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EMPLOYERS FIND 'SOFT SKILLS' LIKE CRITICAL THINKING IN SHORT SUPPLY

Companies put more time and money into teasing out job applicants' personality traits

By Kate Davidson
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The job market's most sought-after skills can be tough to spot on a résumé.

Companies across the U.S. say it is becoming increasingly difficult to find applicants who can communicate clearly, take initiative, problem-solve and get along with co-workers.

Those traits, often called soft skills, can make the difference between a standout employee and one who just gets by.

While such skills have always appealed to employers, decades-long shifts in the economy have made them especially crucial now. Companies have automated or outsourced many routine tasks, and the jobs that remain often require workers to take on broader responsibilities that demand critical thinking, empathy or other abilities that computers can't easily simulate.

As the labor market tightens, competition has heated up for workers with the right mix of soft skills, which vary by industry and across the pay spectrum—from making small talk with a customer at the checkout counter, to coordinating a project across several departments on a tight deadline.

In pursuit of the ideal employee, companies are investing more time and capital in teasing out job applicants' personality quirks, sometimes hiring consultants to develop tests or other screening methods, and beefing up training programs to develop a pipeline of candidates.

"We've never spent more money in the history of our firm than we are now on recruiting," said Keith Albritton, chief executive of Allen Investments, an 84-year-old wealth-management company in Lakeland, Fla.

In 2014, the firm hired an industrial psychologist who helped it identify the traits of its top-performing employees, and then developed a test for job candidates to determine how closely they fit the bill.

In the increasingly complex financial-services world, advisers often collaborate with accountants, attorneys and other planning professionals, Mr. Albritton said. That means the firm's associates must be able to work in teams. "You can't just be the general of your own army," he said.

A recent LinkedIn survey of 291 hiring managers found 58% say the lack of soft skills among job candidates is limiting their company's productivity.

In a Wall Street Journal survey of nearly 900 executives last year, 92% said soft skills were equally important or more important than technical skills. But 89% said they have a very or somewhat difficult time finding people with the requisite attributes. Many say it's a problem spanning age groups and experience levels.

A LinkedIn analysis of its member profiles found soft skills are most prevalent among workers in the service sector, including restaurant, consumer-services, professional-training and retail industries.

To determine the most sought-after soft skills, LinkedIn analyzed those listed on the profiles of members who applied for two or more jobs and changed jobs between June 2014 and June 2015. The ability to communicate trumped all else, followed by organization, capacity for teamwork, punctuality, critical thinking, social savvy, creativity and adaptability.

Cindy Herold, who owns the Old Europe restaurant in Washington, says the traits she looks for in job candidates aren't easy to come by. She recently advertised for workers with 'common sense.' ENLARGE

Workers with these traits aren't easy to come by, said Cindy Herold, who runs the Old Europe restaurant in Washington. In a moment of frustration, Mrs. Herold recently put a sign outside seeking workers with "common sense."

"I can teach somebody how to slice and dice onions. I can teach somebody how to cook a soup. But it's hard to teach someone normal manners, or what you consider work ethic," she said.

Training new workers in technical skills takes time and resources employers say they are less willing to invest in workers who don't have the soft skills to succeed in the long run. That may be one reason hiring has lagged its pre-recession pace despite a near-record number of job openings, according to Labor Department data.

With a stubbornly high share of Americans looking for work or stuck in part-time jobs, employers should have plenty of job candidates, but many of them aren't biting—at least not very quickly.

Academic research also suggests demand for those workers is picking up. Employment growth has been especially strong in jobs requiring both cognitive and soft skills, according to a 2015 paper from Harvard economist David Deming, who found that pattern held true up and down the wage scale.

Paul McDonald, an executive at staffing firm Robert Half, said soft skills have always been important tools for managers, but now employers are finding them more important than ever before "at the lower end of the org chart," and "the focus is earlier on in one's career."

The combination of soft skills and high grades can attract multiple job offers and premium starting salaries for recent college graduates in technical fields such as computer sciences, accounting and finance, he said.

Many employers, frustrated by the difficulty of identifying job candidates with the right soft skills, have adopted more rigorous hiring practices.

At Two Bostons, a small chain of pet boutiques outside Chicago, owner AdreAnne Tesene conducts at least three rounds of interviews before she hires someone.

For higher-level positions, she invites job candidates and their significant others out to dinner with the rest of the management team, "so we can see how they treat their family." She also has her employees fill out an evaluation of a new co-worker after 90 days.

Ms. Tesene, who opened her first store 11 years ago, said she sees fewer candidates who can hold a conversation, want to interact with people and are eager to excel.

"Trying to find people like that is becoming harder," she said. "But also, I think our standards continue to increase."