

**Developing Soft Skills to Improve Employability Outcomes among Young
People: A Literature-Based Analysis**

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Abstract

The rapid digital transformation of labour markets has intensified the demand for transferable competencies beyond technical expertise, particularly among young people entering the workforce. This study aims to examine the role of soft skills development in improving employability outcomes among young people through a literature-based analysis. A qualitative approach was employed by systematically reviewing peer-reviewed journal articles, academic books, and institutional reports sourced from reputable databases. The analysis focused on identifying key soft skills associated with employability, including communication, collaboration, and problem-solving, as well as approaches to developing these skills within educational and training contexts. The findings suggest that soft skills have a significant impact on job readiness, workplace adaptability, and long-term career sustainability in the digital transformation era. However, the literature also reveals persistent gaps in the systematic integration and assessment of soft skills within formal education and workforce development programs. This study underscores the importance of collaborative strategies among educational institutions, policymakers, and industry stakeholders to enhance the development of soft skills and promote sustainable employability among young people.

Keywords: soft skills, employability, young people, digital transformation, literature-based analysis

INTRODUCTION

Employability has become a central concern in global labour markets, particularly in the context of rapid technological advancement and digital transformation. Young people are increasingly required to adapt to dynamic work environments characterised by automation, digital platforms, and knowledge-based economies. While technical competencies remain important, employers are increasingly emphasising non-technical attributes that enable individuals to function effectively in complex organisational settings (World Economic Forum, 2020).

In recent years, the concept of employability has evolved beyond formal qualifications and hard skills toward a broader set of competencies, commonly referred to as soft skills. Soft skills encompass a range of interpersonal, cognitive, and behavioural abilities, including communication, collaboration, adaptability, and problem-solving skills. These skills are considered essential for navigating uncertain labour markets and enhancing long-term career sustainability (Succi & Canovi, 2020).

Empirical studies consistently demonstrate that a mismatch exists between the skills possessed by young graduates and those demanded by employers. Despite increased access to formal education, many young people face difficulties transitioning from education to employment due to a lack of essential soft skills. This skills gap has been identified as a major contributor to youth unemployment and underemployment across both developed and developing economies (OECD, 2019).

Among various soft skills, collaboration, communication, and problem-solving skills have been identified as particularly critical in the digital transformation era. Digital workplaces increasingly rely on teamwork across disciplines, remote communication, and the ability to address complex problems using innovative and analytical approaches. Consequently, young people who lack these competencies are at a disadvantage in competing within digitally driven labour markets (Deming, 2017).

The growing relevance of soft skills has also influenced educational and training systems worldwide. Universities, vocational institutions, and workforce development programs are under pressure to redesign curricula that integrate the development of soft skills alongside technical training. However, the effectiveness of such initiatives remains uneven, and there is limited consensus regarding the most effective strategies for embedding soft skills into formal and informal learning environments (Jackson, 2016).

Furthermore, the digital transformation has intensified the demand for transferable skills that remain relevant across occupations and industries. Unlike job-specific technical skills that may quickly become obsolete, soft skills provide resilience and adaptability, enabling young people to navigate career transitions and lifelong learning pathways. This highlights the strategic importance of soft skills in fostering sustainable employability outcomes (Bridgstock, 2009).

Based on these considerations, this study aims to examine the role of soft skills development in improving employability outcomes among young people through a literature-based analysis. By synthesising findings from previous research, this paper seeks to identify key soft skills linked to employability, explore existing approaches to soft skills development, and provide insights for educators, policymakers, and practitioners in designing more effective employability-oriented interventions.

