



Employee Referral Benchmark Report

An analysis of 400 companies worldwide



Foreword from Arnim Wahls

The COVID-19 pandemic has single-handedly become one of the most significant drivers of rapid change for companies in recent history. Almost every aspect of daily operations has had to adapt and evolve in some way, and the world of recruitment is no exception. Seemingly overnight, hiring managers were forced to leverage video platforms to conduct interviews, remote hiring and onboarding became the only way forward, and the entire recruiting process, from career fairs to onboarding, became digital.

Unsurprisingly, this shifted the dynamics of finding the right talent. In the face of uncertainty, talent pools dried up, and retention dropped to new levels of low amidst an entrenched labor shortage. The flip side of the pandemic era, however, presented a host of new opportunities in the field of recruitment, especially when it comes to employee referrals. With recruiting remaining intrinsically about human connections, these past years have proven just how valuable and strategic employee referral programs are in the wake of this crisis.

In its third year running, our Employee Referral Benchmark Report has become a valuable tradition for us to give back to the HR community, and this year it's more important than ever. Not only does it provide a rare opportunity for companies to see where they stand in the grand scale of the referral scene, it also unveils unique insights into the world of employee referral programs, and how they can be leveraged to their greatest potential. We have been able to compare and contrast the results with those of previous years, allowing us to make note of continuous trends and be aware of new shifts. Having a referral program isn't enough anymore – having a great one is what matters. Particularly in this post-pandemic time, employee referrals are now one of the most valuable and important recruiting channels as they significantly offset the challenges posed by the new recruiting landscape.

I hope you will enjoy reading it as much as we enjoyed putting it together, and take a few insights from it to continue on your path to achieving recruitment success.

Arnim Wahls,
Managing Director DACH
@Radancy



Table of Contents

About the Study	3
Chapter 1: The Use of Employee Referral Programs Worldwide	4
Chapter 2: Rewarding for Employee Referrals	13
Chapter 3: Hiring & Application Impact	21
Chapter 4: Employee Motivation	26
Chapter 5: Communication	29
Chapter 6: Desk vs Non-desk Companies	32
Summary of Results	36
Sources	37
Annex	38

About the Study

This study was designed with the aim of answering recurring referral-based questions that we have encountered as experts in the field. These include, but are not limited to: how a company's referral program performs against others', what the most suitable reward strategy is, and how to scale and measure an employee referral program's success.

The benchmark report 2022 began its data collection process in March of this year, and concluded it in June. Within that timespan, a sample of 400 participants was attained, composed of a range of companies of varying sizes from across the globe. Industries included in the benchmark study ranged from tourism and hospitality, to information technology, to pharmaceuticals and healthcare. This has meant that the results of the study represent an accurate depiction of companies overall, making it possible to make distinctions between various industries as well as, for the first time, desk and non-desk companies.

Online surveys were the data collection method of choice thanks to their ease in terms of sending out, sharing on social media, and filling out. The target population of respondents were those at the respective companies in recruitment roles, namely recruiting, talent acquisition and HR managers, leadership HR positions and HR business partners. With this being the benchmark report's third year running, we were able to compare and contrast the results with those of previous reports, allowing us to make note of continuous trends and be aware of new shifts.



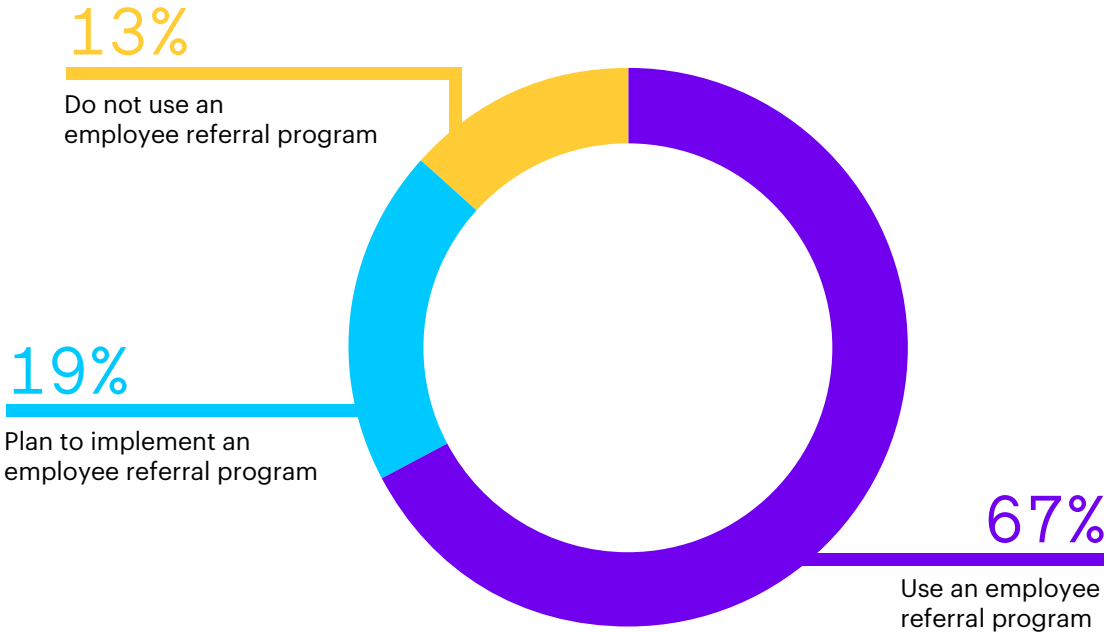
Chapter 1

The Use of Employee Referral Programs Worldwide

Referrals bring with them a host of well known benefits such as new talent pools, high quality candidates and significant cost savings. In this chapter, we asked companies if they use an employee referral program, how they track it, and why they use it (their objectives). The results confirmed stable use of employee referral programs, and are similar to the results of the previous two years, indicating that it is an important and influential recruiting channel that is here to stay for the long-term.



