

# Direct Sourcing Provides Workforce Agility in Today's Tight Labor Market

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How to Build the Foundation for  
a Talent Community  
Management Ecosystem

Companies are talking about building talent pools of resources that are available at the drop of a hat when an organization has an opening for a particular type of pre-qualified talent. These talent pools, it's assumed, can help bridge the gap between employers and candidates as well as help increase your diversity initiatives. But is that true? And does it work for every organization? And if it works, how do you go about building it?

First, let's talk a bit about language differentiation. Many organizations tend to use certain terms interchangeably that really should be distinguished from one another. For example, talent pool, talent pipeline, and talent community are often used interchangeably. However, although similar, they're not exactly the same and should not be used as synonyms as it muddies the waters. Here's a quick breakdown of the difference:

### **A Talent Pool**

is an indiscriminate database of passive resources that you turn to when you need it. For example, most staffing agencies maintain talent "pools" within their Applicant Tracking Systems (ATS).

### **A Talent Pipeline**

is a targeted, client-branded database and associated recruiting process used to *source* talent with specific skills or to meet specific business objectives. In a talent "pipeline," candidate selection may be based on varying criteria such as educational background, experience, expressed interest in job roles, prior history with specific companies, college/university attended, and other criteria. This is referred to as "curation."

### **A Talent Community**

exists to house a pre-qualified pipeline of talent that is available when your organization has an opening for that specific type of talent. However, it builds even further upon the talent pipeline through well-planned, intentional, and long-term ongoing communication with community members. This is often referred to as "talent nurturing." Relationships are built with a talent community through affinity-focused content that gives the candidates content that's important to them such as skill-building or job-related events. Additionally, it relies on social technology to get, engage with, and retain that talent.

## **Why build a talent "community"?**

The challenges of the pandemic, a remote workforce, supply chain delays, worker classification issues, layoffs, resignations, quiet quitting, and other employment challenges have all come together to create an unanticipated, multi-faceted, interconnected perfect storm for many organizations. That, coupled with many companies needing to regularly fill roles in high-turnover, high-demand, or seasonal situations leads us to turn to a direct sourcing solution to fill the void.

According to [Spend Matters](#), the bottom line is that companies need efficient, effective ways to attract, retain, and redeploy talent despite the current climate. The secret weapon to address all of these, alongside traditional contingent workforce management matters, is workforce data. And much data can be gleaned from a talent community.

When considering building a direct sourcing talent community, one of the most important questions to ask is: Does your organization require sourcing a certain job type en masse? If so, it may be a good candidate for a direct sourcing solution. And just because you need to source in bulk doesn't mean that you're willing to compromise on the quality of the candidate. In fact, a mass recruitment process can and should require extensive procedures with a specific end goal to achieve not only enough applicants, but enough *quality* applicants with the right skill sets.

## When direct sourcing makes sense

Mass sourcing through direct sourcing makes sense in certain conditions. For example, seasonal sales spikes may mean that you need people on the sales floor and/or in the call center. Or perhaps tax preparers are needed during tax filing season. Expanding into a new market may mean you need to fill out-of-state positions at a distribution center. These are just a few reasons why business owners may need to consider direct sourcing.

Here are a few scenarios in which a direct sourcing solution can help your organization:



### **High-volume, high-turnover, repetitive-usage needs such as:**

- Call Centers
- Distribution Centers
- Data Processing Centers
- Administrative Support Services / Help Desks
- Medical Coding and Billing Centers



### **Seasonal or recurring peak business needs such as:**

- Licensed Sales Agents for Health Insurance Providers during Open Enrollment
- Tax Accountants during Tax Preparation Season
- Retail Support during the Holiday Season
- Marketing Professionals in Support of a Product Launch or Event



### **Customized solutions specific to your business needs such as:**

- Interns
- DEI Program to Connect with Diversity Candidates



## How is direct sourcing different than traditional sourcing?

There are some noticeable differences between traditional temporary worker sourcing and direct sourcing. Traditional sourcing is transactional, focusing on filling one or perhaps a few vacancies at a time. Candidates who are not right for the specific job order are discarded. Effective direct sourcing is relationship-based, where all candidates with desired qualifications are encouraged to become members of your talent community – even if not a fit for immediately available positions – and continued communication with and between members maintains a level of interest in your company that results in assignment-ready candidates when they are needed.

