



Are talent communities the future of recruitment?

Whitepaper

blueArrow

A truly effective talent community has to be owned, managed and personalised by the specific business.

Are talent communications the future of recruitment?

Depending on what you read, ‘talent communities’ are either the next big thing in recruitment or drastically over-hyped, lacking proof of their worth.

And in many cases, strong opinions are shared without a clear understanding of what a talent community actually is.

But the noise surrounding this concept is building. HR and recruitment experts are certain that businesses need to wake up to this trend, and the first signs of talent communities paying dividends are arriving.

This document

This report will take an unbiased and objective look at talent communities, considering:

- ▲ What a talent community is
- ▲ Why a need for talent communities has arisen
- ▲ The strengths and limitations of talent communities
- ▲ Whether your business should build a talent community

For HR and recruitment personnel, and senior leaders in any business, this brief report will give you a clear and impartial impression of the value of a talent community for your business.

What is a talent community?

Unsurprisingly, a clear and simple definition is hard to come by. Wikipedia describes a talent community as a 'method of social recruiting' which utilises 'talent networks' or 'social cliques' - in other words, the interaction of anyone with an interest in the job-seeking process.

This definition covers some of the meaning; a talent community is indeed a form of social recruiting. But it's broad, and largely unsubstantiated - unlike most Wikipedia articles, there's barely a citation in sight.

To add weight to this definition, there are one or two more specific points that are frequently made by recruitment experts:

- ▲ Interaction is a fundamental aspect of a talent community
- ▲ It is not simply a database or tracking system
- ▲ It should involve passive as well as active candidates, as it aims to fulfil future, as well as current, hiring needs

So, for the purpose of this document, let's use the following, relatively simple definition:

'A talent community is a form of social recruiting in which active and passive candidates can interact with employees and leaders of a particular business. The aim is for candidates to have a deeper understanding of the company and its culture, and for employers to make better hiring decisions, now and in the future.'

Examples of talent communities

For many businesses, talent communities exist in some form through closed groups on social media platforms like Facebook or LinkedIn. But experts have emphasised that a truly effective talent community has to be owned, managed and personalised by the specific business.

Talent communities on social media are extremely effective in many ways, and have been for a number of years. But it's very hard for a business to create a talent community that truly differentiates itself from its competitors through a social media group. Professional discussion groups on LinkedIn, and talent communities owned by a business, are not one and the same.

Brands that have built successful talent communities include:

- ▲ Fly Dubai
- ▲ Zappos Granicus
- ▲ GE Software
- ▲ IBM
- ▲ Ericsson

Many of these businesses are backed by Ascendify, a software developer at the forefront of multi-faceted recruitment platforms for businesses. While Zappos is Ascendify's most widely known success story, they've also had a big impact at GE Software and Fly Dubai, among others.

IBM has also developed a strong talent community using its own business, Kenexa - a provider of employment and retention solutions. And unsurprisingly a number of new software developers are seeking to capitalise on the growing interest in this concept, including RolePoint, and social media experts Reach7.

Why do we need talent communities?

To understand this, it's worth focusing on what is probably the best-known and most successful example of a talent community in action: Zappos.

Zappos is an online shoe and clothing retailer with a celebrated reputation for customer service. However, despite the power of its brand, its leaders felt the way they recruited wasn't nearly as effective and innovative as the way they dealt with customers. And there was plenty of evidence to support this concern.

For example, in 2013 they received 31,000 applications but only hired about 1.5% of those people. Their staff had assessed 30,000 people who weren't right for the job, and 30,000 job seekers had wasted their time.

Then there was the reputational consequence. It was possible to assume that a fairly large percentage of that 30,000 now had a less-than-positive attitude towards Zappos as a brand. Potential candidates are potential customers, so this was damaging for Zappos in a variety of ways.

So, overrun by the administrative burden of processing thousands of applications that weren't ultimately worthwhile, Zappos stopped posting jobs. Instead, they invited people to become 'Zappos Insiders'; they interacted with them, built an understanding of their skills and experience, and then suggested roles to relevant people. They built a talent community.

The 'need' was simple: their recruitment wasn't good enough. They were wasting their time, and the time of thousands of candidates.

Outside of Zappos, most businesses would share the frustration of processing a huge number of applications that aren't appropriate. The potential benefits of a successful talent community are vast and varied, but the need is really based on a simple aim: to make recruitment better, for both the business and the applicant.

