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HUMAN CAPITAL MANAGEMENT

Social Networking with a Purpose

Acquire More Talent by Combining Referrals with Social Media

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Executive Summary: Harness Employees Social Networks

Most recruiters face tremendous pressure to fill open positions from limited talent pools. They post jobs, search networks and sift through résumés. Meanwhile, those that use social networking tools may see thousands of unqualified applicants respond with little accompanying increase in quality.
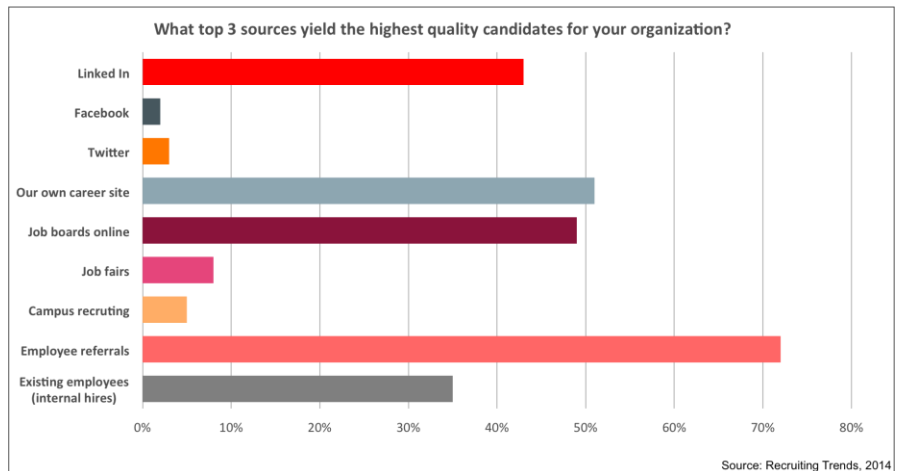
However, there's a silver lining that lies in your employees' social networks. The way to access and harness that power is to combine a company-wide referral strategy with social networking tools that make it easy for your employees (and alumni) to refer the most qualified, talented recruits within their social networks

Recruitment Trends

Employees are the Best Place to Start

Your existing employees are the top approach to filling open positions with quality candidates. 73.6% of recruiters say that employee referrals yield the highest quality candidates while 54% identify employee referrals as one of their top candidate sources. A referred candidate is three to four times more likely to be hired.

Figure 1

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Figure 1 — What top 3 sources yield the highest quality candidates for your organization?
Source: Recruiting Trends, 2014

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A recent Recruiting Trends survey discovered that only 5% of companies use a social platform to support recruiting efforts.

Employees provide a return on investment

Companies surveyed stated more than 41% of their openings are filled from current employees[1]. Current employees with institutional knowledge and expertise should be the top candidate targets for hard-to-fill requisitions and serve as a model for employee retention, engagement and career development. Such workers have big influence on the workforce because hiring from within can:

- Improve employee morale and job satisfaction
- Retain top talent with new opportunities
- Develop new and younger employees, and
- Energize the company's brand in acquiring new talent

A recent Recruiting Trends survey discovered that only 5% of companies use a social platform to support recruiting efforts, leaving most companies relying on their applicant tracking system as their sole means of understanding their hires. Compare that to an Aberdeen Group study that discovered that 73% of 18-34 year old job seekers found their last job via a social network[2]. In today's multi-generational workforce, building a strong talent acquisition brand via social networking and establishing a referral program are becoming critical to successfully attracting talent.

Figure 2

What tools or systems, if any, do you use to support your recruiting efforts?
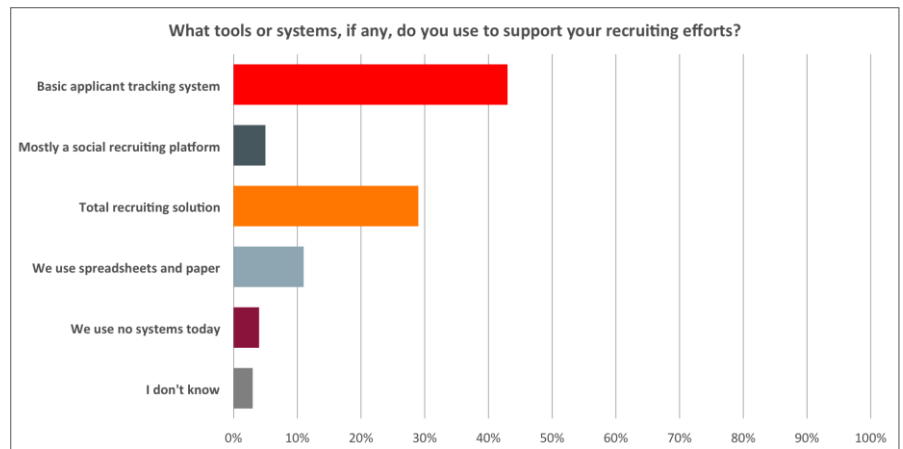
[1] Career X Roads, Source of Hire Report 2014

[2] Aberdeen survey of North American Active Job seekers 2013

Figure 3

Conventional Recruitment Program			Automated Referral Networking Program		
Candidate source	Cost per hire	Percentage of hires	Total cost of hires	Cost per hire	Percentage of hires	Total cost of hires
Referrals	$2,500	10%	$375,000	$2,500	10%	$562,5000
Internal recruiters	$8,000	65%	$7,8000,000	$8,000	63%	$7,560,000
External recruiters	$25,000	25%	$9,375,000	$25,000	22%	$8,250,000
Total cost to recruit			$17,550,000			$16,372,500
Savings	$1,177,500					

Figure 3 demonstrates how if a company with over 15,000 employees were to invest in intelligent referral practices such as social networking, it could increase its referrals from 10 to 15 percent of all hires, a 50% improvement. Despite the potential to save time, money and get more qualified candidates, recruiters have been slow to implement such referral programs because they face several internal obstacles.

