

# The Hard Work Behind Soft Skills:

## Closing the Gap Between Technical and Business Expertise

An ESI International  
White Paper



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# Table of Contents

Abstract..... 3

Introduction..... 4

Six Factors for Success..... 5

Focus Area #1: Business Acumen..... 6

Focus Area #2: Advanced Communication and Interpersonal Skills ..... 7

Focus Area #3: Critical Thinking and Problem Solving ..... 8

Focus Area #4: Coaching and Mentoring ..... 8

Focus Area #5: Managing Business Change..... 9

Focus Area #6: Financial and Outcome Management ..... 9

Strategic Placement and Training ..... 10

The ESI Solution ..... 12

References..... 13



## Abstract

As outsourcing, global commerce and constantly improving technology continue to change the business world, specialized professionals like scientists, engineers and information technology (IT) workers are increasingly being asked to take on more business-oriented tasks. These tasks can include communicating with executive stakeholders, managing business change, thinking more critically, leading large teams and making complex business decisions. Unfortunately, it's becoming almost universally clear that many technical employees are not equipped with the business knowledge and skills necessary to succeed in this role—or help their organizations reach their strategic goals. This paper examines this phenomenon and offers six crucial focus areas necessary for success in the larger organizational environment. The paper concludes with practical “next steps” for implementing these essential business skills into the repertoire of your technical professionals.



For the purposes of this paper, we will refer to the “hard-skill professionals” as “technical professionals.” This includes:

- IT Professionals
- Project Managers
- Project Team Members
- Business Analysts
- Contract Managers
- Engineers
- Scientists
- Program Managers

Outsourcing. Regulations. Mergers. Acquisitions. Technology. Global commerce. There’s no arguing the fact that the current economic environment is changing. In order to change with it, corporate and government executives are working diligently to place their most effective workers into the most suitable positions to achieve organizational advantage. Scientists, engineers and other professionals in the specialized or technical realm are increasingly being put in charge of very large teams and projects. Additionally, such professionals as contract managers, project managers, business analysts and information technology (IT) workers are being asked to deal more and more with the “softer” side of business.

In order to meet complex and demanding organizational objectives, technically based professionals must have a solid understanding of the spoken and unspoken rules of business to complement their deep specialized knowledge. The ability to translate technical or specialized language into business terms is essential.

According to the 2004 Information Technology Association of America (ITAA) Workforce Survey Report, “For the IT worker interested in moving a career forward, problem-solving (and value creation) must be considered both a matter of having up-to-date technical skills, but also being able to step back and see the organization’s bigger business picture.” The problem? There is an undeniable gap between technology skills and “business skills” in most organizations. This gap is often particularly wide when it comes to the business acumen of technically based employees. These workers simply don’t have the broader skill set necessary in today’s evolving business environment.

As reported in *CIO* magazine, the discussion at a recent Chief Information Officer (CIO) Executive Council meeting centered around the overwhelming importance of building business skills and knowledge as an element of staff development (Asselin). *ComputerWorld* magazine reports the same trend in the financial services industry, citing examples within such large organizations as Wachovia and Regions Financial Corporation. The two banks recently began moving both IT workers and engineers into roles in which they are sharing both responsibilities and rewards for business projects (Mearian).

A recent study conducted by Computing Technology Industry Association (CompTIA) of 462 IT professionals showed that 85% choose their own training



Despite the deep and impressive specialized knowledge of such professionals, they often have not had the opportunity to develop the “soft skills” needed to manage teams, communicate with non-technical personnel and think strategically on a business level.

based on their individual career plans—rather than based on employer requirements or recommendations. Additionally, the survey showed that IT professionals are spending about 11 hours a week learning new skills and educating themselves on new technologies or studying IT-related topics. Time spent on overall business skills wasn’t even mentioned.

Additionally, for those professionals with an academic background in such disciplines as the sciences, IT or engineering, this business background can be hard-won. A recent article put out by the Nature Publishing Group discusses this issue as a growing problem for biotech experts. Leaders in the industry lament the lack of “basic skills for leadership, competitive analysis and budgeting” (Gewin).

To reach their overall objectives, organizations need to fully realize the potential and utilize the skills of these technically based employees. Such employees are an invaluable resource, particularly as leaders. However, many senior executives are finding that placing technical professionals into business-oriented roles is more difficult than they had thought. Despite the deep and impressive specialized knowledge of such professionals, they often have not had the opportunity to develop the “soft skills” needed to manage teams, communicate with non-technical personnel and think strategically on a business level—or in other words, operate on a day-to-day basis in the organization at large.

