

How to create a motivated referral network

Finding a way to get continued referrals for potentially top-notch employees has got to be a situation that the HR department dreams of – we know it's often what keeps some up at night.

It certainly would reduce the time needed for interviews and filling empty positions, and would also enable companies to have a much better bottom line. When talking about a recent Mercer survey,

Allan Schweyer, in an article for the Capital Institute called "The Power of Weak Ties (in Recruiting)," writes, "more than 70% of HR professionals and recruiters believe that employee referral is the most effective method of recruiting. 96% of HR professionals rank employee referral as the best way to find highly skilled candidates. Pundits advise organizations to boost referrals to 50%, even 60% of hires. Employee referral is actually among the oldest and most widely used methods of recruiting."

This makes it very clear that it would be a large mistake to forget about internal referrals. Yet many companies continue to overlook such a powerful source of contacts.



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You are probably wondering that if it is such an effective source, then why is there so much talk today about social networking, Internet referral networks, and targeting "passive" candidates? Isn't seeking references from internal sources a little outdated? Sort of – the difference now is more in the medium than the method.

Figure 1 is a snapshot of a Webpage that was used by the Bernard Hodes Group to generate both internal and external candidate referrals for the MediCorp Health System. Note the reward system at the bottom. When you want your employees to give referrals all you need to do is to keep the idea in front of them. Of course, adding a little incentive would not hurt, either.

You can keep them thinking about people for referrals by putting up posters in the break room, and on the employee section of your company website. This enables you to continually remind them that "we want more people like you – people that you know!" As far as incentives go, which are sure to boost the input of names, you can give them monetary rewards or choose from one of the many employee gift programs that are available. There are many ways you can say "Thanks" that they will appreciate, and good rewards will quickly motivate more referrals.

THE INTERNET IS NOT ENOUGH

Addressing the matter of using the Internet for sourcing open job positions, Jason Goldberg, who is the CEO and founder of Jobster, Inc., said that "Everyone brought their jobs online but that didn't solve the problem. How do you get better at targeting the right people in the first place?" He wrote this in an article for the Human Capital Institute, and his company helps organizations source candidates through enhanced referral and social networking models.

As you can see, Goldberg raises a very important issue. Marketing your opportunity requires that you get your message out quickly in front of the right people and then motivating them to take a serious look at what you are presenting – to sell it to them. Once you have referral networks in place and they are providing you with referrals, then it is the right time to start distributing your Opportunity Marketing Piece (OMP). You can send out your OMP very quickly to many people at once if you save it as a PDF file. Simply email it as an attachment to anyone that has shown any kind of interest in your job opportunity. Don't forget, too, to send it to those people who could be interested in your job opportunity.

SOURCES OF REFERRALS

- Your professional and personal networks. These are most useful when you stay in touch and help them, too.
- Your current employees know many other people. Ask them, "Who are the most talented people you know?" Bonuses for referrals will produce better results.
- Friends of the company. By offering a referral bounty, you can get results from past employees, friends, and other connectors.

– Sourcing systems. You can get names from Applicant Tracking Systems or from spreadsheets to collect and evaluate data.

– Information Research firms, contingency or retained recruiters. When you send out your Opportunity Marketing Piece to your contacts, you want to encourage direct contacts to contact you and encourage them to forward your OMP to people they know, too.

Include a statement something like this in your email: “Please take a look at the attached Opportunity Marketing Piece for our current open Emergency Room registration clerk position. Please let us know if you have any interest in learning more for yourself, or feel free to forward the information on to anyone else who you think may have an interest in learning more about this opportunity for themselves.”

Getting referrals from your personal and professional networks is very important – because it works. The author, Bradford Smart, mentions this in his bestselling book, *Topgrading: How Leading Companies Win by Hiring, Coaching and Keeping the Best People*. In the book, he says, “Of all the ways to source candidates, the number one method is to ask for referrals from your personal and professional networks. This approach is the single most effective way to find potential ‘A’ players. This is an instance where innovation matters far less than process and discipline.”

THE ALUMNI REFERRAL NETWORK

Another way of generating referrals comes from a great idea created by a company now called Accenture, but was at one time named Arthur Anderson (AA). This company that has now become one of the largest consulting firms in the world, created an Alumni Expert Network. For a long time, it had been known for its hiring of some of the brightest college graduates from around the world, and then trained them in its own highly developed junior leadership program. It wasn’t long before many of these young AA people were sought out quickly by other corporations for various management roles. Because of the brain drain, and wanting to use some of these people for their own open positions, the Alumni Expert Network at

AA was created. This enabled AA to keep in contact with its own graduates and be able to have their names readily available for referrals for sourcing and networking.

At this time, the company gives all their graduates and departing employees a gift to remind them of their membership in the AA-Alumni Expert Network. The gift is a key encased in acrylic that has engraved in it this message: “Our doors are always open to you.” There is also a Website for them with the motto: “WHO you know is just as important as WHAT you know.”

USE THE RIGHT MESSAGE WHEN LOOKING FOR REFERRALS

When you begin networking, it is important that you use the right message, too, for best results. Right phrasing is important. I like to ask questions like, “Who do you know?” I always avoid asking questions like, “Who’s looking for a job? Or, “Who’s qualified for this job?” Bysimply asking the more generic question, “Who do you know?” you keep their minds open to be able to think of more people. After that question, I then want them to narrow down the people and begin to compartmentalize their thinking. So, I ask the following: “Even if the person you’re thinking of decides they’re not interested, again – that’s OK.

Because you never know, they just may know of others who could be interested. So, it’s all about networking. “Then I’ll use the list below to ask them about” who do you know here... or there, etc.”

MORE PLACES TO ADD TO YOUR NETWORK

There really are many people from which you can get referrals. Sometimes a little help may be needed to remember some of the people within your circle of friends and acquaintances to jog your memory.

Here are a few places to point your thinking at that you will want to consider:

– Look at your cellphone listings.

– Glance over your MS Outlook contact files for names.

– Someone you met recently at an association meeting?

– Anyone you compete with in any way that comes to mind?

– Anyone from your current or previous employers that might be worth networking with?

– Can people you know from vendor/suppliers/customers help you with networking?

– Someone you know in the networks you belong to on LinkedIn, or blogs you watch?

– People from recent interviews or resumes you’ve received?

When you are at this stage of the game, you do not necessarily want to focus only on those who are looking for a job. The goal here is to simply speak to enough people who are in the same role or who have the same experience. Remember that it’s all about networking.