Talentsbay

The Marketplace for Talent Referral

A Case For Talent Crowdsourcing

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I. WHAT IS TALENT CROWDSOURCING?

Today, the term "crowdsourcing" usually brings to mind popular sites like GoFundMe or Kickstarter that raise money from hundreds or thousands of donors to fund personal or business projects. Yet many other popular iterations of crowdsourcing exist, including news and information portals like Reddit, trending stories on Google and Twitter, and the educational website Wikipedia.

Talent Crowdsourcing can be defined as the process of searching for, identifying and recruiting suitable employees by soliciting the contributions of a large number of people publicly, especially through an online platform.

Crowdsourcing is increasingly moving into the business arena, with companies like AirBNB and Uber leveraging large numbers of providers (property owners and drivers) to provide cost-effective solutions to individuals. Talent crowdsourcing is a new and innovative way to leverage input from the social and professional networks of an online community to identify, contact and hire candidates for job positions.

II. WHY ARE TRADITIONAL TALENT SOURCING METHODS UNSUSTAINABLE IN THE TECH AGE?

Twenty years ago, most employers had very limited options when trying to identify and hire candidates for a job position. Classified ads in the newspapers or contracting with costly headhunting companies were about the only ways to find new talent other than the occasional serendipitous referral from employees inside their own organization or the target company or job field.

As the Internet blossomed into the ubiquitous business platform that it is today, recruiters expanded into the online realm by posting job positions on well-known job databases or e-classified sites like Craigslist. While early adopters enjoyed the advantage of expanding into a new medium, today's recruiters now face an unfavourable signal-to-noise ratio. With dozens of competing recruiting websites and thousands of often irrelevant and low-quality job applications, it can be difficult to identify and locate top-quality candidates for job positions.

The new model for finding and hiring quality candidates is talent crowdsourcing, leveraging the power of social and professional networks to quickly winnow through large volumes of low-quality job seekers to find the very best talent match for a given job position.

Beside the **monetary and time costs**[1] of having to write, post, and monitor dozens or hundreds of online job descriptions and applications, the old model for identifying and hiring top talent was always stymied by its inherent nature as a passive system. In the past, recruiters had little choice but to post job advertisements and then hope that a top-quality candidate would appear and apply for the position.

III.   CAN TALENT CROWDSOURCING FILL THE POSITIONS?

Instead of placing job postings online and waiting passively for responses or spending long hours in a frustrating search for potential candidates, it has been shown in a **survey**[2] that 4 out of 10 candidates find their "favorite or best job" through personal connections and 64% of recruiters rate referrals as the highest quality source of hires. This alone is enough to increase your chances of landing that new hire.

In **another survey**[3] of over 4,000 decision makers, hiring managers also reported that:
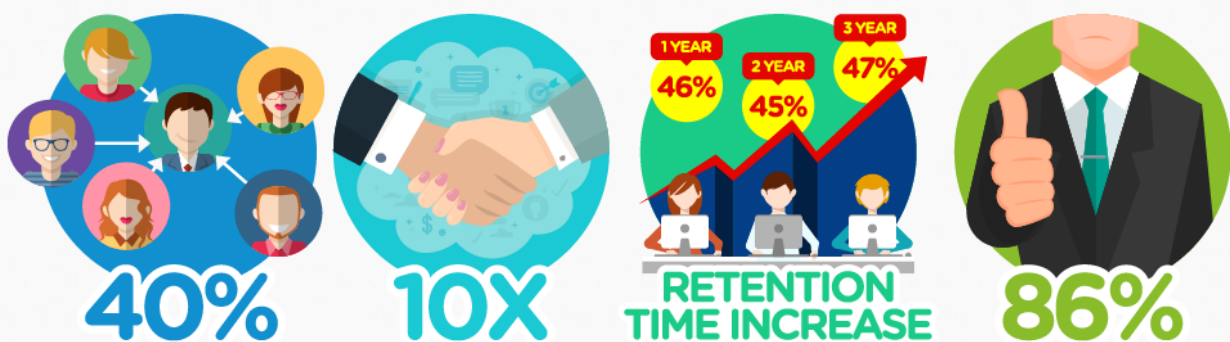
1. Referrals attract more quality hires, accounting for just 7% of applications but lands **40% of all hires**[3].

2. Referral candidates are **10 times** more likely deemed hirable.

3. Referral candidates express far better job satisfaction, resulting in increased retention time, with **46%** of referral hires staying in the position more than one year, **45%** more than two years, and **47%** longer than three years.

4. **86%** feel that referrals are the best source for new employees.

According to a **report**[4] from LinkedIn, 63% of companies are expecting hiring volumes to rise, adding further pressure on finding new strategies to attract top-quality talent. Over 38% of the respondents also reported that they are now moving towards using social networks as part of their recruiting strategy, thus increasing the trend towards developing talent crowdsourcing techniques.

One of the most frustrating aspects of hiring employees is the large delay between the moment a job position becomes available and that when potential candidates are identified, interviewed and then hired. Talent crowdsourcing has the potential to **speed up**[5] this process significantly by leveraging large networks both to identify quickly a large pool of potential applicants and to refine the respondents to a select group of high-quality candidates.

Statistics have **shown**[3] that the average referral hire begins his or her new job in just 29 days versus an average of 55 days for applicants hired through traditional career job sites.

