

## Skills gap and what to do about it

**Author: Blessmore Ndemo . January 2021**

Technologies advancing, automation coming into play and artificial intelligence being part of our daily, all this has redefined industries and caused a rise in a crisis of matching skills in people to take certain tasks. In this article, I am going to take you through a journey of what the current age's crisis has been, skills gap!!!

### What is it?

The skills required by the employers of this generation and what they now value have changed compared to the old generation. People who used to possess required skills do not qualify for their positions anymore due to a new set of skills required. They could do the task and produce the same end results that a new skilled employee would produce but the process will not qualify them anymore. This is a skills gap.

Skills gap refers to the difference between the skills required for a job and the skills employers actually possesses. Because of skills gap employee might not be able to perform the complete job. A recent Deloitte report illustrates the breadth of this problem in the context of manufacturing alone: "The skills gap may leave an estimated 2.4 million positions unfilled between 2018 and 2028, with a potential economic impact of \$2.5 trillion."

A skills gap is not in the employee not possessing skills at all but in the employee's skills not matching up with the demand of skills by the employer. A woodworker could be very good at carving using a knife but an industrial employee might be in need of someone who can operate an electric machine to perform the same task. This is what really a skills gap is. I possess a set of skills that can qualify for a job that an employer is offering but an employer is just demanding a different set of skills to what I have for the job.

### Impacts of Skills Gap

#### High Labor Cost

Skills gaps tend to increase the average labor cost as employers at times have to hire more than what they would for matching skills. More workers will mostly be required per unit output of work.

#### Lower Productivity Level

Skills gap has the potential to harm firm-level productivity as average worker productivity is likely to be lower in the presence of substantial skill gaps. Normally in the presence of skills gaps the employer has

to do on job training to the staff and this slows down productivity rate too.

## Recruitment Crisis

When the employees skills do not match up with the employers demands then the employer will have a headache of who to employ combined with the fear of not getting the desired results.

Considering the negative impacts that skills gap can bring to your organisation and the employees, there is a need to know how to identify and deal with skills gap. This is what we call the skills gap analysis.

## Skills Gap Analysis

This is a tool that is very essential for identifying a skills gap within an organisation. Organizations use it to identify the skills that an individual employee needs but does not necessarily have yet to carry out their job or to perform certain tasks effectively

The Future of Jobs Report (2018) of the World Economic Forum states that by 2022, no less than 54% of all workers will need to update or replace their competencies. This is the result of rapid technological developments and an increasing digitalization that affect both our personal and professional lives.

## Benefits

- It gives you insights into your entire workforce.
- It boosts individual learning and development.
- It will help you with your strategic workforce planning.
- It can improve your recruitment efforts.
- It creates a competitive advantage

## Steps to carry out a Skills Gap Analysis

### 1. Scope and diagnostics

Like the logical reasoning will suggest, it is key to know what the skills you require are in your organisation. Three questions can assist you in identifying these and these are:

1. What is the organization's mission?
2. What are the organization's business goals?
3. What critical skills are needed to be able to perform the mission and meet the business goals?

If a person can complete a certain task satisfactorily yet they lack a certain skill, then the skill is not critical but if they cannot satisfy then the skill is critical.

You will also need to ask these three questions to identify what skills are essential for the future of your

organisation as the future is equally or even more important.

1. What jobs within your organization/industry are likely to be (partially) automated?
2. What skills are currently on the rise in your industry?
3. What kind of (non-existing) jobs will your company need more of?

## **2. Data collection and analysis**

The goal of this phase is three-fold: to analyze what tasks are being done now, to rate how important these tasks are and to inquire about the skills required to do the work properly

In the case of a skills gap analysis, data collection and analysis activities can include:

1. Developing job profiles and identifying critical skills needed for each job role
  - Review current position descriptions for future needs
  - Consider the impact of upcoming (regulatory) changes as well as future of work trends on the work
  - Take the time to develop a list of competencies that most clearly and accurately describe what is needed to do the work
2. Conducting an inventory of your employees' current skills
  - Position descriptions
  - Job class specifications
  - Performance evaluations and employee assessments
  - Interviews/focus group meetings with supervisors, managers, and employees
3. Identifying your employees' competencies and skill levels
  - Put information gathered from competency assessments into a single, searchable database
  - Database of all employees and their existing competencies
  - Crosswalk with identified necessary critical skills for now and the future

## **3. Designing interventions**

These are a combination of program elements and strategies designed to bring the desired result in your organisation. They will depend on your findings in the analysis step. For example if your analysis proved that your organisation has a digital skills lack, then you will need to develop strategies that will reduce this skills gap.

Some of the strategies will include training the current employees on the skills that you may require now and the future.

## Interventions

- Training and development of existing employees
- Job redesign
- Recruitment of people with critical skills
- A combination of one or more of the above

## Conclusion

Skills gaps have a major impact on both the employee and the employer. The end results do not only affect the employer but can be of major negative impact on the employee in terms of retrenchment and restructuring of organisation. But, a skills gap does not only present a bad challenge to both the employer and the employee, but at times a golden opportunity to unlock hidden treasures unexplored.

Therefore, it is key for bot the employer and the employee to take the strategies that are essential for developing their organisation, in the case of the employer and developing themselves , in the case of the employee.

Personal development is key!!!

*“Mastery lies on an infinite continuum, and as a result we will never reach the end. We can, however, see to it that we are as far along that continuum as our circumstance allows.”*

? *Chris Matakas, My Mastery: Continued Education Through Jiu Jitsu*

Blessmore Ndemo is a data analyst at Industrial Psychology Consultants (Pvt) Ltd, a management and human resources consulting firm.

<https://thehumancapitalhub.com/articles/Skills-Gap-And-What-To-Do-About-It>