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IN-HOUSE REFFERAL  
PROGRAM

# Building Savvy

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# In-House Referral Program – **The Best Way To Find Talent For Your Team**

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## Do you have an in-house referral program? Do you want one?

As a business leader, you want a cohesive team that gets along and produces results. What better way to do that than incentivize your current staff to help you bring new talent into your organization? Talent that your current staff know and trust.

In a nutshell, an in-house referral program is exactly that – a program that provides some kind of incentive to a staff member for assisting in recruiting another member to your team. One of the major benefits of a referral program is that your team members already have access to a potential candidate pool through their existing connections, so you don't have to go hunting for them in the marketplace. The hard work is done for you!

How exactly do you go about building an in-house referral program? Like any building project, you start from the ground up.

### The Blueprints

Your first step is preparing your company for effective recruitment. Ask yourself:

How much are we currently spending on recruitment?

How efficient and effective has our hiring been?

If you are spending a ton of money on recruitment efforts that aren't generating results, it is time to try a new strategy.

What do we need, staffing-wise, in the next 12-24 months?

If you only need to hire for one key position, maybe now isn't the time to implement this initiative. On the other hand, if you are growing like crazy and consistently finding yourself short-staffed in certain departments, a referral program might be long overdue.

### Site Preparation

Once you have established you are going to move forward with a referral program, you need to figure out what kind of incentive you will offer. Most companies provide a monetary reward for assisting with recruitment. That said, money is not a motivator for everyone and may not be the right answer.

Ask your team what kind of incentive they would be interested in. What sort of "perk" might motivate someone to help the company

add to the team? Are you staff members interested in a cash reward? A day of vacation time? Maybe having the company sponsor an activity or outing?

### Laying the Foundation, Framing and Installation

Once you have decided on the incentive you are offering, it's time to put an actual plan in place. Keep it simple and easy to understand. Clearly outline the program in writing and distribute it to your team.

*Example:* If you help the company successfully identify and hire a candidate, we will pay you a \$5,000 bonus, with \$2,500 paid after 30 days of employment and the remaining \$2,500 after six months.

You will likely also want to provide some basic communication about the positions you are recruiting for and some tools on how to have a conversation with someone about the company (tagline, website or other resources are helpful).

*Tip:* Post the incentive information in the company break room or in company newsletter, etc. so your staff keeps the program top of mind. Remind your team about the program. A LOT.

### Finalize the Project and Move In!

In order for your program to be successful, you need to demonstrate that it is in place and that it is effective. This means making a big to-do to showcase that you are handing out incentives. (A.k.a. "practice what you preach.") Present a check publicly at your next staff meeting or holiday party. Feature the employee in a poster or newsletter or email. Showcase the successful recruitment story. And keep it up!

### Construction Defects

We don't always get it right the first time. If at first you don't succeed, give it a little time. If you are still finding the program is not generating results (your staff is not participating), revisit the program and talk to your staff. Why aren't they referring candidates? What can be adjusted to make the program a success?

If all else fails, consult a hiring professional. (I might know one...) ▼



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