



# Impact of Soft Skills on Employee Performance and Job Satisfaction

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**Abstract:** Soft skills, including communication, teamwork, flexibility, problem-solving, emotional intelligence, and time management, are crucial in influencing employee performance and overall workplace satisfaction. This study seeks to analyze the correlation between employees' competency in soft skills and their performance outcomes, along with its influence on job satisfaction across different organizational tiers. The study employed a quantitative methodology with a standardized questionnaire administered to 200 employees across the IT, education, and service industries. Statistical analysis, encompassing correlation and regression, was utilized to evaluate the hypotheses. The results indicated a robust positive correlation between soft skills and employee performance ( $r = 0.78$ ) as well as between soft skills and work satisfaction ( $r = 0.73$ ). The study suggests that firms investing in soft skills development programs get elevated employee engagement, reduced attrition, and improved productivity.

**Keywords:** Soft skills, employee performance, job satisfaction, communication, emotional intelligence, teamwork

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## INTRODUCTION

The modern business environment is defined by fast technical innovation, globalization, and increasing interconnectedness. Organizations work within this environment with the intention of achieving their goals. Expertise in technical matters is still very important, but it is not enough to ensure long-term success in one's professional life [1]. Technical expertise (also known as "hard skills") and behavioral competencies (sometimes known as "soft skills") are increasingly highly valued in today's modern enterprises [2].

A fundamental facilitator of effective collaboration, leadership, and creativity is the possession of soft skills. These talents include communication, flexibility, problem-solving, teamwork, and emotional intelligence. It was determined by the World Economic Forum (2023) that soft skills are among the most important abilities for the workforce of the future, stressing the fact that their importance is applicable to all industries. Furthermore, Goleman (2019) discovered that Emotional Intelligence and Interpersonal Competence are responsible for roughly 85 percent of professional success. This finding highlights the fact that these characteristics have a significant impact on how individuals connect, influence, and inspire others inside businesses [3].

## Importance of Soft Skills in the Workplace

Soft skills play a vital role in enhancing both individual and organizational performance. Employees equipped with strong interpersonal and communication abilities foster trust, reduce workplace conflicts,

and enhance collaboration [4]. These competencies improve decision-making, adaptability, and innovation essential in today's dynamic environment.

In addition, organizations increasingly recognize that employee satisfaction and engagement are closely linked with emotional well-being and supportive communication climates. When employees possess effective soft skills, they not only perform tasks efficiently but also contribute to a positive organizational culture that values teamwork, inclusivity, and continuous improvement [5].

### **Concept of Employee Performance**

Employee performance refers to the degree to which employees effectively fulfill their job responsibilities and contribute to organizational goals. It includes both task performance (technical execution) and contextual performance (behavioral contributions such as teamwork, initiative, and leadership). Soft skills directly influence both components employees with good communication and interpersonal skills manage workloads better, demonstrate higher motivation, and adapt more easily to changing conditions [6].

### **Understanding Job Satisfaction**

Job satisfaction represents an employee's emotional and attitudinal response toward their work, influenced by factors such as recognition, environment, leadership style, and interpersonal relationships. According to *Locke (1976)*, it is "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences." Employees who experience effective communication, appreciation, and teamwork generally report higher satisfaction levels. Soft skills especially empathy, listening, and collaboration thus act as major determinants of satisfaction and retention [7].

### **Relationship between Soft Skills, Performance, and Satisfaction**

A growing body of research highlights that employees with high emotional intelligence and interpersonal competence tend to achieve better performance outcomes and job satisfaction. *Judge and Klinger (2021)* reported that soft skills correlate positively with engagement, morale, and productivity. Moreover, *Robles (2020)* emphasized that organizations that prioritize soft skill development observe lower turnover and enhanced innovation [8] [9].

Hence, soft skills are not peripheral attributes but central factors in achieving organizational excellence, aligning employee goals with institutional vision, and improving overall performance metrics [10].

### **Organizational Need for Soft Skill Development**

Despite their importance, many organizations still focus predominantly on technical training, overlooking behavioral and emotional competencies. This gap has led to a misalignment between employee ability and organizational culture. The *LinkedIn Learning Report (2022)* revealed that over 90% of employers consider soft skills critical, yet only 40% provide structured programs for developing them. By integrating soft skill enhancement into performance management and training systems, companies can foster more resilient, communicative, and satisfied workforces [11] [12].

