

Navigating the future of soft skills: Integrating Artificial Intelligence for employee training success

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Abstract: Nowadays business landscape, characterized by the pervasive integration of innovation across all facets of organizations, the realm of employee development stands as no exception. Contemporary trends, such as Artificial Intelligence (AI), Virtual Reality (VR), and blended learning, have intricately woven current businesses into the fabric of market dynamics and employee expectations. This research paper is primarily devoted to the examination of how one of these contemporary trends, namely AI, exerts its influence on the domain of employee development and training. This paper will centre its attention on the soft skills, aiming to provide a thorough analysis and comprehension of how AI technologies may serve as indispensable tools in enhancing the training of soft skills within organizations. Additionally, this study will endeavour to ascertain the preferences of employees regarding their soft skills development. Through an exploration of AI's impact on soft skills training and an examination of employee preferences, this research contributes to a deeper understanding of the evolving landscape of employee development in a rapidly changing business environment.

Keywords: training, development, soft skills, trends

JEL Classification: M12, M16, M53

1 Introduction

The contemporary business landscape is undergoing rapid and profound changes. Numerous factors, including technological advancements, global crises, and shifts in customer demand, exert a significant influence on business processes (Aquino and Garcia 2023; Hašková and Zatkálík 2018; Jayathilake et al. 2021). Furthermore, since the onset of the COVID-19 pandemic, there has been a notable shift within organizations, with a heightened emphasis on soft skills rather than hard skills. As noted by Capranos and Magda (2023), the daily work processes of employees have undergone a significant transformation. In today's evolving business landscape, thriving organizations must actively engage and nurture the competitive soft skills of their employees to maintain success in the market. The authors have observed that since the onset of the pandemic and up to the present day, there has been a notable shift in demand dynamics. Specifically, there has been a significant 48% increase in the demand for soft skills, juxtaposed with a 33% decrease in demand for hard skills. These statistics underscore the swift realignment of organizational priorities towards the cultivation and enhancement of human potential within the workforce (Capranos & Magda, 2023; Jayathilake et al., 2021). A similar trend has been affirmed by Deloitte Australia in their report titled 'Soft Skills for Future Success.' This report traces the integration of soft skills into businesses over the course of several decades. According to Deloitte, there has been a dramatic increase in occupations that place a significant emphasis on soft skills when comparing the years 2000 and 2015. Additionally, the consulting company has made a prediction that by the year 2030, soft skills-intensive occupations will constitute 63% of the workforce (Deloitte, 2017).

All the information presented above serves as confirmation that the development and integration of soft skills into employee learning processes are actively evolving (Changkajonsakdi & Kaewkuekool, 2019; Holt, 2018). Consequently, this trend can be interpreted as a shared demand expressed by both employees and organizations. As mentioned earlier, the process of employee development is an ongoing and ever-evolving endeavour. In light of this reality, it becomes imperative to incorporate contemporary trends such as Virtual Reality, Artificial Intelligence, and Blended Learning to enhance the effectiveness and productivity of employee training (Harwardt et al., 2020; Hašková & Zatkálík, 2018; Sihi, 2018). Nevertheless, for the scope of this research paper, the primary focus of the author will be on the integration of soft skills into the business landscape, particularly through the utilization of supportive technology in the form of Artificial Intelligence for effective training.

2 Methods

This research paper has been meticulously crafted through an extensive literature review and the analysis of secondary data obtained from various sources. To provide an in-depth examination of the prevailing conditions within the business

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environment, the author has drawn upon secondary data sourced from the Continuing Vocational Training Survey (CVTS) conducted by Eurostat. These data were collected from a broad spectrum of European enterprises, with the primary objective of scrutinizing investments made by organizations in vocational training initiatives. The findings presented in this research paper are rooted in data collected from companies spanning the reference years of 2015 and 2020. These data have been sourced from a total of 31 European countries, offering a comprehensive view of the evolving landscape across diverse markets. The data set was primarily focused on main skills targeted by Continuing Vocational Training (CVT) courses based on involved markets. For the purpose of this research paper, the author focused on four primary selections – Problem Solving, Management Skills, Communication Skills and Teamworking. Furthermore, in the process of assessing the available secondary data, the author drew upon a variety of surveys and reports that conducted comprehensive analyses of skills and learning development pathways within contemporary society.