## Six Factors for Success

A recent survey by the IT professional placement firm Robert Half Technology found that almost half of the CIOs surveyed recognize a need for their technically based professionals to obtain business skills. As such, these CIOs offer their IT staff training in non-technical areas such as leadership, communication and business fundamentals (Robert Half Technology). This training provides IT and other technical professionals with not only the appropriate business and leadership skills to complement their valuable specialized backgrounds, but also the ability to translate technical projects into business terms, making them ideal leaders for the organization.

In another instance, an Advisory Board Company survey of 22,000 senior health care executives showed a 25 to 30 percent gap between the leadership



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capabilities of health care professionals and the skills necessary to achieve high performance. To combat this gap, organizations like New York Presbyterian Hospital have implemented training to better prepare their medical professionals to deal with the business side of the organization ("Health Care Executives Address Management Skill Gaps").

*PM Network*, a magazine for project managers published by the Project Management Institute, recently printed an "Executive Toolkit" article citing similar dilemmas for project management professionals. The piece defined the skill breakdown early on in a project manager's career as approximately 95 percent technical and five percent "business skills," such as communication, presentation skills and mentoring. As the career progresses, however, the skill breakdown should move toward fifty-fifty.

So, if this cross-functional skill set is the ideal, what do these technically based and specialized professionals need to learn in order to succeed in the larger organizational environment? There are six focus areas essential to this complex transition:

### **Focus Area #1: Business Acumen**

A general "business mindset" is crucial to ensuring that your organization's technical professionals are successful in their roles. First and foremost, transitioning or rising technical professionals need a baseline for all of the work they are expected to perform. They need to understand common business practices and rules, and learn how to adhere to them when performing business-oriented tasks.

As they progress within your organization, these technical professionals are often expected to plan and execute strategic initiatives, and take projects from vision to reality. They suddenly need to perform such activities as building a business case. They also now have the responsibility of planning and managing cross-functional meetings, whereas, in the past, they might have attended solely as a technical expert.

Adding to the complexity are the regulations and laws that may constrict or augment the work being performed. Your new leaders need to identify and convey these regulations to team members. Additionally, they need to be aware of international implications and, again, convey these implications to their team



According to a recent *CIO* magazine survey addressing leadership failure, the top “failure factor” was poor interpersonal skills, cited by 58% of respondents (Prewit).

effectively. Taking an idea from conception and managing it through to an end product or service requires extremely honed business skills, along with the ability to align team goals with overall business goals. Without an established underpinning of business fundamentals, rules and practices, the performance of your organization’s technical professionals could hinder your organization, rather than improve it.

## Focus Area #2: Advanced Communication and Interpersonal Skills

One of the most common problems organizations face is the disconnect between the mindset of specialized professionals and the mindset of business professionals. At the most basic level, ways of thinking differ dramatically between the two groups. They often don’t share a common language and, therefore, communication often suffers. In fact, according to a recent *CIO* magazine survey addressing leadership failure, the top “failure factor” was poor interpersonal skills, cited by 58% of respondents (Prewit). Additionally, a recent survey of 336 organizations conducted by Right Management Consultants showed that 28 percent of the companies limited communication about missions and business strategies to leadership teams—excluding the average employee (“Survey: Unknown Strategies Leads to Employee Disengagement”). The best way to combat this issue is to ensure a strong emphasis on effective communication in rising leaders.

Translating any technical or specialized language into business terms is one major hurdle professionals often face. However, they also need to learn other key interpersonal skills, such as how to facilitate brainstorming or data-gathering sessions and how to convey concepts, visions and goals in a concise and understandable manner. Additionally, these transitioning professionals need to be able to speak diplomatically and persuasively, adjust their communications appropriately for different audiences and run high-profile meetings. A manager’s interpersonal style, along with communication, customer service and relationship-building skills, is critical not only to his or her personal success, but also to the success of a project or organization as a whole.



**Strategic thinking** is the big-picture thinking and planning. It's the way in which people consider, assess, view and create the future for themselves and their associates. Strategic-thinking skills are necessary for planning and development in the long-term.

