as the most essential skill set, in the same manner as for customer facing staff.

Silex

Given the very different nature of the service provided in Silex compared to the two hotels, management were looking for a very different skills profile at the point of recruitment and selection, which placed more emphasis on technical skills and knowledge for all levels of scientific staff. Experience within their chosen field was seen as important, whilst for scientists, specialist knowledge was also essential alongside skills in disseminating results to a number of audiences.

For scientific support roles such as technicians it was not so much technical knowledge that was being sought but rather practical skills. The personnel representatives, HoD and HoS all reported that a work sample such as soldering was required in order to prove that they actually possessed the technical skills which they claimed to have. The HoC also mentioned that ‘artistic interest’ was an advantage for Cartographers.

Despite the obvious importance of technical and practical skills and specialist knowledge managers did state that soft skills were an important secondary concern. The importance of soft skills in new recruits was stimulated by the project based nature of Silex and the subsequent requirement to deal with customers. The HoP also believed that ‘personality’ and interpersonal skills helped to establish a good atmosphere within the team as ‘... it is important that that they play nicely with the other children.’ Soft skills were thus highly desirable in Silex recruits despite the fact that it was technical skills which constituted the primary focus of skills demand.

7.3.4 Skills deficits

Fontainebleau

As has been the case throughout this thesis the existence of skills deficits at the establishment level is determined from managerial perceptions of the proficiency of their staff. Whilst individual soft skills deficits measures are used for later individual-level multivariate models, and the way in which managers define proficiency is considered in the discussion and conclusions (Chapters Eleven and Twelve) the establishment level conceptualisation of a skills deficit is that which is discussed here.

In Fontainebleau, both soft skills shortages and unattractive shift patterns were reported by the HRC as causing hard to fill vacancies. The establishment was looking to recruit night staff, (customer-facing) breakfast staff and a Chef. In the case of the night and breakfast staff the shift patterns were seen as unattractive which meant there were few applicants whilst many applicants for the breakfast position also had soft skills shortages in terms of customer handling and communication.

The FBM in Fontainebleau did not report any skills shortages, due to the readily available pool of students looking for part-time work. He did, however, say that the pay and conditions on offer made it difficult to attract full-time staff and that the proliferation of call centres in Glasgow had also slightly reduced the pool of available talent as such work was in a 'nice comfy office' and was therefore more attractive than working in a hotel.

The HC reported that for his work group skills shortages existed predominantly because of the lack of suitable candidates with the required technical skills, but oral communication skills had also caused skills shortages. The FOM reported soft skills shortages in communication and also candidates' perceived ability to deal with customers. Experience and confidence were also seen as contributing to hard to fill vacancies for reception staff. The incidence of skills shortages in FO and the kitchen brigade was somewhat different to those reported by the HRC. This may be explained in part by a lag between the interviews, especially for FO staff. At the time of interviewing the HRC no vacancies existed for FO staff, although there were vacancies for kitchen staff making the discrepancy less easy to account for in this department.

When examining the incidence of skills *gaps* in Fontainebleau the first HRC reported that 2/14 managers were 'not fully proficient' alongside approximately 30% of Elementary staff. These groups both lacked technical and practical and team-working skills. Managers also had soft skills gaps in problem solving and leadership whilst Elementary staff lacked customer service and planning and organising skills. One caveat to these findings was that the HRC suggested that some of those with skills gaps were relatively new employees which meant that gaps were likely to be transitory and resolved once training had been completed. Many with skills gaps, however, had been in the organisation longer.

Interestingly, line management interviews revealed that soft skills gaps were more widespread than the HRC thought. The HRC had identified no skills gaps in Chefs or Receptionists, but the line managers suggested that these did exist. The HC reported that two of his team of eight Chefs lacked full proficiency and that oral communication, team-working and customer handling were problematic, particularly

in one individual. This particular individual worked breakfast shifts, which involved face to face customer interaction at a buffet style breakfast bar. The FOM also reported that, although she was generally happy with her team, four of the seven reception staff had skills gaps in both soft (especially customer handling) and technical skills (most notably familiarity with the room booking system). These gaps were, however, attributed to the fact that three of these staff had only been with the company a month and one only for a week. The skills gaps in the reception staff, were therefore, not wholly unexpected by the FOM as the employees had not undergone full training and were inexperienced.

The FBM supported the view of the HRC, stating that approximately 25% of his front-line staff in waiting and bar jobs were not fully proficient as well as half (two) of the unit managers in his department. These gaps were due to soft skills (for both groups) and written communication (for managers). Where soft skills were a problem, front-line staff were particularly badly affected by customer handling, team-working and problem solving skills. Skills gaps in the management team were in oral communication, planning and organising and leadership. The second HRC, supported the original HRC that two senior managers were not fully proficient, due to both hard and soft skills, with particular problems in planning and organising. Unfortunately, as the Head Housekeeper was not interviewed it is impossible to say whether the Housekeeping staff had skills gaps consistent with the HRC's estimation.

Oxygen

Within Oxygen, the only skills shortage reported by the People Development Manager (PDM) was for a maintenance position due to both soft and hard skills. The Food and Beverage Manager (FBM) also reported skills shortages which he identified in customer handling, self presentation and communication skills. He believed that vacancies were often hard to fill as Oxygen were generally 'picky' about whom they employed. This had the effect, he believed, that skills gaps were unlikely to occur as the correct skills were identified at the recruitment stage. The fact that skills shortages were identified in the largest occupational group within the hotel (F and B) reveals a relatively large problem with finding appropriately skilled staff.

When examining skills *gaps* the PDM believed that all employees were proficient, although nine new Elementary staff had just been employed. These employees were seen as those who needed the greatest improvement, particularly in oral communication and customer handling skills. Again, the nature of the work is related to the types of skills which could be improved. These were not viewed as skills gaps by the respondent as they had only been with the company for a short while and were in the process of being trained.

The other managers offered mixed support for the views of the PDM. The FBM believed that 90% of his 100 staff were fully proficient and where staff were not this was due to hard skills (such as ICT and written communication) and not soft skills. The Head Housekeeper (HH) reported problems with English language skills only in a minority of her staff when they first joined the hotel, as many were non-UK nationals.

The Head Chef (HC), Front Office Manager (FOM) and Deputy General Manager (DGM), however, *did* report soft skills gaps in a minority of employees within the groups for which they were responsible. The HC reported skills gaps in approximately 20% of chefs and 40% of kitchen stewards (analogous to kitchen porters) in oral communication and technical and practical skills. The FOM reported that three of his 19 staff were not quite fully proficient in customer handling, planning and organising and self presentation, although he did identify that these were minor problems in each case and believed that they could generally carry out their jobs proficiently, despite the need for slight improvement. The extent to which these problems in FO staff were even true skills gaps as defined within this study is, therefore, highly questionable. The DGM reported that 20% of the 21 managers had skills gaps in both soft and hard areas, with the main cause of skills gaps in managers being planning and organising. All managers, however, reported that skills gaps were a minor problem and that their staff were generally proficient.

Silex

Within Silex the SS and PM interviewed together for the initial Human Resources interview reported that no skills shortages existed, indeed, the SS claimed that Silex

were always 'inundated by applications' for any position allowing them to be as selective as possible. This was supported unanimously by the other managers. The personnel representatives also reported that no skills gaps existed.

As with the hotels there were some discrepancies between the HR managers and line managers, although this was marginal with the Head of Cartography (HoC) and Head of Discipline (HoD) reporting technical skills gaps. The HoC reported skills gaps in two of his 19 staff in advanced ICT skills and technical skills. Advanced ICT skills (in cartographic applications) were the main concern although all who were not fully proficient had only been in the job for three months and he did not expect them to be fully proficient in this time. This respondent did not therefore, classify these skills problems as skills gaps in the manner used within this study.

The HoD stated that of the senior scientists he was responsible for at the establishment, 90% were fully proficient. The 10% that were not lacked advanced ICT, problem solving and technical and practical skills. Where technical skills were a problem, however, this was frequently due to the fact that many scientists worked on short-term projects and needed to re-train as a result. Although problem solving can be viewed as a soft skill the HoD reported that it was *scientific* problem solving which was a problem. It was thus the more cognitively demanding nature of problem solving which caused skills gaps in this establishment.

The three establishments can thus be ranked from most to least affected by soft skills deficits when examining management responses. Fontainebleu was the worst affected, Silex the least and Oxygen in between (although suffering from relatively few problems). Another finding is that many skills gaps were as a result of new employees, with managers accepting that new recruits could take anything from two months to a year to become fully proficient depending upon the organisation and the complexity of the job. Notwithstanding this, there were problems, in Fontainebleu especially, with soft skills gaps in established staff.

7.4 The local labour market, attractiveness of the organisation and skills deficits

Section 7.4 now turns to consider Proposition 5.2 that ‘Soft skills deficits will be more prevalent where there is a paucity of suitable candidates in the local labour market or the organisation cannot attract suitable recruits’. This proposition thus seeks to establish whether external labour market conditions and the perception of the firm by those in the external labour market had any effect on whether or not the establishments reported skills deficits.

7.4.1 Perceived quality of potential applicants

Fontainebleau and Oxygen

Within the two hospitality organisations, some recruitment difficulties were seen to exist particularly in relation to Skilled Tradesmen. Both the HRC and HC in Fontainebleau reported that hiring Chefs was a particular problem. This was because of the relatively small number of people now training to be Chefs and competition from other establishments. The HC reported that most of the people who were applying for jobs simply did not have the requisite experience or had only worked in inappropriate, small, establishments. He reaffirmed the fact that the hotel was four star and the food outlets were reasonably busy, especially at breakfast times. Many applicants were, therefore, simply not used to the volume and the standards which were expected at Fontainebleau:

(Applicants need) Experience at the right level and the right market. Like we had a breakfast chef, for the sake of argument, who came here from some little country house hotel that did twelve breakfasts a day, his twelve breakfasts would be impeccable but he's coming here and he's going to have to knock out two hundred...and he's doing it in bulk, he's got a different kind of service

Furthermore, many potential applicants were from overseas; Poland in particular. The HC was happy to hire Poles and said that he had done so very successfully indeed, Poles filled many entry-level positions (such as KPs). He did, however believe, that

some Polish applicants had a poor standard of English, which could cause problems as he needed people who were able to communicate immediately. The large amount of overseas applicants also made it difficult to gauge previous experience, as establishments in other countries were often completely unfamiliar to the HC and the other managers involved in the interview process.

The final problem identified in Fontainebleau with the labour market for Chefs was the fact that the hotel was positioned near some of Glasgow's most prominent independent restaurants. The HC believed that young Chefs had a greater opportunity to make a name for themselves in these restaurants, which were subsequently a more attractive proposition for potential recruits. Although Fontainebleau as an organisation was prestigious it was not necessarily attractive for applicants themselves as, '... there's prestige in working in some of these (other) places, because they'll either be rosetted or they'll ... have awards for them.' He contrasted this to the standardised approach in Fontainebleau where everything was made to pre-determined specifications, with room service food even coming pre-packaged in bags. He believed that young Chefs were acting perfectly rationally in wanting to work in these other restaurants.

What was clear was that for more senior positions such as Sous Chefs or Chefs de Partie inappropriate applicants would not be hired and thus the problem remained as a skills shortage and not a skills gap. For more junior positions, however, especially for KPs he was not looking for quite so much at the interview stage, '... with the greatest respect when you're interviewing a kitchen porter, I mean you want him to basically want the job but I mean how vibrant are you going to get about washing pots?' It seems that skills gaps in senior and mid-ranking kitchen positions would not result from knowingly hiring an applicant who was not fully proficient, but that this was not necessarily the case for the lowest kitchen positions.

The HC in Oxygen also believed that the labour market for junior chefs was poor but attributed this to the fact that British further education was simply not preparing those who did train as chefs for work in a kitchen in terms of both practical and soft skills. Furthermore, he believed that applicants sent from Job Centres to fill junior Chef and Kitchen Steward (KP) roles were 'an insult to my profession', and that those

encouraged to apply for such jobs by Job Centre advisors were often viewed as unfit for any other type of employment. Despite this he stated that there were no skills shortages at the time of investigation as he had managed to fill the five chef positions that he had in the past 12 months relatively easily, all of which were for Commis Chefs. This was, he believed, purely because of the amount of migrant (especially Polish) labour in Glasgow, supporting the trend identified by the Fontainebleau HC.

For Commis chef and Kitchen Steward positions, Oxygen's HC was looking primarily for work ethic and 'character' which he believed was missing in many of those from the local labour market, mirroring his Fontainebleau counterpart. The Oxygen HC also reported that for senior positions such as Sous chefs he would have to be more 'picky', which suggests that for senior positions skills shortages may have existed if vacancies arose rather than hiring a poor applicant. It was not clear whether he would have left the junior positions open if the migrant labour was not available but given the fact that he said he *was* having difficulty recruiting previously, this may have been the case.

For front-line positions in areas such as waiting and bar staff the majority of managers in Fontainebleau believed that there was a ready supply of students and young people to take these jobs. One caveat to this was the FBM who discussed the influence of call centres in making it more difficult to attract suitable staff, although he could still generally find suitable employees relatively easily.

In Oxygen, however, the managers believed that recruiting front-line staff from the local labour market *was* a problem. They all reiterated the fact that they were looking for a particular aesthetic and style epitomised by 'polish' and 'eloquence'. The establishment was a five star hotel and finding commensurate people was not easy. Those that did apply often, subsequently, lacked the self presentation and erudition which was required by Oxygen. Students were seen as the best source of labour and efforts were often made to tap into this market through advertising at local universities or recruiting through students who already worked at the establishment. As a result of the poor qualities of many non-student applicants, Oxygen's FBM was, therefore happy to leave vacancies as skills shortages until the correct applicant could be hired.

As with Oxygen's HC, the FBM stated that the applicants whom he was interviewing were increasingly migrants, especially those from Eastern Europe, which had mixed implications. On the one hand they were seen as more committed to the job than people from the local labour market who were often somewhat blasé when interviewed:

there's such a poor view of hospitality in the local area that the local (non-student) applicants when you do get them, which isn't particularly often, they are the ones that come in with the slightly worse attitude or... there's the perception that you can walk into a hotel and get a job no problem.

On the other hand, however, he stated that for many of the Eastern Europeans, despite their best efforts, there were often problems with language skills and also cultural barriers in terms of 'friendliness' that sometimes prevented them from being selected. He did however state that the recent influx of migrants remained an excellent source of labour.

Silex

In Silex, management reported absolutely no problems in attracting suitable applicants for any jobs. Indeed, the view of the Station Secretary that Silex was always 'inundated with applications' for any vacancy was supported by all respondents. Respondents reported that the organisation was one of the few which allowed the use of geological skills and knowledge, which made it a natural choice for many who studied subjects such as geology and earth sciences at university.

The only skills shortage reported in Silex was for a senior scientific position in 'Geomagnetic Modelling' which had proven very hard to fill (despite over 30 applications) purely because the scientific skills needed for the job were so specialised and there were very few people who had any experience in this area. Given the nature of work at Silex occasional hard to fill vacancies for the rarest technical skills was somewhat inevitable.

7.4.2 Can establishments attract suitable applicants?

Fontainebleau and Oxygen

Managers in both hotels were aware that the hospitality industry suffered because of the nature of many jobs or, perhaps more correctly, the *perceived* quality of hospitality jobs in the public as a whole. A cultural undervaluation of service was also seen as causing negative public perceptions by the FBMs in both hotels:

They (the public and potential applicants) think it's menial labour. They think it's low pay, poor hours. They just think it's almost lowest of the low. Take bin men... might sound a harsh on me but I think being a bin man is more attractive to people in this area than coming to work in a hotel. (FBM – Oxygen)

It did, however, transpire that these perceptions of the general public were not unfounded and that pay and conditions in the hotels *were* relatively poor. In Fontainebleau front-line service staff and even junior chefs started on the minimum wage. The HC in Fontainebleau attributed the fact that he could not attract suitable recruits predominately to wage levels, in conjunction with the earlier mentioned competition from other establishments for labour. The HRC also believed that whilst the proportion of students made part-time vacancies very easy to fill it was sometimes harder to fill full-time vacancies because of the wage level. This was the cause of some consternation for the HRC who 'did not agree' with the policy of paying the minimum wage. She had little freedom to change this, as pay rates were centrally determined with no room for local initiatives.

It was not only pay which managers in Fontainebleau believed made the job relatively unattractive but also the fact that the work itself was 'very stressful' on occasions and also that the hours were 'unsocial' (FBM). These hours were also attributed by the HRC as contributing to the only vacancy which she reported as hard to fill, that of a breakfast server. This was because the role required someone to work from 6am five days a week which was seen as particularly unattractive when combined with poor pay. Although not recruiting for a night manager at the time of investigation the HRC

also stated that in the past this had also been hard to recruit for due to the antisocial hours. As well as the timing of shifts, the length of shifts was also seen as detracting from the attractiveness of the job with the C and B employees, for example, stating that they could be scheduled for shifts lasting up to 13 hours.

The final factor which affected the attractiveness of hospitality work, according to Fontainebleau's FBM was the relative amount of time that it took to reach higher levels. This coupled with stressful work and poor pay made the sector and unattractive place to work in the eyes of this respondent:

It really depends on what level you're at. I get paid well and have a good standard of life and all the things that are attached to that. But it's taken me some time for me to get there. So it's whether people want to persevere with it. Not many people do.

The managers in Fontainebleau, therefore, were aware of the pitfalls of working in hospitality especially in terms of pay and working hours and believed that, aside from students, this affected the quality of staff which they could attract and also contributed to the high turnover. Far from being concerned by this both the FBM and HRC recognised this as something to be expected, which had in turn, led managers to lower their expectations regarding tenure.

I think you're doing well to get six or seven months out of people. The expectation is a lot lower so it's not about, in a profession you'd be expecting to stay in a job for the minimum of two years, but if you get six months out of a waiter you think you've recruited quite well (FBM – Fontainebleau).

Within Oxygen, management also realised that the poor perceptions of the hospitality sector were not completely unfounded but they appeared to be more positive about the potential benefits of the sector than their Fontainebleau counterparts. In terms of wages for entry level staff management realised that these were not especially good but they did offer better rates of pay than in Fontainebleau. The PDM realised that wages were generally at a 'low level' but that Oxygen did not implement the differing

levels of the minimum wage for different age groups. On this basis, employees who were 16 earned the same as those starting aged 22. Both the FBM and Deputy GM stated that the wages in Oxygen were better than other hotels in Glasgow and that frequent comparisons were made to ensure that this competitive advantage remained. The DGM stated that, '...if you're a front line employee, if you're room attendant here, you're paid more than a room attendant anywhere else in the city, not much, but you're paid a bit more.' This was reflected by the FOM, who stated that, 'when the hotel opened I know that we were the best paying in the city.' At the time of investigation the starting rate of pay in Oxygen was approximately 10% above the NMW for front-line employees.

The Deputy GM did, however, state that Oxygen had found it difficult to maintain their differential due to minimum wage rises with the increase in the NMW in October 2006 almost eliminating the differential that Oxygen had paid front-line staff. He also stated that, as with Fontainebleau they had little leeway over setting wage rates and that any increases had to come from the regional head office. Whilst pay was monitored to be better than local competitors, therefore, any changes could not be implemented without head office permission. The DGM and FBM did, however, state that a pay structure existed for each job and that an individual could be placed at any point within the pay scale as long as there was a justifiable reason for this. This degree of flexibility and possibility for wage enhancement was apparently not evident in Fontainebleau.

In terms of working conditions the managers did realise that the hotel was very busy and that staff had to work hard, with the FOM stating that, 'If you're looking for a job where you just turn up and answer a phone all day or stand behind a counter then it's not for you'. The Head Housekeeper (HH) was also aware of the long, demanding hours that many of her employees worked as an integral part of the job. The DGM reaffirmed this intensity of housekeeping work stating that housekeepers were expected to clean 14 rooms in a typical (8 hour) shift. The demanding nature of the job was also realised by the FBM who believed that the 'team spirit' in the hotel helped employees to cope with the demands of their jobs:

It's a physical job and they're on their feet and they can come in either very early in the morning, they can finish late at night, they might have a smaller gap between shifts than people would normally have. And they're on show for the bulk of the time that they're here.

As well as physical and emotional demands the PDM and FBM also realised that because of the nature and demands of certain front-line jobs staff would sometimes get to the point where they started to dislike the work after being in the hotel for a long time. They did both point out that this disaffection was rare but the issue remained nonetheless. The issue of boredom and dissatisfaction was, in the eyes of the PDM, especially pertinent for repetitive jobs with a relatively small amount of customer contact, such as housekeeping.

As in Fontainebleau the relatively intensive nature of the work was also supported by the employee interviews in Oxygen. Although as noted throughout the employee interviews were not as numerous as intended there were consistencies with management interviews and when both sources are combined they helped to build a bigger picture of each organisation. There was a realisation from the Food and Beverage (F and B) and Meetings and Events (M and E) staff that during very busy times (especially the Christmas period) hours could be extremely long. The M and E employee reported that the number of hours worked was 'immense' with the F and B respondent reporting that she had at times worked 'ludicrous hours.' This intensity was encapsulated nicely by the respondent who worked in the restaurant:

I work a lot of hours in here, even when I was studying I'd work four nights a week, maybe five at night until four in the morning and back up at eight for college and then back in straight after. I did that for about two months or something non stop, I was living on Pro Plus (caffeine pills) and sleeping tablets... do really long shifts as well, like the longest shift I've done I think I've actually broke the record, I've done a twenty hour shift when I worked six in the morning until half four I think.

Respondents were keen to stress that this was not expected of them and that, for example, the 'ludicrous' hours worked by the F and B respondent had been because

'it just keeps me paid I suppose.' All employee respondents also believed that Oxygen had a great 'team spirit' and that working extra hours or coming in for extra shifts was all part of helping out their colleagues, as well as the added financial benefits to themselves. Notwithstanding these rationales for working excessive hours, the fact remains that front-line service work is both mentally and physically exhausting and that managers realised that certain jobs, especially housekeeping, could also become quite monotonous.

Despite the fact that managers stated that many front-line jobs, had some unattractive elements managers in both hotels rated their establishments as reasonably attractive places to work, particularly compared to the hospitality industry as a whole. In Fontainebleu it was mainly non-pay related rewards that were seen as contributing to attractiveness. Perhaps the most attractive non-monetary perk was the fact that employees, upon successfully completing the three month probationary period, could stay in any Fontainebleau hotel (bed and breakfast) in the world for £16.50 a night and could also receive half price food and drink. The discounted room rates were also available for family and friends of employees. The original HRC believed that this perk alone accounted for '...why they (Fontainebleau) keep some people actually', a sentiment echoed by the second HRC. Staff were also presented with a bottle of wine on their birthday.

There was also perceived to be good training and development and career progression. As well as job – specific training employees could partake in a number of on-line courses offered by Fontainebleau University (FU) which were not necessarily related to immediate job concerns. A front-line employee could, for example, take courses in HR or finance, although this was typically done in their own time.

In terms of the 'softer' elements which contributed towards firm attractiveness, Fontainebleau held monthly award ceremonies and schemes for the top performers, where they received recognition, prizes and vouchers, which could be spent in over 500 high street retailers. As well as employee of the month awards Fontainebleau also operated a 'pro points' system. Both customers and fellow employees could nominate an employee to receive 'pro points' with vouchers also given for the top performers

each month. Winners of employee of the month and other recognition schemes and those who had attained qualifications from either FU or external training providers were displayed in a photo case near the staff room. The FOM believed that the monthly awards scheme was appreciated by staff throughout the hotel.

we have like an employee of the month and all the employees get to go to, you know, it's like a big...internal celebration. They put on teas, coffees, drinks, you know, a buffet. It's nice because the whole staff, you know, actually get to sit and relax and enjoy it. It's something basically that the management put on. It's nice, nice to see it.

Fontainebleau, therefore, offered a number of benefits which could potentially be useful in attracting staff. These benefits were, however, only made explicit to employees once they were in the firm and were *not* made explicit to employees in the recruitment process. When asking the FBM whether these potentially attractive perks were emphasised in the recruitment literature he stated that in 'some instances' these issues were emphasised at interview but that generally they were more helpful in retaining current staff and tended to be emphasised only once staff were in the organisation. This was mirrored by the second HRC, although she did state that the benefits should be discussed at interview:

We do say that there is (sic) excellent benefits available but we don't list them in the advert. Purely for a financial reason because there is that many of them that if you're putting a wee tiny advert in the Metro now it's like £600 or something like that.

Within Oxygen one element which was perceived by management as making the establishment a more attractive place to work than the industry as a whole was the aforementioned higher rate of pay. The opportunity to progress along pay scales within each job was also seen as an attractive element of working in the establishment by the PDM and DGM. Oxygen also offered a company pension scheme for all employees, which, according to the DGM and FOM who had worked in a number of hotels, was almost unheard of. Managerial employees also received BUPA healthcare.

There were also non-pay benefits to working in Oxygen. Staff were allowed to stay in other outlets of Oxygen at a discounted rate, as were their friends and family. The PDM reported that the booking hotel may even make a loss on these transactions. Employees also had the chance to purchase food and beverage in any Oxygen hotel at a 25% discount. Newly orientated employees were also given the opportunity to stay a night in the hotel for free as a guest and received dinner, bed and breakfast. This was so that new staff could familiarise themselves with the hotel and the Oxygen brand from a customer point of view.

As in Fontainebleau, the PDM stated that training and development were key priorities. Oxygen had a dedicated company wide training programme for supervisors including training in managing people, time management and problem solving. The FBM summed up what he thought contributed to the attractiveness of the establishment in comparison to other hotels:

we take an interest in their (employees') development as well. We're a nice place in which to work. We're the best big hotel in Glasgow by a country mile, if not the best hotel in Glasgow... I've only worked in a couple of others. But it's just the general hotel industry. You don't need to work in them all to find out what they're like. You just ... people talk to you.

Oxygen also offered, 'softer' benefits for employees in terms of incentives and recognition schemes. The organisation ran an employee of the month scheme and winners were displayed on a board in the staff canteen. Winners were given rewards such as high street vouchers, bottles of wine and chocolates but the PDM also emphasised the importance of individualised recognition. For example, the hotel GM wrote to employees who had won the employee of the month scheme individually emphasising *why* it was exactly that they had won. This recognition was also not confined only to the winners of the employee of the month as anyone who had completed an individual piece of work especially well would also receive a reward, with their behaviour displayed on the notice board as an example to others: As in Fontainebleau, however, the full benefits available to employees were not made explicit in recruitment but were related to employees either at interview or upon being hired.

When asking employees in both hotels about the reward package on offer to validate and expand upon managers' interviews, they largely supported management in the belief that the benefits packages as a whole were good. Within Fontainebleu the opportunity to stay in another hotel at the staff rate was particularly well received, as were other benefits including reduced membership rates for health clubs.

Fontainebleu staff believed they were generally 'well looked after' (F and B employee 1) and recognised for their achievements. For example the receptionist had recently been awarded 'employee of the month' and had received 'pro points' which had been turned into vouchers which she could use to purchase goods in a number of retailers. One of the C and B casuals also reported that he had recently received 'pro points' for coming in and helping to paint the GM's office (as well as also being paid).

Staff also reported other benefits that management had not mentioned such as the fact that they received cards on their birthdays and also a 'wee present' at Christmas (C and B employee 2). Two of the C and B employees also reported that Fontainebleu was extending its benefits package to also include discounts at a number of other companies regardless of whether or not an employee was rewarded 'pro points' or had won employee of the month. Employees reported that they were 'impressed' with the wide range of benefits and thought they went a long way towards making up for the relatively poor pay.

Only two of the employees interviewed in Fontainebleu were aware of any of these benefits before joining the firm and this was only because they knew people who worked in the hotel prior to joining. This suggests that information provision to potential recruits on the establishments' terms and conditions could be improved.

Within Oxygen reward schemes for top performers and the fact that the company provided all employees with a bottle of wine at Christmas and on Birthdays were cited by all employees. The restaurant employee also mentioned the fact that employees could get the discounted room rates at any Oxygen hotel in the world. The F and B employee also revealed that staff who worked a certain number of hours over the Christmas period received a hundred pound bonus. Despite the fact that she would 'obviously love more pay', this respondent was generally satisfied with the rewards

on offer. The three employees that were team leaders or supervisors all reported receiving a pay rise upon their promotion.

The full range of performance related benefits highlighted above were reported by the M and E employee, as well as a new system similar to Fontainebleau where employees could nominate their colleagues for accolades, known as YEAH! Awards. This particular employee outlined the full range of the benefits she had received and the rationale behind the YEAH! Awards:

I've had my worth, I've been given Employee of the Month from M and E twice, I've had Employee of the Year, I've had Employee of the Month for the whole hotel, I've had Outstanding Achiever so I got a bottle of champagne... I've had money and chocolates, I've had a weekend in Wakefield for Employee of the Year, so yeah, we get rewards. We've just introduced a new thing as well, it's called a YEAH! Award ... because normally the quiet people slip away ... if you're quiet you don't stand out, but people that work beside them will say that they really come in here and just work ... So everyone can nominate someone for a YEAH! Award

The F and B employee also expressed delight about the individual nature of the non-monetary rewards, stating that the GM had singled her out for special praise:

One night when I was in charge of a little dinner the organiser of that dinner had written into the hotel and had said thanks to Jen and all her team, they'd done a really good job, and so the General Manager then wrote a letter to me saying this is a letter written to me, this is why they value me in the hotel, why I'm a good employee, which is a really, really good boost, I was like whoa!
The General Manager's writing to me

Again, however, no employees interviewed reported that they were made aware of these non-pay benefits or schemes before entering Oxygen and, as with Fontainebleau, it appeared that the establishments were not advertising the full range of benefits to potential recruits.

Silex

Consistent with the fact that Silex were generally 'inundated' with applicants there were few perceived problems with the attractiveness of the firm from either managers or employees. Although Silex was within the private sector, because it dealt so extensively with the government and also had an academic function it had employment conditions akin to the public sector. Silex was described by the Station Secretary (SS) as a 'fairly good employer' which 'look after their staff' with employment conditions 'similar to civil service'. When expanding on exactly what it was that made Silex a good employer the Station Secretary mentioned that jobs were extremely secure and that there was a good pension scheme. The PM added that Silex also had a good occupational health plan.

The PM expanded on the attractiveness of Silex in the second interview conducted in her role as Head of Administration. She stated that as well as the pension scheme, employees were offered flexitime, if their roles allowed it. All employees had to be in from the hours of 10-12 with the lunch-break allowance between half an hour and two and a half hours. As long as the employee worked their total hours over a four week period there was considerable flexibility around this. She also stated that the annual leave was good and was 10 days above the statutory minimum. On top of this, employees could also take up to 3 leave days a month and also had three days holiday between Christmas and New Year and an extra day holiday over Easter plus public holidays. Employees could also take 'special leave either paid or unpaid for certain situations.' All in all the PM stated that the conditions were 'great' and that, 'it really helps a lot of people who've got families and things, or people who've got ageing parents or who're carers and things like that.'

All of the managers interviewed agreed that Silex was a particularly attractive place to work, for many of the reasons highlighted by the PM and SS. This attractiveness was a result of both the intrinsic specialised nature of the work, the terms and conditions on offer, opportunities for training and development and also a good work-life balance. The HoD and the HoIT all stated that the work itself was intrinsically interesting. For the scientists it was agreed that this was one of the most attractive aspects of the organisation as it allowed employees to do something of interest. The

HoP stated that when he had joined the terms and conditions were not important but that 'it was very nice to be paid for doing something I enjoyed.' The IT manager stated that this was not only the case for the scientists and that the work was also interesting for the IT staff because the specialist applications on which they were working allowed them to go into depth in a particular area and develop real expertise. The Head of Discipline (HoD) reaffirmed the ease with which new recruits were attracted to the firm, saying that Silex was an employer of choice for many studying geology and earth science courses at university as 'to someone who regards themselves as a career geologist leaving the college they would regard us as the best possible place to work.'

When considering pay rates there were mixed responses from the managers. Although the HoD believed that at lower levels (i.e. for technicians, engineers and junior scientists) pay was above average he stated that at more senior levels pay was average or even slightly below compared to organisations operating wholly within the private sector. All of the other managers did state that pay was not always competitive compared to other potential destinations for their staff, but the HoIT and both Head scientists said that there was more stability in pay than for example IT consultancies or oil companies, where job security was often low.

Given the ease with which all managers stated that they could attract suitably skilled staff, seemingly without much effort on the part of Silex at all, whether or not these terms and conditions were used to actively recruit people was not a matter of much concern for management.

A final area of investigation was whether the *employees* believed that the terms and conditions in Silex were attractive. In Silex generalising from the small focus group was particularly problematic but indicative focus group findings were still highly useful, especially when used alongside the managers' interviews. In terms of the overall pay and terms of employment all three staff on the focus group were very satisfied with what they received. The Cartography Systems Engineer (CSE) and Geographic Information Systems (GIS) Analyst believed that the pay 'wasn't bad' with the Scientific Support Officer (SSO) revealing that she had received a 'whacking great pay rise' when she had joined Silex. The other conditions in terms of leave,

flexi-time and pension were seen as excellent and made up for any potential shortfall in the wages. The CSE believed that these 'hidden' terms and conditions were a fundamental part of the rewards package:

It's probably the way people (in general) work nowadays, all they're thinking about is what they get in their hands rather than the conditions or, you know, if they're getting a good pension, they don't see that ... I don't think you'll find better anywhere else.

The employees also believed that their jobs were interesting and varied and that for many people this was the most attractive element of the job. All employees were using the specialist technical skills for which they had trained or studied and they were happy to be doing something they enjoyed. When discussing a new recruit that had been taken on in her department, the GIS Analyst, believed that although the new employee was a graduate on a relatively low wage she was pleased that she had left her previous employer.

I think with Amelia, I mean when we took her on she'd got the skills and the experience but I think she, where she used to work there wasn't a great deal of variety. So she's come in here and there's so much variety attached to the projects ... I do think she is enjoying that.

In summary, the fact that the establishment with the fewest reported skills shortages and skills gaps reported no difficulty in recruiting suitable applicants provides support for proposition 5.2, as establishments who can attract better applicants would be expected, de facto, to experience fewer skills shortages and also have a reduced likelihood of experiencing skills gaps through hiring unsuitable candidates. The management in all establishments offered support for proposition 5.2 that a paucity of candidates caused skills shortages, which is unsurprising as the two concepts are almost tautological. In terms of the effects on skills gaps a paucity of suitable applicants was, reportedly, not problematic in Oxygen as the recruitment of staff was apparently so selective, but in Fontainebleau skills gaps arose despite few reported problems with skills shortages.

Although management in both hotels rated their establishment as attractive places to work they generally believed that hospitality as a whole did not attract good applicants, with the exception of students. Management in Fontainebleau, however, seemed to accept poorer applicants and turnover with resignation whilst in Oxygen managers did not.

7.5 Chapter summary and conclusions

This chapter has provided the essential contextual information needed when analysing all elements of the case studies namely the demand for skills and whether skills deficits, most notably soft skills deficits, existed. The employment profiles of each establishment have also been presented. The chapter has also presented data in terms of the first two propositions of research question 5. Proposition 5.1 considered the fact that the activities of an organisation would affect which skills were demanded and the reasons for soft skills deficits where these occurred. The findings supported this strongly with soft skills especially highly valued in both hotels, especially customer handling and team-working; and technical skills such as scientific problem solving and ICT skills more highly valued in Silex. These skills demands appeared to follow the predominant focus of each establishment; interactive service work in the hotels and the provision of specialist technical services in Silex. There were, however, also differences in the emphasis placed on certain soft skills within the hotels with, for example, self-presentation more highly valued in Oxygen than Fontainebleau. That is not to say that in certain occupations within the hotels, such as Chefs and managers, technical skills were not of importance, whilst soft skills were an important secondary skill set within Silex. Moreover, team-working skills, in particular, were ubiquitously important across all establishments. The picture of skills demand was thus complex despite strong support for Proposition 5.1.

Interestingly the establishments highlighted differences in how ostensibly similar skills may be interpreted differently. For example, within Fontainebleau the demand for customer service and self-presentation was presented in terms of individuals being professional, neat and tidy, whilst in Oxygen there was a greater requirement for those who could interact informally with customers, had a sense of style and who displayed middle class erudition and deportment. Problem solving skills were also

conceptualised differently depending on the context with these taking on a social guise in the two hotels (for example dealing with customer complaints) but a more technical and scientific guise in Silex.

Correspondingly where skills deficits were reported these also tended to follow the main activities of the establishment. The predominant cause of skills gaps and, to a lesser extent, skills shortages in Fontainebleau and skills shortages in Oxygen were soft skills, especially those associated with communicating with others and dealing with customers. In Silex although virtually no skills deficits were identified, where staff were seen as needing to improve their skills, for example for future job requirements, this was primarily in the area of technical skills.

It was, however, not only skills which management sought during recruitment and when discussing soft skills, in particular, managers, especially in the two hotels appeared to express a demand for positive attitudes and work ethic. In Fontainebleau this was especially apparent as whether a candidate looked like they wanted the job and showed enthusiasm, would work hard and would even show obedience were often important criteria for selection. Furthermore given the demand for the particular type of communication and self-presentation required in Oxygen there was an extent to which class background appeared an important selection criterion. This highlights the importance of carefully analysing what management mean when discussing their demand for 'skills'.

In terms of the labour market and the attractiveness of the establishment to potential applicants, there was some support for proposition 5.2 that this affected skills deficits. There was some evidence in the hotels that for certain positions labour was restricted although there was generally an ample supply of students and migrants who were suitable for many positions, especially entry-level and customer facing roles. Managers in both hotels were also aware of the negative aspects of working in the hospitality sector, although rated their establishments as relatively attractive places to work for the sector, because of non-pay benefits in particular. The hotel employees supported management and revealed a range of potentially attractive terms and conditions that the hotels offered, although these were not well advertised to potential recruits. Interestingly, managers in the establishment reporting the highest number of

skills deficits, Fontainebleau, appeared more resigned to the deleterious effects that the terms and conditions of employment had on potential applicants, whilst managers in Oxygen remained highly selective. The establishment in which management reported there to be an ample supply of labour and which was perceived as having the best employment conditions, Silex, was that which was least affected by skills deficits, offering support for Proposition 5.2.

With the external context in terms of labour market and the activities of the establishments considered, Chapter Eight now seeks to consider the HR policies within each establishment and how these may have contributed to the realisation, or not, of soft skills deficits. The ways in which establishments had responded to any soft skills deficits and the effectiveness of these responses is also considered in Chapter Eight.

CHAPTER EIGHT: ORGANISATIONAL CONTEXT 2: SKILLS RELATED HR POLICIES, SOFT SKILLS DEFICITS AND EMPLOYER RESPONSES

8.1 Introduction

Chapter Eight analyses the final propositions in Research Question 5. Proposition 5.3 stated that the existence of soft skills deficits will be affected by the efficacy of recruitment and selection, appraisal, training and any responses engaged in to try and eradicate deficits. Proposition 5.4 meanwhile examined the supposition that soft skills gaps may occur if barriers exist within the organisations which inhibit skill development and job performance. Both of these propositions are examined, through a detailed overview of establishment policy, practices and responses to skills deficits and managerial and employee experiences of these processes. This chapter draws on all three case study data sources. The chapter concludes that there is support for both propositions and that, overall, recruitment and selection is perhaps the policy which best explains the soft skills deficits patterns in these establishments. The effectiveness of appraisal may have also played an important role in the identification and rectification of soft skills deficits. It was also discovered that certain barriers did exist to the effective display of skills in the organisations and that where employees could not always carry out their duties effectively this was not necessarily because they lacked skills.

8.2 The role of HR policies in soft skills deficits

8.2.1 Recruitment and Selection

Proposition 5.3 posited that, ‘the existence of soft skills deficits will be affected by the efficacy of recruitment and selection, appraisal, training and any responses engaged in to try and eradicate deficits’. Section 8.2 now considers the first part of this proposition through investigating the role of skills related HR policies (recruitment and selection, appraisal and training) in whether or not establishments reported soft skills deficits.

Both HR Coordinators (HRCs) stated that Fontainebleau currently recruited for front line positions through: internal advertising throughout the three Glasgow hotels; the local Job Centre; a recruitment website (S1 jobs); adverts in schools colleges and universities; informal drop ins; and referrals from current staff. Internal advertising and websites were also used for managerial positions as well as agencies and adverts in a trade publication, 'The Caterer'.

When *selecting* staff, the HRCs stated that the process generally began with a filter of application forms or CVs by the HRC and/or line manager. The HRCs stated that everyone had to have filled in an application form, even if they had been called for interview without one. All applicants were then expected to attend multiple interviews. For front-line positions this involved two interviews, one with HR and one with their line manager. If the line manager wished they could also sit in on the HR interview. For managerial positions further interviews were required with establishment HR and the line manager sitting on the first interview and the regional HR director and line manager sitting on the second interview. A third interview was then conducted by the GM. For members of the senior management team, personality tests and assessment centres were also sometimes used and, occasionally, presentations on occasion, particularly for HR managers. Every position had a references check and a minimum 12 week probationary period began after hiring.

The HR respondents reported that the front-line interviews themselves were highly structured and used competency style questions. The establishment had recently invested considerable time and resources in training their line managers so that interviews were standardised for each position. The rating format used by the line managers for each position was also standardised. The HR interview picked up on any gaps from the line manager's interview and also expanded upon information provided on either the candidate's application form or CV. For more senior positions the initial interview was based around behavioural, competency questions, whilst the second interview concerned more strategic matters such as profit maximisation. For the most senior positions the third interview with the GM and/or area manager was rather informal and used as a final 'quality check'.

The move towards the two interview process for entry-level positions had only been introduced three to four months prior to the commencement of the research. This was because the HRC had realised that the selection process was *not* selecting people with the right skills and she had subsequently trained all managers in selection procedures and the proper use of the competency based procedure as 'Some of the managers were interviewing they would recruit, you know, based on the fact that Ok that person's willing to do the job and not necessarily concerned with what skills they have.'

Both the Head Chef (HC) and Front Office Manager (FOM) reported the process to be the same as the HR representatives. In addition to the methods stated by the HRCs the HC also mentioned that he had, in the past used job trials and could do so again if he needed them.

There was, however, one particular difference between the HR policy and the Food and Beverage Manager's (FBM) description of the manner in which the F and B department hired front-line employees. The FBM stated that for front line staff only the line manager interview was used although this *was* assessed using a structured competency based interview. For outlet managers (such as the bar and restaurant) both the line manager and HR interviews were, however conducted.

There was also an innovation in recruitment and selection reported by the FBM and second HRC as Fontainebleau were building a new bar (not open until the very end of the investigation) and, as a result, had changed their recruitment and selection policy. As a lot of staff needed to be hired quickly, the regular formal competency based interview was eschewed as there was not deemed to be enough time to hire the required number of new candidates (approximately 25) by the formal method. Instead Fontainebleau held 'recruitment open days' where a number of applicants came to the hotel and were given a presentation about the new bar and workshops on cocktail making. In terms of selection activities applicants were divided into teams and given activities and challenges to complete whilst managers watched. 'Ice breaker' games were also played, for example a game where a toilet roll was passed around and applicants were invited to tear off as many pieces as they wished, but were not told that for each piece they took they had to reveal something about themselves. A final

exercise was that the HRC provided the ‘tackiest’ and most ‘useless’ objects that she could find and made each candidate ‘sell it’ to the assessors in front of the rest of the group. The FBM stated that the purpose of this was in order to allow ‘...personalities to shine through a crowd.’

Management experiences of the process

Managers in Fontainebleau seemed to indicate that it was informal *recruitment* processes which worked better than more formalised methods. The original HRC stated that due to the importance of maintaining a ‘happy’ team climate, recruiting through employee referrals had worked well as people who applied for jobs because their friends enjoyed working at Fontainebleau generally fitted in very well and helped to foster the team environment. The FOM supported the use of informal recruitment practices and stated that if a vacancy arose one of the first avenues was to speak to her current staff to establish whether they had any friends who were suitable for the job.

The HC also emphasised the importance of building up networks of overseas staff through current employees, especially in the case of Polish migrants. He stated that approximately 95% of applications for jobs were now from overseas and that the migrant labour that he had employed had caused a ‘knock on’ effect in terms of recruiting further migrant staff through word of mouth. The FOM revealed that this approach had also proved to be successful in Housekeeping in terms of recruiting Polish staff, although because of language problems she had not used this approach for Front Office.

Managers believed, on the whole, that the selection processes worked well, were robust and fair and that they were generally satisfied with the outcomes, despite the reported skills gaps. They did, however, accept that mistakes did occasionally occur. Indeed, two respondents believed that if anything the selection process was too vigorous. The HC believed that the only problem which he had with the recruitment and selection process was that it did not consider the urgency with which some kitchen positions needed to be filled. This was because the reference check was ‘very strict’ and people could not start without this. Also, due to the previously mentioned

fact that he was just looking for people in the lowest skilled jobs to turn up and work reliably, he did not believe two in-depth interviews were required. The second HRC also stated that the selection process for senior managers could be considerably shortened as sometimes candidates were 'lost' due to the fact that the process took so long. Her proposed solution (which she could not implement herself due to head office constraints) was to drop the second formal interview as the competencies that were being assessed could be ascertained from psychometric testing and the other interviews.

One area particularly worthy of note is that although the FBM stated that only one interview was used for front line staff, in direct contradiction to the policy stated by the HR representatives, he did not report any problems with this method, despite reporting skills gaps in over a quarter of his front-line employees. This respondent had also stated that willingness to do the job was an important factor at interview. It is, therefore, possible that the F and B department were indiscriminately hiring as described by the HRC.

A final aspect to consider in terms of managers' perceptions of recruitment and selection was the innovative, group hiring, open day style process used to recruit employees for the new bar. The two respondents who had been involved in the process, the FBM and the second HRC believed that the project had been a resounding success in terms of both the efficacy in hiring a large number of people in a short space of time and the quality of the applicants who had been hired. The FBM was a strong advocate of the process and believed that it was preferable to the usual interview process.

I favour that kind of thing, you know. I don't believe you can just sit and chat to someone and know if they're good at the job and get a truer picture of their personality

Although the FBM was interviewed prior to the opening of the new bar and so his assumption about the quality of candidates was largely presumptive the second HRC was interviewed after the bar had opened and she reported no problems in terms of skills gaps with any of the new staff.

Employee experiences of recruitment and selection

The analysis presented here acknowledges the small volume of employee interview responses; however, these interviews and focus groups provided indicative results which can be usefully compared to the management interviews and enrich the picture of HR policies in each establishment. In the hotels the main caveat is that it was only customer facing staff in front office, F and B and Conference/Events departments who were interviewed, and so results are applicable to customer facing staff only.

None of the seven employees interviewed in Fontainebleau had applied to formal job adverts. Four of the employees were made aware of vacancies through friends who currently worked in Fontainebleau, whilst the remaining three (both members of waiting staff and one of the Conference and Banqueting (C and B) casuals) had made speculative enquiries and had dropped CVs into the establishment. Those that had friends in the company believed that this had benefited them at interview:

My interview was more of a chat really; because the girl (who had referred him) was my sister's friend and she worked in banqueting ...so she just said, "Yes. He's a good worker" and stuff. ... and he's (the C and B manager) like you've basically got the job then (C and B employee 4)

All respondents, apart from the second member of (Polish) waiting staff, stated that they had received only one interview rather than two. Where this second interview had occurred the employee said that it had simply been a '5 minute chat' with HR and was primarily to ascertain whether she could speak English and had the right documents. Only the Receptionist reported having more than one person present at her interview; the FOM and the HRC. All other employees reported being interviewed by a line manager only. In the case of four of the seven employees (three of the C and B casuals and the Receptionist) they had been recruited prior to the introduction of the two interview scheme, but the remaining three employees had been hired after this point. As all three employees worked within the Food and Beverage (F and B) department, the fact that two had received one interview supports the FBM's version of the recruitment process, which was contrary to the HRCs' stated policy.

Employees reported some variation in the way that the interviews were conducted ranging from an unstructured chat through to a highly formalised competency style interview. The policy of using this highly formalised and structured interview had been in place for the hiring of each employee who was interviewed as part of the study. Three of the employees reported that their interviews were unstructured and informal (both members of waiting staff and one of the C and B casuals), three that they had been highly structured (two C and B casuals and the Receptionist) and one that it had structured around a discussion of his 'personal qualities' somewhere between two extremes, but unrelated to job competencies. Two of the C and B casuals summed up the experience of those receiving a competency based interview as per the policy:

all the questions were geared around if you were placed in a work situation within like what could happen in a hotel, how you would react to it. Like a complaining customer or a dissatisfied guest or something (C and B employee 1).

The other extreme was exemplified by the C and B employee who had been offered a job on the recommendation of his sister's friend with the interviewing manager had staying that, "I have to give you an interview for the record". The two waiting staff were also offered jobs after rather unstructured interviews. The first member of waiting staff reported that the interview was a chat about his previous experience and why he wanted to leave his current job and 'he (the restaurant manager) was quite willing to take me on as long as I was happy with what he was offering (in terms of hours and pay).' This informality was highlighted even more explicitly by the second member of waiting staff who believed that at interview *anyone* would have been hired and that the interviewing manager was 'seriously just looking for a pair of hands!'

The final element of recruitment and selection investigated was whether the process had informed employees adequately about their job and Fontainebleau as a company. All employees stated that their interviewers had explained what was required of them and none reported experiencing any surprises after commencing their work. As a result employees believed that it was 'quite clear what they wanted from me' (Receptionist) and 'very explicit' as to what was required on the job (Waiting staff 1).

Employees also all felt that they had been given the opportunity to ask questions at interview and raise concerns at interview. Only one member of staff, however, reported that the full range of benefits available (see last chapter) were made clear to him at interview.

