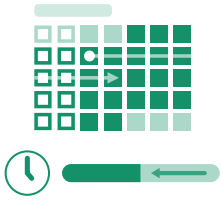


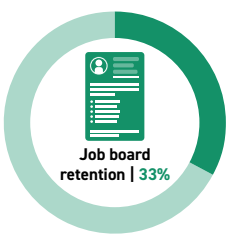


Employee Referral Program Strategies for Small Businesses

As small businesses compete amid ongoing talent shortages, often with fewer resources than large companies, they may need to get creative with their attraction and hiring efforts. Employee referral programs are growing as a popular—and successful—strategy because employees put their names on the line by endorsing someone else.



Referral programs can **reduce hiring time by half** compared to traditional hiring methods. LinkedIn reports that while it takes a company 55 days to hire a candidate, referred hires take only 29 days.



Referral hires have an average retention rate of 46% compared to 33% of job board hires, according to Zippia. Small companies can benefit the most from referrals, as such **hires stay 122% longer** than their job board counterparts.

Implementing a Successful Employee Referral Program

An effective employee referral program can save small businesses time, money and other resources during hiring. Consider the following strategies for designing and managing such programs:



Make submitting referrals easy. The referral process should be simple, allowing employees to send a resume, provide an email and phone number, or submit a standard form to begin.



Incentivize employee referrals. To enhance the appeal of referring friends and family to the company, consider providing monetary rewards, paid time off or other awards to those who refer quality candidates for open jobs.



Leverage technology. Small businesses may be short on staff, but technology can help manage programs and automate referral processes. Employee referral management systems can help organizations streamline the process.



Keep employees informed. To avoid frustration and increase transparency, let employees know when the referral has been received, if interviews are scheduled and where the candidate is in the hiring process.



Acknowledge good referrers. Public recognition can go a long way with employees, so consider awards or public praise to let employees know they appreciate their effort in sending referrals and being brand ambassadors.



Think beyond employees. Referral programs don't need to rely solely on employee referrals, so consider extending the opportunity to stakeholders like retirees and customers.

Amid ongoing talent shortages, employee referral programs can be a cost-effective strategy to attract and retain talent, hire faster and boost employee morale. Contact us today for additional attraction and retention resources.