As a result, the average time-to-fill can be significantly shorter. For example, for many positions, it takes **42 days on average** to fill a temporary position, according to the Society of Human Resources Management. Direct sourcing, by contrast, results in a far shorter timeframe, while quickly supporting surges in demand.

Another difference is the rate of re-engagement. When workers successfully complete an assignment, they are invited to join the talent community. By re-engaging workers already familiar with business policies and practices, ramp-up time is at a minimum.

## Workforce agility is a strategic advantage

In a January 2022 PwC [survey](#), C-suite executives identified “increasing agility to better operate in a turbulent business environment” as one of the top three factors that were very important to their organizations’ continuing growth. And that survey was taken before the onset of even greater economic turbulence, including the [highest U.S. inflation increases](#) in 40 years.

As organizations optimize their contingent workforce, agility and flexibility play an ever-increasingly important role. Businesses can proactively integrate the contingent workforce into the planning of mission-critical initiatives. Senior executives who want to drive business agility can take advantage of direct sourcing initiatives to meet either an isolated or ongoing need as a part of a workforce optimization plan.

### Building a talent community requires a robust ecosystem

A true talent community – as opposed to a talent pool or pipeline – requires a robust ecosystem consisting of people, processes, and technology. The people and processes are there to help manage the identified workers.

A proper community considers how to curate, source, nurture, place and manage candidates and workers. It seamlessly ties to an Employer of Record (EOR) / Payroll program to onboard, manage, and payroll workers when selected for an engagement. And this all must be managed with technology within a Talent Community Management Ecosystem.

# What does a Talent Community Management Ecosystem look like?

The overall structure of a Talent Community Management Ecosystem has three main components:

- Robust Sourcing Tools – which include social career portals and links to social media.
- Social Community – such as a collaboration suite as well as an enterprise social network with ties to specialty professional and community associations.
- Robust Management Tools – including job distribution, analytics, and contingent workforce management workflows.



In building this community, there are non-negotiable features required to ensure that it's based on a real community and not merely a talent "pool" that may potentially get neglected.

In fact, social aspects of the talent community have changed the rules for how you can expand your temporary workforce. According to LinkedIn, 79% of job seekers use social media when conducting their job search and more than 75% will research an employer brand and reputation on various sites before they decide to apply.

As you might suspect, businesses with excellent employer brands will receive 50% more qualified candidates than those with an average or poor rating.

## Must-haves for a talent community

Creating a talent community is not as simple as pulling together several workers or even putting workers into a pool of various worker types. Much more goes into creating a true talent community, including attracting and recruiting the right talent and providing business intelligence to make the best decisions moving forward.

The following requirements are must-haves for a proper talent community to exist:

<b>Social Networking Capabilities</b>	There must be seamless links to social media platforms such as Twitter, Facebook, LinkedIn, blogs, industry-specific sites, community sites, academic institutions, and more. In addition, it must also include a collaboration suite with real-time notifications and updates to keep workers notified of up-to-the-minute information. Additionally, it must facilitate communications with former workers who are in the community.
<b>Social Recruiting</b>	As an adjunct to the social networking capabilities, it also requires the ability to broadcast targeted job alerts as well as automate scheduled job distributions to candidates based on a variety of factors such as a certain skill, work function, or job title. Powerful search capabilities are essential as is the ability to “follow” certain postings and receive automated instant notifications of changes to alumni availability.
<b>Social Career Portal for Job Seekers</b>	By creating a social career portal, you can access alumni and job seekers through self-service profiles. It also allows for alumni mentoring features and other alumni privilege offerings such as an alumni directory. TalentLyft reports that 97% of candidates with a positive experience will refer other candidates, so yet another perk is that candidates who are already in the talent community are able to receive referral bonuses by referring other candidates.
<b>Risk Management Facilities</b>	A major concern of some talent “pools” is that they don’t have inherent risk management. However, with a talent community, there is a rules-based evaluation of rehire eligibility, and the technology ensures compliance to all business rules as well as identification and mitigation of worker classification-related risks.
<b>Business Intelligence Capabilities</b>	As organizations look to develop a robust talent community, they require a system that is fully customizable, highly scalable to adjust to business cycles, and driven by powerful analytics to provide actionable information. Technology can enable awareness, and it can highlight things that are not working well, but managers must take action to ensure that the business intelligence that’s provided is utilized to make better decisions.