Oxygen

As had been the case in Fontainebleau the People Development Manager (PDM) reported a number of ways in which Oxygen *recruited* employees. Methods used to recruit front-line staff were: the company's own website and intranet; the S1 jobs website; school, college and university advertising and careers services; directly approaching staff working in other establishments (for example bars when on a night out); and friends and contacts of current employees. The Job Centre and charitable employment intermediaries were also used on rare occasions, whilst newspaper adverts had been used for technical positions such as electricians and maintenance employees. For more senior positions, specialised hospitality recruitment websites were also used. Many supervisory and managerial positions were filled internally either by direct promotion or through transfers from other departments.

When *selecting* front-line staff the PDM described a process ostensibly similar to her Fontainebleau counterparts. All applicants had to fill in an application form which was then subjected to a screening by the HR department and the line managers. Every recruit, no matter what the position, had to have at least two interviews one of which was with HR and one with the applicant's prospective line manager. In addition to this housekeeping recruits also had a work trial whilst anyone applying for front-office or supervisory positions had to be seen by the Hotel's General Manager (GM) or Deputy GM as well. For management positions and for some supervisory positions (depending on the line manager's discretion) psychometric analysis was also conducted which analysed both the individual's personality traits and the way in which individuals tended to act in certain situations. A final stage in which all interviewees participated was a tour of the establishment during which they were given the chance to ask their own questions and discuss Oxygen with the interviewer. References were also checked for every new recruit and new employees were subject to a three to six month probationary period depending on their level in the hierarchy.

The other managers supported the fact that these processes were used whilst also elaborating, on specific departmental practices. The Food and Beverage Manager (FBM) for example, stated that for senior managers, such as himself, the Regional Vice President would also come to one of the interviews. He also stated that in his department, although only two interviews were used he also used to 'pop along' to the line manager interview to see how the applicant responded to him. The Deputy GM (DGM), whilst supporting what the PDM said for the selection process for managers, added that presentations were also sometimes used to assess candidates in HR and Sales positions. The Head Chef (HC) stated that as well as the process described by the PDM he also had the option to bring people in for a half day work trail although he rarely needed to, whilst the housekeeper stated that after the half day work trial her candidates were given lunch whilst she had a further chat with them. Importantly no manager reported using fewer stages than the PDM, with any changes being used in *addition* to the general hotel policy.

The policy regarding the style of the interviews was, however, very different to Fontainebleau. Whilst Fontainebleau's policy emphasised structure and formality, interviews in Oxygen were deliberately much more informal, although there were interview rating forms to be completed so that managers covered core areas. According to the PDM the interview was used to try and gauge the individual's personality, to learn about the individual and also to gauge any relevant work or social experiences which they may have had.

The other managers supported this view and believed that interviews took the form of a 'chat' as much as anything although all stated that interview rating forms were used. Examples of the types of topics on which the managers quizzed applicants, given by the Front Office Manager (FOM) and Food and Beverage Manager (FBM) were: work and non-work activities and interests; asking the applicants to tell the interviewer about themselves; qualifications, what they are doing at university and why they went to university (if applicable); why they wanted to work in hotels; what they were planning to do over their holidays; and whether they wanted to go travelling. The FBM did add that he would ask a couple of competency and behavioural type questions for supervisor positions, although the main content of the interview remained informal. The HH added that what she actually *asked* applicants

was not as important as whether or not they had a basic grasp of English, as she received many applications from migrants.

What was also evident from all managers was that the interview process was two way and involved asking applicants what they thought they might like about the job, what they expected the job to be like and whether this ‘...married up with reality’ (FOM). The PDM stated that it was essential to give the applicant as much realistic information about the job and Oxygen as a place to work as possible in order for them to decide whether or not they wanted to work there. This was also essential for the HH who believed that the main purpose of the post work trial chat was to see how the applicant had enjoyed their experience and whether they had any concerns or questions. Importantly, the details of this two-way process and the emphasis from managers regarding the views and expectations of the applicant about Oxygen were unprompted, whilst such concerns were largely absent in Fontainebleau.

Management experiences of the process

As with their Fontainebleau counterparts the managers in Oxygen believed that the recruitment and selection process worked very well and that the vast majority of the staff that were hired had the skills which the establishment required and fitted in well with the establishment.

Although a variety of *recruitment* methods were used managers reported that the use of informal referrals from staff and links with /advertising in schools, colleges and universities was becomingly increasingly common. The PDM stated that the careers services in educational establishments were being used ‘more than ever’ for part-time staff, with the FBM agreeing. In the Kitchen informal networks were also seen as important with a large amount of migrant staff (especially Poles) recruited through referrals from current migrants working in Oxygen. The HC believed that this was currently the most successful recruitment tool and that the quality of the migrant labour was better than that sourced locally.

Managers also reported other recruitment methods which had proved successful included accepting speculative CVs, which the FBM and Housekeeper reported were

submitted in abundance, although it was reinforced that Oxygen was very selective as to who was called for interview. For FO positions, housekeeping supervisor positions and managerial positions the preferred recruitment method was to seek staff internally.

There was agreement between the line managers and HR representative regarding the format and number of interviews for each position. Managers generally believed that the current system worked well and that the departmental flexibility in terms of adding extra stages if required meant that the system was overall 'very effective' (FBM). It was recognised that on rare occasions mistakes were made but the attitude of the Deputy GM that 'overall we get it right more than we get it wrong' spoke for all applicants.

The managers generally tended to think that the interview was the most effective stage and the informality in the process was the predominant manner through which soft skills were identified. The primacy of the interview was even evident where managers reported the use of psychometric tests, such as for selecting managers and, occasionally, supervisors. The FOM, for example, believed that competency based questions based on hypothetical situations were invalid as 'anyone can lie at interview' and he preferred to use the time to get to know the applicant and assess their, 'genuine' personality and interpersonal skills. The same manager also stated that he found the tour of the establishment very effective for assessing the reality of expectations that the applicant had about the job, reinforcing the two-way selection process.

A final point regarding the recruitment and selection process in Oxygen, from the managers' point of view was that even if managers occasionally found it difficult to recruit suitable applicants the high standards expected of new recruits did not slip. The DGM, for example, reported that it was the policy of Oxygen to 'cherry pick' the best applicants for all positions, whilst the FBM said that although considering a wider range of applicants may be engaged in to an extent, this never got to 'desperation stakes' and if no suitable applicant could be hired and all recruitment avenues were exhausted, an employee not meeting Oxygen's criteria would not be hired.

Employee experiences of recruitment and selection

Employees reported that they had been recruited in a number of ways, bearing in mind that only customer-facing employees participated in this study. Of the four employees interviewed, two had been referred by their partners (The Meetings and Events (M and E) and restaurant employees), one had been a speculative enquiry (the Front Office (FO) worker) and the final respondent (the Food and Beverage (F and B) employee) had applied through the Job Centre. The employee Focus Group conducted for the PDM's Aesthetic Labour project also highlighted the way in which employees were recruited. One view with which all respondents agreed was that a lot of employees were 'friends of friends of friends', especially within M and E. This was believed to foster a nice working environment as many employees were the 'same (as us) and the right kind of person' (FG respondent 5). The M and E employee also acknowledged the fact that Oxygen was increasingly recruiting through educational establishments as he had himself handed out recruitment material at his university, as well as telling his friends about job opportunities.

When investigating the employee experience of selection there was both agreement and disagreement with the managers' versions of how the process worked. Perhaps most strikingly, all four employees who were interviewed reported having only one interview rather than two. In three cases this interview was with their prospective line manager whilst in one case (the restaurant employee) this had been with the PDM. All employees had been in their jobs for between one and just over two years, but there was no indication from management that the selection process had changed during this time. Although this departure from policy appeared to have caused few problems in terms of skills gaps it is still worthy of note.

There was general agreement that interviews had been informal but had been quite long, lasting for about half an hour. All employees had also received an informal tour of the hotel. The FO employee stated that the interview was by far 'much less formal' than any other interview she had ever had. The M and E employee stated that the manager was not following a structured interview schedule and was really just 'chatting' to him about what he had done in the past. The restaurant employee believed that as the hotel itself was informal in terms of service style and

relationships between employees and managers, this was also reflected in the interview.

The final respondent, the F and B employee, reported a rather different process and that her interview was completely informal and lasted 'about 5 minutes' the majority of which was taken up with the manager explaining to her what she would be doing. She reported that this had surprised her as she had prepared herself for a much more formal interview. As this employee had applied through the Job Centre, it is conceivable that her details and work experience had been made available to the manager beforehand or vetted at the Job Centre itself. This employee had also worked a couple of trial shifts which she believed was the main way in which the manager decided whether the employee would be hired. As this employee was the longest serving of those interviewed and no mention of job trials were made by management it is possible that use of job trials had been phased out. Although one cannot infer much from one interview alone, this employees' experiences suggests that there may have been some inconsistencies in Oxygen's hiring process.

The final element of employee experience regards the degree to which employees believed that the recruitment and selection stage prepared them for work. All of the four interviewees said that they did not experience anything on the job that they were not expecting and that expectations of them were made clear in the interview and tour. As stated above, the F and B employee had reported that the majority of her informal interview consisted of the interviewer explaining the work and her department to her. Employees also felt happy that they had been given the chance to ask questions. The way in which staff benefited as a result of the relatively informal and open interview process was typified by the FO employee:

My first contact with the hotel was a very positive impression. Actually I had another job as well which I'd got already and I never went back to it, my first impression about Oxygen was really, really positive, and it was through the interview ...

When recruiting new employees every vacancy brought by the Station Secretary (SS) and Personnel Manager (PM) had to be pre-approved through a 'manpower meeting' with senior management. A variety of different recruitment channels were then used, although most positions were advertised in the Scottish national press and also in the scientific press in the cases of highly skilled specialised positions. Silex also took on new graduates every year and also employed PhD student interns. For administrative staff, the Job Centre was also used to advertise vacancies. All recruitment channels used were formal and job adverts were standardised across the organisation. Silex did not accept speculative CVs.

When selecting employees the SS and PM stated that after a paper filter of application forms, the central part of the selection process was a panel interview, chaired by the SS, with the exact make up of the panel depending upon the grade of the person being appointed. Only certain grades of managers were allowed to select certain employees, but in the case of scientific staff the other members of the interview panel would come from the scientific programme (e.g. subject specialty) on which they were applying to work. In the case of very senior positions, senior managers from the English head office would sometimes need to be brought up in order to fulfil the grade requirements. Silex kept to fairly rigid selection ratios with approximately seven people interviewed for each vacancy. The SS and PM also reported that presentations of scientist's work were sometimes used for senior positions. No psychometric tests were used for any position, although for some technical support positions, work samples and simulations were required, for example in circuit board soldering.

In addition to this panel interview the SS and PM stated that within the last two years Silex had introduced an informal tour of the workplace, given by a line employee in the department for whom the applicant hoped to work. Where possible this was done before the panel interview in order to relax applicants. Applicants were given a chance to ask questions of their 'guide' and also see the environment in which they would be working. The guide was later asked their general opinion of the candidate by the interview panel. The SS and PM indicated that for scientific positions a second

informal interview was sometimes conducted with the employee's prospective line manager where they would sit and talk about the applicant's work and interests. There appeared to be no fixed policy as to when this occurred with it 'depending upon the position' and line manager preference.

The other managers supported the skeleton of the process and also provided some more details on the style of the interview itself. The interviews were highly structured around job descriptions with concomitant competency type questions. Scientists, for example, would also be asked questions to gauge their knowledge of their subject area. The take up of the informal interview also differed with the Head of Discipline (HoD) and Head of Petrology (HoP) stating that these were used for scientific staff; and the Head of IT (HoIT) sometimes for ICT staff. The PM stated that one interview was sufficient for administrative staff with the Head of Cartography (HoC) and Head of Seismology (HoS) stating that they only used the panel interview and the tour. There was also some disagreement on the form of the informal interview where used, with the HoP and Ho IT saying that this was no more than a 'chat' whilst the HoD recommended the use of another panel made up of the applicant's prospective line manager and other members of the team. The informal methods (i.e. the tour and any informal interview) were supposedly secondary to the formal panel interview in terms of final decision making as, 'You're not supposed to take any notice of it (the informal stage) that's the rule!' (HoIT).

Management experiences of the process

All the managers in Silex believed that the recruitment and selection process worked well and met their skills needs through selecting appropriate staff. The HoC, for example noted that recruitment 'worked fine', whilst the HoS believed that no mistakes had been made in terms of hiring decisions, in his experience. No managers reported that they would change the process.

Managers were also very positive about the informal tour of the site, with the general view that it was 'very helpful' (HoC). This casts some doubt on the assertion of the HoIT that the informal stages were not *supposed* to influence the selection decision. Managers believed that the tour was useful for identifying both soft and technical

skills and also team fit. Three of the managers (the SS, HoP and HoS) stated that it was also particularly useful for relaxing people prior to the formal interview. There was also agreement that the informal tour was useful in showing the employee more of the organisation and giving them a chance to see what they would be doing in order to inform their own decisions about whether or not to work for Silex. The use of this informal stage was, therefore, used, as in Oxygen, to facilitate a two way dialogue and information exchange:

I think it's important for people who come to work for us they can see the work environment they are going to work in, they get a better feel for the place rather than sitting in a small room just being faced with three people, which must be horrendous. My job is chairman of the interview panel so I always make it as a sort of break in question ask them how they enjoyed their tour' (SS)

The employee experience of recruitment and selection

The generalisability of the employee qualitative data was especially hard in Silex due to the small sample size but employee experiences helped to build upon the picture gleaned from management. The employees indicated that they had all received the panel interview, but that none had received the second informal interview. Two of the staff were at technician level and so the second interview would not have been expected, whilst the Geographic Information Systems (GIS) Analyst was stationed in the ICT department, within which the line manager had reported infrequent use of the informal interview. The GIS analyst was the only employee that reported having the informal tour, but she was the only employee who had been recruited whilst the tour was in use.

The GIS Analyst expressed some dissatisfaction with the interview itself in terms of the style of questioning and the amount of preparation that one member of the panel had engaged in. Although a subjective and individual view, the fact that the panel interview can be quite intimidating and even impersonal appears to be supported by this respondent:

Because I think I had X who's head of GIS, X who's head of something, he was horrible to me in the interview, and then X who was head of Admin, and obviously hadn't read my application at all

When discussing the tour which she had been on as an employee the GIS Analyst revealed that it was her line manager who had conducted the tour, rather than a line employee, which appears to contradict the policy as stated by the management. She was however happy with the tour and the opportunity so see where she was going to be working and to have an informal chat with her prospective manager.

Although only the GIS Analyst had received a tour as an applicant, both she and the CSE had been involved in giving tours to applicants. When giving tours the employees supported management in that one of the purposes of the tour was to relax people and reduce any anxiety, as well as giving them the opportunity to ask questions both later at the interview or there and then during the tour. The CSE also reported that he would 'quiz' the recruits during their tour to find out whether they knew what they were talking about, ' 'cos Jesus what a lot of bullshitters the last lot were. A bunch of liars.' The GIS Analyst did not quiz her applicants on the tour but fed her overall impression back to the panel alongside whether or not the applicant asked 'intelligent questions' during the tour.

A final point is whether or not employees believed that the recruitment and selection process prepared them for their experiences inside the firm. No employees reported that they had experienced any unexpected occurrences since joining the organisation. All also reported that the process had made the expectations of management clear and had also presented a realistic picture of the establishment, even for those employees who had not had a site tour.

8.2.2 Appraisal

Fontainebleau

All managers in Fontainebleau cited the importance of personal development at work and appraisals were seen as an integral part of this. The original HRC stated that all

employees and managers were appraised on their performance and skills bi-annually and that managers and appraisees would produce personal development plans (PDPs). These PDPs identified any skills problems and training needs and also outlined the progress which the employee was to make before the next appraisal period. As well as this six monthly appraisal, new employees were appraised after two weeks and then at 12 weeks, at the end of their probationary period to determine their progress.

Within Fontainebleau the main departure between some line managers and the HR representatives was the frequency with which appraisal occurred. Although the HC agreed with the HRCs that appraisal was bi-annual, the FBM and FOM both stated that appraisal was conducted annually. All, however, agreed that appraisal occurred at three months on order to determine whether the employee passed their probationary period. Although personal development was the main purpose of appraisal the FBM stated that 'merit pay increases' could be given but any increase in pay above 10% needed head office approval. The HC also emphasised the fact that appraisal was a two-way process and that he also liked to know how employees felt about their work. On top of this the Chef also reported that Fontainebleau, as a company, conducted regular 'staff satisfaction' surveys and were always keen to ensure that staff felt that they were being equitably treated..

Management experiences of the process

Managers stated that appraisals were the main route through which any potential skills gaps would be identified and rectified:

if a member of staff said well I think I need to learn a bit more about this, then its up to me to give them every opportunity to do that (FBM).

You sit down, you highlight all these problems and if there is a problem with one of these, it's a development need (HC)

Notwithstanding the fact that the main purpose of performance review was to aid employee development, managers realised that it was still important to give negative

feedback if the employee was not performing as required in order to highlight any potential problems. Negative feedback was viewed as potentially unpleasant for the employee but still needed to be done and managers reported the need to try and be as direct as possible whilst framing the problem as an opportunity to improve:

Obviously the reviews, you know, giving them good feedback or negative feedback. I mean I've done reviews over the last couple of days and you know I've kind of... I think a lot of people have been shocked by what I've had to say but at the end of the day they need it to obviously perform better in their job. They need a few home truths. There is a nice way to go around it (FOM)

The comments of the FOM highlight the need for informal on job feedback as if employees are only appraised annually (as was the case in FO) then they may not be aware of performance issues as they arise and may be 'shocked' when appraisal comes around. The first HRC recognised that if a problem was identified support and feedback from the line manager was essential, with additional coaching from herself as needed. The FBM also reported that regular feedback, coaching and mentoring were essential to maintain performance and aid employee development.

The managers also realised the importance of the appraisal system to the employee. On the one hand the FBM stated that this was a good opportunity for staff to discuss any issues with him and accordingly, 'You have to have a two way street. You have to be frank and open.' The FBM and first HRC also believed that the appraisal system was a good way to highlight career development opportunities to help reduce turnover.

Employee experiences of appraisal

All employees surveyed were asked whether they had received an appraisal, performance review or similar in the past 12 months. As employees were supposed to

receive one performance review before the end of their probationary period some time after two weeks, at the end of their probationary period the employee responses were broken down into two groups, those who had worked at Fontainebleau for more than two weeks and those who had worked for three months or more. The Results are shown in Table 8.1 at the end of the appraisal section. The results clearly show that appraisals were not being carried out with the regularity with which they should with only 50% of employees in both groups reporting that they had been appraised in the past 12 months. Given that management reported that this was the primary means through which skills gaps were identified and rectified and there were a substantial number of skills gaps within the establishment, this finding may offer some insight into why these gaps were occurring. None of the employees who were interviewed, however, reported any problems with receiving appraisal or with the manner in which their performance was assessed.

Oxygen

As in Fontainebleau the main purpose of appraisal was to review performance and any skills or future development needs which the individual employee may have. The People Development Manager (PDM) stated that, in effect, appraisal was carried out through annual 'development dialogues' which were primarily for training and development but were also used to identify the potential for promotion and for pay purposes. Following these dialogues training plans would be drawn up for each employee. Development dialogues were offered to all staff across the board, at the same annual intervals. The PDM stated that employees were also appraised at the end of their probationary period, at three months.

As with recruitment and selection there was scope for the development dialogue process to be modified slightly from department to department. The HC, for example, said that he appraised his staff twice a year, despite the fact that the hotel's policy was only to do so once a year. He did this prior to the summer holiday season and also prior to the Christmas rush, 'Just to make sure that everybody's cool'. The FBM also highlighted the fact that development dialogues could be carried out either annually or bi-annually depending on the preference of the head of department and the

appraisee. This respondent also reported that F and B employees would always be appraised at least twice prior to finishing their probationary period.

As with selection, managers saw both the development dialogues and the annual reviews as a two way process. The DGM stated that following appraisals managers' 'work plans' could be changed as well as job content and procedures if it was felt that this would benefit both the employee and Oxygen. The FOM also stated that he had changed work practices for his staff following a development dialogue with a supervisor it had come to his attention that he had been 'piling all the work onto the supervisors...and I had switchboard operators sitting twiddling their thumbs with not enough work to do.'

Management experiences of the process

Although not all managers believed that appraisal was the single best way of dealing with any skills gaps (for example the FOM reported the above change in work practices and the FBM believed that simply doing the job helped skills to develop) all were positive about the role that appraisal played in helping to reduce skills gaps and were satisfied with the effectiveness of the system.

Interestingly although appraisal and development dialogues were used for all types of skills gaps both the DGM and the HC believed that appraisal was particularly useful for dealing with any issues in *soft* skills. They felt training was more useful for rectifying hard skills, but often the appraisal itself, without the training could rectify any issues with soft skills, by simply making individuals aware of any issues and discussing these with them, often informally. Because of the interpersonal nature of soft skills as well, the HC realised that anything on the employee's mind could affect the way that these skills are used at any one time, even if the employee was generally fully proficient:

If it's a soft skill... you know, (it's) probably either done in the appraisal or if it needs to be done immediately then I'll look to my number two, number three, say, "Have you noticed this? What do you think we should do?" And then we'll sit down with the person and see if we can find out what the

problem is. Sometimes it's because of a social problem outside of work. Girlfriend's pregnant, parents are rowing, whatever it may be. And we can normally resolve it through one way or another.'

The PDM also stated that if a problem was identified at appraisal then the employee was not simply left until their next appraisal but would be informally appraised and reviewed regularly to make sure that the need for development was properly met. The appraisal system was thus ongoing, and all managers stated that they tried to help and coach people through any problems:

(after a performance issue had been identified)...we'd then try and help them, so what are your learning gaps and it'll be through development dialogues, it'll just be more frequent, maybe weekly reports to how they're getting on and things, "how are you doing? Okay? Let's look at this next". (PDM)

In conjunction with this coaching approach both the PDM and HH believed that a key function of appraisal was to ensure that people were fairly treated. This fairness was not just to avoid tribunal claims but also out of a sense of respect for individuals, in acknowledgement of the fact, for example, that everyone learnt at a different pace and had different strengths and weaknesses.

Employee experiences of appraisal

Employees in Oxygen should have received one appraisal by the time they had been in the organisation for six weeks, with annual or biannual appraisals thereafter. The employees were, therefore split into two groups: those who had been in Oxygen for over six weeks and those who had been in the company for three months or more. The results are shown in Table 8.1 at the end of the appraisal section.

The results for staff appraisals were considerably better than in Fontainebleau with 75% of employees with both more than six weeks and three or more month's service reporting that they had received an appraisal in the past year. As in Fontainebleau none of the interviewees reported any problems with the appraisal process.

The appraisal scheme in Silex was highly structured and bureaucratised with separate systems for pay, training and development and promotion. According to the SS and PM the main purpose of the standard appraisal scheme was to establish development needs and plan for future training with no decisions regarding pay and promotion made through this process. Appraisal was carried out once per annum through an electronically generated appraisal form. The employee and their line manager met to discuss development issues, which were then recorded on the form, with a second meeting taking place between the employee and their development officer (a senior member of each department). After the second meeting the form was returned to the employee for finalisation and further comments. A development plan was then generated for each employee and any training requirements were forwarded to the training department for approval. The SS and PM stated that this scheme was open to everyone and all development needs whether in hard skills or soft skills were considered equally.

All other managers described the process in the same manner as the personnel representatives, stating that the process was, 'specifically unrelated to pay and promotion' (HoD) and carried out on an annual basis. The HoP stated that the nature of the appraisal was effectively a chat between employee and manager about the employee's activities, how they felt about their work and career, whether they had encountered any problems in doing their work and what they needed to develop their career further. The HoC believed that appraisal was the main tool used to identify any skills gaps and training needs with any action followed up at the next appraisal.

Although pay rises and promotion were completely divorced from the appraisal scheme there were mechanisms by which these could be achieved. The SS and PM stated that although every employee received an annual incremental pay increase, extra bonuses could be applied for through either self or line manager application to an awards panel, made up of senior management. These awards were made from a finite pot of money and only so many awards could be made each year. The award itself took the form of either a one off payment (for a particular piece of work) or as

an increase to the employee's salary, in the case of a piece of work which was to be completed on an ongoing basis.

As with the appraisal scheme the operation of this process was supported by the other management interviewees. The HoS reported that when nominating someone within his department, he was looking for 'where someone had gone way beyond the call of duty' in terms of their performance on a particular piece of work. This was supported by the HoC who stated that he would nominate someone for a bonus on the basis of 'specific work done very quickly or (that was) very technically demanding, non standard work that they (the employee) had done particularly well.' The HoD sat on award panels and stated that as well as people self nominating or being nominated by their managers, the board itself could make nominations, although only the 'top twenty five percent' of performers were ever awarded regardless of who had nominated them. The reason given for these board nominations was that managers were frequently 'too busy' to go through the nomination process.

The Managers also described the manner in which promotions could be awarded. The HoC stated that people would gain promotion if they could demonstrate to the panel that they had been performing a higher grade job for a year, with the applicant expected to put their case forward in writing (via a specific form) and provide evidence to support their claim. The applicant was then also expected to make a presentation to the promotion panel with the HoIT summing up the process thus:

(employees have to) fill out a fairly detailed sort of reasoning form and then they have to go down and give a presentation to a promotion panel. It's almost like the (selection) interview panel all over again.

Management experiences of the process

As in the other case studies management reported that the appraisal scheme was the main mechanism through which skills and development needs were identified, with training needs formalised into PDPs. The SS believed that the appraisal system worked well and was mutually beneficial to both employees and Silex.

It's a really useful tool for evaluating performance, developing potential, developing anything that comes out of performance issues. If there's a particular weakness or something that could be done you then use it as a development tool for strengthening that.

There was also agreement that the system was a two way process between managers and employees and that it was a good opportunity for employees not only to discuss any development needs and grievances, but also allowed them input into their job duties for the coming year. The HoC stated that a 'forward job plan' on which the appraisee's duties were based was jointly agreed and if at any point in the year the appraisee believed that further changes needed to be made to the job plan this could be done as and when required.

Unlike in the hotels managers were not all content with the appraisal system. There was some reported difficulty in actually getting appraisals done on time and even in getting people to fill in the electronically generated forms, which were fairly long. Given the fact that the form also went through four iterations (the employee, the employee and their line manager, the employee and their development officer and then back to the employee again) the whole process could be quite time consuming. The HoP reported that his main problem with the system was that the appraisal round was in the summer which created problem for scientific staff as they were often conducting fieldwork. The HoS believed that:

We do have difficulty in getting them (appraisals) done, because nobody really likes doing it. Either the appraisee or the appraiser, it's a formal process that we go through, but I guess we just don't like the formality of it ... Because you've got to... fill out an appraisal form, and list the duties that you're required to do and the tasks, and then write down how well you thought you'd done them ... But the actual form filling is something that nobody really likes very much.

There was also a sense from the HoD, that, on occasion the operation of the process departed from policy. For example although pay and promotion appraisals were kept

separate from development appraisals he commented that, 'Formally it's divorced (from development), but where do you think we get our information from?' In theory, information from line managers and the employees themselves were supposed to inform the pay and promotion panels but, decisions were ultimately taken by the panel themselves, even in the absence of any supporting information. The system, therefore, may not have been operating as transparently as the policy suggested.

The final decision is ours so we can refuse or accept nominations. We do refuse them as well because occasionally some managers will come in and nominate somebody in their team, so that's useless to us, you know, we trying to award the top twenty five per cent

Employee experiences of appraisal

As in the hotel establishments there was a minimum three month probationary period for employees after which they should have received at least one appraisal. Unlike the hotels, however, there was no mention of appraisals before this time, and so the provision of an appraisal in all employees with over three months' service was examined. Despite the reported unpopularity with the process amongst management, 95% of employees had received an appraisal in the past 12 months.

It emerged from the employee focus group that there was clear dissatisfaction with the appraisal process. In terms of the development appraisals there seemed to be some confusion amongst the staff as to what they were used for. The staff believed that they could record their training needs at any time throughout the year and apply for training courses if their line manager agreed. Because of this ongoing process the respondents were not exactly sure what the purpose of the annual appraisal was, especially given its divorce from pay and promotion:

SH So what are your appraisals used for then do you think?

CSE Aha. that's a very good question.

GIS A filing cabinet exercise.

CSE They've got it all on line now so it doesn't eat up so much paper. The only time they're ever looked at really is if promotions are on the go.

GIS Are they actually looked at?

When discussing the pay and promotion panels there was general agreement amongst the staff that they were somewhat unfair. The ASO believed that the whole process seemed somewhat 'elaborate' a view with which the other respondents concurred. The respondents also thought that even with this elaborate process, decisions may not have anything to do with the way in which they did the job, and they believed that self presentation was essential in securing promotions:

GIS I got it (promotion) last year so I'm not complaining. But it was a big hassle to go through it and you've got all these indicators you've got to meet and its almost like, its almost like you feel that if your manager thinks you're doing the job at a higher level why don't you just get promoted...Like to push yourself forward and like say 'I've been doing this, I've been doing this, I've been doing this.

CSE You've really got to present yourself. If you're not good at that then you're not going to get a promotion. It's got really nothing to do with the work you're doing. Its how you promote yourself.

GIS I think it's the way you write your forms, the way you come across in your interview.

CSE I think the emphasis is on you to present yourself rather than you're working at a high level you should be promoted.

On a more positive note, the GIS analyst did report that the appraisal was a good opportunity to sit down and 'have a good moan' at her line manager who invariably did something to deal with her concerns. The ASO also stated that although her line manager did not always listen to this feedback, her deputy did. Unfortunately, the CSE could not even find anything positive to say about this aspect of the appraisal from his experience. It is unfortunate that more employees were not interviewed to establish whether these views of appraisal were held throughout the organisation, although the employees were from different departments. Some of the employees' views however were shared by some managers suggesting that discontentment with the appraisal process may have been an issue which was shared throughout Silex.

Table 8.1: Employee experience of appraisal in the three case study establishments

		N	% respondents reporting appraisal/review in past 12 months
Fontainebleau	All > 2 weeks service	28	50
	All ≥ 3 months service	24	50
Oxygen	All > 6 weeks service	48	75
	All ≥ 3 months service	48	75
Silex	All > 3 months service	98	95

8.2.3 Induction and training

Fontainebleau

The original HRC emphasised that Fontainebleau had both a training plan and training budget. Training began with a three day group induction which all new employees had to attend before they could begin work. Induction covered information about Fontainebleau as a company, the brand and the establishment itself, their job duties, self presentation, equal opportunities and elements of health and safety. Much of this initial and subsequent training involved Fontainebleau's exacting brand standards and the way in which these were to be implemented by employees in a somewhat prescriptive and standardised manner. An example of this was appearance training meant to enhance the 'professional' image of Fontainebleau. Employees wore standard uniforms and strict guidelines existed regarding hair length and style, an absence of facial hair and visible tattoos and the fact that only one pair of earrings and a wedding ring could be worn as jewellery.

Upon completing induction, each employee was given a folder containing the modules on the skills needed for their jobs, which were completed and authorised by a manager on-job, leading to a City and Guilds qualification at level 2. After the completion of this folder training was reportedly offered as and when required to all occupational groups for any job related matter, in both soft and hard skills. Although training was available to all staff the content and level at which this was delivered differed depending on the level of the employee.

As well as this training related to either immediate job needs or future developmental needs, employees also had the chance to study courses provided by Fontainebleau University (FU). Although these were also broadly related to work in Fontainebleau anyone could take these, regardless of their level. Courses were delivered on-line and cover areas such as ICT, management, HR (for example recruitment and disciplinary skills) and finance. Courses were available to individuals on-line and were generally done either at home and/or in the employee's own time. The fact that all courses were available to everyone meant that non-managers could learn management skills, 'So if they want to do a management course and they're a waiter when they're at home then by all means go ahead and do it' (second HRC)

The training policy as described by the HRCs was supported by all managers. The only 'dissenting' voice was the Head Chef (HC) who believed that, although training was very good on the whole there were not enough courses on specific technical skills for his department. For example, there was no course available in preparing sauces. He, therefore provided on-job coaching for his team as and when required but with little support from Fontainebleau's training programme

Employee experiences of training

Table 8.2 shows the proportion of employees answering the survey who had received training in the past 12 months and whether this was on job or off job. The table includes data for all establishments and can be found at the end of the induction and training section. The responses are divided between those with management or supervisory responsibility and those without, as previous research has shown that the former group are more likely to receive training than the latter.

Table 8.2 shows that training was received by all employees and 85% of managers, supporting management views as to the importance of training. Managers were more likely to receive their training off-job with almost 62% reporting *some* element of off job training (i.e. reporting that they had received off-job training or both on and off job training) compared to 40% of employees. For employees, therefore, training may have been related to more immediate job needs, perhaps taking the form of coaching.

The types of training that employees received were also identified. The five most frequently cited areas of training for non-managers or supervisors were health, safety and first aid (80% of total), induction and customer service (both 40%), and grooming/self presentation and team-working (both 33%). Training for employees was thus most likely in statutory issues and soft skills. When examining the type of training which managers/supervisors engaged in the five most common areas were: supervisory and management, product knowledge, health safety and first aid and team-working (all reported by 54% of total respondents) and grooming and self presentation (46%). Induction, computing and customer service training was also reported by between 30% – 39% of respondents.

Managers/supervisors were thus trained in a number of both soft and hard areas but were more likely to receive training in certain harder areas such as managerial training (which may also cover soft skills) product knowledge and computing than line employees. The results do however support the fact that training was provided to managers and line employees alike and training in soft skills was prominent.

Employees were also asked, in the qualitative stage, whether they believed that they had received sufficient training in order to do their jobs, with all answering that they had. Employees had all received their induction on time and believed that this and subsequent training both on job (often through shadowing) and refresher courses (predominantly on customer service and brand standards) had prepared them very well for their jobs and life within the organisation.

The interviewed employees did state, however that much training, especially in customer service was standardised with the exact steps and stages which were to form each service encounter rigidly reinforced. Although employees felt that they were not just reading out a script and could take time to chat with customers if circumstances allowed, there remained specific behaviours which had to be used for each service encounter. The receptionist for example remarked jokingly that she sometimes felt a bit like a 'robot'. The Polish waitress and all four C and B employees also said that taking a customer's order and serving at functions was supposed to be done in a strict regimented sequence in line with the brand standards. This was not only confined to

the customer facing staff as the HC reported that all dishes in the kitchen were made to very strict protocols.

Both restaurant employees did state, however, that Fontainebleau's reputation for training had attracted them to the job. The Polish respondent reported that she had received four or five courses related to brand standards and customer service in the 10 months she had been working at Fontainebleau. Given her lack of familiarity with the English language and the culture in Scotland, she thought these had benefited her greatly. The Scottish waiter believed that the training and career progression in Fontainebleau would allow him to reach managerial levels.

Oxygen

Managers in Oxygen also placed a strong emphasis on training and personal development, with the establishment having both a training plan and training budget, devised by the PDM and her superior, the HR manager. The establishment had considerable autonomy over this budget and the HR Department proposed the value of the budget for authorisation by the General Manager (GM). The PDM reported that induction was a three day process taking place on consecutive Mondays. The first Monday covered an introduction to the company and 'statutory stuff' such as health and safety. The second session covered customer service and the third product knowledge. Employees were required to attend the first of these days before starting in the hotel. Oxygen's informal customer service philosophy, 'nae bother', which emphasised the 'empowerment' of front-line staff to take control of customer requests and complaints was strongly emphasised during induction. Employees were also offered a bed and breakfast stay in the hotel which was to be taken in their probationary period in order to familiarise themselves with the company's brand from a customer point of view.

There was a large degree of detail revealed about the 'nae bother' philosophy and the manner in which it was trained, as this constituted the bulk of training activity. Training was, according to managers, not simply about telling employees what to say and how to say it but was instead about allowing employees to conduct the service experience as they felt best, whilst operating within broad guidelines as dictated by

the brand standards. Employees were, for example, informed of the maximum possible offer that they could make in the face of a complaint (free food and beverages and nights in the hotel) but were encouraged to use their initiative to meet customer requirements, in the knowledge that managers were, in the eyes of the PDM, 'not bothered' if someone provided an apparently disproportionate recourse to a complaint. All employees and managers stated that Oxygen was a very 'informal', 'young', 'fresh' and 'stylish' hotel and they liked to maintain this for customer service through genuine friendliness on the part of the employees rather than over-prescription of brand standards. It was believed, therefore, that employees should maintain freedom over the service encounter as, 'You can't have genuine people if you tell them what to say' (PDM). This extended to uniform standards as although employees had a uniform (designed by Paul Smith) they were allowed bodily and uniform adornments, 'crazy' hairstyles and facial hair as long as it was viewed as 'stylish', did not contravene health and safety legislation and fit with the style of the Oxygen brand:

Facial piercings we're very liberal on. We've had people with their eyebrows pierced. With... some people with their nose pierced, some people with strange parts of their ears...pierced. We don't tend to go too heavy on it.... Girls, I don't care if they've got red, blue and green in their hair as long as it's not over the top. (FBM, Oxygen).

Indeed, the FBM stated that he had only needed to speak to someone seriously about appearance once in his four years in the F and B department. This had been because an employee had grown a dark goatee beard which clashed with his bleached blonde hair. The FBM believed that resultantly the employee had looked 'more like an idiot than anything' which was seen as inconsistent with the style of Oxygen.

All managers reported that all employees were given the chance to receive training, with training in the nae bother philosophy and health and safety training refreshed every year with some variation to reduce boredom. Training in other matters was available to all employees in both soft and hard skills, depending on whether or not they needed it. As with Fontainebleau there was a specific training scheme for managers and supervisors and the level to which other training was provided differed

depending on the level of the employee. There was also training given for departmental trainers who provided job specific coaching for employees. Training was provided as and when required to those who needed it either for their current jobs or for future development, with no distinction between different types of employees or between soft and hard skills. As well as formalised training sessions management also reported that on-job training and coaching was provided as and when required.

Employee experiences of training

As in Fontainebleau those with managerial/supervisory responsibility were differentiated from those without such responsibility. Table 8.2 shows that there was widespread incidence of training amongst both managers/supervisors and line employees, supporting managers' views on training policy. Uptake amongst employees was slightly less than in Fontainebleau, although still reported by 85% of respondents. Interestingly, more line employees reported some element of *off* job training (54%) than managers/supervisors (42%).

When examining the most widely reported types of training reported in the survey, the four most widely reported areas amongst employees were product knowledge (62%), health/safety/first aid (54%), and induction and customer service (both 42%). There were, however, a significant proportion of employees (between 31% - 39%) that had received training in communication, ICT, team-working, use of new technology and equipment and grooming and self presentation. Given the regularity with which 'nae bother' training was supposed to be conducted, the customer service figure may appear a little low, although as the philosophy was inexorably linked to the hotel's brand, product knowledge training may also include 'nae bother'. The relatively low figure for health/safety and first aid training also appears to contradict the PDM given the fact that annual refresher courses were supposed to run on this issue. Overall training for line employees was split between hard and soft elements, supporting management responses.

The types of training most frequently reported by managers and supervisors were health/safety and first aid (63%), product knowledge (54%), supervisory/management (50%), customer service (42%) and problem solving and team-working (38%). The

use of new technology and communication were also reported by 25% - 33% of respondents. The results show that, unsurprisingly, managerial and supervisory employees were more likely to have undertaken managerial and supervisory training, but experience of other types of training was similar to line employees.

All the employees interviewed believed that they had been given sufficient training in terms of their inductions, off the job courses and also continuous on the job training. Given the prominence of 'nae bother' training, employees provided details of this activity. The Meetings and Events (M and E) employee reported that 'nae bother' training was always varied and resultantly it was not repetitive. The restaurant employee also revealed how empowerment and informality were encouraged through the nae bother philosophy, but yet employees were not ever expected to do anything beyond their comfort zone:

They (managers) just expect you to do what feels comfortable I think. If someone's a very quiet person, doesn't feel comfortable with approaching a guest about a problem or something, then that's fine. You're not pushed into trying to find a solution for something

The focus group employees also supported the managers' views that customer-facing staff were allowed some discretion over dress and appearance codes as well.

Respondent 6 Well you know that you can come in with some type of crazy haircut and no ones going to, well, no ones going to give two hoots! *[All laugh and agree]*

Respondent 3 It's ok to be modern.

Silex

As in the other establishments the first stage at which training was received was during induction, which occurred in two stages. The personnel representatives stated that the first stage was an establishment induction at the Edinburgh branch of Silex whilst a company wide induction was given at Silex's English headquarters.

Although the establishment induction was given as close to the employee's start date

as possible it was not necessary to have had the company induction prior to starting work and these were generally done as and when there were enough new employees for a group induction. The Personnel Manager (PM) stated that as it was rare to have a large amount of people starting at the Edinburgh site at the same time the establishment induction was sometimes rather informal and conducted individually. As well as providing information about the company, their department and their work, equal opportunities and health and safety were also covered on induction. The other managers supported the Station Secretary's (SS) and PM's explanation of the induction process.

Once in the job, the personnel representatives reaffirmed that training needs were identified through the appraisal scheme and that any off job training was organised through the training department once sanctioned, whilst any on job training was organised jointly by the employee and their line manager. The SS and PM stated that training was open to everybody from line employees to senior managers and that all occupational groups had received some form of training in the past 12 months. Furthermore, no distinction was made between training in soft and hard skills, as if an employee was found to have *any* development need then training was provided. As with the hotels management stated that the content and level to which training was provided differed between employees at different organisational levels.

All managers supported the fact that all employees were offered equal access to training and that the types of training provided depended upon the individual's present needs or their developmental requirements. The majority of the training provision reported by the managers had been related to job-specific or technical skills, although if training in softer skills was required, this could be provided just as easily. Some of the managers provided more detailed insight into the operation of the training. The HoD revealed that approximately 4% - 5% of the establishment's total budget was given to training. The HoP stated that personal development was a key factor in training provision. Supervisory and management training, for example could be given to non-management employees even if there was no immediate chance of promotion to a supervisory or management role. This was so that those with potential who were likely to be managers in the future were exposed to managerial training relatively early on in their careers.

Overall, management believed that training provision in the company was good and all reported that members of their departments or teams had received some form of training in the past 12 months. Managers also believed that training was an ongoing process and allowed employees to develop their skills in line with both job demands and future career development. The generally positive attitude towards training contrasts with the view of the appraisal system and adds support to the idea that training needs would have been identified even without the appraisal process.

The HoS did, however reveal a problem with the training system in that the demand for training frequently outstripped the supply of courses and that there was, 'always a queue, always a waiting list for courses.' As a result of this, training was often not provided on a timely basis as it could take anything up to 'two or three years for your name to get to the top (of the list).'

Employee experiences of training

The employee experience of training supported the view of management that training was widely available as approximately 90% of both managerial and non-managerial employees had received training (see Table 8.2). Although a number of respondents did not provide information on where training had taken place 62% - 72% of total employees reported that they had received some element of off job training, a higher proportion than in the two hotels.

When examining the areas in which training took place for line employees, health and safety was the most widely reported subject of training (57% of total employees); followed by the hard skills of ICT and use of new technology and equipment (54% and 34% respectively); and finally, induction (21%). Other training was reported infrequently, with no employees reporting training in customer service and only one in grooming and self presentation. This supports management, as whilst a minority had taken courses in certain soft skills, training in technical skills training was more widespread than soft skills training.

The results were similar for managers/supervisors with health and safety the most widely reported area (62%); followed by ICT (46%); the use of new technology and

equipment (23%); and finally, supervisory and management training (15%). Other types of training were reported infrequently, with no respondents reporting training in self-presentation and only one in customer service.

The focus group highlighted the fact that all employees had received a fair amount of training and they were generally happy with the content. There was, however, some dissatisfaction with the expediency with which they received it. Experiences were mixed with some employees reporting that they had waited three or four years to get on certain courses, whilst they could apply for training in other areas and get it very quickly, supporting the HoS' view above. This was even the case with the organisational induction in England, with the CSE reporting that he knew of one employee who had been sent for his induction at headquarters when he was near retirement. The employees did say that the establishment induction was now provided straight away and that the headquarters induction now generally occurred within the first two to three months. The GIS Analyst, however, gave an example of how waiting for a course had actually impaired her performance.

there's me and two other colleagues that put in for a training course because we were about to start work on a project that we really needed this training course for and the project will be finishing shortly and we have not yet been on this training course. So we've just had to kind of learn it ourselves, which in our opinion is a bit daft. Because if we'd have been on the training course we could have done the work a lot quicker.

The respondents seemed to think that the expedience with which training was provided depended upon the project for which the training funding was sought. Often for government funded projects it was believed that managers were 'tight' (CSE) with their training budgets, whilst for commercial projects funding could be found much more easily. Notwithstanding these problems the GIS Analyst did find it necessary to point out that Silex were better at providing training than other companies she had worked for and that she did believe that her training needs were listened to, it was just that sometimes training took too long to receive. Again it must be remembered that this was a small group of employees, albeit from across the organisation. The

similarities with the HoS' views, however, again suggest that some issues with training may have been felt across the establishment.

Table 8.2: Incidence of training in all case study establishments: Survey responses (%)

		N	Any training?	On Job	Off Job	Both
Fontainebleau	Managers/supervisors	13	84.6	23.1	30.8	30.8
	Employees ^a	15	100	53.3	13.3	26.7
Oxygen	Managers/supervisors ^b	24	87.5	33.3	20.8	20.8
	Employees	26	84.6	30.8	23.1	30.8
Silex	Managers/supervisors ^c	39	87.2	12.8	28.2	33.3
	Employees ^d	61	91.8	16.4	31.1	41.0

a - One employee did not answer the question and one answering did not state where training took place

b - Three respondents did not state where they had been trained

c- Four respondents did not state whether or not they had managerial responsibility *and 10 managerial respondents did not state where they had received training*

d - Seven employees did not state where they had received training

8.3 Responses to skills deficits

With the role of skills-related HR policies discussed in section 8.2, section 8.3 now turns to consider the second part of proposition 5.3, that skills deficits will also depend on the effectiveness of responses used to respond to any deficits.

Fontainebleau

The analysis here drew from the management interviews in each establishment. The Fontainebleau managers reporting the few soft skills shortages in full-time breakfast employees, junior chefs and receptionists reported that responses had been engaged in. The HRC stated that more overseas staff were recruited (especially Poles); full-time positions had been changed to two part-time positions; changing hours had been considered if this suited an appropriate applicant; links with schools colleges and universities were developed; and in the case of hard to fill supervisory positions existing staff had been re-trained and promoted. The recruitment of Polish workers was also particularly prominent in the Housekeeping department as few locals could be found who wanted to work full-time. The HRC also highlighted that the recruitment of overseas staff had been the most successful response for filling full-time positions. This was due to the fact that overseas staff had excellent soft skills in terms of self presentation and customer service, better timekeeping and also better

'attitudes'. The HC also reported that the main method he had used to deal with soft skills shortages was the recruitment of overseas staff, especially Eastern Europeans.

The FOM reported that when she had experienced hard to fill vacancies, again in full-time staff only, she had expanded recruitment channels, mainly in terms of enquiring for referrals from her current employees although she would consider using agencies; re-training existing staff within the hotel; and also hiring more part-time employees. She stated that it was the use of part-time employees that was the most useful as there were always students looking for part-time work and a number could be hired to flexibly fit in with business needs. The respondent noted that the same responses had been used when trying to fill both soft and hard skills shortage vacancies.

Table 8.3 shows the responses that managers in Fontainebleau used to combat skills gaps, with the most effective responses for *soft* skills gaps highlighted in bold.

Overall it was appraisal, review and feedback and training which were perceived as the most effective responses and were often used in conjunction with one – another. There was a mixed view as to whether training was better for hard or soft skills with the FBM and second HRC stating that it was harder to train for soft skills than hard skills. All, however, agreed that review and feedback was a particularly good way to respond to soft skills, often used in conjunction with on-job training and coaching.

I think feedback, you know, its providing them with, when someone's handled something wrongly I think its important that you let them know and its important that you say well I think you could have handled it better by doing it this way, or how do you think you could have handled it better. It's about coaching and nurturing (FBM).

Managers generally reported that responses would be equally considered for both soft and hard skills deficits. The FBM, however, stated that formal training would be more likely to be used for hard skills and the HC reported that changing the content of jobs was to ensure that chefs were not working outwith their technical skill range. Responses were also just as likely to be engaged in if the skills gap was in managers or line employees with the general consensus being that everyone needed support no-matter what their position.

There was also a sense in which some managers were prepared to make changes based on the feedback from their employees. The FOM stated that she had changed the reception 'check-lists' which were a list of tasks for staff to follow and a list of criteria for each service encounter. This had been done as a result of recent appraisals and was effectively used to exert more control over the service process and re-emphasise the brand standards. The FBM stated that after reviewing an employee and seeking their feedback he would be prepared to change their job content or work practices if he felt that this was causing a skills gap. This could take form of either a change to the current role if their workload was too high, changing departmental practices or even moving an employee to a different position within the hotel. He did, however add the caveat that this would only be considered for an employee or manager who was 'worth fighting for'.

When examining some of the possible responses which were not considered increasing pay or improving terms and conditions was generally considered out of reach because such matters were subject to company-wide policy although employees could receive pay rises after a review of their performance.

people merit their pay increases, you know, if you think they're valuable enough to the job, they're doing a good enough job and you think they're under paid then, you know, you would consider it. But generally, you know, if someone's not performing very well I wouldn't offer them more money to start performing well (FBM)

This respondent also noted that increasing recruitment would never be considered as a response to internal skills gaps, with him preferring to try and nurture and coach people through skills problems rather than simply, 'throwing bodies at the problem' which was seen as a form of avoidance. A final measure which was not generally considered was transferring employees to another department or establishment. This is consistent with the fact that management believed that skills problems should be positively addressed and that, in the words of the second HRC it would not be 'fair' on other people to pass on a problem, 'although that would be nice sometimes!'

