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Employee Referral Programs

that Source Outstanding Hires

Referrals matter.

Referrals are, in many ways, [the Holy Grail of hiring](#). They are generally the cheapest way to hire. They are generally the fastest way to hire. And, most important of all, the people who are hired via referral tend to perform better and stay around longer than people hired via any other source.

Knowing all that, the obvious goal of most recruiting teams should be to get more referrals. The big question is how, without increasing headcount or dramatically re-arranging your recruiting team.

In this lookbook, we hope to answer that exact question by profiling seven companies who run top-of-the-line referral programs. We'll share not only the philosophy these companies have regarding their referral programs, but also some actionable techniques they use that you can implement tomorrow.

Our hope is that by learning from organizations who do it best, you'll be able to drastically improve your own referral program, which effectively turns your entire workforce into recruiters helping you bring in the absolute best talent.



Contents



Booking.com



Employee referrals are the single most important thing we do in recruiting. It is the number one single source of what a good hire looks like.



Steve Klingensmith
Recruiting Manager
at Booking.com





Bilingual speakers needed

Booking.com, the leading international site for reserving accommodations online, needed hundreds of bilingual customer service representatives who not only speak English - the company's official language - but also the language of the 221 countries and territories they serve.

Sourcing in this highly-skilled talent pool was tough, especially through traditional means; i.e., job boards, career fairs, etc. However, the company discovered that new hires often knew someone who's also bilingual.

Armed with this knowledge, Booking.com kicked their employee referral program into hyper drive. Today, it's their number one source of hire for customer service representatives. The referrals have fueled the companies' growth and expansions into new markets like South America and Eastern Europe.

RESULTS

41% of US-based customer service reps in 2015 were sourced via referral

12% Referred employees stay 12% longer and are 9% more engaged

QUICK HIT TACTICS

An insider look at their referral program

1 in 4

talent acquisition leaders consider employee referral programs to be an essential, long-lasting trend*.

* [Global Recruiting Trends 2016](#)

Change bonus payouts

The more in-demand the customer service position, the larger the referral bonus. If Booking.com needs dozens of Russian speakers fast, they'll double the referral bonus for Russian customer service reps.

Ask for referrals during the interview

Why wait for the first day? If someone looks like a strong candidate in the interview, the recruiter will ask them if they have a friend. If they do, the recruiter will interview that person as well.

Welcome referrals in every way

Booking.com's technology allows employees to share jobs via social media and get credit if someone clicks through. Employees can also give referrals via email or in-person.

Get creative

One time, the company needed more Portuguese-speaking customer service reps. One intrepid recruiting team bought Portuguese food for lunch one day and left their cards lying around and - viola! - more Portuguese-speaking referrals came in.

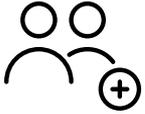


We increased the volume of referrals by more than one-third by jogging people's memories, just as marketers do.



Laszlo Bock
SVP of People Operations
at Google





Nudging employees to refer talent

In its early years, Google's biggest source of hire was referrals. At one point, referrals made up more than half of Google's hires. By 2009, the number of referrals dropped precipitously - a problem their recruiting team sought to fix.

First, the company tried raising the referral bonus - from \$2,000 to \$4,000. It didn't help. And while streamlining the referral program made Googlers happier, it didn't actually increase the number of referrals.

Ultimately, Google found the most effective method was "nudging" Googlers more to refer, by asking specific questions which compelled them into action.



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Ask specific questions

Rather than simply asking employees if they knew someone good for a role, Google recruiters asked specific questions such as, “Who’s the best finance person you’ve ever worked for?” or “Do you know a great salesperson in New York?” The forced recall led to many more referrals.

Sourcing jams

Google’s recruiters host “sourcing jams” where they’d meet with roughly 30 Googlers and go through their LinkedIn connections one by one, asking which connection make a good hire.

A more streamlined, transparent process

Google, formerly known for its notoriously slow hiring process, sped it up for referred candidates. All referred candidates hear from a Google recruiter within 48 hours and are subject to fewer interviews than non-referred candidates. Additionally, the referring Googler receives weekly updates from a recruiter on the status of their referral.