**Tactical thinking** is an active process where the individual must consider all the options and tactics available in order to make a short-term decision. Included in tactical thinking are the operational details.

**Analytical thinking**—or, thinking like a detective—uses the process of problem solving (problem, hypothesis, facts, analysis and solution) to plan and analyze.

**Critical thinking** is a disciplined approach of conceptualizing, applying, analyzing, synthesizing and evaluating all available information to find and determine the truth and what is correct, valid, real or the best choice.

**Systems thinking** focuses on how one item interacts with other pieces of a system. After gaining an understanding of this interaction, one moves on to the next interaction. Systems thinking works by expanding its view to take into account larger and larger numbers of interactions as an issue is being studied. It allows us to see how things are related.

### Focus Area #3: Critical Thinking and Problem Solving

As more and more technically based professionals grow into business-oriented roles within your organization, they will be responsible for conducting, or contributing to, needs analyses, managing stakeholder expectations, managing conflicting stakeholders and assessing “as is” versus “to be” situations. They need to be able to identify the root cause of problems as well as the implications associated with potential solutions, and be able to select and implement the right solution. Large-scale prioritization also becomes essential, as does analyzing business risks and recognizing opportunities.

These professionals now determine your organization's future. As such, their thinking needs not only to change, but to be continuously shifting. They must understand the following different types of thinking, be able to determine which type is appropriate and how to apply each in various situations:

- Strategic thinking
- Tactical thinking
- Analytical thinking
- Critical thinking
- Implicative thinking

By applying appropriate types of thinking at critical junctures, these professionals will make better decisions and realize improved project results.

### Focus Area #4: Coaching and Mentoring

When a technical professional begins to perform a more business-oriented role, a firm grasp of his or her team's skills is essential. But, this can be difficult to assess. New leaders must be able to identify learning needs within their teams using skill-gap analysis. They must also have an understanding of adult learning techniques and individual learning preferences in order to select the most appropriate interventions or methods to increase their team's competencies.

Today's business demands put increasing stress on high-performers. As more pressure is placed on these professionals, it becomes critical to broaden the pool of high-performing and expert individuals. To ensure appropriate



## What is Skill-Gap Analysis?

Skill-Gap Analysis is the process of identifying what skills a team has and to what level these skills are being utilized—the “As-Is” state. After identifying and cataloging these skills, a leader looks at what skills are needed to reach the “To-Be” state. Then, the leader can identify and begin processes to reach this ideal state of skills.

delegation and equitable resource distribution, the transfer of knowledge and skill is crucial.

Organizations hoping to consistently keep and promote their most talented workers must focus on, and invest in, continuous learning. However, the transfer of knowledge throughout the ranks can be complicated. For many technically based professionals, the art of transferring skills and knowledge to another person is a difficult one to master. In order for this important process to be successful, the organization as a whole must recognize that a balance of teaching, mentoring and coaching are fundamental. It's crucial that organizations take the necessary steps to put these methods in place, as well as promote the use of proper, proven techniques for each by its leaders. This not only helps to set up a formal career path for individuals within the company, but also ensures that the organization as a whole maintains the competencies around which work is performed successfully.

## Focus Area #5: Managing Business Change

As specialized or technically based professionals begin to take on more business-oriented roles, their understanding of the risks, benefits and repercussions of change becomes essential. Positively managing and implementing change within the organization is vital to success.

Mergers, acquisitions, staffing changes and other organizational changes often create anxiety and uncertainty because such business changes affect each and every level of an organization. To engage positively in the change process, technical professionals must embrace a mindset that welcomes organizational change and uses it to create opportunity. Your technical professionals need to be able to proactively engage in change by articulating the vision, scope, rationale and impact of the change, while also working through it from both a high-level and technical-level perspective. True success occurs when individuals throughout an organization are comfortable with ongoing change and have learned to leverage change and the process of change for themselves and the organization.

## Focus Area #6: Financial and Outcome Management

One of the biggest potential challenges for specialized professionals is a lack of “outcome thinking.” In their technically based roles, thinking about the



A recent survey conducted by *CFO Magazine* found that 60 percent of companies are investing in formal financial training for their employees.

financial outcome of specific tasks was probably not a priority. For instance, the average software developer probably has very little insight into the financial aspects of his or her projects. Very often, however, such professionals eventually end up in an IT management role. In this new role, a financial or outcome focus is essential. Specialized professionals need to understand that financial decisions—at any level—have an effect on the entire organization. Unfortunately, many do not have the knowledge and skills to fully understand and contribute to the financial decisions being made throughout the organization.

