

Your Best Technical Performer Might Be Your Worst Leader (But Don't Just Take Our Word For It)

We're hiring for technical expertise and firing for lack of self-awareness. We're promoting analytical thinkers and losing them because they can't connect. The mismatch is expensive and it's everywhere.

In an era of AI, hybrid work, and constant disruption, organisations are finally naming what many leaders have known instinctively: people skills aren't separate from business skills. They are business skills. And in leadership, they're now mission-critical.



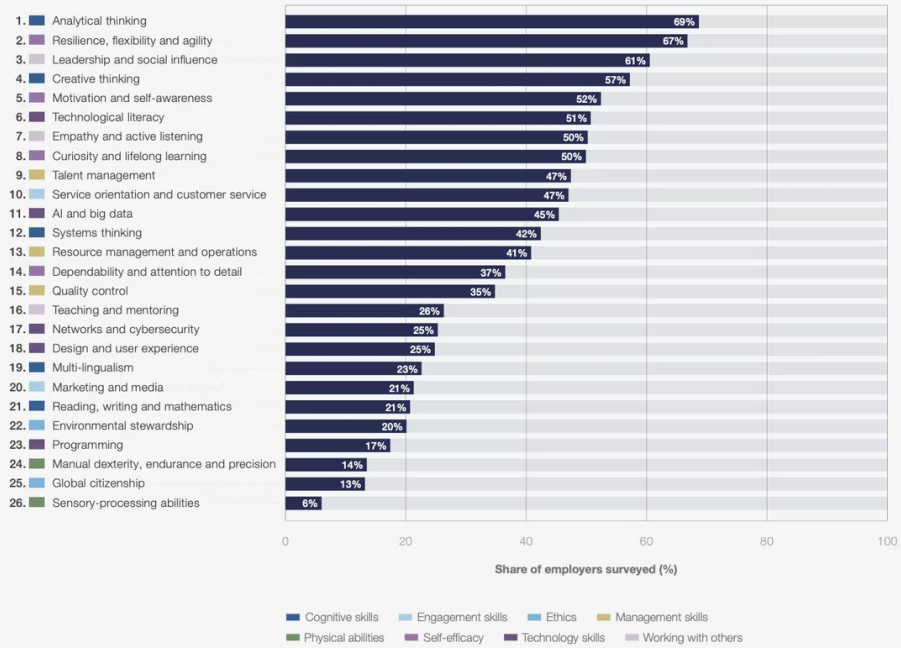
New global data shows that empathy, adaptability, and communication aren't just nice-to-haves, they're increasingly what separates average managers from impactful leaders.

Employers across every sector are doubling down on the human side of leadership. In fact, three of the top five skills companies say they need most by 2025 are directly linked to emotional intelligence and people leadership.

Top Core Skills for 2025 (WEF Future of Jobs Report)

FIGURE 3.3 Core skills in 2025

Share of employers who consider the stated skills to be core skills for their workforce.



Source

World Economic Forum, Future of Jobs Survey 2024.

Note

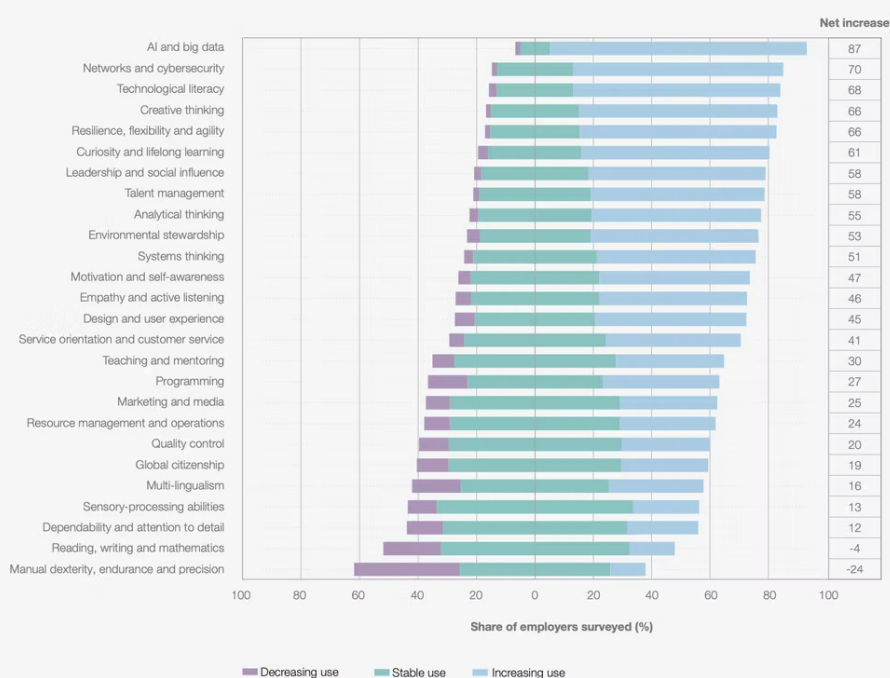
The Future of Jobs Survey uses the World Economic Forum's Global Skills Taxonomy.

