

Hiring is Slow – Now’s the Time to Enhance Your Employee Referral Program

By Simon Parkin

How successful is your Employee Referral Program (ERP)?

1. What percentage of your total number of Top Talent hires come from your program?
2. How are you driving your Top Talent to refer other Top Talent candidates to your organization?
3. How do we continue to motivate and drive Top Talent within our organization to refer and recommend Top Talent from other organizations?

These are all questions we need to continue to ask ourselves if we want our ERP to continue to provide new Top Talent to our organization. If top performing talent is our goal and an effective ERP should be measured on the programs ability to source new Top Talent to our organization.

These days, most organizations are hiring only a fraction of the new talent they were hiring a year ago. The Recruitment function has become even more critical to an organization’s success, as this new talent will be leveraged and depended on even more to produce more within a shorter time frame. A successful Employee Referral Program can not only produce better new talent for an organization, but will also significantly reduce your overall recruitment budget – thereby saving your organization valuable money at a time when it is needed most.

We all have heard that an effective Employee Referral Program can be the most efficient and lucrative talent sourcing pipeline for organizations. In my experience, I have seen more ERPs fail than be successful. But how do we define success when it comes to ERPs?

Most organizations spend a lot of time and money on launching their programs with great pomp and ceremony only to have the marketing of the program dwindle after the first few weeks and months and the program quickly becomes forgotten by their employees. Other organizations will continue to push the program to all of their employees increasing the resume flow of warm bodies and good talent coming through this sourcing pipeline. But isn’t our main goal as Recruiters to source great talent? What separates a great Recruiter from a good Recruiter is simply the ability to recruit great hires versus good hires.

To enhance our ERPs we need to acknowledge a couple of key principles which I continue to observe within our industry:

1. Top Talent will refer other Top Talent.
2. New Hires have access to a Top Talent pool of candidates from their previous organization.

As Recruiters we need to increase our focus on these two principles. We need to become more aggressive when it comes to our ERPs and sourcing Top Talent within the talent marketplace.

If Top Talent within our organization will refer other Top Talent then we should be sitting down with our Top Talent on a regular basis and solicit them to be Recruitment Champions within the external talent marketplace. They likely have access to talent pools they aren't even aware of. Not only is their current networks of friends and acquaintances a potential goldmine of talent, but they are hopefully active in growing and building onto these networks via associations or even external training seminars. We need to be coaching them to think like Recruiters and to always be on the lookout for new Top Talent throughout their daily activities.

New Hires are also a great source of Top Talent. Think of the information they have the ability to provide to us including the Top Talent details from their previous employer(s) as well as access to a new network of potential referrals. New Hires should have a great relationship with Recruiters who have helped nurture them throughout the hiring process. There is a bond New Hires feel with Recruiters and we can capitalize on this bond to further our Top Talent agenda. Don't be afraid to sit down with New Hires within their first few weeks on the job and solicit names and warm leads of referrals. New Hires will also be able to provide referrals of past colleagues across a number of different job streams so if the New Hire is a Marketing Manager, don't limit your questions to other marketing related positions – chances are great they have access to contacts outside of marketing including sales, finance, etc.

Referrals are just the beginning. It is still up to us as great Recruiters to effectively utilize these referrals and place them into our pipelines of potential Top Talent. Even if our Top Talent or New Hires have provided us with just a list of names, great Recruiters are able to initiate, build and maintain a relationship with these new candidates until the right opportunity becomes available. Stay tuned for a future article on “Building Proactive Talent Pipelines”.

And don't just limit referrals from your own employee base, successful headhunters also use candidates for referrals to grow their pipelines. There are numerous ways to leverage your Employee Referral Program into an even better Top Talent sourcing pipeline. Now is the time to take advantage of the supply of Top Talent actively seeking new opportunities. Now is the time to invest a little more into your ERP allowing you to reduce your overall Recruitment costs while increasing your Quality of Hire. Now is the time to show why effective Recruitment is critical to your organization's success.

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