



Skills Gap

Skills Gap Analysis How-To: 5 Steps for Examining Your Training and Hiring Requirements

Roland Jones | Dec 15, 2020

What skills are necessary for your company to be successful in the future? It's a question many shops are likely considering right now as they navigate the new normal in manufacturing. Performing a skills gap analysis can help you determine your strengths and weaknesses. Here are five tips for your skills gap analysis.

Conducting a skills gap analysis under normal conditions is a challenge for companies. It takes discipline, investment and a good amount of self-examination.

Conducting one during a crisis, such as the COVID-19 pandemic, however, is surely an even greater challenge.

In a year of disrupted supply chains and shutdowns, most companies are scrambling to do more with less staff, or looking for ways to stay afloat and survive.

"As manufacturing demand picks up following the sharp slowdown in the spring, a very different employment picture may soon emerge, and you'll want to be ready for the challenge."

But there are good reasons to think about your workers' skills. The coronavirus pandemic will likely accelerate the move toward automation in manufacturing as companies look to improve efficiencies and cut costs. This means employers will need to find workers with the "broad-based digital problem-solving skills that equip them to learn a wide variety of today's technologies and navigate continued changes in the future," according to a report from the *National Skills Coalition*.

Read more: How the Manufacturing Rebound Will Change Employee Recruitment and Retention

If you think you may need new skills to compete in the workplace of the future, a skills gap analysis is a great place to start. It helps you to identify the difference between what your company needs for continued growth and the current talents and abilities of your workforce. When these two things don't match, there's a clear opportunity to address inefficiencies and provide opportunities for workforce training and professional development.

Here is a simplified 5-step process to get you started on creating a skills gap analysis.

Step No. 1: What Is Your Company's Objective?

The first step with a skills gap analysis is to determine the objective of a group or company and figure out the skills that group needs to succeed. When you identify your goals first, you are better able to identify what training your employees will need now and in the future.

For example, is your company planning to adopt more automated technology, such as introducing collaborative robots to the shop floor, or about to enter into a new area of machining that requires new skills or training? Or have you reviewed job descriptions, industry trends and customer feedback and determined the skills that are currently on the rise in your industry (that you need more of)?

Understanding your company's objective is an important first step in the foundation of all that will follow. Now is the time to assess what skills your group does or does not have, and what you will need to thrive in the long term. Identifying between five and 10 skills you want to focus on is a good first step.

Read more: [Tackling the Manufacturing Skills Gap: 5 Skills Your Company Will Need Soon](#)

Step No. 2: What Skills Do You Need to Achieve Your Objectives?

Once your objectives are understood and clear, what skills does your company need to achieve them? In this next step, identify the skills you need the most for each area of your company and then evaluate the skills your employees already have.

You may also want to examine each employee's proficiency in a certain skill and decide how much of a priority that skill will be.

For example, if an employee is not very competent in a skill but that skill is a low priority, it probably isn't so important. On the other hand, big skills gaps in places where they are necessary could become a problem for the company down the road. And senior leaders should probably have a high level of proficiency in those skills that are most important to the company's success.

You may consider listing your most desired skills in an Excel document and then ranking each employee's competence in those skills from 1 to 5 (with 5 being the weakest). The higher the overall number, the larger the skills gap.

Read more: [4 Proven Methods for Filling Local Manufacturing Jobs](#)

Step No. 3: What Skills Do You Already Have?

With your company objectives understood and your skills needs clear, now examine your employees to see what skills they have or may need training for.

With manufacturing changing constantly, employees are likely to need constant training in the latest techniques. This is probably truer for longer-term employees who have done one particular task over time.

Assessing the most important skills needed by workers in various roles will help you see where you need to invest in further training.

To understand your employees' needs, you can ask them to complete surveys that ask what skills or certifications they have. Or you can rely on assessments, employee discussions or by simply observing how your employees do their work each day.

Step No. 4: Crunch Your Data. Where Are the Gaps?

When you have gathered all your data, compare it to understand where the gaps are: What's missing now that you can clearly see the skills you need and the skills and proficiency levels your workers already have?

To fill the gaps, you'll want to understand what training is necessary, or what skills you should be hiring for. Consider promoting those employees who have demonstrated strong leadership abilities or a high proficiency in a certain skill. And certain skilled employees can train others who need help.

You may also need to look further down the road to the types of skills you may need in the future and prepare for those needs now. As the use of automation rises, **employee recruitment and retention** will change, challenging companies to rethink the shape of their workforces in the long term.

Read more: Mental Health and the Workplace: Why It Pays to Support Manufacturing Workers

Step No. 5: Close Your Gaps

Once you know where your gaps are, you can start to close them. To do that, you can begin to make a plan for both training and hiring. As you do this, consider these factors:

- Determine and act on your priorities for hiring and training, such as focusing your resources on those skills that require the most attention first.
- Clearly communicate to employees why you want them to retrain or improve their skills in specific areas and how they can do this (training programs or mentorships, for example), and when the training should be completed.
- Map out how much your training and hiring plans will cost so that they are feasible.
- Examine your environment. As manufacturing demand picks up following the sharp slowdown in the spring, a very different employment picture may soon emerge, and you'll want to be ready for the challenge.

More Tips for Dealing With the Manufacturing Skills Gap

Here's a collection of our best articles on how manufacturing companies can close the skills gap:

Machining Skills Gap: 'It's Not Dirty' Won't Cut It

4 Tips for Recruiting in Manufacturing

Bye-Bye Boomers: What Retiring Machinists Mean to Plant Safety

Manufacturing Guide: How to Become a CNC Machinist

Manufacturing and Process Engineer Career Guide: Salaries, Skills and Job Descriptions

Q&A: How to Recruit, Train and Retain Top Machining and Manufacturing Talent

National Manufacturing Day 2019: Closing the Skills Gap

What strategies or technologies are you using to deal with the skills gap? Share your thoughts in the comments below.

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