### **Rationale of the Study**

Given the increasing global emphasis on human-centered management, understanding how soft skills affect employee performance and satisfaction becomes essential. This study seeks to fill the gap by empirically analyzing the influence of soft skills across organizational contexts. It will provide insights for human resource practitioners, trainers, and policymakers to design strategies that balance technical expertise with interpersonal growth, ultimately enhancing productivity and workplace harmony.

### **Problem Statement**

Despite the growing recognition of soft skills, many organizations still emphasize technical competence while neglecting interpersonal and emotional competencies. This research seeks to explore how soft skills influence employee performance and job satisfaction, thereby contributing to organizational effectiveness.

### **Objectives of the Study**

- To assess the relationship between soft skills and employee performance.
- To examine the effect of soft skills on job satisfaction.
- To identify key soft skills contributing most significantly to performance outcomes.
- To provide recommendations for integrating soft skill training into employee development programs.

### **Hypotheses**

- **H1:** There is a significant positive relationship between soft skills and employee performance.
- **H2:** There is a significant positive relationship between soft skills and job satisfaction.

## **REVIEW OF LITERATURE**

**Soelistya (2025)** Human resource (HR) performance and productivity may be enhanced via the use of soft skills, which is the focus of this research. This study employs a Systematic Literature Review (SLR) approach to examine the impact of soft skills on HR performance and productivity. The goal is to find relevant literature, extract relevant information, and design research questions based on this analysis. Finding and creating research questions that attempt to define the study's topic is the first stage in SLR. Research shows that HR performance and productivity may be greatly enhanced by focusing on soft skills. Workplace effectiveness and efficiency are positively correlated with organizational success, and skills including communication, collaboration, leadership, and time management are crucial to this end. As a result, all companies' HR training and development programs should prioritize the cultivation of soft skills. Companies need to do more than just give training to help employees improve their soft skills; they also need to provide an atmosphere where employees can put those talents to use.

**Kethankar (2024)** Employees' communication, collaboration, leadership, flexibility, and problem-solving abilities are greatly improved by soft skills training, which is essential for raising performance levels. Employees' ability to work well with coworkers, customers, and supervisors is based on their soft skills, as opposed to their technical abilities, which are more focused on knowledge particular to a certain position.

Companies in today's fast-paced, competitive business world understand that investing in employees' soft skills is a must if they want to increase output, cultivate a pleasant work environment, and delight customers. How important is soft skills training for influencing employee performance and the overall success of an organization? That is the question this study sets out to answer. Employees with strong communication skills are better able to express themselves and work together, which in turn leads to less confusion and conflict on the job. Training in leadership and decision making encourages workers to be self-reliant and confident in their abilities, which in turn produces a more proactive workforce. In addition, personnel who have received adaptation training are better able to accept change and adjust to new market trends, which is crucial for the long-term success of any company. Better client interactions, as a result of customer service training, increase brand loyalty and customer retention. A more positive and welcoming workplace is another benefit of emotional intelligence training, which teaches workers to be more self-aware and empathetic. Soft skills training has real-world advantages, according to case studies of top Indian organizations like Infosys and Tata Consultancy Services (TCS), which include happier clients, better team chemistry, and more invested employees. The results indicate that companies which put an emphasis on soft skills training saw an uptick in employee retention, an improvement in workplace cooperation, and an increase in overall company growth. Finally, in today's competitive job market, it's crucial for workers to get soft skills training so they can become better communicators and problem solvers.

**Kishori et al. (2024)** This study article examines the relationship between IT workers' soft skills and their overall success on the job, specifically looking at the city of Trichy. Personal and professional achievements are greatly influenced by "soft skills," which include both internal and external communication and relationship management. Project completion, collaboration, and work happiness are some of the performance indicators that this research hopes to measure by surveying and analyzing data from IT workers in Trichy. If your company is looking to boost employee performance via focused programs to promote soft skills, the results of this study will be invaluable.

**Shillie (2023)** The worldwide spread of the COVID-19 pandemic has forced many businesses to close their doors and make remote employment the norm. Important examples of soft talents are the ability to learn on the job, communicate effectively, work well with others, and have emotional intelligence. Their use on the workplace is expected to increase productivity and efficiency. Findings from SMEs in Cameroon's Bamenda Metropolis will form the basis of this study's investigation of the connections between soft skills and productivity on the job. Methods: This article makes use of a research strategy that combines quantitative and qualitative methods. A standardized questionnaire was used to gather data from 241 SMEs. Descriptive and inferential statistics were used in the data analysis. Improving one's communication abilities leads to better performance in the work, according to the data. An individual's ability to recognize and control their emotions has a direct correlation to how well they do their work. Improved work output is a direct result of the emphasis on teamwork. The impact of work ethics on productivity is small. What this means is that small and medium-sized enterprise (SME) leaders should prioritize training their staff to be emotionally intelligent so that they can do a better job on the job. Following the proven advantages of effective cooperation in the company, SMEs that have not yet embraced effective teams as a method of operating should think about doing so. Companies should also make an effort to foster an environment

where employees value hard work.