Table 8.3: Responses to skills gaps, Fontainebleau: Managerial interviewees (best perceived responses to soft skills gaps highlighted in bold)

All employees (HR)	Improved/changed terms and conditions (hours); provided training; appraisal/review/feedback (and related PDPs); recruited overseas staff; used more extensive selection methods (move to at least two interviews for all staff)
Managers	Training; appraisal, review feedback
Food and Beverage (excl. kitchen)	Changed recruitment and selection practises (new bar); changed work practices; changed job content; provided training; appraisal/review/feedback (and related PDPs); recruited overseas staff;
Front desk	Provided training; appraisal/review/feedback; changed work practices
Kitchen	Provided training; appraisal/review/feedback/changed; content of jobs

Base: All managers reporting a soft skills gap

Oxygen

The PDM stated that the only responses which had been engaged in to try and plug the maintenance position skills shortage was to expand recruitment channels through advertising in newspapers. The FBM had also expanded recruitment channels to correct skills shortages and stated that the main response engaged in for soft skills shortages for his employees was to expand links with colleges, schools and universities. He noted that it was essential to be 'patient' and filter through applications carefully as it was not that there were no applicants for skills shortage positions it was just that many people were considered inappropriate. He did say that hiring a wider range of applicants could conceivably be used but that Oxygen prided themselves in their selectiveness. He also stated that increasing pay further was not considered as a response to skills shortages as pay was already benchmarked against local competitors and that 'bartering' on top of this was not engaged in.

All the managers reporting minor soft skills gaps reported that these would be responded to in line employees to the same extent as managers and that no differentiation would be made in terms of responding to soft and hard skills responded to in equal measures. Table 8.4 shows the range of responses used to address skills gaps. There was some evidence, however, that soft skills and hard skills were addressed differently. The HC reported that on the job training was most useful for hard skills whilst appraisal, review and feedback were the most efficacious

methods for dealing with soft skills as discussed above. The Deputy GM also stated that although training was engaged in for soft skills, this was generally more effective for hard skills as these were far easier to 'educate'. For example, he reported that in order to improve problem solving and planning and organising some of the managers had been sent on a 'logical thinking course', which had been a great success.

When reporting which were the most effective responses to soft skills gaps, the DGM believed that it was not easy to identify one best way as it depended on the individual. Whilst appraisal was generally viewed as a very good method through which to improve soft skills, for some, a refresher course in 'nae bother' was also effective. As stated above the HC believed that appraisal was the most effective way to address soft skills deficits. The FOM reported the change in working practices, discussed above; to alleviate the workload of his supervisors had been the most successful method in reducing planning and organising skills gaps. He was ready to accept the blame for the original workload imbalance and believed that his changes had benefited his supervisors greatly. The move in Oxygen's front office to give more responsibility to staff contrasts with the removal of staff discretion in Fontainebleau's front office.

Table 8.4: Responses to skills gaps in Oxygen: Managerial interviewees (best perceived responses to soft skills gaps highlighted in bold)

Managers	Varied selection methods over time; training; reviewed working practices; changed content of jobs; improved pay; improved terms and conditions; sacked people.
Front Office	Training; appraisal/review/feedback; changing work practices
Kitchen	Appraisal/review/feedback ; improved terms and conditions; sacked staff; training

Base: All managers reporting a soft skills gap

Silex

No managers in Silex reported soft skills shortages and soft skills gaps were not seen as a concern. However, the Head of Discipline (HoD) had reported some soft skills problems in scientific problem solving, which were partly related to cognitive skills. Notwithstanding the focus on technical problem solving, the reported responses of the HoD to these problems are reported.

The HoD stated that the main responses that had been engaged in were providing training and experience and also the use of appraisal and review. As per the company's policy any skills needs were identified through appraisal, with training then provided. The respondent did state, however, that because the skills deficit he had identified was partially cognitive in nature, experience on the job was one of the best ways of developing this skill. He stated that all such needs were treated as development needs and that, as such, responses such as increasing recruitment and improving terms and conditions would not be effective in solving this kind of gap.

In terms of proposition 5.3, there is mixed support for the premise that the presence or not of soft skills deficits depends on the efficacy of skills related HR policies. All organisations reported providing training in soft skills to all levels of staff, with staff responses supporting manager's views. Notwithstanding this, however, there were differences in the existence of skills deficits, as identified by management, with Fontainebleau the worst affected and Silex the least. Interestingly in Silex there was the greatest amount of dissatisfaction from employees with the appraisal and training schemes. Much of the training which was required in Silex appeared to be in technical skills, in which some managers did report gaps, whilst soft skills were less of a concern. In Fontainebleau, however, much of the reported training was in response to soft skills gaps, meaning that gaps may exist alongside training, with the benefits to come later.

Recruitment and selection, therefore, may have proven to be the policy which has the greatest effect on the presence of soft skills gaps, at least in the short-term. There were departures from HR policy in both hotels which may have contributed to the widely reported soft skills gaps in Fontainebleau and the infrequent problems in Oxygen. All the departures in the stated selection process reported by employees in Oxygen, however, were for those hired as F and B staff in which no soft skills gaps were identified. In Fontainebleau, however, departures from establishment policy in the F and B department existed alongside high rates of soft skills gaps. This difference in the realisation of soft skills deficits between the two hotels possibly reflects differences in selectiveness or the way in which interviews were conducted. When examining responses appraisal review and feedback were seen as particularly effective in both hotels, although in Fontainebleau employees reported particular

problems in terms of receiving appraisal. This may, therefore, have contributed to ongoing deficits in employees' soft skills. The slightly more personalised approach in Oxygen in terms of appraisal and review may also help to explain their better performance for soft skills gaps compared to Fontainebleau.

8.4 Organisational barriers that inhibited skill development and job performance

Proposition 5.4 stated that 'employees may be seen to exhibit skills gaps if they perceive that barriers exist which inhibit skill development and job performance'. This final proposition for research question five examined whether employees believed that the practices of the organisation and the establishment management precluded them from developing the skills required to do the job and/or performing as they would like at work. As discussed above the small volume of employee responses mean that no definitive statements can be made regarding barriers to effective skill display. Employees' perceptions, however, remain useful when placed into the establishment contexts and compared to the management views which have been discussed throughout Chapters Seven and Eight.

Fontainebleau and Oxygen

Within Fontainebleau, staff were mixed as to whether they could always carry out their duties effectively. The receptionist stated that when she first started she was unsure of herself but that now she had been employed for over a year that she felt she could carry out duties effectively and that 'everything seems to go quite smoothly here.' This view was echoed by the second pair of Conference and Banqueting (C and B) staff who believed that they were well trained and could carry out all that was asked of them. They had been 'paired up' with experienced employees when they first started and believed that nothing in the organisation got in the way of them performing their duties.

There were however some 'barriers' to carrying out job duties described by other respondents (the first pair of C and B staff and both members of waiting staff). Although all believed that they had been trained sufficiently well, other factors sometimes stood in their way when carrying out their work. The C and B staff stated

that the main problem was tiredness towards the end of their shifts which had a knock on effect for customer service as, '...maybe it affects how happy and talkative I am with them (the customers)' (C and B 2). This could possibly account for some of the customer service skills gaps reported by management. This tiredness was caused by long shifts when doing functions (up to 13 hours) and the fact that the respondents also felt they were understaffed. The staff stated that whilst they were supposed to be responsible for one table, maximum, at large events the lack of staff meant that two staff were frequently expected to serve three tables of 10 - 12 people. This was also the case for drinks waiters as although one drink waiter was expected to serve three tables, they always served more in practice. These staffing problems were also echoed by the Polish waiting employee who stated that 'there are too many people in high positions (i.e. managers and supervisors) and not enough in low positions'.

The only other organisational barrier was reported by the first member of waiting staff. He stated that when he was waiting tables the chefs would sometimes not communicate with him and inform him of when a dish had run out. He would then have to return to the customer which he believed was 'quite embarrassing' and made Fontainebleau 'look bad'. This may reflect the gaps in oral communication and team-working identified by the Head Chef (HC) in his employees. The waiter, however, believed that this was not simply a communication problem as he believed that the chefs did not plan ahead enough in terms of both ordering and preparation. Although it would be incorrect to base too much on one respondent alone, especially without finding out *why* this may be the case, team-working and planning and organising gaps that were identified in this establishment may have been accentuated by such behaviour.

There was only one employee who reported that a personal skills gap stood in the way of her job duties. The Polish waitress reported that she sometimes had difficulty with language when dealing with customers and that this was common to all non-British staff in Fontainebleau.

The staff in Oxygen were all happy with their ability to do the job and believed that they had been given sufficient training in order to carry out their work and that no procedures within Oxygen got in the way. Management and organisational practices were viewed as unproblematic. Indeed, employees felt that the whole 'nae bother'

ethos actually meant that they could carry out their work as they would like, as they were given as much autonomy and freedom as possible, especially in dealing with customers. The restaurant employee typified this:

Our management won't come over and say that you shouldn't have given them, like you were wrong to say that, and they don't, they stick by you. Whereas if someone... if you were to make a decision and management was to come up and say that you shouldn't have said that, you were wrong to say that, then it makes you feel really rubbish basically, and it makes you look stupid I think. So it's really good the fact that you've got the ability to do that (act autonomously) here.

Despite the fact that employees had no complaints with management (in fact quite the opposite) and believed that they had the skills necessary to do the job, due in no small part to continuous training, two employees did report times when they may not perform at their best. As with Fontainebleau these related to customer service. The F and B employee was training to be a teacher and stated that it was sometimes hard to deal with customers after a day on her school placement, but that management understood about this (and indeed, to all students) and would treat employees accordingly. This tiredness supports the fact that if employees feel they are proficient at dealing with customers, this can slip on occasion, even with the best of intentions. Given the high proportion of students in both hotels tiredness from out of work activities and studies could affect a number of part-time staff.

The restaurant employee was a supervisor and she believed that, on occasion, members of her team may come into work, 'for one reason or another (they) either don't listen to you or don't want to work basically which can be a problem', for either tiredness or other reasons. Although these were isolated occasions it supports the fact that everyone has their bad days and that this can be particularly problematic when dealing with customers. This reaffirms the views of the HC within Oxygen who believed that short-term gaps in soft skills often occurred because of employees' life outside work rather than a problem in skills per se.

What was noticeable in both hotels was that, despite all respondents stating that they greatly enjoyed working with customers and that the vast majority of customers caused them no problems at all, the occasional problematic customer would still push their skills to the limit. This was especially the case for those working functions, particularly when the customers were drunk. All staff believed that they could deal suitably with such drunken customers, but still reported that they sometimes found this very difficult:

Obviously with the functions and stuff like weddings and things, some folk can get a bit too drunk. And like I always remember having...I'd been on the other bar, and I picked a glass up off a table and then a guy came up and challenged me with spitting in my face, and I was like, "What's going on?" Getting lifted up so obviously that's a bad aspect of working with folk who are drinking too much, but it can still be like for every thousand that you meet there will be one like that (Fontainebleau C and B staff 2)

Silex

Within Silex the focus group respondents were generally satisfied with their competence. The one factor which was seen as getting in the way of skill development, especially for technical skills, was the time that was taken over the provision of certain training courses as revealed by some employees and managers. This lack of training, in esoteric project specific skills, therefore, not only impinged upon technical skills but also potentially problem solving and planning and organising. If an individual has not been trained in a certain area, then they will find it harder to solve problems and also to organise their work effectively, as highlighted by the GIS Analyst.

The project centred nature of the work also caused other problems in terms of both planning and organising and team-working, skills according to employees. All employees stated that it was, on occasion, hard to manage their time due to the amount of different projects on which they were working. Although this was again reported as something which was not overly problematic it did cause them problems on occasion:

CSE Yes, it's very difficult to prioritise sometimes because you don't know the bigger picture. We usually end up going away and telling people to go and talk to someone else and find out who's got the highest priority.

SH OK. And would you say your managers are quite good at ... helping you out in those situations?

GIS Sometimes yes, sometimes no.

The respondents did also report that although most people did know how to work in a team there were still some 'old school' scientists that did not mix well with others and preferred to work in isolation. This did not, however, cause widespread problems as, those who were poor at working with others were, 'only in the minority. And you know where they live so we don't go down there [all laugh]' (SSO). This latter point regarding team-working was also realised by the HoD when talking about how the organisation as a whole could improve.

There is thus, support for proposition 5.4 as organisational factors could and did contribute to the degree to which employees could perform their roles effectively. Of the two hotels it was in Fontainebleau where staff reported the greatest barriers to effective skill display alongside management reporting the greatest number of soft skills deficits, showing a degree of consistency. The fact that employees in Silex appeared to report more problems in displaying certain soft skills than managers believed they did, may reflect a bias in the qualitative interview sample or perhaps the manner in which Silex managers defined soft skills gaps.

8.5 Chapter summary and conclusions

This chapter initially sought to establish the internal HR practices of the three case study establishments and responses to skills deficits to ascertain the effects that these had on the realisation of soft skills deficits, in furtherance of Proposition 5.3. It can be seen that all three establishments had a number of HR practices in place which could, in theory, have led to the reduction of soft skills deficits or stopped them occurring in the first place. In terms of training, the most popular reported response to soft (and indeed, all) skills deficits in the 2002 ESS it can be seen that employees across all

establishments were offered training and that the nature of this training tended to follow the demands of the establishment; with soft skills training common in the hotels and technical skills training more common in Silex. Employers were certainly willing to train in soft skills and across all occupations supporting some of the broad macro-level trends identified in Chapter Six and also suggesting that deficits in soft skills may not be due to a lack of training provision. Furthermore, induction was apparently provided in a timely manner to new starters across the three establishments. Indeed, managers also suggested that whilst training was sometimes very useful for the development of soft skills, it was also not always the best response for soft skills gaps.

Where the case study organisations reported differing degrees of skills deficits there appeared to be particular differences in terms of selection procedures and appraisal in particular. In Fontainebleau, the organisation with the highest number of soft skills gaps, there were departures from the highly formal stated selection policy in terms of the use of competency interviews and the number of interviews that were conducted. At times, and especially in the F and B department, which was badly affected by soft skills deficits, managers were apparently hiring unselectively and were sometimes not concerned with the skills which an individual possessed. In the other establishments, however selectiveness remained high despite departures from the policy in Oxygen in terms of the number of interviews required or front-line service positions. In Fontainebleau there was also no informal stage to the interview (such as a site tour or informal interviews) explicitly built into the process which managers and employees in the other establishments believed to be useful in the identification of soft skills in potential applicants.

Fontainebleau was also the establishment where the smallest proportion of employees reported that they had been appraised in the previous 12 months. As managers across all establishments reported that appraisal and subsequent feedback, especially informal feedback, was amongst the best ways to reduce soft skills gaps this also represents an area where the establishment worst affected by soft skills gaps could improve.

In terms of the two hotels there were also clear differences in the way in which the service encounter and even employee's self-presentation, reliant on soft skills, were organised. In Fontainebleau the approach was highly standardised and prescriptive with training rigidly enforcing the brand standards that employees were expected to adhere to on the job itself. In Oxygen, however, the 'nae bother' philosophy allowed for greater employee autonomy in interpreting and acting upon the service philosophy and organisational requirements. In ostensibly similar environments, therefore, the nature of work organisation differed considerably.

There was also evidence in the chapter that organisational barriers sometimes obstructed employees from utilising their soft skills and performing on the job, as they would like. These barriers were most apparent in Fontainebleau although barriers to effective job performance were noted in all establishments. As Fontainebleau appeared to be the worst affected by both soft skills deficits and barriers to the display of soft skills, some support is afforded to Proposition 5.4, that where managers report skills gaps this may be because organisational factors obstruct employees from using their skills as effectively as they could. A full discussion of the findings from all the empirical chapters and their relation to the conceptual resources identified in Chapters Two to Four is conducted in Chapter Eleven after the presentation of the empirical results.

This support for propositions 5.3 and 5.4, especially in terms of recruitment and selection and, to a lesser extent, appraisal, suggests that the internal contexts of firms contributes to soft skills gaps. Chapter Seven also highlighted the importance of establishment context in terms of skill demand and skills deficits and also the ease with which 'good' recruits can be attracted to the firm. Soft skills deficits therefore have differing antecedents and forms in different establishments, as phenomena appear mediated by context. Chapters Nine and Ten now present the final set of results from the case studies. These chapters move away from the organisational context and instead focus upon individual reasons for skills deficits in terms of the possession of various social resources that may aid soft skill development (Chapter Nine) and the effect of the state of the psychological contract and work attitudes on the display of soft skills (Chapter Ten).

CHAPTER NINE: INDIVIDUALS AND SOFT SKILLS DEFICITS 1: SOCIAL AND PERSONAL RESOURCES, SOFT SKILL DEVELOPMENT AND SOFT SKILLS DEFICITS

9.1 Introduction

This penultimate results chapter focuses on research question 6, regarding the resources which individuals perceive to contribute to the development of soft skills and may, therefore also contribute to deficits. Research question 6 draws on Bourdieu's social, educational and cultural capitals and other forms of social experience which may aid soft skill development as well as considering any other aspects which individuals report as contributing to soft skill development. This is done through investigation of the qualitative management and employee data, although the survey data regarding workforce demographics in each establishment are also used to illustrate management's perceptions of the social resources which are important in soft skill development. As this research question is especially reliant on the employees' views it is appreciated that the small volume of qualitative employee data means that no definitive statements can be made regarding soft skills development. Results are thus interpreted with some caution. As the aim of the research question is to obtain *perceptions* however, with these perceptions, in turn placed into their organisational contexts, no objective analysis of soft skill development *per se* was attempted. Many factors were perceived to be interrelated in helping individuals to develop soft skills with differences apparent between establishments. Social experiences and the role of personality were viewed as ubiquitously important by almost all respondents across the three establishments.

Proposition 6.1 specifically address the matter of soft skills deficits considering whether social resource proxies measured in the employee survey were associated with employees' self-reported deficits. This proposition draws on the quantitative data collected in the establishment survey and includes multivariate analysis of social resource proxies and employees' self reported soft skill deficit measures. The findings from the interviews were supported by some of the quantitative findings, especially the beneficial effect of being a student, thus allowing for some validation.

Section 9.2 begins by examining the perceived usefulness of certain factors from analysis of the interviews and focus groups: personality, social background, social experiences, education, work experience and employment, confidence, gender and age.

9.2 The resources that managers and employees perceived to aid the development of soft skills

Personality

Research question 6 sought to establish the individual and social resources that respondents perceived to aid the development of individuals' soft skills. The predominant focus within this thesis is on the social resources that aid soft skill development, because of the manner in which soft skills are socially manifested. It was stated in Chapter 3 section 3.6, however, that individual differences such as personality could also affect the development of soft skills. This was included amongst the prompts for respondents when asking them what factors they believed helped people to develop soft skills and was one of the most frequently cited factors across all establishments. A summary of the number of respondents reporting that each resource was important in developing soft skills is given in Table 9.1 at the end of section 9.2.

The role of 'personality' was given particular credence by every manager interviewed in the two hotels. Within Fontainebleau personality was perhaps the most important factor which management believed helped to develop soft skills. Even the Head Chef (HC), who believed that personality was not essential for back of house positions, believed that this was still an important factor in shaping the soft skills of individuals. This finding reflects the stated importance of personality in selection exemplified by the FOM's requirement for 'bubbly', 'cheery' and 'outgoing' recruits.

In Oxygen beneficial personality traits were framed in terms of extraversion, a 'positive personality' (People Development Manager (PDM)) as well as the previously mentioned sense of 'friendliness', 'genuineness' and 'warmth' (various respondents). As in Fontainebleau, this was not just important for customer facing

staff with the HC, for example, reporting that it was also very important to have personalities which complemented each other in the kitchen. The PDM, Food and Beverage Manager (FBM) and Deputy General Manager (DGM) believed that whilst technical skills could be trained personality could not, supporting the finding that managers were looking for personality and soft skills at the point of recruitment.

Sorry to make it overly simplistic Scott but it's almost as if you're a nice person or you're not. That's how I see it. You can usually get a chink if somebody's having a bad day that they're still kind of a relatively nice person and they are happy to help. But if somebody is just a grumpy bugger the whole time then there's not a great deal you can do about it (FBM)

Personality was also quoted as a beneficial resource in soft skill development by the majority of all *employees* interviewed in the hotels; 5/7 in Fontainebleau and 3/4 in Oxygen. This was epitomised by the Receptionist in Fontainebleau:

I'm not right in the head! No I've always been dead confident and everything, I think I'm a people person, socialite, you know...I've always been a bit of an outgoing, confident person.

A further indicative result is the Receptionist's Front Office counterpart in Oxygen who similarly believed that she had developed soft skills naturally because of her 'sociable and friendly' personality, as people 'can't learn this'. This supports management's views in this establishment that personality was 'untrainable'.

Two of the managers in Silex (The Head of Cartography (HoC) and the Head of IT (HoIT)) had no strong beliefs on how soft skills were developed stating that it was not something that they had ever thought about. Four of the remaining five managers in Silex (excluding the SS), however, believed that personality was important in developing soft skills. The HoS, for example, said that he explicitly looked for an outgoing personality when recruiting new staff to ensure that they would find it easy to fit in with the team and interact with their co-workers. The HoP stated how important it was for colleagues to have 'bright' personalities and that this was particularly important when working together for long periods on field trips:

Personalities are always useful, I mean if you've got somebody who is lively, bubbly...it does make working a lot easier if you're working with a team of half a dozen people, especially if you're working overseas. I mean we had a great team of eight folks working out in the Emirates. We were living together for four months a year, you know, you can't have a crabby so and so

Employees in Silex did not place much emphasis on the role of personality in the development of soft skills preferring to focus instead on the beneficial effects of social and work experiences (see below).

Social background

All managers in both Fontainebleau and Silex were reluctant to state that class or social background was an important contributor to soft skill development. For example, no managers in Fontainebleau believed that people from particular social backgrounds had better customer service and communication skills. Furthermore, when asking managers in Fontainebleau whether they had found that any particular social groups did not have the requisite skills when recruiting, none of them highlighted class background as an issue. The views of the manager on social background were epitomised by the second HRC who said that you would simply, 'take people as you find them'. This was supported by the HoP in Silex who typified the views of the Silex managers:

Social background and social experience, no. I mean, you know, it doesn't really matter. I mean I was dragged up in north Birmingham, you know, so. If you're good at a job, you're good at you're job, it doesn't matter where you come from.

Despite the perceived lack of importance of social background, three managers in Fontainebleau and two in Silex believed that social background could *indirectly* affect the development of soft skills through its impact on subsequent social experiences. For example, the original HRC in Fontainebleau identified people from 'scary' schools in certain deprived areas of Glasgow who often had particular problems with

soft skills. She was aware that the school which someone attended was reliant upon where they lived, which itself could depend upon social background. The HC and FBM also believed that those from more privileged or affluent backgrounds were more likely to have had access to the social experiences, such as university education, which helped to develop soft skills. The PM and Head of Discipline (HoD) in Silex also noted that people from certain, more privileged, backgrounds had the opportunity to engage in social experiences which helped people to develop soft skills such as travelling and exposure to new situations and experiences.

The employees in Fontainebleau and Silex supported their managers in that they believed that their social background had no direct affect on the development of their soft skills. The only exception was the receptionist in Fontainebleau who believed that her upbringing had helped her develop soft skills as her parents had always encouraged her to get out and meet people and join in with as many activities as possible. Even this respondent, therefore, did not believe that class background *per se* was a factor but rather her parents as individuals.

The role of social background and class was explicitly identified by all managers in Oxygen, however, with the exception of the Head Housekeeper (HH), as essential in the development of soft skills. This was especially important for customer facing staff, with the general consensus that those from 'lower' class backgrounds and with lower levels of education were unsuitable for customer facing positions due to their lack of interpersonal skills and also their generally poor attitudes towards work.

The PDM believed that people from middle class backgrounds were more outgoing and confident than those from other backgrounds, whilst all managers emphasised the importance of eloquence, erudition and 'polish' (DGM), believing that this was forthcoming in those from certain class backgrounds but not from others. The FOM, for example, reported problems with 'people from Glasgow, who speak very Glasgow'. Those from middle class backgrounds were basically seen as consistent with the clientele of the hotel:

I think that because a lot of the guests here are business guests and they're middle class as well, you're less intimidated to talk to somebody from that

background because you're talking to somebody who effectively is a father or a brother or a mother type figure or uncle.

Although none of the employees in Oxygen believed that class background was important in allowing them to develop soft skills, two of the four interviewees explicitly made the point that they believed that their upbringing was important, mirroring the view of the Receptionist in Fontainebleau. The M and E employee believed that somebody's home life, upbringing and friendship group were reflected in their soft skills and that if 'you've got a good life outside of work it definitely transmits itself to the guests.' The F and B employee stated that her parents had been instrumental in developing her soft skills from an early age:

My mum and dad are quite sociable people so even from an early age we were always encouraged to go to clubs and meet new people so outside curricular things helped. And I'm quite a chatty person, I'll gibber away to anybody really so that helps!

When examining employee demographics from the staff survey the results supported the importance placed on social background within Oxygen (see Table 9.2 at the end of the section). Although there were similar figures in all establishments for employees reporting that their fathers were in the highest socio-economic classification (SEC) group (52% - 55%), there was a higher proportion of staff in Oxygen with their mother in the highest SEC group; 48% compared to 35% and 27% in Fontainebleau and Silex respectively. Oxygen staff were, on average, also least likely to report that their parents were in the lowest SEC groups.

In terms of why social background was seen to matter more in Oxygen than Fontainebleau and Silex it appeared that this was because of the demands of the customer service style which have been alluded to previously. This finding supports the manner in which perceptions of skills development are wedded within particular organisational contexts with management in particular highlighting the importance of social background in Oxygen. Workers in Oxygen were seen as essential in embodying the brand in terms of their actions, speech, appearance and deportment. It was this *embodiment* which not only the Oxygen managers but also the focus group

employees and the M and E respondent associated with the middle classes and students. Although employees did not necessarily equate soft skill development with class background some did, therefore, associate class background with the 'style' of Oxygen. The employees in the focus group, although not fully representative, indicated that those from certain backgrounds were seen as completely incongruous with the style of the hotel. They believed, for example, that socially deprived 'neds'¹⁰ from the poorer parts of the city were entirely inappropriate for 'one touch' telephone service on the front desk (named as the aim is to locate enquiries to the correct department first time)

Respondent 6 It's (the service style) how well you speak and clarity. It's really important because that's how you come across to the guest.

Respondent 4 You're not going to hire a ned for One Touch Service!

Respondent 6 [*Laughing*] I know, imagine!

Respondent 4 [*Putting on a strong Glasgow accent*] Awrite big man, how's it going?! [*Group laughs*] One Touch Tam¹¹ here! [*Group laughter continues*]

Respondent 7 One Touch Tam! It would be bad!

Respondent 3 It would be awful!

This representation of the brand in Oxygen was not only restricted to speech and deportment but also looks and style. The importance of 'style' was reported by all respondents with the exception of the HH whilst looks were mentioned by the focus group respondents and also the FBM and, somewhat reluctantly, the DGM. Whilst the requirement was not for being good looking per se, the focus group respondents stated that Oxygen employees needed to be 'students', 'funky', 'friendly' and 'individual' in terms of their style. Two of the focus group respondents illustrated how it was essential that employees fit the brand

Respondent 6 I am! [an essential part of the brand] [*All start laughing*] It's

¹⁰ The term 'neds' is a Glaswegian expression pertaining to 'non-educated delinquents' who leave school with no prospects and is a label typically applied to those from certain socially excluded areas or from poorer lower class families.

¹¹ 'Tam' is a Glaswegian version of the name 'Tom' or 'Thomas' associated with the working class or those from less affluent areas.

just you enjoy working here, because you know what the hotel is all about and what the image is so you can be confident about representing it. Staff compliment the hotel. [*All indicate agreement*]

Respondent 8 You have got that whole lively look of the building. It wouldn't look as good if you didn't have the staff there giving the same impression.

In Fontainebleau the style and brand were more formal and traditional and although all staff reported that they were expected to be polite, clean and tidy there was not a requirement for the certain style of looks and speech. Indeed, apart from one C and B respondent mentioning that Fontainebleau probably wouldn't employ a 'ned off the street' the issue of image and the need to display style were not mentioned by any respondents, either managerial or employee.

Social experiences and education

When examining management in the hotels four of the five managers in Fontainebleau stated that social experiences were important in developing soft skills alongside all six managers interviewed in Oxygen. Being a student was a social experience that was viewed as particularly beneficial by three managers in Fontainebleau (the FOM, FBM and the second HRC) and four in Oxygen (the PDM, FOM, FBM and DGM). The second HRC in Fontainebleau, for example, believed that being a student had more to offer an individual than simply educational qualifications. Those students living away from home were seen by the HRC to be at a particular advantage, as experiences of living independently helped develop confidence and maturity, which then contributed to the formation of soft skills. The HRC stated, for example, that everyday things such as, 'having to pay bills' were extremely beneficial for young people in developing maturity.

The FOM believed that, although students were no 'better' than her non-student staff, they were always preferable to a, 'wee silly girl or boy just out of school'. The FBM believed that his experiences with students had highlighted to him the importance of

attending university (although he had not done so himself): 'I'll be making damn sure that my child goes to university. It gives them the social experience more than anything you know. That's what I think Further (sic) Education does.'

All four managers in Oxygen who believed that time spent in higher education was beneficial to the development of soft skills related this experience to social background, making an explicit link between the two. The PDM believed that being a student was beneficial in the development of interpersonal skills and that students were a ready made pool of labour as they were also typically from middle class backgrounds. A further example of the link between the best educated and social privilege was an example given by the PDM of a private school in Glasgow which tended to produce people that were 'uber, uber super confident and able to deal with things.' The PDM, FBM and FOM also stated that because of the level of education students were not simply excellent at the interpersonal soft skills but were also better at thinking quickly and making decisions on their feet.

Three of the five managers in Fontainebleau also believed that *education* itself in addition to the social experiences of being a student helped in the development of soft skills. The HC believed that this was particularly important for communication in formal settings such as meetings. Both HRCs believed that education was a key determinant of developing planning and organising and problem solving as well as cognitive skills in general but they did not relate it to other soft skills. Neither the FBM nor the FOM had been to university (unlike both HRCs) and so believed that it was wrong, or even hypocritical to judge someone's skills in terms of their educational attainments. The hotel managers thus, appeared to differentiate between education in the formal sense of the word and the social experiences which could be gained from participation in education.

Examples of other beneficial social experiences which managers in both hotels believed helped to develop soft skills were also mentioned. These included getting involved with extra-curricular activities, hobbies, travelling, team-sports, charity work and simply exposing yourself to different environments and interacting with a variety of people. The FBM in Fontainebleau, for example, stated that getting out and doing a variety of things either socially or at work and not being 'locked away in a

room' was one of the best ways in which soft skills could be developed. The hotel managers thus believed that the opportunity to develop soft skills was aided through practise in a variety of social settings. All of the factors discussed thus far were, thus, interwoven with each other in their contribution to soft skill development by hotel managers (with the exception of social background in Fontainebleau):

But social experiences, social background, education, personality are of paramount importance. This is what moulds the person into having these soft skills or not... your personality is moulded more by social experiences, social background and education. And it just depends how people have been brought up (FBM – Oxygen).

The indicative findings from the hotel employees also suggested that social experiences were beneficial in the development of soft skills. Five of the seven employees interviewed in Fontainebleau and all of the employees interviewed in Oxygen believed that social experiences had been invaluable in developing their soft skills. In both hotels, however, respondents were generally rather vague about what exactly these experiences were. For example, the Receptionist in Fontainebleau believed that she just enjoyed situations where she was socialising with her friends whilst C and B employees 1 and 2 in the same establishment also believed that general experiences throughout their lives had resulted in them becoming more 'capable' in terms of soft skills. The Waiter and C and B employee 3 both stated that playing team sports had helped them to develop and practise their interpersonal skills with the Waiter also stating that getting involved in extra curricular 'events' at school had helped him to develop soft skills. No respondents however, believed that education itself (rather than social experiences whilst in education) played a role in soft skill development.

All employees interviewed in Oxygen also believed that socialising and for example 'having a good social group' (M and E employee) were important. The M and E employee also gave the example that he believed that playing team sports had helped him to improve his interpersonal and communication skills. No Oxygen employees interviewed directly for this project expressly mentioned the role of education in helping them to develop soft skills. The focus group respondents did, however, make

reference to education, believing that this was necessary to work on the front-line in Oxygen. There was general agreement in the focus group that people who were 'beautifully educated' and that had 'wider experiences' as a result made the best front-line workers in terms of their ability to deal with customers. There was thus more centrality apparently placed on education itself in Oxygen within the sample which, as with social class, was related to the service style and brand requirements.

Four of the five managers in Silex offering an opinion on how soft skills were formed also believed that social experiences were beneficial in one way or another. The PM, for example, was particularly adamant that life experiences helped with all soft skills. This was in terms of both having wide experiences of dealing with people and also in organising major events in one's life such as moving house. The HoS added:

HoS You usually find that people come in and have quite a varied background (in terms of experiences).

SH In what sort of sense?

HoS They may have travelled. They usually show an interest and interaction with other people...they can mix easily, they're socially aware.

Three of the managers, the HoD, HoP and Station Secretary (SS) believed that education was beneficial in developing soft skills, although they believed that this was not as important as social and life experiences in general. Although the HoD believed that those who used their time at university to engage in a variety of experiences could reap the rewards in terms of the development of their soft skills, most of the benefits of education seen in this establishment were related to study itself, rather than social experiences. All three respondents believed that education helped to develop scientific and technical problem solving skills by improving individuals' scientific knowledge and cognitive skills. The HoP also believed that education was beneficial in helping to develop communication skills in terms of both generic communication and the ability to communicate scientific ideas in a way which was easily understandable. The difference in the perceived role of education between the establishments thus appears to reflect different organisational activities. All employees in Silex also believed that social experiences were integral to the development of soft skills. They did not believe that any of the other factors on the

list of possible antecedents, other than work experience had helped them to develop soft skills and spent little time expanding upon their answers. The Scientific Support Officer (SSO) for example, believed that simply throughout life people gained experiences which helped them to develop soft skills and that this was done naturally through day to day experiences.

Regarding education, the focus group respondents in Silex did not consider that this, in itself, helped with soft skill development, using some of their colleagues as examples. Whilst the interpersonal skills of the scientific staff were generally viewed by the employees to be very good, there were some instances in which highly educated and intelligent people did not possess social skills, which could make them difficult to work with. The identification of highly educated 'old school scientists' who did not work well with others as discussed in Chapter Eight was the exemplar for this phenomena.

The workforce demographics (see Table 9.2) showed that 22% of Oxygen employees were currently university students, compared to 5% - 7% in the other two establishments. It must be remembered that, in the case of Silex, most employees had completed education and that the small samples and over-representation of full-time staff in both hotels was likely to understate the number of students. Notwithstanding this, given the importance placed on time as a student in both hotels it is notable that the hotel reporting fewer soft skills gaps had more students. Both Oxygen and Silex had considerably more employees reporting qualifications at level 3 (equivalent to 'A' levels, Scottish Highers or equivalent) or higher and also with degree level education or higher. The proportion of degrees in the workforce was over two thirds higher in both Oxygen and Silex compared to Fontainebleau with 86% - 93% of employees in the former two establishments holding qualifications at level 3 or above compared to 59% in Fontainebleau. Whilst the nature of Silex clearly demanded a high level of, often highly specialised, education the same cannot necessarily be said for Oxygen who appeared to have a more educated workforce than Fontainebleau, in keeping with their reported service requirements.

Work experience

Work experience was a particular type of social experience which was perceived to be beneficial in developing soft skills. There was, however some variation in the importance placed on this by managers. In Silex all five of the managers expressing an opinion on the resources needed for soft skill development believed that work experience was beneficial as did two of the five managers interviewed in Fontainebleau. In Oxygen no managers stated that work experience was particularly beneficial to soft skill development, preferring to focus on wider social experiences although three managers (The PDM, FOM and FBM) believed work experiences were unlikely to do employees any harm.

In Silex, the SS and PM simply stated that work experience helped the development of soft skills through exposing people to the workplace, whilst the HoP believed that work experience was especially beneficial in developing customer handling skills through both the opportunity to practice and also because employees were able to make better informed suggestions as to how customers' wishes could best be met. The HoD stated that work experience was a good way in which people could 'put themselves in the positions of others' within the organisation. Both the HoS and HoD believed that time in the organisation helped people to develop their problem solving skills through exposure to a variety of different problem scenarios over time, with the HoD stating that time on the job was particularly useful in developing planning and organising and problem solving.

In Fontainebleau managers focussed more on soft skills such as communication, customer handling and team-working when discussing work experience. Both HRCs believed that work experience, especially in customer facing work was important in developing soft skills, through exposure to situations where these skills needed to be used. The FOM believed that work experience was important in terms of technical skills (such as room booking systems), whilst the HC cited the importance of experience of the industry and 'knowing the market'. Neither the FOM nor HC, however, believed that such experience actually contributed to soft skill development. Indeed, the FBM believed that too much work experience, especially in the hospitality industry, might be detrimental as some people became cynical.

When examining employee responses, however, there was great agreement in all organisations that work experience was greatly beneficial in the development of soft skills. Six of the seven employees interviewed in Fontainebleau believed this was the case as did all employees interviewed in both Oxygen and Silex. In Fontainebleau, the respondents generally thought that work experience either in Fontainebleau or in similar establishments had been a big factor in shaping their soft skills. A quote from the waiter captures the indicative views of the employees on work experience:

Coming into this industry when I first left school I was quite shy, you sort of develop and learn as you go along, maybe like watching other people or, like forcing yourself to like chat to customers and it does get better and better and you just, gradually build self confidence, which helps you outside work as well in natural life.

The interviewed employees in Oxygen believed that work experiences had been instrumental in developing their soft skills. The Front Office employee, for example, stated that working in Oxygen had improved her soft skills, through instilling a degree of patience in her which she believed she did not have prior to working in the hotel. Other employees reported that they had worked in jobs dealing with the public for a number of years which had helped them to master customer service skills. The Restaurant employee echoed the views of some of the Fontainebleau staff in reporting that she had been quite shy and reserved before joining Oxygen and that her work experience had benefited her greatly.

In Silex the employees believed that work experiences were equally as important as social experiences in helping to develop soft skills, supporting the views of the managers. The CSE, for example, stated that soft skill development over time in the working environment was achieved through increasing familiarity with the context in which they would be used.

Confidence

Although not included amongst the interview prompts as a possible resource which respondents may have perceived aided the development of soft skills, the role of confidence was emergent from both managers and employees in the two hotels. This was especially the case for the development of customer handling skills. Confidence was seen as inseparable from other factors discussed above with work experience, social experiences and personality all related to the development of confidence by various respondents.

When examining managerial responses three of the five managers in Fontainebleau and two of the six managers in Oxygen believed that confidence was an important factor in the development of soft skills. In Fontainebleau, for example, The FOM stated that working on the front desk could bring employees into contact with 'angry' customers and that any lack of confidence could exacerbate problems of this nature. She said that younger employees especially those who were still at school often lacked the necessary confidence to deal with customers. The FOM, second HRC and FBM all believed that work experience was invaluable in helping employees to develop confidence, supporting the views of the employees above. The second HRC also believed that the experience of being a student was beneficial in the development of confidence as it 'really brings you out of yourself'.

Experiences during education either by being a university student or attending a good school were also seen as developing confidence by managers in Oxygen. When discussing the beneficial experiences of attending a certain Glaswegian private school above, the PDM had explicitly said that students from this school tended to be extremely confident and able to deal with customers. The PDM also believed that work experience, the culture of previous organisations and the way that people had been managed helped to develop confidence and soft skills. She believed that previous experience of authoritarian or restrictive management could affect somebody's confidence and that the 'nae bother' philosophy and informal management style in Oxygen were both key factors in allowing Oxygen employees to develop confidence. The FOM believed that self confidence and resilience were more of a function of personality and that some people naturally had these capabilities. As in

Fontainebleau being confident and resilient was viewed as especially important for front office employees as; 'You can't have someone who's going to burst out crying every time someone (a customer) shouts at them.'

The fact that work experience had helped them through an initial 'shyness' was reported by five of the seven Fontainebleau employees, suggesting that confidence had grown as a result. This was epitomised by the second C and B employee who stated that his first shift working with customers was 'nerve wracking' but that this feeling dissipated over time in the job. Three of the four Oxygen employees also believed that confidence was an important precursor of soft skill development. The F and B employee, for example, stated that she believed that 'confidence within yourself' alongside the belief that you could interact with a variety of people were essential in developing customer service skills. The restaurant employee believed that the management style of Oxygen had been integral in helping her to develop confidence.

I was put down a lot [in work] before, the kind of praise and things that you get in here, like if you did something you'd be told you're not supposed to do it that way, shot down all the time in my last work... I've noticed that with the manager downstairs as well, he praises a lot, like "you've played a pure blinder today and stuff", he'll say it all the time...But it's just that kind of praise that motivates you to work harder and gets you to open up as well.

Age and Gender

The final elements which were included amongst the interview prompts as potentially salient contributors to soft skill development were age and gender. Most managers did not believe that age was significant although the FOM and first HRC in Fontainebleau believed that the groups they had encountered the biggest problems with were the youngest applicants, especially those straight out of school. No managerial respondents in Oxygen believed that age contributed to the development of soft skills.

Two of the Silex managers believed that age was important in helping individuals to develop soft skills. Because of the importance of life and social experiences in developing soft skills the PM believed that age helped through developing maturity; whilst the HoD believed that people became more 'tolerant' with other people with age. No employees in any establishment believed that age helped them to develop soft skills. As managers in all establishments believed that life and social experience were extremely important in the development of soft skills, it is possible that age had an indirect effect as experience increases with age.

The role of gender was seen as universally unimportant in the development of soft skills. Only one respondent in any establishment, The HoD in Silex, believed that gender was an important factor. He believed that women were more proficient than men in terms of soft skills, his voice was, however, alone on this matter.

Table 9.1 provides a breakdown of the number of respondents who reported that each social and individual resource discussed above was beneficial in the development of soft skills. Clearly a number of factors were seen as contributing to their development although personality and social and work experiences were seen as especially important throughout all establishments. Importantly the differences in the perceived importance of certain factors between establishments, such as, for example, social background and education reveal how examining perceptions of skill development also reveals more about skills demand and skills use in particular contexts.

Table 9.1: Perceived importance of various resources in the development of soft skills: number of case study respondents reporting each resource

	Fontainebleau		Oxygen		Silex		Total
	Managers (n = 5)	Employees (n = 7)	Managers (n = 6)	Employees (n = 4)	Managers (n = 7)	Employees (n = 3)	
Social experiences /education	4	5	6	4	4	3	26
Personality	5	5	6	3	4	-	23
Work experience	2	6	-	4	5	3	22
Social Background	3*	1 ⁺	6	2 ⁺	2*	-	14
Confidence	3	5	2	3	-	-	13
Age	2	-	-	-	2	-	4
Gender	-	-	-	-	1	-	1

* Managers did not believe that this was directly related to soft skill development but may have indirectly affected the accumulation of social experiences

+ Employees related this to their parents' actions as individuals in bringing them up, not class background

Table 9.2: Social characteristics of the workforces in each establishment: number and percentage of survey respondents in each case study within each classification

	Fontainebleau		Oxygen		Silex	
	N	%	N	%	N	%
Mother in highest SEC* (Managerial or professional)	26	34.5	45	48.0	95	26.9
Father in highest SEC	26	51.7	47	54.0	103	54.8
Mother in lowest SEC (routine/semi routine occupation)	26	24.1	45	10.0	95	21.2
Father in lowest SEC	26	17.2	47	6.0	103	4.8
Currently a university student?	29	6.9	49	22.0	103	4.8
Degree or higher?	29	24.1	50	42.0	104	40.4
Level 3 qualification (such as 'A' levels and Scottish Highers) or higher?	29	58.6	50	86.0	104	93.3

Base N Fontainebleau = 29, Oxygen = 50, Silex = 104

* SEC = Socio-economic Classification

9.3 The role of social resources in individuals' self reported soft skills deficits

Proposition 6.1 stated that 'Socio-economic background, educational achievement, experience of being a student and any time spent away from the labour market on job seekers allowance will affect employees' perceptions of their proficiency in soft skills'. The following analysis, concerned specifically with proposition 6.1 draws on the quantitative survey data collected within the three case studies. The independent variables considered are those proxies for social resources described in Chapter Five section 5.5, namely the socio-economic position of a respondent's parents, educational achievement, whether the respondent was a student and any time spent unemployed and claiming job seekers' allowance (JSA). The analyses consider the self reported deficits of respondents and whether there are any associations between these and the proxy variables, whilst also controlling for factors that could potentially influence the results.

9.3.1 Predicting self perception of soft skills deficits using social resource proxies

Data considerations and variable selection

The views of employees regarding their competence in their soft skills were assessed using the soft skills deficits indices created by weighting the individual's score of

their effectiveness in carrying out the soft skill elements of their jobs by the importance of soft skills to the job for each soft skill scale. These scales were discussed in depth in the methodology (section 5.5.2.1). An overall soft skills deficit measure was also created by averaging all the constituent sub-scales and was considered a sound aggregation as all of the individual deficit measures had significant correlations of between 0.58 and 0.88 with it. Higher scores represented greater deficits with the index scores having a maximum possible score of five and a low of one. The individual soft skills deficit scales were: Social and communication skills, horizontal communication skills, professional communication skills (representing leadership and skill in giving presentations), client communication skills (representing customer handling), team-working, planning and organising, problem solving, aesthetic labour skills, emotion work skills and sensitivity skills (the latter two representing emotional self-presentation).

Upon examining the deficit scales it became apparent that there was a large amount of missing data. This was because if respondents omitted even one of the soft skills effectiveness or importance of skills questions, the index as a whole could not be constructed. In turn this also affected the overall deficit scale as if one constituent index was missing then the aggregate index could not be constructed. Missing data analysis revealed that 34 of the total 183 cases had missing data on the deficit indices with the average number of missing indices for each of these cases 2.70. The overall deficit measure was excluded from this calculation due to its construction from the other deficit measures.

The large number of missing values was considered problematic for this analysis and also for subsequent multivariate analyses and so these were replaced (Little and Rubin, 1987; Hair et al., 2003). As simply replacing the values with the unconditional mean underestimates the sample variation and causes spiking the values were replaced using a multiple regression method (Little and Rubin, 1987). This effectively uses the scores on other variables to predict the missing value. Even this process can, however, underestimate the variance of each variable and so an error term created from the addition of a randomly selected residual was also included (ibid). In this case, missing values of the soft skills deficit indices were predicted using the values of the other soft skills deficit index scores whilst also controlling for establishment.

This was sound as the soft skills deficit indices were all highly correlated with one-another and with the aggregate soft skill deficit measure. Any cases missing more than three index scores (as the average number of missing values was 2.70) were excluded from the final analysis as they were considered incomplete. Six cases did not meet this criterion and thus the final sample size across all establishments was 177.

Table 9.3 reports the mean scores for the soft skill deficit index revealing that there was little difference between each mean score for the soft skills deficit measures and that the score for each index was low. The range of mean scores (1.32 to 1.85) indicates that employees in each establishment believed that they generally had relatively low soft skills deficits, although there was a large degree of variation. This variation provided a range of values for the dependent variable that was necessary for regression analysis.

Differences between the establishments were examined, using one way analysis of variance (ANOVA). Significant differences were evident for horizontal communication, team-working, problem-solving, planning and organising, sensitivity and the combined index. Post hoc tests revealed a consistent pattern as for each of these significant deficit index differences Oxygen had significantly lower deficit scores than Silex, with no significant difference between Fontainebleau and the other establishments.

It was necessary to determine which independent variables were to be included in the regression models, in order to keep the models as parsimonious as possible, especially given the relatively low number of cases in the hotels. This was done by examining the significance of any differences in the mean scores for each soft skill deficit index between the different categories of the social resource proxies to ascertain which proxies may have a significant effect on self-reported soft skills deficits. As there were multiple categories for both the education and SEC variables it was considered necessary to consider only the lowest and highest categories for each. For education the highest category represented qualifications at degree level and higher, whilst the lowest category represented qualifications at GCSE/Standard grades and equivalent at grades D or lower. For the SEC variables the highest

category represented parents employed in Professional and Managerial occupations, whilst the lowest category represented parents employed in Routine/Semi routine occupations. All other social resource variables were binary.

Table 9.3: Descriptive statistics for the individual soft skill deficit indices: combined survey responses from all case studies

	Min	Max	Mean	Std. dev
Communication and social skills	0.8	3.10	1.60	0.42
Client Communication skills	0.75	3.30	1.59	0.44
Horizontal communication skills	0.8	3.15	1.70	0.47
Professional communication skills	0.64	2.76	1.65	0.44
Team-working	0.60	3.60	1.68	0.63
Problem-solving	0.50	3.58	1.85	0.58
Planning and Organising	0.60	3.35	1.69	0.48
Aesthetic labour skills	0.25	2.50	1.32	0.43
Emotion Work skills	0.60	3.13	1.63	0.49
Sensitivity skills	0.47	3.07	1.85	0.56
All soft skills aggregated	0.88	2.64	1.69	0.35

Base N = 177

Only significant results as indicated by T-Tests are shown in Table 9.4 which effectively shows the social resource proxies to be included in the regressions for each soft skill deficit index. There were very few significant differences in the soft skills deficit indexes between the social resource proxy variables. Only one variable, being a university student showed any differences on the overall deficits measure with university students reporting lower deficit measures than other respondents. Indeed, university students had significantly lower deficit indices for eight of the 11 soft skills, with a lack of any significant differences only apparent in team-working, emotional self-presentation and sensitivity skills. This social resource, therefore, appears from the bivariate statistics to have the largest explanatory power in predicting the level of an individual's self reported deficit measure. Significant differences were only apparent in three other social resource proxies. Further education (FE) students reported significantly higher communication skills deficits than non-FE students; those who had claimed job seekers allowance had significantly lower sensitivity skills deficits than those who had not and those with fathers in the lowest SEC grouping had significantly higher sensitivity skills deficits.

