5 Easy Steps to Increase Employee Referrals
Turning Employees into Recruiters

Today recruiters use the Internet and social networks to attract candidates, before it was classified ads, job boards and word of mouth connections. However people find their next job, one successful channel that remains timeless is a network.

A lot of times, the best jobs people get are through their friends.

The Bureau of Labor Statistics estimates that 85 percent of career opportunities go unadvertised, meaning that networking gives both job seekers and recruiters a significant advantage. Whether your network is a group of friends and former colleagues, alumni or people you’ve connected with on Facebook, LinkedIn or Twitter, it provides a means to engage and inquire about opportunities even if they aren’t advertised.

Since networks have become invaluable for sourcing candidates, expanding a company’s network would increase the number of prospects.

So how do we do this with only a limited number of recruiters?

Employees.

By involving employees, a company cannot only increase the number of candidates in the pipeline, but also the referral rate. Referral hires are widely known to stay longer on the job, perform better, and have greater job satisfaction as well as have shorter time-to-fill periods. Moreover, the Jobvite Index of aggregated hiring data reports that one referral applicant is hired for every ten applications received; and one general applicant is hired for every 100 received.
Growing Your Network

Companies who have a strong pipeline of referral candidates take a proactive approach to their employee referral programs. Motivated employees who reach out to their contacts become demi-recruiters, helping to expand the company’s network of talent.

“To rely on a small number of recruiters to do all the recruiting for your company whether you are a 200-person company or a 20,000-person company is foolish. It’s really wise to use the entire company and its network so that you can spread the word and get the net out that much farther. It is the most effective way to recruit, and as a result, Coupons.com has had better quality candidates in the pipeline sooner, leading to more qualified hires,” said Ken Purliss, director of staffing at Coupons.com.

Now, 52% of hires at Coupons.com come from referrals. Over half of employees referred at least one candidate in the past six months. If a company deputized all employees, the number of connections, “recruiters” and referral hires would increase.

It’s not just your employees; it’s your employee’s friends and their friends’ networks – it’s everything.

Let’s say a company has 500 employees and each one has only 200 contacts in social networks or even in email address books. Now a company who engages its employees in referrals has a reach of 100,000 contacts. If one percent of those contacts apply for an open position, the company would have 1,000 referral applicants in the pipeline. And most employees have much larger contact networks – creating an even larger reach.

Referrals Reduce Costs

A highly effective employee referral program is well worth the effort as it consistently has a very high return on investment. According to the 2006 DirectEmployers Association Recruiting Trends Survey, employee referrals ranked number one in satisfaction with the ROI of sources at 82%, above company’s career site (58%) and niche job boards (58%). Even if a company pays cash rewards for hired referrals, the new employee will have cost less to acquire than a candidate hired through any other method.

The purpose of this eBook is to detail several tactics that any company can use to engage employees and encourage all types of referrals, driving more qualified hires.
CHAPTER 1: Building a Corporate Culture of Referral

Why Employees Refer

The problem many companies run into is how to motivate employees to refer. People provide referrals when they are happy with their company and want to help it be successful; they will feel a sense of responsibility about making quality referrals. The first step is to ask: What about this company makes employees happy? Are they proud of what they do? Do they share company news and want to learn more?

“Friends of our employees are more likely to have the same characteristics our employees do — hard-working, smart — so they’ve gone through a natural filter,” says Ed Scanlan, CEO of Total Attorneys.

Total Attorneys increased its referral rate to 67 percent over the course of six months.

“When you give people tools to be transparent about the company, they can contribute to the conversation about your brand. It’s great when your employees think highly enough of the company that they want to talk about it and want to invite people to work here,” says Scanlan.

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Ed Scanlan
CEO
Total Attorneys
Educating Employees about Job Openings

Boosting employee referrals does not have to be an arduous process, even though you want it to be a continual one.

Start simple and use your existing resources. Corporate blogs, internal emails, newsletters, and training programs are all great places to begin motivating employees to “always be recruiting.”

