

## Creating An Employee Referral Program

When creating an Employee Referral Program, most companies rely on a financial incentive system. For instance:

- Financial referral bonus paid as follows, and because of the structure, works best in sums that logically can be divided. For instance,
  - 33% paid at 90 days
  - 33% paid at 6 months
  - 34% paid at 12 months
  - If this were \$1000, you could pay \$300 each for the first two installments, and then \$400 for the final installment.

OR

- 20% paid at 90 days
- 20% paid at 6 months
- 60 % paid at 12 months
- If this were \$1000, it would be \$200 each for the first two installments, and then \$600 for the final installment.

### Other referral programs might include:

- Paid Time Off – give additional days of PTO, with a few days initially and then a few more days after a period of time.
- End of year bonus.

### Three key points for a referral program:

- It is important to make sure everyone in the company can participate in the referral program and that the same process is used when evaluating all candidates, no matter who referred them.
- An employee qualifies only if the referred candidate has not had any prior contact with the company before the referral was made.
- If the same candidate is referred by more than one employee, then the first person who brought the candidate's name forward is the person who should qualify for the referral bonus.