The final variables to be discussed are the control variables which were entered into each regression model alongside the social resource proxies from Table 9.4. These variables included are age, gender, whether or not an individual was a part-time or temporary employee (employment status), the length of time that the individual had been in the labour market and the length of time that they had been in the company. It was considered that an employee's salary was unlikely to have any effect on soft skills competence as there was no theoretical or empirical basis for believing it would and so this was excluded from the analyses.

Age and gender are control variables which are typically included in multivariate analyses of this nature (Goos and Manning, 2007), whilst age was also indirectly related to the development of soft skills by the management. The employment status (part-time and temporary versus permanent full-time staff) and time in the labour market and organisation variables were included as differing exposure to the world of work may effect an individual's perception of their proficiency in their soft skills. Such experiences may include the opportunity to practice and develop soft skills on the job, knowledge of the organisation, access to training, workload, tiredness, cynicism and responsibility which can all have either positive or negative effects on soft skill development. Age gender and employment status were all categorical dummy variables. Whilst gender and employment status were dichotomous and thus automatically utilised standard dummy variable encoding, age was polychotomous. This means that age had to be broken down into 3 dummy variables (age 21 – 30, 31 – 50 and 51 plus) with the reference category being the youngest age group, 15 – 20.

9.3.3 Multiple regression models

Regressions were run on each constituent soft skill deficit index and then on the overall soft skill deficit index, using a backwards, stepwise procedure. This backwards procedure started with all selected social resource and the control variables, before removing the least significant variable at each iteration in an attempt to significantly improve the overall model fit, given by the R^2 value. The model with the best R^2 value is that chosen and where two models yielded the same R^2 value the most parsimonious model is presented. As the sample sizes were relatively small the sample as a whole is used rather than breaking the results down into their constituent

establishments. As stated above small sample sizes, particularly where there are a number of independent variables are problematic. Although there were some significant differences on the deficit scales between the establishments (see above) these were few and small so this aggregation is considered appropriate. It will be shown in Chapter Ten that the work attitude scores between establishments were also largely similar, giving further justification for this aggregation. For overall soft skills deficits, however, to give an indicative picture as to whether differences did exist between establishments the two hotel establishments were combined and compared with Silex. Because of the similar nature of the hotels' business and the fact that the sub-samples were too small for statistical robustness this aggregation was again considered necessary.

Table 9.4: T-test results of differences in mean deficits scores between social resource variable categories: combined survey respondents from all case studies

	N	Significant soft skill deficit indices	Mean	+/- difference with those not in group	T value
Ever claimed JSA	172	Sensitivity	1.67	-0.23	2.26*
Father lowest SEC	170	Sensitivity	2.16	+0.17	-2.11*
FE Student	175	Horizontal communication	2.08	+0.40	-3.77**
University student	75	Social/communication skills	1.34	-0.29	2.67**
		Client communication	1.35	-0.26	2.31*
		Horizontal communication	1.46	-0.25	2.07*
		Prof Communication	1.36	-0.33	2.92**
		Problem Solving	1.47	-0.41	2.77**
		Planning and Organising	1.39	-0.32	2.61*
		Aesthetic labour	1.09	-0.25	2.22*
		All soft skills	1.41	-0.27	3.02**

*Note: Only significant results displayed; * $p \leq 0.05$ ** $p < 0.01$*

Table 9.5 shows the result of the regression performed on the overall soft skills deficit index first for the sample as a whole and then for the hotels and Silex separately. The results show that the models were poor predictors of the level of the soft skills deficit index with the overall model only accounting for 13% of the variation in the independent variable. Furthermore, only the constant was significant in the final

model. This suggests that social resource proxies were poor predictors of aggregated self-reported soft skills deficits.

When splitting the establishments the predictive power of the model improved for both Silex and the hotels, although they were still low (R^2 of 0.22 and 0.19 respectively). The effect of being a university student was significant in the hotels, which is probably explained by the fact that very few employees in Silex were still in education. As the benefit of being a university student was reported widely in the two hotels by both managerial and employee interviewees this is a consistent result.

Table 9.5: Regression model 1: Significant social resource proxy coefficients when used to predict aggregated soft skills deficit index.

	R^2	Sig. variables (excl. constant)	N	Beta	Variables excluded in final model
All	0.13	-	-	-	Time in labour market
Hotels	0.19	University student	77	-0.33*	Gender, employment status
Silex	0.22	Gender (female)	99	-0.34**	Age 21 - 30
		Employment status (part-time/temp)	99	0.25*	

Base N for all = 177, hotels = 78, Silex = 99; * $p \leq 0.05$ ** $p < 0.01$

Table 9.6 combines the regression models for the remaining models, investigating each constituent soft skill deficit index. The results confirm that the models were generally poor predictors of the soft skills deficit indices with R^2 values ranging from 0.07 to 0.17. This suggests that as much as 93% of the variance in the dependent variables was left unexplained and the models could be improved upon significantly by variables outwith the models.

There were, however, a number of social resource variables that significantly reduced the value of the soft skills deficit index in the final models, most notably being a university student which, on each occasion, was negatively related to the various soft skills deficits measures. Such a negative relationship was apparent for client communication, professional communication, problem solving and planning and organising. The coefficients ranged from -0.17 - 0.25 with the largest coefficient associated with problem solving skills. The only other variable which had a negative

effect on the soft skills deficits measures was being a JSA claimant which was negatively related to sensitivity skills deficit measures.

Two of the social resource proxies *increased* the value of the soft skills deficit measures, being an FE student for horizontal communication and having a father in the lowest SEC for sensitivity skills. FE students had a deficit score on average twenty percent lower than non-FE students, whilst having a father from the lowest SEC group increased the perceived deficit value of sensitivity skills by 22%.

In terms of proposition 6.1, there was limited evidence that social resource proxies were significantly associated with deficit scores. Where this was apparent this was only for certain variables and on certain deficit indices as demonstrated in Tables 9.5 and 9.6. Clearly many factors outwith the models presented here are at work, for example the role of social experiences and personality which were not captured by the survey. It is also possible that some of the variation in the self-reported deficits were caused in part by organisational policies and practices and did not always truly reflect the individual's skill level but rather whether they could carry out these skills effectively at work. This possibility was discussed in Chapter Eight.

Notwithstanding the above caveats, the social resource which had the largest predictive power in terms of lower soft skill deficit scores was being a university student, with this relationship particularly strong in the two hotels. This finding thus reflects managerial opinion regarding the usefulness of student life in the development of soft skills. It was the sensitivity skills deficit index that had the most significant predictors with claiming JSA negatively associated with such deficits and having a father from the lowest SEC positively correlated with such deficits. These findings do suggest that the demographics of the workforces discussed in section 6.2 may affect the extent to which managers identify soft skills gaps in their workforces. Even where service style is not reliant on class background and student status, therefore, gaps may appear in certain soft skills reliant on sensitivity where there are fewer students and fewer of those from more affluent backgrounds in the establishment. Clearly other factors outwith social resources need to be considered to truly understand an individual's perception of their soft skills and the existence of soft

skills deficits as identified by management, such as the organisational practices discussed previously.

Table 9.6: Regression models 2 – 9: Significant social resource proxy coefficients when used to predict each separate soft skills deficit index

	R ²	Sig. variables (excl. constant)	N	Beta	Variables excluded in final model
Social/communication skills	0.07	-	-	-	Length of time in labour market
Client Communication	0.08	University student	175	-0.19*	-
Horizontal communication	0.17	FE student	175	0.20**	-
		Age 31 - 50	177	0.47*	
		Age 51 plus	177	0.49*	
Professional communication	0.08	University student	175	-0.23**	Age 31 – 50
Problem-solving	0.16	University student	175	-0.25**	Gender
		Employment status (part-time/temp)	177	0.27*	
Planning and organising	0.16	University student	175	-0.17*	Ages 31 – 50 and 51 plus
Aesthetic labour skills	0.07	-	-	-	-
Sensitivity skills	0.14	Ever JSA claimant	172	-0.17*	-
		Father lowest SEC	170	0.22*	
		Age 31 – 50	177	0.52**	
		Age 51 +	177	0.48*	

Base N for all = 177, hotels = 78, Silex = 99; * $p \leq 0.05$ ** $p < 0.01$ *** $p = 0.000$

9.4 Chapter summary and conclusions

Chapter Nine has presented the data relating to individuals and soft skills in terms of the resources that respondents believed aided the development of soft skills and the relationship of the social resource proxies measured in the employee survey with individuals' self-reported soft skills deficits. The findings reveal that there was a large degree of agreement amongst respondents across all establishments regarding the beneficial effect of certain resources, particularly social experiences and personality. Furthermore there was also a large degree of agreement amongst employees in

particular, that work experience was beneficial in the development of soft skills. Thus personality alone was not perceived as sufficient to develop soft skills without the chance to develop, learn and practice these skills in both social and workplace settings. There was also near ubiquitous agreement that age and gender did not directly contribute to the development of soft skills.

The difference of perceptions of the differences of certain factors in the development of soft skills between establishments was also revealing. Social background, for example, was not perceived as especially important in Fontainebleau or Silex (at least not directly) but was seen as an important precursor of soft skill development in Oxygen, especially amongst management. This in turn appears to reflect the requirements of different contexts with Oxygen's style of service more reliant on the display of a certain sense of style and erudition than the other establishments. Differences in the perceived role of education were also revealing with this factor also perceived as important for the development of soft skills in Oxygen but less so in the other establishments. Education was, however, believed to be important in the development of scientific problem solving in Silex, revealing how this particular skill was viewed more in terms of a technical than a soft skill in this establishment. Again, contextual examination reveals the complex nature of soft skills and the meanings attached to these in different organisations.

When examining proposition 6.1, there was limited evidence that the social resource proxies measured in the survey, affected employees' self-reported soft skills deficits. Being a university student was the social resource with the most significant relationships, having an ameliorating effect on deficits in client and professional communication, problem solving and the aggregated soft skills measure. Sensitivity skills deficits were, however, explained by the greatest number of social resources. Those with fathers from the lowest socio-economic background experienced the worst deficits in sensitivity skills and those who had claimed job seekers' allowance experiencing lower deficits in sensitivity skills. The models were, however weak possibly reflecting some data issues and the multitude of factors which it was not possible to include in the models. Individual and social resources may thus have an effect on the development of soft skills but a multitude of reasons appear to affect whether or not deficits are reported, supporting the contextual and multiple causality

approach taken within this study. As with all the empirical data, a full discussion of the implication of the results and their relationship with the conceptual resources discussed in Chapters Two to Four, is contained in Chapter Eleven.

With the role of individual and social resources assessed Chapter Ten now examines the role of individuals and skills deficits in another manner - through considering the role of the psychological contract and work attitudes in causing skills withdrawal. This final empirical chapter thus addresses Research Question 7.

CHAPTER TEN: INDIVIDUALS AND SOFT SKILLS DEFICIENCIES 2: THE PSYCHOLOGICAL CONTRACT, WORK ATTITUDES AND SKILLS WITHDRAWAL

10.1 Introduction

This final results chapter addresses Research Question 7 and its related hypotheses. This research question sought to examine whether soft skills gaps can be attributed to individuals withholding soft skills because of disaffection at work through examination of the psychological contract and resultant attitudinal and behavioural outcomes. This analysis primarily draws on the survey data but individuals' attitudes and perception of their job and workplace were elucidated upon by the qualitative data, as were managers' views of skills withdrawal.

The analysis first examines organisational level trends in the psychological contract and work attitudes to establish whether any differences between establishments existed in order to place the subsequent multivariate models in context. Although it was not possible to make direct associations with managers' perceptions of skills gaps from these broad trends it was also possible to establish whether employee attitudes were worse in the establishments where higher soft skills gaps were reported. The sub hypotheses are then examined which relate to soft skills deficits as reported at the individual level by employees. The psychological contract and the attitudinal and behavioural outcome measures were included in regression models to predict whether there was any association between these and the soft skills deficit indices. Mediation analysis was then conducted to establish whether the outcome measures mediate the relationship between the psychological contract and the soft skills deficit indices.

The chapter concludes that whilst the relationships were relatively weak there is evidence that the psychological contract did have an effect on an individual's perception of their effectiveness in soft skills, through mediation by job satisfaction. There was also evidence that sensitivity skills were particularly badly affected by the state of the psychological contract both directly and also through mediation by job satisfaction. Qualitative data also suggests that managers, especially in the hotels,

believed that skills withdrawal could and did sometimes occur offering some support for the hypotheses.

10.2 Can soft skills gaps be attributed to employees withholding skills due to disaffection with their employers?

Organisational level trends

Research question 7 sought to ascertain whether soft skills gaps could be attributed to employees withholding skills due to disaffection with their employers. Before addressing research question 7 at the individual level, the psychological contract and outcome measures were compared between establishments at the organisational level, to assess whether differences in soft skills deficits as reported by management could be explained by aggregate level trends. Means were recorded for the psychological contract and each outcome variable. As with the deficit indices missing value analysis indicated that there was a minor problem with missing data for the psychological contract variable. Only the psychological contract measure had missing data on >5% of cases which is generally the threshold for the replacement of missing data (Little and Rubin, 1987). The data were replaced using the regression procedure discussed in Chapter Nine section 9.2, with the outcome measures (job satisfaction, commitment, motivation, perception of employment relations, absence and effort) used to predict the scores of the psychological contract. This was suitable as the measures were highly inter-correlated. For the sake of completeness the few missing data on the other work attitude measures were also replaced. The average number of psychological contract and outcome variables missing for each case with missing values was 1.79. It was, therefore considered necessary to exclude all those with more than two missing values, meaning that four cases were excluded from the overall analysis, giving an overall sample size of 180.

Table 10.1 summarises the mean differences in the work attitude measures across the establishments. Higher scores indicate positive attitudes, behaviours and fulfilment of the psychological contract. On the whole, survey respondents reported that the psychological contract had been fulfilled to a large degree as all establishments had an average score of approximately three out of four for fulfilment of the

psychological contract. The satisfaction scores were also all between five and six (with rounding) indicating that, on average, respondents were either 'slightly satisfied' or 'satisfied' with each satisfaction facet. The facet with the lowest score was pay satisfaction with both Oxygen and Silex having mean scores marginally below five. The scores for the other attitudes also indicated that employees were generally motivated, committed to their organisations to a large degree and perceived good relations between management and themselves. The average scores for the effort variable in each establishment were also similar with the average scores of three indicating that respondents felt that they worked 'very hard' in each establishment. The number of reported absences in the past 12 months was also low ranging from 0.6 in Fontainebleau to 1.7 in Silex. Despite these positive results it must still be noted that no average scores reached the maximum possible score for each variable. This suggests that although employees held positive work attitudes more could be done in each establishment to improve these. It is also the case that for all variables a large range existed with some employees holding very low scores. The relatively low standard deviations (with rounded scores around one for each variable in each establishment) do, however, indicate that extreme low scores were rare.

The only variables which showed a statistically significant difference between the establishments were satisfaction with social relations in the workplace, the perceived state of employment relations and the amount of effort exerted at work. Post hoc tests revealed that in terms of satisfaction with social relations the only difference was between Oxygen and Silex with employees in Oxygen expressing higher levels of satisfaction. This finding is consistent with the views of management and employees in the two hotels, expressed in Chapter Seven, that the social element of working in these establishments was seen particularly positively. Both hotels had significantly greater scores than Silex for employment relations. The final significant variable, effort at work, showed a significant difference between Oxygen and Silex, with employees in Oxygen reporting that they worked harder than those in Silex, although the difference was small.

Table 10.1: ANOVA analysis of differences in work attitudes and the psychological contract between case study establishments

Variable	Establishment	Range ⁺	Mean	Std. dev	Anova F value /significance
Psychological contract	Fontainebleau	1.75 – 3.88	2.98	0.58	1.88 (NS)
	Oxygen	1.63 – 4.00	3.12	0.56	
	Silex	1.25 – 4.00	2.93	0.57	
Aggregated job satisfaction	Fontainebleau	3.52 – 6.86	5.46	0.88	1.02 (NS)
	Oxygen	2.07 – 7.00	5.58	1.01	
	Silex	2.57 – 6.86	5.35	0.94	
Pay satisfaction	Fontainebleau	1.50 – 7.00	5.14	1.41	0.80 (NS)
	Oxygen	1.00 – 7.00	4.94	1.52	
	Silex	1.00 – 7.00	4.79	1.43	
Growth satisfaction	Fontainebleau	3.25 – 6.75	5.22	0.97	0.24 (NS)
	Oxygen	1.00 – 7.00	5.42	1.29	
	Silex	1.50 – 7.00	5.36	1.22	
Job security satisfaction	Fontainebleau	4.00 – 7.00	5.68	0.94	0.11 (NS)
	Oxygen	2.50 – 7.00	5.77	1.07	
	Silex	1.00 – 7.00	5.67	1.22	
Supervision satisfaction	Fontainebleau	2.00 – 7.00	5.56	1.19	1.79 (NS)
	Oxygen	1.00 – 7.00	5.76	1.24	
	Silex	1.00 – 7.00	5.36	1.25	
Satisfaction with social relations	Fontainebleau	2.30 – 7.00	5.70	0.95	3.62*
	Oxygen	3.30 – 7.00	5.92	0.91	
	Silex	2.67 – 7.00	5.49	0.94	
Commitment	Fontainebleau	2.00 – 4.00	3.52	0.57	1.94 (NS)
	Oxygen	2.50 – 4.00	3.62	0.45	
	Silex	1.50 – 4.00	3.43	0.63	
Motivation	Fontainebleau	1.00 – 4.50	3.30	0.80	0.20 (NS)
	Oxygen	1.00 – 4.50	3.37	0.73	
	Silex	1.00 – 4.50	3.28	0.79	
Perception of management /employee relations	Fontainebleau	3.00 – 5.00	4.18	0.66	5.46**
	Oxygen	2.00 – 5.00	4.09	0.77	
	Silex	1.50 – 5.00	3.75	0.76	
Effort	Fontainebleau	1.00 – 4.00	2.96	0.88	3.34*
	Oxygen	1.00 – 4.00	3.33	0.77	
	Silex	1.00 – 4.00	2.99	0.77	
No. of absences over 1 day in last year	Fontainebleau	0 – 4	0.58	1.03	2.19 (NS)
	Oxygen	0 – 14	1.52	2.45	
	Silex	0 – 15	1.68	2.61	

Note: Base N = 179; Fontainebleau N= 28, Oxygen, N = 49, Silex N = 103; Missing values not replaced for absence variable as this was considered untenable for this variable Base N = 172; Fontainebleau N =26, Oxygen = 47, Silex = 99.

* sig at $p \leq 0.05$ ** sig at $p < 0.01$

+ Maximum scores for each variable: Psychological contract = 4; all satisfaction facets = 7; commitment = 5; motivation = 4.5; employee relations = 5; effort = 4

For further detail single job satisfaction items were analysed using ANOVA with significant differences apparent on four items. Employees in Oxygen were more satisfied with the chance to get to know other people at work and with the overall

quality of their supervision compared to Silex. Employees in Fontainebleau also expressed a greater degree of belief that they were fairly paid for their contribution to their organisation than Silex. All scores remained relatively high in each establishment, however, indicating that employees were either satisfied or slightly satisfied with each element. As with the aggregated measures, however, Silex fared worse than the two hotels. The item with the biggest difference related to discretion and confirmed the findings from Chapters Eight and Nine. Employees in Fontainebleau, on average showed neutral satisfaction with the degree of independent thought they could exercise on their jobs (a score of approximately four) compared to scores indicating positive satisfaction in Oxygen and Silex (approximately 5.5 – 6). The survey findings thus support and strengthen the qualitative findings from the establishments that employees in Fontainebleau had the least discretion.

Although the majority of data collected on work attitudes were quantitative, employee interview/focus group respondents were also asked questions to gauge job satisfaction, whilst managers also reported on the attractiveness of their establishments as places to work. Although asking managers about the attractiveness of the establishment cannot directly gauge employee satisfaction the answers provide an indicative selection of characteristics that managers believed could influence job satisfaction and/or loyalty to the organisation. As these factors were discussed extensively in Chapter Seven (section 7.4.2) these are not repeated here. Although it is not possible to make generalisable claims for each establishment from the qualitative employee data alone indicative findings allow validation and elucidation of the survey results

During the qualitative employee stage the opinions of employees were gleaned by simply asking whether they enjoyed working in the establishments and, if so, why this was. This approach was intended to allow employees to answer in their own words, which the survey did not allow. For all hotel staff it was the social element of work, in particular which was seen as particularly satisfying supporting the aggregated and single item survey measures discussed above. Employees in both hotels drew a large degree of satisfaction from their co-workers, managers and even, the majority of the time, the guests. The Receptionist in Fontainebleau exemplified the views of the employees in both hotels:

Everybody gets on with everybody, there's no animosity between anyone and the guests, well all the regular guests that we know and people that come in and out you get to know faces and they're all friendly...Everyone here is great, I get on with every department, we have fun.

As a result of this sense of 'fun' and the fact that all of the staff in the hotel generally got on very well friendships were easily formed. These friendships and the enjoyment which was gained from co-workers extended outside of work in both hotels to social events, with people choosing to spend their free-time with co-workers and managers. As a result of these positive social relations there existed a real community spirit in both hotels which was likened by one employee in Oxygen to a 'family'. Within Oxygen employees were particularly keen to stress the role of management in helping to shape the social atmosphere through the informal management style within the hotel.

Yeah, I think from day one they've (managers) always been like "this is a family", but not so cheesy, but it is a family...I know a lot of people share their problems, I'd always feel comfortable about going to X, X or X if I had a problem outside of work in the same way I can talk to my family, I'd always feel they are an option (M and E employee, Oxygen).

As well as social relations, some employees in both hotels also believed that non-pay benefits contributed to their enjoyment of their jobs as reported in Chapter Seven. One respondent in Fontainebleau also gained satisfaction from the idea of career progression although his was a lone voice on this matter.

Silex employees also identified various factors which led to job satisfaction. Pay and conditions and non-monetary benefits such as job security, flexible working, holidays and pensions were all positive elements of the job. Furthermore, employees believed that management were always understanding about any problems or issues that arose outside the workplace, consistent with the use of flexitime and work-life balance initiatives. The work itself in Silex was also seen as intrinsically interesting and employees got to use their technical skills on a variety of projects. Managers, they

believed, knew who was good at what and as a result would bring people on to projects depending on their particular strengths.

When examining sources of *dissatisfaction*, hotel employees cited various elements of their jobs that they would change, especially in Fontainebleau. The most common source of dissatisfaction amongst hotel employees was the pay. In Fontainebleau all four Conference and Banqueting (C and B) staff mentioned the fact that the pay levels were low, whilst this was also mentioned by the Meetings and Events (M and E) respondent in Oxygen. Interestingly no full time employees in either hotel expressed any real dissatisfaction with pay with the closest to this being the Receptionist in Fontainebleau who stated that whilst she would like to be paid more she believed that the pay rates in her department were 'fine' and that she was fairly rewarded for her work.

The question arises as to why, given the above, the mean satisfaction scores for pay and rewards in the hotels were not lower. One explanation was that those who expressed dissatisfaction with pay rates were all part-time staff and students who did not need to earn a 'living wage'. This was exemplified by the M and E employee in Oxygen.

Obviously I'd love to get more but when I hear some other friends getting like six pounds an hour out of other shops and stuff you're like, oh well, but this is still for me a part time job, if it was a career that I was in I'd obviously have different feelings on wages in a sense...But five thirty five, all my friends get pretty much the same thing so I'm not bothered, I'm not fussed about it.

Other explanations existed for the apparent satisfaction with pay existed amongst full-time staff. In the case of the waiting staff in Fontainebleau the first employee interviewed was clearly taking a long-term career view and was focussing on future rewards. The Polish waitress stated that the main reason for taking the job was to improve her language skills and that working in Fontainebleau or hospitality in general was 'not my ambition' and therefore the job was seen as short-term, in much the same way as the part-time staff. For the other full-timers the reasons why pay was not emphasised as a problem are less clear.

Employees in both hotels did also state that on occasion hours could be rather intense. Employees in Oxygen said that they had sometimes worked 'immense' and 'ludicrous' hours but always voluntarily and they did not cite this as a reason for dissatisfaction or a lack of enjoyment of the work. This may also explain the significantly higher effort score reported in Oxygen. In Fontainebleau the C and B employees did express dissatisfaction with the length of certain shifts, with shifts lasting up to 15 hours seen as overly long and exhausting. A further cause of work intensity in Fontainebleau raised by three of the seven interviewees was understaffing. This had also been raised as a possible reason why soft skills, especially customer service skills, could not always be carried out effectively in chapter Eight.

A final cause of minor job dissatisfaction in Fontainebleau, reported by two of the C and B staff was the physical working conditions with employees reporting that it sometimes got unbearably hot at work. This was exacerbated by working long hours in understaffed conditions. These employees stated that the things, which they would change about their jobs, were the temperature and the uniforms that were made from fabric that was too thick and also restricted their movements.

Despite general contentment with working life the three employees in Silex also reported particular problems with certain elements of their jobs. The timeliness of training provision, the perceived fairness of bonus and promotion decisions and the way in which work was allocated were all examples of dissatisfying elements of work which were discussed in depth in Chapter Eight. The respondents, for example, clearly felt some frustration, as training was not always given when it was needed.

When considering the promotion and bonus scheme system this was not simply a source of dissatisfaction for the employees but was also tied in with ideas of the fairness of management decisions. These feelings were especially strong within the CSE employee who was scathing about the way in which the merit promotion system worked and its perceived fairness; 'all the people that are full of shit and are good at that sort of thing get promoted' Although the GIS Analyst had received a promotion

the previous year she agreed with the CSE that the system was unfair and unfit for purpose. She stated that since her promotion her job had not changed but that she now received the wage for the work that she had already been doing. It was for reasons of inequity that employees also believed that the bonus scheme was unfair and a 'farce' (CSE) and that, again, people did not always get rewarded for what they actually did. This finding thus reflects the scores from the single-item satisfaction with fairness for reward variable discussed above. Whether or not people actually received bonuses was seen as depending on either the actions of particular project managers or the luck of the draw if you nominated yourself. These views may help to explain why the psychological contract scores were not higher in this establishment and the lower management/employee relations and satisfaction with supervision scores when compared to the other establishments.

It must be remembered that the views of these staff are not necessarily representative, that one member of staff was particularly displeased with Silex's HR policies and that the survey scores suggested that, overall, employees were generally satisfied. Notwithstanding this there does seem to be dissatisfaction with certain workplace procedures and, in some employees at least, a perception that pay and promotion panels were inequitable and not working as they were supposed to which was also supported by the survey measures. As discussed previously in Chapter Eight there were also similarities between the employee responses and certain managers' views and descriptions of organisational practices.

In terms of Research Question 7, therefore, there appears to be little support at the establishment level that the psychological contract or work attitudes were related to soft skills deficits as reported by management as there was virtually no mention of soft skills deficits in Silex that was the establishment in which the most employee disaffection was reported. However, the relationship investigated using aggregated scores was not a direct one highlighting the need for multivariate models using individual level data for both employee attitudes and soft skills deficits.

10.3 Predicting self perception of soft skills deficits using the psychological contract and attitudinal and behavioural outcomes

10.3.1 Data issues and variable selection

The following analysis draws primarily on the employee survey data, used in multiple regressions with the soft skills deficit indices as the independent variables. The independent variables used in the models are the psychological contract; the attitudinal and behavioural outcomes (i.e. job satisfaction, commitment, motivation, perception of management/employee relations, effort and absence); any significant predictors identified in the multiple regressions for the social resource variables reported in Chapter Nine (section 9.2); and the control variables also used for the social resource models (i.e. age, gender, employment status, time in the company and time in the labour market).

Data issues have been discussed above regarding the replacement of missing variables using the multiple regression method. As six cases were excluded from the multiple regression in Chapter Nine because of the amount of missing data on the soft skills deficit indices these are also excluded from the ensuing analysis. The four cases which were excluded from the ANOVA analysis in section 10.2 because of the amount of missing data on the psychological contract and work attitude variables were also excluded from analysis. As two of the four variables excluded from the analysis on the work attitude measures were also excluded from the multivariate analyses in Chapter Nine the total number of excluded cases was eight, leaving a final sample size of 175.

As with the procedure for selecting the social resource variables it was decided to keep the models as parsimonious as possible. It was, therefore, decided to construct a correlation matrix with each of the psychological contract and outcome measures with the soft skills deficit indices, in order to see which variables were significantly related to one another. For further parsimony only the overall job satisfaction measure was used as there was a high degree of correlation between the individual facet measures and also for each facet on the aggregate satisfaction score. The matrix is shown in Table 10.2.

Table 10.2 shows that there were few significant correlations and the only soft skills deficit indices which yielded any significant correlations with any of the psychological contract and outcome measures were team-working, problem solving, sensitivity and the aggregated soft skill deficit measure. The psychological contract was correlated with sensitivity skills only; job satisfaction with team-working, sensitivity and the aggregate skill measure; motivation with team-working and problem solving; effort with team-working and problem solving; and employee relations with sensitivity. All relationships were negative, indicating that higher scores on the work attitude variables were related with lower deficit scores.

As well as the models for each constituent soft skill using the independent variables outlined above, an analysis was also conducted for the psychological contract on the aggregated soft skill measure. This was to ascertain whether the addition of control variables had any effect on the significance of the relationship between the contract and the overall soft skills deficits measure.

Table 10.2: Correlations of psychological contract and attitudinal and behavioural outcome measures with the soft skills deficit indices: aggregated case study findings

	Psychological contract	Job satisfaction	Motivation	Commitment	Employee relations	Effort	Absence
Social and communication skills	-0.01	-0.03	0.01	0.03	-0.01	-0.36	-0.05
Client communication	-0.03	-0.03	-0.04	0.01	-0.03	-0.14	-0.04
Horizontal communication	-0.12	-0.14	-0.07	0.02	-0.12	-0.113	-0.02
Professional communication	-0.02	-0.03	0.06	0.10	0.01	-0.00	-0.06
Team-working	-0.14	-0.16*	-0.17*	-0.04	-0.15	-0.16*	0.05
Problem solving	-0.12	-0.14	-0.17*	-0.02	-0.14	-0.19*	0.00
Planning and organising	-0.02	-0.08	-0.03	0.08	-0.06	-0.08	-0.03
Aesthetic labour	-0.13	-0.15	-0.02	-0.03	-0.07	-0.07	0.04
Emotion work	-0.07	-0.08	0.01	0.02	-0.02	-0.03	-0.03
Sensitivity	-0.19*	-0.25**	-0.11	-0.10	-0.18*	-0.14	0.03
All soft skills	-0.13	-0.16*	-0.09	-0.00	-0.13	-0.14	0.01

* sig at $p \leq 0.05$ ** sig at $p < 0.01$

10.3.2 Psychological contract fulfilment and soft skills deficits.

Hypothesis 7.1 posited that, ‘Individuals’ perceived soft skills deficits will be negatively related to the degree of fulfilment of the psychological contract’. As stated above this hypothesis was tested for the overall soft skills deficit measure and the sensitivity skills deficit index, which was significantly negatively correlated with the degree to which the psychological contract had been fulfilled. As when examining the effects of the social resource proxies on the overall soft skills deficit index, results are also compared for the two hotels and Silex, whilst remaining cognisant of the caveats associated with the small sub-sample sizes. The results are shown in Table 10.3.

As stated above the regression model also included the control variables, whilst whether or not a respondent was a university student was added as a dummy variable when splitting the analysis, as this was significantly related to the soft skills deficit index in the hotels. The R^2 for the best fitting model for all establishments combined was only 0.12 with no significant variables in the model with the best fit.

When examining differences between Silex and the hotels, the psychological contract variable remained insignificant. Being a university student had a significant effect in the two hotels with students reporting significant lower soft skills deficit scores, even when controlling for the psychological contract. The model R^2 for the hotels was 0.21. Within Silex only some control variables remained significant in the best fitting model (R^2 0.23). Hypothesis 7.1 was, therefore, not supported when examining the aggregate soft skills measure.

Table 10.3: Regression model for the effect of the psychological contract on the overall soft skills deficit index: case study differences by industry

	R^2	Sig. variables (excl. constant)	N	Beta	Variables excluded in final model
All	0.12	-	-	-	
Hotels	0.21	University student	75	-0.35**	Gender, employment status
Silex	0.23	Gender (female)	99	-0.25*	
		Employment status (part-time/temp)	99	0.34**	

Base N for all = 175, Hotels = 76, Silex = 99; * $p \leq 0.05$ ** $p < 0.01$

When examining sensitivity skills, however, hypothesis 7.1 was supported. The model, which also included whether the individual had claimed Job Seekers' Allowance (JSA) and whether they had a father in the lowest SEC classification which had been significant in the social resource models, had an R^2 of 0.17. The best fitting model yielded significant variables for both of the social resource proxies discussed above and also the psychological contract (see Table 10.4). Having a father from the lowest SEC group significantly increased the size of the deficit score, whilst claiming JSA reduced the size of the deficit score. The psychological contract was also negatively correlated with the sensitivity skills deficit index showing that an individual's perception of their ability to show sensitivity and empathy to others increased with fulfilment of the contract. Although the R^2 revealed that almost 83% of the variation in the dependent variable was left unaccounted for and the beta scores were small (for example a one unit increase in the psychological contract measure increased the deficit index score by only 0.17) the hypothesis remains supported.

Table 10.4: Regression model for the effect of the state of the psychological contract on the sensitivity skills deficit index; aggregated case study findings

R^2	Sig. variables (excl. constant)	N	Beta	Variables excluded in final model
0.17	Age 31 – 50	175	0.52**	-
	Age 51 +	175	0.48*	
	Psychological contract	175	-0.17*	
	Ever claimed JSA	170	-0.16*	
	Father in lowest SEC group	170	0.22**	

Base N for all = 175; * $p \leq 0.05$ ** $p < 0.01$

10.3.3 Attitudinal and behavioural outcomes of the psychological contract and soft skills deficits

Hypothesis 7.2 stated that, 'Individuals' perceived soft skills deficits will be negatively related to work attitudes and behaviours such as job satisfaction, organisational commitment, motivation, the perceived state of management employee relations; and positively related to effort and absence'. This hypothesis was tested in relation to the work attitudes that were significantly correlated to the individual soft skills deficits indices as shown in Table 10.2. The results from these analyses are contained in Table 10.5 Table 10.5 shows that the model R^2 s were again low ranging from 0.15 – 0.21 and that job satisfaction was the only work attitude which had any

significant effect on any of the skills deficit indices. Furthermore, this effect was only evident for sensitivity skills and the overall soft skills deficit index. The direction of the effect was, however that which was hypothesised with a one unit increase in the overall job satisfaction scale reducing the deficit index by 0.3 for sensitivity skills and 0.16 for the overall soft skills deficit index.

Hypothesis 7.2 thus receives support for a specific job attitude on specific soft skills deficit indices. The low model fit statistics, however, indicated that a substantial amount of the variation in the soft skills deficit indices was attributable to factors outwith the model. Notwithstanding this, the sensitivity skills model had the highest value for overall model fit (0.21). As this deficit measure had also yielded the highest number of significant social resources and was also significantly related to the psychological contract, sensitivity skills deficits (indicating emotional self-presentation) could be modelled using the individual concepts to a greater extent than the other soft skills. The addition of the attitudinal and behavioural outcome measures did not reduce the significance of the social resource variables that had been identified in Chapter Nine, nor change the direction of their effects.

Table 10.5: Regression models for attitudinal and behavioural outcomes of the psychological contract on the individual soft skills deficit indices; aggregated case study findings

	R ²	Sig. variables (excl. constant)	N	Beta	Variables excluded in final model
Team-working	0.21	Age 31 - 50	175	0.50**	Time in company, effort
		Age 51 plus	175	0.52**	
Problem-solving	0.19	University student	173	-0.23**	Gender, time in labour market
		Employment status (part-time/temp)	175	0.26*	
Sensitivity skills	0.21	Age 31 - 50	177	0.51**	-
		Age 51 +	177	0.47*	
		Job satisfaction	175	-0.30**	
		Ever JSA claimant	170	-0.16*	
		Father in lowest SEC	170	0.24**	
All soft skills ^a	0.15	Job satisfaction	175	-0.16*	Ever claimed JSA

Base N for all = 175; * $p \leq 0.05$ ** $p < 0.01$ *** $p = 0.000$

a Whether the respondent had ever claimed JSA and whether they had a father in the lowest SEC group included as control variables as these had been significant in the sensitivity skills model.

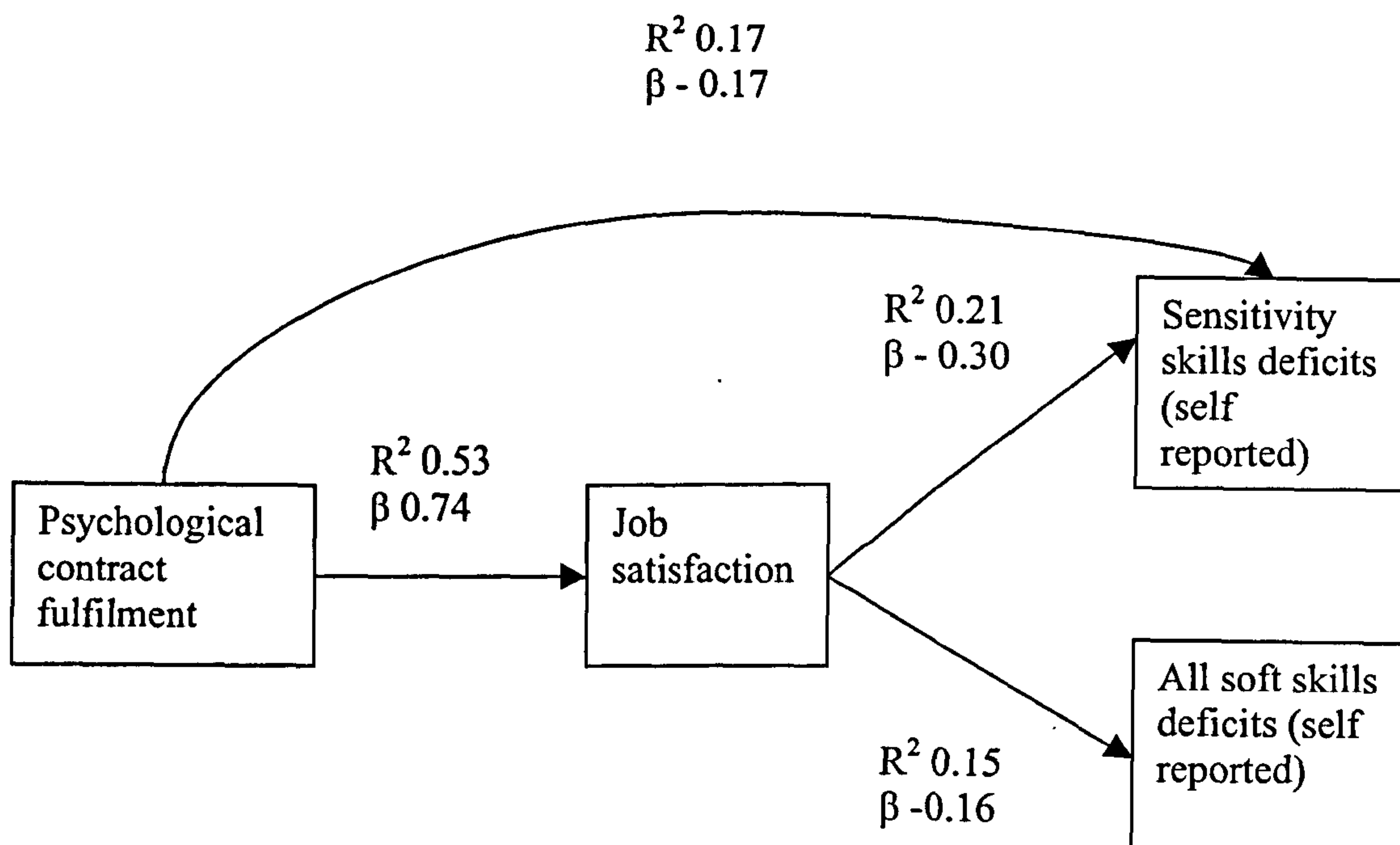
10.3.4 The mediating effect of psychological outcome variables on the relationship between psychological contract fulfilment and soft skills deficits

Hypothesis 7.3 stated that, ‘the work attitudes and behaviours contained in hypothesis 7.2 will mediate the effect of psychological contract fulfilment on soft skills deficits.’ This final hypothesis within research question 7 is concerned with the possible mediating effect that the attitudinal and behavioural outcomes of the psychological contract may have on the relationship between the psychological contract and soft skills deficits. As the only work attitude with a significant relationship on any soft skills deficit measure was job satisfaction a model was created in which job satisfaction was the dependent variable and the psychological contract and control variables (age, gender, employment status, time in the labour market and time in the company) were the independent variables. The social resource proxies of whether or not an individual had claimed JSA and whether their father was from the lowest SEC group were also included as they had both been included in other models for which job satisfaction significantly predicted the soft skills deficit measures.

The results show that the R^2 (0.53) was considerably higher than for any other model analysed. The final model explained 53% of the observed variance in job satisfaction scores, with the psychological contract the only significant variable in the model with the best overall fit. The beta coefficient indicated that a one unit increase in the psychological contract measure increased the job satisfaction scores by approximately 0.74. Hypothesis 7.3 is, thus, strongly supported for job satisfaction. Given the results for hypotheses 7.1 – 7.3, therefore, a model can be constructed which shows the relationship between the psychological contract, job satisfaction and the sensitivity and aggregated soft skills deficits (see Figure 10.1).

Although the relationships in Figure 10.1 are hypothesised from the relevant theories and supported by the data, triangulation of the quantitative data with the management interviews supported the assertion that the realised relationships may indicate withdrawal behaviours. Managers were asked whether they ever found that individuals’ skills worsened over time or if they believed that people possibly withdrew skills and effort if they felt inequitably treated.

Figure 10.1: Model of hypotheses 7.1 – 7.3



In the two hotels, the perception that employees' skills could get worse over time was a particularly commonly held managerial perception. Deterioration of skills was commonly attributed to factors related to the nature of the work itself including boredom, a lack of enjoyment of the work, the potentially repetitive nature of some hospitality functions and frustration at not having moved positions for a while. A comment by the FBM in Fontainebleau captured the responses of many of the hotel managers nicely. He believed that employees sometimes withdrew the amount of skill and effort which they put into certain jobs as they became, 'not challenged, unchallenged, unmotivated. You know, things staying the same and not changing. People get a bit, you know, they get into comfort zones.'

In many cases managers believed that this boredom or complacency was down to an individual's motivation. For example the FOM in Fontainebleau believed that some people became gradually 'lazy' in their jobs and the PDM in Oxygen stated that some people gradually became 'won't dos' who willingly reduced their effort. Managers were, however, just as likely to acknowledge that this was sometimes to be expected because of the nature of certain jobs, especially in Oxygen. In many cases the hotel managers believed that a combination of individual motivation and the nature of the

work caused problems. The FBM in Fontainebleau, for example, blamed the company for not being more 'market driven' and 'selling the same thing every day', whilst the Head Chef in Oxygen said that some of the less skilled work in the kitchen was rather repetitive which could, over time, effect people's job enjoyment. In Oxygen it was also acknowledged that jobs which required little customer contact could become rather predictable. This was typified by the PDM: 'Don't get me wrong, housekeeping's a job which you couldn't get any more disenchanted with if you do it.'

Interestingly only one manager in either hotel, the DGM in Oxygen, believed that employees ever grew disaffected with the organisation itself, which would more likely be evidenced by a breach in the psychological contract rather than poor job satisfaction. He stated that people may leave Oxygen for a number of reasons such as dissatisfaction with pay and conditions, management, the direction of the business and resources. Given that he was specifically commenting on managerial employees he may have seen this as confined to managers only as no other manager in Oxygen believed that the organisation itself caused disenchantment. The other managers in Oxygen were at pains to point out that exit interviews conducted with leavers showed that all employees were very happy with Oxygen as a place to work and the treatment they had received. The fact the employee survey indicated no real concerns regarding the average state of the fulfilment of the psychological contract supports the view that employees were generally happy with the organisations they worked for.

Managers in both hotels also believed that the way people were treated by their line managers affected their job satisfaction and subsequently the amount of effort which they were willing to put into their work. The initial HRC and the FBM interviewed in Fontainebleau and Oxygen's DGM and PDM all stated that keeping staff motivated, treating them equitably and maintaining morale was a key duty of managers and that if this was not done properly then demotivation, dissatisfaction and a withdrawal of effort and skill could result. The PDM in Oxygen, for example, believed that if poor man-management did occur some people became 'can't dos' as opposed to 'won't dos' as their confidence and enthusiasm deteriorated. Although the employee responses from both the survey and interviews suggested few issues with management in the hotels, the fact that managers believed skill withdrawal could

occur because of dissatisfaction with management supports the assertion that employees could react to disaffection through withdrawal behaviours.

Within Silex it was reported by fewer managers that skill deterioration over time was an issue. Notwithstanding this three of the managers, the SS, PM and HoD reported that skill deterioration did happen over time for a number of reasons. As with the hotels both the SS and the PM believed that skills could sometimes deteriorate because people become complacent, lost focus or simply become bored with work. The PM said that although in theory this should not happen, it was almost inevitable that it did on occasion. Interestingly the PM believed that an individual's skills themselves never get worse, rather that they were just not put to the best use:

They (soft skills) shouldn't get worse, but I guess everybody goes through periods of time when perhaps they get a bit bored or there could be other factors outside work affecting their performance and they may not carry out their duties as well as normal. Skills themselves shouldn't get worse it could just be the performance. You're not going to lose the skills, are you?

Interestingly the HoD reported that for scientists disaffection with the work was explicitly *not* an issue as the work tended to be vocationally interesting for people who had chosen to study earth sciences. The issue of withdrawal due to boredom in Silex, therefore, may be more pertinent for non-scientific roles. This respondent did, however, accept that the soft skills of some scientists deteriorated over time, perhaps *because* of the intrinsic interest of the work. As some scientists tended to become caught up in their work and sometimes neglected their soft skills as a result they could, in the eyes of the HOD, become the '... stereotype of the scientist who ages and becomes grumpy and uncommunicative.'

Interestingly, this last reason that the HoD gave for scientists reverting to type over a period of time introduces the final set of factors that were seen as contributing to a deterioration in soft skills over time in Silex; that of poor management. In the case of scientists becoming introverted and overly focussed on their work, the HoD believed that this was sometimes because, '...we don't manage them well enough over a very

long time and make sure that they get out and about enough as it were.' By not encouraging the older scientists to interact with others, therefore, problems could arise. The SS also believed that management could cause problems in terms of poor communication which could ultimately manifest itself as a soft skills deficit over time as employees grew frustrated.

There was, thus, support for the assertion investigated through research question 7 that soft skills deficits may be attributed in part to individuals withholding skills because of disaffection with their employers or their jobs, particularly for sensitivity skills. Any skills withdrawal was, however conceptualised differently in Silex with performance issues caused by dissatisfaction not viewed as skills deficits per se. Notwithstanding the realised relationships, the model fit statistics highlight how a multitude of factors outwith withdrawal contribute to soft skills deficits, as discussed in previous chapters

10.4 Chapter summary and conclusions

This final data chapter has sought to present the issue of potential skills withdrawal by employees through examination of the psychological contract, its attitudinal and behavioural outcomes and employees self-reported soft skills deficits. Before direct analysis at the individual level, comparisons of the psychological contract and the outcome measures at the establishment level revealed few significant differences. Indeed, the establishment within which management reported the fewest soft skills deficits, Silex, fared the worst on certain measures (perception of management/employee relations, satisfaction with social relations in the workplace and effort), although it must be noted that scores for each variable were generally positive across all establishments. It appeared therefore at the aggregated level that there was little relation between measures of employee disaffection and management reported soft skills deficits.

When developing regression models at the individual level of analysis there were some significant relationships between the psychological contract, the attitudinal and behavioural outcomes of the psychological contract and some of the soft skills deficits indices, although these were few. The only soft skills deficit index with a

direct relationship with the psychological contract was sensitivity skills, whilst job satisfaction was significantly related to sensitivity skills and the aggregated soft skills deficit index. Mediation analysis, in turn, revealed that the psychological contract was strongly associated with job satisfaction meaning that the psychological contract could be used to explain soft skills deficits in the aggregated and sensitivity skills measures, although mediated by job satisfaction. The finding that the aggregated soft skills deficit measure was part of the mediated model was promising as this represented all of the soft skills combined. Furthermore the relationship between the psychological contract, job satisfaction and sensitivity skills is an interesting one given that breaches in the psychological contract can cause affective responses that may potentially affect the degree to which individuals can then show sensitivity to others (as discussed in Chapter Four). As with all of the empirical results the implications of the findings for the theoretical resources discussed in the literature review are discussed in the ensuing chapter, Chapter Eleven.

The qualitative findings suggested that, on occasion, skills withdrawal might have been a pertinent explanation of soft skills deficits. Interestingly, however, managers in Silex differentiated between skills gaps and withdrawal due to disaffection, with the latter explained as short-term performance issue rather than a skills gap. Even within the hotels, managers appeared to consider the role of withdrawal differently. Managers in Oxygen seemed more willing to consider the role of negative job factors and individuals' personal situations in potential skills withdrawal, whilst in Fontainebleau the emphasis was more on an individuals' motivation.

As with the social resource models, however, the statistical models were relatively weak suggesting that a multitude of factors outwith the models seemingly affected the presence of soft skills gaps other than withdrawal. This pattern was supported by the qualitative investigation. Many of these factors have been discussed in Chapters Six to Nine and support the assertion that the presence of soft skills deficits is complex and contextually bound with many factors contributing to their realisation in any given organisation. This explanation is entirely consistent with the philosophy and research design utilised within this thesis.