To establish the referral habit, many companies start educating employees during the first days on the job. For example, Yelp uses new hire training to educate employees about its referral program emphasizing that each individual plays an important role in that process.

The engagement and enthusiasm of current employees is prominently featured on the corporate career site and blog. The company assembles employee profiles and snapshots, highlighting various Yelpers, their jobs and how working at Yelp has enabled them to develop professionally. Reading first-person commentary from happy employees is a strong draw for visitors to the Yelp site. Yelp’s blog contributes twelve percent of the traffic directed to the career site, a relatively high percentage.

Employee engagement is clearly paying off as more than 50 percent of all Yelp hires are referral hires.

Preaching to the Choir: Proactive Referrals

Employees are your employment brand ambassadors.

If they like their jobs, they will want to help supply the company with qualified people or help out a friend with his or her job search. Whatever reason an employee chooses to refer, one key point is to make sure that employees are informed about available positions.

Be proactive and target your employees for referrals, especially new hires or those who came from companies who have employees with relevant skill sets. Ask employees to think of former colleagues, alumni, mentees or people they might have met at professional events.
Inform Your Audience

Don’t be afraid to communicate with employees about hiring priorities through different media. Consider sending internal emails and newsletters, a quick Facebook message or a Tweet. You can also notify employees through Yammer or other corporate network. By integrating information about recruiting and referrals in the work environment, employees will soon become familiar with the referral process.

Whether your internal emails are sent every week or twice a month make sure to provide content that’s interesting and relevant to employees. Update on recruiting information, HR news, highlight top referrers and include information about bonuses and incentives. You do not want to send the same, boring boilerplate content that will be ignored or deleted.

TiVo sends a separate recruiting email update twice a month to all employees, providing updates and interesting articles and incentives. Each email includes a specific, personalized message. TiVo often has a story or anecdote about a referral, highlights top referrers and key positions that need to be filled, as well as information on bonuses and prizes.

Once employees are informed, make it very easy for them to promote job openings. Include tips or show examples on how to publish information to their social networks as well as best practices and recommendations on type of content and frequency.

“A strategic recruiting program is one that includes every employee. It takes a village to hire a candidate, and employees naturally become a part of the extended recruiting team.”

Rachel Williams
Recruiting Manager
Yelp, Inc.
CHAPTER 2: Expand Your Network

Social Recruiting to Boost Referral Numbers

Many companies see the value of using social recruiting to increase talent brand awareness and promote more employee referrals. About 89% of companies plan to hire through social media and 55% will invest more in social media this year (Jobvite Social Recruiting Survey 2011).

Total Attorneys has successfully discovered excellent candidates and hired new employees through social referrals on Facebook and Twitter, leading to an increased referral rate. More than half of Total Attorneys’ hires come through employee referrals.

“Social recruiting has enabled us to hire strong, new employees who we would never have connected with via traditional recruiting channels – and we are now leveraging social channels at a fraction of the cost of traditional methods,” said Sarah Widner, talent manager at Total Attorneys.

Jobs Found through Connections

- STRONG: 16.7%
- MODERATE: 55.6%
- WEAK: 27.8%
Social Graphs and Weak Ties

Social networks existed long before the Internet, dating back centuries. Anytime you have a connection with someone whether it's online or in-person, that's a network.

American Sociologist Mark Granovetter analyzed personal social networks coupled with career success in 1973. He found that 27.8% of people found jobs through weak ties, 55.6% through moderate, and only 16.7% through close friends, thereby concluding that moderate to weak personal connections are directly related to career success.

One of the greatest values of modern social networks for referrals is that it helps people connect to and categorize their entire social graph online. The capacity to help and connect with weaker ties increases. According to Pew Internet, 65 percent of online adults use social networks and out of all daily activities, only email and search engines are used more than social. Facebook also reports that the average person is connected to 130 people and 80 company profiles. In other words, Americans are very active on social media.