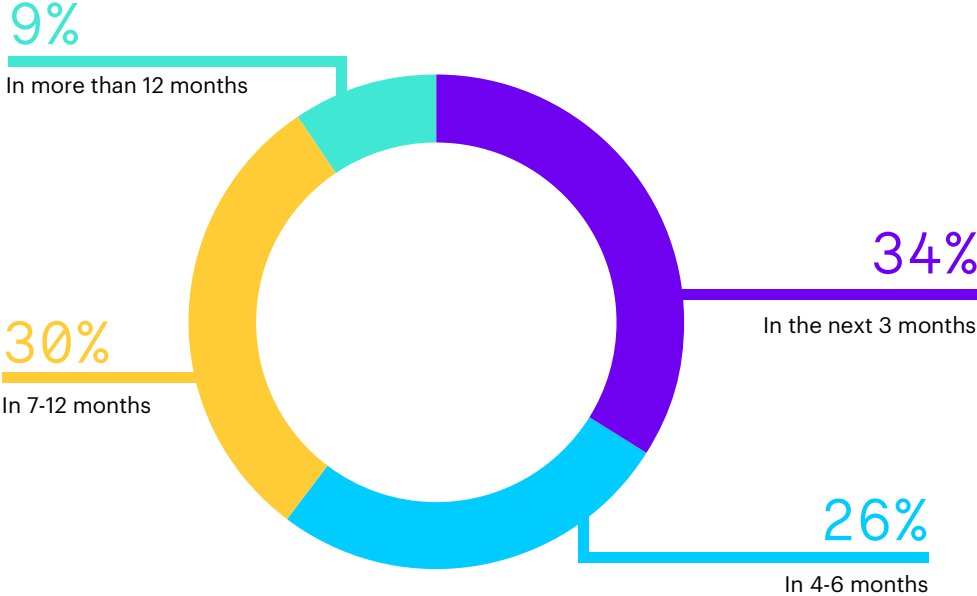
67% of the companies surveyed use an employee referral program.



Graph 1: The Use of Employee Referral Programs

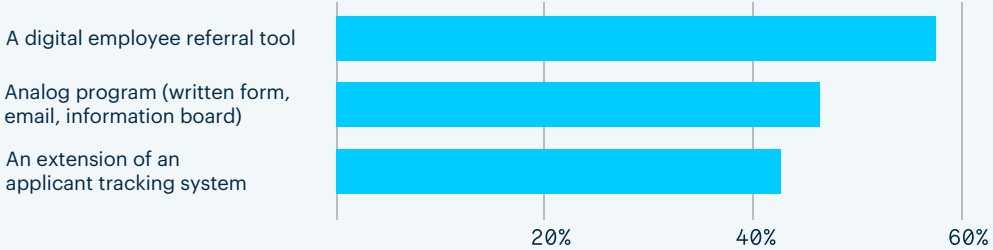
The larger the company (number of employees), the more likely it is that a referral program will be used.

Of those companies planning to implement an employee referral program, 60% plan to do it in the next 6 months.



Graph 1.1: Planning to Implement

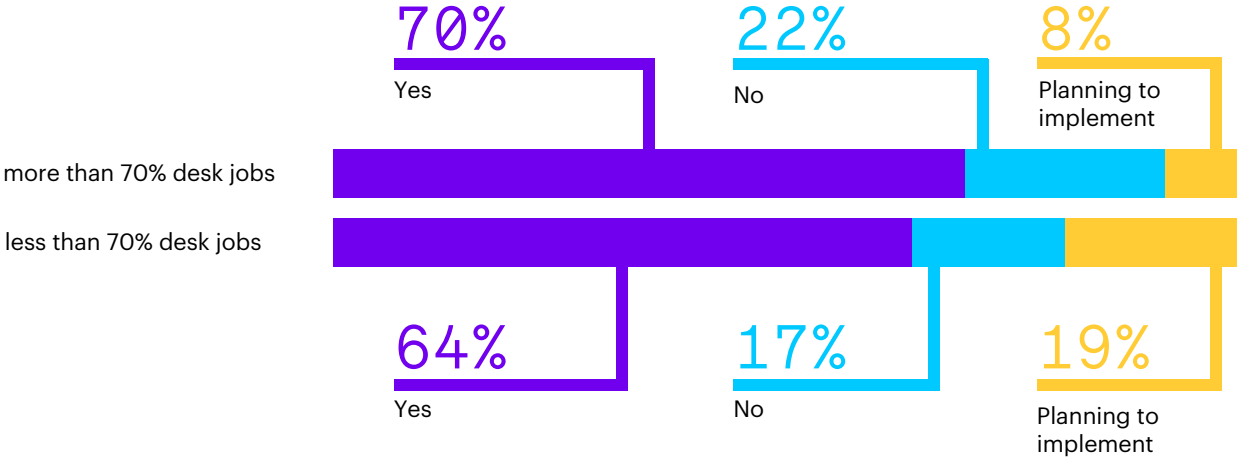
There has been a significant increase in numbers when it comes to companies planning to implement a referral program, compared to previous years.