With the empirical results presented in Chapters Six to Ten, the focus now turns to discussion and analysis. Chapter Eleven discusses the findings in terms of the relevant theoretical frameworks and assesses the theoretical contributions of the study, before Chapter Twelve draws overall conclusions and presents implications for HR practitioners and government policy makers as well as discussing the study's limitations.

CHAPTER ELEVEN: DISCUSSION

11.1 Introduction

The penultimate chapter discusses the findings in relation to the proposed conceptual model and the previous research and theory discussed in Chapters Two to Four. Any data limitations are also considered in order to highlight where caution should be exercised in interpreting the empirical data.

There were many possible factors which contributed to why managers reported soft skills deficits or not in the case study establishments and these were found to be played out differently in different contexts. This confirmed the importance of examining and testing the salience of concepts from the economic, human resources, sociological and psychological literature. A number of theories from each discipline were found to have a greater or lesser degree of relevance in certain contexts. The human resource management literature on strategically aligned ‘best fit’ practices, especially in recruitment and selection (Milmore, 2003; Lockyer and Scholarios, 2004) and performance appraisals (Boxall and Purcell, 2008) were especially salient in explaining establishment level differences in soft skills deficits alongside the degree to which individuals were allowed discretion in their work, to truly display ‘skilled’ behaviour (Noon and Blyton, 2002; Green, 2006). There was also an indication that social experiences, ‘personality’ and work experiences were perceived as especially salient in the development of soft skills in respondents across all case study establishments.

Before providing the detailed and conceptual implications of the data, the findings for each research question and support for the propositions and hypotheses are briefly summarised to contextualise the discussion.

11.2 Summary of research questions and propositions

Research Question 1: In which industry sectors and occupational groups do soft skills deficits occur?

Proposition (P) 1.1: Soft skills deficits will be more prevalent in sectors which have an element of interactive service work

Research Questions 1 to 4 were analysed at the macroeconomic level using the 2002 Scottish ESS dataset. Proposition 1.1 received strong support as Distribution Hotels and Restaurants, Retail and Public Administration Education and Health were the worst affected sectors in that order. The Hotels and Restaurants sub-sector was the worst affected in Scotland as a whole.

Proposition 1.2: Soft skills deficits will be concentrated in lower-level occupations with a customer-facing element such as Personal Service, Sales and Customer Service and Elementary occupations

This proposition received a large degree of support but it was not only these 'low skill' occupations which were badly affected. Sales and Customer Service and Elementary Occupations were two of the three worst affected occupations by soft skills deficits in 2002. As many of these employees are involved with interactive service work this finding also supports the sectoral findings. When examining soft skills shortages, however, Skilled Trades and Administrative occupations were particularly badly affected, whilst Managerial and Senior Officials had a high number of soft skills gaps.

Research Question 2: What are the main determinants of soft skills deficits in Scotland?

When using multivariate models to determine which of the factors discussed above had the greatest impact in determining whether or not an establishment reported soft skills gaps occupation was the biggest determinant. Lower skilled occupations were the worst affected overall especially Sales and Customer Service, Elementary and

Personal Service Occupations. The multivariate statistics thus provided further support for the bivariate statistics and strengthened support for P1.2

The model supported the fact that the sectors identified as the worst performing remained so even when controlling for other variables, again supporting the bivariate statistics and strengthening the findings for P1.1. Establishments that believed they were more attractive places to work than their competitors reported reduced levels of soft skills gaps. Establishments that had more elements of HR policy in place relating to planning and skills issues (a business plan, an HR plan, a training budget, training needs assessments and staff appraisals) were, however, *more* likely to report soft skills gaps.

Research question 3: What is the pattern of employer response to skills deficits?

Measures concerned with recruitment were the most commonly used for addressing skills shortages at the macroeconomic level. Considering a wider range of applicants was one of the most popular responses to skills shortages. Training was the most common response to skills gaps for establishments reporting both soft and hard skills gaps. Employers also reported relatively wide use of increasing recruitment, expanding trainee programmes, changing work practices and moving work to other areas of the organisation as responses to skills gaps. Very few employers reported that they used appraisal review and feedback as a mechanism to address skills gaps.

P3.1: Employers will be more willing to respond to skills deficits when reported in hard skills.

There was no overall evidence that employers were any more or less likely to respond to soft skills deficits than hard skills deficits. Employers, were, however, more likely to have offered a response to soft skills *shortages* and hard skills *gaps*. Despite this finding the vast majority of employers had responded in some way to both soft and hard skills gaps, although a substantial proportion (approximately 40 per cent) had not responded to skills shortages.

P3.2: Employers will be more likely to respond to soft skills deficits in employees at higher and intermediate organisational levels such as Professionals, Managers and Senior Officials, Associate Professional, Skilled Trades and Administrative and Secretarial Occupations

There was little support for this proposition with particular low support in terms of the higher skilled occupations that were the least likely to have had their soft skills deficits responded to. For lower occupations, however, the total percentage of establishments not responding to soft skills gaps was only 2 per cent.

Research Question 4: What are the main determinants of employer response to skills deficits in Scotland?

When examining responses to skills *shortages* it was factors exogenous to the establishment such as the sector in which an establishment operated which most affected response. Although endogenous factors (such as attractiveness of the firm and the number of HR policies in place) had only small effects on response to skills shortages, establishments which managers believed were more attractive to potential recruits were more likely to respond, suggesting a more proactive approach centred on attracting the best applicants.

When examining the responses to skills gaps, the endogenous factors relating to establishment characteristics and HR policy had a much greater effect on determining whether or not an establishment had responded. For example, increasing the number of the skills related/planning HR policies increased the likelihood of responding to a skills gap. Employers who perceived themselves to be more attractive were *less* likely to respond to skills gaps suggesting that employer attractiveness is concerned predominantly with recruitment.

The models supported the bivariate statistics in that there was no evidence that employers were more likely to have responded to skills deficits in occupations that were higher in the occupational hierarchy. This offers further refutation of P3.2. The multivariate model also supported the bivariate statistics in that employers were more likely to have responded to hard skills gaps than soft skills gaps, suggesting that

employers could be doing further still to reduce soft skills gaps. No difference existed in the propensity to respond to hard or soft skills shortages when controlling for other variables in the model, in contravention of the bivariate statistics.

RQ 5: How does organisational context in terms of the activity of the organisation; the local labour market; recruitment and selection activities; and skills related HR policies (such as training and appraisal) affect the presence of soft skills deficits and employer response?

P 5.1: The activities of the establishment will affect the skills which are demanded and the reasons for soft skills deficits where they occur.

Research Question 5 drew on all three case study data sources although management interviews were particularly widely used to identify the establishment contexts in terms of skills supply and demand, policies and HR practices. There was strong evidence that the activities of the establishment had an impact on skills demand. In the hotel establishments, soft skills were important for all employees, especially those who were customer facing. Even for positions where customer service was less important soft skills were still essential. Indeed, the ability to work with others was seen as essential and was a key determinant of selection in *all* organisations. For managers in the two hotels more cognitive technical skills such as numeracy and strategy formation were also essential. Planning and organising was also important in front-line staff and, to a lesser extent, problem solving especially when dealing with customer queries and complaints. In Silex, soft skills were seen as important because of the project centred nature of the establishment but soft skills were a secondary concern to technical, scientific, skills.

Resultantly, skills deficits tended to follow the demands of the establishments. In the worst affected organisation, Fontainebleau, managers reported gaps and shortages predominantly in soft skills, especially customer service, whilst Silex managers reported no soft skills gaps and only a few technical skills gaps. In Oxygen the few skills deficits were attributed to both soft and hard skills although soft skills were a particular problem for entry level staff. It became apparent that line managers reported skills deficits to a greater extent than the HR representatives. In the two

hotels, in particular, managers sometimes also demanded positive attitudes and a work ethic which do not constitute skills.

P 5.2: Soft skills deficits will be more prevalent where there is a paucity of suitable candidates in the local labour market or the organisation cannot attract suitable recruits.

There was some difficulty attracting suitable recruits in the two hotels, especially Oxygen, although not Silex. In both hotels there were problems in attracting Chefs, ancillary kitchen staff and reception staff. In Oxygen it was also reported that suitable staff were hard to find in the largest department; Food and Beverage (F and B). There were, however, no soft skills *gaps* reported in Oxygen's F and B staff. In Fontainebleau, however, the FBM reported that over a quarter of his employees had soft skills gaps. Notwithstanding these issues with the external labour market there was an ample supply of students and Eastern Europeans, especially Poles, for front line positions. The Kitchen and Housekeeping departments in both hotels were especially reliant on the migrant workforce, whilst students were especially employed in F and B and events positions.

In both hotels managers and employees identified the existence of attractive tangible and intangible rewards. Although the volume of qualitative employee responses meant generalisation was not possible from this data alone consistencies were apparent with managerial results and later survey findings regarding employee attitudes towards various aspects of their work (for example terms and conditions and social relations at work). These benefits were seen as making the hotels relatively attractive places to work despite low wages, although they were not made clear to potential recruits.

P 5.3: The presence of soft skills deficits and the effectiveness of responses will depend upon the efficacy of skills related HR policies such as recruitment and selection, training and appraisal.

It was in recruitment and selection where the largest differences existed between the two establishments reporting few soft skills gaps and Fontainebleau where they were

widely reported. Although Fontainebleau ostensibly had a highly valid competency based interview procedure for all staff consisting of at least two interviews, the practice was different. Only one interview was typically undertaken with front-line employees according to employee and managerial respondents. The form of this interview also varied between the highly structured competency-based model and those that were cursory and for the record only according to the customer-facing employees who were interviewed. Problems with managers' selectiveness were readily apparent to Fontainebleau's HR staff.

In Silex and Oxygen an informal stage was explicitly built into the selection process. In Silex a tour was conducted of the workplace by a prospective colleague where the interviewee's skills were assessed informally and candidates were given a chance to see the workplace, ask questions and raise any concerns. In Oxygen although interviews were always supposed to last at least half an hour and covered certain criteria, the interview itself was informal and was more of a 'chat' about the individual themselves rather than how they would act on the job. An informal tour of the workplace was also conducted to allow the applicant to ask questions and to decide whether they wanted to take the job. Although the stated policy in Oxygen was also that two interviews should be conducted, which was generally not adhered to, the system was apparently working better than in Fontainebleau.

Because of a new bar opening and the need for mass recruitment Fontainebleau had recently conducted 'open day' style interviews which consisted of group activities and assessed soft skills informally by examining the way in which candidates 'sold themselves' to selectors and interacted with others. This process had apparently been a resounding success according to the managers involved.

There were also differences between the establishments in terms of appraisal with Fontainebleau, having an appraisal rate amongst staff 25 – 50 per cent lower than the other two establishments. Managers in all three establishments reported that appraisal was one of the most effective ways to address soft skills gaps.

Employees and managers in all establishments reported that training was provided in both hard and soft skills, through both the interviews and surveys and that there was

no discrimination between those employed as line employees or managers. This finding supports the macroeconomic trends identified in P3.2. The proposition that skills gaps may occur because employers were reluctant to provide training in soft skills and for lower skill employees was, therefore, not supported in the case study establishments.

When examining responses to soft skills deficits in Fontainebleau and Oxygen, the expansion of recruitment channels had commonly taken the form of recruiting more students and migrant labour. Indeed, in Fontainebleau hiring migrant workers was seen as the most efficacious route through which skills shortages had been ameliorated, whilst in Oxygen the recruitment of students and establishing a presence on university campuses had been the most effective response to skills shortages. Other responses to skills shortages which had been used in both hotels were hiring more part-time employees, retraining existing staff had and using different recruitment media.

When responding to skills gaps the hotels reported that they had trained employees, used appraisal and feedback and also, in both Front Office Departments, changed working practices. Managers in Fontainebleau reported that training and appraisal were the most effective responses to both hard and soft skills gaps. In Oxygen Managers believed that whilst training could be effective in reducing soft skills gaps, this response was better for hard skills gaps; with appraisal, feedback and review seen as the best overall response for soft skills gaps. Indeed, Oxygen managers tended to believe that a big element of soft skills (namely 'genuineness' and 'warmth') could not easily be trained. Oxygen's managers often believed that soft skills gaps were transitory and sometimes as a result of the individual experiencing problems either at work at home, which could often be rectified with a 'chat' to see what was bothering them. Although there were no reported soft skills deficits in Silex the Head of Discipline (HoD) supported the Oxygen management that training was more effective for harder skills than soft skills. He reported that individuals' soft skills tended to develop over time as experience increased familiarity with the establishment and its policies and practices. Three Silex managers also believed that appraisal and feedback, either formal or informal, was the primary means through which any problems with soft skills would be rectified.

Proposition 5.4 Employees may be seen to exhibit skills gaps if they perceive that barriers exist that inhibit skill development and job performance.

Although the qualitative interview samples were too small from which to generalise, employees indicated some barriers to effective skill display in all three establishments. Barriers to performance reported by employees in Silex were generally related to hard rather than soft skills and centred on untimely training provision for specialist project skills. A barrier was, however, also reported in terms of poorly specified workload allocation, which affected their planning and organising skills. Employees in both hotels reported that one of the biggest barriers to them performing as they would like were occasional awkward customers, especially when drunk. Employees also cited tiredness caused by out of work activities such as studying and the concentration of work into long shifts, especially during periods of peak demand. In all cases however, employees were keen to stress that management were supportive. In Fontainebleau, staff also reported that understaffing, unpleasantly hot working conditions and uncomfortable uniforms impinged upon their soft skills display, especially customer service.

RQ6. Which social and individual resources do managers and employees perceive to aid the development of individuals' soft skills?

Research Question 6 utilised all case study data sources but was particularly reliant on the qualitative data sources. As this research question relied especially heavily on the employee interviews and focus groups it was not possible to assess with any generalisable certainty the types of resources that aided soft skill development, or even to obtain a complete picture of employee perceptions on this matter. What can be ascertained however is an indicative picture of individuals' perceptions on the development of soft skills which add value when combined with management responses and placed within the establishment contexts. Through assessing similarities and differences across establishments, tentative conclusions can be drawn regarding those resources with greater ubiquity and those which were more context dependant.

Across all establishments, managers and employees believed that a mixture of 'personality' and various social experiences contributed most to the development of soft skills. Beneficial personality traits tended to be classified as outgoing, agreeable and open to new experiences. Social experiences were, however, viewed as unanimously important in allowing soft skills to be developed and practised in a number of situations, allowing the development of confidence. A number of social situations were reported as beneficial in the development of soft skills but the experiences of being a university student were seen as especially important in the two hotels, whilst general 'life experiences' and events were seen as beneficial in Silex.

Work experience was also seen as an essential precursor to soft skill development by almost every employee in each establishment as well as the managers in Silex and Fontainebleau. Respondents believed that work experience increased familiarity with either the establishment or the world of work generally as well as allowing individuals to practice soft skills. In the hotels, employees and management also reported that work experience was essential in developing confidence in dealing with others, especially customers.

The social resource with the greatest difference between the establishments was social background, with managers in Oxygen believing that this was an essential element in soft skill development whilst managers in other establishments did not report this. Many employees in Oxygen also cited the importance of social background and education in fitting with the brand of the establishment, although not for the development of skills *per se*. The demand for social background in Oxygen was seen as essential for the development of deportment, erudition and style which was consistent with both the hotel's brand and informal service style, highlighting the importance of establishment context in shaping employees' and managers' perceptions of soft skills development.

Some respondents believed that education itself affected soft skill development, especially in planning and organising and problem solving and the ability to 'think on your feet'. The importance of education in terms of scientific problem solving was especially prominent in Silex where problem solving was viewed as a technical rather than soft skill because of the activities of the establishment. Notwithstanding this, in

some cases, education was seen as beneficial for other soft skills such as communication in formal settings and, in Oxygen, customer service. The perceived centrality of education in Oxygen in developing customer service skills but not Fontainebleau again reflects the branding requirements discussed above. Age and gender were not seen as contributory factors to soft skill development, although, age may have an indirect effect through the accumulation of social experiences over time.

At the organisational level there were consistencies between the types of social resources which were deemed as important in developing soft skills and their presence in the workforces of each establishment, providing some validation for the qualitative data. For example, Oxygen's employees tended to have parents from higher socio-economic backgrounds than the other establishments.

P6.1: Socio-economic background, educational achievement, experience of being a student and any time spent away from the labour market on Job Seekers' Allowance will increase soft skills deficits.

Proposition 6.1 was investigated using the employee survey data only. There was some evidence for proposition 6.1 when investigating self-reported soft skills gaps but this was restricted to certain social resources and particular soft skills deficits, with weak relationships showing the importance of the other factors investigated in this thesis. There was no relationship between most of the social resource variables and the soft skills deficit indices. The weak relationships also show the importance of various social resource proxies in different contexts rather than on an individual's perception of their soft skills *per se*. Unfortunately, given the small sample sizes for the hotels it was not possible to split the models for each establishment.

Being a university student was the social resource that had the greatest explanatory power and students reported significantly lower soft skills deficits in professional communication, problem solving and planning and organising than non-university students. Despite the effects associated with being a student those with higher levels of education did not report significantly different soft skills deficit scores than those with lower levels of education.

Further education (FE) students reported higher deficits in horizontal communication skills than non – FE students; those that had claimed job seekers' allowance (JSA) reported significantly lower sensitivity skills deficits than those who had not; and those with fathers in the lowest socio-economic (SEC) grouping reported significantly higher sensitivity skills deficits. Emotional self-presentation consistent with the display of sensitivity and empathy, therefore, yielded the highest number of social resources predictors.

Research question 7: Can soft skills gaps be attributed to employees withholding skills due to disaffection with their employers?

Research Question 7 was predominantly investigated using the case study employee survey data but was supplemented with the qualitative data. There was no evidence at the organisational level that the scores for the psychological contract and the various attitudinal and behavioural outcomes were worse in organisations where managers reported soft skills gaps, with generally positive scores across all establishments. Indeed, when examining the survey, Silex employees reported marginally worst satisfaction with social relations at work and the perceived state of employee relations and also reported lower levels of effort. The small qualitative sample in Silex also suggested some problems in certain departments with the speed with which training was received and the way in which managers made promotion and bonus decisions, although these results are hard to generalise.

Hypothesis (H) 7.1: Individual soft skills deficits will be negatively related to the degree of fulfilment of the psychological contract.

There was little support for this hypothesis with one exception. The state of the psychological contract had a significant but weak negative relationship with the sensitivity skills deficits scores.

H7.2: Individual soft skills deficits will be negatively related to: job satisfaction, organisational commitment, motivation, the perceived state of management employee relations and effort; and negatively related to absence.

There was limited support for this hypothesis. Significant negative relationships were observed between the aggregated job satisfaction measure and both the combined soft skills deficits index and the sensitivity skills index.

H 7.3: The work attitudes and behaviours contained in hypothesis 7.2 will mediate the effect of psychological contact fulfilment on soft skills deficits.

There was strong support for this proposition for job satisfaction as the psychological contract was a highly significant and salient predictor of job satisfaction. There was thus evidence that job satisfaction may mediate the relationship between psychological contract fulfilment and sensitivity and overall soft skills deficits.

Managers in all, establishments reported that they did, on occasion witness skills deterioration over time, because of dissatisfaction with the job, a growing complacency and boredom or because of problems in employees' non-work lives. This was seen as particularly pertinent in the two hotels where managers realised that, on occasion, some jobs were boring or repetitive. Interestingly, in Silex, withdrawal was not only seen as less likely but was also framed as a transitory performance issue rather than a skills gap.

11.3 Integration of findings and applicability of conceptual frameworks

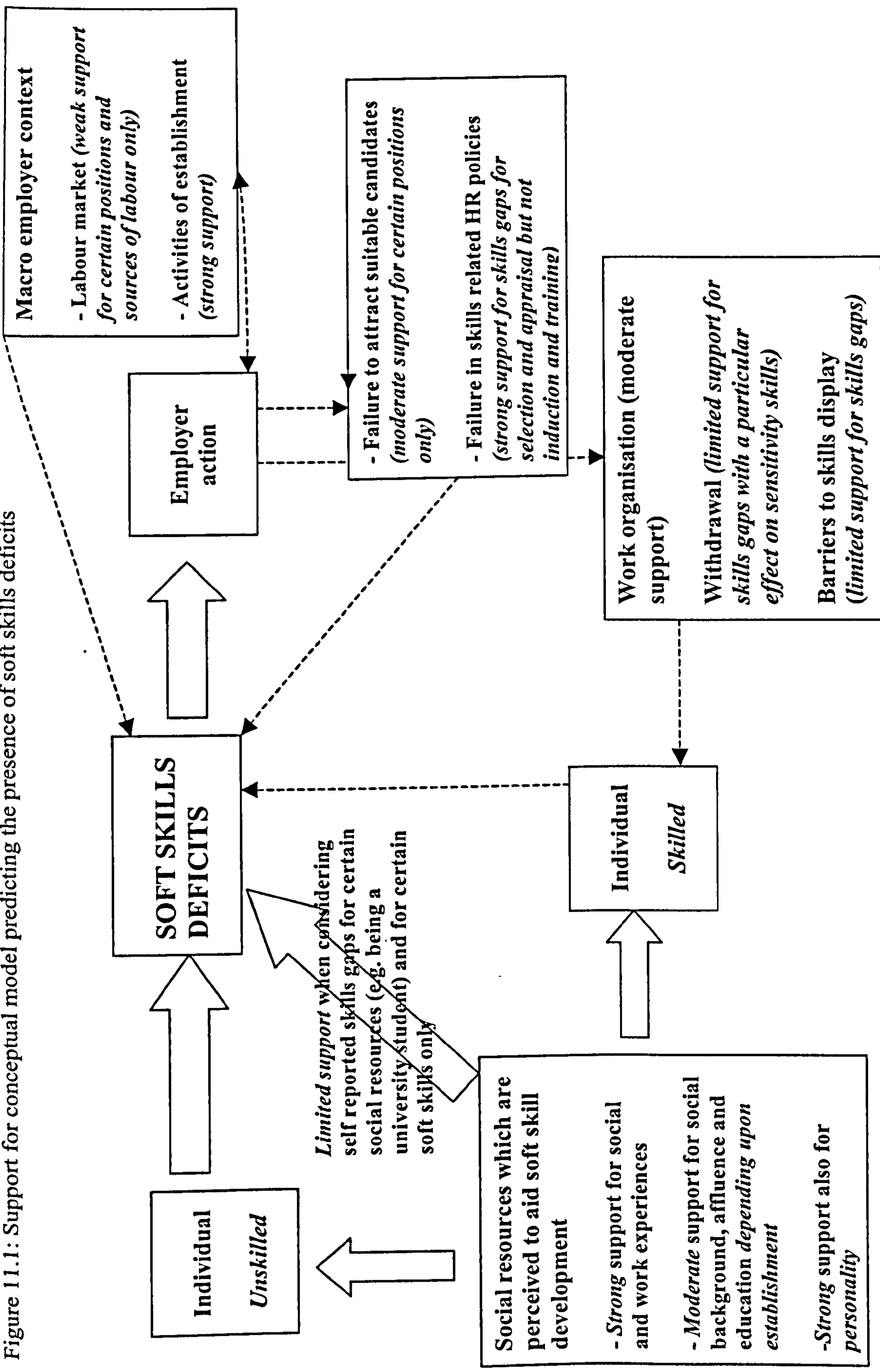
Figure 11.1 presents a version of the conceptual model first presented in the methodology showing the extent of support by the findings. The block arrows show one of the potential causal pathways, that skills deficits and subsequent responses occur because the individual lacks skills. The dashed arrows show alternative mechanisms that propose that skills gaps may occur because of the external (labour market) and internal (HR policy) contexts of any establishment and that skilled individuals may actually withdraw skills.

It can be seen, as discussed above, that soft skills deficits can be attributed to any number of particular causes. It was, however, contextual factors such as the activities of the establishment and HR policies which had the greatest effects on the presence of soft skills gaps within this study, especially the centrality of soft skills to the

organisation, interaction with the external labour market and the efficacy of selection and appraisal policy. The centrality of soft skills to the organisation also important in determining the skills which were sought on the external market and subsequently which skills were seen to be lacking in potential applicants. As will be discussed in depth below a key concern is the degree to which organisations strategically integrated their requirements with the availability of labour on the external market (see for example Milmore, 2003; Lockyer and Scholarios, 2004). The way in which work was organised and specifically the removal of discretion (Braverman, 1974; Green, 2006) also appeared to have a moderate effect on the reporting of soft skills gaps as did the failure to attract suitable recruits for certain positions.

In terms of responses to skills deficits there was little evidence that soft skills deficits or deficits in 'lower' occupations were being ignored as traditional human capital theory may suggest (see for example Baron and Kreps, 1999). The fact that Scottish employers were, overall, more likely to have responded to hard skills gaps than soft skills gaps does, however suggest, that improvements could still be made in this area at the macro level. Scottish employers, however, generally appeared to react pragmatically to skills problems without prejudicing certain occupational groups. When responding to soft skills deficits, however it is the *type* of response which employers should perhaps more carefully consider. Efforts directed at strategic interaction with the labour market, best fit recruitment and selection and appraisal, rather than training, appeared to be the most efficacious responses.

Figure 11.1: Support for conceptual model predicting the presence of soft skills deficits



The specific conceptual implications of the research are now discussed in detail and presented in terms of the three levels of analysis at which soft skills deficits were investigated; the labour market, the establishment and the individual.

11.3.1 The market level of analysis: Sectoral activities and the labour market

The activities of sectors

Establishments which engaged in interactive services as a primary activity were the worst affected by soft skills deficits supporting the literature which highlights the particular importance of these interpersonal skills in service work (see for example Leidner, 1993; Grugulis et al., 2004; Korczynski, 2005 *inter alia*). That is not to say, however, that soft skills are not important in other service industries or even in non-service sectors of the economy. In interactive services, however, soft skills, especially oral communication, self-presentation and customer service are a primary *ends* of the activities of an establishment. In other sectors soft skills may be an important *means* to the ends but other activities are more essential. In manufacturing industries, for example, the priority activity is the production of a physical product; whilst in business services it may be the brokering of solutions which require technical knowledge and high level cognitive 'symbolic analytic' skills (see Reich, 1992). This was demonstrated perfectly in the case studies as soft skills were important throughout but were essential in the two hotels and only a secondary skill set in Silex. It is important, therefore not to associate soft skills exclusively with interactive service work as some commentators suggest (see for example Keep and Mayhew, 1999; Brown, 2001) whilst accepting that these sectors are the worst affected by soft skills deficits due to soft skills' centrality to such establishments.

Soft skills are, therefore, essential core competencies for interactive service organisations on which value is added and competitive advantage sought (Grant, 1991; Boxall, 1994; 1996; Lado and Wilson, 1994; Huselid, 1995). Given the intangible nature of interactive service work, especially where no physical product is exchanged, the customer service and self presentational skills of employees are key factors on which many organisations compete (see for example Korczynski, 2002; Witz et al., 2003).

The importance of the centrality of soft skills to a particular activity in determining whether management subsequently reports deficits is also reflected in the types of occupations worst affected by soft skills deficits. A conceptual symmetry thus exists between sectors and occupations. Soft skills are essential to the work of customer facing interactive service occupations, who were the worst affected by such deficits, and frequently employers are concerned only with soft skills when selecting such staff (see for example Keep and Mayhew, 1999; Nickson et al., 2005; Grugulis, 2006). In other occupations, such as senior managers, however, soft skills remain important but may be a means through which other more essential strategic ends of the job are achieved (Mintzberg, 1973). As Goleman (1995; 1998) has shown soft skills may, *in their absence*, cause serious problems for otherwise promising executives including career derailment, but the fact remains that technical and cognitive skills are more essential to the work of managerial or technical employees, as demonstrated by the case studies. For managers not working in interactive services, therefore, soft skills may be an important issue only in their total absence.

The labour market and soft skills deficits

Research question five established the role of the external labour market in contributing to establishments' soft skills deficits. When considering skills shortages (i.e. those which occur at the point of recruitment and selection) it is tautological that the perceived quality of candidates in the local labour market affects the extent to which managers report skills shortages. Given the macroeconomic findings that skills gaps were considerably more numerous than skills shortages the question, however, arises as to whether employers adequately assess the skills of those whom they employ from the external labour market in order to select appropriate people for the organisation. At the macroeconomic level further support is given to the idea that selection standards may be lowered when employers report skills shortages as selecting a wider range of applicants was one of the most frequently reported responses to such deficits. The issue is, therefore whether organisations strategically and systematically engage with the labour market in order to correctly identify the appropriate person-job and person-organisation fit (Schneider et al., 1997; Williams and Dobson, 1997; Pfeffer, 1998; Milmore, 2003).

Soft skills gaps were sometimes reported in the absence of skills shortages and vice versa. This suggests two things: firstly, that certain employers are not correctly assessing the skills of those on the external labour market and are not selecting systematically as advocated by both the strategic and 'best practice' HR literature (ibid); and secondly, the identification of skills shortages in the local labour market does not *a priori* cause soft skills gaps through necessitating the hiring of poor candidates (see for example Rowley et al., 2000; Hogarth et al., 2003; Lockyer and Scholarios, 2004). It is, rather the way in which establishments *interact* with the external labour market which is important. This requires that establishments do not display 'hyper-determinism' and believe that their position is entirely dictated to them by their environment and market, but instead try to actively shape their own position within that environment (Child, 1997). If an establishment can adequately identify skills shortages at the point of recruitment than skills gaps may actually be *less* likely. This suggests that skills shortages can be conceptualised in a new manner and not simply viewed as a problem for employers (see for example FSS, 2003). Rather skills shortages may provide evidence that employers are systematically engaging with the labour market and identifying the skills which they require in a strategic manner.

Clearly the degree to which *soft* skills need to be strategically identified on the external labour market will depend on their centrality to the activities of the organisation or occupation as discussed above. The strategic HR literature emphasises that staff should be selected in line with the 'core competencies' of the organisation, on which value is added (Grant, 1991; Boxall, 1994; 1996; Lado and Wilson, 1994). When considering the degree to which establishments systematically identify soft skills on the external labour market the degree to which such skills are an essential core competency of the establishment is, therefore, essential to assess the strategic behaviour of the firm. A typology can, therefore, be created which identifies a firm's interaction with the labour market in terms of its core competencies and its subsequent effect on skills gaps *within* the firm. This typology is shown in Figure 11.2. Although the case study establishments are used as illustrative examples the typology can be theoretically generalised to other establishments outwith the research.

In Figure 11.2 the y axis shows the centrality of soft skills to the service or product of the organisation (i.e. whether they are an organisational core competency) whilst the x axis shows the identification of soft skills shortages in potential applicants. The labels in each resulting quadrant then also depend on the identification of skills gaps. Fontainebleau reported high soft skills gaps, low soft skills shortages and a high centrality of soft skills and is, resultantly, an example of ‘strategic mismatch’ as skills within the labour market appear inadequately assessed. Oxygen appeared better at adequately assessing whether the skills in the labour market met their needs and so has found ‘strategic integration’. Silex on the other hand reported low centrality of soft skills, and low gaps and shortages and are in a ‘natural equilibrium’ with soft skills not amongst their core competencies. The labelling of the fourth quadrant remains unclear and would depend to an extent on whether an establishment reported high or low gaps. Given that this cell indicates a low centrality of soft skills but a high identification of shortages a possible label is that such firms are ‘hyper selective’ in terms of their employees.

Figure 11.2: Typology of firms’ interaction with the labour market and subsequent soft skills gaps as reported by management

Degree to which soft skills represent an essential core competency	High	Fontainebleau (high soft skills gaps) <i>‘Strategic mismatch’</i>	Oxygen (low soft skills gaps) <i>‘Strategic interaction’</i>
	Low	Silex (no soft skills gaps) <i>‘Natural equilibrium’</i>	<i>‘Hyper selective’?</i>
		Low	High
Identification of soft skills shortages in potential applicants			

The attractiveness of the establishment to potential recruits

The second issue to consider in terms of an establishment’s interaction with the local labour market is whether establishments were deemed as attractive places to work and subsequently whether they could *attract* appropriate labour. Although firm attractiveness may be seen as a micro-level issue, it is the manner in which this shapes the relationship with the macro-environment which is considered important.

Indeed, the macroeconomic findings suggested that managers' perception of the attractiveness of the firm was only related to external looking practices aimed at the labour market. Even if a firm intends to interact strategically with the labour market it may be forced to hire inappropriate candidates if those with the requisite skills simply cannot be attracted. This may in turn have implications for recruitment and selection as firms will be less willing to invest in recruitment and selection procedures if there are few applicants from which to choose (Klehe, 2004). Thus even in a loose labour market an establishment which cannot attract suitable applicants may face constraints typically associated with a tight labour market.

The issue of establishment attractiveness was conceptualised using dual or segmented labour market theory (Doeringer and Piore, 1971; Piore, 1980). Dual labour market theory is particularly relevant as the sectors which were worst affected by soft skills deficits (for example hospitality) are associated with the secondary labour market or, perhaps more accurately, the lower segment of the primary labour market (Piore, 1980; O'Connell and Gash, 2003). That is, jobs are characterised by one or more of the following aspects: poor pay and terms and conditions, high turnover, high incidence of non-standard (e.g. part-time) work, poor working conditions, low job security, poor promotion prospects, poor training, capricious supervision, low task discretion, repetitive monotonous work and poor administrative procedures (Doeringer and Piore, 1971). When considering pay in lower segment employment, the failure to attract staff is related to the adverse selection model of efficiency wages which basically states that establishments paying less will attract a worse pool of labour as better applicants effectively select themselves out at the recruitment stage (Akerlof and Yellen, 1986; Weiss, 1990).

Management in the hotels indicated that the industry had a poor reputation as an employer and they identified secondary/lower tier labour market characteristics in their own establishments. Evidence of poor job quality in the hotels included poor pay rates (especially in Fontainebleau), 'anti-social' working hours and/or shift patterns, the fact that some work was tiring and stressful and that, especially in non-customer service positions, work was quite repetitive. No such problems were identified in Silex and the deluge of applications for any available position appeared to be attributable in part, to the terms and conditions on offer.

The concept of segmented labour markets could, therefore, help to explain why soft skills deficits occurred in the hotels. Although managers in both hotels reported that poor terms and conditions meant that there were often few applicants for full-time positions, however, the hotels could still draw on a plentiful supply of student and migrant labour, with students in particular, less likely to be concerned about pay rates. Shift working also suited students because of their studies. This 'double coincidence of needs' between students and hospitality employers has been identified before and given as one reason for the increasing employment rates amongst students, alongside the fact that students also frequently have the soft skills which employers demand (Curtis and Lucas, 2000). The increasing employment of migrants, especially since the entry of the accession states to the EU in 2004 is also a particular strategy used by hospitality employers to combat hard to fill vacancies throughout the UK (McCormack and Scholarios, 2009). There was thus limited support for dual labour market theory which was salient for certain positions and sources of labour only i.e. local labour for full-time positions.

There were, therefore, pools of labour from which the establishments could systematically select for many positions, especially those which were part-time. Given this available pool of labour the labour market could not readily be described as tight and there were gains to be made from strategically interacting with the labour market as identified in Figure 11.2. It was the manner in which management *accepted* the degree to which they believed they could only attract poor applicants which was important. Managers in Fontainebleau appeared more resigned to the fact that they could not attract the best recruits due to the lower tier characteristics of the work on offer, and appeared to relax their selection standards, leading to skills gaps. Where organisations do not engage in systematic recruitment and selection this is not, therefore, always attributable to the tightness of the labour market in the manner advocated by Klehe (2004). The extent to which managers accept or question the fact that they cannot attract good applicants is, however, important as this may, wrongly, lead management to assume that the labour market is tighter for them than it actually is. Managers may, therefore, be partially constrained by the local labour market but the market is not a passive given and it is the degree of strategic interaction with the market and perceptions of agency in responding to the market which are important when considering the existence of soft skills gaps. Establishments which display

hyper-determinism and resignation to market conditions (Child, 1997), or more correctly *perceived* market conditions, are therefore at greatest risk of experiencing soft skills gaps, through the selection of poorly skilled staff.

The apparent resignation of Fontainebleau managers to the deleterious effects of their terms and conditions was especially surprising given that managers in both hotels reported that there were a number of attractive objective non-pay conditions, perks and bonuses which made them stand apart from their competitors. These terms and conditions were potentially attractive to new recruits and although efficiency wages (Akerlof and Yellen, 1986; Weiss, 1990) were not being paid the hotels offered what can be termed 'efficiency conditions'. Even given the relative availability of suitable labour, the efficiency conditions on offer could be used to attract better applicants for the few positions which were affected by segmented labour markets and to improve the quality of the pool of applicants for other positions further still. Improvement of the pool of labour further could conceivably also have encouraged Fontainebleau's management to display greater selectiveness. There is thus moderate support that the ability of firms to attract suitable applicants affected whether or not skills deficits were reported.

Neither hotel made their efficiency conditions explicit during recruitment and so their power to reduce soft skills shortages (in Oxygen) and soft skills gaps (in Fontainebleau) was lost. Given the fact that the applicant has considerable agency in the recruitment process and the organisation needs to sell itself as an attractive place of work (see for example Schneider, 1987; Wanous, 1992), methods which attract applicants need to be given considerable attention (see for example Ehrhart and Ziegert, 2005 for a full discussion of potentially attractive organisational factors). This consideration of the role of the applicant in the recruitment process and subsequent methods to attract skilled applicants, therefore, appears particularly salient in circumstances where organisations report skills shortages, or where there is a perception that only poor labour can be attracted.

Notwithstanding moderate support that firm attractiveness was a cause of skills deficits the theory of efficiency wages as it stands is too limited to explain the situation. The current theory of efficiency wages focuses purely on wages as if it is

the only incentive on offer to employees (Akerlof and Yellen, 1986; Weiss, 1990). Indeed, many economists tend to focus on pay as an indicator of job quality to the exclusion of all others (see for example analyses by Goos and Manning, 2003 and 2007) although there are other analyses which consider the importance of factors other than pay (see for example Bazen et al., 2005; Lloyd et al., 2008). Where other elements of job quality are considered, however, these tend to be related to issues such as training, promotion and job security rather than non-pay elements of the reward package (see for example Siebern-Thomas, 2005). Although the importance of wages as a proxy for quality is not questioned, efficiency wage theory could usefully be extended to consider other terms and conditions of employment which those in secondary labour markets may find easier to manipulate than pay. The literature on efficiency wages is, therefore, limited in scope and the findings from this study suggest that the theory should be extended into other non-pay elements of the reward package. This in turn has implications for the manner in which organisations can hope to attract better applicants.

11.3.2 The organisational level: Establishment policies, skills-related HR practices and organisational responses to skills deficits

Recruitment and selection

Although section 11.3.1 has considered the role of recruitment in terms of the degree to which establishments interacted with the external labour market, the specific *methods* of recruitment used may also be used to help explain the existence of soft skills gaps. The extensive use of informal recruitment methods in the hotels, especially referrals from current employees and the use of informal networks (in this instance friends and the migrant community) is consistent with prior research in the hospitality sector (see for example Lockyer and Scholarios, 2004; Kersley et al., 2006). A particular benefit of hiring informally was that applicants tended to be similar to the friends who had recommended them thus enhancing person-team fit (Kristof-Brown et al., 2005) and improving the social cohesiveness of the workplace (see for example Schneider, 1987). The employee respondents also supported research conducted by Yacubovich (2006) that they believed their reputations depended upon referring good quality applicants and so would only recommend

friends they believed would not 'embarrass them'. This effectively acted as an informal 'quality check' on potential applicants. Notwithstanding these apparent benefits of recruiting informally, the reported skills deficits in Fontainebleau suggested that informal recruitment alone was not sufficient to attract the best applicants.

When examining differences in selection practices between the three case study establishments it became apparent that Oxygen and Silex had an explicitly built in 'formalised' informal stage and engaged in practices consistent with the two way interactive social process model advocated by Herriot (1989). The tours of the establishments were seen as especially useful in allowing the applicant to establish for themselves whether they wanted the job through realistic job previews (Wanous, 1992) and to assess candidates' interpersonal skills on an informal level. Research has shown that 'realistic recruitment' can aid staff retention (ibid), reducing the opportunity cost of losing appropriately skilled personnel and experiencing a skills deficit. The usefulness of informal selection techniques for the identification of soft skills has also been realised by a number of authors, in part because of the interactive nature of soft skills and the way in which they are manifested through social interactions (see for example Scholarios and Lockyer, 1999; Posthuma et al., 2002; Brown and Hesketh, 2004). It was also apparent in Silex that technical skills were also sometimes assessed on the tour through either impromptu work samples or by quizzing the applicant, revealing that it is not only soft skills which can be assessed informally as the current literature suggests.

Oxygen extended the social process model and informality into the selection interview, supporting previous research on the form that interviews may take when selecting for soft skills (Posthuma et al., 2002). Competency based questions or questions directly used to try and predict future job performance as stipulated by psychometric 'best practice' (see for example Iles, 1999; Moscosco, 2000) were not used for front-line positions and only rarely for supervisory or lower managerial positions. Although psychometric tests for managers and supervisors were sometimes used the informal processes were considered by management as a better way to gauge applicants' soft skills than testing. This finding supports previous research that current test measures for soft skills may actually not be valid for the needs of

customer service organisations (see for example Alge, et al., 2002) casting doubt as to the applicability of psychometric best practice for the identification of soft skills.

Fontainebleau's *stated* selection process appeared to follow what would generally be termed 'best practice' as multiple interviews were used which were supposed to be behavioural and highly structured (Moscosco, 2000; Huffcutt et al., 2001; Morgeson et al., 2005). Further investigation, however, revealed that this best practice was not being adhered to, with the recommendation of a friend alone often enough to get an applicant the job. It must be remembered that given the volume of the qualitative accounts of employees the findings should be interpreted with some caution, and cannot be generalised to kitchen or housekeeping staff. Consistencies with management findings, however, suggest that the results for the F and B department, in particular, were valid. The findings from Fontainebleau have two implications. Firstly, that where 'best practice' interviewing (ibid) was used it may not have always been working. Secondly, the selection process suggests that Fontainebleau's skill gaps may be attributed to a lack of selectiveness on the part of managers, which contravenes best practice (Pfeffer, 1998). Managers appeared more concerned with filling positions quickly rather than considering the skills of potential applicants in a systematic manner (Klehe, 2004). This reaffirms the typology in Figure 11.2 of a 'strategic mismatch' with potential skills supply. The fact that the two establishments reporting few problems with soft skills gaps also used informal selection methods supports the work of Lockyer and Scholarios (2004) and is in opposition to the psychometric paradigm of selection (Iles, 1999).

Figure 11.3 summarises the arguments presented above and encompasses management selectivity of applicants (x axis) and the extent of informality which was formalised in the establishments' selection processes (y axis). Again the case study establishments are illustrative but the conceptual framework has wider applicability. As Fontainebleau was relatively unselective with informality not a stated part of the process this institution is labelled 'inconsistent selection'; Silex was selective and deliberately mixed formal and informal methods and is labelled 'institutionalised mixed selection'; Oxygen was also selective and made greater use of informal methods and so is labelled 'institutionalised informal selection'. The other boxes are labelled 'arbitrary selection' where formality is high and selectivity is low and

‘institutionalised formal selection’ where selectiveness is high and informality low. It was not, therefore, simply the high degree of informality in selection which worked for Oxygen and Silex in selecting for soft skills but rather the extent to which it was organisationally sanctioned and strategically integrated with organisational skills needs.

The findings, therefore suggest that ‘best fit’ strategic approaches to HR and selection (see for example Boxall and Purcell, 2008; Milmore, 2003) were beneficial in reducing skills gaps and that best practice was, subsequently, not always successful. Where informality was not institutionalised in an inconsistent selection model, however, there was evidence of neither best practice nor best fit. Furthermore, the focus on the applicants’ perceptions in the two establishments engaging in informal selection reaffirms the importance of the candidate in selection decisions. Through allowing the applicant agency in selection decisions (Herriot, 1989) a more realistic decision can be made by them as to whether their skills and characteristics match organisational needs (see for example Anderson and Golsti, 2006) reducing the possibility of skills gaps

Figure 11.3: Management selectivity in selection and the degree of informality in the selection process

Degree of informality formalised in selection procedure	High	<i>‘Arbitrary selection’</i>	Oxygen (low soft skills gaps) <i>‘Institutionalised informal selection’</i>
			Silex (no soft skills gaps) <i>‘Institutionalised mixed selection’</i>
	Low	Fontainebleau (high soft skills gaps) <i>‘Inconsistent selection’</i>	<i>‘Institutionalised formal selection’</i>
		Low	High
		Management selectivity of applicants	

Induction and training

After organisational selection, comes post-entry socialisation typically carried out during induction (Wanous, 1992). Such socialisation can potentially reduce soft skills deficits through equipping individuals with the knowledge needed to participate in the organisation, which can also aid person-organisation fit, value congruence and, therefore effective skills utilisation (Anderson and Ostroff, 1997; Cable and Parsons, 2001). Despite differing incidences of soft skills deficits between the establishments all used induction extensively, which offers little support for the proposition that induction would affect the presence of soft skills gaps. Without induction wider problems with soft skills may have been reported in all establishments as socialisation is seen as particularly valuable in the acquisition of social knowledge and behavioural norms (Bauer et al., 1998). This point is, however, conjectural.

Induction was especially important in the hotels to familiarise employees with the hotel's brand standards and service philosophies and was typically conducted as a group exercise. The induction approach in the hotels was consistent with highly structured, mass institutionalised, socialisation seen as especially good at instilling a 'custodial' role orientation (Van Maanen and Schein, 1979; Bauer et al., 1998). As the hotels were looking for conformity with their service philosophies the chosen method of induction was thus appropriate for their needs. It also appeared that the induction process in Fontainebleau was not making up for any deficiencies in recruitment and selection. Given that some hospitality organisations are seen to invest in induction training rather than selection (see Rowley et al., 2000) these findings suggest that both selection and induction are required in order to assure the correct fit between employees' skills and organisational requirements.

All establishments also placed a large emphasis on training in both soft and hard skills with training tending to follow organisational and occupational needs. The fact that training was reported across all occupations and in both soft and hard skills runs contrary to previous research (see for example Cully et al., 1999; Dickerson and Wilson, 2002; Kersley et al., 2006) and conventional human capital theory (Hart and Motous, 1995; Ashton and Green, 1996; Baron and Kreps, 1999; Crouch, 2004). Human capital theory states that training in supposedly generic skills, such as soft

skills, is less likely to occur because of the possibility of poaching and the fact that such training has value on the external labour market (*ibid*). Furthermore, training is also least likely to be engaged in for employees who would be expected to leave the organisation soon after being trained (Baron and Kreps, 1999). As hospitality is a sector with high turnover and low staff tenure, hospitality employers, and employers of low wage transient labour as a whole, have traditionally been viewed as poor training providers (see for example Rowley et al., 2000; Kellard et al., 2001). This lack of training adds to the secondary nature of many service sector jobs, exacerbating the disadvantaged position of those in this sector (Ryan, 1981; Kellard et al., 2001; Siebern-Thomas, 2005). The behaviour of all establishments in the present study regarding training provision is positive and suggests that employers are thinking beyond the supposedly rational cost-benefit tenets of human capital theory.

The findings from the macroeconomic and case study data also revealed mixed findings regarding the premises of human capital theory when applied to responses to skills deficits in general. The case study employers were no more likely to have responded to hard skills deficits or where deficits were reported in higher more 'critical' occupations, as would be expected (Williams and Dobson, 1997; Purcell, 1999). At the macroeconomic level although the vast majority of employers responded to skills gaps, employers were marginally more likely to respond to hard skills gaps, although no propensity existed to respond to particular types of employees. Furthermore when examining skills shortages employers showed no greater propensity to respond to those reported in hard skills. This study thus reveals how the rationality of human capital theory not only has doubtful applicability when considering training, but also has limited applicability when examining any responses that could be engaged in to rectify skills deficits.

One explanation for the willingness to *train* in soft skills is that these skills are not as generic as one may suppose and through training organisations can convert general purpose human capital (GPHC) to firm specific human capital (FSHC) (Baron and Kreps, 1999; Green 2000). A prime example of this conversion to FSHC is manner in which customer service was trained in the two hotels through brand standards (in Fontainebleau) and service philosophies (in Oxygen) rather than teaching employees the kinds of generic soft skills needed to serve customers. This finding mirrors the

work of Crouch (2004) who recognises the manner in which service organisations, through training, can create organisationally specific service skills which have little value on the external market. Soft skills are, therefore, not truly generic and service organisations are prepared to invest money in training which has an element of FSHC.

Nevertheless, the fact that training was provided ubiquitously whilst the case study establishments reported differing levels of skills gaps means that the proposition that training would reduce soft skill gaps was not supported. That is of course not to say that without training the position in each establishment would not have been worse. Given that employers in Scotland as a whole reported that training was the most popular response to soft skills gaps the findings reveal the most popular response may not have been that which is the most effective. This has subsequent implications for employers in terms of the necessity to strategically align responses with their own needs in the manner of 'best fit' identified in the recruitment and selection discussion above (see for example Boxall and Purcell, 2008); rather than automatically engaging in 'best practice' training (see for example Pfeffer, 1998).

Appraisal and other policies related to planning and assessing skills needs

The findings in terms of the accepted degree of formality in appraisal 'best practice' are twofold. Boxall and Purcell (2008) and Analoui (2007) state that because informal appraisal systems often produce invalid outcomes from both an employee and organisational point of view organisations should endeavour to ensure that their appraisal systems are adequately resourced and above all *formalised* to facilitate reliability and validity. The results do suggest that in organisations where formal appraisals were more widespread (i.e. in Oxygen and Silex) skills gaps were reduced suggesting that such appraisal schemes may have a beneficial effect in strengthening an individual's job skills (ibid).