3 Research results

The primary objective of this research paper is to assess the contemporary understanding of employees' soft skills within the corporate landscape. Through an extensive literature review and the analysis of secondary data, the author aims to distill the core soft skills that constitute essential skills set for employees. Furthermore, the paper seeks to propose the direction for modern organizations to harness the power of Artificial Intelligence (AI) in optimizing their soft skills training programs. By leveraging existing research and secondary data, this study endeavours to provide insights into the fundamental soft skills expected of employees in nowadays business environment. Additionally, it explores the ways in which AI technologies can be effectively employed to enhance the effectiveness of soft skills training initiatives.

3.1 Pivotal employees' soft skills for nowadays business landscape

In the present business landscape, a multitude of definitions and compositions for various soft skills can be identified (Holt, 2018). Nevertheless, in order to gain a deeper understanding of their significant implications, the author has drawn upon several secondary sources of data and information. This approach has been employed to formulate a comprehensive framework for the most widely recognized soft skills training programs that have the potential to positively impact business processes. Through this methodological approach, this research endeavours to provide a clearer understanding of the multifaceted landscape of soft skills and their strategic implications for modern businesses.

The research report titled "2022 Workplace Learning and Development Trends" offers a valuable comparison between the perceptions of employees and the demands of organizations concerning the development of soft skills within the contemporary business landscape. The findings of this report shed light on several disparities in understanding and objectives. This research report plays a pivotal role in illuminating the contrast between employees' perspectives and organizational requirements in the context of soft skills development. According to the findings of the report, a substantial 75% of all employees express satisfaction with the continuous training programs provided, while an even more noteworthy 81% indicate that they are inclined to remain with a company that offers Continuous Vocational Training (CVT) courses. These results underscore the critical importance of employee development within organizational contexts and emphasize the need for proactive attention to this internal pillar. The high level of employee satisfaction with training initiatives suggests that organizations have a valuable opportunity to harness the potential of soft skills. A notable degree of consensus has been observed, particularly in the domain of Leadership soft skills, often referred to as Managerial Skills (SHRM, 2022). It is noteworthy that 54% of employees express a desire to partake in such soft skills courses, closely mirrored by 53% of organizations that aspire to provide Continuous Vocational Training in this area. Consequently, these results suggest that a delicate equilibrium may exist between demand and supply in the current landscape. This equilibrium is further supported by another study, "Closing the Skill Gap 2023," which corroborates the high demand for such skills, registering at 34% (Capranos & Magda, 2023). Despite this figure being relatively lower, it underscores the continued relevance and necessity of these soft skills in contemporary corporate settings.

The soft skill of Problem Solving emerges prominently in both reports as a subject of relatively high interest among organizations. According to the "2022 Workplace Learning and Development Trends," 49% of organizations express a desire to provide training and enhance this skill among their employees. This trend is further corroborated by findings from "Closing the Skill Gap 2023," where 42% of companies identify Problem Solving as the most sought-after skill within their organization, marking the highest response rate in the survey. It is noteworthy that Problem Solving is intrinsically intertwined with daily work activities, underlining its significance as a vital soft skill that directly impacts organizational success (Capranos & Magda, 2023; SHRM, 2022).

The soft skills of Communication and Collaboration stand out as pivotal competencies. Within the "2022 Workplace Learning and Development Trends," a slight disparity becomes evident, with 54% of organizations expressing an inclination to provide training in these areas. In contrast, only 44% of employees demonstrate an active interest in participating. Moreover, findings from the "Closing the Skill Gap 2023" report indicate that the demand for these soft skills among organizations is at 24%. This relatively lower demand underscores the complex nature of Communication

and Collaboration skills, which are heavily influenced by social dynamics and individual selection pressures for developing effective communication abilities (Janik et al., 2013).