With this reach, there’s a strong possibility that more like-minded candidates will apply. Encourage employees to post jobs to the social networks in which they are most active, even if it’s a job that is wholly unrelated to their profession.

For example, someone in marketing may have recently connected to an out-of-work engineer who could be perfect for a position at the company. Or perhaps that same engineer will see the post and forward it to other friends who may be interested. This type of viral sharing among weak and moderate connections can significantly help increase the number of referral candidates in the pipeline.

Are Job Seekers Online?

In short, yes. A recent survey of over 2000 adults (Job Seeker Nation 2010) showed that 53 percent of employed Americans are open to a new job. Of these proactive job seekers, 77% use Facebook, 36% use Twitter and 34% use LinkedIn. With the majority of adults on social networks daily, recruiters have the opportunity to connect with job seekers on their preferred medium.

With employees connected to potentially hundreds of contacts online, the use social media can facilitate referrals for companies. Employees can broadcast jobs through a status update or send direct messages to targeted candidates on Facebook, LinkedIn and Twitter.
CHAPTER 3: Customize It!

Translate Your Brand to Your Recruiting Strategy

Develop your recruiting voice and customize your content to attract the types of candidates that are right for your company. Don’t expect your employees to refer candidates if the jobs offered are monotonous or seem so as a result of a dry and dull job requisition.

By adding a personalized touch to your job descriptions, employees and candidates alike will have a better idea of what is required of the ideal applicant. For example, Meetup uses a clear but conversational tone to engage visitors. The tone is also conducive to the corporate culture and provides insight into what the goals and objectives are of this role.

Meetup is hiring!

Meetup, the best start-up to work for in NYC, is growing, and we’re looking for superstar talent to come join the team.

Community Specialists

Meetup changes lives everyday. Our Community Team serves over 6 million Members and Organizers from around the world. We’re in search of Community Superstars to join our team and further our mission: to spark a successful Meetup Everywhere about Meet Everything.

The Community Team is here to support organizers and members in changing the world. We are active on Meetup’s message boards, respond to emails and phone calls from our Members, write articles for our blog, and greet new Organizers. We’re passionate about what we do because we know we are making a real impact on the communities we support.

Would you describe yourself as a strong communicator, web-savvy, a fast-learner and able to blend in and master a community platform with enthusiasm? If that’s you, then keep reading!

Are you often considered:
- A Jekyll & all Trades. You can moderate a message board, identify a bug on the site and laugh at bad jokes with sincerity.
- Self-driven. You have excellent organizational skills, integrity and great follow through on tasks. You don’t get overwhelmed easily - thousands of Member and Organizer emails each month? No biggie!
- Naturally curious. You’re a natural innovator, and always looking for ways to make things better.

Learn more about us
Meet the team:
Read the Meetup HQ blog
Meetups in the News
Check us out on...

Current Openings
Data Operations Engineer
Senior Sys Admin
Software Engineers
UI Engineers
Product Managers
Community Specialists
Sponsorship Development
Customize Employee Content

Getting employees involved in the recruiting process can be as simple as asking them to contribute to the blog. Encourage teams and individuals to create videos to post to the career site or blog. This way when employees refer candidates, they can also provide a clear, visual piece about what it’s like to work at the company. Use your corporate blog to showcase these videos or write posts on the culture and even your referral system.

Tailoring your content to fit both corporate culture and employee attitude will help career site visitors understand your company and interact with your employment brand. Zappos employees created a “Family Music Video” to display the fun and quirky environment the company prefers and as a great way to involve employees and get them thinking about people with whom they would like to work. Additionally, it gives employees an outlet for discussion and something to share with their family, friends, contacts and other people who could be searching for a job.

Zapponians In Their Very Own Music Video? Yes!