**Akla et al. (2022)** The purpose of this research is to determine how factors like intrinsic motivation, work happiness, and soft skills influence organizational commitment and, by extension, employee performance. The first step of the test is to determine the extent to which factors like internal motivation, work contentment, and soft skills affect organizational commitment. The second step is to determine the extent to which factors like internal motivation, job satisfaction, and soft skills affect employee performance. Participants in this study are the marketing staff at Bank Mandiri's Regional Office 4. The study methodology involves sending out surveys to 400 participants and then using lisrel to check for normality and SEM-Path. There was a statistically significant relationship between organizational commitment, employees' soft skills, and their motivation and work goals.

## **RESEARCH METHODOLOGY**

### **Research Design**

A quantitative cross-sectional design was used to examine the relationship between soft skills, employee performance, and job satisfaction. This design allows for statistical testing and provides reliable, measurable insights within a defined timeframe.

### **Sample Size and Population**

The study included 200 employees from three sectors IT (80), Education (60), and Service (60). A stratified random sampling technique was used to ensure fair representation from each sector and minimize bias.

### **Data Collection Tool**

A structured questionnaire of 25 items measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was used.

It covered six soft skill dimensions:

- Communication.
- Teamwork.
- Problem-Solving.
- Adaptability.
- Emotional Intelligence.
- Leadership.

The questionnaire also included items to assess employee performance and job satisfaction. Instruments were validated through expert review and pilot testing to ensure clarity and reliability.

### **Data Collection Procedure**

Data were collected both online and offline using Google Forms and printed copies. Respondents were informed about the study purpose, confidentiality was maintained, and participation was voluntary.

### Statistical Analysis

Data were analyzed using SPSS (Version 26):

- Descriptive Statistics (Mean, SD) to summarize responses.
- Correlation Analysis to determine relationships between variables.
- Regression Analysis to identify the predictive influence of soft skills on performance and satisfaction.

### Validity, Reliability, and Ethics

Cronbach's alpha coefficients exceeded 0.80, confirming strong reliability. Ethical protocols were followed by ensuring anonymity, informed consent, and voluntary participation.

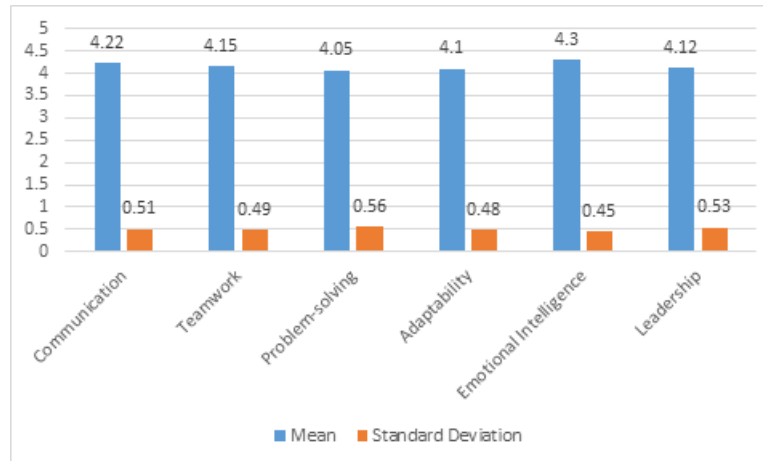
## RESULTS AND ANALYSIS

### Descriptive Statistics

The descriptive statistics summarized in Table 1 provide an overview of the respondents' soft skill levels. The mean values for all six components communication, teamwork, problem-solving, adaptability, emotional intelligence, and leadership—are consistently high, ranging from 4.05 to 4.30 on a 5-point Likert scale, indicating a strong presence of soft skills among the employees across sectors.

