



Research Article

RELATIVE VALUE OF HARD SKILLS AND SOFT SKILLS FOR HIRING EMPLOYEES IN MANUFACTURING SECTOR

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ABSTRACT

The Hiring process is a crucial part of a company's success. Thus, it is imperative that companies must have an active strategy order to have an effective hiring process. An Hr manager is one of the vital people that are needed to establish an effective hiring process. Thus, the primary purpose of this study is to help improve the selection process specifically by means of understanding the relative value of hard and soft skills. The understanding of the relative value will support improve the selection process because companies will have an in-depth understanding of the needs of their corporation regarding employee skills. The study will help companies improve recruiting process it will also benefit future researcher to establish the similar study to be conducted on other business sectors other than manufacturing sector. It is revealed in the research that the relative value of hard and soft skills is almost similar. On the contrary, it also shows that the effects are much inclined on the importance of hard skills. Finally recommendations that are endorsed are; Give priority in understanding the relative value of hard and soft skills. HR managers should better understand the relative value of hard and soft skills. Conduct a further study on the benefits of understanding the relative value of hard and soft skill. Revisit the hiring process to align the perception in the significant difference in hard and soft skills and the relative value. Conduct a further study on the need of the company regarding skills. Similar studies may be regulated in other business sectors to further validate the results of the study.

KEY WORDS: Hard Skills, Soft Skills, Relative value, manufacturing sector, evaluation process, selection process.

INTRODUCTION

In hiring employees, there are many different factors that a human resource manager should consider. An HR manager may balance on the idea of hiring an employee based on the concepts of "hard skills" and "Soft skills." Based on the website www.investopedia.com, a well-known website regarding the business world, hard skills is defined as "specific, teachable abilities that can be termed and measured. By contrast, soft skills are less tangible and tough to quantify. Examples of hard skills include job skills like typing, writing, math, reading and the ability to use software programs; soft skills are personality-driven skills like etiquette, getting along with others, listening and

engaging in small talk." An HR manager should be able to analyze the "relative value" of the said skills to determine what kind of employee is suited for the job in a certain business sector. "Relative value" in economics can be defined as a method of determining an asset's value that takes into account the value of similar assets. Captivating into account the idea of "relative value" an hr manager may have a clearer vantage point on exploring the value hiring employees in the context of different business sectors.

The hiring process is a critical element in a company; it may make or break the overall outcome of business. Thus, it is imperative that an HR manager knows how to critically analyze and measure the skills of a person that wants to be a part of the company. Interviewing the

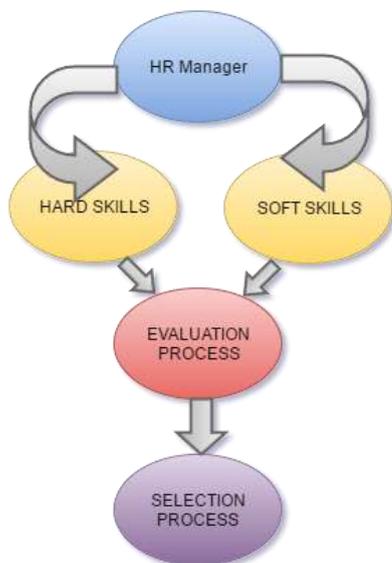
applicant is one of the processes of hiring, but it is not enough. Background checking is another aspect, but still is a part of a particular hiring process. Testing the skill of the applicant is also important, but then again it is just a portion in the totality of the hiring process. To fully satisfy the need of the company for a good employee, the HR manager must balance on the key appointing process enumerated.

In the course of the selection process, an HR manager will now come to a crossroad wherein the manager will choose whether to prefer hard skills or soft skills. It is a huge decision that an HR manager should be able to handle in an approach that it will not hinder the development of the company.

Some may argue that hard skill is more vital than soft skills but other have also had their fair share of a sound point of view. Indeed, it is a very complicated task to entirely understand the reality in hiring a vast employee. In certainty, we cannot know whether an applicant can stand out in need of the company unless we put them to the reality test and that is eventually leading to hiring the aspirant.

