

Employee Referral Program (ERP) Checklist



The best way to hire a new employee is through an ERP! An employee referral can reduce the cost of hire by thousands of dollars. They are higher-quality hires. They are a better cultural fit. They are quicker to hire and more likely to be hired. They last longer. And it motivates existing employees too! Having collaborated with clients over the years and studied trends and software apps, here's my ERP checklist.

- ❑ Determine what roles will be eligible for the program. Will executive and managerial hires earn a payout? (I see no reason why not). Will executives, managers, HR, or recruiters be entitled to a payout (maybe, depending on the circumstances).
- ❑ Will third parties such as customers, clients, vendors, and others also have a referral program available? (I see no reason why not, so long as no conflicts of interest are created.)
- ❑ How will you incentivize and reward referrals? Will you pay for a quality referral regardless of whether they get hired? That may be helpful in building an applicant "pipeline".
- ❑ What happens if they are hired? If the reward is cash, what is the payout process? That usually fluctuates based on scarcity, pay, and turnover frequency of the position. Is payment all at once or staggered over a period of time? Makes no sense to offer a bonus after a year of employment at a retail establishment. Few people would ever get paid!
- ❑ What can you offer other than cash? The ideas are endless. Let employees come up with a new one every month. An electric bike, a weekend getaway, a day off with pay, donation, recognition, gift cards, and quarterly drawings. Lead with your creativity!
- ❑ Make it simple to use. Let employees and referral partners know specifically who you are looking for. Make sure that person does not apply directly but only through the referral source.
- ❑ Have the referrer answer these questions: 1) name and how you know them, 2) what role they are applying for, 3) how would you describe their work strengths? 4) how would you describe them as a person? 5) what makes them a good fit for our culture?
- ❑ Let them know shortly after receipt if they will be interviewed, and if not, why not. With practice, employees get better at referring!
- ❑ Be considerate of the fact an employee made a referral and follow up with that candidate asap. Share your Hiring FAQ (You have one, yes?) Consider paying them for coming to the interview with a gas card, gift card, Uber code, etc.
- ❑ Let the referrer know if the employee is hired and if not, why not, as a learning opportunity to help make a better referral the next time.
- ❑ Brand and market the program. Get posters up. Make T-shirts and create great social media posts for employees to share. Celebrate referral awards. Blow up the checks and post them to social media. Keep an ongoing scorecard and gamify the program.
- ❑ Analyze your data. What positions work best for referrals? What incentives and rewards work best? What do you have

to do to beef up the other opportunities?
Watch for concerns related to diversity and other company initiatives.

- ❑ Depending on the volume of hires, you may want to consider a software application to help coordinate the entire process. I have

looked at several ERP programs and my conclusion is similar to most any program...
the best one is the one you use!

To conclude, I like to things in terms of *WHO? HOW? and WOW!* when designing your ERP program. Put that on your recruiting T-shirts!

Software Applications:

www.employeereferrals.com (They play in the 1,000 employees and above space)

www.workable.com/features/employee-referral

<https://erinapp.com/>

Also see www.capterra.com/sem-compare/referral-software/

Remember to check out all my other books, reports and free tools at www.donphin.com/free-tools



About Don Phin, Esq.

Don Phin is a keynote presenter and strategic advisor. He helps executives and their companies create transformative stories by design.

You can learn more about Don and find great free tools at www.donphin.com.
Connect with him at www.linkedin.com/in/donphin or email don@donphin.com.

[Company logo]

Today's Date:

Candidate Referral Form

Note: please refer to the Candidate Referral Program Policy

EMPLOYEE INFORMATION

Employee Name:	
Email address:	
Department:	Phone number:

REFERRAL INFORMATION

Candidate name:	
Email address:	
LinkedIn:	
Position referred for:	
Phone number:	Job reference code:
Availability for employment:	
What is your relationship to this candidate?	
Where are they currently employed?	
Why do you think they will be a great employee? What are their strengths?	

FOR HUMAN RESOURCES USE ONLY

Date received:	Hire date:	Bonus awarded:
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[Company logo]

[Company Name]

Referral Candidate Program Policy

[Company Name]

recognizes the value of referrals and is now extending our new-hire referral program to all employees in the US.

If you feel someone in your network would be a perfect fit for our company, and to be eligible for the referral bonus, an employee must submit a referral to Human Resources using the **Candidate Referral Form** ^[Link].

Include your name, contact information, and brief background on your connection to your referral. Be certain to reference the specific job when you email.

If you refer a “qualified” candidate, you will receive a bonus of _____.

If your referral is hired, you will immediately receive _____ and if they successfully work for 6 months, we will pay you an additional _____.

To see the complete list of openings and tap into our referral program, go to

Terms and conditions:

- All ^[Company Name] employees, except those at vice president level and above, Human Resources personnel, and managers with hiring authority over the referred candidates, are eligible for the referral bonus and quarterly drawing.
- Your referral must not have been previously contacted by the Talent team.
- Your referral must not have applied for employment at [Company Name] in the past year (whether for the same position they are now referred for or for a different position).
- Temporary, summer, contract, and former employees of [Company Name] are not eligible candidates for referral awards.
- The referral date cannot be earlier than the date the job opening is posted. The hiring of a referred employee must occur within 180 days (six months) of the initial referral date.
- The referring employee must agree to have his or her name used when the company contacts the candidate.
- Only candidates who meet the essential qualifications for the position will be considered.
- ^[Company Name] will notify you before interviewing the candidate if your referral meets the qualifications of this candidate referral bonus program. If they are deemed not qualified we will let you know why.
- The first employee to refer a candidate will be the only referring employee eligible for payment.
- All candidates will be evaluated for employment consistent with company policies and procedures.
- All information regarding the hiring decision will remain strictly confidential.
- Any disputes or interpretations of this employee referral program will be handled through Human Resources.

Contact

for additional details or questions.