Outsourcing recruiting efforts to third-party recruiters passes on the tedious tasks of identifying, locating and sorting through potential candidates to the "crowd" or external third parties instead of taxing the resources of in-house human resource departments. It has also been **demonstrated**[3] that crowdsourcing for referrals is cheaper than traditional hiring methods. Some labour categories, such as freelance workers and software engineers, are already predominantly being hired **via crowdsourcing techniques**[6] for a number of large and medium-sized firms.

IV.   WHO ELSE HAVE EMPLOYED THE TALENT CROWDSOURCING METHOD AND BEEN SUCCESSFUL?

At any given time, there is a high chance that there is someone out there who knows exactly the right person who is suitable for any given job. While a few prestigious and large companies such as Apple or Google organically attract more talented candidates for job positions, most firms have to rely on different techniques in order to identify and hire quality candidates.

Some companies, such as **Zappos**, have turned normal recruiting techniques on their head by exclusively hiring through **employee referral and social networking**[7], also known as tapping into "the human cloud". While this model has yet to be shown viable for smaller and less well-known companies, it is proof positive that new models in recruiting and identifying talent are necessary in an ever-evolving digital labour marketplace.

Modern recruiters have begun to develop universal models for talent crowdsourcing through a combination of strategies – most notably by leveraging online social networks. Ranging from artistic appreciation sites like Spotify or Soundcloud, to business networking sites like Klout and LinkedIn, nearly every potential high-quality candidate is an active member of a social network. Talent recruiters with a comprehensive social media network have tremendous advantages when it comes to reaching out to their contacts to identify and hire quality candidates.

A recent **study**[3] showed that the average employee has 150 contacts on social networks. This means that a firm with 100 employees has a potential pool of 15,000 contacts that could result in the discovery of high-quality applicants.

LinkedIn also **recently announced**[8] that more than 50% of all individuals in the United States with a higher education degree are now connected on LinkedIn.

V.   TALENT CROWDSOURCING AS THE RECRUITING STRATEGY OF THE FUTURE

Talent crowdsourcing leverages deep databases, extensive social and professional networks and the wisdom of the crowd or "human cloud" to locate and identify organically the best candidates for any type of positions or workforce. By utilizing a Talent Crowdsourcing platform and executing a faster and more successful recruiting strategy than antiquated, less effective and expensive models of recruiting, employers could identify and hire talent faster and more cost-effectively. More significantly, it potentially revolutionizes the recruitment industry by changing the way recruiters work, innovating methods and strategies, and forcing us to reimagine new ways we build relationships, online or offline, especially in the context of career advancement.

VI.   ABOUT TALENTSBAY

Talentsbay - The Marketplace for Talent Referral is a Talent Crowdsourcing site and the world's first Online Marketplace which connects Job Advertisers (Employers or Recruitment Agents) and Talent Referrers (Affiliates or Licensees) whereby the latter would refer suitable talent to the former in exchange for a negotiable referral fee that is dependent on free market forces.

Talentsbay was born out of Talentsbay's founder's interactions and discussions with many employers over the years about the problems and challenges they faced recruiting talent. Fortified with a deep conviction that there has to be a much simpler, better and cost-effective way to facilitate the hiring of talent by employers everywhere than the current available channels of recruitment, the team at Talentsbay has forged ahead with the vision of introducing greater simplicity and market-driven cost-transparency in the recruitment industry with the launch of Talentsbay - The Marketplace for Talent Referral.
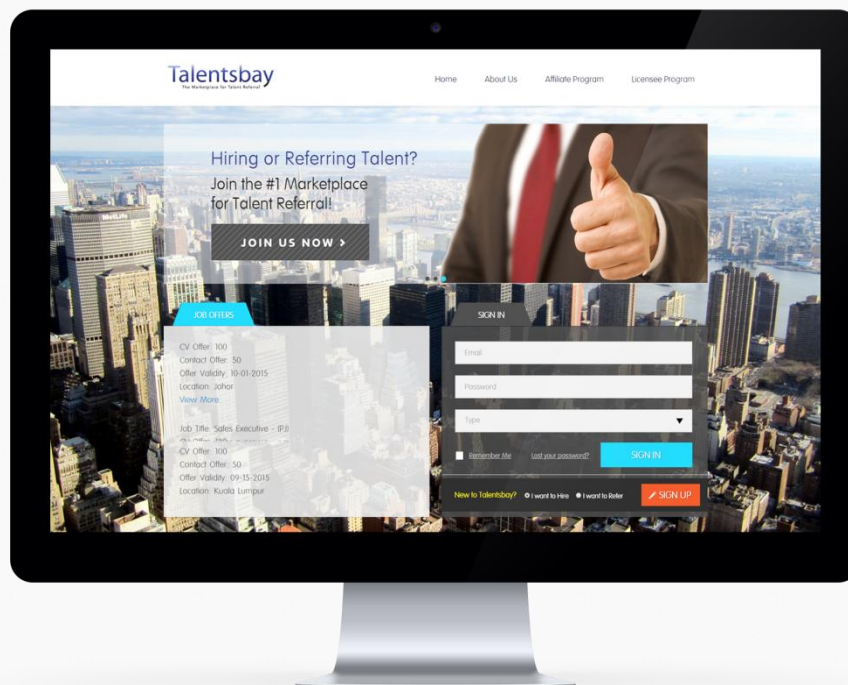
Please visit **www.talentsbay.com** to find out more about our Talent Crowdsourcing platform. Should you have any inquiries, please feel free to send them to **administrator@talentsbay.com**.

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