The macroeconomic findings for appraisal and other HR policies related to planning, assessing and responding to the skills needs of the workforce in line with organisational requirements offer further support as to the importance of pragmatism and best fit when examining responses to skills deficits. Employers with more

elements of HR policy in place as reported in the Futureskills Scotland ESS were actually *less* likely to respond to any skills deficit. This suggests that decisions regarding response were made on the best available information with employers assessing their situations before deciding on a course of action. Seemingly ‘irrational’ actions, as defined by human capital theory for example, may, therefore, be strategically informed and incepted.

More detailed investigation of the *form* of the appraisal systems, however, suggested that where managers engaged in more informal methods of appraisal, in conjunction with continuous on the job feedback, this was a more effective way of reducing soft skills gaps than relying on annual or biannual appraisal only. This is exemplified by the more continuous and informal methods of appraising staff in Oxygen compared to Fontainebleau where, for example, the Front Office Manager admitted that her employees expressed considerable surprise at the outcomes of their annual performance reviews. Indeed, if an employee receives negative feedback, especially if this feedback is distant from the related event de-motivation can occur alongside a negative rather than positive behavioural reaction to this feedback (Fletcher, 2000). Although the best practice views of appraisal do, therefore stipulate the need for continuous and prompt feedback, the received wisdom is that this should occur after a formalised assessment of performance conducted in a rationale, almost psychometric manner (see for example Fletcher, 2000; Analoui, 2007). Best practice, therefore, appears contradictory as if appraisal is formalised then the system may be unresponsive to fluctuations in performance meaning that immediate feedback and assessment is not always possible. The case study findings highlight this ambiguity whilst also revealing the limitations of best practice formality. This again supports the argument that organisations engaging in ‘best fit’ practices which have evolved depending, in this instance, upon the nature of the skills gaps, will have greater success in addressing soft skills gaps.

To date there have been no detailed studies on the manner in which different *forms* of appraisal system may impact differentially on the reduction of soft and hard skills gaps. The manner in which informal appraisal was beneficial in reducing soft skills gaps allows insight into the nature of soft skills gaps and the importance of the individual’s attitudes and emotions in displaying their skills. As will be discussed

below the issue of skills withdrawal as a result of psychological contract breach was potentially pertinent because of the feelings of hurt and emotional distress which breach of the contract may imbue (Morrison and Robinson, 1997). Soft skills *gaps* (although not soft skills development) may, therefore, rely more on attitudes, emotions and subsequent withdrawal rather than the presence or absence of skills in the individual. By speaking to employees informally and allowing them 'voice' in expressing why any disaffection has occurred psychological contract breach can potentially be rectified and performance even improved (Rousseau, 1995). The findings in this study however reveal that problems in life *outside* of work could also affect the individual and inhibit effective soft skills display. In such circumstances informal appraisal coupled with the opportunity for employees to engage in voice was also seen by managers as an efficient way to quickly rectify any short-term soft skills gaps.

Work practices and organisation

The manner in which work was organised also had a bearing on the incidence of soft skills deficits and subsequent employer responses. When examining work practices it was the allowance or removal of discretion which was the key factor on which the establishments work organisation practices differed. It was noted in Chapter Three that discretion was a key component of 'skill' with jobs that are seen to involve greater discretion seen as higher skilled or at least correlated with higher skill (see for example Ainley, 1993; Noon and Blyton, 2002; Green, 2006; Felstead et al., 2007). Indeed, Braverman's (1974) deskilling polemic centres on the assumption that it was the removal of discretion from work which lead to a universal reduction in the skill levels of contemporaneous employment. When considering interactive service work in particular, various commentators have discussed the fact that as management increasingly seek to control the emotions and self presentation of employees, and remove discretion from the service encounter, the degree of 'skill' which employees use can be questioned (see for example Grugulis, 2006; Payne, 2006). This removal of discretion is especially achieved through scripting the service encounter either in part or full (see for example Leidner, 1993; Taylor and Bain, 2000; Grugulis, 2006).

Within the case studies there was evidence that the service encounter was 'scripted' to a greater degree in Fontainebleau with employees allowed less discretion over the use of their soft skills in this establishment than in the other establishments. The relative lack of discretion which Fontainebleau employees were allowed was also supported by the survey findings with Fontainebleau employees substantially and significantly less satisfied with the degree of independent thought they were allowed on their job compared to the other establishments. Although a caveat again arises with the small qualitative employee sample sizes the data triangulation partially nullifies this issue. As the centrality of soft skills to the hotels and Silex differed considerably it is useful to typologise the establishments based on the degree of discretion which employees were allowed and the centrality of soft skills to the service encounter (see Figure 11.4). Silex can be seen as 'relaxed' allowing employees discretion in the use of soft skills that were secondary to other skills that were more integral to the service being provided. Although there is no example of a low centrality low discretion environment such an environment could be labelled 'controlling' as employers attempt to tightly control areas of an employees' work which are not central to the main product or service of the establishment. In terms of the establishments where soft skills were essential to the product on offer the relatively greater degree of discretion and skilled performance allowed in Oxygen highlights this as an 'empowered environment' whilst Fontainebleau was a 'directed environment'.

Employees in the 'directed' environment were allowed some discretion but there was more opportunity for employees to truly use their skills in the 'empowered' and 'relaxed' environments. This is especially pertinent for the 'empowered' environment due to the centrality of soft skills to the service on offer. As Oxygen reported fewer soft skills gaps it appears that the allowance of more discretion through an informal service style and the absence of scripting was a factor that may have contributed towards this establishment's better performance than Fontainebleau. Furthermore in Fontainebleau there was some doubt as to the true degree of skill that was required, with management in this hotel exerting control over the service encounter through removing elements of skill rather than following the broader socialisation led approach of Oxygen.

Figure 11.4: Typology of degree of discretion establishments allow employees over soft skills depending on centrality of soft skills in service provision

Level of employee discretion in use of soft skills	High	Silex <i>'Relaxed environment'</i>	Oxygen <i>'Empowered environment'</i>
	Low	<i>'Controlling environment'?</i>	Fontainebleau <i>'Directed environment'</i>
		Low	High
Centrality of soft skills to service encounter			

It was discussed earlier in this section that induction appeared to have little bearing on the subsequent reporting of soft skills gaps but it appears that although socialisation tactics may have been similar in both hotels the outcomes of this socialisation were somewhat different. In Fontainebleau socialisation was, in part, apparently used to ingrain brand *standards* in employees whereas in Oxygen employees were socialised into the brand and service *philosophy* with some room left for skilled manoeuvre within broad limits. This can, perhaps be seen most clearly in the requirement for Oxygen employees to have a short stay in the hotel as a guest to familiarise themselves with the brand. Although both hotels may have sought a 'custodial' role orientation the manner through which this was achieved was considerably different in each.

Scripting and the removal of discretion are generally used in order to ensure compliance with organisational requirements in an attempt to make service encounters universal and reduce the uncertainty associated with human encounters (see for example Leidner., 1993; Bolton, 2004; Ritzer, 2004; Grugulis, 2006). Using this logic the reduced skill requirements in more directed environments should make skills gaps less likely, with the attempt in Fontainebleau's front office to reduce soft skills gaps through greater scripting and the removal of discretion proving exemplar

in this regard. The results, however, suggest that removing discretion does not necessarily reduce skills gaps and may in fact exacerbate them. This study thus questions the conventional logic that the removal of discretion necessarily leads to congruence between the individual's skills and the organisation's wishes.

A further manner in which work organisation contributed to skills deficits were the barriers to effective skill deployment or display which existed, although there was insufficient data to answer this proposition adequately, reliant as it was on the employee interviews. From the employees who were interviewed, however, indicative barriers to skills display were apparent. In Silex it was believed, for example, that managers sometimes showed little understanding of the fact that employees worked on numerous projects, which could impact upon their time management and planning and organising skills. In the hotels, especially Fontainebleau, sources of dissatisfaction included drunk and awkward customers, staffing issues and tiredness caused by studies or working excessively long shifts. Employees in the hotels also reported that tiredness or stress caused by these barriers to skills display could especially impact upon their customer service skills. This reaffirms the fact that customer service is emotionally demanding and draining (see for example Zapf et al., 1999; Bolton, 2004) and any further stress caused by inefficient work practices is likely to add to the strain of such work, reducing employees' effectiveness in carrying out their customer service skills.

11.3.3 The individual level: The perceived role of individual and social resources in soft skill development and skills withdrawal

Individual and social resources

Unfortunately, it was not possible given the nature of the study to assess whether certain resources actually caused people to develop soft skills and the reliance on the employee interviews also causes issues with the volume of data. In ascertaining how employees *perceived* that soft skills were developed, however, it was possible to gain indicative results that tended to show high agreement within establishments and with management views, allowing contextual differences to be ascertained. For certain resources there was also a high degree of agreement between establishments

suggesting that certain factors were viewed as important by employees and managers in a number of settings.

It was proposed that actors would identify some of the capitals identified by Pierre Bourdieu (1977, 1989, 1991; Bourdieu and Passeron, 1977) as important in facilitating soft skill development. These capitals include economic capital social capital (the extent and variety of social contacts), educational capital (both educational attainment and time spent in education) and cultural capital (including consumption and use of cultural and leisure goods, dress, speech and deportment) (ibid). Cultural capital, in turn is also indicated and formed through habitus (an inculcated set of dispositions which predispose individuals from certain social groups to act in a particular way) and hexis (the embodiment of this habitus) (Thompson, 1991). Essentially cultural capital was conceptualised as synonymous with certain soft skills, because of the manner in which this relates particularly to communication and self presentation.

The application of these capitals to soft skill formation is inexorably linked to the role of class as habitus and hexis are developed through class socialisation which, in turn, effects the acquisition of cultural capital (Bourdieu, 1989). These acquired dispositions and cultural capital are then used to effectively signal membership of the 'bourgeois' or middle class and in turn replicate the positions of that class in society (ibid). Other capitals are also more prevalent amongst the bourgeois and middle classes such as wealth, education (see Bynner and Parsons, 2002; Craig, 2001; Marjoribanks, 2003; Heckman and Masterov, 2004) and the opportunity to increase one's social capital through participation in certain beneficial social experiences (Brown and Hesketh, 2004).

The indicative findings from Research Question 6 suggest that some of these forms of capital may have an effect on the acquisition of soft skills, and the existence of soft skills gaps. The importance of cultural capital and class were, however, mediated by the context in which the establishment operated. The most notable reported benefit of social resources was the manner in which acquiring social capital and engaging in social and work experiences reportedly gave individuals an opportunity to practice and master their soft skills and gain confidence. The importance of work experience

was also revealed by some managers' reluctance to hire members of the long-term unemployed with periods of joblessness indicating, for some, a lack of job readiness and also a poor attitude and work ethic. Time spent as a student was viewed as a particularly useful social experience and being a university student was also the social resource proxy which had the biggest beneficial effect when investigating multivariate models of individuals self-reported soft skills deficits. The competence of students in soft skills is consistent with previous research conducted in hospitality (see for example Curtis and Lucas, 2000). Other beneficial social experiences which respondents believed aided the development of soft skills were life experience in general, socialising with friends, team-sports, travelling and various 'extra curricular' activities. These findings reflect Brown and Hesketh's (2004) study of graduate recruitment highlighting how employability and job readiness skills were aided by social experiences, typically those that could be afforded by those from more affluent backgrounds, such as travelling.

This perceived importance of social experiences is consistent with Bourdieu's conceptualisation of the manner in which individuals master their behaviour in social situations i.e. in the development of soft skills. Although class position is essential in the acquisition of habitus, hexis and the opportunity to engage in certain beneficial activities, true mastery and familiarity only comes through practice in real social situations (Thompson, 1991; Bourdieu, 1991, 1991a). Confidence was seen as especially important in the two hotels for developing customer service skills and the resilience needed to deal with awkward or drunk customers. The respondents thus thought that it was not the acquisition of social capital *per se* which was important in terms of the resources which can be mobilised through access to extensive social networks (Lin, 2001). Rather the experiences through which social networks and contacts were formed and maintained were considered important in the development of soft skills as they offered the opportunity to develop and practice skills in a number of settings. This tentative finding offers a different slant and a contribution to the theory of social capital which focuses on the importance of the processes of social capital formation rather than the properties of social networks and the subsequent advantages which these imbue.

In terms of cultural capital, habitus, hexis and class background there was a distinctive schism between the establishments. This indicated that cultural capital and its related precursors and outcomes were not viewed as ubiquitously important in the development of soft skills by respondents but were viewed as important in developing a *specific form of soft skills* which were required in a particular context. In Oxygen the possession of cultural capital (style and self presentation), habitus (speech, warmth, genuineness and confidence) and hexis (deportment) was seen as essential for the development of the soft skills of front line employees, succinctly described by one respondent as 'polish'. Resultantly, students and those from the middle classes were seen by management and some employees as better able to fulfil the service requirements of Oxygen than those from other class backgrounds, reflecting Bourdieu's theory and previous research in the sector (see for example Nickson and Warhurst, 2006). It must, however be remembered, that as hiring the unemployed was viewed with some caution even in Fontainebleau and Silex (although less so than in Oxygen) those who cannot get jobs, who are frequently from the most disadvantaged backgrounds (see Bynner and Parsons, 2002), may find it hard to break the jobless cycle and gain employment.

The perceived role of cultural capital in the different establishments thus reveals two aspects. Firstly, the point that soft skills do not truly constitute general purpose human capital or generic skills is reiterated (Baron and Kreps, 1999; NSTF, 2000) with their exact nature depending on the demands of a particular service establishment (Crouch, 2004). This suggests that consideration of the nature of soft skills and their development should be nuanced, reflecting the importance of the different strategies of service organisations, which require different manifestations of skill (Korczynski, 2002). Secondly, the above discussion on the importance of strategic interaction between an organisation's service strategy and the skills of the workforce is supported (see figure 11.2). Most importantly, the perceived importance of cultural capital to soft skill development in Oxygen reflects the efforts directed at ensuring person-organisation fit (see for example Schneider et al., 1997) or perhaps more specifically *person-brand fit*. The perceived importance of certain factors in developing skills that were consistent with the brand of the company thus moves the person-organisation fit debate beyond issues of value congruence between individuals and organisations (see for example Chatman, 1989, Kristof, 1996, Kristof-Brown et

al., 2005). The findings instead reveal the manner in which individuals are used to embody and personify a certain brand image through the commodification of their soft skills (see for example Witz et al., 2003).

When examining the role of social background on individuals' self reported soft skills deficits, however, having a father from the lowest socio – economic background had a significantly negative effect on sensitivity skills. Family socialisation may, therefore, be important in an individual's perceived ability to show sensitivity to others, if not ubiquitously important in an individual's perception of their other soft skills in general. Previous research has emphasised the importance of 'macho' or 'hard' culture amongst the working and lower classes, which is strongly reinforced during primary socialisation in the family and community (see for example Willis, 1977). This socialisation is seen as especially strong in working class families and communities in Scotland partly due to Presbyterian culture which reinforces the need to work hard, express no sorrow and accept one's lot in life (Craig, 2001). The expression of sensitivity may, therefore, be discouraged by patriarchs from lower socio economic backgrounds, especially in Scotland, which may explain why those with fathers from such backgrounds reported higher sensitivity skills deficits. This finding also reaffirms the importance of considering how various factors aid an individual's perception of their *specific* soft skills (as revealed above when considering the role of employer and brand strategy) and highlights the heterogeneity of soft skills.

In terms of educational capital most discussion of the role of education centred on the social experiences of being a student rather than educational attainment per se. There was, however, a belief in all establishments that education helped to develop the soft skills of planning and organising and, particularly, problem solving. This finding *vis a vis* education suggests that certain soft skills may have more commonalities with cognitive skills than other soft 'non-cognitive' skills (Heckman, 2000; Heckman and Rubinstein, 2001; Heckman and Masterov, 2004). The cognitive nature of problem solving was most apparent in Silex where the types of problems employees had to solve typically required specialised scientific knowledge with commensurate educational requirements. In the hotels, skills such as financial problem solving in managers were also seen as reliant on education. The degree to which education was

seen as an important precursor of problem-solving development, therefore depended on the level at which these skills were used and the degree of specialist knowledge required. Certain soft skills investigated in this thesis, such as problem solving and to a lesser extent planning and organising, may need to be conceptualised differently to truly reflect the manner they are used in different contexts.

Notwithstanding the importance of education in the development of problem solving, a minority of respondents also believed that educational capital was important in developing other soft skills, especially communication. This suggests that cultural capital as displayed through educated language and communications was important for the development of some soft skills (see for example Bourdieu, 1991, 1991a). These findings reveal, as with Bourdieu's work, that cultural and educational capital are interwoven and that cultural capital effects not only the way in which communication is carried out (i.e. through self presentation) but also the content of linguistic exchanges (ibid). As with cultural capital, above, the perceived importance of education in the development of soft skills such as communication and customer handling was most apparent in Oxygen, again reflecting brand requirements.

When considering economic capital there was no direct link made in any establishment between material wealth and the development of soft skills. Given the perceived importance of cultural capital in Oxygen, social experiences in all establishments and the stigma associated with the unemployed, however, economic capital may have been indirectly perceived by respondents as beneficial. Cultural consumption and cultured dress (Bourdieu, 1989), education (Heckman and Masterov, 2004) and the opportunity to engage in certain experiences (Brown and Hesketh, 2004) all depend to an extent upon the possession of wealth. Economic capital, therefore, enables the acquisition of other social resources which, in turn, may aid the development of soft skills.

A further resource that was seen as ubiquitously important by all respondents was personality, which constitutes an inherent individual, rather than social, resource (McCrae and Costa, 2005). When talking about the role of personality respondents appeared to believe that extraversion was essential in the development of soft skills as was the ability to get along with other people and the willingness to engage in new

experiences. As the ability to get along with others is consistent with the personality trait of 'agreeableness' and the willingness to engage in new experiences is analogous with 'openness to experience' three of the 'big five' personality traits (with extraversion the third) were identified by respondents (Costa and McCrae, 1992). This finding that individual differences, including personality, play a significant role in the development of social and interpersonal skills supports previous psychological research (see for example Baron, 1996).

Personality itself is not a skill and this finding may, ostensibly, appear to invalidate the conceptualisation of soft skills as skills in this thesis. Given, however, that personality was not the only factor which respondents believed was important in the development of soft skills the conceptualisation of soft skills as skills is supported. The role of social, life and work experiences and the importance of the service styles in the hotel establishments in particular highlights that personality alone was not deemed as sufficient to develop soft skills and practice, learning and contextual mastery were all viewed as essential in their development. The role afforded to contextual mastery in transforming generic abilities into specific skills supports the notion of skill within psychology (see for example Fleishman et al., 1984). It was also shown in Chapter Three that the concepts of learning, development over time and mastery of a particular context, process or body of knowledge were also common to economic (see for example Heckman, 2000; Heckman and Rubinstein, 2001) and sociological (see for example Attewell, 1990; Ainley, 1993; Noon and Blyton, 2002) concepts of skills.

Notwithstanding the assertion that it is correct to refer to soft skills as such from consideration of a number of disciplinary perspectives, the case study findings revealed instances where managers used the term 'skill' to refer to attributes which were not skills. This misnomer was especially apparent when managers' discussion of their demand for soft skills drifted into requirements for certain attitudes, especially in the two hotels. This reaffirms the importance of maintaining a critical perspective when discussing employer demand for soft skills and the importance of differentiating skills from attitudes (see for example Keep and Mayhew, 1999; Payne, 1999, 2006). Soft skills shortages, especially in the unemployed and young non-student locals, were frequently attributed to applicants lacking the correct attitude.

This attitudinal deficit generally took the form of a *laissez faire* or complacent approach at interview with applicants basically not looking like they *wanted* the job. In the hotel kitchens, especially Fontainebleau, this demand extended into something bordering on obedience. Managers, therefore, appeared at times to be looking for Oliver and Turton's (1982) 'good bloke' who would effectively display pro-social behaviour in fulfilling or exceeding organisational requirements in a committed, unquestioning and cheerful manner (Cappelli, 1995).

The requirement for these positive attitudes especially in organisations offering poor wages for frequently stressful and intense work reflects the work of Lafer (2004). In Lafer's eyes the requirement to remain motivated and positive in far from ideal employment conditions becomes a matter of 'will not skill' with implications for managerial control and fair treatment of employees. Although it would seem unfair to criticise the managers for looking for people who appear to *want* jobs, the fact remains that the distinction between attitudes and soft skills need to be maintained.

Skills withdrawal

As breaches in the psychological contract were directly though weakly related to sensitivity skills deficits and indirectly related to the overall measure of soft skills deficits, this offers tentative evidence that the psychological contract concept may be extended in terms of considering skills withdrawal as an *explicit* outcome of contract breach. The finding thus also provides a bridge between the psychological contract and the skills deficit literature. In terms of the psychological contract literature affective, attitudinal and behavioural outcomes of breach have been detailed by a number of authors (see for example Rousseau, 1995; Morrison and Robinson, 1997; Guest, 2004). Indeed, Rousseau's (1995) typology of the potential outcomes of contract breach highlighted that one potential active and destructive outcome is destruction or neglect. Individuals engaging in this response may act in an outwardly aggressive way towards managers, co-workers or clients or else neglect their responsibilities, with the provision of poor customer service an explicit example. Similarly, Guest's (2004) model of psychological contract fulfilment also notes that certain attitudinal outcomes of breach such as job satisfaction and commitment can in turn lead to decreased performance. Whilst the leading writers in the field currently

realise that psychological contract breaches may, therefore, affect performance they do not explicitly consider skills withdrawal and subsequent skills gaps. Furthermore, although this study found only weak relationships and suffered from some small sample sizes, it nevertheless suggests a fruitful line of enquiry in terms of the analysis of soft skills gaps which does not simply assume that where managers report skills gaps this is necessarily a result of individuals not possessing the requisite skills (see for example Mason and Wilson, 2002; FSS, 2003, 2004, 2005; Hogarth et al., 2003).

The finding that sensitivity skills appeared worst affected by psychological contract breach and poor job satisfaction is also appealing, given that contract breach can, especially in the case of violation, cause feelings of personal hurt, resentment and elicit strong affective responses (see for example Morrison and Robinson, 1997). The expression of sensitivity and the ability to empathise with others through emotional self presentation is, perhaps, that which is most reliant on managing one's emotions and so the findings are consistent with psychological contract theory. As emotional and inter- and intra-personal self-management also underlie many of the other soft skills, the fact that a mediated relationship existed for the aggregated deficit index also supports this theory.

The finding that breach of the contract may have an effect on certain individuals' perceptions of their soft skills also chimes with the findings on appraisal, above. Any problems affecting performance (or fulfilment of a job's skills requirements) could be discussed in an open way to allow 'recourse, voice and the opportunity to change' (Rousseau, 1995 p131). An individual whose soft skills have apparently deteriorated over time may, therefore, be aided by an informal appraisal of their performance. Such a process may even strengthen the psychological contract reducing the possibility of future breach and related negative outcomes (ibid). The role of open and fair appraisals ties in with issue of procedural justice in the decision making procedures of organisations (Nicholson, 1995). If an individual perceives that a procedure is fair they are less likely to experience contract breach than if a process is deemed as unfair, even if the outcomes (for example highlighting poor performance) are not always to an employee's liking (Rousseau, 1995).

Interestingly, although the psychological contract was also included in this study because of the proposition that the secondary labour market characteristics of the hospitality industry would constitute particular causes of breach; the state of the contract did not differ between the two hotels and Silex. This finding also reinforces the issue of procedural justice as although employees in Silex reported better objective conditions in terms of pay and other rewards there was dissatisfaction in the small focus group sample with the equity of pay and promotion decisions in this establishment, which may have affected the state of some employees' contracts. Unfortunately, a paucity of employee qualitative data from Silex makes this assertion hard to substantiate. A further, equally likely reason for the similarities in the state of the contract between Silex and the hotels may be that the hotel employees simply had lower expectations upon starting their employment regarding the obligations which their employers had towards them (Foster, 2000) and thus their contracts were easier to fulfil. The qualitative employee data certainly suggests that many hotel employees were not looking for long-term 'relational' contracts involving such factors as trust and career development and were instead concerned with 'transactional elements', for example, earning some extra money and working in an enjoyable workplace (for a discussion of relational and transactional contracts see Rousseau, 1990, 1995 *inter alia*).

The question remains as to why more skills gaps were not reported by Silex managers despite apparent issues with the psychological contract and job satisfaction. The answer is threefold. Firstly, as the relationships in the significant models were weak, other factors related to organisational context appeared stronger predictors of skills deficits. Secondly, as soft skills were a secondary skill-set in Silex managers were more likely to focus in deficiencies in technical rather than soft skills when discussing skills gaps. Finally, and perhaps most importantly, managers in Silex did not consider that any performance issues associated with disaffection were skills issues and so would not report withdrawal as a skills gap. In the hotels and especially Fontainebleau, managers had different attitudes and did report withdrawn skills as skills gaps.

11.4 Chapter summary and conclusions

This chapter has sought to discuss the empirical findings presented in Chapters Six to Ten in terms of the conceptual resources discussed in Chapters Two to Four, identify which theories appeared to have the greatest degree of salience for the explanation of soft skills deficits and employer response and suggest contributions which the findings have made to concepts as they currently stand.

It has been revealed that a number of factors contributed to whether or not soft skills deficits were reported in any given context, with all of the potential proposed factors having an affect to some degree or another. Soft skills deficits were thus affected by the activities of an establishment, the ease with which suitable labour could be attracted from the labour market, the effectiveness of HR policies and responses to skills deficits, the individual and social resources accrued to individuals and the phenomena of skills withdrawal due to breaches in the psychological contract. It was, however, contextual contingencies that had the greatest effect on the presence or not of soft skills deficits, most notably the activities of the establishment the interaction of the establishment with the external labour market and the effectiveness of recruitment and selection and appraisal policy. These are now summarised in more detail in turn.

The study revealed at both the macroeconomic and case study level that the principle activities of an establishment affected whether or not soft skills deficits were reported. Thus although soft skills are used throughout the occupational and industrial spectra deficits are most likely where such skills are integral to the work and constitute a core competence, such as for example in interactive service work. The finding of the centrality of soft skills to such work supports previous work conducted on the subject (see for example Keep and Mayhew, 1999; Korczynski, 2005; Grugulis, 2006).

The question therefore arises as to whether soft skills deficits arise because of a paucity of suitable applicants either because of tight labour markets (Klehe, 2004) or because the organisation cannot attract skilled staff. Indeed, as the service sectors worst affected display the deleterious characteristics of so-called secondary labour

market jobs (Doeringer and Piore, 1971) and do not pay efficiency wages (Akerlof and Yellen, 1986; Weiss, 1990) this explanation is a common one. However the case studies revealed that there was an ample supply of skilled labour for part-time customer facing jobs in particular, although less so for certain specific other positions such as Chefs. An alternative explanation therefore needs to be sought in terms of the external labour market. In this instance it appeared that where organisations strategically aligned their skills needs with the external labour market, remained selective and did not 'hyper-deterministically' believe that they could not select appropriate labour (Childs, 1997), soft skills deficits were reduced. It is therefore the interaction of an organisation with the external labour market that is more important than the external market itself *per se*.

In keeping with this strategic interaction with the external labour market it was found that soft skills deficits might also be reduced through the use of certain 'best fit' HR practices. One such practice was the use of selection methods that displayed 'institutionalised informality' to allow soft skills to be analysed through natural interactions, to assess whether the candidate's soft skills 'fit' the organisation (Anderson and Golsti, 2006) and to allow the applicant to ascertain for themselves whether the organisation was the correct 'fit' for them (Herriot, 1999). Best practice psychometric and behavioural techniques (Iles, 1999; Moscosco, 2000) may thus not be the best way to select for individual's soft skills or their fit with the organisation.

The findings also suggested that training might not be the best response to address soft skills gaps. Although employers were happy to train in soft skills throughout the organisational hierarchy, in contradiction to traditional human capital theory (see for example Baron and Kreps, 1999; Crouch, 2004) this did not always reduce soft skills gaps. This again has implications for best practice, as this response was that which was most widely engaged in by employers to reduce skills gaps of all kinds.

A further response which employers in the case studies believed was beneficial in the reduction of soft skills deficits but which was not used by many employers in the ESS surveys, was appraisal, review and feedback. Furthermore as with the findings on recruitment and selection above, it appeared that informal appraisal and timely and continuous on job feedback may be useful in reducing soft skills gaps, with

employers needing to display best fit between the form of appraisal and the types of skills gaps that were reported. Informal two-way appraisal can help to identify any personal or organisational barriers to skill display through allowing employees 'voice' (Rousseau, 1995) as well as allowing them to improve themselves in the job setting. Furthermore such an open appraisal can also help to rectify any breaches in the psychological contract (Rousseau, 1995), itself found to have some explanatory power in explaining soft skills deficits through skills withdrawal.

A further organisational design issue that may have some impact on whether or not soft skills deficits are reported is the allowance of discretion in the workplace. Although some service employers remove employees' discretion to increase control over service encounters (see for example Leidner, 199; Taylor and Bain, 2000) there was evidence that this may not always have the desired result. Instead allowing the employee more discretion in the interpretation of organisational requirements through a socialised (see for example Bauer et al., 1998) rather than directed approach and giving them greater control over the use of their soft skills may actually reduce soft skills deficits.

On an individual level it was found that the accumulation of Bourdieu's (1977; 1989, 1991) social, educational, cultural and economic capitals did aid the development of soft skills, although the various importance of these capitals was contextually contingent. Furthermore, the analysis revealed that soft skills were perceived as more than simply traits and personality and individuals believed that they required practice and mastery in a number of social and workplace contexts in order to develop such skills. The existence of soft skills deficits, however, was dependent on more than individuals' resources alone and was also reliant on the many contextual factors discussed above.

In sum therefore there was support for the role of strategically aligned 'best fit' HR practices reliant on informality and social processes; strategic interaction with the external market; the role of discretion in designing work; and to a lesser extent the psychological contract and the resources accrued to the individual, when investigating the existence of soft skills deficits. There was, however, less support for dual labour

market theory, efficiency wage theory, human capital theory and best practice or psychometric HR practices in explaining these deficits.

A final consideration is the contribution that the analyses of the findings have made to the conceptual resources as they currently stand. Firstly, there is evidence that efficiency wage theory (Akerlof and Yellen, 1986; Weiss, 1990) is too narrow and that even where employers do not pay efficiency wages they may still be able to attract applicants through what may be termed 'efficiency conditions' beyond pay. Secondly, there is evidence that soft skills do not constitute general-purpose human capital (Baron and Kreps, 1999) or generic skills (see for example Felstead et al., 2007) and should instead be thought of firm-specific human capital because of the way in which soft skills are used and constructed differently in different organisations. Thirdly, the findings suggest that the role of social capital in developing soft skills should be viewed not in terms of the resources an individual can access through social networks (Lin, 2001), but rather in terms of the experiences engaged in as part of the process of developing a social network. Fourthly, the analysis has confirmed that the outcomes of psychological contract breach (see for example Guest, 2004) should be extended to consider skills withdrawal and subsequent skills gaps. Finally, the discussion suggests that attitudes and emotions may play more of a role in the withdrawal of soft skills through breaches in the psychological contract rather than soft skills consisting of little more than these characteristics (cf Keep and Mayhew, 1999). All of these contributions can thus further the current literature and our understanding of soft skills deficits.

With the results discussed in line with the relevant theoretical frameworks and the manner in which the study has supported or refuted previous work and added to the current literature established, the final chapter synthesises this discussion and draws overall conclusions. The implications of the study for HR practitioners and policy makers are also drawn alongside methodological implications, limitations of the study and directions for future research.

CHAPTER TWELVE: CONCLUSIONS AND IMPLICATIONS

12.1 Introduction

This final chapter considers the overall conceptual contribution of the study to wider debates in the area of skill and employment. In particular, the present analysis of soft skills gaps within the Scottish economy can be used to further the debate regarding the nature of soft skills and their use in service settings. The chapter also identifies the practical implications of the research for employers, policy makers and for future research methodologies, and finishes by identifying the limitations of the present study and areas which warrant further research.

The empirical work described in this thesis addressed several gaps in the literature with respect to the understanding of soft skills deficits. The gaps identified were the need for direct interpretation of the sectoral and occupational distribution of skills deficits in Scotland; the need to establish the manner in which skills utilisation in the workplace led to skills deficits; detailed contextual analysis of skills deficits and why they occur in any given establishment; and consideration of the withdrawal of skill in causing skills gaps. The study examined these issues by analysing the macroeconomic pattern of soft skills deficits; why skills deficits occur in any given establishment; how and why employers respond to soft skills deficits; and the factors which individuals perceived as important in the development of soft skills. This approach ensured that a logic was followed which considered the skills deficits picture as a whole from the development of skills through to action required if employees do not have the desired skills.

Although the study focussed on soft skills deficits and where and why these occurred, the analysis of deficits and the findings regarding the particular conceptual resources that were used, have a wider theoretical contribution in terms of the salience of the concept of soft skills. The current research provides a response to writers such as Jonathan Payne (1999; 2004; 2006) who question the expanding definition of soft skill to accommodate the skills required in interactive service work (see Chapter Three) (see also Keep and Mayhew, 1999 *inter alia*). In this final chapter, therefore, the findings are synthesised around four arguments: that soft skills can be shown to

be more than traits, attitudes and dispositions; that there is variability in the extent to which individuals can perform soft skills; that soft skills are *not* generic skills, but context-specific; and finally, that work organisation plays a role in allowing skill to be displayed. These four arguments each utilise the conceptual discussion of the findings from chapter Eleven.

12.2 Soft skills are more than traits, attitudes and dispositions

There is an oft quoted contention that soft skills are little more than inherent traits or characteristics and simply reflect personality or attitude (see for example Keep and Mayhew, 1999; Callaghan and Thompson, 2002; Grugulis et al., 2004; Payne, 1999; 2006 *inter alia*). The findings from this study suggest, however, that soft skills are more than simply individual traits although the small case study sample sizes mean that no conclusive answer regarding how individuals actually develop soft skills can be made. The high levels of importance which respondents accredited to social and work experiences in the development of soft skills, however, reveal that the opportunity to learn and practice soft skills was perceived as essential in their development. Bourdieu's social and (to a lesser extent) cultural capitals appeared to be important in the development of soft skills. As learning and mastery are essential determinants of skills this offers tentative evidence that soft skills are more than simply traits.

Notwithstanding the perceived integrity of social and work experiences personality was also a resource which respondents believed was an essential precursor of soft skills development, especially in terms of traits analogous to extraversion, agreeableness and openness to experience (Costa and McCrae, 1992). A real question therefore arises as to whether the views of those critical of the expansion of the concept of skill into soft skills are supported by this study. The perceived importance of personality in soft skill development does not, however, mean that soft skills are *only* personality (*cf* Keep and Mayhew, 1999). Personality itself is perceived as insufficient to develop soft skills without the practice and contextual mastery gained through social and work experiences. Furthermore, when employers speak of the importance of personality in developing soft skills and their subsequent demand for personality, it has to be questioned whether it really is personality which is being

spoken about or whether personality is, instead being used as a proxy. Callaghan and Thompson (2002) found in their study of recruitment, selection and training in call centre labour that employers often expressed a desire for recruits with personality, 'attitude' and traits such as a sense of humour, enthusiasm and energy. However it appeared that employers were looking for more than personality but also *experience* of knowing how to deal with customers and change the manner of their interaction depending on the situation. These demands are more consistent with *skill* than personality or attitude.

Others (see for example Ainley, 1993; Nickson et al., 2003; Payne, 2004; 2006) also raise the concern that the status of soft skills as skills is questionable because of their association with middle class advantage and their development through early socialisation and education. There was only limited evidence from the empirical data that respondents believed class background or educational attainment directly aided the development of soft skills or that those from lower class backgrounds perceived that they had higher soft skills deficits than others. Management in the most style conscious hotel, however, did demand cultural and educational capital (Bourdieu and Passeron, 1977; Bourdieu, 1989).

There was, however, evidence that class background and affluence may have indirectly affected the accumulation of the social experiences discussed above. Even if there is some evidence that class background may aid soft skills development this does not *de facto* mean that soft skills should not be classified as skills. When discussing the manner in which people learn how to interact and communicate socially with others Bourdieu (1992) (see Chapter Three) was one of the keenest advocates of the role played by family socialisation in inculcating middle class habitus and the associated 'feel for the game' (Thompson, 1992 p 13). However, even Bourdieu realised the essential importance of exposure to social situations and practical mastery of situations in order to learn how one should behave. In his critique of the skilled status of emotional interactions Payne (1999; 2004; 2006), for example, appears to dismiss any learning of skills which is done outside of the workplace. Indeed, he goes as far as to suggest that social interaction that occurs in the workplace is 'unconscious' because of its reliance on socialisation. Even if soft skills are learned through socialisation in the family this does not negate the fact that they *are* learned,

developed and improved through social practice and should, thus, be considered skills. Indeed, Heckman and Rubinstein (2001) assert that non-cognitive characteristics such as soft skills are undervalued because they are learned, at least in part, in society rather than through education. Learning and practice in society should not be discounted and can be subsequently applied and adapted to the workplace in the form of soft skills.

Further evidence that soft skills are simply traits and dispositions is given by those who question whether soft skills can be trained or accredited in the workplace as traditional skills are (see Keep and Mayhew, 1999; Payne, 1999; 2004; 2006; Grugulis et al., 2004). Payne (2006), for example, believes that it is not possible to train the 'genuine empathy and compassion' which underlies soft skills given that these are 'deeply wired in the brain through a combination of genetic imprinting and primary socialisation' (2006; p10). Many managers in Oxygen expressed the view that 'genuineness' was un-trainable and a function of personality. As discussed above, however, management using personality as a proxy for social skills does not itself mean that it is actually personality which is being spoken about. Indeed, the proportion of employers offering training in soft skills in the Scottish economy as a whole and in the case study organisations examined for this thesis, suggests that some elements of soft skills can be trained. Furthermore, just because soft skills are, at least partially, developed in wider society and are difficult to train inside the workplace this does not mean that they are simply genetic and/or passively absorbed through socialisation. Indeed, if an individual's social competencies are deeply embedded then trying to train someone how these should be used in a particular context or to change the way they behave is actually considerably *more* difficult than training in many harder skills (Goleman, 1996, 1998). This difficulty in training soft skills may simply highlight their complexity and should itself not be used as evidence that soft skills should not be considered skills.

Notwithstanding this author's view that soft skills are skills in the true sense of the word certain employers *were* looking for compliant attitudes and dispositions (see Oliver and Turton, 1982; Cappelli, 1995; Payne, 1999, 2004, 2006; Lafer, 2004; Grugulis, 2006 *inter alia*). This was especially relevant in the hotel case studies where work ethic, enthusiasm and a desire to do the job were demanded alongside

something bordering on obedience in one kitchen in particular. It is realised that employer demand for skill does, therefore, need to be treated with caution and that one should indeed, question whether furnishing individuals with the 'skills' which employers require is necessarily desirable (Payne, 1999; Lafer, 2004). The requirement for positive attitudes can, however, be separated from the demand for skill and distinctions can be drawn. Just because certain employers are stretching the concept of skill into more pernicious and controlling areas this does not mean that employers *only* require such attitudes or that soft skills are *only* characterised in terms of such demand. One can be critical of exactly what certain employers demand in the way of skills without conflating the demand for soft skills entirely with a demand for submissive attitudes, as other commentators sometimes do.

The final contribution which has been made in regards to the issues of soft skills and attitudes is the issue of withdrawal and the effectiveness of appraisal in addressing soft skills gaps. Although the study found only limited evidence that breaches in the psychological contract and resultant job dissatisfaction may cause skills withdrawal, the possibility remains that this mechanism may help to explain some soft skills gaps in certain contexts. This finding reveals that although soft skills themselves are more than inherent traits and attitudes *skill withdrawal* or the failure to show skills may result from short-term attitudinal or affective states which can affect behaviour, a concept known as Affective Event Theory (Weiss and Cropanzano, 1996). As sensitivity skills, which are perhaps those most reliant on intrapersonal self-management were apparently worst affected by the psychological contract, the role of affect in skills withdrawal is further supported. Informal and immediate appraisal with subsequent feedback was seen as one of the most effective responses to soft skills gaps through considering the employee and allowing them 'voice' (Rousseau, 1995). Soft skills gaps may, therefore, be rectified not through training but through identifying any problems an employee may have which is inhibiting their skills display, which could alleviate any negative affective response. Individual attitudes and traits may thus be a better mechanism through which to conceptualise soft skills *gaps* rather than what soft skills actually *are*.

12.3 Variability in soft skill

If one assumes that soft skills are skills and denote mastery and practice it follows that not everyone will be able to perform such skills. Indeed, in his critique of the soft skills used in interactive service work, Payne (2006) states that one reason that such work cannot be considered as skilled is because the competencies required are mundane with everyone having the ability to manage their emotions. As has been noted throughout, scarcity value is seen as an essential economic indicator of skill with higher rewards for scarcer more advanced skills (see for example Felstead et al., 2007; Goos and Manning, 2007). Although there is little evidence that soft skills attract a wage premium this is also the case for many other skills (see Felstead et al., 2007) and it appears that analyses other than wage premia are required to assess the extent of variability in the performance of soft skills.

Perhaps the clearest indicator that not everyone does possess the soft skills which employers require is the identification of skills deficits by employers throughout the economy, although particularly in front-line interactive service workers. Although this author does not claim that soft skills are so rare that they should attract a substantial wage premium, the macroeconomic findings suggest that the ability to perform soft skills *is* heterogeneous. Indeed, in all of the case studies within this thesis, notwithstanding sample size issues, respondents identified co-workers, subordinates or potential recruits who lacked soft skills. If everyone had the ability to perform soft skills then, in theory at least, few soft skills deficits should be identified. Differing levels of ability in such work indicate that skills *are* needed and that everyone does not necessarily have the skills required for any given workplace.

There is of course the proviso that there was weak evidence from the empirical work that employees may have sometimes withdrawn skills even if they possessed them, and that the skills gaps that were identified may not have been caused by a lack of skill *per se*. Even if withdrawal is occurring in some instances there is no evidence from this study to suggest that this could explain *all* soft skills gaps, suggesting that many such gaps are not attributable to skilled individuals withholding skills.

One possible rebuttal to the assertion that skills deficits reflect variable ability is that the sectors worst affected by soft skills deficits (i.e. interactive service sectors) are often characterised as secondary (or lower tier) labour market segments (Doeringer and Piore, 1971) and do not pay efficiency wages (Akerlof and Yellen, 1986; Weiss, 1990). Segmented labour market and efficiency wage theory were considered within this study as possible explanations for skills deficits caused by recruitment difficulties rather than the quality of labour *per se*. A first rebuttal to this point is provided by the finding that few establishments in Scotland as a whole, or in any give industry, reported skills shortages at the point of recruitment, with skills gaps in current employees reported considerably more regularly. This study did, however, confirm that hospitality organisations did show consistencies with secondary labour market employment and did not appear to pay efficiency wages. There was, however, an abundant supply of potential appropriately skilled labour available for the hotels in the shape of students and migrants, who could be attracted despite the segment in which the establishments operated. There were, however, problems recruiting certain full-time positions where the secondary labour market characteristics may have been more of an issue. The labour market was, therefore, not generally tight for the hotel establishments in this study (Klehe, 2004). There was also evidence of potentially attractive non-wage benefits in both hotels highlighting that the concept of efficiency wages is limited in scope and should be extended to consider other conditions of employment, which can be used to attract further skilled labour. By accepting that *better* labour can be attracted through the use of efficiency conditions this does, however, support the assertion that variability exists in terms of individuals' abilities to perform soft skills and that such skills are not ubiquitously held by everyone.

There is, however, the critique considered above that when discussing skills deficits, managers may not actually be seeking *skills*. Managers, particularly for low status work, may simply be seeking 'pro-social behaviour', enthusiasm or even obedience - attitudes which are *not* skills. When pay is poor and terms and conditions are bad this demand for positive attitudes may take on a particularly pernicious element (see Lafer, 2004). Indeed, within this study it was noted that certain hotel managers appeared to demand a degree of subservience and a 'work ethic' *as well as* soft skills. One has to be cautious when assessing whether employer demand for skill actually constitutes skill rather than attitude. Whilst soft skills should be conceptualised as

skills, therefore this does not mean that *attitudes* should be conceptualised in this manner and it is essential to differentiate between the demand for skills and attitude in interactive service work when analysing skills deficits reported by management.

12.4 Soft skills as context-specific

Perhaps one of the most significant conceptual implications of the findings was that traditional human capital theory (see for example Baron and Kreps, 1999; Brown, 2001; Crouch, 2004) assuming that employers will not train in soft skills as they are 'generic' (NSTF, 2000; Felstead et al., 2007 *inter alia*) did *not* explain employer training behaviour. Employers were willing to train in soft skills and in low status employees who traditionally have low tenure and, therefore an insufficient return on training (see for example Kellard et al., 2001). This may simply reflect that soft skills are more 'trainable' than many commentators believe (see above) but this finding also has wider implications for the manner in which soft skills are described as 'generic', revealing that soft skills differ considerably between establishments. The context specific nature of soft skills is essential in differentiating skill which requires contextual mastery from more generic traits and abilities which may not reflect the learnt mastery required. The discussion on different disciplinary approaches to the concept of skill (Chapter Three) revealed that learning and mastery were a common theme, and so contextual mastery is a key determinant of whether or not effective performance of a task can be said to require 'skill'.

When investigating the presence of soft skills gaps within the case study establishments it was noted that those who placed greater emphasis on person-organisation fit (Schneider et al., 1997) and strategically integrated their demand with the skills available on the external labour market experienced fewer problems. This was particularly prominent in Oxygen where the organisation ensured that person-brand fit was evident between the style of the establishment and its employees. Furthermore, differences in the perceptions of the factors which aided individuals' soft skills development revealed that different establishments required very different things from their employees in terms of their soft skills especially the demand for cultural and educational capital (Bourdieu and Passeron, 1977; Bourdieu, 1989).

These findings regarding the role of class could be used to partially validate the arguments of those authors who regard soft skill as little more than middle class advantage. The discussion above, however, has revealed that just because people from a certain class background may have more *advantages* in terms of the development of *particular types of soft skills*, the role of the individual in learning and mastering these skills in society should not be discounted. Employer demand for ‘middle-classness’ (Nickson and Warhurst, 2006) was not ubiquitous and instead depended on the particular types of soft skills that were required

Even where employers demanded cultural capital it is not only what an individual *brings* to the workplace which is important but also the manner in which context-specific skills for the workplace were then developed through training and socialisation. The fact that training was so widely offered in soft skills supports the fact that firm-specific human capital was developed as individuals learnt and mastered the context in which their skills were used. Within the case studies training was also supplemented through socialisation in induction to further hone generic social abilities into skills. Indeed, where soft skills were integral to the activities of an establishment, it was where most consideration was given to branding and socialisation into this brand that soft skills gaps were less likely. Furthermore, in Silex it was technical and scientific problem solving skills that were demanded and developed rather than the ability to solve problems of a more social nature. In the hotels, however, problem solving was typically related to dealing with customer queries and complaints.

The above findings regarding problem solving skills reveals considerable differences in this skill in particular, with the skill taking on the form of a soft skill in some contexts and a technical skill in other contexts. It was also noted in Chapters Nine and Eleven that respondents believed that planning and organising was another skill that was more reliant on education and cognitive ability than other soft skills. It may therefore, not be appropriate to conceptualise planning and organising and problem solving as soft skills without investigation as to whether these are used in a more social or technical sense. Perhaps an appropriate label for these skills would, therefore, be ‘cross-over skills’ which can take on a social or technical role depending on the context. This phenomena, however, requires verification in future research.

Even discounting the potential existence of ‘cross-over’ skills, the empirical work thus reveals considerable differences in the manner in which soft skills are manifested in different establishments. Where employers talk of soft skills gaps these are reported within particular contexts and it is the specific manifestations of soft skills which cause these gaps. Soft skills do not, therefore, appear to be generic and their contextual nature distinguishes them from more generic social competencies acquired throughout life.

It must be noted that even Payne (2004) casts doubt on whether many skills labelled as ‘generic’ really are generic, using problem solving skills as a specific example and to this extent this author agrees. Payne does however, not develop this argument further to consider the implication that the context specific nature of many ‘generic skills’ has on their status as skills. Indeed, when discussing emotional labour whilst Payne (2006) correctly admonishes the tendency for some writers to analyse all emotion work from the provision of palliative nursing care to working in a supermarket as the same he does not then differentiate *within* service contexts or between different *organisations*. Whilst stating that not all emotion work is necessarily *highly* skilled he then assumes that that which he considers less complex (i.e. interactive service work) is necessarily *unworthy* of the skilled label without considering the different forms of context-specific soft skills which are used within this work. This study has revealed that there is not only differentiation between the types of soft skills used in very different service industries but also *within* particular sub-sectors highlighting the importance of workplace as well as industry context.

As a result of the findings within this study that the types of soft skills differ considerably between different workplace contexts, the definition of soft skills forwarded in Chapter Three can be reconsidered. Soft skills were originally defined as: *generic, non-technical and not reliant on abstract reasoning or cognition, involving interpersonal and intrapersonal abilities to facilitate mastered performance in social situations*. The definition now favoured is that soft skills are: *non-technical and not reliant on abstract reasoning or cognition, involving interpersonal and intrapersonal abilities to facilitate mastered performance in particular contexts*. As stated above the ‘cross-over’ skills may meet this definition in some workplaces but not others, although specific research on their nature is required. The other soft skills

should, in theory, remain consistent with this definition whichever form they take in a particular context.

12.5 The role of work organisation in skill display

Skill, it has been argued, resides in the manner in which work is organised to allow the operation of discretion through control over work processes (see, for example, Braverman, 1974; Ainley, 1993; Noon and Blyton, 2002; Green, 2006). Indeed, the lack of discretion afforded to many interactive service workers during service encounters is seen as reducing the level of skill in such work through extending managerial control over emotional display and service encounters (see Leidner, 1993; Taylor and Bain, 1999; Thompson and Callaghan, 2002; Grugulis, 2006; Payne, 2006). As with variability in the ability to perform soft skills and the different forms of soft skills used in specific contexts, however, discretion in the use of soft skills also differs considerably between establishments.