KEY TAKEAWAY

Why didn’t larger referral bonuses work for Google?

Unlike Booking.com who increases referral bonuses to strategically highlight hard-to-get positions, Google raised referral bonuses for all positions. Awareness might have spiked briefly, but cooled over time. When it’s a well thought out marketing technique, it works.



“

What I've learned in my career is that the secret to any referral program is just to keep reminding your employees about it, keep it top-of-mind for them.



Andrew Carges
VP of Talent Acquisition
at GoDaddy



Remind, remind, remind

When Andrew Carges started at GoDaddy in June 2014, he saw a growth opportunity in the referral program, particularly for corporate positions. Only about 17 percent of corporate positions were sourced via referral. Carges's goal was to raise the rate to 33 percent.

Interesting enough, his first move was to cut the referral bonus by two-thirds. He used the savings to buy software that would broadcast employer branding content and jobs to all of GoDaddy's employees, and encouraged them to share on social media.

As an incentive, any GoDaddy employee who shared frequently could earn a free T-shirt. His efforts of marketing the referral program worked. The rate of successful corporate referrals nearly doubled, reaching the goal of 33 percent of all hires.

RESULTS

40-60%

of customer service employees
sourced via referral

33%

of corporate employees
sourced via referral

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Lowering the referral bonus

Counter-intuitively, the first thing Carges did to increase referrals was lowering the referral bonus from \$3,000 for corporate employees to \$1,000. Instead, he used the money to invest in technology for marketing the referral program instead.

Turning referring into a game

Carges encouraged GoDaddy employees to share employer branding content and job postings, and tracked employee sharing.

Winners got a T-shirt

When employees frequently shared company content and jobs, GoDaddy rewarded their pride more than their wallets. Power referrers won "#socialrecruiter" t-shirts.



Change was easy

"I wish I could tell you some dramatic story where I had to persuade people to buy into this program," Carges said. "But, truthfully, it was unbelievable how much our employees wanted to help and be a part of it."