Graph 1.2: Type of Referral Program for Implementation

58.5% of those planning to implement an employee referral program are aiming for a digital tool.

Companies with computer workstations use employee referral programs more often.



Graph 1.3: Use of Employee Referral Programs Desk vs. Non Desk

There is only **small difference** between companies with majority of employees with computer workstations compared to companies with fewer employees with computer workstations.

Companies with <70% computer workstations plan to use employee referral programs more often in recruiting in the future.

The results show that employee referral programs are a much more pressing issue for companies with non-desk jobs. This could be due to the significant challenges brought by the pandemic to industries such as healthcare, retail and production. Traditional recruiting channels are continuously proving unsuccessful, and they are turning to other inexpensive sources for their hiring, one of which is employee referrals.

What Are the Benefits of Employee Referrals?

Fast: the time-to-hire is made significantly shorter thanks to the basis of trust that referrals are built on, this is especially the case when considering passive jobseekers.¹

Cost effective: traditional recruitment efforts – such as job advertisements, employer branding campaigns, and recruitment consultants – are notoriously expensive. With its higher conversion rate, employee referrals are the more cost-effective solution.²

Credible: employer branding is the latest hot topic in recruitment, and companies are on a quest to make theirs stand out. Credibility is at the heart of a solid brand image, and referrals are just the thing to make this possible. With employees themselves becoming brand ambassadors as they refer their network, the integrity of the company's authenticity as a great place to work is anything but compromised.

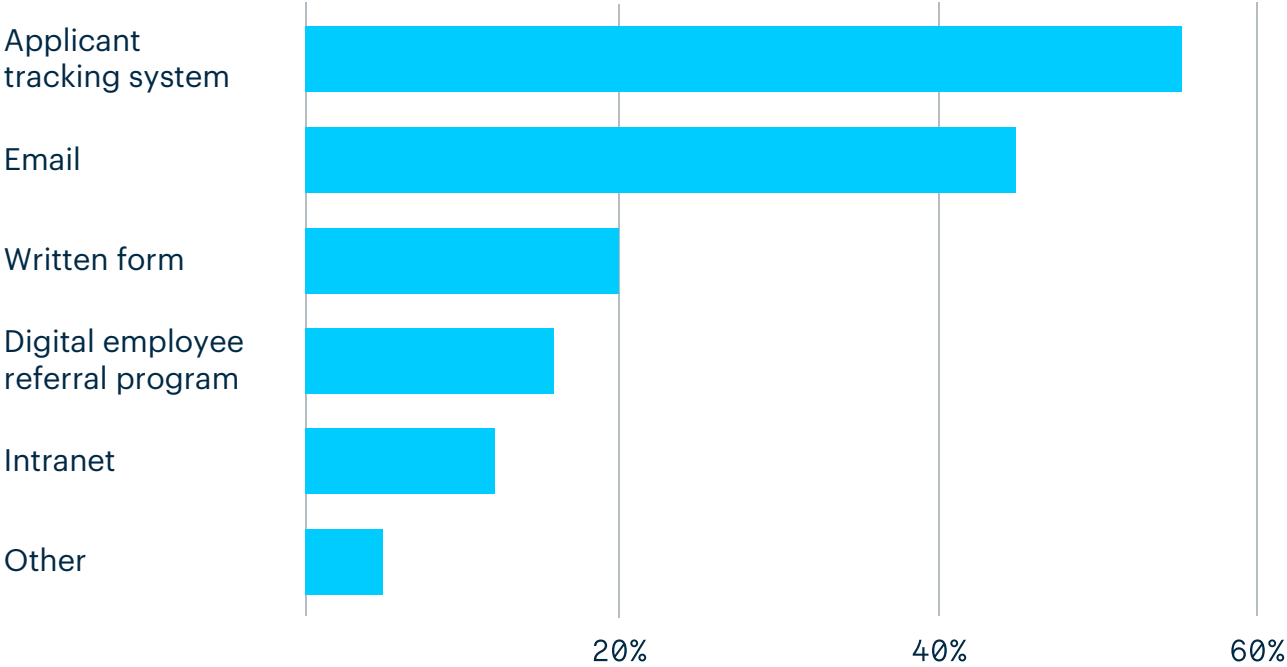
Sustainable: with referrals, not only is your risk of mis-hiring reduced, but those hired have a greater chance of staying with the company longer. This means less employee turnover and greater retention.³

Matching: Since employee referrals happen between those that are already familiar with one another, the culture-fit of the candidate can be comfortably checked off. Referrals are raw and honest, with the greatest insider scoop on the company, as they come from employees themselves, making them much more likely to refer those that are a good match for your workplace.

Far reaching: Did you know that on average, each person has a network of over 1,000 people? This statistic speaks for itself when it comes to just how far and wide you can get with tapping into your employees' networks and expanding your candidate pool.