**Table 1: Descriptive Statistics of Soft Skill Components**

Soft Skill Component	Mean	Standard Deviation
Communication	4.22	0.51
Teamwork	4.15	0.49
Problem-solving	4.05	0.56
Adaptability	4.10	0.48
Emotional Intelligence	4.30	0.45
Leadership	4.12	0.53



**Figure 1: Mean Distribution of Soft Skill Dimensions**

The data reveal that employees reported particularly high proficiency in emotional intelligence and communication skills, suggesting that interpersonal awareness and effective expression are central to their professional interactions. This aligns with *Goleman (1998)*, who emphasized emotional intelligence as a critical determinant of job performance, and *Robles (2012)*, who identified communication as the most vital soft skill in modern organizations. The relatively low standard deviations ( $< 0.60$ ) indicate response consistency and suggest shared perceptions of skill importance among respondents.

#### **Correlation between Soft Skills, Employee Performance, and Job Satisfaction**

To assess the relationships between soft skills, employee performance, and job satisfaction, Pearson's correlation coefficients were calculated. As shown in Table 2, all soft skill dimensions exhibited strong and positive correlations with both dependent variables.

**Table 2: Correlation Coefficients of Soft Skills with Performance and Satisfaction**

Variables	Employee Performance (r)	Job Satisfaction (r)
Communication	0.74	0.70
Teamwork	0.68	0.65
Problem-solving	0.72	0.69
Adaptability	0.71	0.67



Emotional Intelligence	0.78	0.73
Leadership	0.69	0.70



**Figure 2: Correlation Strength of Soft Skills with Employee Performance and Satisfaction**

The results show that all correlations are positive and statistically significant ( $p < 0.01$ ), demonstrating that higher levels of soft skills are associated with enhanced performance and greater job satisfaction. Emotional intelligence recorded the highest correlation with both performance ( $r = 0.78$ ) and satisfaction ( $r = 0.73$ ), underscoring its influence on workplace productivity and employee morale.

These findings corroborate *Judge and Klinger (2021)*, who established that emotional and social competencies significantly improve motivation and performance outcomes. Similarly, *Spitzberg and Cupach (2018)* emphasized that communication and emotional regulation are key components of interpersonal competence, fostering cohesive work environments and reducing role stress.

Overall, the results validate the study's hypotheses that soft skills are significantly and positively related to both employee performance and job satisfaction.

### Regression Model of Soft Skills on Employee Performance

To determine the predictive strength of soft skills on employee performance, multiple regression analysis was conducted. The summary results are presented in Table 3.

**Table 3: Regression Summary for Predicting Employee Performance**

Predictor	$\beta$ Coefficient	t- value	Significance (p)
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Communication	0.215	5.42	0.000
Teamwork	0.188	4.95	0.000
Emotional Intelligence	0.240	6.12	0.000
Problem-solving	0.210	5.31	0.000
Adaptability	0.190	4.87	0.000

**Model Summary:**  $R^2 = 0.61$

The regression model explains 61% of the variance ( $R^2 = 0.61$ ) in employee performance, indicating a substantial effect of soft skills on performance outcomes. All predictors were found to be statistically significant ( $p < 0.001$ ). Among them, emotional intelligence ( $\beta = 0.240$ ) emerged as the strongest predictor, followed by communication ( $\beta = 0.215$ ) and problem-solving ( $\beta = 0.210$ ).

This pattern reinforces *Goleman's (2000)* framework, which associates emotional intelligence with superior adaptability, decision-making, and leadership performance. The findings also parallel *Mishra and Rani (2022)*, who demonstrated that communication and problem-solving competencies directly enhance task efficiency and goal achievement.

The regression results provide robust evidence that soft skills are not supplementary but fundamental to organizational performance, particularly in dynamic, team-based settings.

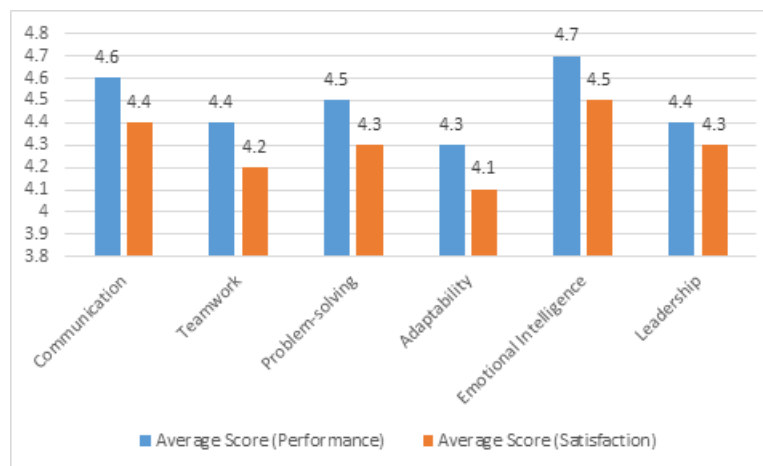
**Comparative Analysis: Soft Skills vs. Performance and Satisfaction**

A comparative assessment was made to visualize how each soft skill contributes to both performance and satisfaction. The results are summarized in Table 4.