The most discretion employees had in the present study was identified in Silex, the scientific services establishment where soft skills were not integral to the service on offer and where resultantly management had less need to exert control over them (Braverman, 1974). However considerable differences were identified in establishments where soft skills *were* a core competence in terms of the level of scripting and the freedom with which employees could interpret brand standards and even style and dress codes. Employees were thus apparently allowed greater control over their labour process in Oxygen, the establishment which also placed the greatest emphasis on person-brand fit and expressed greater clarity over the exact type of soft skills which were required for their establishment. Within this environment employees were 'empowered' to a greater degree and allowed to act within broadly socialised guidelines rather than rigidly following pre-determined procedures. Variability thus existed in the degree of discretion allowed to employees even in ostensibly similar roles, although even employees in the 'directed' establishment (Fontainebleau) were allowed some form of discretion in how they delivered service. Just as it is incorrect, therefore, to refer to all interactive service work as equally highly skilled (Payne, 2006) it is equally incorrect to describe all interactive service work as *unskilled* and devoid of discretion. It is also incorrect to state that just

because discretion is removed in some settings, the employees themselves automatically lack skill. Soft skills may be 'philanthropically' donated outwith prescriptions (Callaghan and Thompson, 2002); variations will still occur which require skilled behaviour (ibid; Bolton, 2004); and the full extent of managerial control may even be resisted or questioned (ibid; Paules, 1996; Hopfl, 2002; Taylor and Bain, 2003).

The variability allowed in discretion as with the variability in people's ability to perform such skills may indeed, add extra weight to the argument that soft skills are skills. If ostensibly similar service work settings can be delineated into those that are more and less skilled, the true degree to which individual's can really display skill can be assessed alongside their skill in performing an activity. Encouragingly it was also found that the 'empowered' environment (and also the relaxed environment where soft skills were not an integral part of the service) allowing greater discretion also reported fewer soft skills gaps. This thesis thus questions whether the removal of discretion leads to desirable organisational outcomes and believes that a broader approach where employees are 'empowered' to use discretion within broadly socialised organisational requirements may reduce skills gaps whilst also allowing a greater degree of skill (see Figure 11.4).

In terms of the manner in which soft skills can be conceptualised it is perhaps, therefore, heterogeneity which offers an effective riposte to those who doubt that these are actually skills. This heterogeneity exists in individuals' abilities to perform soft skills, the types of soft skills used in different establishments and the degree of discretion employees are allowed in using these skills. Soft skills are learnt and practised in society and then refined for use in particular organisational contexts. Individuals thus bring skills and abilities to the job which are then transformed to *firm specific human capital on the job*. It is variability in the performance of soft skills which can allow assessment of whether individuals have truly mastered their skills in a particular context. As such, soft skills are distinct from inherent traits and attitudes even whilst accepting that some employers do demand compliance rather than skill. Indeed, traits and attitudes may be more useful in explaining skills *gaps and withdrawal* rather than the content of soft skills.

This thesis has contributed to the discussion on the salience of conceptualising soft skill as skills and their subsequent relevance for the analysis of workplace skills issues, which are, necessarily, contextual. This has been achieved through investigation of soft skills gaps and where and why they are reported. It is not only the conceptual salience of soft skills which has been strengthened, however, but also the manner in which analysis of soft skills deficits has implications for employer and policy maker behaviour, the reduction and avoidance of soft skills gaps and future research methodologies. Thus, the practical implications of the findings are now presented.

12.6 Implications

12.6.1 Implications for employer strategy

Commonly conceived 'best practices' may not always reap the best results

The findings suggest that, in some contexts, informal selection methods which are strategically institutionalised may be the best methods by which to select for soft skills. This contrasts to received psychometric best practice which implores the use of 'scientific' pre-validated methods such as highly structured interviews, assessment centres and various psychometric tests of ability (see for example Guion, 1998; Iles, 1999; Hermelin and Robertson, 2001 *inter alia*). This study thus supports previous work conducted in the hotel sector (Lockyer and Scholarios, 2004) and in professional services (Scholarios and Lockyer, 1999) on the usefulness of more informal selection methods. The present study does, however, go further by identifying the difference between 'inconsistent selection' where informal methods depart from organisational policy and 'institutionalised informality' where informal selection methods are used to increase person-organisation and person-brand fit and are an explicit part of policy.

In addition to the findings regarding selection, on-the-job appraisal and the opportunity for employee voice appeared a better way of addressing soft skills than training. In the UK economy as a whole, however, training is the response which is most used by establishments to rectify skills gaps whilst few utilise appraisal and

feedback (see FSS, 2003, 2004, 2005, 2007; LSC, 2004; 2005; 2006 and Chapter Six). These findings suggest that the received best wisdom in terms of both selecting soft skills and responding to soft skills gaps needs to be re-thought.

The finding that training was not necessarily the most successful response to soft skills gaps does not, however, support Payne's (2006) assertion that such skills are not trainable and that interactive service work needs little training. Indeed, all establishments trained in soft skills and socialisation into service requirements was used in both hotels, albeit with apparently differing degrees of success. Initial training and socialisation is still likely to be essential in order to convert individuals' soft skills to firm-specific human capital (Baron and Kreps, 1999; Crouch, 2004) but may not be the best way to address soft skills gaps, especially amongst more established employees. As soft skills gaps may not always result from the employee *lacking* skills but because of withdrawal and barriers to skill use, training may not always be the best solution, particularly where employees have already received extensive training. Where soft skills training is not routinely used for new employees, however - for example, in establishments where soft skills are not integral to the product or service on offer - training for established employees may prove a more effective response.

Strategic and selective interaction with the local labour market and the provision of full information to attract potential recruits

The identification of soft skills shortages may actually aid establishments in selectively hiring only the best employees. Organisations that display hyper-determinism react to the market rather than trying to shape it, may passively accept prevailing market conditions (Childs, 1997), in this case by hiring poorly skilled labour and fatalistically accepting turnover. In this study the apparent hyper-determinism of Fontainebleau's management (compared to the other case studies which engaged in selective hiring (Pfeffer, 1998)) could not be explained purely by the supposed secondary labour market characteristics of hotel work (Doeringer and Piore, 1971). Oxygen faced similar sectoral conditions and the same labour market and did not display hyper-deterministic tendencies. Indeed, the availability of student and migrant labour shows that even where an organisation displays secondary or lower segment characteristics (O'Connell and Gash, 2003), high quality labour is still available.

To actively attract and select the best applicants organisations may find that advertising the full range of any efficiency conditions on offer expands the pool of labour from which to selectively hire. The concept of efficiency wages (Akerlof and Yellen, 1986) can thus be extended in to other employment conditions to increase the quality of the labour pool yet further. This notion of efficiency conditions is especially pertinent for low paying employers, such as interactive service establishments. Even where an organisation displays characteristics of a secondary sector employer there is likely to be a pool of suitable applicants, especially students and migrants, who will find any efficiency conditions attractive.

Consideration of the state of employee attitudes

As skills withdrawal was seen as a pertinent if limited explanatory mechanism when investigating some soft skills deficits the collection of data on employee attitudes and the psychological contract may help managers to establish whether withdrawal is occurring. The collection of such data may also help to identify any organisational barriers to effective skill utilisation which may be resolved through changing workplace procedures. Employee attitudes are also important for individual managers when assessing any individual skills gaps, especially if there is evidence that skills have deteriorated over time. Managers may be able to gauge employee attitudes about work and any other problems which they have informally as part of a two-way appraisal and feedback process and thus reduce negative attitudinal and affective outcomes and even strengthen the state of the psychological contract (Rousseau, 1995).

The role of employee attitudes and the psychological contract as a means by which to alleviate soft skills gaps supports the assertion discussed in section 12.2 that whilst soft skills are more than attitudes, negative attitudes may help to explain why soft skills *gaps* are occurring. Furthermore, the use of employee attitudes to describe soft skills gaps is a novel addition to the psychological contract literature which considers numerous other behavioural outcomes of contract breach/violation, typically mediated by resultant attitudinal outcomes such as reduced organisational commitment and job satisfaction. Behaviours investigated in psychological contract and attitudinal research include turnover, performance, absence, tardiness, intention

to quit and reduction of organisational citizenship behaviours, but not skills gaps or skills withdrawal (see for example Morrison and Robinson, 1997; Guest, 2004; Zhao et al., 2007). Studies focussing purely on work attitudes such as job satisfaction (see for example Spector, 1997) and commitment (see for example Meyer and Allen, 1997) have also focussed on similar outcomes to research on the psychological contract, especially performance, absence and turnover but not on skills gaps or withdrawal.

Reviewing work organisation and the level of discretion which employees are allowed

One potential managerial strategy to increase conformity with service requirements is to reduce the level of discretion that employees are allowed and exert greater control over the process (Braverman, 1974). Indeed, studies of scripting and control in the service industries reveal how management try and reduce levels of discretion to exert control over employees' emotions and ensure they are 'uniform' and consistent with organisational goals (Leidner, 1993; Taylor and Bain, 1999; Grugulis, 2006 *inter alia*). As such, therefore, the removal of discretion is used by management to *increase* staff proficiency on a task by making the task more directed and certain. This study suggests, however, that reducing discretion may be counter-intuitive as the establishment with the least discretion over the use of soft skills reported the greatest soft skills gaps. Employers may, resultantly, wish to allow a *greater* degree of empowerment in the use of soft skills, where possible, to ensure that employees can fully use the skills which they possess. By allowing truly skilled behaviour the establishment may ultimately benefit through improved service provision. This empowerment process would probably require the establishment of certain boundaries within which discretion can be used as well as ensuring that employees are familiar with the culture and brand of the organisation through training and socialisation. Allowing employees *greater* discretion may also help to increase motivation through removing elements of boredom and repetition in work which could also have positive attitudinal outcomes (see for example Hackman and Oldman, 1975). Indeed, Nishi et al (2008) note that where service employees attribute HRM practices as being exploitative and controlling this can have a negative impact on attitudes such as job satisfaction and commitment, which, in turn, can also affect customer satisfaction. The use of empowerment and discretion is indeed, an essential

element of high performance/high commitment work systems leading to a supposed 'win win' scenario for both employers and employees. Employees receive higher skills and get to use these in 'better' jobs increasing commitment and trust whilst organisational performance also increases as a result (Brown et al., 2001; Lloyd and Payne, 2004). Indeed, Ramsay et al's 2000 study of representative UK data found a statistically significant (although weak) association between job discretion, employee commitment and improved turnover, productivity and product/service quality.

The issue of empowering interactive service workers has been raised before, for example, by Schneider and Bowen (Schneider and Bowen, 1993; Schneider, 1994). In their studies investigating the effects of HRM practices on employee service climate and customer satisfaction, Schneider and Bowen (ibid) identify that empowerment and reduced supervisory control may actually improve the service climate and resultantly, customer satisfaction. The beneficial role of empowerment is however limited to certain service contexts only with the authors asserting that certain organisations, for example fast food restaurants reliant on speed and competing through cost, should actually seek to *tighten* supervisory control over the service process (ibid). The present study thus departs from Schneider and Bowen's work and instead asserts that discretion should be maximised wherever possible.

12.6.2 Policy implications

Remedial training for the groups worst affected by soft skills deficits

Those excluded from the labour market may find that their prospects are improved through information on the types of social, interpersonal and self-presentational skills needed in employment alongside the opportunity to develop and practice these skills. Remedial measures are especially relevant as those from the unemployed and the socially excluded may not have the opportunity to engage in the social and work experiences which aid the development of soft skills. Care needs to be taken, however, to ensure that job seekers are not just trained to fulfil employer requirements for positive attitudes in the face of poor employment conditions, which is sometimes evident in secondary labour market employment (see for example Lafer 2004 and Chapter Seven of this study).

Promotion in the education system of the importance of soft skills and the manner in which these are acquired

Soft skills are important in all sectors of the economy and in all occupations from manufacturing operatives to graduates working for blue chip companies to a greater or lesser degree. Awareness of these skills should, therefore, be raised throughout the education system continuing work started to this end already by the government, but which all too often is still rather vague about the role of soft skills in promoting employability, let alone how these skills may be improved and developed (see for example DFES, 2003; 2005).

The manner in which soft skills are developed through social experiences could also be highlighted to increase individuals' awareness of the wider implication of social experiences and the manner in which these experiences may be beneficial in aiding the development of soft skills and individuals' employability. This need not be formalised or involve lengthy documentation as was the case for National Records of Achievement to which employers seemed to pay little attention (see Somekh et al., 1996) but could take the form of an awareness-raising exercise amongst young people.

The potential benefit of the dissemination of good practices for the reduction of soft skills deficits amongst employers

Employers could learn from each other regarding beneficial ways in which other establishments have recruited for soft skills and rectified soft skills gaps. This may be especially pertinent given the importance of practices which work in particular contexts and deviate from received 'best' or commonly used practice. The use of institutionalised informality in selection is a prime example of where deviation from best practice is effective. Informal methods which were organisationally sanctioned, institutionalised and strategically integrated to achieve person-organisation fit and person-brand fit were seen as especially useful for selecting for soft skills. In some cases this usefulness was perceived to be higher than highly structured competency based interviews that traditionally have higher validity (see for example Iles, 1999;

Hermelin and Robertson, 2001). Although the capital market-driven nature of the UK economy discourages employers to cluster and develop networks (see for example Finegold, 1999; Keep, 2000) efforts to this end should not be discouraged. As soft skills also had considerable elements of firm-specific human capital employers may also be less concerned about poaching as a result of being in such networks than if such skills were truly 'generic'. Policy workshops or mini conferences could also be run to disseminate potentially beneficial practices to employers. Encouragingly, according to the macroeconomic skills survey data, Scottish employers are pragmatists and do not privilege hard skills over soft skills, whilst responding to skills deficits in employees at all organisational levels. This suggests that employers may be receptive to hearing of others' experiences and implementing and adapting practices which best fit their own organisations.

It has been revealed that leading hospitality employers engage in a number of good practices, whilst some also offer efficiency conditions. This is in contrast to the sector's reputation as exhibiting *purely* secondary labour market characteristics. As many failed candidates for hospitality positions apparently display an insouciance stimulated by poor perceptions of the sector, more could be done to improve the image of the hospitality sector as a 'good' employer. This promotion can be achieved through the dissemination of good practices and its promotion as a viable career option. This could in turn help attract suitably skilled applicants to the sector.

The importance of the role played by migrants in the labour market and the effect on local unemployment, wages and future workforce composition

As a result of the ample supply of students and migrants for poorly paid front-line hospitality jobs, there was little incentive for employers to improve the material conditions of jobs through the consideration of efficiency wages. These market conditions need to be understood as does the fact that projections and previous research suggests that one of these sources of labour, migrants, will probably not be sustainable in the long run (Wright, 2006). As market and living conditions improve in the EU accession states there will be fewer push factors and even where migrants do enter the UK labour market it is less likely they will be prepared to enter low paid, low skill work (ibid). Employers may, therefore, have to increase wages in the long

run in order to attract suitable staff in the face of a restriction in the supply of suitable labour.

Those who are currently deemed unsuitable for employment and are excluded from the labour market will not however, necessarily benefit from a reduction in migrant labour and the concomitant wage increases described above. A reduction of migrants may even disadvantage those locals who are unemployed even more. If certain groups are seen as unemployable now this effect will be exacerbated if wages rise as organisations will not pay a premium for unsuitable labour (Akerlof and Yellen, 1986). Skills shortages may, therefore, increase if the supply of migrant labour decreases, especially in employers who remain selective and strategically integrate their skills needs with the labour market. Employers may seek to employ more students or else seek labour from other sources such as female returners. Through seeking to understand why employers may not wish to employ certain individuals it is not, therefore, only wage strategies which can be elucidated upon but also the long term prospects of the unemployed and the future composition of the labour force. This may be essential for planning issues and also to inform the design of return to work policies described above.

12.6.3 Methodological implications

The measurement of skills deficits

Line managers reported both skills shortages and skills gaps to be greater than the HR respondents in each case study, for both soft and hard skills. This suggests that the current methodology used in the Employers' Skills Surveys (ESS) throughout the UK may underestimate the extent of any skills deficits as it is typically an HR respondent, where available, who provides the data for the surveys. It would seem important to gather line manager views through either a parallel survey, building an element in to the ESS where HR representatives collate line managers' views or else distribute surveys to line managers via the HR respondents. In the first instance a pilot could be run on a larger scale than the case study research conducted for this thesis to ascertain the extent of any HR underestimation of skills deficits, before designing a line manager phase into the ESS. It is also realised that any extra burden on HR

respondents to collect line managers' views is likely to impact negatively upon response rates and so the exact form of this line manager survey needs careful consideration.

The current method of defining skills gaps as occurring when any individual lacked full proficiency within an occupational group is also a somewhat broad definition. For example, if one employee in a workplace of 10,000 people was not fully proficient then that organisation would be deemed as having a skills gap, despite experiencing virtually no problems. The definition could be narrowed so, for example, a skills gap is identified where 25% or more of employees within an occupational group lack full proficiency. This is likely to simplify results and truly identify those establishments which are the worst affected by skills gaps.

The second way in which the attitudes or interpretations of managers effect the reporting of soft (and indeed, any) skills deficits is that what some managers interpret as a skills gap others may not and vice versa. Although asking managers the number of their employees who were proficient appears unambiguous, ambiguities were still apparent. For example, some managers originally identified skills gaps but then stated that all employees were fully proficient for their current duties, but would have to develop skills for future requirements. In such cases no true skills gap was apparent. Some managers also identified that their staff were fully proficient but they wanted their employees to improve yet further and show more than proficiency. This nuance within managers reaffirms the importance of investigating detailed case study contexts and using multiple methods to reveal the complex nature of skills deficits and the contested nature of 'proficiency'. The intricacies also reveal the difficulty in estimating skills gaps at the macroeconomic level because of the subtlety within establishments.

A further area in which the managerial interpretation of soft skills gaps appeared to be an important issue was when examining the issue of withdrawal. In Silex, in particular, withdrawal was seen as a short-term performance issue and not a skills gap, whilst in the hotels withdrawal was generally deemed a skills gap. As when discussing proficiency these nuances in definition not only reveal the manner in

which different establishments may view similar situations very differently, but also that the 'true' extent of skills gaps may not be easily estimated.

12.7 Limitations of the study, justification of approach and directions for future research

Despite a rigorous research approach the present study still possesses limitations which need to be considered and can also inform future research. The clearest limitation is the sample sizes for the survey within the case studies, with the exception of the healthy survey sample size in Silex. Smaller than ideal sample sizes have the implication that interpretation of the statistical analyses and generalisations are sometimes difficult. This representativeness issue was, however, alleviated to an extent by the combination of quantitative and qualitative methods allowing the survey findings to be triangulated with employees' and managers' reported experiences. The number of qualitative interviews with employees was itself not as numerous as planned. Given the presence of survey data, however, the smaller than desired amount of qualitative data becomes less problematic as when, combined, the two methods led to rich and valuable data relevant to the research questions. Indeed, the findings from the employee interviews supported the survey findings to a great extent as well as allowing elucidation of the survey findings and covering areas not suitable for inclusion on the survey. The multi-method triangulation approach thus not only allowed depth but also allowed cross-validation of the findings, helping to overcome problems of the survey sample sizes.

As well as the size of the samples the characteristics of the survey sample were also not truly consistent with the employment make up of the establishments, especially in the two hotels. As the samples themselves were relatively small it was considered unsound to weight the responses and such weighting may have biased results further. Again, the use of the qualitative stage partially rectified this problem as a range of respondents in terms of gender, age, employment status and, in the hotels, nationality were drawn from various departments. As argued above commonalities were found across all types of respondents and the overall picture in each establishment is considered broadly representative. Notwithstanding this broad representativeness a caveat to representativeness exists, as housekeeping and kitchen staff were not

represented in the hotel qualitative stage, meaning that the findings are most generalisable to hotel staff in customer facing positions.

Where multiple methods were not used and research questions relied purely or mainly on the employee qualitative data, it is accepted that there was sometimes insufficient data to answer the research questions as desired. This was most evident when examining perceptions of the resources which were useful in the development of soft skills and barriers to skills utilisation. Although the aim was to investigate perceptions of soft skills deficits in their particular contexts rather than to conclusively establish how soft skills were developed, the fact remains that the volume of employee data means that indicative results only were obtained which have been interpreted with caution throughout. The smaller than desired volume of employee qualitative data also meant that the intensive depth sought was somewhat limited, especially in relation to those not in customer facing positions. There was, however, a level of depth obtained in each case study which was essential in determining the contextual nature of soft skills deficits and employer policies and response to deficits.

A further apparent limitation is the fact that the case studies only cover two service sectors. The case studies were selected, however, to allow comparability between a sector badly affected by soft skills deficits and a comparable service sector not so badly affected, as well as comparing between establishments in the badly affected sector. It was not the intention, nor indeed, would it have been practically possible, to have case studies covering every sector of the economy. The case studies were also selected so as to best describe and elucidate upon the macroeconomic patterns in contexts of specific interest. Many of the issues in the hospitality case studies will also be salient for the retail sector which was also badly affected by soft skills deficits. Issues which may transcend interactive service sectors include skills supply and demand, employer characteristics and employee responses to their employment conditions in the shape of skills withdrawal. The public sector also reported widespread problems but would be somewhat different in nature than the interactive services of hospitality and retail. Despite the broad applicability of the findings to service establishments throughout the UK, further research is needed in other badly

affected service sectors to uncover further detail and nuance, especially within the public sector.

A further limitation is that the study was primarily concerned with social and organisational factors affecting soft skill formation, and the presence of soft skills deficits. Individual difference variables such as personality were not directly measured, although it has been established that soft skills are more than simply personality and that where managers talked about requirements for personality they were often using this as a proxy for soft skills. This thesis, however, has identified the potential importance of personality as a factor which may underlie soft skill development, especially in terms of three of the 'Big Five' personality constructs (Costa and McCrae, 1992), namely extraversion, openness to experience and, to a lesser extent, agreeableness. Research which seeks to uncover the relationships between personality, other individual difference variables and soft skills development and deficits will be especially valuable. Such research would build on work which has already examined the role of individual differences in contextual performance (Motowildo and Schmit, 1999) and interpersonal behaviour in organisations (see for example Baron, 1996). The current work has, however, not related personality directly to soft skills deficits or related soft skills formation directly to personality taxonomies such as the 'Big Five'. Unfortunately, in this project that already had a wide scope, an expansion into this individual difference psychology was simply untenable.

The final limitations relate to the multivariate models. Firstly, the only social experience proxy included in the case study survey was whether or not the individual was a student as it was unclear when designing the survey exactly *which* social experiences individuals would highlight as important. Although being a university student was one of the social experiences which respondents' perceived as contributing most to soft skill development, the quantification and inclusion of other experiences could also have improved the model fit. Even when asking individuals which experiences they found beneficial in soft skill development, however, answers were often vague. More systematic research is needed on exactly *what* social experiences are beneficial in soft skill development, exactly how these experiences aid soft skill development and the manner in which these experiences can be captured

and measured. Previous work has talked generically about middle class experiences in developing employability for service workers (see for example Nickson et al., 2003) or else has linked the acquisition of generic 'employability' type skills to specific experiences such as education (see for example Bynner and Parsons, 2002; Marjoribanks, 2003) and travelling (Brown and Hesketh, 2004). There has, however been little systematic evaluation of many of the potentially beneficial social experiences which have emerged from this study (such as team sports, extra curricular activities and specific experiences whilst at university) and even less attention to relating these to *specific* soft skills and soft skills deficits. As this study has suggested that soft skills are not generic, consideration is needed as to the specific experiences that aid the development of specific skills used in specific contexts. Further research in this vein could be extended to systematically investigate differences in the inchoately labelled cross-over skills (i.e. problem solving and planning and organising) from other soft skills. Although an inductive interpretation of the data suggested that these might be distinct types of skills the concepts were not tested directly in this research and further investigation would clarify their status.

Finally, the small sample sizes discussed above may have limited the effects of the individual level multivariate models investigating skills withdrawal and the psychological contract. Whilst all relevant variables were included in the skills withdrawal models, the weak effects may have been partially explained by low statistical power. The significant findings, however, highlight that this is a fruitful area for future investigation. Perhaps future research could include the use of dyad measures linking individuals' psychological contract and work attitude measures to supervisors' perceptions of individuals' skills or any skills withdrawal. Indeed, measuring a supervisor's perceptions of an individual's soft skills may produce more significant results than measuring that individual's perception of their own soft skills. Such an approach was beyond the reach of this study but could be considered by future researchers.

Notwithstanding these limitations it is considered that the findings and conclusions within this thesis are robust, valid, and reliable as discussed above and reflect the reality within the economy and the individual case study establishments. This thesis has demonstrated the importance of establishment level analysis in understanding soft

skills deficits as well as unearthing commonalities across establishments filling conceptual and empirical gaps in the process. Perhaps most importantly, the salience of soft skills as a concept has also been considerably strengthened by this thesis.

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APPENDICES

APPENDIX 1: ESTABLISHMENT EMPLOYEE SURVEY
(please note tools have had to be re-formatted because of margin requirements)

THE SCOTTISH SOFT SKILLS SURVEY

Dear Participant

Thank you very much for participating in the Scottish Soft Skills Survey. This work is contributing towards my PhD and is also being used to further the labour market research of Futureskills Scotland at Scottish Enterprise.

The survey focuses on the skills that you use in work and also how you perceive your organisation and your job. The survey, although asking about all your job skills, focuses on the so called '*soft skills*'. These are: customer service skills, team-working, planning and organising, problem solving, oral communication and the way in which you manage your appearance and present yourself to others. Large scale research conducted in Scotland suggests that these skills are in particularly high demand and this research aims to establish further who uses these skills at work and what employers are doing to attract people with soft skills and develop them further.

The responses are completely confidential and anonymous. Please return surveys in the enclosed pre-paid envelope.

The questionnaire is mainly multiple-choice and *only takes approximately 10- 15 minutes to complete*. Unless otherwise stated please tick one answer for each question. For the few questions with an open-ended response (for example your job title) please write the answer in the space provided.

There is to be a prize draw of £100 which all those completing surveys are eligible to enter. If you wish to be entered please provide either an e-mail address or a contact phone number below. This is entirely voluntary and this information is to be used for prize draw purposes *only*

Contact e-mail/phone number-

Thanks again for completing this survey your time is much appreciated

Scott Hurrell
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A. ABOUT YOUR JOB

1) Job title (please state in full) _____

2) Do you have supervisory/management responsibility?

- No PLEASE GO TO Q3
Yes IF YES, which group do you directly line manage?

3) How long have you worked in this job? _____ years _____ months

4) How long have you worked in this company? _____ years _____ months

5) How long have you been in any paid employment? _____ years _____ months

6) What is your employment status? (Please tick one)

- Full-time permanent Part-time permanent Temporary

7) In your job which of the following skills do you use on a *daily basis*? Please tick all that apply.

- | | | | | | |
|----------------------------|--------------------------|-----------------------------|--------------------------|--|--------------------------|
| Basic computer literacy/IT | <input type="checkbox"/> | Planning and organising | <input type="checkbox"/> | Using numbers..... | <input type="checkbox"/> |
| Leadership..... | <input type="checkbox"/> | Advanced ICT skills | <input type="checkbox"/> | Presenting yourself positively to others | <input type="checkbox"/> |
| Team-working skills | <input type="checkbox"/> | Managing your physical | <input type="checkbox"/> | Other technical and practical skills | <input type="checkbox"/> |
| Customer handling skills | <input type="checkbox"/> | Literacy skills | <input type="checkbox"/> | Oral communication skills..... | <input type="checkbox"/> |
| Problem solving skills | <input type="checkbox"/> | Strategic management skills | <input type="checkbox"/> | Other (please specify) _____ | |

8) Of the skills ticked in Q7 which are the three most important in your job

1 _____ 2 _____ 3 _____

The following questions ask about some specific activities you may do at work. For each question please tick the one box which indicates how important each activity is in your job

	Essential	Very important	Fairly Important	Not very important	Not at all important
9) Dealing with people.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Instructing training or teaching others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11) Making speeches or presentations.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12) Persuading or influencing others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13) Selling a product or service.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14) Counselling, advising, or caring for customers or clients.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15) Working with a team of people.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16) Listening carefully to colleagues.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17) Spotting problems or faults (with your own work, someone else's work or equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18) Working out the causes of problems and faults (with your own work, someone else's work or equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19) Thinking of solutions to problems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20) Analysing complex problems in depth.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21) Planning your own activities.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22) Planning the activities of others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23) Organising your own time.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24) Thinking ahead.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25) Your general appearance.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26) Showing a particular sense of 'style'.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27) Showing sensitivity to the feelings of others (customers, clients or colleagues)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28) Knowing how others (customers clients or colleagues) are feeling.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29) Putting oneself in the position of others (customers, clients or colleagues)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30) The expression of pleasant emotions.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31) Adhering to grooming standards.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32) Bringing others (customers, clients or colleagues) into a good mood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33) The expression of different emotions depending on the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34) Dressing in a particular way.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The following questions ask to what extent you are able (for *whatever reason*) to do a variety of activities in your job in a way you consider effective. Please answer how regularly you can do the following effectively in your job when it requires you to...

	Always	Nearly always	Often	Sometimes	Hardly ever
35) Analyse complex problems in depth.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36) Express pleasant emotions.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37) Organise your own time.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38) Join in a team effort.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39) Show sensitivity to others' (customers, clients or colleagues) feelings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40) Think ahead.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41) Dress in a particular way.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42) Work out the causes of problems or faults (with your work, someone else's work or equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43) Persuade or influence others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44) Help other team members.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45) Spot problems or faults (with your work, someone else's work or equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46) Bring others (Customers clients or colleagues) into a good mood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47) Perceive how others(Customers clients or colleagues) are feeling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48) Make speeches and presentations.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49) Plan your own activities.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50) Sell a product or service.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51) Adhere to grooming standards.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52) Think of solutions to problems.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
53) Express different emotions depending on the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
54) Place yourself in the position of others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
55) Listen carefully to colleagues.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
56) Exhibit a particular sense of 'style'.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
57) Deal with people.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
58) Instruct, train or teach others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
59) Manage your general appearance.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
60) Counsel, advise or care for clients and customers.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61) Plan the activities of others.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. YOUR PERCEPTIONS OF YOUR EMPLOYER

The next section is concerned with your views about the extent to which your employer has fulfilled their promises and/or obligations to you. The questions also ask for your feelings towards your organisation. Please tick the one appropriate box for each question using the choices below.

- | | Yes, fairly | Yes, quite fairly | Not very fairly | Not at all fairly |
|--|---|---|---|--|
| 62) Do you feel fairly treated by your employer? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 63) Do you feel that you are fairly rewarded for the amount of effort you put into your job? | Yes definitely
<input type="checkbox"/> | Yes probably
<input type="checkbox"/> | Probably not
<input type="checkbox"/> | Definitely Not
<input type="checkbox"/> |
| 64) In your organisation do those who perform well on their jobs get better rewards or recognition than those who meet the basic job | Yes, to a great
<input type="checkbox"/> | Yes, somewhat
<input type="checkbox"/> | Only a little
<input type="checkbox"/> | No, not at all
<input type="checkbox"/> |
| 65) In general how much do you trust your organisation to keep its promises or commitments to you and other employees? | A lot
<input type="checkbox"/> | Somewhat
<input type="checkbox"/> | Only a little
<input type="checkbox"/> | Not at all
<input type="checkbox"/> |
| 66) To what extent do you trust management to look after your best interests? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 67) To what extent has your organisation always kept its promises and / or obligations to you about: | Always | To a large extent | To some extent | Has not kept them |
| a) Your career to date?. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Job security? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) The demands of your job/ amount of work required of you? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 68) How motivated do you feel in your current job?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Very | Fairly | Not very | Not at all |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Not particularly | Quite hard | Very hard | As hard as I can |
- 69) How hard would you say you work (for whatever reason)?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A lot of loyalty | Some loyalty | A little loyalty | No loyalty at all |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Very proud | Quite proud | Not very proud | Not at all proud |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All of the time | Most of the time | Some-times | Rarely |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Excellent | Good | Only fair | Poor |
- 70) How much loyalty would you say you show towards the organisation you work for, as a whole?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Very proud | Quite proud | Not very proud | Not at all proud |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All of the time | Most of the time | Some-times | Rarely |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Excellent | Good | Only fair | Poor |
- 71) When people ask; how proud are you to say who you work for?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All of the time | Most of the time | Some-times | Rarely |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Excellent | Good | Only fair | Poor |
- 72) When you get up in the morning how often do you really look forward to going to work?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All of the time | Most of the time | Some-times | Rarely |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Excellent | Good | Only fair | Poor |
- 73) Overall how would you rate relations between employees and management at your organisation?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
- 74) To what extent do you agree that management and employees are on the same side rather than opposite sides?
- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Strongly agree | Slightly agree | Neutral | Slightly disagree |
- 75) Apart from holidays, work related training and education or statutory leave (such as maternity or parental leave and leave for trade union activities), approximately how many times have you been absent from work in the past 12 months; counting more than one consecutive day as 'one time'? _____ times

C. SATISFACTION WITH YOUR JOB

The following section asks about your job and how satisfied you are with it, rather than the organisation as a whole. For each element of your job please indicate the degree to which you are satisfied using the scale provided.

	Very dissatisfied	Dissatisfied	Slightly dissatisfied	Neutral	Slightly satisfied	Satisfied	Very Satisfied
76) The amount of job security you have.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
77) The pay and fringe benefits you receive in your job.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
78) The amount of growth and personal development you get in doing your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
79) The people (colleagues or customers) you talk to and work with on your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
80) The degree of respect and fair treatment you receive from your boss.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
81) The feeling of worthwhile accomplishment you get from doing your job.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
82) The chance to get to know other people on the job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
83) The amount of support and guidance you receive from your supervisor.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
84) The amount of independent thought and action you can exercise in your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
85) How secure things look for you for the future in this organisation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
86) The chance to help other people whilst at work.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
87) The amount of challenge in your job.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
88) The overall quality of the supervision you receive in your work.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
89) The degree to which you are fairly paid for your contribution to the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. TRAINING AND REWARDS

The following questions ask about your experiences over the past 12 months.

90) Have you personally experienced any of the following in the past 12 months? Please tick all that apply

An enhancement in terms or conditions	Improved pay/other financial rewards	Appraisal, performance review or similar
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

91) Have you received any training in the past 12 months?

Yes No IF NO PLEASE GO TO SECTION E

92) If you answered 'yes' to Q 91, was your training...

Off the job	On the job (i.e at your immediate work station)	Both
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

93) What did your training cover?(Please tick all that apply)

Induction.....	Grooming or self presentation	Quality control/management
Supervisory/management training	Use of new technology/equipment	Health/safety/first aid.....
Computing skills.....	Team-working.....	Reliability/working to deadlines/time management
Customer service.....	Improving communication	Product knowledge.....
Problem solving methods.....	Equal Opportunities.....	Other (please specify)

E. ABOUT YOU AND YOUR FAMILY

Previous research has shown that your family background is likely to affect your educational and job choices and therefore the skills which you use in your work. This final section asks some questions about your parents and then yourself. Throughout the section where the terms 'parent' or 'parents', 'mother' or 'father' are used please also assume this to mean guardians. If you have step parents please answer in relation to the family with which you predominantly live(d).

94) Have either of your parents ever worked?

Yes PLEASE CONTINUE TO Q95

No PLEASE GO STRAIGHT TO Q 99

95) Are / were your parents employed by a company or self employed?

(a) Mother...

(b) Father...

Employed by a company.....

Employed by a company.....

Self employed with employees.....

Self employed with employees.....

Self employed/freelance without employees

Self employed/freelance without employees

Don't know.....

Don't know.....

96) Please tick one box which best describes the type of work your parents do or did in their last job if unemployed

	Mother	Father
Modern Professional (such as teacher, nurse, radiographer, physiotherapist, social worker, artist, musician, police officer(sergeant or above), software designer)	<input type="checkbox"/>	<input type="checkbox"/>
Clerical and Intermediate Professions (such as secretary, PA, clerical worker, clerk, call centre agent, nursery nurse, nursing auxiliary)	<input type="checkbox"/>	<input type="checkbox"/>
Senior Managers/ Administrators (usually responsible for planning, organising and co-ordinating work or finance, such as chief executive, finance manager)	<input type="checkbox"/>	<input type="checkbox"/>
Technical and Craft Occupations (such as motor mechanic, fitter, inspector, plumber, printer, tool maker, electrician, gardener, train driver)	<input type="checkbox"/>	<input type="checkbox"/>
Semi-routine Manual and Service Occupations (such as postal worker, machine operative, security guard, caretaker, farm-worker, catering assistant, receptionist, sales assistant)	<input type="checkbox"/>	<input type="checkbox"/>
Routine Manual and Service Occupations (such as HGV driver, van driver, cleaner, porter, packer, sewing machinist, messenger, labourer, waiting staff/ bar staff)	<input type="checkbox"/>	<input type="checkbox"/>
Middle or Junior Managers (such as office manager, retail manager, bank manager, restaurant manager, warehouse manager, publican)	<input type="checkbox"/>	<input type="checkbox"/>
Traditional Professional Occupations (such as accountant, solicitor, medical practitioner, civil/mechanical engineer)	<input type="checkbox"/>	<input type="checkbox"/>

97) Approximately how many people work(ed) for your parents' employer or how many do (did) they employ if self-employed with employees

	1 - 24	25 or more	Don't know
Mother.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Father.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

98) Do/did your parents supervise other employees?

	Yes	No	Don't know
Mother.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Father.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 99) Are you?
 Female Male
- 100) Which of the following age groups are you in?
 15-20.....
 21-25.....
 26-30.....
 31-40.....
 41-50.....
 51-60.....
 60 plus.....

- 101) What is the highest level of education which you have *achieved* so far?
 Higher degree
 Bachelors degree
 Higher/ further education short of a degree (eg HND, certificate of HE etc...)
 Highers/'A' Levels/N/SVQ level 3 or equivalent
 Standard grades/GCSES at grade A-C, N/SVQ level 2 or equivalent
 Standard grades/GCSEs at grade D or lower, N/SVQ level 1 or equivalent
 None of the above
 Don't know

- 102) Are you currently a student in further or higher education?
 Yes at university.....
 Yes at a further education college
 No.....

- 103) Have you ever claimed job seekers' allowance or equivalent?
 Yes..... No.....

IF NO PLEASE GO STRAIGHT TO Q 105

- 104) If 'yes' to Q 103 how long was the longest period you were claiming?
 _____ years _____ months

- 105) What is your standard annual salary (excluding bonuses, tips etc...)? If you are hourly paid please approximate.
- Under £4,000
 £4,000 - £7,999
 £8,000 - £11,999
 £12,000 - £15,999
 £16,000 - £19,999
 £20,000 - £29,999
 £30,000 - £39,999
 £40,000 - £49,999
 £50,000 plus

Thank you for completing the survey! Once again your time is much appreciated as without your participation this research would not be possible. The prize draw will be made when all surveys in the study are returned and if you have won you will be contacted in due course.

Please return the survey in the pre-paid envelope or at a designated collection point within the establishment.

Should you have any questions about the study or wish to contact me please feel free.

APPENDIX 2: OXYGEN PDM'S FOCUS GROUP 'CHECK LIST'

- Deciding factors when selecting hospitality products.
- Is employee attractiveness important when selecting.
- Is it important that products reflect consumer image and social identity?
- Do employees communicate the brand?
- Attractiveness versus presentation.
- Would you rather be served by an attractive employee?
- Style market versus traditional market.
- Association between employee and brand.
- Organisations branding employees.
- Gender bias towards women?
- More male or female consumers prefer attractive employees?
- Advertising and marketing – does employee aesthetic image matter?
- More likely to tip an attractive employee?
- Uniforms, appearance, dress codes and branding.
- Does appearance sell?
- Acceptable for organisations to hire the beautiful.
- Positive and negative effects of having attractive employees.
- Aesthetics- appearance/attractiveness/speech/sexualisation.
- Discrimination. Is it fair? Lookism, ageism.

APPENDIX 3: FUTURESKILLS SCOTLAND EMPLOYERS' SKILLS SURVEY SURVEY SCHEDULE

1. BACKGROUND

ASK TELEPHONIST

- 1) Good morning / afternoon. My name is XXX and I'm calling from IFF Research. Can I just check, is this [COMPANY NAME FROM SAMPLE]?

Yes correct	1	GO TO Q2	
No - Company name wrong	2	ASK Q1A IF NEW SAMPLE	IF RE INTERVIEW, RED FLAG AND CLOSE FOR NOW
Hard appointment	3	MAKE APPOINTMENT	
Soft Appointment	4		
Refusal	5	CLOSE	
Refusal – company policy	6		
Refusal – Taken part in recent	7		
Nobody at site able to answer questions	8		
Not available in deadline	9		
Engaged	10		
Fax Line	11		
No reply / Answer phone	12		
Residential Number	13		
Dead line	14		
Company closed	15		
Sole trader / self employed / no staff	16		

IF COMPANY NAME DIFFERENT

- 1a) What is the correct company name? WRITE IN

COMPANY NAME

IF NEW SAMPLE

- 2) May I speak to the most senior person here who has responsibility for human resource and personnel issues?

INTERVIEWER PROMPTS:

ESTABLISHMENTS WITH 25 OR MORE EMPLOYEES: Your human resources or personnel director / manager

ESTABLISHMENTS WITH 1-24 EMPLOYEES: The owner, managing director or general manager

IF RECONTACT SAMPLE

Please may I speak to (NAME FROM SAMPLE)?

Yes put through	1	GO TO Q2A
HQ Referral	2	RECORD REFERRAL DETAILS
Hard appointment	3	MAKE APPOINTMENT

Soft Appointment	4	CLOSE
Refusal	5	
Refusal – company policy	6	
Refusal – Taken part in recent	7	
Nobody at site able to answer questions	8	
Not available in deadline	9	
Sole trader / self employed / no staff	10	

ASK RESPONDENT IF NEW SAMPLE OR NEW CONTACT AT RE-CONTACT SAMPLE

- 2a) **Good morning / afternoon, my name is _____ , calling from IFF Research, an independent market research company. We're conducting a survey on behalf of Future Skills Scotland, the Scottish executive and [TEXT SUB IF SCOTTISH ENTERPRISE: Scottish Enterprise TEXT SUB IF HIGHLANDS AND ISLANDS ENTERPRISE: Highlands and Islands Enterprise]**

ASK RESPONDENT IF RE-CONTACT SAMPLE

Good morning / afternoon. Last year you helped us out with a survey that we were conducted on behalf of Future Skills Scotland, the Scottish Executive and.....[TEXT SUB IF SCOTTISH ENTERPRISE: Scottish Enterprise TEXT SUB IF HIGHLANDS AND ISLANDS ENTERPRISE: Highlands and Islands Enterprise]

At that stage you indicated that you would be willing to help in further research. We are now conducting a further study to update some of the information collected in 2002 and to examine other similar recruitment and skills issues. We were hoping that you would be willing to help us again.

ASK ALL

The purpose of this research is to provide an overview of current skill needs across the Scottish economy and to identify areas of recruitment difficulty.

This survey aims to help the providers of education and training to meet the skill needs of Scottish businesses. Your co-operation will ensure that the views expressed are representative of all Scottish employers.

Participation in the study is entirely voluntary and responses will not be attributed to any individual or company. Results will be reported to Future Skills Scotland, the Scottish executive and [TEXT SUB IF SCOTTISH ENTERPRISE: Scottish Enterprise TEXT SUB IF HIGHLANDS AND ISLANDS ENTERPRISE: Highlands and Islands Enterprise] on an unidentifiable basis only.

The interview will take around 20 minutes to conduct, on average.

Reassurances to use if necessary

- **IF RESPONDENT WISHES TO CONFIRM VALIDITY OF SURVEY OR GET MORE INFORMATION ABOUT AIMS AND OBJECTIVES, THEY CAN CALL:**

- **IFF: Alistair Kuechel / Damion Lorenzen-White / Lorna Adams / Jan Shury /: 0207 250 3035**

- **Scottish Enterprise:** Stuart King on 0141 228 2098 or Stephen Boyle on 0141 228 2968
- **Highlands & Islands Enterprise:** Shona Clyne on 01463 244497
-

I would like to ask you some general questions about the activities carried out here and then about human resource issues specifically. Can I confirm you are the best person at this location to talk to?

Yes put through	1	ASK Q3
Someone else at establishment NAME..... JOB TITLE.....	2	TRANSFER AND RE INTRODUCE
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
Refusal	5	CLOSE
Refusal – company policy	6	
Refusal – Taken part in recent	7	
Nobody at site able to answer questions	8	
Not available in deadline	9	
Sole trader / self employed / no staff	10	

- 3) I would like to begin by asking you some general questions about this establishment or site. By establishment or site I mean this single location, even if it encompasses more than one building.

Firstly, can you tell me how many employees you currently employ at this establishment including yourself but excluding the self employed, non-employee trainers, outside contractor/agency staff or any employees under 16?

ADD IF NECESSARY - By that I mean both full time and part time employees on your payroll?

WRITE IN AND CODE BELOW

CLOSE IF DK or 0

1	1	ASK Q3A
2-4	2	
5-9	3	
10-24	4	CHECK AGAINST QUOTAS
25-49	5	
50-249	6	
Over 250 employees	7	

ASK IF FEWER THAN 10 EMPLOYEES AT Q3 OTHERS GO TO ROUTING ABOVE Q3C

3a) And are working proprietors included in this total?

Yes	1	ASK S3B
No	2	GO TO ROUTING ABOVE Q3C

3b) Excluding these people, how many people are employed at this establishment?
WRITE IN NUMBER AND CODE RANGE

NUMBER : _____

0	1	THANK & CLOSE
1 - 4	2	Go To Routing above Q3C
5 - 9	3	

3c) ASK ALL RE-INTERVIEW SAMPLE OTHERS GO TO ROUTING ABOVE Q4
Has there been any change in the core business activity carried out at this establishment in the last 12 months?

Yes	1	ASK Q4
No	2	GO TO Q5

4) ASK IF ACTIVITY HAS CHANGED (Q3C=1) OR NEW SAMPLE
And what is the main business activity of this establishment? (INSERT "now" IF RE-INTERVIEW SAMPLE AND Q3c-2)? PROBE FULLY.

WRITE IN AND CODE BELOW

--	--

QUOTA

Agriculture / Forestry / Fishing	1	Agriculture	CHECK AGAINST QUOTA. CLOSE IF QUOTA CATEGORY FULL
Energy / Water / Mining	2	Energy/ construction	
Construction	3		
Manufacturing	4	Manufacturing	
Distribution / Hotels / Restaurants	5	Hospitality	
Transport & Communications	6	Transport	
Retail & other consumer services	7	Consumer services	
Banking / Finance & Insurance / Business Services	8	Finance / Business services	
Public admin / education / health	9	Public	

5) ASK ALL
And can I just check, is this establishment part of the ...? READ OUT

Private or commercial sector	1	
Public sector (READ OUT AS NECESSARY: run or funded wholly by central or local government)	2	
Voluntary sector	3	

Other (WRITE IN)	0	
------------------	---	--

6) Is this establishment READ OUT

The only establishment in the organisation	1	
One of a number of establishments within a larger organisation	2	

6A) THERE IS NO Q6A

ASK IF PART OF A LARGER ORG (Q6=2. OTHERS GO TO Q8_2)

7) Approximately how many people does the overall organisation (of which this establishment is part) employ? PROMPT IF NECESSARY

1-49 staff overall	1	
50-249 staff overall	2	
Or more than 250 staff overall	3	
Don't know	4	

8) Does this establishment ... READ OUT. ALLOW MULTICODE OF (1-3 & 4)

	Yes	No	
ASK IF Q6=2 :have any headquarters function	1	2	
ASK ALL: Operate as a call centre or contact centre	1	2	

ASK IF PART OF A LARGER ORGANISATION BUT HAVE NO HQ FUNCTION (CODE 2 AT Q8/1) OTHERS GO TO Q9a

9) And where is the headquarters of your organisation based? READ OUT. SINGLE CODE ONLY

Scotland	1	
Elsewhere in the UK	2	
Elsewhere outside UK	3	

ASK ALL

9a) I'd now like to ask you a number of questions about the products or services that are provided by this establishment. First of all on a scale of 1 to 5, where would you place this establishment and the products or services that it provides if...READ FIRST STATEMENT BELOW

A.) a score of one indicates that, compared to others in your industry, this establishment is a high volume producer or service provider and a score of five indicates that you provide one-off or very low volume services or products

High volume	1	2	3	4	5	DK	One-off
-------------	---	---	---	---	---	----	---------

B) a score of one indicates that, compared to others in your industry, you provide a highly complex service or product and a score of five that you provide a simple product or service

Highly complex	1	2	3	4	5	DK	Simple
----------------	---	---	---	---	---	----	--------

ASK PRIVATE SECTOR ONLY (Q5/1)

D.) a score of one indicates that, compared to others in your industry, the competitive success of your establishment's products or services does not depend at all on price and a score of five that success is wholly dependent on price

Not at all price-dependent	1	2	3	4	5	DK	Wholly price dependent
----------------------------	---	---	---	---	---	----	------------------------

ASK ALL

F.) a score of one indicates that, compared to others in your industry, your IT systems and/or networks are state of the art and a score of five that, compared to others in your industry, you are well behind recent technological developments

State of the art	1	2	3	4	5	DK	Well behind recent developments
------------------	---	---	---	---	---	----	---------------------------------

G.) a score of one indicates that the way you produce your products or services is highly automated and a score of five that they are not automated at all

Highly automated	1	2	3	4	5	DK	Not automated at all
------------------	---	---	---	---	---	----	----------------------

ASK PRIVATE SECTOR ONLY (Q5/1) OTHERS GO TO ROUTING ABOVE STATEMENT I

H) a score of one indicates that you compete in a premium quality product or service market and five that you compete in a market for a standard or basic quality product

Premium	1	2	3	4	5	DK	Basic / Standard
---------	---	---	---	---	---	----	------------------

ASK NON-PRIVATE SECTOR ONLY(Q5/ NOT 1) OTHERS GO TO Q9B

I) a score of one indicates that you provide a highly specialist service and a score of five that you provide a basic or standard service

Highly specialist	1	2	3	4	5	DK	Basic / Standard
-------------------	---	---	---	---	---	----	------------------

ASK ALL

9b) How applicable are each of the following statements to this establishment and the industry you work in?

