



CWCF WOMEN'S LEADERSHIP LAB

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**COLORADO
WOMEN'S CHAMBER
FOUNDATION**
ADVANCING WOMEN IN WORK



**COLORADO WOMEN'S
CHAMBER OF COMMERCE**

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PREFACE

Though society has made great strides in the world of work in recent years, women still face historic hurdles.

As recent as 1980, women were still required to have a male cosigner on a business loan. Fast forward four decades later and half of the working population is still challenged to advance to the highest levels of leadership. Today, women make up only 19% of C-suite executives and remain underrepresented at every level.

At the height of the COVID-19 pandemic, the workforce lost two million women during “The Great Shecession.” It became painfully apparent that workplace policies were not equitably sufficient to sustain working women who tend to also be caregivers to others. Companies strained to stay afloat amid a health crisis and experts say these deficits will be felt for many years.

For employers to make up for decades of unequal treatment in the workplace and the entrepreneurial field, it’s necessary to evaluate the specific and often nuanced challenges that women and, in particular, women of color face in the workplace.

Diversity initiatives represented with a variety of weighty acronyms (DEI, DEIB, JEDI, IDEA) have been an intense focus of many organizations in recent years. However you spell it, evaluating diversity, equity, inclusion, belonging, and justice is not only the right thing to do to address generational inequities but it can also drive critical business outcomes. These outcomes include increased market share, increased revenue, and other competitive advantages in the market, which support talent recruitment and retention.

The Colorado business landscape has an opportunity to thrive with a renewed dedication to making business work for all. Now is the time to evaluate past inequities, enact new equitable policies, and promote diversity in a thoughtful, meaningful way to benefit individuals, businesses, and society.

The Colorado Women’s Chamber Foundation Women’s Leadership Lab 2022-2023 cohort of female leaders present these findings, which are the results of a year-long inquiry into six common issues facing women in work, and recommendations for action.



HOW TO VALUE AND REWARD SOFT SKILLS IN THE WORKPLACE

Today's workforce demands much more from employers than just good pay and a corner office. Women especially are demanding more from the workplace, and are more willing to leave their current positions to find it elsewhere. In 2022, about 50.5 million Americans quit their jobs (Iacurci 2023), a 25% increase from pre-pandemic levels (De Smet, et al., 2022). Women make up 56.8% of the workforce (U.S. Bureau of Labor Statistics, 2023).

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However, one in three women has considered downshifting their careers or leaving the workforce altogether. In 2021, 10.5% of women leaders ranging from senior managers all the way up to members of the C-suite quit their jobs (Peck, 2022). According to a McKinsey survey, the top reasons for workers leaving jobs include 1) lack of career advancement and development; 2) inadequate total compensation; and 3) uninspiring leaders (De Smet, et al., 2022). This is a major concern for businesses to attract and retain top female talent. Employers must now shift from a bottom-line focus to an employee-centric culture of inclusion and balance.

Soft skills are essential for leaders to embody the values of an organization's culture in the following ways: building relationships, navigating differing strengths and managing personalities across a team, analyzing situations to make informed decisions, managing their emotions, and reading the emotional cues of others (Bourke, 2016). When these skills are not effectively tracked and rewarded, it's difficult to retain top talent. Only recently have soft skills been factored into the success of team leaders. In a dynamic workforce of in-office, hybrid, and remote work, leaders must demonstrate soft skills to lead successful teams.



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BACKGROUND // HOW TO VALUE AND REWARD SOFT SKILLS IN THE WORKPLACE

Leaders who display strong soft skills have a more meaningful influence on workforce engagement, which drives performance metrics like customer rating, productivity, sales, and profitability (Acuna & Dagbo, 2020). Women leaders are 45% more likely than their male counterparts to be seen as demonstrating empathy (Korn Ferry, 2016). Women leaders also tend to prefer to work for organizations that prioritize a culture of inclusion, career development opportunities, and employee well-being.

As the workforce changes to include more digital or automated solutions, human skills like empathy, communication, and compassion have become important for employee engagement. Since the pandemic, the need and demand for soft skills in the workplace has nearly doubled (Billing, et al., 2021). Some companies conduct employee engagement surveys, however, there is often a lack of follow-up action based on the survey results. A dynamic workforce only emphasizes the importance of understanding how soft skills contribute to organizational effectiveness, and with that, the need for soft skills training. And while expectations of leaders have increased in the workplace, few organizations provide adequate training or recognition for efforts of inclusion or management skills through performance reviews (Krivkovich et. al., 2022). Soft skills improve relationships, develop teams, and enhance individual well-being. Leaders who display strong skills in empathy, communication, and collaboration develop high-performing and productive teams.

