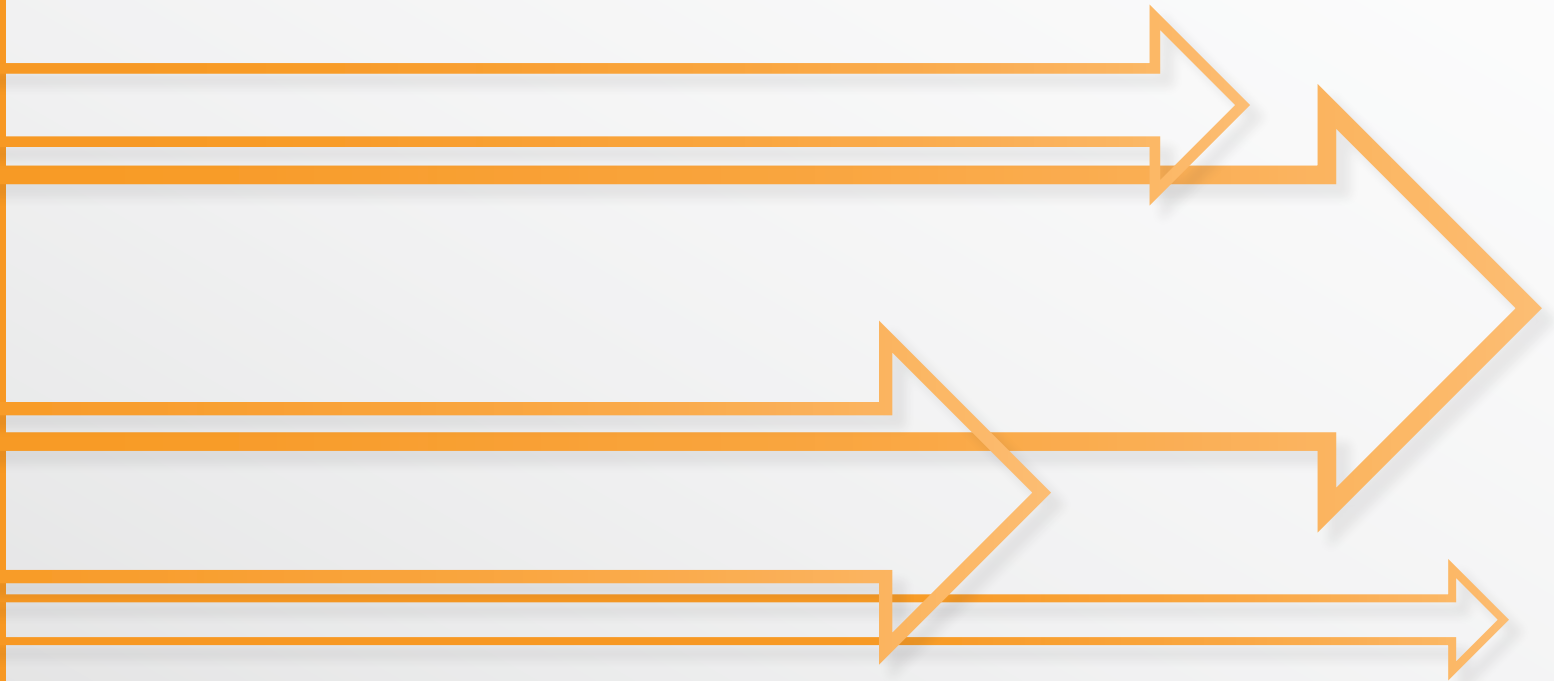


What are the benefits of an

EMPLOYEE REFERRAL PROGRAM?



Referral programs are one of the most valuable sourcing channels for top-performing hires. In fact, 82% of employees rate employee referrals above all other sourcing options to yield the best ROI, according to a survey from ERIN.¹

At WilsonHCG, we refreshed our referral program to boost our own employee referrals this year, with an 84% acceptance rate on job offers in 2021 from January to the end of August. We accomplished this through numerous initiatives including cash incentives, prize drawings, boosting our social media presence and much more.

Pressures from the pandemic have increased the ever-growing need for skilled talent – and referrals are an effective way to reduce time-to-hire while ensuring candidates are culturally aligned. That association between the employee and their referral means vetting has already occurred as to whether they'll thrive in the same environment.

