

GET GREAT TALENT FASTER WITH EMPLOYEE REFERRALS

Six Steps to Attract Future Employees

The Power Of Referrals

Securing referrals from your employees is a powerful way to source great future talent. It's common sense right? With the right strategy and smart execution, employee referrals create a cost effective, efficient and reliable pipeline of fantastic future talent.

With unemployment low in many parts of the world competition for the best talent is tough, so word of mouth endorsement and sharing may just be your most important recruitment tool.

Studies show harnessing the network of your existing employees and alumni, and then using word of mouth, significantly improves your recruitment effectiveness – candidates that come to you this way have a conversion rate to hire of 40% compared to only 7% from job boards¹. But that's not all:

TRUST

83% of people trust referrals from those they know².

FASTER

Referrals are hired in **29 days** compared to 39 for job boards and 55 for career sites³.

RETENTION

Referred employees stay longer. **46%** are still employed after one year compared with just **22%** from job boards³.

Despite these compelling statistics only 7%¹ of applications come from referrals. This makes employee referrals a fantastic and untapped opportunity to grab the best talent in a competitive market.

So, if you are already thinking seriously about putting in place an employee referral scheme (or improving what you have), you're on the right path to success and securing the best talent in the market. Not to mention improving your employee retention.

But traditional approaches to referral schemes are not as effective as they can be, are time consuming, technology is advancing and employee expectations are changing, so your approach needs to adapt.

Time For A New Approach

People in the U.S. are exposed to well over 5000 messages every day, so the challenge of standing out has never been tougher.

Grabbing the attention of potential employees is tougher than ever. Various sources estimate that U.S. consumers are exposed to well over 5,000 messages from organisations every day⁴ so how do you stand out from the crowd and secure real engagement? If you rely on promoting open roles alongside your competition on websites, job ads and boards, even your own digital channels, things are only going to get tougher.

And more worrying if you are embarking on a concerted push for referrals - 83% of people are willing to refer but only 29% do so⁵. Presumably because they aren't asked, it's too difficult to do or the incentive is not strong enough to overcome their inertia and act.

The facts are inescapable. We can see that referrals secure the best candidates, so committing to a well-executed strategy makes sense, but taking a traditional approach won't work.

It's time to design referral campaigns that engage with our employees and motivate them to act and work for us. Programmes that stand out from the crowd, drive deeper connections, are personalised but easy to create and manage, and crucially, deliver a long-term pipeline of qualified candidates that are also already well aligned with our employer brand.

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The Good News...

It's not all doom and gloom. You are just six steps away from creating a referral strategy that your employees and candidates will love – one you can set up and manage quickly and easily, and which delivers dramatically better results.

If you're ready to take your referrals to a new level, read on.

Six Steps To Employee Referrals That Deliver Great Candidates

1 RETHINK REFERRALS GO BEYOND CASH

Non-cash incentives are 24% more effective at boosting performance than cash incentives⁶.

Convincing an employee to refer a friend or family member needs more than just cash or candidate bounties. They need to feel a personal connection or pride in the organisation. So, the investments you make in building and maintaining your employer brand are key to building alignment and a desire to act as an advocate for the organisation.

Then they need to believe that recommending the organisation or a role reflects well on them with their friend **and** their employer.

Finally, they want a reward for their effort that means something to them. That means offering emotionally valuable rewards as well as cash or vouchers – thanks, status, special treatment or exclusivity, and social recognition for example.

2 BE RELEVANT ADD VARIETY & SELF SERVICE

More than 50% of people are likely to give a referral if offered a meaningful reward, direct incentive, social recognition or access to an exclusive loyalty programme⁷.

As the saying goes, you can't please all the people all of the time, and certainly if you offer everyone the same reward for every referral. The big mistake here is to think first about keeping it simple – the logic being that one reward for everyone is easier to manage. That might make it easy for you, but it won't make for a highly successful programme.

Every employee is different, with individual drivers and triggers, so don't expect a one size fits all referral scheme to fit any better than a one size fits all shoe. Clearly, it is impossible to offer an infinite selection of rewards but allowing people to self-select rewards from even a limited choice of cash plus other options immediately increases perceived value and motivation to refer.

3 DO MORE THAN PROMOTE JOBS SHARE YOUR EMPLOYER BRAND

Enriching the journey to application has a transformative effect, not just on securing candidates, but on longer term loyalty, fit and onward referral.

People know organisations are selling when recruiting. That they're looking to fill open roles as quickly as possible but in a competitive job market the best candidates are discerning.

That is why new approaches that take a subtler approach, one where you enable discovery about roles, and the employer brand, rather than a hard sell, are gaining so much traction. The people behind these strategies understand that convincing someone to jump ship, and knowing they'll be a great fit for their organisation, is not a simple matter of well-crafted job roles, the salary and benefits. Even excellent interviews. The best candidates want to feel a connection with the organisation before they hand over their cv or attend an interview – they want to explore the mission, values and opportunity before they make direct contact.

Smart referral strategies are increasingly seeking to enable that journey of discovery, for instance offering rewards for learning more about the company and its products, or

consuming and sharing branded content on social media. Clearly the ultimate aim is still to secure the candidate's application and hire them but enriching the journey to application has a transformative effect, not just on securing candidates, but on longer term loyalty, fit and onward referral.