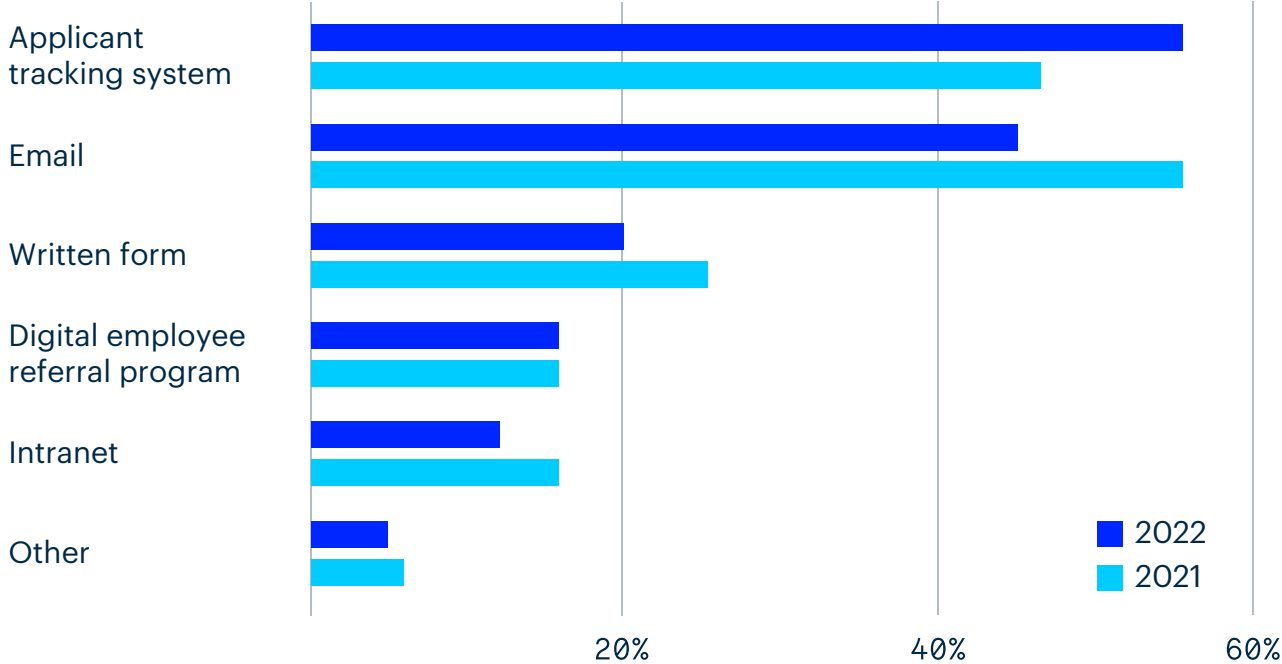
Applicant tracking systems, emails and written forms are most commonly used to manage employee referrals.



Almost 16% use a digital employee referral program.

Graph 1.4: Methods to Track Employee Referrals

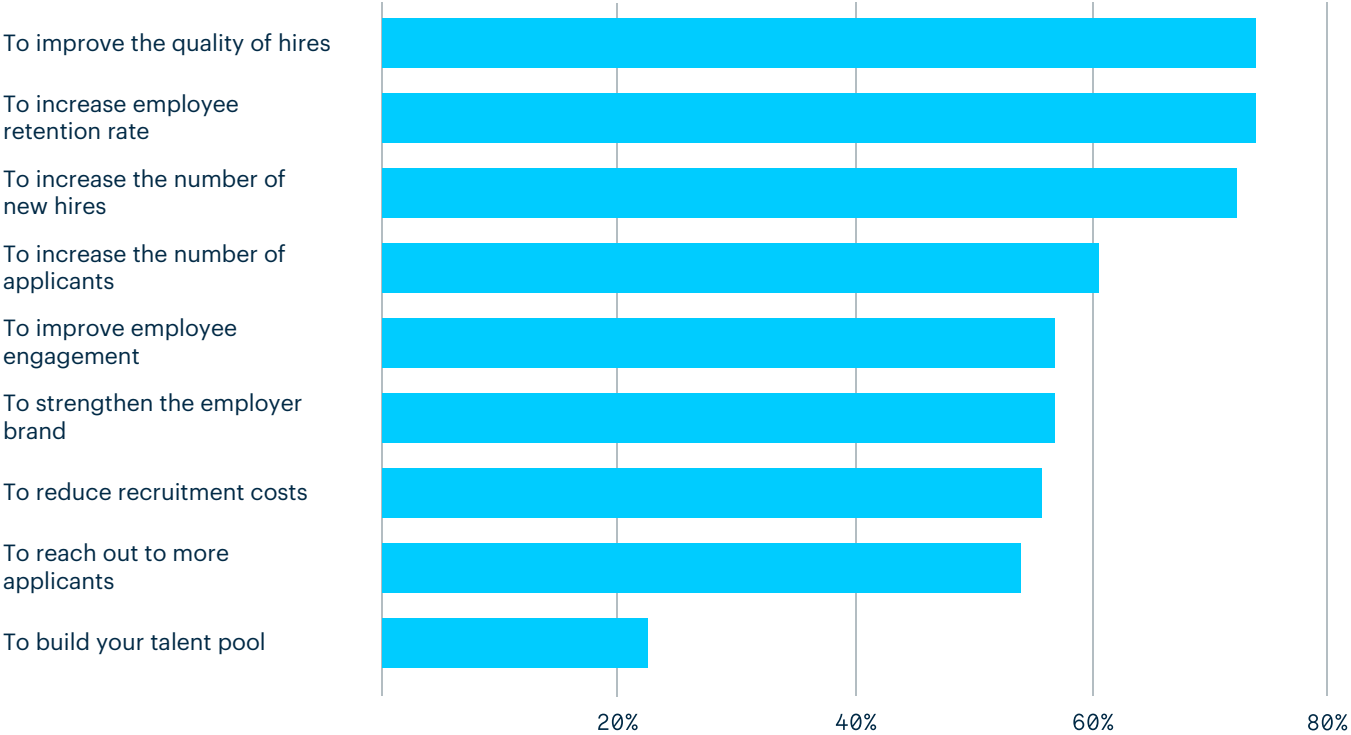
How Companies Manage Referrals: 2021 vs. 2022