*What Are We All About? Check Out Our Music Video And See...*

"A music video? I thought Zappos.com sold stuff!" Indeed we do... But we are so much more than that! The Zappos Family has a fun and creative environment where living by our Core Values is the name of the game. You love spreadsheets? Coding is your life? You live to shop and get to partner with our vendors every day? You deliver the "WOW" to our customers on the phones? Well, in addition to all of that, you might just find yourself singing karaoke, leading an attack in a nerf gun war, competing in an oreo cookie eating contest, parading around as a pirate, or throwing a cream pie in our CEO's face. And maybe, just maybe, you will star in a music video!

Check it out. You've really got to see us to believe us! Are we the right kind of environment for you? Ok, some may say we are a little fun and weird, but hey, it's a core value!
Develop Referral Campaigns for Employees

According to the Corporate Leadership Council, candidates consider current employees as the most trusted source of information about organizations. Engage your employees by keeping content fresh and interesting. Offer incentive programs such as bonuses, luncheons, gift cards, tickets to events, contests, etc.

Also encourage employees to tweet and post on Facebook about interesting (but non-confidential) projects, relevant industry news or company recreational activities. Make it easy for them to do so by providing examples or snippets of what content is appropriate to publish.

Make it easy for them to do so by providing examples or snippets of what content is appropriate to publish. You can even highlight employees who have done a great job of promoting or communicating with people about available positions or employment and corporate culture questions.

Consider refresher courses on how to refer and how to interact with potential candidates. Be specific, but not too wordy. You don’t want your employees to read a lengthy report on the importance of referrals.

 Keep the information brief and to the point. These should be actionable and effective rather than time-consuming. This content can live in your employee intranet in the Human Resources section for people to reference at any time.
CHAPTER 4: Tell Your Story

Develop a Story Inventory

People understand stories. This is because a story is relatable and provides the reader with emotional information – a means for them to connect with the characters involved. In marketing, the more advertorial the content is, the more likely it will be ignored.

By connecting employees to a company story or referral success stories, you are providing them with valuable information about the company as well as points of pride. Create a company story to which employees can relate.

Tap your corporate history to show how the company was formed and developed over the years. Reach out to senior executives and top performers to help promote referrals and to tell their stories.

You can create a schedule of emails to send to employees over time with these stories or post them on your intranet. You can also create a Wiki or an internal bulletin of top referrers and their stories. Developing an anecdote or a pathway of how a referral came to fruition will help employees visualize and understand how easy it is to refer. These stories will also serve as a form of best practices and guidelines for employees to reference.

“Reach out to senior executives and top performers to help promote referrals and to tell their stories.”
Keep Stories Interesting and Relatable

TiVo also has a similar method of connecting to employees on a more personal level. In addition to enabling employees to share jobs through social networks, TiVo sends reminders about referrals. These reminders are often sent in an anecdotal form, informing employees about referrals as well as offering ideas of what types of people to refer.

Think of emails with interesting calls to action, such as “Getting the band back together?” This concept not only helps employees think of their contacts, but also informs them of the dual reward: monetary bonus and working with someone who they would want to work with again. It also provides the employee, who referred a new hire, recognition for his or her part in helping the company grow.
CHAPTER 5: Reward Your Heroes

Highlight Top Referrers and Promote Incentives

However you choose to endorse your employee referral program, make sure to thank your top referrers for their effort and remind employees about rewards and bonuses. Recognition is a great motivator and also makes the employee feel valued for their contribution to the hiring effort.

Make the Little Things Count

Use bulletin boards, internal emails, contests, announcements or any other resource to promote success stories. Send personalized thank you notes from executives to all employees who refer candidates. Even if the applicant wasn’t hired, employees will appreciate and remember the recognition, and it will help encourage more referrals.

For employees who referred new hires, you can host luncheons or special events or give them token prizes like coffee mugs or t-shirts. If you do give monetary bonuses for referral hires, then be sure to pay on time and in full so that employees can see the benefits immediately. The goal is to build enough excitement around referrals that employees are motivated and communicative.

In the Jobvite Social Recruiting Survey 2011, 69% of respondents said their companies compensated employees for referrals and 84% of those with increased hiring do so.