Let's pause for a moment:

Does your referral program need improvement? If yes, keep reading.

My referral program is great, but how do I integrate social recruiting?

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Top Three Obstacles to Successful Referrals: Communication, Motivation, and Ease-of-Use

Let's continue looking at our company example that made 1,500 hires last year. 150 of these hires, 10 percent, came from voluntary employee referrals, unsolicited by the talent acquisition teams. The company was pleased at how much time and money these 150 referrals saved and cheerfully paid the associated referral bonuses.

Now consider if these 150 referrals came from 150 individuals, it means that only one percent of the workforce successfully referred an employee and just as importantly, 99 percent of the workforce didn't participate. Furthermore, this company made no effort to get referrals from its 30,000 alumni, failing to leverage 44,850 well-connected people who are highly familiar with its offerings and culture. So how can they get more referrals?

Communication: Build transparency around the process

Neither employees nor alumni can refer friends and colleagues to job openings they don't know about. Few of your people habitually check the job page of your career site. Current employees might hear about which departments are hiring, but alumni have no such access. Meanwhile, both groups meet and network with hundreds or thousands of highly qualified potential employees and clients for your organization.

Based on an employee survey conducted by LinkedIn, internal communication is vital when engaging employees for recruits. 83% of referrers[3] require an update when a candidate is hired or rejected and 60% feel there should be a communication at each stage of the referral process. The reality is, employees expect communication for pre and post referral stages. If you don't connect with employees and alumni, nor proactively push out open jobs to them, your referral program won't stay at the forefront of their minds. At the same time, maintaining updated lists of employees, alumni, jobs, and referrers is cumbersome, so these referral pools—a rich recruitment source—often go untapped.

Motivation: Make it worth their while

Research shows the primary reasons people refer jobs or candidates are; to help a friend or to help their team or organization. Thus, employee referral programs that send relevant openings to employees' backgrounds and networks achieve a much higher

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[3] Building an Employee Referral Program, LinkedIn 2015

9 out of 10 referrers selected a cash bonus as the most appropriate reward for a successful referral.

level of participation than blasting out one-size-fit-all communications. Unfortunately, the vast majority of employee referral programs fall into the latter category and requires far too much manual work on the part of recruiters.

Incentives and recognition are equally important reasons employees are motivated to refer. 9 out of 10 referrers[4] selected a cash bonus as the most appropriate reward for a successful referral. Building incentives within the process or concluding the process with continuous engagement.

Ease of use: simple processes

You publish job openings on your Website. You've let your employees and alumni know about your generous referral bonuses. You send out weekly messages, but if referral rates are still low, potential participants probably see your referral process as time-consuming and cumbersome. The typical referral program requires busy people to:

- Scan through lists of open jobs

- Search their address books for suitable friends and former colleagues

- Make initial contact

- Manually post to social networks

- Follow up throughout the referral process

- Fill out HR forms to qualify for their referral bonus

- Repeat this process every time they want to make a referral!!!

Simplifying the process requires technology solutions that integrate seamlessly within your existing CRM to enable easy sharing across all of the relevant social networks. With a click of a finger, employees could take control and talent acquisition teams will watch the pipeline grow with quality candidates

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[4] Building an Employee Referral Program, LinkedIn

Tips for Implementing a Social-Savvy Referral Strategy

Recruiting boils down to one key principle: *Good people know and trust other good* people. Job opportunities that come by personal connections have the greatest chance of inspiring people to act. When your employees' trusted contacts pass along your job openings to their trusted contacts, your recruiting reach grows exponentially. Imagine sitting back and waiting for the right candidate to come to your recruiters, rather than having your recruiters post, search, and make cold calls!

Scale up your referrals and leverage trusted social connections so you can repeat one-to-one communications across networks until the right candidates emerge. Your referral solution needs to meet four key success criteria:

1. **Maintain online communication with employees and alumni.** An intelligent social networking solution connects your people, mines their networks and suggests connections that drive referrals with an automated referral process.

2. **Support motivation efforts.** Track and pay referral bonuses accurately—or lose credibility. Manage bonus eligibility and accuracy throughout the referral process—even when openings "go viral" by being passed among several people in the referral chain. Track how many people passed the job along and determine how much reward everyone should receive without any extra effort for your recruiters or accountants.

3. **Make the process easy, fast, fun and rewarding.** Automate the referral process and enable your employees and alumni to participate by clicking a button. It'll takes just seconds for them to pass along a job to a contact recommended by the system. Participation will increase when your process is this easy.

4. **Keep communication lines open.** Employees are more likely to adopt a referral program if it's simple and easy to communicate. Build out your process so that people can check or receive alerts on the status of a referral, recognize them when a successful referral is made. Accolades and acknowledgements can motivate employee engagement.

5. **Reinforce your employment brand.** As you promote job positions, you have an opportunity to reinforce your corporate brand with your employees and alumni. Referral programs that revolve around ad hoc e-mail efforts often inconsistently use corporate logos and graphics. An intelligent social networking solution automatically sends out branded e-mails and drives applicants to branded Web pages. Even after your job openings go viral, all candidates will enjoy an experience that looks and feels like your company.

Conclusion

Your greatest asset is your workforce. Establishing deeper connectivity is a force multiplier in your effort to infuse new talent from this asset. And with the dramatic shift in how people network and search for jobs, social media technology will be a mission critical tool in your recruitment framework.

Furthermore, millennials arrive from a generation of social media. They've pioneered the social Web from influencing consumer behavior to pursuing career moves. Your referrers will require innovative solutions that leverage the latest technology and social networks to help them meet their changing needs.

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