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for coder in self.network:  
    if coder.kicks_ass:  
        GoDaddy.recruiting_stack.append(coder)
```

Details about GoDaddy employee referrals can be found at x.co/gdrefer.

It's Go Time



GoDaddy tries creative ways to keep referral's top-of-mind within their workforce. To get more developers, they printed this code on a poster.

Just in case you don't know code, it says "If you know of a coder in your network who kicks ass, refer to GoDaddy Recruiting."



We, in short, enabled all our 900 employees to become talent scouts for our organization.



Kevin Freitas

Director of Human Resources at InMobi





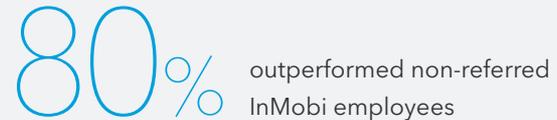
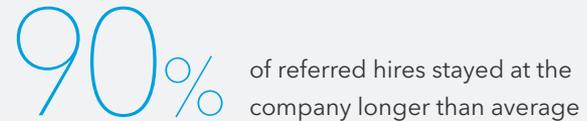
For referral bonuses, experiences trump cash

For InMobi Director of Human Resources Kevin Freitas, scarcity is the mother of innovation. Never was that more true than when his recruiting team - composed of just four people - had to meet the hiring needs of the 900-person company.

To keep up with the demand, Freitas focused on improving the company's referral program - effectively turning all 900 InMobi employees into "talent scouts."

In April 2015, he came across a study that suggested experiential bonuses motivate employees more than cash. He converted cash referral bonuses to experiences like paid vacations and gifts, and focused on marketing the program. It worked, number of successful referrals more than doubled and more importantly, his small team met the hiring needs of the business.

RESULTS



QUICK HIT TACTICS

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Experiences, not cash

The biggest change InMobi made to their referral program. In April 2015, InMobi stopped giving cash for referral bonuses, and started awarding prizes like iPhones and all-expense-paid vacations.

A major effort to market the program

InMobi's recruiters put a lot of thought into marketing the referral program without spending any money. They held "team huddles" for departments to explain the program and promoted referral bonus rewards as screensavers on large screens everywhere.

Make it easy to refer

InMobi employees can simply email resumes to "referrals@InMobi.com." Viable referrals are forwarded to the hiring manager.



To keep the referral program top-of-mind, InMobi parked this motorcycle at headquarters as a prize for successfully referring an engineering manager.

[Read more on the blog.](#)



pure®

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Our employees want to preserve our unique culture so they really think twice before referring a candidate.



Swati Goel-Patel
Director of Human Resources at PURE



A growing business means many referrals

It's hard enough to recruit amazing talent in a niche market, but it's even harder when you're competing with giant companies like Allstate, State Farm, and AIG.

In 2006, Privilege Underwriters Reciprocal Exchange (PURE) set out to change the high net worth insurance landscape with a member-centric focus. As the small business quickly grew, PURE needed exceptional talent to manage expansion. The individuals they hired quickly knew that they were going to be part of something innovative. In turn, they began referring and promoting PURE to their professional networks. Today, employee referrals continue to be the main source of quality hires.

As the employee base grew, referrals grew, and the Human Resources team realized they needed to put a process in place to both manage and reward employee referrals. The team implemented a referral bonus, ensured immediate outreach for referred candidates, and crafted an exceptional candidate experience. Swati and her team are brainstorming new ways to reward employee referrals including recognition events and company-wide shout-outs.

Referrals have evolved from a necessity to a natural inclination - the PURE workforce feels truly excited to refer candidates. Results show that company culture is thriving, new hire performance has strengthened, and retention rates are high.

RESULTS

40-60%

of new hires are from
employee referrals

91%

of referred hires since 2013
are still at the company

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Strike while the iron's hot

During the new hire "honeymoon period" (roughly the first 30 days), the recruiting team asks each new hire about their experience so far, and if they knew anyone who might also be a good fit at PURE.

Recruiting is everyone's job

PURE's CEO makes it clear that recruiting is a part of everyone's job, not just the HR Team.

Thank you bonus

Swati found that PURE employees don't refer to get monetary incentives. Employees put their reputation on the line to refer candidates; because they truly love the company. PURE structures their referral bonus as a way to recognize and reward those who have successfully referred great hires. New hire bonus is paid out 6 months post-hire.

Aid candidate recall

A referral program can only be successful if employees stay engaged. When employees aren't thinking of candidates to refer or specific position, they can draw a blank. PURE will use [LinkedIn Referrals](#) to suggest candidates to each employee based on his or her LinkedIn network. Swati believes this simple prompt will help jog the employee's memory and results in referrals of qualified candidates.



“

I really do think [LinkedIn Referrals](#) is going to be a game changer. So, far feedback from our talent team has been extremely positive.



“

Employees feel a great responsibility when they refer someone to the Zumba family. They want to make sure that the candidate they referred performs for Zumba, and also has a great time at work - a win-win.



Audrey Betancourt
VP People & Culture
at Zumba



A contagious culture worth talking about

Want to uncover the secret to Zumba's referral program? Come to their office after hours.

Instead of the normal stampede of workers heading out of the door, employees are enjoying drinks over live music, laughing it up with colleagues, and dancing with a Zumba lead choreographer at the company's regular happy hours. You'll also find employees breakin' it down in onsite Zumba classes.

The culture among the 210 Home Office employees is strong. People truly enjoy their jobs and working alongside their friends. Thanks to this strong culture, referrals happen organically. Employees rave about their jobs and Zumba's company culture, encouraging their friends to apply to work with Zumba.