Read more below on everything you need to know about referral programs and how you can incorporate these elements into your talent acquisition strategy.



Why you need an employee referral program.

Referred employees stay longer

46% is the average retention rate for referred employees compared to just 33% from job sites and career pages²

Produces higher quality candidates

88% of employers said that referrals are the No. 1 best source for above-average applicants³

Speeds up the hiring process

Employee referrals typically start new roles after only 29 days, compared with job boards after 39 days and career sites after 55 days⁴

What makes a great employee referral program?

When you first launch an employee referral program, you'll most likely get an uptick in submissions that will taper off over time. How you maintain the rate of people referring is through ongoing communication, engagement and rewards (which we'll go into more detail later). Send consistent updates on team meetings about how successful your program is or even have a spotlight on a referred top performer who's new to the business. Every business is different, so incorporate these elements into your culture and it will become a regular occurrence to speak about referrals.



Check out our hashtag [#WilsonHCGlife](#) to see what our employees think about working for us!

Align your
referral program with
**STRATEGIC
GOALS**

Employer
brand

Candidate
experience

Employee
engagement

Alumni,
temporary
and contract
referrals

Recognition

Develop your employment branding. To attract the right people, you must understand your current employees first. What motivates your top performers? What about them do you covet most in an employee? Diligence, creativity, integrity? Whatever it is, make sure you live and breathe that message across your public channels and throughout the recruiting process. Otherwise, referred candidates may be more reluctant if they're not seeing you act on your beliefs.

Prioritize candidate experience. Referral candidates are five times more likely to be hired than non-referral candidates according to ERIN research.⁵ While all candidates, not just referrals, need to feel valued in the recruitment process, it's standard practice that referred candidates get "VIP" treatment. That means responding to referrals within 24 to 48 hours of initial submission and enlisting service-level agreements (SLAs) with internal recruitment to ensure consistent follow-up. Prompt communication will ensure a good impression and a positive candidate experience for your potential employee. Also, be ready to provide feedback after an interview within 48 hours verbally to maintain that rapport.

Encourage employee engagement. Create structure around your internal employee referral program and encourage it consistently. Referral programs can save organizations more than \$7,500 per hire in productivity and sourcing costs according to ERIN⁶, so it's worth the resources you'll put into promoting them through email communication, team announcements, advertising and events.

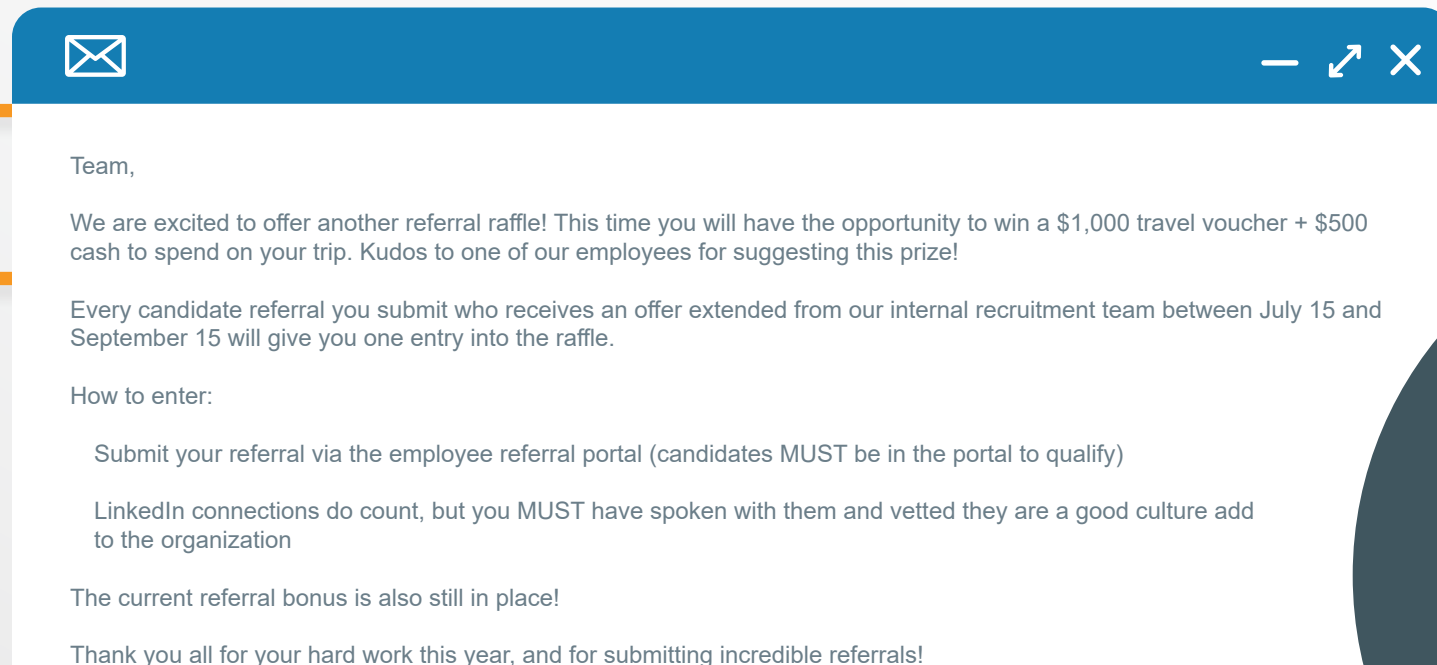
Solicit alumni, temporary workers and contractors for referrals. Don't limit yourself to only accepting current employee referrals. Your prior team members and contractors also have a wide network of connections who might be a good addition to your organization as well. Spread the word when you're seeking referrals so these brand ambassadors will think of you too.