Compared to last year’s findings, the ATS (applicant tracking system) has taken over written forms in being the primary tool for managing referrals. This indicates there is a push for more professionalism when it comes to referral programs. Email, written forms and the intranet were all reduced in use, compared to 2021.

Graph 1.5: Methods to Track Employee Referrals 2021 vs. 2022

75% use an employee referral program to increase the quality of applicants.



Compared to the previous year, the largest increases were observed in the following objectives:

- +15%: increasing employee retention
- +14%: increasing the number of applicants
- +10%: increasing the number of hires

Graph 1.6: Objectives of Employee Referral Programs

Besides the desire to increase hire quality, this year's findings presented another major motivator behind implementing an employee referral program: increasing the employee retention rate. This can be attributed to the impact that the corona pandemic has had on recruitment, which has left it remarkably challenging for companies to find, recruit, and retain the talent that they need. In particular, there are two reasons why an employee referral program can increase employee retention:

Better Cultural Fit

Firstly, it is due to the fact that employees coming via referrals usually have many more insights about the job they are applying for, and they already have a personal relationship with someone in the company (their referrer), making them much less likely to leave their new position within the first year.

More Successful Remote Onboarding

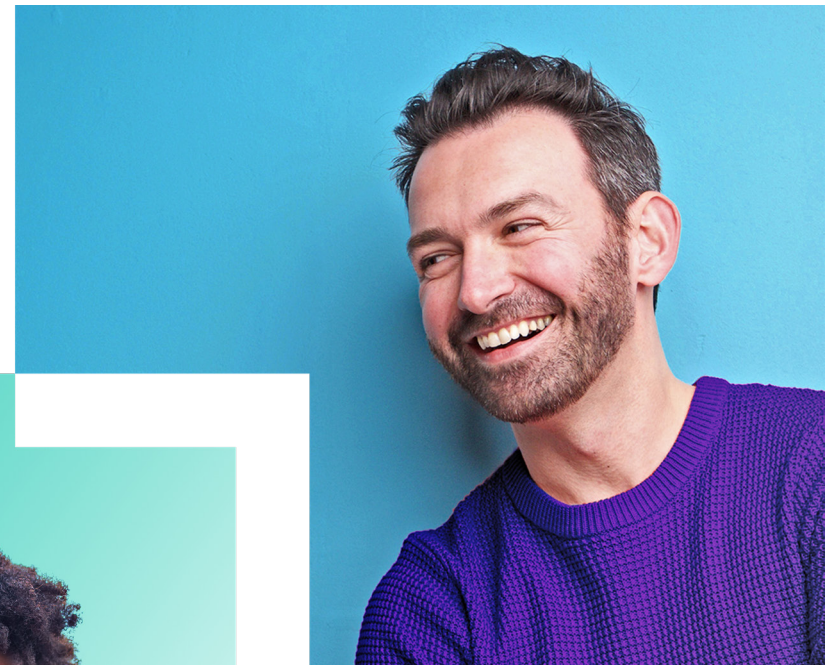
Secondly, the pandemic has set a new standard in recruitment when it comes to onboarding new employees remotely. In many cases when a new employee comes via other recruiting channels and is onboarded remotely, it can be very difficult for them to emotionally connect and build internal relationships with their peers. With employee referrals, the remote onboarding process is immediately made simpler. This is thanks to the established personal relationship that the candidate already has with the referrer, which results in greater trust, better connection, and ultimately fewer complications.