Luckily, many organizations have realized this gap in knowledge and are working to combat it. A recent survey conducted by *CFO Magazine* found that 60 percent of companies are investing in formal financial training for their employees. Additionally, 39 percent of these groups are also putting mentor programs into place to improve financial and outcome-management knowledge within their organizations (Durfee).

Professionals need to focus on financial outcomes by setting realistic and measurable goals and objectives, and by learning methods for tracking progress and reporting. They must be aware of organizational metrics used to track progress and performance—and how those metrics are applied throughout the organization. A significant part of being “business savvy” is understanding basic financial principles and applying sound metrics to track and report performance.

## Strategic Placement and Training

It’s clear that today’s technically based professionals need more than analytical expertise to be successful. According to *CIO* magazine, this need is only going to increase in the coming years (Asselin). In a recent survey, 1,400 CIOs were asked, “If two candidates interviewing for an IT position had similar skills, which one of the following additional qualifications would you find most valuable?” As expected, “industry-specific experience” was the top answer (43%), with “soft skills” a close second at 32% (Robert Half Technology).

A recent study conducted by the Society for Information Management (SIM) supported these findings. While technical aptitude will always be a requirement for entry into specialized fields, the study cited five specific “business skills”



## Next Steps:

1. Don't assume your specialized employees possess the business skills they need to help your organization reach its goals.
2. Evaluate the business skills of all technically based employees.
3. Provide business skills training to ensure improved individual performance and organizational outcomes.

as ranking among the top ten critical skills that organizations will require for employees over the next three years.

Your technical experts have invested significant time and money—often yours—to understand the full range of their disciplines. Their expertise is sometimes cemented in advanced degrees and professional certifications in their specialized knowledge areas. Yet, suddenly, they're being asked to make the transition from the specialized side to the business and consulting side of the operation.

It's no wonder they are struggling. Making this transition isn't easy. The new technically based manager faces the difficult task of integrating these two very different skill sets—technical and business. And, at the same time, organizations are faced with the challenge of ensuring that their technical managers have the business skills they need to succeed. Technical skills are easily assessed. The technical aspect of a manager's job may involve knowing a specific system well enough to update it. Maybe it requires a certain IT certification, or a series of tests. On the other hand, business skills are nearly impossible to quantify. We can't measure business etiquette; there is no certification for building and maintaining interpersonal relationships. However, certain steps can help you ensure that your technical managers have a solid foundation in interpersonal business skills and are using these skills effectively. For instance, you can:

- Ensure that your technically based managers receive fundamental business skills training in the six skill areas listed in this paper.
- Emphasize the importance of adapting to changing business needs.
- Encourage your managers to develop creative solutions for business problems by applying both their specialized knowledge and their business skills.

As many organizations have found, these specialized or technically based professionals often make ideal business managers. They understand the mechanics of a project, including how much time certain technical tasks will require, what resources will be involved and how best to complete each task. However, without the right business acumen, technical professionals will not be completely effective. Be sure your organization takes the necessary precautions to ensure the business knowledge of its current and future leaders. Only then will you truly be able to close the gap between specialized or technical skills and business skills.



## The ESI Solution

ESI International understands the unique needs of technical and specialized professionals and the organizations that employ them. Our unique Business Skills Curriculum emphasizes the practical, real-world skills that these managers need to ease the transition from the technical side to the business side of an organization. We have researched the types of business skills a technical professional must possess and have designed our curriculum to provide you with a flexible, customizable, end-to-end performance improvement solution that will ensure the application of strong business skills throughout your organization.

ESI, the leading provider of training and professional services in project management, business analysis, contract management and sourcing management, has helped some of the world's most successful companies and government agencies build talent and drive results. Along with our academic partner, The George Washington University (GW) in Washington, DC, ESI has served many Fortune 1000 companies and nearly every major U.S. government agency. Since 1981, more than 800,000 professionals from 100 countries have benefited from ESI's expert training programs.

For more information about how ESI's valuable training programs can help your organization build talent and drive results, visit our Web site at [www.esi-intl.co.uk](http://www.esi-intl.co.uk) or call +44 (0)20 7017 7100.



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