LITERATURE REVIEW

Concept of Employability and Youth Labour Market Challenges

Employability is commonly defined as an individual's ability to obtain, maintain, and progress in employment throughout their working life. Early conceptualisations emphasised educational attainment and technical competence; however, contemporary literature highlights employability as a multidimensional construct that involves skills, personal attributes, and adaptability to labour market changes (Hillage & Pollard, 1998; Bridgstock, 2009). For young people, employability challenges are intensified by structural changes in the labour market, including automation, digitalisation, and the rise of non-standard employment, which demand a broader skill set beyond formal qualifications (OECD, 2019). Youth unemployment and underemployment persist as significant global issues, even among graduates. Several studies argue that a lack of job opportunities does not solely drive this

phenomenon, but is also due to a mismatch between the competencies young people possess and those demanded by employers (International Labour Organisation [ILO], 2020). This skills mismatch has shifted scholarly attention toward transferable skills, particularly soft skills, as critical determinants of successful school-to-work transitions.

Soft Skills as Determinants of Employability

Soft skills refer to non-technical skills that enable individuals to interact effectively with others and adapt to various work contexts. These skills typically include communication, teamwork, problem-solving, adaptability, emotional intelligence, and time management (Heckman & Kautz, 2012). Empirical evidence consistently shows that employers place a high value on soft skills when making hiring and promotion decisions, often prioritising them over technical skills, especially for entry-level positions (Succi & Canovi, 2020). Deming (2017) provides robust labour market evidence demonstrating the growing importance of social and problem-solving skills, particularly in occupations that are less susceptible to automation. The study highlights that jobs requiring high levels of interpersonal interaction and cognitive flexibility experience stronger wage growth and employment stability. This finding reinforces the argument that soft skills play a crucial role in enhancing employability outcomes in an increasingly technology-driven economy.

Key Soft Skills in the Digital Transformation Era

The digital transformation era has further elevated the importance of specific soft skills, notably collaboration, communication, and problem-solving. Digital workplaces often involve cross-functional teams, virtual collaboration, and rapid decision-making in uncertain environments. Effective communication—both digital and interpersonal is essential for coordinating tasks and managing information flow in such environments (World Economic Forum, 2020). Problem-solving skills are also increasingly critical, as digital transformation generates complex and non-routine challenges that cannot be addressed solely through standardised procedures. Young people equipped with analytical thinking and creative problem-solving abilities are better positioned to respond to technological disruptions and evolving job requirements (Autor et al., 2003). Consequently, the literature suggests that these soft skills are not complementary but central to employability in the digital age.

Soft Skills Development through Education and Training

Educational institutions are widely recognised as key actors in fostering the development of soft skills. Higher education and vocational training systems have increasingly integrated soft skills into curricula through project-based learning, internships, collaborative assignments, and experiential learning models (Jackson, 2016). These pedagogical approaches aim to provide students with authentic learning experiences that mirror real-world work environments. However, the literature also points to limitations in current educational practices. Several studies report that the development of soft skills remains fragmented and insufficiently assessed, often being treated as implicit learning outcomes rather than explicit instructional objectives (Andrews & Higson, 2008). This lack of systematic integration undermines the effectiveness of educational interventions designed to improve employability.

Implications from Previous Studies

Overall, the reviewed literature underscores that soft skills are critical enablers of employability among young people, particularly in the context of digital transformation. While consensus exists regarding their importance, gaps remain concerning effective strategies for developing and evaluating soft skills across educational and workforce development settings. These gaps underscore the need for a literature-based analysis that synthesises existing findings and provides more explicit guidance for educators, policymakers, and practitioners seeking to improve youth employability outcomes.

METHODS

This study employs a qualitative approach, utilising a literature-based analysis method, to investigate the role of soft skills development in enhancing employability outcomes among the younger generation. Research data was obtained through a systematic search of scientific journal articles, academic books, and reports from international institutions relevant to the topics of soft skills, employability, and digital transformation. Literature sources were selected from reputable databases, including Scopus and Google Scholar, with inclusion criteria that included English-language publications, relevance to the topic, and both theoretical and empirical contributions to the issues of employability and soft skills development (Creswell, 2014).

