

## Soft Skills and Hiring

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*Abstract :*

Developing country firms often struggle to find suitable workers despite large pools of applicants. In the absence of other information, they rely on traditional signals — education and experience — or referrals, potentially excluding suitable candidates without signals of their skills. We provide experimental evidence on how broadening the information in firms' hiring decisions affects both firm and workseeker outcomes. Partnering with the largest recruitment agency in South Africa, we randomize the criteria used to shortlist job applicants for job listings at partner firms. In vacancies in the "Traditional" group, firms receive shortlists of candidates ranked on education and experience. In vacancies in the "Broader information" group, shortlists rank candidates on these criteria and, in addition, measures of soft skills correlated with labour market outcomes. Broadening firms' information set alters which candidates are hired: in "Soft skills" vacancies, hired applicants have on average higher soft skills and less work experience than in "Traditional" vacancies. It also boosts hiring: in "Soft skill" vacancies, firms issue more interview invitations and make more actual hires. Individuals who would have been shortlisted for the job posting if it had been assigned to a different treatment are not negatively affected, other than by not getting the one job in the posting. Findings are in line with models where higher match quality raises labor demand. Later data collection will track earnings, retention and job satisfaction.