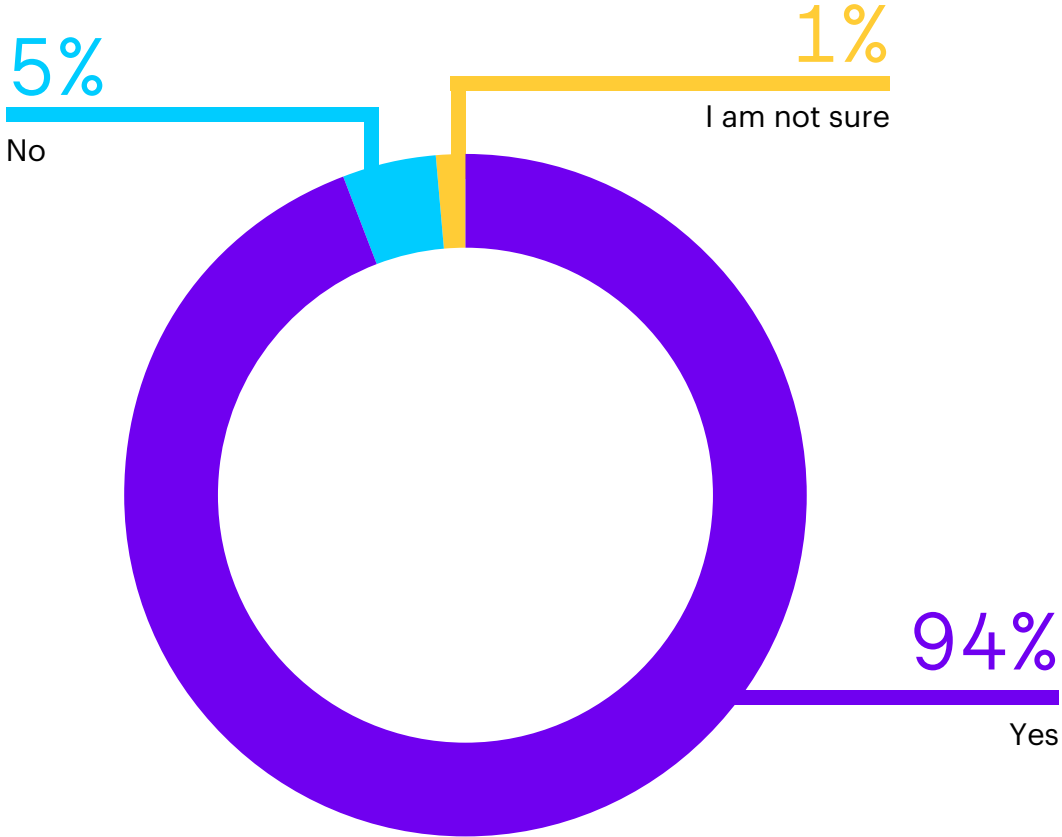
Chapter 2

Rewarding for Employee Referrals

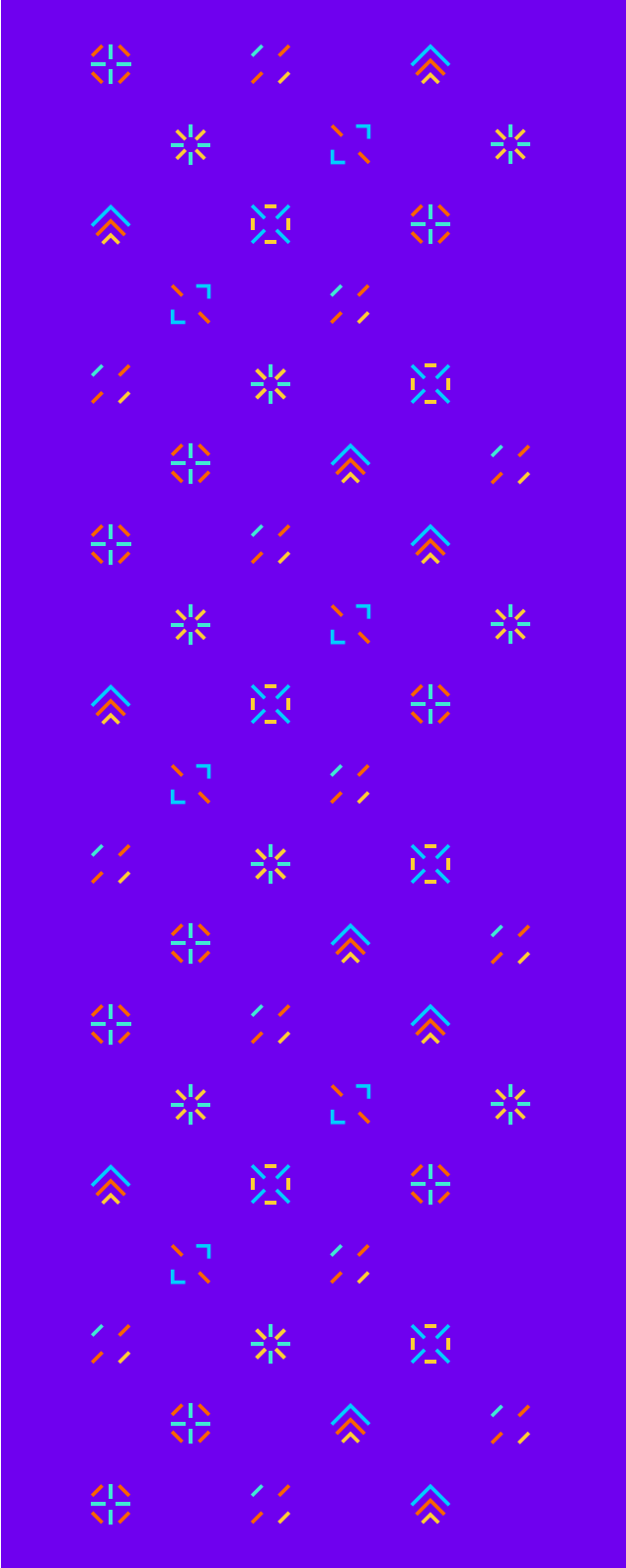
Honest feedback and regular recognition are critical for the success of any employee referral program. Rewarding employees' efforts at the right time and in the right way for their referral activities motivate them to refer and keep that motivation alive. In this chapter, we asked companies about how they reward for referrals, how much they pay and all about non-monetary rewards.