Hence, in this study, we will reiterate the importance of hard skills and soft skills in the hiring process and ultimately be beneficial to companies in giving them a vantage point wherein they will be able to analyze, in a logical manner, their needs of employees. The researcher becomes interested in this study because, in line with the researcher in the academe sector, the proponent would like to evaluate facts in the hiring process of companies to further improve knowledge of human resource department so that it will also be beneficial to the students of the researcher. The study will give a broad understanding of hiring process thus the researcher can pass the knowledge to students that, in the future, will be in the hiring process

The study's key purpose is to analyze the relative value of hard skills and soft skills of the business sector in order to further improve the selection process for the business sector.



The main outline of the study is to show how the HR manager can understand the relative value of hard and soft

skills to have an excellent evaluation of employees. Ultimately it will benefit the whole selection process of employees.

RELATED LITERATURE

The Difference Between Hard Skills and Soft Skills. (Miller,2015) The article stated that from as early as the application form stage, employers are on the lookout for some crucial skills, which can be organized into two categories: 'hard skills' and 'soft skills.' They will have probably heard of these two definitions before, but what do they truly mean? It is further explained that hard skills are those that they need to be able to perform a particular job. These often vary depending on the type of role they will be performing or the industry in which they will be working in. They can usually be developed through studying and training. Examples of hard skills include an accountancy diploma, fluency in a foreign language, knowledge of a definite software or experience in a certain industry sector. (Miller,2015)

Also explained in the article is that soft skills, on the other hand, are usually self-taught and self-developed. Unlike hard skills they are not particular to an industry or job. As such they are becoming increasingly valuable to all employers, regardless of the type of industry they operate in, as it helps them to understand how they will fit in with their working environment and how they will perform as one of their employees. (Miller,2015)

In the Philippine setting, an article stated the importance of both hard skills and soft skills. Posted by DOLE, declared by their head secretary Rosalinda Dimapilis-Baldoz, she reiterated that soft skills are just as important to hard skills. (Baldoz, 2014)

Baldoz says 'soft-skills are just as important as technical expertise' (Baldoz, 2014) at the '1st Kapihan at Balitaan' Media Forum Baldoz says 'soft-skills are just as important as technical competence' "Hard skills, or technical skills, have little value if you have poor soft skills. While it is true that the talent and abilities they bring to the workplace mean everything for being offered a position, their attitude will define who they are and how their employers decide whether or not they are worthy of keeping the job. This is the message of Labor and Employment Secretary Rosalinda Dimapilis-Baldoz at the "1st DOLE Kapihan at Balitaan: A Media Forum," held at the Sulo Riviera Hotel in Quezon City last week. "Soft skills, as opposed to hard skills, tend to center on the ability to work with other people. These refer to capabilities in communication, enthusiasm and attitude, teamwork, problem-solving and critical thinking, and professionalism," Baldoz said, adding: "It is just as important in helping a jobseeker land a job. In a competitive job market where there are many candidates with similar hard skills, an applicant with exemplary soft skills will stand out." Joining Baldoz in advocating soft-skills are Dominique Rubia-Tutay, DOLE-Bureau of Local Employment Director; Alfredo Lim, Hotel and Restaurant Association of the Philippines (HRAP) Director; Alfredo Hernandez, IT and Business Process Association of the Philippines (IT-BPAP) Education Lead and Talent Development; and Ryan Sebastian, Department of Tourism (DOT) Project Officer. (Baldoz, 2014)

RESEARCH METHODOLOGY

This chapter presents the methodology that is used in the research. It will purposely describe the research process of the study and aims to set a benchmark to fully understand the process of research utilized in the study.

Research Design

This paper is a descriptive quantitative study; it uses a structured questionnaire to collect data from the participants. The data is generated from the assessments.

The questionnaire is consisting of a series of questions related to the hard skills and soft skills of certain employee and the needs of HR manager and ADMIN in the hiring process.

Quantitative Research

Quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information about the world.

This research method is used:

- i. To describe variables;
- ii. To examine relationships among variables, and
- iii. To determine cause-and-effect interactions between variables.

Descriptive Research

This type of analysis describes what exists at the time and then goes on to try and uncover new facts and meanings.

The purpose of descriptive research is to observe, describe, document it involves the collection of data that will provide an account or description of individuals, groups or situations.

Respondents of the Study

The respondents of the research are the administration, hr managers, and employees of AVEN Manufacturing Inc., and Crownwood Furniture Inc.

Profile of the Respondent

The respondents are the employees of two Manufacturing companies namely AVEN Manufacturing Inc. and Crownwood Furniture Inc.