# SO HOW DOES THIS ALL COME TOGETHER?

## Meet nextSourcing™ – our proprietary direct sourcing solution

While the thought of filling large numbers of openings can be overwhelming, direct sourcing can help alleviate many of the pain points associated with mass or skills-based sourcing – from recruiting to nurturing to onboarding, assignment management and redeployment. And with the right system in place, your organization will see impressive results.

nextSourcing™, our direct sourcing solution that is branded to your company, goes beyond the simple talent pool to create and manage an entire talent ecosystem where members are recruited, nurtured, and ready to deploy when you need them most. |

And since workers now have more choices than ever and are taking a long look at employer brands to make their decisions, a client-branded nextSourcing solution is a fantastic way to enhance your brand awareness.

When we design a solution for your organization, we tailor it to the types of workers you require with the types of skills you need. This is not a one-size-fits-all approach where every type of worker resides. It is built with your company in mind and can pull from interns, past workers, and retirees as well as find workers that are not readily available from more traditional searches.

The technology element is also significant. With nextSourcing, we do not provide the technology. Instead, we work with the best companies in the industry, selecting the technology solution that's best aligned with your needs. We then bring together the Vendor Management System (VMS) and a talent network platform to create a single, seamless experience for the hiring manager. Requests are simply entered into the VMS, then the system automatically forwards the request to the talent community platform. The best candidates are submitted to the hiring manager via the VMS. This allows visibility into the system and creates a one-stop-shop for all your contingent workforce needs.

Our unique outreach efforts will populate the community with the desired skills your company needs. Through partnerships with professional associations, we reach out to individuals beyond the reach of traditional staffing agencies. We find creative ways to reach individuals re-entering the workforce or looking to apply their skills to a new field. And we leverage our partnerships to encourage talent community membership, then offer extensive networking opportunities that help community members ways to advance in their careers.



These workers will be familiar with your organization due to the continued nurturing through multiple facets of communication. This is important because according to a report from IBM, in the 2021 talent market, 90% of the S&P 100 firms were searching for 37 similar, in-demand jobs. And those 37 sought-after jobs comprised nearly half of the job postings of S&P 100 firms. Just imagine how much more competitive those jobs have become today.

Maintaining a high level of candidate interest is imperative to keep the talent community thriving. The global workforce is made up of 70% of passive talent who aren't actively seeking a job, and the remaining 30% are actively seeking a job, according to LinkedIn.

nextSource maintains candidate interest through your branded company messaging. We work to build rapport with the candidates by delivering personal and relevant messages to people who actually want to receive the information, keeping the candidates in a talent network engaged and “really” ready for work. We also recognize that candidates are increasingly prioritizing companies that showcase passion, purpose, inclusion, flexibility, and remote/hybrid work options.

We've demonstrated that knowledge-sharing, providing tips, and taking polls all play an important role in the recruitment process, especially for recurring roles.