Last but certainly not least is the well-established soft skill of Teamwork (or Collaboration), which has traditionally held a prominent position in the realm of soft skills. However, based on recent surveys, a discernible decrease in its demand is observable within the current business landscape. According to the findings of the "Closing the Skill Gap 2023" report, only 10% of companies express a desire to develop and provide Continuous Vocational Training for this skill among their employees. Interestingly, several surveys have begun to intertwine Teamwork with the broader category of Collaboration. This shift is evident in studies such as "Soft Skills for Business Success" conducted by Deloitte in 2017, which categorizes Teamwork under Collaboration, often in conjunction with Communication skills. A similar approach has been adopted by the aforementioned "2022 Workplace Learning and Development Trends" report. These evolving trends suggest that the contemporary business environment places a high premium on principles that integrate employee communication within the broader context of collaboration. This integration implies that internal and external communication skills are no longer viewed in isolation but are recognized as interconnected and integral components of effective collaboration (Capranos & Magda, 2023; Deloitte, 2017; SHRM, 2022).

Based on the aforementioned results, three primary soft skills emerge as exceptionally important for the contemporary business environment:

- Management Skills;
- Problem Solving;
- Communication and Collaboration;

In an effort to gain deeper insights into the prevailing conditions within the European market, the author has harnessed data from the Continuing Vocational Training Survey conducted by Eurostat. Table 1, Table 2 and Table 3 below present the results from three countries that have attained the highest scores within the specified skill category. Furthermore, the author has highlighted the lowest score achieved by a country in chosen skill area, denoted in red for clarity.

Table 1 Management Skills

Market	Management skills
Finland	50,3 %
Spain	44,3 %
Sweden	34,2 %
Bulgaria	6,4 %

Source: Own processing based on data from Eurostat

Finland achieved the highest score, surpassing the 50% mark, indicating that more than half of the organizations in the country offer Continuous Training in Management Skills to their employees. In contrast, Bulgaria reported the lowest figure, with only 6% of all organizations providing this type of training. In a broader context, it is noteworthy that the Northern European countries have demonstrated a primary emphasis on Management Skills in the European region, as evidenced by the higher prevalence of such training initiatives in this region compared to others.

Table 2 Problem Solving Skills

Market	Problem Solving skills
Romania	43,3 %
Austria	37,9 %
Hungary	37,6 %
Ireland	12,2 %

Source: Own processing based on data from Eurostat

Approximately 43.3% of organizations in Romania offer Management Skills training. This suggests a relatively high emphasis on this skill development within the Romanian market. In contrast, Ireland stands out with only 12.2% of organizations offering Management Skills training, suggesting a lower prevalence of such programs compared to the other mentioned markets. These results provide insight into the varying degrees of emphasis placed on Management Skills training across different European markets. Besides the previously mentioned soft skills, European enterprises are actively prioritizing Teamworking, which has garnered the highest attention in Romania, with 73% of companies emphasizing this skill.

Additionally, Communication skills take centre stage in the Czech Republic, with a notable emphasis from 19.6% of companies. In stark contrast, Spain demonstrated the lowest focus, registering a mere 2.7%. An intriguing pattern emerges, with the highest scores clustered within Central European countries such as the Czech Republic, Austria, and Slovakia.

Table 3 Communication and Collaboration Skills

Market	Communication and Collaboration skills
Czechia	19,6 %
Austria	15,0 %
Slovakia	12,3 %
Spain	2,7 %

Source: Own processing based on data from Eurostat

As previously discussed, the development of these soft skills is ongoing, and many businesses are encountering them in an interconnected manner. Therefore, for the purposes of this research paper, the author has identified these crucial soft skills as Communication and Collaboration.

