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How to identify and close the skill gap in your company

Conducting a skills gap analysis can be time-consuming, but it is critical to hiring and retaining the right people in the company.

A Boston Consulting Group (BCG) survey released in late 2020 found that, in OECD countries, at least **one in three workers is overqualified or underqualified** and that skills shortages are impacting **global GDP** more each year.

For these reasons, analyzing the skills of your workforce is crucial to the survival and competitiveness of any company. Let's take a look at how to identify and fill the skill gap in your company.

Skill Gap: What is it?

The **skill gap** is the difference between the skills required for a job and the skills actually possessed.

What is a skills gap analysis?

A **skill gap analysis** is a tool you can use to determine what gaps exist between your employees' current skills and those required by your company to achieve its goals.

Conducting a skills gap analysis allows you to determine what training is needed to close the skills gap and what new hires could improve company performance.

What's the point of identifying skills gaps

1. Foster strategic workforce planning

Identifying skills gaps helps you understand who to hire and who to train, and which training courses are a priority to achieve company goals.

2. Gain an overview of the entire organization

A skill gap analysis helps you take a look at every department in the company and determine which team lacks the resources and/or skills needed to achieve business goals. You'll get a complete overview of each of your employees and be able to make the most of them.

3. Increase productivity

By providing your employees with the training they need to fill their gaps, you'll make them more productive. In addition, you'll be able to prevent skills gaps that may arise in the future.

4. Increase business competitiveness

Analyzing skills gaps helps you strengthen weak areas of your business and ensure that your workforce is always well-informed and trained to do their best work, thereby increasing your company's competitiveness.

How do you perform a skills gap analysis?

1. Plan for two levels of analysis

A skills gap analysis should be performed on two levels: the individual level and the team level. Therefore, identify exactly who should be involved in this activity: from the individual employee to team leaders and managers.

2. Define your business objectives

At this point, ask yourself what results you want to achieve in the medium to long term. This is the only way to know where you are heading and what internal skills you will need to get there.

3. Keep up with the times

Every business, to remain competitive, must be able to adopt new technologies and embrace new practices in response to market changes. However, the speed at which organizations are bombarded with new developments makes it incredibly difficult for companies to consistently find employees with specific skills to use these technologies. With this in mind, working ahead of the curve is critical. So ask yourself if there are any tasks that can be automated in the future. Or, again, what positions that don't currently exist will your company need.

4. Map current skills

A proper mapping of the knowledge, skills and abilities of your employees allows you to better understand your internal resources, identify areas for development, plan targeted training and constantly monitor individual growth within the organization. But how to take a company skills inventory?

- Review individual performance
- Involve employees in surveys and interviews to evaluate their skills
- Schedule periodic evaluations by team leaders
- Solicit feedback from everyone who comes in contact with the employee (colleagues, superiors, etc.) to determine the current skill set
- Leverage **skills management software** to help you optimize your employees' job and skill management.

5. Find out where the gaps are

Skills mapping will allow you to identify what gaps you have now and how they differ from where you want your organization to be in the future. For example, many companies today suffer from a real **digital skill mismatch**.

6. Take Action

Once you've discovered the skills gaps, plan how to fill them. How? First, retrain and upskill current employees through corporate training plans. In this way, you'll gain two important benefits: you'll develop their skills to match your business goals, and you'll invest in their professional growth by increasing engagement and retention.

Finally, if the skills gap is too wide, consider hiring new specialized resources. Hire prospectively and select those who balance future goals with immediate needs.

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