



TenStep Supplemental Paper

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Getting Bunnies Without Carrots

Organizations can run successful employee referral programs without having to spend abnormal sums. However, the perception that good referrals cost big money is so deep-rooted that recruiters avoid operating referral programs unless they have sufficient funds. As seen in part one of this mailer series, great referrals are not always a result of expensive advertising campaigns and generous bonuses.

Organizations can get good names off their employees even without promising any monetary rewards and bonuses. Here we consider some approaches to great referrals.

The low-cost options

Organizations can adopt the following tried and tested low-cost approaches.

Time off

The promise of a vacation is a powerful motivator. Giving an employee a day off for a successful hire on a key position is an inexpensive way to encourage good referrals. Managements can even give their employees a day off after two or three successful referrals.

Sweepstake

A cheaper option to expensive individual bonuses is to run periodic drawings or raffles. Organizations can offer quarterly raffles for a trip abroad or another attractive prize. Besides reducing overall costs, a recent survey revealed that such drawings create much excitement and yield good referrals. However, the prize should be sufficiently attractive and all employees should be aware of the contest.

Inexpensive gifts

In organizations where people are happy to work, the management can substitute large cash rewards with inexpensive gifts. Acknowledging employee contribution is a great motivator. This could be in the form of free movie tickets for the family, gift vouchers, free dinners or even a free parking space.

Honor dinners

Organizing dinners during the year to celebrate employee contribution is another effective and inexpensive option. However, the CEO and senior executives must take time off to personally thank employees who have successfully referred during these dinners. CEOs can also host luncheons in the conference room for those who have referred successfully. Organizations that can afford to spend can extend the invitations to spouses and families as well.

No -cost options

Experts recommend the following approaches for good referrals.



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On boarding opportunities

Orientation is a good time to inform new hires that the organization has a "recruiting culture" and "everyone is expected to be a recruiter". To demonstrate the management's commitment to their referral program ask new hires to provide names of top people from their previous work places.

Recognizing contribution

Recognizing individual contribution is a no-cost method that can be as motivating as offering monetary rewards. For organizations that issue regular newsletters, publishing the names of successful referrers is a strong motivator. Another option is to write a short profile of the referrer along with some referral tips and approaches.

The list of successful referrers along with their profile can be displayed on notice boards or the intranet. However, organizations must update their websites regularly. Another way to recognize individual contribution is for CEOs or senior managers to directly call and thank those who make critical referrals. In addition, the CEO can announce names of top referrers during "all hands" meetings.

Reminders

Employees who regularly attend professional meetings, seminars and conferences should be instructed to bring back at least three names of top people they meet at any event. Those in charge of the travel function too should include a written statement in their communications requesting employees to generate names of key individuals they meet.

Additionally, periodic e-mail reminders can be issued to employees who regularly interact with outsiders. "When asked directly, most employees will provide names without expecting a direct reward," says a leading recruiting expert.

Another effective way of initiating employees to provide referrals is to give them a theme or a slogan. These slogans are similar to the ones used in advertising and marketing. Besides reminding employees of the reason for referring, they also keep them enthused about the program.

Ask the right people

Most senior managers share good rapport with recruiting professionals and vendors. A senior executive can ask an executive search professional who works for the organization to provide names of individuals who do not qualify for their executive database. Vendors too can be asked to provide names of top candidates who "go around" the recruiting circle.

Organizations that run formal mentor programs can ask individuals who guide others to recommend mentees. As mentees have higher retention and success rates, hiring them into key positions reduces hiring risks.

For college hires, an excellent referral source is get interns to act as talent scouts. These interns should be instructed to attend college festivals, club meetings and identify and provide names of best people on campus.



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Manager contribution

Since most managers fail to see the impact of successful referrals on the bottom line they are seldom enthused about improving the quality of their referral programs. The management can build a business case for referrals by asking the accounts department to develop statistics to demonstrate the positive impact that a high referral rate has on a department's ability to meet organizational goals.

Linking bonuses to 'referral' efforts can also encourage line manager participation. Another effective way is to set targets. A manager is more eager to participate when he knows he has a certain referral quota or target to meet.

In addition to these tried and tested methods, organizations can devise their own low-cost, no-cost approaches to good referrals. As mentioned earlier, neither huge financial support nor the promise of generous bonuses is required to get employees to provide good names. A successful employee referral program can be run in the absence of deep pockets too!