The strength of talent communities

Because talent communities are an emerging concept in recruitment, hard evidence of business benefits are limited.

The success of Zappos is abundantly clear. They don't post jobs, and are attracting people more easily than ever before. Business is booming, and they're saving money on recruitment.

But beyond Zappos and one or two other success stories, we will have to concentrate on the potential benefits.

Save money

The first potential benefit is pretty straightforward: get it right and you will save money.

That's essentially because you wouldn't depend on job boards and paid advertising. And with far less time spent processing unsuitable applications, you may also save money wasted on administration, which could be better spent elsewhere.

Find the right candidates

Zappos have vastly reduced the number of applications they receive while still managing to fill their positions with desirable and appropriate candidates. In other words, they're now better at finding the right people.

This is possible because their talent community tells them who the right people are, while also giving an indication of which candidates will suit their culture best. It's essentially a method of pre-screening.

Improve candidate quality

Closely linked to the above benefit, experts in favour of talent communities cite improved candidate quality as a strength.

The theory is that good talent communities attract better candidates. That's because the community is interesting to be part of, and a place full of like minded industry professionals. Experts come to meet other experts.

Attract passive candidates

If it's possible, the promise of attracting passive candidates in what is currently an extremely competitive market is extremely exciting.

Again, the theory is that passive candidates would join these communities regardless of their job situation. It's a form of networking, and a chance to engage with relevant people - and perhaps gently get an impression of a business you may want to work for in the future. Because there's no pressure to apply for a job, a community is more welcoming than a traditional job application.

As a result, a business can fulfil future recruitment needs too.

Improve customer experience

It's easy to forget that candidates are customers too, so their experience of your business as a candidate feeds into their impression of your brand as a customer.

This is something PepsiCo investigated. They were rejecting 495,000 applicants a year, and based on the value of a customer as well as the possibility that some of those rejected felt unhappy, they concluded that they were losing \$1.6 million a year due to 'bad candidate experience.'

Theoretically at least, a thriving talent community could combat this problem.

New ideas needed in a candidate-short market

Finally, and perhaps most importantly, the real benefit of a talent community is that it's a positive and fresh approach to a problem that only seems to be getting worse.

Across every industry and sector, HR leaders and recruiters are decrying the lack of appropriately skilled candidates - a problem that could be neatly solved by talent communities that aim to gently attract and engage such people.

Meanwhile, experts have for many years warned that traditional recruitment methods like job boards are failing, and newer ideas are needed to fill the void.

The limitations of talent communications

Despite the buzz that's been created over the last few years, talent communities are not without their doubters.

How are passive candidates attracted in the first place?

Despite a few specific success stories, there is still no clear evidence of how talent communities attract and hold the attention of passive candidates.

And without clear proof, it's difficult to assume that people not looking for a job will embrace a community built around looking for a job. Maybe some especially intrepid people might consider it, but an 'employer brand' is generally based on attracting job-seekers.

For some critics, this is a key weakness in the case for talent communities. As one such critic astutely put it, 'job seeking is an event, not an interest.'

Job boards aren't necessarily dead

Talent communities will replace job boards; that's the argument presented by advocates.

But some disagree, pointing to a number of trends that suggest otherwise. For example, job boards are adapting, and in some cases very successfully. Just this year, Indeed announced record-breaking stats, including 180 million unique visitors per month. Meanwhile their mobile app has been downloaded 46 million times globally.

Niche job boards are also growing in popularity. A recent survey by jobs.ac.uk found that 64% of employers in the academic, research and science sectors favour job boards as a recruitment tool; the next biggest category was 'professional networks' at only 11%.

Job boards clearly aren't perfect. But there is life in them yet.

How is applicant quality improved?

Again, without clear evidence, this argument is a little flimsy.

Zappos is definitely able to process less 'bad' applications as a result of its thriving community. But for critics, the emergence of an especially high volume of 'good' applications as a result doesn't make sense.

They argue that a talent community would simply attract the same mix of people as an ordinary job post. Yes they might be able to lessen the burden of processing inappropriate CVs, but they would still be dealing with the same number of 'good' candidates.

'It's basic statistics', argues Glen Cathey in his widely shared appraisal.

High turnover

Another suggestion is that once a job seeker finds a new position, they would leave a community. This would therefore limit the long-term potential of such communities.

Communities of any kind rely to some degree on the longevity of their members, so this is potentially a legitimate criticism.