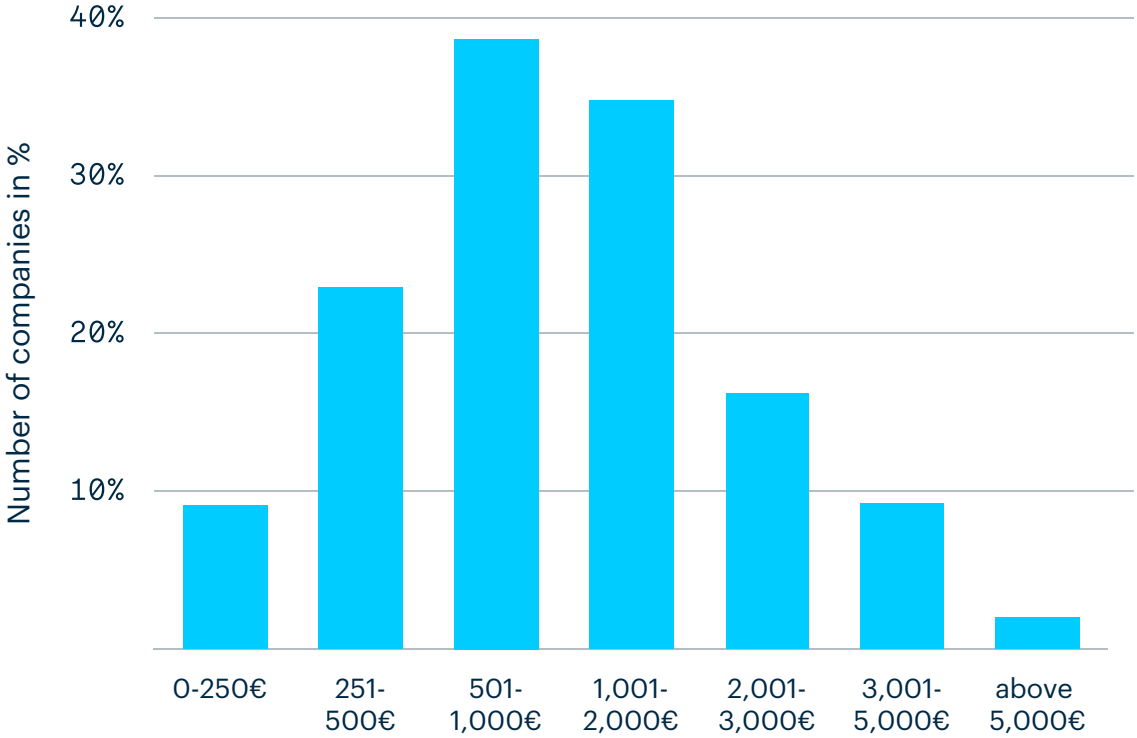
94% of companies pay monetary bonuses for a successful employee referral.