"Hard" skills are still valuable but the leadership edge now lies in the ability to connect, communicate, and influence across complexity.

Soft Skills Are Gaining Ground Fast

FIGURE 3.4 Skills on the rise, 2025-2030

Share of employers that consider skills to be increasing, decreasing, or remaining stable in importance. Skills are ranked based on net increase, which is the difference between the share of employers that consider a skill category to be increasing in use and those that consider it to be decreasing in use.



Source

World Economic Forum, Future of Jobs Survey 2024.

Note

The Future of Jobs Survey uses the World Economic Forum's Global Skills Taxonomy.

According to employers, these are the fastest-growing priorities over the next five years:

- Creative thinking (+66%)
- Resilience and adaptability (+66%)
- Leadership and social influence (+58%)
- Empathy and active listening (+46%)
- Motivation and self-awareness (+47%)

And it's not just talk, these are now showing up in hiring, training, and promotion decisions.

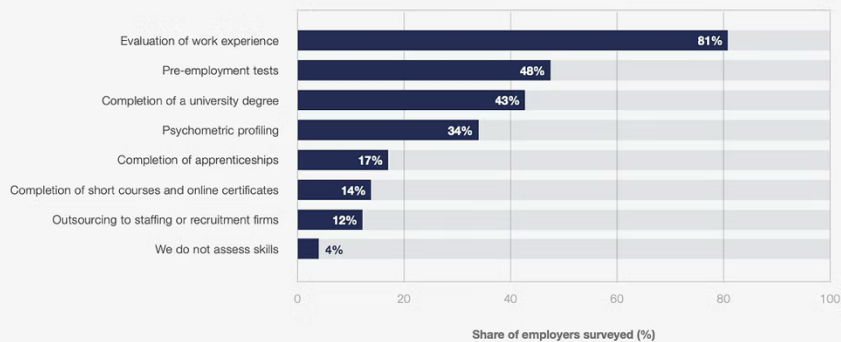
The Way We Hire Is Changing

Traditional qualifications still matter but not as much as they used to. What employers prioritise most now is how people *actually show up* at work.

FIGURE 4.12

Skill assessment mechanisms, 2025-2030

Share of employers surveyed which will prioritize the following ways to assess skills when hiring.



Source

World Economic Forum, Future of Jobs Survey 2024.

Top 3 ways employers assess talent:

- 81% – **Work experience**
- 48% – **Pre-employment skills tests**
- 43% – **University degrees**

Only a third of companies still prioritise degrees as the main measure of readiness. Traditional qualifications still matter, but not as much as they used to. What employers prioritise most now is how people actually show up at work.

At The Work Psychologists, we've known this for years. That's why we've always used rigorous psychometric assessments not personality quizzes or gut-feel interviews to identify the relational capabilities that predict leadership success. Cognitive ability, emotional intelligence, resilience under pressure, capacity to influence and adapt: these aren't soft or hard to measure. They're backed by decades of occupational psychology research. And they're what actually determines whether someone will thrive in complexity, not just survive it. The science has been there all along. The market is only just catching up.

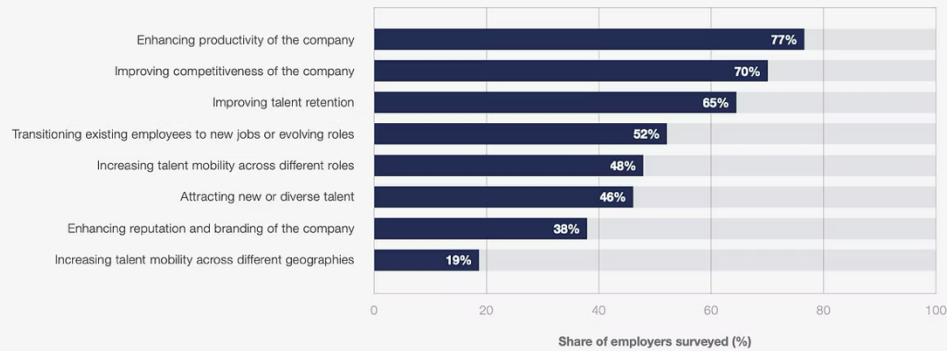
People Skills → Business Performance

Why this shift? Because relational leadership isn't just *good culture* it drives serious results.

FIGURE 3.11

Expected outcomes from investing in training, 2025-2030

Share of employers expecting the stated outcome from investing in worker training programmes from 2025 to 2030.



Source

World Economic Forum, Future of Jobs Surveys 2024.

