



3 R N E T

Tips & Best Practices for a Successful Candidate Referral Program



Candidate referrals can be a very lucrative recruitment strategy for you. Reports show that employee referrals are the top source for receiving quality candidates and are statistically shown to hire and onboard faster and have higher retention rates than non-referral hires. Here are a few tips to help establish a successful referral program.

Compelling statistics to highlight:

- *Referred candidates are 13 times more likely to be hired than a job board applicant.*
- *Referred candidates have a 70% longer retention than non-referral hires.*
- *30-40% of all hires come from employee referrals*
- *88% of employers rate referral programs as the best source of applicants*
- *71% of US employers offer a referral program*

Variety of referral incentives to consider.

Encourage employees to be your organization's brand ambassadors and offer them enticing rewards. Offering a referral bonus or incentive is a great way to encourage more participation and generate excitement about the program. The specific dollar amount can vary depending on different factors from job type to financial consideration but remember, rewards don't necessarily have to be monetary incentives. Surveys show that 67% of employees report they make referrals to help their friend or their company, not for the compensation.

Referral Incentive ideas:

- Cash – Healthcare can range \$50-\$2,000 depending on position, but generally \$250 and up, or 2-4% of the positions' pay (Surveys show 70% orgs offer \$1,000-\$5,000 range for higher level/ in-demand positions)
- Days off or additional vacation days (Surveys show 15% orgs offer time over money)
- Charitable donation on employees' behalf to their favorite cause
- Trips (daytrip or weekend getaway) or event passes/tickets
- Gifts they love (gift card, gadgets, etc)
- Lunch/Dinner at favorite restaurant
- Company logo apparel or product
- Public recognition and praise

No matter what your incentive, make sure you go above and beyond to recognize and thank employees and ambassadors for referrals (even if their candidate doesn't get hired). Recognize them at meetings, award ceremonies, newsletter, or a personal thank you or handwritten note from CEO to help make them feel appreciated and special.

Promote your program.

Create a page on your website to describe your referral program with a unique link you can easily share with your staff and other brand ambassadors and champions to keep them updated on the program, terms and incentives. Add the link to your email signature and share on social media to help get the word out about your program.

Promote excitement about your program and encourage staff to participate and refer their friends! Include a write up about your program in your staff newsletter, employee page on your website, at staff meetings. Share fun testimonials with photos from staff who've utilized the referral program with successful placements (promote why they love to work there – this is also a fantastic way to showcase your culture in your recruitment marketing efforts).

You can also create friendly competition for the most referrals by individuals, or within a department. Department rewards could be a catered lunch, special award recognition, or a fun team-building event outside of the office.

Make your jobs sharable.

Make sure that you're sharing social media links about your jobs with your staff so that they can easily share within their networks and friend groups. Create templates they can use across different platforms such as email, text, or social media posts they can easily share. Be sure to include your unique selling points, value propositions and candidate-focused details of your opportunities, and don't forget your branding.

Consider opening your referral program out to board members and other champions in your community to expand your reach and get more people involved in helping you spread the word. Invite candidates you are interviewing and hiring to participate and don't overlook the opportunity to invite passive and past candidates to make referrals as well.

Set clearly defined rules.

Ensure the rules are defined and simple. Outline how the employee can offer a referral and the terms that need to be accomplished to receive the reward. If you require a certain number of days/hours worked before issuing reward, make sure the requirements are reasonable and be sure to track the hours completed so you can issue timely reward payments.

Make sure the referring employee knows there aren't any negative consequences if it doesn't work out with a hired candidate. Be sure that you are all-inclusive – excluding certain employees from participating in your program can place a negative tone and discourage participation.

Measure and track results.

Ask for regular feedback and encourage your staff and participants to share their ideas with you on how to make the program better. Track your results, measure your retention rates and quality of hires, and compare your costs with other sourcing channels you're using so you can see how well your program is working.

If you are using an online application, be sure to include a "referred by" line item within the application to help you keep track of incoming referrals.

Provide an open and positive culture.

Most importantly, create a working environment that naturally encourages employee referrals, one where leaders have open doors and open lines of communication, and where staff feels empowered, encouraged, and appreciated every day. A place where employees feel they work among friends they can trust like family and will want others to feel the same way!