How many is too many?

Unlike most organic communities, a talent community is a fairly specific and exclusive area. So, how many of these would a candidate be willing to join and actively engage in at the same time?

This is an important question, because as they grow in number, businesses will have to consider whether their market is saturated.

Are organic, candidate-generated talent communities better?

Many of the most prolific networking groups you're likely to find on Facebook or LinkedIn are prolific because they're set up by candidates. Recruitment is not necessarily the purpose.

This adds a powerful degree of authenticity to these groups; people are here solely to network, not to sell anything. It's arguable therefore that groups created by businesses for recruitment purposes possess less authenticity.

Should your business build a talent community?

Opinions so far have tended to stretch from one extreme to the other.

For some, all recruitment roads lead to talent communities. For others, talent communities are a slightly irritating fad.

And so, some much-needed neutrality is needed when it comes to assessing the value for your business.

They won't work for every scenario

There are some inescapable truths attached to this subject. One of them is that, for some roles and situations - for example, short-term or contract positions - a talent community probably won't meet your needs.

They won't work for every brand

The Zappos example shows that a successful talent community probably depends heavily on having a successful and exciting brand.

That doesn't mean you need to be exactly like Zappos for a talent community to work. But what it does mean is that you'll need to be fun, engaging and desirable - attracting people without a specific offer of anything concrete in return is not going to be easy.

They won't work without commitment and investment

Small, inactive talent communities won't achieve anything. By their very nature, talent communities demand a reasonably large number of like-minded professionals that are willing to regularly share their thoughts.

Additionally, they'll demand at least some of your staff to regularly engage with your community in a meaningful way.

But for some businesses, they will work

The challenge for any business is to understand whether it could, fundamentally, benefit from a talent community.

First and foremost, you need to have a recruitment problem. If currently you're meeting all of your hiring needs and you're satisfied with your methods, why would you invest time, resources and ultimately money in a relatively unproven concept?

Assess your problem, paying particular attention to whether you're lacking skilled candidates, and whether you're spending too much time assessing unsuitable ones.

If you are, look at your market. Do your competitors have talent communities? Do candidates in your sector use them? Do they use professional groups on social media?

And then ask yourself a difficult but vital question: is your brand really strong enough to make a talent community work?

Ultimately, it's impossible to say whether talent communities are the future of recruitment or not. When the evidence arrives, perhaps we'll have a better idea.

But what we can say is that, for the right businesses, at the right time, they definitely could work.

It's a meagre conclusion, but to say anything more would be entirely misleading. This is a subject we're only just beginning to understand.

Sources and further reading

1. 'Why your company should create a talent community' - mashable.com
<http://mashable.com/2013/04/07/create-talent-community/>
2. 'Have job boards really had their day?' - personnetoday.com
<http://www.personnetoday.com/hr/future-of-job-boards-have-job-boards-really-had-their-day/>
3. 'Talent networks vs. talent communities' - trendline.dcrworkforce.com
<http://trendline.dcrworkforce.com/talent-networks-vs-talent-communities.html>
4. 'Do job boards still work?' - hcareers.com
<http://trendline.dcrworkforce.com/talent-networks-vs-talent-communities.html>
5. '2013 recruitment trends survey' - jobs.ac.uk
<http://www.jobs.ac.uk/media/pdf/recruiters/resources/jobsacuk-recruiter-survey.pdf>
6. 'Indeed solidifies position as #1 worldwide site for job seekers: traffic nearly double other sites' - onrec.com
<http://www.onrec.com/news/statistics-and-trends/indeed-solidifies-position-as-1-worldwide-site-for-job-seekers-traffic-ne>
7. 'The myth of the talent community' - garethjones.me
<http://garethjones.me/2011/06/06/the-myth-of-the-talent-community/>
8. 'Examining Zappos's 'no job postings' recruiting approach - innovation or craziness?' - eremedia.com
<http://www.eremedia.com/ere/examining-zappos-no-job-postings-recruiting-approach-innovation-or-craziness/>
9. 'Angry job applicants can hurt bottom line' - wsj.com
<http://www.wsj.com/articles/SB10001424052702303717304577279473549339082>
10. Wikipedia
11. Stats from CIPD, jobs.ac.uk

Contact us to book a seminar or for further information on how Blue Arrow can help meet your staffing requirements:



01582 787261



marketing@bluearrow.co.uk



www.bluearrow.co.uk

blueArrow