Organisations that invest in developing these skills report:

- +77% ↑ Productivity
- +70% ↑ Competitiveness
- +65% ↑ Talent retention
- +52% ↑ Internal mobility

The ROI is crystal clear.

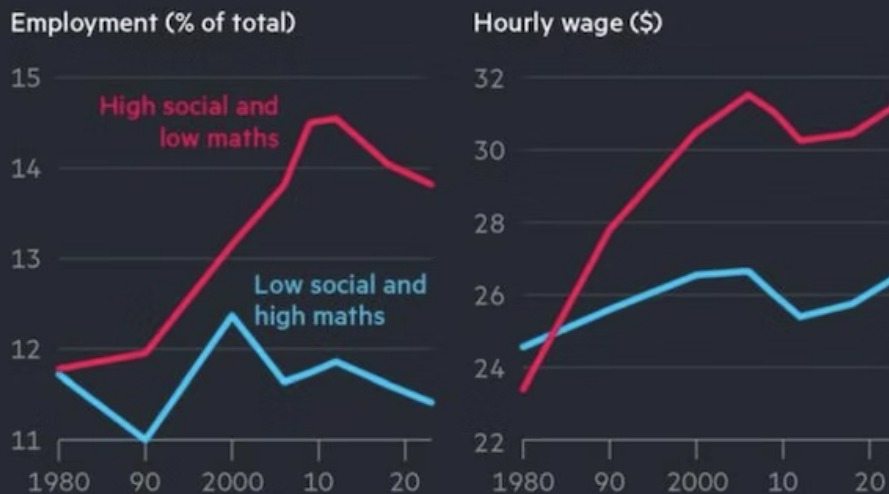
- Research from MIT Sloan found that for every \$1 invested in soft skills training, organisations see an average ROI of **250%** within 8 months
- Google's Project Oxygen identified that their highest-performing managers excelled in people skills, not technical expertise and teams led by managers scoring in the top quartile for coaching saw **27% lower attrition**
- According to Harvard Business Review, **58% of job success** is determined by emotional intelligence, yet only **1%** of the workforce receives any formal training in it

Not Just Theory, It's Playing Out in the Labour Market

In a now-viral post, NYU psychologist **Jay Van Bavel, PhD** shared a powerful chart from US labour data.

People with strong soft skills but weak quant abilities now fare better in the labour market

Employment share and average real hourly wages, split by relative importance of mathematical and social skills in the job



Sources: American Community Survey; O*Net; The Growing

It shows that jobs requiring **strong soft skills** (but limited quant abilities) now:

- **Pay more** than those requiring the reverse
- Have grown significantly in employment share

"People with soft skills are faring better in the labour market than those with more quantitative skills." Jay Van Bavel, PhD

Why Every Industry Is Investing in People Skills

This isn't confined to "people-focused" sectors. In asset management, we're seeing partners who can model risk brilliantly but struggle to navigate founding team dynamics. In healthcare, technical excellence is assumed but retention hinges on whether leaders can hold difficult conversations with empathy and clarity.

Across industries and regions, relational skills are no longer being treated as peripheral they're now central to how organisations hire, train, and grow. From government to finance, tech to energy, global employers are embedding people-focused capabilities like curiosity, empathy, influence and mentoring directly into their talent strategies. Looking ahead to 2030, the most in-demand leadership skills are expected to be resilience, adaptability, creative thinking, self-awareness, and emotional intelligence the very attributes that fuel collaboration, innovation and trust.

The good news? These capabilities are learnable but not through e-learning modules or one-off workshops. They require deliberate practice, feedback, and psychological insight into how people actually change (see last week's post for more on that).

At The Work Psychologists, this isn't a trend we're responding to it's the work we've been doing for years.

In an increasingly competitive talent landscape, organisations that move beyond traditional training approaches and invest in evidence-based, co-created development gain a decisive advantage. By building cultures where learning is embedded in daily work, feedback flows freely, and development is owned by individuals rather than mandated by L&D, you create not just more capable employees, but more agile, innovative, and resilient organisations. The question isn't whether you can afford to make this shift, it's whether you can afford not to. Those who get ahead of the curve now will be the ones attracting, developing, and retaining the talent that drives sustainable competitive advantage in the years ahead.

FIVE KEY TAKEAWAYS

- **People skills are business skills** — empathy, self-awareness, adaptability, and communication now directly drive performance and leadership impact.
- **The real leadership gap is relational** — organisations lose technically strong leaders because they can't connect, influence, or lead through complexity.
- **Hiring and promotion criteria are shifting** — experience and demonstrated capabilities matter more than degrees or credentials.
- **Developing people skills delivers clear ROI** — stronger productivity, retention, competitiveness, and internal mobility.
- **These skills are learnable, but not quickly** — they require deliberate practice, feedback, and evidence-based development, not one-off training.