Data analysis was conducted using thematic analysis to identify patterns, key concepts, and key findings related to the types of soft skills, their development mechanisms, and their impact on employability outcomes. The analysis process includes the stages of coding, categorisation, and synthesis of findings across studies to produce a comprehensive understanding. The reliability of research results is maintained through comparisons between sources and a critical review of the consistency of findings, ensuring that the conclusions produced are reflective, conceptual, and can serve as a reference for the development of education and employment policies (Miles et al., 2014).

RESULTS AND DISCUSSION

The Role of Soft Skills in Shaping Employability Outcomes

The results of the literature analysis show that soft skills are the primary determinant in shaping employability outcomes among the younger generation. Studies have confirmed that non-technical skills, such as communication, teamwork, and adaptability, have a significant impact on job opportunities, early workplace performance, and career sustainability. Deming (2017) found that jobs that require social interaction and problem-solving skills exhibit higher wage growth and job stability compared to jobs that rely solely on technical skills. These findings reinforce the view that soft skills function as both a complement and a reinforcement of complex skills. In the context of a dynamic job market, technical skills alone are often insufficient to meet employers' expectations without complementary soft skills support. Therefore, the development of soft skills is a key element in increasing the competitiveness of the young workforce (Succi & Canovi, 2020).

Key Soft Skills in the Digital Transformation Era

The literature reviewed identified collaboration, communication, and problem-solving as the most crucial soft skills in the era of digital transformation. The

digitisation of work processes has increased reliance on cross-disciplinary teamwork, virtual communication, and data-driven decision-making. The World Economic Forum (2020) emphasises that these skills are included in the category of "top skills of the future" that are most needed by global industries. In addition, problem-solving and critical thinking are becoming increasingly important as automation replaces routine tasks. The remaining work demands the ability to deal with non-routine and complex problems, which can only be done by individuals with strong cognitive and social abilities (Autor et al., 2003). Thus, mastery of specific soft skills is the main prerequisite for employability in the digital era.

Soft Skills Development through Education and Training

The study's results show that educational and training institutions play a crucial role in developing soft skills. Project-based learning approaches, internships, group work, and experiential learning have proven effective in fostering communication, collaboration, and problem-solving skills. Jackson (2016) asserts that structured pre-professional experience contributes significantly to graduates' job readiness. However, the literature also reveals gaps in implementation. Soft skills are often not systematically integrated into the curriculum and are rarely explicitly evaluated. Andrews and Higson (2008) noted that many educational programs still prioritise mastery of academic content over the development of transversal work skills. This limits the effectiveness of efforts to improve employability.

Implications for Policy and Practice

The discussion of the study's results reveals that the development of soft skills necessitates a collaborative approach among educational institutions, the industrial sector, and policymakers. Education and employment policies need to encourage the integration of soft skills into the formal curriculum and strengthen cooperation with the industrial sector to ensure the relevance of learning. Additionally, the learning evaluation system should be designed to measure the achievement of soft skills more objectively and sustainably. Overall, the results and discussion confirm that soft skills are not just a complement to technical skills, but the primary foundation of employability of the younger generation in the era of digital transformation. Continued investment in soft skills development is expected to improve job readiness, career mobility, and the resilience of young workers to changes in the global labour market.

CONCLUSION

Based on the literature-based analysis, this study concludes that soft skills play a critical role in improving employability outcomes among young people, particularly in the context of rapid digital transformation. Skills such as communication, collaboration, and problem-solving are consistently identified in the literature as key competencies that enhance job readiness, workplace performance, and long-term career sustainability. These skills complement technical abilities, enabling young individuals to adapt to the complex and dynamic demands of the labour market.

Furthermore, the findings highlight that educational and training institutions play a central role in developing soft skills; however, current practices often lack systematic integration and practical assessment. To address this gap, coordinated efforts among educators, policymakers, and industry stakeholders are required to

embed soft skills development into curricula, learning experiences, and employability strategies. Strengthening soft skills development is therefore essential not only for improving individual employment prospects but also for supporting a resilient and future-ready workforce in the digital era.

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