

Next Phase Guide to Conducting a Skills Gap Analysis

When conducting a skills gap analysis, you should follow these five steps:

Step 1: Plan

Plan and scope the project you are about to undertake. An analysis can take place on two different levels and you can choose to do one or both within the same initiative:

- **Individual** – Involves identifying the skills needed for a specific job and comparing them to the skills the employee currently has
- **Team/department/company** – Involves taking a more high-level view of the skills needed to work on a project or run the team/department/company successfully.

During this step, you should decide which stakeholders you'll talk to, from C-suite to line managers to general members of staff.

If you're doing the analysis at an individual level, consider which people will be able to best identify the skills gaps of individual employees (potentially their team leads or managers).

Step 2: Identify critical skills

Identify the skills and knowledge that are needed for the business to meet its objectives. As you do this, consider not only skills that are currently needed for ongoing operations but skills that might be needed to meet future goals.

Think about questions such as:

- What skills are most valued by our company?
- What skills do we need to remain competitive in the future?
- What skills do our employees need to do their jobs effectively and efficiently?
- What skills are currently on the rise in our industry?
- Which of our positions could end up being automated?
- Are there new technologies our employees need to be skilled in?
- Are there any job roles that don't exist yet but we may need soon?

Job descriptions, business goals, company values, industry trends and regulatory changes are all great sources of information for this step. You should also ask the various stakeholders which skills are most important for their own roles, teams and departments.

Step 3: Measure actual skills

This is where you take a baseline reading of the skill sets your employees currently have. There are a variety of tools for this:

- Performance reviews (including 360-degree feedback)
- Assessments (skills, behaviours, etc.)
- Interviews
- KPI contributions

Step 4: Analyse data

Put the information into a searchable database.

Before analysing the gaps, be sure to give the skills an importance rating – that way you ensure the most critical skills get the most attention.

Once you have your database, you can compare your workforce's actual skills with the critical skills you identified in Step 2.

Step 5: Take action

There are two main options to fill those gaps: train existing staff or hire new people.

Remember: different skills might require a different approach. There's no one-size-fits-all.

Train existing staff

For the skills gaps where training existing staff is the best option, companies need to be ready to make the investment and commit to their upskilling and reskilling initiatives.

Along with formal training programs, you could offer other resources such as:

- Mentorship programs
- Subscriptions or online courses
- Tickets to events or conferences
- Subsidised certifications

Hire new people

If the skills gaps are too large to fix with training (or if the timeline is too brief), you can hire new employees to add the needed skills and knowledge to your teams.

Whether you recruit right away to address a skills gap or just alter your job descriptions and hiring process to ensure future hires have the necessary skills, you will have to hire eventually.

With that in mind, consider how you will ensure new hires have the necessary skills: for instance, through skills assessments, required certifications or new interview questions.

Tip: If you can't find the right person for the job or don't need a FTE, you can always tap into the contingent workforce and hire a freelancer or short-term contractor with the right skills and experience.