3.2 Potential of the Artificial Intelligence within the training of employee soft skills

The preceding chapter has showcased and affirmed the significance of three essential soft skills that companies are compelled to develop, which concurrently align with the demands of contemporary employees. Nevertheless, traditional training methods are now being actively supplemented with the development of innovative approaches and combinations aimed at enhancing overall efficiency and fostering increased employee engagement. For these reasons, the implementation of contemporary trends such as Artificial Intelligence (AI) presents an opportunity for the successful execution of soft skills training within organizations. Integrating AI into training programs offers several potential benefits, including scalability, personalization, and enhanced effectiveness. One key aspect of AI in soft skills training is its ability to tailor learning experiences to individual learners. AI algorithms can analyze learner behaviour and adapt the training content to meet specific needs, ensuring that employees receive targeted instruction in areas where they need improvement. This personalization can lead to more efficient and effective training outcomes (Janik, 2013; Oh et al., 2015).

Based on the results from the 'Learning at Work 2023' survey, current employees are grappling with challenges related to limited availability and time constraints, which hinder their participation in various development courses and programs (CIPD, 2023). These employees perceive these factors as barriers to engaging in Continuous Vocational Training. This observation aligns with the findings of Cermak and McGurk (2010), who have already in 2010 confirmed, that time constraints represent one of the most common and persistent challenges in training. Therefore, it can be inferred that time constraints may continue to be a significant and enduring barrier in the future as well (Cermak & McGurk, 2010). To address these challenges, Artificial Intelligence (AI) can serve as a powerful tool, offering solutions to alleviate the issue of time constraints for employees while also managing costs for employers. The PwC Global Workforce Hopes and Fears Survey 2023 has revealed that 27% of respondents believe AI will create opportunities for employees to acquire new skills, and 31% of respondents anticipate that AI will enhance overall productivity and efficiency. This trend is also reflected in other surveys, where there is a growing willingness among employees to embrace digital solutions, including AI. According to the Learning at Work 2023 survey, there has been a notable 48% increase in the adoption of digital learning solutions (CIPD, 2023; PricewaterhouseCoopers, 2022, 2023).

Therefore, the integration of AI can have a positive impact on fostering the synergy between soft skills and digital skills. These employee skills now encompass some of the most sought-after attributes for effective business processes and employee learning. Furthermore, in alignment with the aforementioned assertion, we can draw upon insights from a recent LinkedIn survey, which sheds additional light on the intricate interplay between digital (AI) and leadership (soft) skills. This survey underscores the evolving landscape of leadership processes, which are increasingly influenced by the inexorable rise of 'artificial intelligence and technology' as one of the primary driving forces. The survey's results provide valuable insights into the collective perspective of respondents, revealing a noteworthy consensus. A significant 59% of survey participants expressed a robust conviction regarding the pivotal role of artificial intelligence in shaping the future of leadership. This resounding endorsement underscores the growing recognition of AI as a transformative force in leadership and underscores its significance as an area that demands attention and proactive engagement. These findings reinforce the notion that digital and leadership skills are becoming intricately interconnected. As organizations navigate the evolving business landscape, leaders must not only possess conventional soft skills but also be adept at harnessing the potential of AI and technology, making it an integral component of effective leadership in the future (Morgan, 2020).

4 Conclusions

In conclusion, the influence of Artificial Intelligence (AI) on employee learning and development is both substantial and transformative. AI presents a wealth of opportunities for enhancing training activities, particularly in the realm of soft skills development - an area of paramount importance in the modern business landscape. Throughout this research paper, the primary objective has been twofold. Firstly, this paper delved into the analysis of the soft skills that are currently in high demand within the dynamic business environment. Findings underscored the enduring importance of these skills as critical drivers of organizational success and individual growth. Secondly, this research paper has showcased the substantial potential for integrating AI into the training of employees' soft skills. However, it is important to acknowledge that this research does have limitations, primarily stemming from its reliance on secondary data obtained from various surveys and reports. Nevertheless, this research paper serves as a solid foundation for future investigations, which may involve primary research methods such as semi-structured interviews and quantitative analysis. In summary, this research paper has underscored the pivotal role of AI in revolutionizing employee learning and development. By leveraging the potential of AI-driven soft skills training, organizations can not only meet the demands of today's business environment but also propel themselves toward a future marked by innovation and excellence.

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