Factors Influencing the Decision to Crowdsource

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Abstract. In order to integrate a crowdsourcing strategy to an organization’s business processes, managers need to decide whether or not crowdsourcing is suitable for the organizational context. This study conducted a structured literature review to identify factors related to this decision. These identified factors have been synthesized into a framework for supporting the decision to crowdsourced. Based on this framework, recommendations for managers, which were summarized in the decision tables, have been proposed.

Keywords: Crowdsourcing, crowdsourcing decision, business process, literature review, socio-technical system.

1 Introduction

Since its introduction, the term “crowdsourcing” was firstly introduced by Howe [1] to refer to a model that relies on the crowd, a large undefined group of individuals, to achieve specific tasks. Pioneering studies have suggested that this model can bring multiple competitive advantages for organizations, such as more flexibility and responsiveness to business strategy, cost savings [2], and harvesting expertise, information, skills, and labour [3, 4]. Some organizations that successfully utilize this model for their business strategies are Wikipedia for writing and editing articles, Threadless for T-shirt design, and Starbucks, i.e. MyStarbucksIdea project, for collecting customers’ ideas.

Given that crowdsourcing can benefit organizations, it is reasonable to expect that crowdsourcing should be potentially integrated with existing organizational business processes. However, this does not seem to have happened. A recent survey [5] reports that only 10% of surveyed organizations have actually deployed a crowdsourcing strategy. If crowdsourcing is such a promising strategy, then why has it not been widely adopted by organizations? One of the possible answers to this question has been suggested by Malone et al. [6], who state that “[organizations] do not know how” to utilize crowdsourcing and advocate more investigation into the “how to” question. In the same vein, Vukovic and Bartolini [4] and Khazankin et al. [7] also suggest further research on this question, especially focusing on how to integrate crowdsourcing with existing organizations’ business processes.

The literature addressing this problem shows that integration can be addressed from two different angles: the manager’s view, which is responsible for coordinating the tasks; and the designer’s view, which is responsible for implementing and
configuring the crowdsourcing strategy on a particular platform. While many studies [8, 9] have focused on the design issues, currently there is little research focusing on the manager’s perspective, including analysis of the multiple issues that managers have to consider when adopting a crowdsourcing strategy [10]. This paper focuses on one of the management issues, which is the “decision to crowdsource or not”. This decision requires managers to determine whether crowdsourcing is a suitable strategy for a particular organizational context, rather than with the actual implementation of this crowdsourcing strategy. The “decision to crowdsource or not” is challenging because multiple factors need to be considered and evaluated in order to make an informed decision [11]. This leads to the research question, what factors influence an organizations’ decision to crowdsource?

To address the question, this study conducted a structured literature review to analyse the factors influencing the decision to crowdsource. Since crowdsourcing can be seen as a socio-technical system [10], these identified factors will be synthesized to a decision framework including different layers of a socio-technical system. The study contributes to current knowledge by answering the question raised in the literature, “to crowdsource or not to crowdsource” [12]. From the practitioner’s perspective, it provides practical recommendations for making the crowdsourcing decision in an organizational context. The recommendations will be presented using decision tables.

2 Literature Review

2.1 Concepts and Terminology

Since crowdsourcing is an emerging research area, different terms were used for this concept, including crowdsourcing, collective intelligence, human computation, mass collaboration and peer production [13, 14]. As a result, researchers have proposed different definitions for crowdsourcing. Some researchers, such as Doan et al. [14], define crowdsourcing as a system, in which the problem owner asks the crowd to solve a problem. Others, such as Howe [1] and Schenk and Guittard [15], have seen crowdsourcing as a form of outsourcing, in which tasks traditionally performed by organizational employees or other companies were sent to the members of the crowd. In some cases a single researcher, such as Brabham [3, 16] and Vukovic [17, 18] may provide more than one definition. In order to conceptualize a definition that captures “any given crowdsourcing activity” [19], Estellés-Arolas and González-Ladrón-de-Guevara [19] recently analysed the existing definitions extracted from literature. A selection of 209 articles was examined and 40 of them, which present original definitions of crowdsourcing, were analysed. As a result, eight common characteristics of crowdsourcing have been identified: clearly defined crowd, a task with a clear goal, a clear recompense for the crowd, the identified crowdsourcer, defined compensation for the crowdsourcer, online process, open call, and internet usage. The authors [19] then integrate these characteristics into a single comprehensive definition.

Although the definition proposed in [19] is comprehensive, it is wordy [20]. Thus the current study simplifies and adapts it for an organizational context. As a result, crowdsourcing is defined as an online strategy, in which an organization proposes