4 DEEPEN ENGAGEMENT ENTERTAIN. INFORM. GAMIFY

If it works so well why wouldn't you want at least an element of game science in your referral scheme?

Play and games have always been an important part of human culture. A game's ability to engage, make people want to learn, compete and share, is unrivalled. In recruitment, gamification and game science results in significant improvements in performance too.

So, the question is, why wouldn't you want at least an element of game science in your referral scheme? Especially as, with a little thought, it's so easy to do. It is simply a matter of taking the common features of games – from uncertainty of outcome, competition and prescribed goals to elements of chance and entertainment – and embedding this into some or all of your referral and rewards mechanics.

Rather than a simple voucher or cash bounty, using a spin wheel to reveal prizes increases interaction and interest. Stretch goals for top referrers are similarly effective, driving accelerated sharing in return for a sense of higher status or rare rewards. Meanwhile, techniques like leaderboards, with incremental rewards for the most active, can create a sense of community and competition that is pure gold for referral performance.

You can find out more about the benefits of game science [here](#).

5 MAKE SHARING SEAMLESS EASY WHATEVER THE CONTEXT

Anything more than a push of a button is asking too much. It's friction, and friction is the enemy of sharing.

Nothing kills a referral scheme more quickly than a clunky execution - especially on mobile. In some ways, this feels like the easy bit, but conversely, it is also the part that often goes wrong.

The wrong reward, poorly explained, or hard to redeem, and the programme is over before it's begun. Asking employees to stop what they're doing, create an email to a

former colleague when they stay in touch over WhatsApp or LinkedIn, or expecting them to log in to an HR portal to view the job role; in fact, anything that asks for much more than a quick push of a button, is asking too much. It's friction, and friction is the enemy of sharing.

So, yes, get the basics right. Trigger referral requests, reminders and rewards at the right time, and remove friction from the entire process, from sign-up and sharing to reward and recognition. Make sure your referrers can share easily over the channels of their choice (not yours) – email, social media, SMS - wherever, whenever and on whatever device they choose.

That alone can make the difference between success and failure in terms of sharing, but it's important to think about how the process makes people feel about the organisation, not just how what you do impacts referral execution. So integrate it with the wider employer brand experience – from tone and style to look and feel, make sure that what your referral candidates see is in line with your wider brand image, story and experience.

6 DIG INTO DATA OPTIMISE EVERY MICRO-CONVERSION

The entire journey from referral to application and hire, and then new referral, is a journey of micro-conversions.

So, you've put together a brilliant referral scheme, launched it and are waiting to see the applications fly in. High fives all round, right? Yes and no.

Sure, why not celebrate that you've recognised the power of referrals. But you need to quickly turn your attention to understanding what happened after the referral. Did it turn into hires? How fast? Strangely, investigating the ROI impact of referral schemes is where many organisations fail. They seem happy to just have one even if they don't really know how successful it is.

Looking at the data to understand if your scheme is working, and learning lessons for the future, is probably the single most important issue to fix. Look beyond just "Did we fill the roles we are advertising today?"

Remember, that your hiring journey is complex and individual - it's influenced by many factors like timing, understanding, alignment as well as information. In fact, the entire journey from referral to hire to new referral is a journey

of micro-conversions, all of which must be optimised (incentivised even) if you are going to create a virtuous circle of engagement, loyalty, advocacy and referral.

You may acquire the candidate thanks to your successful referral campaign but ask yourself what happened next and how effective was that? Were your referred candidates better quality? Is that candidate now happy and productive and ready to refer again? Are you incentivising your best source of good candidates well enough?





We're Here To Help

“

3radical will have you up and running with referral campaigns that deliver great candidates in just a few weeks.

”

David Eldridge, CEO 3radical.

OK, that might all sound a little daunting. Like you need to rip everything down and start again. Well you might need to change the way you think about referrals, it's true. But sooner or later, that's inevitable – the evidence of that is in the rising costs, diminishing returns and poor performance from traditional talent acquisition approaches.

But here's the thing. putting all this into practice doesn't have to be a huge undertaking. In fact, at 3radical, we've built a talent referral software platform called Radical Referrals that makes building, managing and measuring highly effective campaigns easy.

With the help of our software, and its built-in referral game mechanics and management tools, you could have a powerful campaign up and running in just a few weeks.

Sound good? Get in touch to find out more or to schedule a live demo here www.3radical.com/referafrienddemo.

About Radical Referrals

Radical Referrals is a software platform that makes it easy to create engaging refer-a-friend campaigns. It provides best-practice templates for generating peer referrals via websites, mobile apps and other digital marketing platforms. Recruiters decide their objective, target, reward and limits and use the software to do the rest. Powerful real-time reporting enables campaigns to be optimised and data can be integrated easily into existing HR technology. Radical Referral is available standalone or as an add-on to 3radical Voco – the engagement platform that enables organisations to connect with audiences with real-time, interactive digital experiences and games across multiple channels.

¹ Jobvite – Recruiter Nation 2017

² Nielsen - Global Trust in Advertising 2015

³ Jobvite

⁴ New York Times

⁵ Texas Tech University - today.ttu.edu/posts/2018/05/close-referral-gap

⁶ University of Chicago - The Benefits of Tangible Non-Monetary Incentives (2004)

⁷ Software Advice: Demand Generation Benchmark Report (2014)

Want to learn more about Radical Referrals?

Visit www.3radical.com/referafriend/ or [contact us](#) at:

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