Rewards Guide
for your employee referral program
Introduction

You’ve built an ingenious bonus reward system for referral candidates. You promote your referral program regularly and creatively. Yet, you’re still only receiving a handful of referrals and suitable candidates. The question inevitably follows – should you relaunch or scrap your employee referral program?

Though scrapping a program may seem the rational option, the data is definitive regarding referral programs. A LinkedIn study published in Harvard Business Manager Magazine (August 2019) found that the best channel to find excellent new employees is via employee referrals. This guide provides you with inspiration and practical advice on how to motivate your employees to refer candidates in the long term and turn them into brand ambassadors.

Focus on small things. It doesn’t need to cost much, but it should bring joy and the feeling of being appreciated.
A robust referral program relies on employees actively engaging with it. It’s therefore key that you keep motivation for the program consistently high, by rewarding engagement & participation. Rewards can range from cash bonuses to an honest thankyou. Providing motivational incentives, and rewards for encouragement and appreciation has a multitude of benefits.

By publicly and consistently rewarding participation and employee behaviours, you’ll strengthen the morale and loyalty of your employees. You’ll also have the chance to identify and publicly recognise committed individuals. This kind of visible appreciation for effort is proven to reduce staff turnover and encourage positive behaviours. Rewards are therefore essential for the long term success of an employee referral program and employee engagement.

In 2020, twice as many top 1,000 companies rewarded for successful hires, in comparison with the previous year.

What should you provide rewards for?

The classic reward is a monetary bonus after hiring a new candidate, which is usually paid out immediately. The disadvantage with this process lies with the employees who have also recommended candidates for jobs unsuccessfully. It is these employees who do not receive any appreciation for their efforts, even though they provided referrals from their networks. Their motivation to refer new, different candidates in future disappears. There is a way to avoid this erosion of motivation. With our digital employee referral program, it is easy to
map all employee and candidate activities in the tool and reward small successes. We recommend with your rewards that you concentrate on small gifts, ones that don’t cost much, but are great fun and show genuine appreciation.

Firstbird’s automated level and points system helps your company to identify different types of brand ambassadors. Some employees are very active and share a lot, while others are less active but more likely to make high-quality referrals. The transparent system provides an overview and allows you to reward level jumps or a certain number of points achieved.

Best Practice Example

Example 1: **Reward particularly active and eye-catching activities** e.g.: the most referrals for the month, the most hires within a department or location, the referrer who generated the most views, the employees who signed up to the employee referral program during the launch phase.

Example 2: **Reward individual actions**: for example, even a single referral can be recognised.
How should you give rewards?

RESPONSIVELY
Recognition is important. Give the reward as an immediate response to the activity. By quickly providing rewards, you signal appreciation for the employee’s commitment to the company.

DEFINITIVELY
Generalizations have no place when it comes to rewarding your employees. Highlight certain activities that positively impress you. Describe specifically what you appreciated. “Thank you for your great referral, with your support, we can build a really strong team.”

PERSONALLY
Personal praise to colleagues works best. If a face to face chat is not possible, use Skype, Slack, write an email, an SMS or leave a handwritten message to show your appreciation.

HONESTLY & POSITIVELY
Make sure your thanks are genuine. Create a positive experience for the receiver and be intentional by stating what you are grateful for.

What rewards can you offer?

Your company’s culture and values have a strong influence on the way your employees are rewarded. Listen carefully and create a survey if necessary. What do your employees really want? What motivates them?

Rewards can be divided into individual, team or company rewards. Individual rewards are the most frequently used, but depending on the corporate culture, team rewards particularly can stimulate employee referral programs. Internal competitions between teams can boost the referral rate. For example, you could create an internal team incentive: Which team is able to create the most job views? Furthermore, rewards can be divided into monetary and non-monetary rewards:
Monetary Rewards

Individual rewards are independent, monetary rewards. Jobs with higher responsibility (depending on management level) or number of hours (full-time vs. part-time) are generally awarded higher incentives. However, be mindful when setting lower rewards based on role and working hours, it can have a demotivating effect and create unintentional hierarchies. Therefore use with caution!

The alternative is to give a lump sum reward - the same monetary reward for all positions. In this instance, the advantage can also become a disadvantage: all employees are treated equally, regardless of the profile of the job search. This eliminates all discussions about hierarchies, but full-time and part-time roles are lumped together.

Regardless of the method you choose, with monetary bonuses you should keep in mind that after deduction of taxes, the sum of the payout and the employee’s motivation could decrease. For example, if an employee expects €1,000 payout and ultimately receives only €634 after tax. We therefore recommend offering net payout amounts right from the start. The best thing to do is to coordinate with your payroll accounting.

Another tip on monetary rewards: Coordinate with a tax consultant in advance. Each country will have different tax laws.

Non-Monetary Rewards

Public praise or a personal thank you is often more valuable than material/monetary bonuses. Work this to your advantage by mentioning your top brand ambassadors in your newsletter, meetings, intranet or employee magazine. Be open to creative reward ideas to raise awareness such as:
BULLETIN BOARD
Engage a professional photographer to take a picture of your most active brand ambassador and hang it on the bulletin board. In addition, the employee can also use his photo for private purposes. To round off the bonus, present a certificate for the great work.

GIFT BASKET
A gift basket full of tasty sweets and culinary delicacies gets every gourmet heart beating faster. Publish your employee’s successes on the intranet with an accompanying photo.

OFFICE SUPPLIES & DECORATION
Offer exclusive office furniture in the form of an ergonomic office chair, a larger table, standing desk, a new laptop or a wider screen.

PARKING & SERVICE CAR
If your company has parking spaces available, reward your most active employee with a reserved parking space for one month. Another bonus would be to equip them with a company car.

VACATION
Say thank you for a successful referral with an additional, paid vacation day. Alternatively, give your most active employee priority when applying for leave dates.

HOLIDAY VOUCHER
A voucher for a wellness weekend or a holiday are always highly appreciated. Offer the employee a range of options and let them decide where they want to spend their next (free) holiday.

DONATION
Perhaps some employees would rather do good with their reward and donate? It can’t hurt to have this ace up your sleeve.

Hot tip: The office furniture remains the property of the company and is tax-exempt.
MORE IDEAS

More cost-effective ideas: A breakfast buffet or a cake party in honour of the most successful referrers, a bouquet of flowers, a book, cinema vouchers, professional car cleaning, professional apartment or house cleaning, a parachute jump, etc. Let your creativity run free!

The Firstbird Reward Shop: Motivation is individual

Take individual interests into account in the bonus model and offer a selection. This increases motivation and ensures the success of the referral program in the long term. The Firstbird Reward Shop offers you complete flexibility.

Would you like to know more?

We support our customers in finding new ways to reward their employees’ activities in an uncomplicated way and to expand the range of rewards available. Contact us at hello@firstbird.com to find out more!