

EMPLOYEE REFERRAL PROGRAM

Consider these steps when setting up an effective employee referral program:

1. **Define Your Goals:** Are you trying to fill specific roles? Improve the diversity of your applicant pool? Understanding your hiring needs will help you structure your program more effectively.
2. **Identify Incentives:** Monetary incentives are common, but they're not the only option. Other possibilities include extra vacation days, gift cards, company swag, or even just public recognition. Make sure whatever you choose is appealing enough to motivate your employees to participate (more on that below).
3. **Set Clear Program Rules:** Outline exactly how the program works, including who's eligible to participate, how referrals should be submitted, and what happens after a referral is made. Be sure to clarify the timeline for when incentives will be awarded (e.g., after the new hire has been with the company for a certain period).
4. **Create a Simple Referral Process:** Make the referral process as easy as possible to encourage participation. This could include creating a dedicated form or software tool, or even just an email template that employees can use.
5. **Communicate the Program:** Launch the program with an announcement that explains its purpose, how it works, and the benefits of participating. Regularly remind employees about the program and highlight successful referrals to keep it top of mind.
6. **Train Your Employees:** Ensure your employees understand the types of candidates you're looking for, and equip them with the right tools and language to describe your company and the open roles.
7. **Acknowledge Every Referral:** Even if a referral doesn't result in a hire, it's important to acknowledge the effort an employee made. This can encourage continued participation and ensure employees feel valued for their contributions.
8. **Review the Program Regularly:** Regularly analyze the program's success in terms of the quality of candidates you're receiving, the participation rate among employees, and the retention rate of hired referrals. Use this data to adjust your program as needed.

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9. Ensure Legal Compliance: Make sure your referral program follows all relevant local, state, and federal laws. For instance, it's important to ensure that the program doesn't result in discriminatory hiring practices.

10. Keep it Positive: An employee referral program should be a positive initiative, so make sure to avoid any practices that could create a negative atmosphere, such as blaming employees if their referrals don't work out.

11. Celebrate Successes: When a referral is hired, celebrate it. This not only rewards the referring employee but also shows the rest of your staff that the program works and is worthwhile.

By following these steps, you can create a robust employee referral program that encourages participation and helps you attract high-quality candidates.



Coming up with creative incentives is a central piece of your referral program. Consider the following ideas:

1. Extra Paid Time Off: Extra vacation days can be a very attractive incentive for many employees. Even an extra half-day off can be a compelling reward.

2. Dining or Entertainment Experiences: Reward employees with a nice dinner, concert tickets, or passes to an amusement park.

3. Professional Development Opportunities: Offer to cover the cost of a course or conference that the employee is interested in. This not only benefits the employee but can also enhance their skills, which benefits the company.

4. Work from Home Privileges: If your company is usually office-based, offering some work-from-home days could be a significant incentive for some employees.

5. Recognition in Company Communications: Public recognition can be a powerful incentive. Consider recognizing successful referrals in company newsletters, all-hands meetings, or on your company's internal website.



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6. **Charitable Donations:** Make a donation to a charity of the employee's choice. This can be particularly motivating for employees who are passionate about certain causes.

7. **Team Events:** If a particular team or department has a high rate of successful referrals, consider rewarding them with a team outing or special event.

8. **Health and Wellness Perks:** Reward your employees with a month's membership at a local gym, spa treatments, or premium health and wellness products.

9. **Travel Vouchers:** If your budget allows, a travel voucher for a weekend getaway can be an exciting reward.

10. **Flexible Work Hours:** Offering flexibility in work hours can be a big motivator. This can particularly appeal to employees who have children, pets, or other responsibilities that can make a traditional 9-5 schedule challenging.

11. **Premium Parking Spot:** If your company has a parking lot, a premium parking spot for a month can be a fun and cost-effective reward.

12. **Unique Experiences:** Depending on your budget, you could offer once-in-a-lifetime experiences like hot air balloon rides, cooking classes with a professional chef, or driving a race car.

Remember, the best incentives will depend on your employees and what they value. It's a good idea to ask your employees to understand what rewards would motivate them most.