Table 1: presents the respondents according to their corporation and position in the corporation.

Company	No. of Respondents	
	f	%
AVEN Manufacturing	50	50
CROWNWOOD Furniture	50	50
Total	100	100%

As shown in the table, it reveals that there are two companies involved in the study, AVEN Manufacturing and Crownwood Furniture. There will be 50 respondents per company which will correspond to 50% of the whole population of the respondents.

Sampling Technique

The sampling technique that will be used is simple random sampling, the researcher randomly select the employees and Admin of AVEN Manufacturing.

Data Gathering Instruments

Questionnaire: The feedback form is created in the process of reading related articles to the subject matter. The questions are carefully stated to fully answer the questions in the statement of the problem.

Observation: The researcher observed actual hiring process of AVEN Manufacturing and Crownwood Furniture in order to fully appreciate the value facts in the hiring process.

Interview: The researcher conducted an interview in order to validate further the facts stated in the questionnaire and observation.

There is no experimental manipulation. However, it can provide a knowledge base which could act as a springboard for other types of quantitative research methods.

Preparation of the Instruments

The development of the instruments played an important role in the study. It is the source of factual data that will be presented in the study.

In this study, the questionnaire is solely based on the statement of the problem.

Validation of the Instruments

The questionnaires are submitted to the adviser of the research for content validation. The questionnaire will also be presented to experts in the field of business administration and human resource department.

Data Gathering Procedure

The researcher personally submitted the survey to the specified respondents; the respondents were given ample time to answer the questions. The researcher personally retrieves the answer survey questions.

Statistical Treatment

The researcher uses the following statistical methods.

Percentage: Percent plainly means "per hundred," and the symbol used to express percentage is %. One percent (or 1%) is one hundredth of the total or whole and is therefore calculated by dividing the sum or whole number by 100.

Example: 1% of 250 = (1 / 100) x 250 = 2.5

Weighted mean: The mean will be derived in cases when some values are given more importance, is the weighted mean.

$$x = \frac{\sum_{i=1}^n (X_i * W_i)}{\sum_{i=1}^n W_i}$$

Z-test: The test will answer the significant difference of the subject

$$z = \frac{\bar{x} - \mu}{\frac{\sigma}{\sqrt{n}}}$$

Likert Scale

A method of ascribing quantitative value to qualitative data, to make it amenable to statistical analysis. A numerical value is assigned to each potential choice and a mean figure for all the responses is computed at the end of the evaluation or survey.

Five Point Likert Scale: The tables show the Likert scales that are used in to know the relative value of hard skills and soft skills. It gives the interpretation to determine the relative value of hard skills and soft skills.

Interval	Verbal Interpretation	Interval	Verbal Interpretation
4.51-5.00	Very High Value	4.51-5.00	Strongly Agree
3.51-4.50	High Value	3.51-4.50	Mildly Agree
2.51-3.50	Moderate Value	2.51-3.50	Neutral
1.51-2.50	Low Value	1.51-2.50	Mildly Disagree
1.00-1.50	No Value	1.00-1.50	Strongly Disagree

RESULTS

This chapter provided the gathered data and the researcher’s analysis and interpretation of the results of the distributed surveys. The data were presented in a clear and concise form, which are presented in tabular form. It is given In-depth analysis and interpretation as a basis for findings, conclusions, and recommendations.

Problem No. 1 What are the specific hard and soft skills needed for hiring in the Manufacturing sector and its relative value?

Ranking of “Hard Skills” and its Relative Value

“Mechanical” with an \bar{X} of .75 which means very high value. The respondents consider this as no. 1 because machines are commonly used in the Manufacturing sector. Mechanical skills are vital in both Crownwood and AVEN for their employees uses a machine in to create their products such as garments and furniture.

Ranked 2 is “production and processing” with the \bar{X} of 4.67 which means very high value. This skill is very essential because the knowledge of production and processing is always present in the Manufacturing sector. Production and processing are imperative because technically it is the core process of manufacturing companies like AVEN and Crownwood.

Ranked 3 is “operations analysis” with the \bar{X} of 4.63 which means very high value. It is highly graded because analysis of the product requirements is significant in the Manufacturing sector. The analysis of the operation is very essential because if employees of the Manufacturing segment cannot analyze what is happening in operation then the operation, will not move smoothly.