## Our nextSourcing nurturing approach is comprised of:

- **Delivering consistent outreach.** Experienced professionals want to know how each position they consider can help them to reach their career goals, yet surveys indicate that nearly half of companies with talent networks *never* send another communication after the confirmation email. nextSource establishes a cadenced content delivery schedule (weekly, monthly) based on client preferences.
- **Practicing two-way communication.** We keep in touch with talent community members to make sure they're still interested in your company, understand what factors are important for their future development, and ensure that their profiles reflect any new training or qualifications they've acquired.
- **Providing relevant content.** We understand the different interests and motivations of the various candidate segments, and we're able to share relevant content that delivers a personalized experience. Some examples include:
  - Showcasing employee stories that give candidates insight into your company's culture
  - Disclosing your company's support for current events and social issues
  - Providing updates on company and/or industry developments
  - Offering face-to-face networking events (in-person or virtual)
  - Presenting career development guidance and tips
  - Sharing new job opportunities
  - Providing access to skill enhancement tools
- **Creating a dynamic community.** While we are nurturing relationships with future candidates, we're not just sending one-way emails. We're finding opportunities to hyper-segment members to create a community that provides very specific needs for you.



Matching the right candidate to the right job and quickly moving them through the onboarding process is becoming more and more important for the candidate experience. Learning Hub notes that due to the prolonged screening process, companies lose as many as 89% of potential candidates. Since quick response is also vital for the company when resources are needed quickly,



nextSource ensures that any licensing or certificates are kept up to date so resources can be redeployed fast.

With redeployment, companies can save money, reduce time-to-fill, lessen onboarding time, and ensure better culture fits if they can rehire workers who are already familiar with and happy with their previous experience, according to [Spend Matters](#). Also, they explain, having robust data can inform a manager exactly who is nearing the end of a contract,

who is appropriate for upcoming openings, what a worker's performance has been, and their current bill rates. Using this data can effectively support workforce planning so there are fewer lags in sourcing and less downtime.

Another unique aspect of nextSourcing is that candidates can earn rewards for referring other candidates that they may know in the same field or with the same set of skills. According to LinkedIn, by recruiting through your employees' networks, companies can expand their talent pool by 10 times.

nextSourcing can enhance your Diversity, Equity, and Inclusion (DEI) initiatives. According to [SHRM.org](#), 76% of companies have no quantifiable diversity or inclusion goals; 75% of companies do not have DEI included in the company's leadership development or overall learning and development curricula; 40% of companies view diversity work as a way to mitigate legal, compliance, or reputational risks, within an HR enforcer role; 32% of companies require some form of DEI training for employees; and 34% offer training to managers. According to HR.com research, only 31% of organizations rank their organization's DEI initiatives as "very successful." Those types of statistics are alarming, and nextSourcing can help your organization mitigate them.

To further your DEI initiatives, with nextSource you will be working with a certified Women-Owned Business Enterprise. Our clients achieve tier one diversity spending and gain a partner dedicated to diversity and inclusion. This means that you can capture diversity credits while working with an organization committed to building programs with diverse hires, thereby allowing your organization to have multiple points of positive impact. While many other programs focus on diversity from a spend perspective, nextSource is focused on talent and skills.

nextSource then provides Employee of Record (EOR) services to you for an easy transition. We will manage the entire work assignment lifecycle including sourcing, candidate vetting, onboarding, payroll and benefit administration, compliance management assistance, off-boarding, performance analytics, as well as ongoing workforce planning. You will have full insight and transparency through our analytics and business intelligence. And if you have additional needs, we can act quickly to engage other members from the talent community.

## The nextSourcing difference

As a full ecosystem, nextSourcing provides you with your own private talent community where needed resources are inextricably linked to your brand and are defined by skill set, location, and strategic business initiatives such as diversity and inclusion goals. In it, you'll discover benefits that are not found *anywhere* else.

These differentiators include:

- Leveraging your brand through a superior employee value proposition and point of attraction
- Experiencing ready access to talent that is engaged with *your* company
- Placing candidates who are knowledgeable about your company, its culture, and its work environment
- Attaining better assignment completion and higher re-engagement rates

To find out if our [nextSourcing solution](#) is a good fit for your organization, give one of our experts a call at [800-641-9987](tel:800-641-9987), go to our website or click the CONTACT US button, and a nextSourcing expert will get back to you to discuss your needs and how we can help you access high-demand candidates who are familiar with your organization.

**CONTACT US**