

# Performing a Skills Gap Analysis

## Checklist Description

This checklist describes the importance of performing a skills gap analysis for the benefit of your lawyers profitability and the performance of your law firm.

## Definition

A skills gap analysis is undertaken to identify the skills that an employee needs, but may not have, to carry out his or her job or to perform certain tasks effectively. The skills gap concept is used in areas such as business, educational institutes, and sport. The first step in performing an analysis is to identify all the skills required by an individual to carry out his or her work. It should then be possible to identify the critical and noncritical skills that are needed to carry out a role effectively.

A critical skill is one that is required to complete a task successfully. Noncritical skills enable a task to be completed more quickly or efficiently, or at less cost than would otherwise be the case. There is a relatively simple method for determining whether a skill is critical or noncritical. Quite simply, if an employee lacks a skill but completes a task satisfactorily, the skill is noncritical. Conversely, if a person completes a task but the outcome is unsatisfactory, the missing skill is critical.

By applying skills gap analysis across a company it is possible to find out which skill and knowledge shortfalls there are in an organization. It is then possible to target training resources on those necessary skills that require the most attention. This should result in the optimal use of resources in terms of improving the overall performance of the company.

For individuals, skills gap analysis can be used to produce personal development and training plans, support appraisals, and pay reviews. It can also be used to bolster morale by showing how they have progressed over time.

For a department, skills gap analysis can be used to identify which staff members have most knowledge of particular aspects of the business as well as those with skill gaps. Furthermore, it can aid recruitment by identifying the candidate whose skills best match those needed to function effectively in a particular role. For example, in an application of skills gap analysis to the role of a firefighter, the essential skills considered were: critical thinking, oral communication, and the ability to work with others. Analysis also allows benchmarking and encourages tutoring and mentoring within teams.

Skills gap analysis can be undertaken using paper-based assessments and supporting interviews. However, if an analysis is to be performed across a large number of employees, it can create a huge management and administrative burden. Many firms therefore use skill management software.

Analysis can be applied on a continuing basis or as a one-off exercise. Specialized software can generate a skills gap analysis report with a few clicks of the mouse. Paper-based reports take somewhat longer, depending on how many questions there are to answer.

## Advantages

- A skills gap analysis can provide a critical overview of a company, allowing management to determine if staff have the necessary skills to meet corporate objectives or achieve a change in strategy.
- It provides an analysis of skill gaps in an organization, department, or role.
- Analysis helps companies to prioritize their training resources.
- Analysis can help with recruitment and training, and it gives management a basis for deciding which staff should be retained and which are expendable.

## Disadvantages

- Conducting a skills gap analysis can be costly in terms of the required investment in paper-based assessments or software, as well as the time required from staff to participate and for management to evaluate the results.
- It may be simpler and more cost-effective to ask line managers to identify skill gaps in their department, or simply to ask staff in which areas they need additional training.
- The assessment can be subjective and open to distortion if staff do not answer questions correctly.

### Action Checklist

- Determine whether a paper-based assessment or purchase of software is the most efficient use of resources.
- Ensure that you have identified all the critical and noncritical skills that are needed to carry out a role effectively.

### Dos and Don'ts

#### Do

- Consider the potential impact of a skills gap analysis on morale. Assessing an employee's capabilities can create fear and suspicion unless the reason for the analysis is understood and communicated effectively.

#### Don't

- Don't assume that you need to create a bespoke (in-house) framework to perform a skills gap analysis.
- Off-the-shelf frameworks can be suitable when adapted to your company's needs.
- Don't focus only on training needs.

### Skills gap analysis can also be used to:

- ✓ plan recruitment
- ✓ redundancy program
- ✓ support organizational restructures
- ✓ build effective teams, and
- ✓ manage business change.