Ranked 4 is “customer and personal service” with the \bar{X} of 4.57 which means very high value. It reveals that in the Manufacturing sector it is imperative to give service the client. For Crownwood and AVEN, customer service is also important because they deal with many consumers.

Ranked 5 is “complex problem-solving skills” with the \bar{X} 4.55 which mean very high value. This skill is necessary because solving complex problems is needed in the Manufacturing sector. Based on the study of ACCENTURE complex problem-solving skill is top 4 out of ten in the most in demand tough skills in the Manufacturing division.

Ranking of “Soft Skills” and its Relative Value

Ranked 1 is “cooperation” with the \bar{X} 4.69 which means very high value. Cooperation is ranked 1 for in every company; employees should cooperate with each other to help the company develop. Indeed employees of manufacturing sector should posse this soft skill. Manufacturing sector works in an assembly line thus proper cooperation shod be observed to maintain order in the process.

Ranked 2 is “adaptability” with the \bar{X} of 4.67 which means very high value. Adaptability is ranked second for it is very important for an employee in the Manufacturing sector to adapt to different situations.

Ranked 3 is “critical thinking” with the \bar{X} of 4.66 which means very high value. Critical thinking is highly valued

because an employee of the Manufacturing sector should have critical thinking skills. Critical Thinking Skills. Carpenters routinely face unexpected problems or issues during building and thinking skills guide them through those rough spots. Every project is different, and carpenters sometimes have to adjust plans on the fly. Certain materials may not be immediately available, or properties with foundations that have settled may need additional preparation work before they are ready for upgrades. With critical thinking and problem-solving abilities, carpenters can use logic and reasoning to foresee potential issues and develop solutions.

Ranked 4 is “time management” with the  of 4.65 which means very high value. Time management is crucial in the Manufacturing sector to meet certain deadlines in the production process. Furniture makes and dress makes should have time management. In the production process, they need to meet certain time restriction to meet the production quota.

Ranked 5 is “independence” with the  of 4.62 which means very high value. An employee must be independent and must be able to work even with low supervision.

The proponent established the facts that are given to the survey question. It answers the statement of the problem and hypothesis. In the first table, it recognized that the top 5 hard skills are the value very high thus it is important to rank them to show the relative value of hard skills in the manufacturing sector. In the second table, it shows the relative value of soft skills. It is rank in order to institute that those skills in the top 5 level are the most important and valued as very high in the manufacturing sector. We also clarify that the overlapping of hard and soft skills in the conceptual framework does not imply that there are hard skills that are also soft skills but rather it entails that there hard and soft skills that are needed in the manufacturing sector. Table three established that there is no significant difference in the perception of hard and soft skills between AVEN and Crownwood. The fourth table launched that the implication of both respondents mainly believes that hard skills are much more considerable. Thus we can infer that there is a discrepancy in their perception and their belief in the implication of hard and soft skills to the company. Thus it is proposed that the firm should be able to revisit their hiring process to align their perception to the real need of a manufacturing sector.

CONCLUSIONS

Based on the gathered data here are the following conclusions; the relative value of hard and soft skills is the same. The companies’ perception of the significant difference on hard and soft skills is not in line with the relative value of hard and soft skills. AVEN and Crownwood have the similar insight on hard and soft skills. Lastly, the implications of hard and soft skills will have an impact to the company. Here are the propositions that are accepted by the respondents:

There is no difference between the relative value of hard and soft skills in our hiring process. The company will

benefit in knowing the relative value of hard and soft skills. HR managers should understand their role in weighing the needs of the business regarding hard and soft skills. The company will have no benefit in knowing the relative value of hard skills and soft skills. The knowledge of the relative value of hard and soft skills will translate to a better hiring process. The relative value of hard and soft skills will help improve the company regarding profit. The study will benefit to a better understanding of hiring process of companies especially in the Manufacturing sector.

RECOMMENDATIONS

In light of the summary of findings and conclusion, the following recommendations are at this moment endorsed. Give priority in understanding the relative value of hard and soft skills. Hr managers should better understand the relative value of hard and soft skills. Conduct a further study on the benefits of understanding relative value of hard and soft skill. Revisit the hiring process in order to align the perception in the significant difference of hard and soft skills and the relative value. Conduct a further study on the need of the company regarding skills. Similar studies may be conducted in other business sectors to further validate the results of the study.

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