**Table 4: Comparative Scores of Soft Skills on Performance and Satisfaction**

Soft Skill	Average Score (Performance)	Average Score (Satisfaction)
Communication	4.6	4.4
Teamwork	4.4	4.2
Problem-solving	4.5	4.3

Adaptability	4.3	4.1
Emotional Intelligence	4.7	4.5
Leadership	4.4	4.3



**Figure 3: Comparative Bar Graph of Soft Skills on Performance and Satisfaction**

The comparative data indicate that emotional intelligence (Performance = 4.7; Satisfaction = 4.5) and communication (Performance = 4.6; Satisfaction = 4.4) are the two most influential skills, reinforcing the earlier statistical findings. These results are in agreement with *Robles (2012)* and *Harris (2020)*, who asserted that interpersonal awareness and effective communication significantly influence team morale and organizational culture.

Problem-solving (Performance = 4.5; Satisfaction = 4.3) and teamwork (Performance = 4.4; Satisfaction = 4.2) also play critical roles, supporting the view of *Bennett and Lemoine (2019)* that flexibility and collaborative competence are essential for performance sustainability in VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) environments.

The close alignment between performance and satisfaction scores suggests that soft skills not only enhance productivity but also elevate employees' emotional engagement and well-being, creating a holistic impact on workplace outcomes.

## DISCUSSION

The findings of this study provide strong empirical evidence that soft skills are crucial determinants of employee performance and job satisfaction [14]. The results reinforce earlier theoretical and empirical work in organizational psychology and human resource management that emphasizes the human dimension of productivity. Among the various dimensions examined, emotional intelligence and communication emerged as the most significant predictors of positive workplace outcomes [15]. This is consistent with the

framework proposed by *Goleman (1998)*, who asserted that emotional intelligence comprising self-awareness, empathy, and emotional regulation enables individuals to handle interpersonal relationships judiciously and empathetically [16]. Employees with higher emotional intelligence are better able to manage conflicts, sustain motivation, and demonstrate resilience under pressure. These capabilities translate directly into improved performance and job satisfaction. Similarly, the significance of communication skills aligns with *Robles (2012)* and *Harris (2020)*, who argued that effective communication is fundamental for collaboration, leadership effectiveness, and problem resolution. Clear and respectful communication strengthens trust, minimizes misunderstandings, and facilitates cohesive teamwork [17]. The positive correlations found between teamwork, adaptability, and problem-solving and both dependent variables indicate that employees who can cooperate effectively, adjust to change, and think critically tend to achieve higher engagement and fulfillment [18]. These findings correspond to *Bennett and Lemoine's (2019)* concept of “VUCA readiness,” which emphasizes adaptability and problem-solving as vital for sustaining performance in volatile and uncertain environments. Furthermore, the regression model explaining 61% of the variance in performance highlights that behavioral competencies are not supplementary but central to organizational functioning [19] [20]. The results echo *Judge and Klinger (2021)*, who observed that emotional and interpersonal skills enhance intrinsic motivation and psychological well-being, ultimately driving superior outcomes. The combined impact of these soft skills suggests that while technical expertise enables task completion, it is interpersonal and emotional mastery that determines long-term effectiveness and satisfaction [21]. Overall, the study affirms that the integration of soft-skill training into employee development programs can enhance both individual and organizational productivity. In the context of today’s technology-driven yet human-centered workplace, this integration serves as a strategic imperative rather than an optional investment [22] [23].

## CONCLUSION

The study concludes that soft skills play a decisive role in shaping employee performance and job satisfaction across all organizational levels. Employees possessing strong communication, emotional intelligence, teamwork, and problem-solving abilities consistently outperform others and report higher levels of workplace satisfaction. The results reveal that while technical expertise ensures task competence, soft skills determine how effectively individuals interact, collaborate, and adapt within the work environment. Emotional intelligence emerged as the most influential factor, highlighting the importance of self-awareness, empathy, and interpersonal understanding in enhancing both individual and organizational success. Therefore, organizations aiming for long-term productivity and employee retention should integrate soft skill development into their training, appraisal, and leadership frameworks to foster a more competent, motivated, and satisfied workforce.

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