	Very applicable	Quite applicable	Not very applicable	Not at all applicable
--	-----------------	------------------	---------------------	-----------------------

Within our industry there have not been changes to the products and services offered or the way that they are delivered for a good number of years	1	2	3	4
Compared to other establishments within our industry we tend to lead the way in terms of developing new products, materials or techniques	1	2	3	4
We would like to move into new, high quality product or service areas but we lack the required skills in the workforce	1	2	3	4
ASK PRIVATE SECTOR ONLY- We face serious competition from low cost countries	1	2	3	4

2 ABOUT YOUR WORKFORCE

- 10) THERE IS NO Q10
11) THERE IS NO Q11.

- 12) **IF NOT INTERVIEWED IN 2002 STUDY AND NOT NEW START UP SAMPLE**
Approximately, how many employees did you have at this establishment this time last year (i.e. 12 months ago)? **ADD IF NECESSARY:** By that I mean both full-time and part-time employees on your payroll.

WRITE IN

PROMPT WITH RANGES IF NECESSARY

0	1	
1-4	2	
5-9	3	
10-14	4	
15-19	5	
20-24	6	
25-49	7	
50-99	8	
100 – 149	9	
150-199	10	
200-249	11	
Over 250 employees	12	
Not in operation 12 months ago	13	
Don't Know	X	

- 13) **ASK ALL**
How many new recruits have you taken on at this location in the past 12 months? Please include any people who joined and have since left (including any seasonal workers).

WRITE IN

PROMPT WITH RANGES IF NECESSARY

0	1	
1-4	2	
5-9	3	
10-14	4	
15-19	5	
20-24	6	
25-49	7	
50-99	8	
100 - 149	9	
150-199	10	
200-249	11	
Over 250 employees	12	
Don't Know	X	

- 14) How many people in total have left this location in the last 12 months (including any seasonal workers)?

WRITE IN -

PROMPT WITH RANGES IF NECESSARY

0	0	
1-4	1	
5-9	2	
10-14	3	
15-19	4	
20-24	5	
25-49	6	
50-99	7	
100-149	8	
150-199	9	
200-249	10	
over 250 employees	11	
Don't Know	X	

- 15) THERE IS NO Q15
15a) THERE IS NO Q15A

ASK ALL

- 16) Over the next 12 months, do you expect the number of people employed at this establishment to.....? READ OUT AND CODE ONE ONLY

()

Increase significantly	1	
Increase slightly	2	
Remain about the same	3	
Decrease slightly	4	
Decrease significantly	5	
Don't know	X	

ASK ALL

17) Changing the subject slightly are there any particular challenges that you feel your business is likely to face over the next 12 months?

Yes	1	ASK Q17a
No	2	GO TO ROUTING ABOVE Q18

ASK IF ANTICIPATE CHALLENGES (Q17/1). OTHERS GO TO ROUTING ABOVE

Q18

17a) What are these challenges? DO NOT READ OUT.

Increasing competition from within Scotland	1	
Increasing competition from outside Scotland	2	
Changes in the structure of the market	3	
Keeping up with changes in technology	4	
Attracting appropriately skilled staff	5	
Labour costs	6	
Foot and mouth disease / other health scares	7	
Business regulations	8	
Geographic location	9	
Attracting new customers	10	
Cost of expanding or obtaining new facilities	14	
Cash flow	15	
Securing funding from external sources	16	
Seasonality of business	17	
Handling increased business	18	
Keeping existing customers/business	19	
Other (WRITE IN)	11	
No particular challenges	12	
Don't know	13	

3. Vacancies and Recruitment

ASK ALL WHO HAVE NOT RECRUITED IN LAST 12 MONTHS (0 OR DK@ Q13)

18) Can I just check, have you recruited anyone at this location in the last 2 -3 years?

()

Yes	1	ASK Q18
No	2	GO TO Q23

ASK ALL WHO HAVE RECRUITED (Q13/1 OR Q18/NOT 0 OR DK)

18a) Have you recruited anyone aged over 50 in the last 2-3 years?

()

Yes	1	
No	2	
DK	3	

IF HAVE RECRUITED (Q13/1 OR Q18/NOT 0 OR DK)

19) Have any of the people you have recruited in the last 2-3 years been employed by you as their first job on leaving... READ OUT

	Yes	No	
A Scottish secondary school	1	2	
A Scottish FE College	1	2	
A Scottish University	1	2	

IF RECRUITED DIRECT FROM SECONDARY SCHOOL (Q19_1=1)

19a) Thinking about the employees who you recruited to their first job on leaving a Scottish secondary school how well do you feel they are prepared for employment in terms of soft, core skills such as communication, team work and problem solving? Would you say they were.. READ OUT

19a1) And how about in terms of their technical skills, would you say they were....READ OUT

IF RECRUITED DIRECT FROM FE COLLEGE (Q19_2=1)

19b) (TEXT SUBS: IF HAVE NOT RECRUITED DIRECT FROM SECONDARY SCHOOL (Q19_1=2|3): Thinking about the employees who you recruited to their first job on leaving a Scottish FE college how well do you feel they are prepared for employment in terms of soft, core skills such as communication, team work and problem solving? / IF HAVE RECRUITED DIRECT FROM SECONDARY SCHOOL (i.e. Q19_1=1): And what about the employees who you recruited to their first job on leaving a Scottish FE college, in terms of their soft, core skills END TEXT SUBSTITUTION) Would you say they were.. READ OUT

19b1) And how about in terms of their technical skills, would you say they were....READ OUT

IF RECRUITED DIRECT FROM UNIVERSITY (Q19_3=1)

19c) (TEXT SUBS: IF HAVE NOT RECRUITED DIRECT FROM SECONDARY SCHOOL OR FROM FE COLLEGE: (Q19_1=2|3 & Q19_2=2|3): Thinking about the employees who you recruited to their first job on leaving a Scottish University how well do you feel they are prepared for employment in terms of soft, core skills such as communication, team work and problem solving? / IF HAVE RECRUITED DIRECT FROM SECONDARY SCHOOL OR FROM FE COLLEGE (i.e. Q19_1=1 or q19_2=1) And what about the employees who you

recruited to their first job on leaving a Scottish university, in terms of their soft, core skills END TEXT SUBSTITUTION) Would you say they were.. READ OUT

19c1) And how about in terms of their technical skills, would you say they were....READ OUT

	Secondary School- Soft Q19a	Secondary School- Technical Q19a1	FE College - Soft Q19b	FE College - Technical Q19b1	University- Soft Q19c	University- Technical Q19c1
Very well prepared	1	1	1	1	1	1
Well prepared	2	2	2	2	2	2
Poorly prepared	3	3	3	3	3	3
Very poorly prepared	4	4	4	4	4	4
Don't know / Varies too much to say	X	X	X	X	X	X

ASK IF HAVE RECRUITED (Q13/1 OR Q18 NOT 0 or DK) OTHERS GO TO Q23

19f And have any of the people you have recruited in the last 2-3 years been employed by you as their first job on leaving a non-Scottish university?

Yes	1
No	2
Don't know	3

20) THERE IS NO Q20

21) THERE IS NO Q21

Yes	1	ASK Q22
No	2	GO TO Q21

IF ACTIVELY RECRUITED FROM OUTSIDE SCOTLAND (Q22NEW1)

22a) What occupations have you recruited from outside Scotland for?

Occupation 1	TYPE
Occupation 2	TYPE
Occupation 3	TYPE
Occupation 4	TYPE
Occupation 5	TYPE
Occupation 6	TYPE

21a) Thinking generally about all the recruitment that you have carried out over the last 2-3 years, to what extent would you agree with the following statements about your business – please tell me whether you agree strongly, agree slightly, neither agree nor disagree, disagree slightly or disagree strongly...

ROTATE STATEMENTS	Agree strongly	Agree slightly	Neither /nor	Disagree slightly	Disagree strongly	DK
The qualifications held by candidates usually play the decisive role in deciding who to recruit	1	2	3	4	5	X
Graduates tend to have better soft skills such as teamwork, problem solving and planning skills than people who have not been to university	1	2	3	4	5	X
Qualifications are often a poor indicator of the skills that an individual holds	1	2	3	4	5	X
Most school leavers understand the world of work	1	2	3	4	5	X
You would have some concerns employing people over the age of 50	1	2	3	4	5	X
Most school leavers have a positive approach to employment	1	2	3	4	5	X
Where possible, you prefer to employ young people under the age of 21	1	2	3	4	5	X

22) Have you recruited anybody from outside Scotland in the last 2-3 years?

Yes	1	ASK Q22NEW
No	2	GO TO Q23

22new) And did this recruitment occur as the result of deliberately and actively seeking to recruit a candidate from outside Scotland?

INTERVIEWER NOTE: That is, were they living outside Scotland immediately prior to coming to work for the organisation.

Yes	1	ASK Q22NEW
No	2	GO TO Q23

IF ACTIVELY RECRUITED FROM OUTSIDE SCOTLAND (Q22NEW/1)

22a) What occupations have you recruited staff from outside Scotland for?

Occupation 1	TYPE
Occupation 2	TYPE
Occupation 3	TYPE
Occupation 4	TYPE
Occupation 5	TYPE
Occupation 6	TYPE

IF >1 OCCUPATION WITH VACANCIES, ASK Q26:

And how many vacancies do you have for each occupation mentioned?

OCCUPATION	TYPE	NUMBER

ASK FOR EACH OCCUPATION ACTIVELY RECRUITED FROM OUTSIDE SCOTLAND

22b) **And was the candidate (were any of the candidates) that you have recruited for (OCCUPATION FROM Q22A) recruited from outside the UK?**

	OCC1	OCC2	OCC3	OCC4	OCC5	OCC6
Yes	1	1	1	1	1	1
No	2	2	2	2	2	2
Don't know	3	3	3	3	3	3

22c) **What are the main reasons for your use of non-Scottish personnel in (OCCUPATION FROM Q22A)? READ OUT AND CODE ALL MENTIONED**

	OCC1	OCC2	OCC3	OCC4	OCC5	OCC6
overseas secondments form part of your company's training policy	1	1	1	1	1	1
To maintain communications with other international sites	2	2	2	2	2	2
to facilitate the co-ordination of the companies activities globally	3	3	3	3	3	3
specialist knowledge of the company's work practices	4	4	4	4	4	4
skills transfer e.g. to help with the training of new staff	5	5	5	5	5	5
language skills	6	6	6	6	6	6
To overcome difficulties recruiting personnel from within Scotland	7	7	7	7	7	7
Other (WRITE IN)	8	8	8	8	8	8

ASK ALL

23) **Changing the subject slightly, do you currently have any vacancies for either full-time or part-time staff?**

()

Yes	1	ASK Q23A
No	2	GO TO Q38A

IF HAVE VACANCIES (Q23/1), OTHERS GO TO Q38A

23a) **How many vacancies do you have?**

WRITE IN

24) **THERE IS NO Q24**

ASK Q25 TO Q38 FOR A MAXIMUM OF 6 VACANCY TYPES

25) **TEXT SUBSTITUTION IF Q23a>1: In what occupations do you have vacancies? / IF Q23a=1: In which occupation do you have a vacancy?**

IF >1 OCCUPATION WITH VACANCIES @ Q25, ASK Q26:

26) **And how many vacancies do you have for (EACH OCCUPATION MENTIONED)?**

Occ 1	TYPE	NUMBER
Occ 2	TYPE	NUMBER
Occ 3	TYPE	NUMBER

Occ 4	TYPE	NUMBER
Occ 5	TYPE	NUMBER
Occ 6	TYPE	NUMBER

27) THERE IS NO Q27

28) Are you finding it hard to fill (TEXT SUB: IF Q23a=1: this vacancy / IF Q23a>1: any of these vacancies) for (EACH OCCUPATION MENTIONED)?

	Occ 1	Occ 2	Occ 3	Occ 4	Occ 5	Occ 6
Yes	1	1	1	1	1	1
No	2	2	2	2	2	2

FOR EACH OCCUPATION WHERE VACANCIES ARE HARD-TO-FILL (Q28/1)

28a) How many of the vacancies that you have for ____ (READ OUT OCCUPATIONS WITH HARD-TO-FILL VACANCIES AT QXX) ... are you finding hard-to-fill?

IF ONLY 1 VAC AT Q23A=1 THEN DON'T ASK NUMBER OF H2F VACS @ Q28a
IF ONLY 1 VAC @ Q26 FOR ANY GIVEN OCCUPATION (Q26_1 = 1, Q26_2 = 1, ETC, DON'T ASK NUMBER OF H2F VACS @ Q28a)

H2f vac for occ 1	TYPE	NUMBER
H2f vac for occ 2	TYPE	NUMBER
H2f vac for occ 3	TYPE	NUMBER
H2f vac for occ 4	TYPE	NUMBER
H2f vac for occ 5	TYPE	NUMBER
H2f vac for occ 6	TYPE	NUMBER

29) Are you finding (TEXT SUB: IF Q28a=1: this vacancy / IF Q28a>1: any of these vacancies) for (EACH OCCUPATION MENTIONED) hard to fill because.....? READ OUT

	Occ 1	Occ 2	Occ 3	Occ 4	Occ 5	Occ 6
Applicants have not been of sufficient quality	1	1	1	1	1	1
Because there have been few or no applicants	2	2	2	2	2	2
Or for both of these reasons	3	3	3	3	3	3

30) THERE IS NO Q30

ASK FOR ALL HARD-TO-FILL VACANCIES CAUSED BY LACK OF QUALITY (Q29/1 OR 3)

31) You said that you have had problems with the quality of the candidates for (OCCUPATION) Would you say that they have been lacking ... ? READ OUT. CODE ALL MENTIONS.

	Occ 1	Occ 2	Occ 3	Occ 4	Occ 5	Occ 6
The skills you look for	1	1	1	1	1	1
The qualifications you look for	2	2	2	2	2	2

The work experience that you require	3	3	3	3	3	3
Or do applicants tend to have poor attitudes, motivation and/or personality	5	5	5	5	5	5
DK	X	X	X	X	X	X

ASK FOR ALL HARD-TO-FILL VACANCIES CAUSED BY LACK OF SKILLS (Q31/1)

32) Which of the following skills have you found applicants for (EACH OCCUPATION MENTIONED) to be lacking? READ OUT AND CODE ALL THAT APPLY

ROTATE ORDER OF 3-11	Occ1	Occ 2	Occ 3	Occ 4	Occ 5	Occ 6
Basic computer literacy / using IT	1	1	1	1	1	1
Advanced IT or software skills	2	2	2	2	2	2
Oral communication skills	3	3	3	3	3	3
Written communication skills	4	4	4	4	4	4
Customer handling skills	5	5	5	5	5	5
Team working skills	6	6	6	6	6	6
Problem solving skills	7	7	7	7	7	7
Planning and organising	8	8	8	8	8	8
Strategic management skills	9	9	9	9	9	9
Using numbers	10	10	10	10	10	10
Literacy skills	11	11	11	11	11	11
Other technical and practical skills	12	12	12	12	12	12
None	X	x	x	x	x	x
Other (WRITE IN)	0	0	0	0	0	0

33) THERE IS NO Q33.

34) THERE IS NO Q34

35) THERE IS NO Q35

35a) Broadly speaking, how long have you had a vacancy for (EACH HARD TO FILL OCCUPATION) open? PROMPT AS NECESSARY

	Occ 1	Occ 2	Occ 3	Occ 4	Occ 5	Occ 6
Less than 2 weeks	1	1	1	1	1	1
2 weeks- 1 month	2	2	2	2	2	2
1-2 months	3	3	3	3	3	3
2-3 months	4	4	4	4	4	4
3-6 months	5	5	5	5	5	5
more than 6 months	6	6	6	6	6	6

36) **ASK ALL WHO HAVE H2F VACS (ANY OF Q28/1) – ASK ONLY ONCE AT OVERALL LEVEL**

(TEXT SUB: IF Q28a=1: Is this hard to fill vacancy / IF Q28a>1: Are any of these hard to fill vacancies) for causing this establishment: READ OUT AND CODE ALL MENTIONED

Loss of business or orders to competitors	1	
Delays developing new products or services	2	
To withdraw from offering certain products or services altogether	3	
Difficulties meeting customer service objectives	4	
Difficulties meeting quality standards	5	
Increased operating/running costs	6	
Difficulties introducing technological change	7	
Difficulties introducing new working practices	8	
No particular problems	X	
Other (please specify)	0	

37) **ASK ONCE AT OVERALL LEVEL RATHER THAN FOR EACH VACANCY**
What measures, if any, have you taken to overcome (TEXT SUB: IF Q28a=1: this hard to fill vacancy / IF Q28a>1: these hard to fill vacancies) DO NOT READ OUT, CODE ALL MENTIONED

Changed job specification	
Offered higher pay or more financial incentives than normal	1
Offered enhanced terms & conditions	2
Considered a wider range of applicants	3
Changed the job spec by giving some of the tasks to other staff	4
Changed the job spec by automating some of the tasks	5
Changed recruitment practices	
Hired part-time staff	6
Hired contract staff	13
Built links with schools/colleges/universities	7
Used more extensive range of recruitment channels than normal	8
Spent more on recruitment or used more expensive methods	9
Recruited staff from overseas	10
Training activity	
Been prepared to offer training to less well-qualified recruits	11
Retrain existing staff	12
Contracted work out	14
Other (please specify)	0
None	X

38) THERE IS NO Q38

ASK ALL

38a) Do you anticipate any further recruitment difficulties over the next 2-3 years (ADD TEXT IN IF HAVE H2F VACS (Q28/1-6=1)- " other than those recruitment problems you currently face....."

()

Yes	1
No	2
DK	3

- 39) THERE IS NO Q39
- 40) THERE IS NO Q40
- 41) THERE IS NO Q41
- 42) THERE IS NO Q42
- 43) THERE IS NO Q43

ASK ALL

44) Compared with your main competitors, how would you rate the attractiveness of your establishment to people looking for their first full time job? READ OUT

Very attractive	1
Quite attractive	2
Not very attractive	3
Not at all attractive	4
DK	X

- 44a) THERE IS NO Q44A
- 45) THERE IS NO Q45

4. SKILLS GAPS

ASK ALL

46) I'd now like you to break down your workforce into nine specific occupational groups which I'm going to read out. First of all, I'd like you to tell me in which of these occupations you currently employ people at this location?

46a) THERE IS NO Q46A

FOR EACH OCCUPATION PRESENT AT ESTABLISHMENT

46b) And approximately (TEXT SUBSTITUTION - how many) of your [INSERT NO. OF EMPLOYEES FROM Q3] employees are employed as (OCCUPATION)? READ OUT

Q46

Managers and senior officials e.g. directors, senior government officials, senior police officers	1
Professional occupations e.g. professional engineers, scientists, accountants, teachers, solicitors, architects, librarians	2
Associate Professional and technical occupations e.g. laboratory technicians, junior police officers, design and media professionals, nurses, artists	3
Administrative and secretarial occupations e.g. clerks, computer operators, secretaries, telephonists	4
Skilled trades occupations e.g. fitters, electricians, farmers, computer engineers, bricklayers	5
Personal service occupations e.g. catering staff, hairdressers, domestic staff, caretakers	6
Sales and customer service occupations Till operators, telesales staff, call centre staff, market traders	7
Process, plant and machine operatives e.g. machine operators, drivers, scaffolders, assembly line workers	8
Elementary occupations e.g. labourers, cleaners, security guards, postal workers, bar staff, shelf fillers, waiters	9

CATI CHECK - ENSURE BREAKDOWN GIVEN ADDS TO NUMBER GIVEN AT Q3. (DO NOT ALLOW SLIPPAGE)

47) THERE IS NO Q47

47a) I'd now like to ask you about the number of your staff in each category that you would consider to be fully proficient at their jobs

FOR EACH OCCUPATION PRESENT AT ESTABLISHMENT

First of all how many of your [INSERT NO. OF EMPLOYEES FROM Q3] existing staff at this establishment employed as (OCCUPATION) would you regard as being fully proficient at their current job?

	WRITE IN NUMBER
Managers and senior officials	
Professional occupations	
Associate Professional and technical occupations	
Administrative and secretarial occupations	
Skilled trades occupations	

Personal service occupations	
Sales and customer service occupations	
Process, plant and machine operatives	
Elementary occupations	

ASK Q49 FOR MAXIMUM OF 2 OCCS CODED 3-7 (IF SEVERAL SKILLS GAPS - SELECT WHERE GREATEST NUMBER OF EMPLOYEES LACKING PROFICIENCY)

48) THERE IS NO Q48.

49) Thinking about your (OCCUPATION) who are not fully proficient which, if any of the following skills do you feel need improving? READ OUT AND CODE ALL THAT APPLY

ROTATE STATEMENTS 1 to 12	Mgrs	Prof	Associate	Admin	Skilled	Personal	Sales	Process	Elem
Basic computer literacy / using IT	1	1	1	1	1	1	1	1	1
Advanced IT or software skills	2	2	2	2	2	2	2	2	2
Oral communication skills	3	3	3	3	3	3	3	3	3
Written communication skills	4	4	4	4	4	4	4	4	4
Customer handling skills	5	5	5	5	5	5	5	5	5
Team working skills	6	6	6	6	6	6	6	6	6
Problem solving skills	7	7	7	7	7	7	7	7	7
Planning and organising	8	8	8	8	8	8	8	8	8
Strategic management skills	9	9	9	9	9	9	9	9	9
Using numbers	10	10	10	10	10	10	10	10	10
Literacy skills	11	11	11	11	11	11	11	11	11
Other technical and practical skills	12	12	12	12	12	12	12	12	12
None	X	x	X	x	x	x	x	x	x
Other (WRITE IN)	0	0	0	0	0	0	0	0	0

ASK ALL WITH SKILLS GAPS (SUM Q47A<q3)

50) Is the fact that some of your staff are not fully proficient causing this establishment any of the following problems? READ OUT

ROTATE STATEMENTS 1 to 8

Loss of business or orders to competitors	1
Delays developing new products or services	2
To withdraw from offering certain products or services altogether	3
Difficulties meeting customer service objectives	4
Difficulties meeting required quality standards	5
Increased operating/running costs	6
Difficulties introducing technological change	7
Difficulties introducing new working practices	8
No particular problems	X
Other (WRITE IN)	0

51) Which of the following measures, if any, have you taken at this establishment to overcome skills shortcomings among your staff READ OUT AND CODE ALL MENTIONED

ROTATE STATEMENTS 1 to 7

Increased recruitment	1
Providing further training	2
Changing working practices	3
Relocating work within the company	4
Expanded recruitment channels	5
Increased /expanded trainee programmes	6
Recruited from over seas	7
Other (please specify)	0
No particular action being taken	X

52) Is the fact that some of your staff are lacking in proficiency the result of changing skill needs for any of the following reasons...? READ OUT AND CODE ALL MENTIONED

The development of new products and services	1
The introduction of new working practices	2
The introduction of new technology	3
None of these	0

- 53) THERE IS NO Q53
- 54) THERE IS NO Q54

54a) Changing the subject slightly, have you found that salary expectations that are higher than you can afford to pay have caused you any problems in terms of.....?

ASK FOR EACH PROBLEM EXPERIENCED AT Q54E

54b) And have these problems with (INSERT CODE FROM Q54e) because of high salary expectations been evident among staff or recruits for managerial, professional or associate professional occupations, other non-manual occupations or among manual staff?

READ OUT AND CODE ALL MENTIONED

	Q54e	Q54f		
		Managerial / professional	Other non-manual	Manual
recruiting staff	1	1	2	3
Holding on to staff / high staff turnover	2	1	2	3
Low staff morale	3	1	2	3
None of these	X			

IF EXPERIENCED ANY SALARY-RELATED PROBLEMS AT Q54E

54c) Have these problems with salary expectations been sufficiently serious to make you consider re-locating somewhere where salary expectations are lower?

()

Yes	1
No	2
Don't know	X

5. TRAINING & STAFF DEVELOPMENT

ASK ALL

55) Has your organisation funded or arranged any training for employees at this establishment in the past 12 months?

Yes	1	GO TO Q57
No	2	ASK Q56
DK	3	GO TO Q66

ASK IF NOT PROVIDED ANY OFF THE JOB TRAINING (Q55/2)

56) What are the reasons why you have not funded or arranged any training for your employees? DO NOT READ OUT

Lack of funds	1	
No appropriate training available	2	
Staff already fully proficient	3	
Staff not keen to participate	4	
High labour turnover	5	
Lack of time for training	6	
Lack of cover for training	7	
Training not considered to be a priority for the business	8	
No training necessary in our business	9	
No suitable training available in the local area	10	
Other (please specify)	0	

IF FUNDED / ARRANGED TRAINING IN LAST 12 MONTHS (Q55/1)

57) And has the training that this organisation has arranged for employees at this site in the last 12 months been on-the-job training, off-the-job training, or both?

By on-the -job training I mean all training that is carried out at the immediate workstation.(i.e. the individuals desk or normal working location within your establishment.)

For the purposes of this study, by off-the-job training, I mean training that is conducted away from the immediate workstation whether it is conducted at your premises or elsewhere. Off-the-job training can include all sorts of courses – full or part time; correspondence or distance learning; health & safety training and so on – as long as it is funded and arranged by you.

On-the-job only	1	GO TO Q65B
Off-the-job only	2	ASK Q58A
Both	3	
Don't know	X	GO TO Q66NEW

58) THERE IS NO Q58

ASK IF OFF THE JOB TRAIN AT ALL (Q55/1)
 LIST ALL OCCUPATIONS MENTIONED AT Q46

58a) I'd now like you to tell me how many staff in each of the occupational categories we have been talking about have received off the job training away from their immediate work station over the last 12 months.

For how many of your OCCUPATION has this establishment funded or arranged training away from the immediate work station over the past 12 months?

(TEXT SUB: IF OCCUPATION @ Q46b=1 Has your establishment arranged off the job training for your OCCUPATION)

	WRITE IN NUMBER
Managers and senior officials	
Professional occupations	
Associate Professional and technical occupations	
Administrative and secretarial occupations	
Skilled trades occupations	
Personal service occupations	
Sales and customer service occupations	
Process, plant and machine operatives	
Elementary occupations	

ASK IF OFF THE JOB TRAIN AT ALL (Q57/ 2 or 3)

59) Which of the following types of off the job training have you funded or arranged for employees at this establishment over the past year? READ OUT AND CODE ALL MENTIONED

Induction training	1	DON'T ASK IF NOT RECRUITED IN LAST 2-3 YEARS (Q13=0 and Q18/2)
Health & safety/first aid training	2	
Job specific training	3	
Supervisory training	4	
Management training	5	
Training in new technology	6	
Training in foreign languages	7	
Other (please specify)	0	
None of these	X	

60) THERE IS NO Q60
 61) THERE IS NO Q61
 62) THERE IS NO Q62

- 63) Who has tended to provide the off the job training you have funded or arranged from this location? Has it been provided by ...? READ OUT

Staff at this site	1
IF MULTI SITE AND PRIVATE / VOLUNTARY (Q6/2 & Q5/ 1 or 3 or 0): dedicated training centre that is wholly owned by the organisation this company is part of	2
IF MULTISITE AND PUBLIC (Q6/2 & Q5/2) A dedicated government or local authority training centre (that is not at this site	
External consultants/training providers	3
FE college	4
Some other body or organisation(please specify)	5

- 64) THERE IS NO Q64

- 65) Does any of the training that you currently fund or arrange away from the workstation for employees at this location lead towards a recognised qualification?

Yes (SPECIFY QUALIFICATIONS)	1	
No	2	

ASK ALL WHO HAVE PROVIDED BOTH ON AND OFF-THE-JOB TRAINING (Code 3 @ Q57)

- 65a) You said earlier that your organisation has funded or arranged both on- and off-the-job training for employees at this establishment in the last 12 months, can I just check if there is any particular reason why you have not provided all your training off the job?

No particular reason	7	SP- GO TO 66
YES PARTICULAR REASON		
Lack of funds	1	
No appropriate training available	2	
Minor training need / not a training priority	3	
Staff not keen to train off-job	4	
Staff didn't have time to train off-job	5	
No suitable training available in the local area	6	
Other (please specify)	0	

ASK ALL WHO HAVE PROVIDED ON-JOB TRAINING, BUT NOT OFF-JOB TRAINING (Code 1 @ Q57)

65b) Why has your organisation provided on-the-job but no off-the-job training in the last 12 months?

Lack of funds	1	
No appropriate training available off-the-job	2	
Staff not keen to train off-job	4	
Lack of time for training	5	
Lack of cover for training	6	
No suitable training available in the local area	8	
Other (please specify)	0	

ASK ALL

66. Can I just check, does your establishment currently use competence-based vocational qualifications such as SVQs for the training and development of your workforce? MULTI CODING ALLOWED FOR 1 AND 2

Yes use SVQs	1	
Yes use NVQs	4	
Yes use other vocational qualifications	2	
No	3	
Don't know	X	

67) THERE IS NO Q67

68) THERE IS NO Q68

ASK ALL

69) Does your establishment currently participate in any of the following programmes or schemes?

	YES	NO	
The Training for Work programme	1	2	
Modern Apprenticeships	1	2	
Skill seekers	1	2	
New deal	1	2	

70) Does your establishment currently have Investors in People accreditation?

Yes	1	
No	2	

ASK IF DO NOT HAVE IIP (NO@ Q70) OTHERS GO TO Q71

70a) Is your establishment currently working towards Investors in People accreditation?

Yes	1	
No	2	

71) THERE IS NO Q71

ASK ALL

72) Which of the following exist at your establishment in formal written format?
 READ OUT AND CODE ALL MENTIONED.
 INTERVIEWER NOTE: IF PLANS EXIST WITHIN ORGANISATION BUT NOT HELD
 AT SITE CODE AS YES.

A business plan	1	
A human resource plan that forecasts the number and types of staff that will be needed in the year ahead	3	
A budget for training expenditure	5	
None of the above	X	
Don't know	V	

ASK ALL WHO PROVIDE TRAINING (Q55/1)

72a) Does your establishment regularly assess the effectiveness of training offered to staff?

Yes	1	
No	2	
DK	3	

ASK ALL

73) And does your establishment conduct...?

	YES	NO	
Training needs assessments	1	2	
Staff appraisals	1	2	

ASK IF PROVIDE TRAINING Q55=1

- 74) In the last 12 months how much has this establishment spent in total on training and development of staff? Please include only out of pocket expenses, not staff time (IF NECESSARY ADD: This can be any type of training , off or on the job?)
 PROMPT WITH RANGE

Nothing	1	
Under £100	2	
£101-£250	3	
£251-£500	4	
£501-£1000	5	
£1000-4999	6	
£5000-9999	7	
£10,000-19,999	8	
£20 000 – 29 000	9	
£30 000 – 39 000	10	
£40 000 – 49 000	11	
£50,000- 74 000	11	
£75 000 – 99 000	12	
£100 000+	16	
Don't know	X	

- 74a) THERE IS NO Q74A
 74b) THERE IS NO Q74B
 74c) THERE IS NO Q74C-

6. CLASSIFICATION

Finally I'd just like to ask you a few quick questions about your company more generally to help us to classify your answers.

ASK ALL

75) In relation to your current premises, equipment and staff, would you say that this establishment was....? READ OUT AND CODE ONE ONLY

()

At overload (ADD AS NECESSARY: i.e over stretched)	1
At full capacity (ADD AS NECESSARY: i.e fully stretched)	2
Somewhat below full capacity (ADD AS NECESSARY: i.e not fully stretched you could do more)	4
Considerably below full capacity (ADD AS NECESSARY: i.e not stretched at all, you could do a lot more)	5
DO NOT READ OUT: At the right / correct level	X

76) THERE IS NO Q76

77) THERE IS NO Q77

78) Over the last 12 months and after taking into account inflation, has your establishment's total (TEXT SUBSTITUTION: PRIVATE SECTOR: sales turnover / PUBLIC AND VOLUNTARY SECTOR: budget)? READ OUT AND CODE ONE ONLY

()

Increased a lot	1
Increased slightly	2
Remained the same	3
Decreased slightly	4
Decreased a lot	5
IF NEW SAMPLE: Too early to say	6
Don't know	X

79) THERE IS NO Q79

80) Future Skills Scotland may be doing some further work on related issues in the future - would it be OK to contact you again in connection with future studies?

()

Yes	1	
No	2	

IF AGREE TO TAKE PART IN FURTHER RESEARCH (Q80/1)

80a) One of the ways in which [TEXT SUB IF SCOTTISH ENTERPRISE: Scottish Enterprise TEXT SUB IF HIGHLANDS AND ISLANDS ENTERPRISE: Highlands and Islands Enterprise] will be looking to follow up this work will be to select a small number of businesses for a more in-depth study. This more in-depth study would involve researchers going to visit businesses and conducting a follow-up interview face-to-face with yourself but also, potentially with a number of your staff. Would you be prepared for your business to be put forward for this more in-depth study?

ADD IF NECESSARY: These case studies would probably take place between July and September this year.

()

Yes	1	
No	2	

81A) I have your postcode recorded as (POSTCODE FROM SAMPLE). Is that correct?

Yes correct	1	GO TO Q82
No - Postcode wrong	2	ASK Q81B

IF POSTCODE DIFFERENT

81c) What is your correct postcode? WRITE IN

POSTCODE

81) INTERVIEWER RECORD NAME AND JOB TITLE

NAME	
JOB TITLE	

THANK RESPONDENT AND CLOSE INTERVIEW

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:	Date:	
Finish time:	Interview Length	mins

APPENDIX 4: CASE STUDY HR REPRESENTATIVE INTERVIEW SCHEDULE

Section 1: About the establishment

1.1 What is your job title?

1.2 How many are employed in your organisation/ establishment (depending on whom is being interviewed)

(Prompt if needed)

1-49 (establishment only)

50-249

Over 250

1.3 How many New recruits have you taken on in the past 12 months?

(Prompt if needed)

0

1-4

5-9

10-14

15-19

20-24

25-49

50-99

100-149

150-199

200-249

Over 250

Don't know

1.4 How many people have left the location in the past 12 months

0

1-4

5-9

10-14

15-19

20-24

25-49

50-99

100-149

150-199

200-249

Over 250

Don't know

1.5 What are the main Categories of employees that you employ in the company?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

1.6 Do any job categories have particular turnover problems (if so why)?

Section 2 Skills and Skills Deficits

2.1a For what occupational groups do you have vacancies?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

2.1b How many vacancies do you have for each group stated above?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

2.2a Are any of these 'hard to fill' (for each occupation)

Yes	
No	
Don't know	

2.2b How many vacancies are hard to fill for each occupation

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

2.4 Why are you finding these hard to fill? (for each occupation)

1. Applicants have not been of sufficient quality
2. There have been few or no applicants
3. Both

2.5 If applicants have not been of sufficient quality what have they been lacking (for each occupation)?

1. The skills you look for
2. The qualifications you look for
3. The work experience that you require
4. Applicants have poor attitudes, motivation/personality
5. DK/NS

2.6 If applicants lack skills which have they lacked (for each group above)?

1. Basic ICT
2. Advanced ICT
3. Oral Comm
4. Written comm.
5. Customer handling
6. Team-working
7. Problem-solving
8. Planning and Organising
9. Self presentation
10. Leadership
11. Strat management
12. Using numbers
13. Literacy skills
14. Other tech/practical skills
15. Other (please state)

2.7 Thinking of where 'soft skills' (explain) have proved troublesome in recruitment and selection are there any particular groups of people which have had particular problem or any characteristics which have been obviously lacking?

a. -is this the same for all the soft skills?

2.8a) Do the characteristics of the local labour market make it hard to fill vacancies or find suitable candidates? - If so why?

b) On a Scale of 1-4 (1=Not at all, 4 =very) how would you rate the attractiveness of your firm? Why?

2.9a For each Occupation type present at the org approximately how many employees are employed as:

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

2.9b How many of your (n) existing staff at this establishment employed as (each mentioned above) would you consider fully proficient at their current job?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

2.10 Thinking of each occupation which is not fully proficient, which skills need improving?

1. Basic ICT
2. Advanced ICT
3. Oral Comm
4. Written comm.
5. Customer handling
6. Team-working
7. Problem-solving
8. Planning and Organising
9. Self presentation
10. Leadership
11. Strat management
12. Using numbers
13. Literacy skills
14. Other tech/practical skills
15. Other (please state)

a) Do you accept skills deficits in the short-term (i.e. during initial training)?

2.11 a) Thinking of soft skills which occupational groups use these?

b) Do the types of soft skills used differ by occupational group?

2.12 Thinking of 'soft skills', (explain categories) what characteristics do you think people need to be proficient at these skills in your organisation?

(prompt for...)

Personality	
Education	
Social background	
Social experiences	
Gender	
Age	
Work experience	

Other

-is this the same for all the soft skills?

SECTION 3 HR POLICY AND RESPONSES TO SKILLS DEFICITS

3.1 What recruitment/ selection practices are used within the company

a) Recruitment

Advert in window	
Internal advert	
Radio advert	
TV advert	
Newspaper advert	
Trade journal advert	
The internet	

Employment agency /consultant	
Temporary agency	
Job centre	
Charitable employment organisation	
New/deal other government training scheme	
Graduate trainee scheme	
Other trainee scheme	
School/college/ university careers service	
Speculative enquiries	
References by present employees	
Internship/ placement programme	
Headhunt/approach candidates directly	

Other

b) Selection

Application form	
Single interview	
Multiple interviews	
Assessment centre	
References	
CV	
Biodata	
Personality tests	
Ability/IQ tests	
Work sampling	

Simulated work exercises	
Trial/probationary period	
Internal promotion	
Graphology	
Astrology	
Integrity tests	
Applicant presentations	
Experience	
Probationary/trial period	

Other

3.2 a) Are there any differences in the types/range of recruitment and selection methods in different occupational groups mentioned above?

b) If so, why?

c) Which do you believe work best?

d) Overall how would you rate the efficacy of the recruitment and selection process?

- would you change anything? (if so why?)

3.3 For skills problems at the point of recruitment have you used any of the following responses

Offered higher pay more financial incentives than normal	
Offered enhanced terms and conditions	
Considered a wider range of applicants	
Changed the content of the work itself	
Hired more part/time contract staff	
Links with schools unis/ colleges	
Used more extensive recruitment channels	
Used more expensive/comprehensive selection methods	
Recruited staff from overseas	
Offered training to recruits that don't have the skills	
Retrain existing staff	
No Particular action being taken	
DK/NS	

Other

3.4 Have these responses been equally targeted at all the occupational groups with skills shortages?

-why?

a) Any differences in response to soft/hard skills shortages

b) Which of these responses have provided the most successful and why?

Internal HR Policy

3.5 Which of the following are present in your organisation?

Business Plan	
HR plan	
Training plan	
Training budget	
Training needs assessments	
Staff appraisals	

Other elements of HR policy?

3.6 Thinking about training in particular

a- Have you provided any training for your employees in the past 12 months?

Yes	
No	

b-If 'no' why was this?

Lack of funds	
No appropriate training available	
Staff already fully proficient	
Staff not keen to participate	
High labour turnover	
Lack of time for training	
Lack of cover for training	
Training not considered to be a priority for business	
No training necessary in our business	
No suitable training available in local area	
Don't know	

Other

c-Was training...

On the job only	
Off the job only	
Both	

d-For which groups have you provided training?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

e-what did training cover?

Induction	
Supervisory/management	
Computing/ICT	
Customer service	
Problem solving	
Grooming/ self presentation	
Use of new technology/equipment	

Team-working	
Improving communication	
Equal opportunities	
Quality control/management	
Health/safety/first aid	
Reliability/working to deadlines/time management	
Product Knowledge	

Other

f-does training provision differ between occupational groups?

Yes	
No	
Don't know	

Why?

3.7 (If providing appraisals in Q 3.5) What does appraisal cover (e.g. training, pay)

a) Which employees receive appraisals

b) If not all employees received appraisals why is this?

c) How often are employees appraised?

d) Do all groups of employees receive the same number of appraisals each year?

e) If no to 3.7d how does this differ and why?

f) What are the intended outcomes of appraisals (e.g. to meet training needs, promotion)

3.8 For Internal skills problems have you used any of the following responses?

Increased recruitment	
Used more expensive/extensive selection methods	
Hired more part-time/temp staff	
Provided further training	
Changed work practices	
Changed the content of jobs	
Relocated work within the company	
Expanded recruitment channels	
Increased expanded trainee programmes	
Offered pay increases	
Improved terms and conditions	
Recruited from overseas	
Used appraisal, review, feedback	
Sacked staff	
No particular action being taken	
DK/NS	

Other

a) Have these responses been used for all occupations lacking skills?

- Why?

b) Any difference in response to soft/hard skills gaps?

c) Which of these have proven to be the most effective in responding to soft skills gaps

- why?

3.10 Thinking about improved pay, terms and conditions...

a -Has this been offered to any of your employees in the last 12 months?

Yes	
No	
Don't know	

b-which occupational groups received this?

1. Managers and Senior Officials	
2. Professional Occupations	
3. Associate Professional and Technical Occupations	
4. Administrative and Secretarial Occupations	
5. Skilled Trades Occupations	
6. Personal Service Occupations	
7. Sales and Customer Service Occupations	
8. Process Plant and Machine Operatives	
9. Elementary Occupations	

c-why differences?

d-why was it considered/not considered as a measure to reduce skills deficits

3.11 Have you/your managers found that individuals' skills *worsen* over time (expand)

a) Have you considered that individuals' skill levels may be reduced if they don't feel equitably treated (expand)

4 Views of skills policy and the unemployed

4.1 Do you find that government led skills/training/education initiatives meet your organisation's needs?

Yes	
No	
Don't know	

Why?

4.2 Do you take employees from any of the following?

New Deal	
Other Government Scheme	
Non-government employment scheme	
The unemployed	

Do those coming from New Deal, other G training schemes and the unemployed have the skills/ level of skills which you require in your organisation? Why?

APPENDIX 5: CASE STUDY LINE MANAGER INTERVIEW SCHEDULE

1.1 How many people are employed in the sub-group who you have management responsibility for?

a) What are the main requirements of their jobs?

b) What are the three most important skills they use? Why?

c) How imp are soft skills (flash card)?

d) What is expected of employees in terms of soft skills?

1.2 How many New recruits have you taken on in the past 12 months for your group?

(Prompt if needed)

0

1-4

5-9

10-14

15-19

20-24

25-49

50-99

100-149

150-199

200-249

Over 250

Don't know

1.3 How many people have left the location in the past 12 months in your group

0

1-4

5-9

10-14

15-19

20-24

25-49

50-99

100-149

150-199

200-249

Over 250

Don't know

1.4 If you have experienced turnover problems, why do you think this is?

SECTION 2 SKILLS DEFICITS

2.1 How many vacancies do you have for your occupational group (last 12 months)?

2.2 Are any of these hard to fill?

2.3 If yes, how many?

2.4 Why are you finding these hard to fill? (for each occupation)

Applicants have not been of sufficient quality	
There have been few or no applicants	
Both	

2.5 If applicants have not been of sufficient quality what have they been lacking (for each occupation)?

The skills you look for	
The qualifications you look for	
The work experience that you require	
Applicants have poor attitudes, motivation/personality	

2.6 If applicants lack skills which have they lacked (for each group above)?

1.Basic ICT	
2.Advanced ICT	
3.Oral Comm	
4.Written comm.	
5.Customer handling	
6.Team-working	
7.Problem-solving	
8.Planning and Organising	
9.Self presentation	
10.Leadership	
11.Strat management	
12.Using numbers	
13.Literacy skills	
14.Other tech/practical skills	
15.Other (please state)	

2.7 Thinking of where ‘soft skills’ (explain) have proved troublesome in recruitment and selection are there any particular groups of people which have had particular problem?

a) is this the same for all the soft skills?

2.8 Do the characteristics of the local labour market make it hard to fill vacancies or find suitable candidates? Why?

b) On a Scale of 1-4 (1=Not at all, 4 =very) how would you rate the attractiveness of your firm? Why?

2.9 How many of your existing staff do you feel are not fully proficient at their job?

2.10 (If some staff are not fully proficient) Which skills need improving if?

1.Basic ICT	
2.Advanced ICT	
3.Oral Comm	
4.Written comm.	
5.Customer handling	
6.Team-working	
7.Problem-solving	
8.Planning and Organising	
9.Self presentation	
10.Leadership	
11.Strat management	
12.Using numbers	
13.Literacy skills	
14.Other tech/practical skills	
15.Other (please state)	

a) Do you accept skills deficits in the Short-term (i.e. during initial training) ?

2.12 Thinking of 'soft skills', (explain categories) what characteristics do you think people need to be proficient at these skills in your organisation?

(prompt for...)

Personality	
Education	
Social background	
Social experiences	
Gender	
Age	
Work experience	

Other

a) is this the same for all the soft skills?

3. SECTION 3 HR POLICY AND RESPONSES TO SKILLS DEFICITS

3.1 How are your line employees recruited and selected (building on HR respondent's answers highlighting any differences)

a) How efficacious is the process?

- Would you change anything? (if so why?)

3.2 For skills problems at the point of recruitment have you used any of the following responses

Offered higher pay more financial incentives than normal	
Offered enhanced terms and conditions	
Considered a wider range of applicants	
Changed the content of the work itself	
Hired more part/time contract staff	
Links with schools unis/ colleges	
Used more extensive recruitment channels	
Used more expensive/comprehensive selection methods	
Recruited staff from overseas	
Offered training to recruits that don't have the skills	
Retrain existing staff	
No Particular action being taken	
DK/NS	

Other

3.3 Why have these responses been chosen for your occupational group? Why were others not considered?

3.4 Any differences in response to soft/hard skills shortages

3.5 Which of these have been the most successful? Why?

3.6 Thinking about training in particular

a- Have you provided any training for your employees in the past 12 months?

b-If 'no' why was this?

Lack of funds	
No appropriate training available	
Staff already fully proficient	
Staff not keen to participate	
High labour turnover	
Lack of time for training	
Lack of cover for training	
Training not considered to be a priority for business	
No training necessary in our business	
No suitable training available in local area	
Don't know	

Other

c-Was training...

On the job only	
Off the job only	
Both	

d-what did training cover?

Induction	
Supervisory/management	
Computing/ICT	
Customer service	
Problem solving	
Grooming/ self presentation	
Use of new technology/equipment	
Team-working	
Improving communication	
Equal opportunities	
Quality control/management	
Health/safety/first aid	
Reliability/working to deadlines/time management	
Product Knowledge	

Other

3.7 Do you appraise your line employees?

a) What does appraisal cover?

b) How often are employees appraised?

c) What are the intended outcomes of appraisals (e.g. to meet training needs, promotion)

3.8 For Internal skills problems have you used any of the following responses?

Increased recruitment	
Used more expensive/extensive selection methods	
Hired more part-time/temp staff	
Provided further training	
Changed work practices	
Changed the content of jobs	
Relocated work within the company	
Expanded recruitment channels	
Increased expanded trainee programmes	
Offered pay increases	
Improved terms and conditions	
Recruited from overseas	
Used appraisal, review, feedback	
Sacked staff	
No particular action being taken	
DK/NS	

Other

**a) Why were these chosen for your group? Why were others not considered?
(Pay/terms and conditions and appraisal in particular)**

b) Any difference in response to soft/hard skills gaps

c) Which of these have proven to be the most effective in responding to soft skills gaps and why?

3.9 Have you found that individuals' skills *worsen* over time (expand on answer)?

a) Have you considered that individuals' skill levels may be reduced if they don't feel equitably treated? (expand on answer)

4 Views of skills policy and the unemployed

4.1 Do you find that government led skills/training/education initiatives meet your organisation's needs?

Yes	
No	
Don't know	

Why?

4.2 Do you take employees from any of the following?

New Deal	
Other Government Scheme	
Non-government employment scheme	
The unemployed	

Do those coming from New Deal, other G training schemes and the unemployed have the skills/ level of skills which you require in your organisation? Why?

APPENDIX 6: CASE STUDY EMPLOYEE INTERVIEW/FOCUS GROUP SCHEDULE

1. a) What are the most important things you do in your work?

b) What are the most important skills you use in your work (show skills types prompts)

2. Do you believe that you can carry out these duties effectively?
Why?

Prompt for:

- Training
- Management and organisational practices
- Actions of co-workers
- Actions of clients/customers
- Induction
- Appraisal

3. Do you enjoy working here?

Why?

Prompt for:

- Rewards, terms and conditions
- Social relationships at work
- Nature of work
- The organisation itself

4. Do you believe that your organisation has delivered on its promises and obligations towards you?

a) If not what problems have occurred?

b) How have you reacted if promises and obligations have been broken?

5. How were you recruited and selected for your job?

6. Do you believe that the organisation painted a realistic picture of what is required of you at work in R and S?

- Did they put across a realistic picture of themselves/the job now that you have experienced it?
- Did you get a change to ask Q's?

7. What do you believe managers were looking for in recruitment and selection?

Prompt:

- Work experience
- Social experience
- Personality
- Style / speech / affectation etc...
- A body??

8. What do managers expect in terms of customer service?

Prompt:

- The style of the service encounter (informal/formal etc...)
- A certain look or style?
- Degree of autonomy/ scripting/ things which must be included

9. How do you/colleagues react when badly treated by customers?

- Do you feel supported by management
- Tactics/coping mechanisms

10. What do you think helps you to develop soft skills?

Prompts:

- Background (class)
- Your family and friends
- Social experiences – if so what?
- Individual factors (e.g personality)
- Education
- Work experience.
- Anything else