So when Audrey Betancourt arrived at Zumba as the VP of People & Culture three and a half years ago, she knew she didn't have to sell anyone on the idea of making referrals. Instead, she focused on fine-tuning and streamlining operational aspects of the referral process, and expanding activities and events for employees.

So far, the results have been impressive, with eight percent of the company's home office employees coming in via referrals.

RESULTS

8%

of all Zumba's home office hires
are from employee referrals

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An insider look at their
referral program

The Department of Cultural Affairs, AKA The Department

Since culture is at the core of Zumba, there's a dedicated employee experience team who organizes those famous happy hours, host amazingly fun (and highly competitive!) field days - think Zumba Olympics with dancing, food and drink, celebrate employee milestones, give back to the local community, and plan holiday parties. Engaging activities keep employees happy; and happy employees will encourage candidates who fit the Zumba culture to come join the party.

Announce open jobs

Zumba shares all new job openings with employees so they can share and refer candidates. If employees know individuals who'd be a great culture fit but aren't a skill fit for open roles, the company keeps the potential candidates in mind for future opportunities.

Technology meet-ups

Strong technology talent is hard to find in South Florida where Zumba's headquartered. So the company hosts regular tech meetups a few times a year where employees invite local tech talent to meet Zumba's tech leaders, discuss current projects, and learn what it's like to work at the company.

Bonus based on quality of hire

To ensure employees are referring quality candidates, Zumba staggers their referral bonus. The first bonus payment occurs upon hiring. The second is issued after the candidate's been with the company for six months.

Employee referrals are the
#1 way
people first hear about
a new job opportunity*.

* [Global Job Seeker Trends 2015](#)





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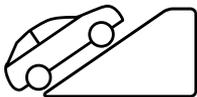
Referrals are culturally engrained within the business. Our directors send me many referrals every month.



Ashley Hever

Talent Acquisition
Manager UK & Ireland
at Enterprise Rent-A-Car





Starting from the bottom

Imagine you were asked to forgo your comfortable job and impressive title, to start from the bottom at a new organization as a management trainee. Scary, right? Think again.

With a historically strong “promote from within” culture, Enterprise Rent-A-Car has nearly all of its full-time employees start in the management training program, regardless of university degree or professional experience. By creating a successful employee referral program, the company overcame the stigma of typical trainee program, the career path for over 30 percent of all employees.

What’s the secret? Ashley Hever, Talent Acquisition Manager for the UK and Ireland, says it’s all about good communication, driving referrals from the top-down, and meticulous measurement. The CEO initiates more employee referrals than anyone else. The company tracks everything from start to finish - from referral email, to application, all the way to recruiter.

As a result, they’re able to keep recruiters and employees engaged in the program, and hire amazing talent.

RESULTS

Over

30%

of all hires are from employees referrals

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Let the games begin

Enterprise's talent acquisition team not only tracks which regions are referring the most candidates, they also rank the top regions. For hard to fill roles, referrals become a fun competition based on how the regions rank, how they compare to the company average, and referral bonuses won. There's a leaderboard showing the top ranking regions by percentage of referrals received and hired.

Encourage the entrepreneurial spirit

Based on the company's decentralized model, Ashley's team coaches regional talent acquisition teams on referral program guidelines. Regional teams are empowered to have the flexibility to customize competitions or increase bonuses.

Recognition

To keep employees engaged, Enterprise recognizes them for their referrals and resulting successful hires. When a referred candidate enters the interview stages, the employee gets recognized via emails from their general manager. When the referral gets hired, the company congratulates them on Twitter. Employees also get prizes and financial rewards.

Talent tales

Enterprise employees all have an interesting story. From the intern turned branch manager at Heathrow, to the trainee turned sales director, employee stories paint a picture of what success looks like at the company, one employee at a time.



“Referrals aren’t a money grabbing exercise - it’s a gain for the business.”

95%

of talent acquisition leaders describe referrals as an important part of their recruitment process*.

* LinkedIn 2015 survey of 979 talent acquisition leaders

So now what?

From gamification to new tools, your head is probably exploding with possibilities to enhance your employee referral program. You just need to take the first step in the right direction. Here are three ways to get started.

Make the business case.

Scroll through this [insights-filled infographic](#) to build your argument for more resources.

Research new tools.

Learn how [LinkedIn Referrals](#) can help you source employee referrals faster and seamlessly measure success.

Learn from others.

Read up on other company's best practices, failures and protips on the [Talent Blog](#).



About LinkedIn Talent Solutions

LinkedIn Talent Solutions offers a full range of recruiting solutions to help organizations of all sizes find, engage, and attract the best talent.

Founded in 2003, LinkedIn connects the world's professionals to make them more productive and successful. With over 400 million members worldwide, including executives from every Fortune 500 company, LinkedIn is the world's largest professional network.



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