RESEARCH QUESTION // HOW TO VALUE AND REWARD SOFT SKILLS IN THE WORKPLACE

To align with the needs and demands of women leaders in the workplace, increased value has been placed on human or soft skills. However, bringing the full range of these skills will require rewards in accordance with their value. While there has been increased emphasis on soft skills within the hiring process, further development and use of soft skills for current leaders is harder to quantify. This creates challenges in linking these skills to career progression or compensation. This study explores actionable ways for companies to prioritize soft skills. We seek to understand how soft skills are prioritized in leadership development, and how those skills can be measured and rewarded.



We address the research question by interviewing leaders with a variety of career focus points and achievements within five organizations, which span corporate, non-profit, and small businesses. Our interview questions were designed to gain insights into how they define, evaluate, and promote soft skills; and what current challenges and potential solutions exist to reward soft skills. Additionally, we analyzed leadership publications and workforce data to support our recommendations. We sought to identify the soft skills that are commonly emphasized and the current practices to measure soft skills. We also sought to uncover whether soft skills are adequately rewarded in the workplace. We used our findings to provide recommendations for companies to implement, measure, value, and reward soft skills in leadership positions.

Our findings revealed that many organizations value the soft skills that leaders now bring to the table. However, challenges arise in measuring how effective those skills are in impacting organizational outcomes. Some interviewees did not recommend compensating leaders on soft skills because of the challenges in gathering unbiased data, and in keeping their behaviors genuine instead of altering to meet specific performance metrics. Some interviewees recommended hiring leaders based on soft skills for higher-level positions and providing ongoing development training. We found that different leaders and organizations have a spectrum of practices for hiring, developing, and rewarding soft skills.

Through our interviews, common recommendations that emerged for prioritizing soft skills in leadership were:

- Developing a scorecard on KPIs driven by a leader's soft skills and holding leaders accountable for results.
- Ongoing training for leaders to continuously develop their emotional intelligence.
- Conducting surveys such as eNPS scores, engagement surveys and associate pulse surveys.
- Ensuring there is buy-in from senior leadership teams.
- Rewarding leaders based on surveys that regularly provide 360-degree reviews.

This research suggests that several organizations invest in certified leadership courses for their leaders. The most effective of these programs involves an employee feedback element to ensure the tools and topics covered address the specific challenges and/or priorities for their team.

We also found communication, emotional intelligence, servant leadership and accountability to be the most critical soft skills for leaders to execute. Unlike sales performance, these skills are not easily quantified on a balance sheet or measured as part of a performance review. We asked leaders how their organization assesses these skills among their leaders. Employee feedback was the most common practice, various practices were shared, from employee surveys to feedback.

Some organizations have introduced compensation incentives for leaders with positive employee feedback while others invest in ongoing learning and development to promote leadership soft skills.

Actionable plans and reward programs should also be developed based on the survey results to improve employee satisfaction, performance, and retention. By creating an engaged workforce, companies can enjoy beneficial business outcomes, including 10% higher customer ratings, 17% higher productivity, 20% higher sales, and 21% higher profitability (Acuna & Dagbo, 2020). We need a way to measure and compensate for soft skills, not just factors that contribute to profit.

RECOMMENDATIONS

In order to prioritize and compensate leaders for soft skills, organizations could:

- Implement 360-degree feedback for assessing leadership performance. This model gathers feedback from various employees within the leaders' network (direct reports, peers, managers, clients) and then provides the leader feedback anonymously. The results could then be scored to reward leaders who demonstrate the soft skills prioritized by their organization.
- Compensate leaders for their execution of soft skills. Create key performance indicators (KPIs) aligned with organizational values and needs. Soft skills are harder to measure than functional, specific hard skills. However, organizations can measure performance on a large scale through employee engagement surveys and reward performance in the following ways:
 - Establish metrics related to the frequency of behaviors that exhibit desired soft skills; set targets for desired outcomes. For example, if collaboration is key to a leader's success in their role, ask employees, "How frequently does your manager ask for your input during planning sessions?" or "When you share new ideas, how often are your ideas implemented?"
 - Create a rubric to define exceptional, acceptable, and unacceptable demonstration of desired soft skills. Provide three examples of effective collaboration and have employees rate the leader based on which example matches their style.

- Invest in ongoing professional development and education on topics like emotional intelligence, empathetic leadership, and effective communication. While training for technical skills may be necessary, set aside a percentage of the budget for L&D for training on soft skills. This percentage can vary by business and by industry. According to Brandon Hall Group, 37% of businesses spent \$3000+ on training for senior leadership, and 20% spent \$200-\$2999 on training for mid-level management. Dedicating a budget to learning and development to promote and enhance the soft skills of leaders helps prioritize ongoing development (Wentworth, 2021).

This ensures leaders are prioritizing soft skills in conjunction with other performance metrics.

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[LINK TO INTERVIEW Q&A](#)