Coupons.com offers employees a hefty sum for referral candidates who are hired. In addition to a monetary reward, every six months, the company holds a raffle drawing for an iPad2 for all employees who referred a candidate who reached the phone screen stage, regardless of whether or not that applicant was hired.

**INCENTIVE IDEAS**

- Extra day off work
- Cash bonuses
- Personalized coffee mugs, t-shirts or other schwag
- Gift cards to local establishments
- Internal email recognition
- Special parking space
- Tickets to sporting events
- Referral champion placards
- Raffle drawings for prizes (iPad, Kindle, etc.)
- Weekend away for two
- Special luncheons
Help New Employees Get Acquainted
Welcome and introduce new hires to other teams and remind employees about the referral process. A simple, “Today is Jon’s first day. He was referred by Nick in marketing” will help employees associate new employees with referrals.

You can also ask the new hire to refer other candidates for the same or other teams. Help them get set up with the referral program and encourage them to broadcast a few jobs on their social networks.

Appreciate All Your Employees
In addition to recognizing referrers, it pays off in the long run to give small shout-outs to employees who have been at the company for a while. Employee spotlights and monthly thank yous to employees with lengthy tenures go a long way.

People will respond positively if you integrate recognition with employee referrals and other HR initiatives. Think of it as an additional birthday cake for employees at the one-year, three-year, five-year, etc. anniversary.

“Often the question comes up, ‘Who is really responsible for recruiting?’ The reality is everyone participates.”

Mason Wong
Global Staffing Manager
Model N
CONCLUSION

Measure Your Success

For all your recruiting initiatives, measuring success is the only way to ensure which practices are working in your favor and to improve your bottom line. By pulling analytics reports on internal emails or measuring the number of referral candidates received after a recruiting contest will help gain perspective on how to continually improve your recruiting efforts and promote employee referrals.

Source your data and track from where your best candidates and hires are coming. If you have a few employees who refer awesome candidates, consider recruiting them to help promote the referral strategy. Ask them for tips on how to refer or offer extra incentives for them to encourage their peers to refer.

By advocating employee referrals, you automatically expand your contacts. Now see how these contacts find you and what is their preferred method of contact. Ask: Where are people seeing posts? What networks have captured the most applicants? Where are employees meeting these quality referrals? Look at the numbers and always be recruiting.

Referrals Don’t Stop with Employees

Remember that social media referrals are also a great source of high quality candidates. Develop a social media recruiting strategy that will make it easy for employees to post jobs to their LinkedIn, Facebook and Twitter profiles. Reach out to fans and interested job seekers through a recruiting Facebook page and Twitter handle.

About 70% of job seekers say that positive comments from fans or followers on a company’s social media site would make them more likely to apply; and 57% expect a company to interact with fans and followers. Be available to candidates who have questions, and make it easy for them to interact with your employment brand.
ABOUT JOBVITE

Jobvite is the only recruiting platform that delivers real-time recruiting intelligence with innovative technology for the evolving social web. Leading, fast-growing companies today use Jobvite’s social recruiting, sourcing and talent acquisition solutions to target the right talent and build the best teams.

Jobvite is a complete, modular Software-as-a-Service (SaaS) platform which can optimize the speed, cost-effectiveness and ease of recruiting for any company. To find out more, take a product tour.

Jobvite Hire is a practical, intuitive web-based platform that helps you effectively manage every stage of hiring. It’s the only social recruiting and applicant tracking solution that makes it easy for everyone to work together on hiring. With Jobvite Hire, you can improve the speed and quality of talent acquisition, create a great candidate experience, increase referral and social network hires – all while using fewer resources.

Jobvite Source, is an easy-to-use web-based application that can help you achieve your recruitment sourcing goals today. It’s the only social sourcing and candidate relationship management application that helps you target relevant talent through employee referrals, social networks and the web – then build and engage your talent pool. Jobvite Source is one intuitive platform to manage all sourcing programs and see the results.

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