



Identifying skills gaps, training and development



How do you identify what skills your enterprise needs? How does this fit with training and development of your team?

As your social enterprise grows, you will need to accumulate additional skills, both in yourself and your team. The process of identifying what skills your organisation needs, what skills you already have in the people involved with the business and what is missing is often called a 'skills gap analysis'. The process is also referred to as a 'skills audit'. This allows you to decide to fill the identified gaps either by training and developing your employees and board members or by recruiting someone with the required skills.

The skills gap analysis should flow from your plans for the organisation. Your aims and objectives should be clearly defined and your business plan will help you establish if you have the capacity and the appropriate skills to develop your business. For example, if one of your objectives this year is to expand your enterprise to deliver more service contracts, this will require recruiting additional staff members. You may identify for example that you need someone to manage the marketing and sales to ensure that you get enough new contracts. A skills gap analysis will identify whether you can up-skill a current employee or whether you will need to recruit a marketing and sales coordinator.

By applying skills gap analysis across your organisation, it is possible to find out what skills, knowledge and attitude shortfalls there are. You can then target training resources towards those skills that require the most attention. This means you use the talents of your people fully - and improve the overall performance of your enterprise.

For your employees, skills gap analysis can be used to produce Personal Development Plans, as well as supporting appraisals and salary reviews. It can also be used to motivate people by showing how they have progressed over time. Supporting and investing in your employees is considered best practice and is particularly important if you are a social enterprise.

How do you carry out skills gap analysis?

The first step in carrying out a skills gap analysis is to be clear about your organisation's objectives. You also need to think about what roles you need now AND in the next few years to meet your goals. Then identify what capabilities will be required to carry out each role successfully. This will help review or develop the person specification that you can use for a job description. You will then be able to decide on whether to recruit someone with the skills needed or to develop the capability of those currently employed.

In the context of work, a person's role may be defined by the tasks they need to carry out. The skills the person brings to the tasks can be identified as critical or non-critical.

A critical skill is one that is essential to complete a task successfully. A non-critical skill enables the task to be done more quickly, efficiently or at less cost than would otherwise be the case. How do you know if a skill is critical or non-critical? If an employee lacks a skill but completes a task satisfactorily, the skill is non-critical. However, if the person completes a task but the outcome is unsatisfactory, the missing skill is critical. So, for example, if your project manager must write reports but they need to be re-written by someone else, clearly a 'report writing skill' is critical for the role.

It is crucial, therefore, that you make an assessment of all the critical skills required by an individual to competently carry out their work within a particular role. These skills are the basis for a Training and Learning Needs Analysis (TLNA); which is explained below. Each skill should be assessed against the individual level of competence or need for training. So, in the case of the project manager, the analysis would highlight the need to go on a report writing course.

You can carry out a skills gap analysis using paper-based assessments (see the Business Link website for templates) and supporting interviews. If, however, you have a large number of employees, it is better to use specialist software. Analysis can be done on a continuing basis or as a one-off exercise.

Training and development

How well your organisation performs depends on your ability to employ the right people with the appropriate skills. Training and development are key aspects of making sure your organisation functions effectively; this is crucial in periods of financial constraints, restructuring and redundancies.

Once you have done a skills audit, TLNA is the identification of training needs at employee, departmental, or organisational level, in order for the organisation to perform effectively. The aim is to ensure that training addresses existing problems, is tailored to organisational objectives, and is delivered in an effective and cost-efficient manner. It involves monitoring current performance using techniques such as observation, interviews, and questionnaires; anticipating future shortfalls or problems; identifying the type and level of training required; and analysing how this can best be provided.

This need not be a complicated exercise. For smaller or new organisations, a simple system of analysing your staffing needs, and identifying what training they require to work more effectively, is often all that is needed.

The financial cost of losing and recruiting employees is high. It can take several years to employ people with the necessary skills and to get them to 'live the values' of your organisation. It is good practice, therefore, to keep high-quality people in your organisation and developing them through training.

Training and development are also very important for the people working with you. Few people like to stay doing the same job in the same way for very long! Designing a Personal Development Plan with each employee will encourage them to achieve personal and career goals (see the Business Link website, Employing People section). Not only will this improve their engagement with the organisation but will increase productivity and, hopefully, keep them with you for longer. However, for this to work well, your employees need to be aware that this is as much for their benefit as yours. Otherwise, it can appear to be just another thing to do in their workload.

Please refer to the Chartered Institute of Personnel & Development (CIPD) factsheet on evaluating learning and development.

The advantages of carrying out a skills gap analysis and training/developing your team

The advantages of carrying out a skills audit is that it:

- gives you a critical overview of the organisation
- allows you to know whether or not your staff have the necessary skills to meet your objectives or to achieve a change in strategy
- allows you to know whether your staff can learn these new skills through training and development, or if new staff are required
- helps you prioritise what training and development is required and how much it may cost
- provides a basis for deciding which staff should be retained or not
- helps develop employee Personal Development Plans
- engages and retains your staff
- supports your vision, mission and values

Things to look out for when identifying skills gaps, training and development

- Evaluate whether a paper-based assessment or the purchase of software is the most effective way for you.
- Ensure you have identified all the critical and non-critical skills that are needed to carry out a role effectively.

- Consider the potential impact of a skills gap analysis on morale. Assessing someone's capabilities can create fear unless the reason for the analysis is understood and communicated effectively.
- Remember that assessment can be subjective and open to distortion if people do not answer the questions accurately.
- Don't focus only on training and development needs. Skills gap analysis can be used to plan recruitment and redundancy programmes, support organisational restructuring, to team build and help develop your business.
- Whilst a strong focus on skills is essential, remember to also bear in mind the personal 'fit' of any new member of staff into your team to ensure that you enhance productivity as a whole.
- Finally, training doesn't need to break the bank. Keep in mind that some training and development can be done internally by yourself or other staff members if you have the appropriate skills.
- There are also countless free training opportunities for Third Sector organisations offered by organisations such as Business Link in London, Social Enterprise London and the British Library Business and IP Centre. Make sure you are well networked and receive all the latest training information.

Further information

Visit the Business Link website:

www.businesslink.gov.uk

Visit the Chartered Institute of Personnel & Development website, Identifying learning and development needs section:

<http://www.cipd.co.uk/subjects/lrnanddev/trainingneeds/idtlnneeds.htm?lsSrchRes=1>

Visit the Chartered Institute of Personnel & Development website, factsheet on evaluating learning and development:

<http://www.cipd.co.uk/subjects/lrnanddev/evaluation/evatrain.htm>

Templates for skills gap analysis

Visit the Charity Commission website:

www.charity-commission.gov.uk

Visit the Voluntary Works website:

www.voluntaryworks.org.uk

Visit the National Council for Voluntary Organisations (NCVO) website:

www.ncvo-vol.org.uk

Visit the Investors in People website:

www.investorsinpeople.co.uk

Visit the Social Enterprise London website:

www.sel.org.uk

Visit the British Library Business and IP Centre website:

www.bl.uk/bipc

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