Practice recognition regularly. Always thank employees who refer great candidates. Beyond that, offering a cash incentive, gift vouchers, company swag or even extra vacation days for successful referrals goes a long way when broadcasting your need for talent. A culture of recognition is a sign of a healthy, happy workforce while also acting as a talent attractor.

How do I increase efficiency with an employee referral program?

Use automation to notify employees about open positions. This can boost efficiency around spreading the word. Offering social media sharing options with a trackable link allows you to measure clicks and the inherent value of employee referrals as well.

Consider creating a template that can easily be customized per job role to ease the burden on your internal talent specialists or recruiters:



The image shows a screenshot of an email template. At the top, there is a blue header bar with an envelope icon on the left and three icons (minus, share, close) on the right. The main body of the email is white with a light blue border. The text is as follows:

Team,

We are excited to offer another referral raffle! This time you will have the opportunity to win a \$1,000 travel voucher + \$500 cash to spend on your trip. Kudos to one of our employees for suggesting this prize!

Every candidate referral you submit who receives an offer extended from our internal recruitment team between July 15 and September 15 will give you one entry into the raffle.

How to enter:

- Submit your referral via the employee referral portal (candidates MUST be in the portal to qualify)
- LinkedIn connections do count, but you MUST have spoken with them and vetted they are a good culture add to the organization

The current referral bonus is also still in place!

Thank you all for your hard work this year, and for submitting incredible referrals!

**Collaborate
with your talent
attraction or
marketing teams
to set this up.**

What's the best way to incentivize employees to refer candidates?

With many avenues to navigate referrals, it feels like offering a prize drawing or cash may be the solution. While that's true some of the time, engaged employees often want to help their friends and their company. LinkedIn research⁷ shows:



35% of employees refer to help their friends

32% do it to help their company

26% do it to be seen as a valuable colleague

Only 6% do it for money

Ask your executive leadership team to acknowledge and thank all the people who have referred candidates. Also, creating a key performance indicator (KPI) of inbound applications versus referrals – and who among them were hired and within what timeline – is a strong stat to showcase success.



Referral programs benefit everyone in the organization.

Referral programs empower employers to be engaged and bring highly qualified talent on board. The idea that everyone wins when you collaborate with top performers boosts business and innovation for all parties. In fact, research from Nielsen shows when groups of three or more people develop ideas together, they have 156% greater appeal with consumers⁸. For engaged employees, that's a considerable incentive! They get to refer friends and former colleagues they'd love to work with.

By utilizing these points, you'll be able to create an employee referral program that's both effective and efficient.

If you're interested in launching or refreshing an employee referral program, please reach out. We'd love to chat.

WilsonHCG is an award-winning, global leader in total talent solutions. Operating as a strategic partner, it helps some of the world's most admired brands build comprehensive talent functions.

With a global presence spanning more than 65 countries and six continents, WilsonHCG provides a full suite of configurable talent services including recruitment process outsourcing (RPO), executive search, contingent talent solutions and technology advisory.

Sources:

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