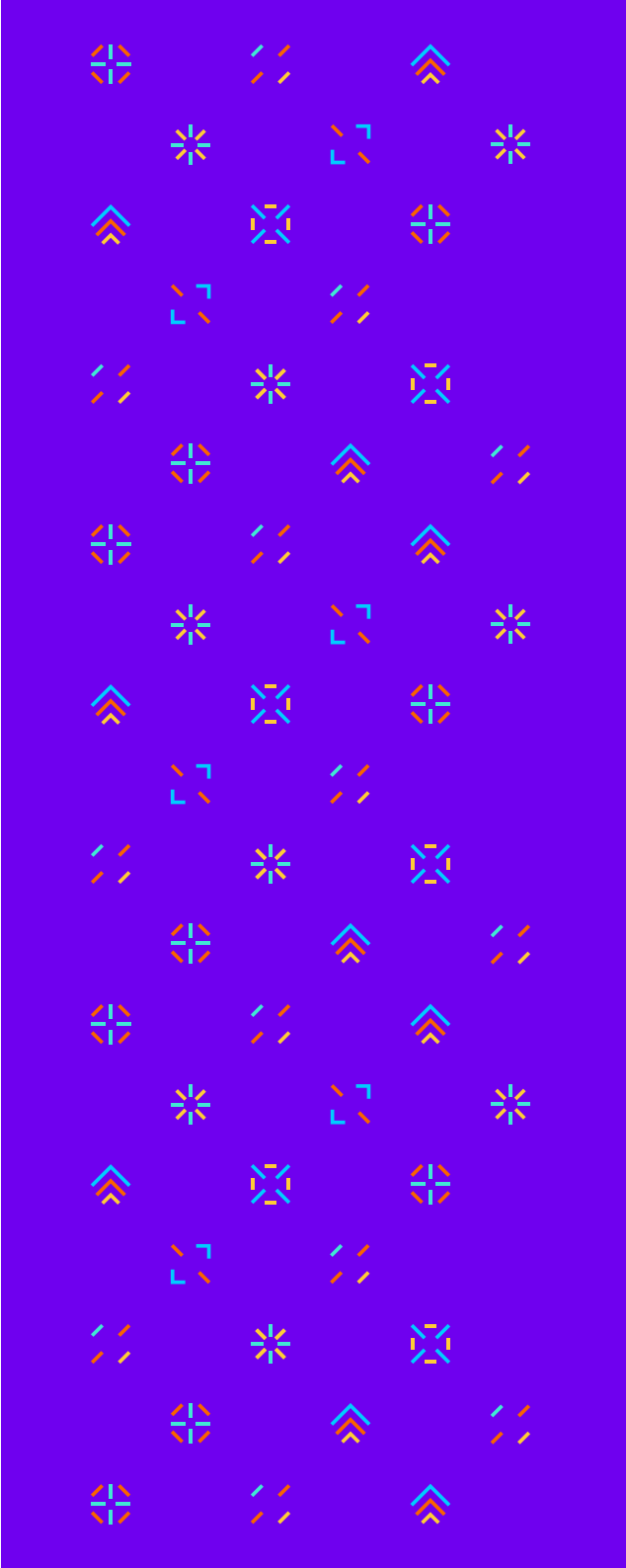
Graph 2: Monetary Rewards



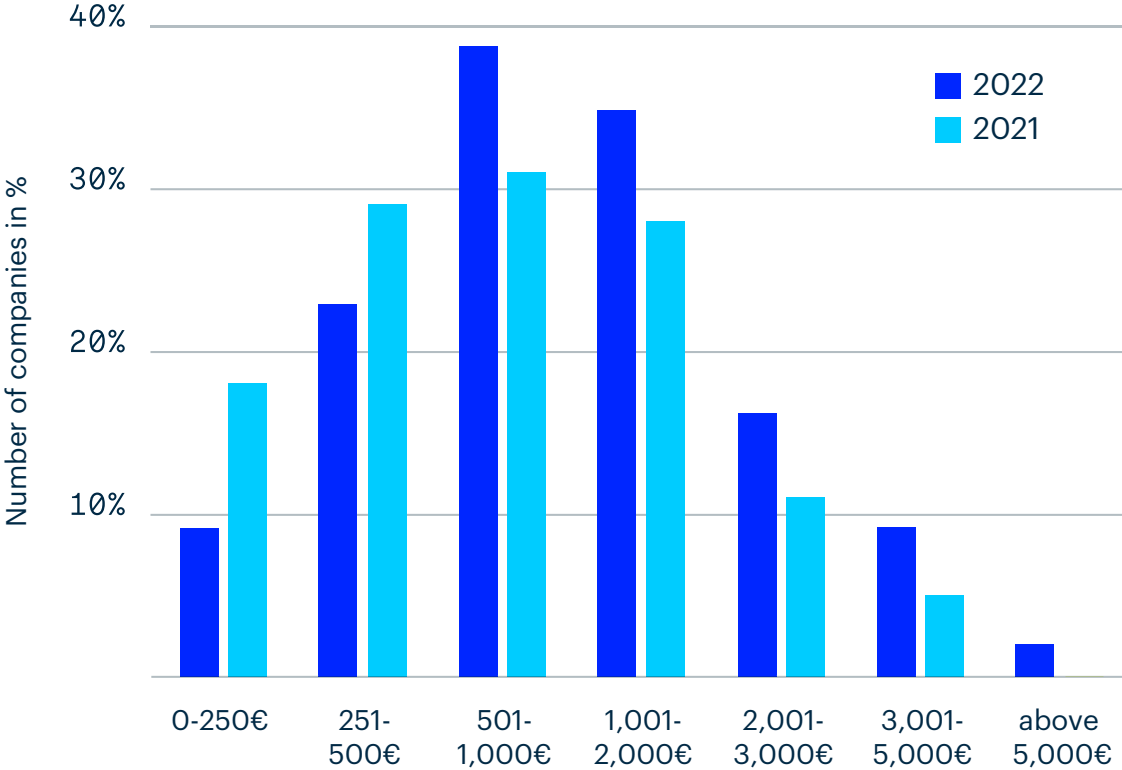
The relative majority of cash rewards given are between 501-1,000 EUR.



Graph 2.1: Gross Reward Amount



How Much Companies Reward: 2021 vs. 2022

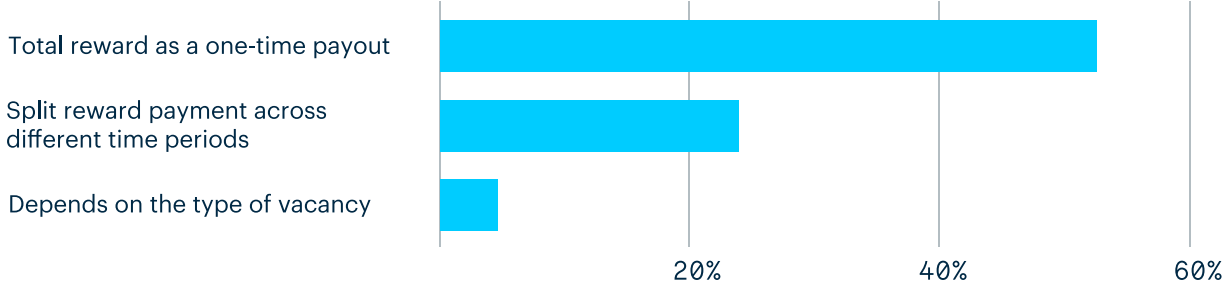


Graph 2.2: Gross Reward Amount 2021 vs. 2022

There is a trend to pay more for referral hires this year. Compared to 2021, companies are paying higher amounts of cash bonuses for each successful referral hire. This is regardless of the size of the company or whether or not they have desk or non-desk employees.

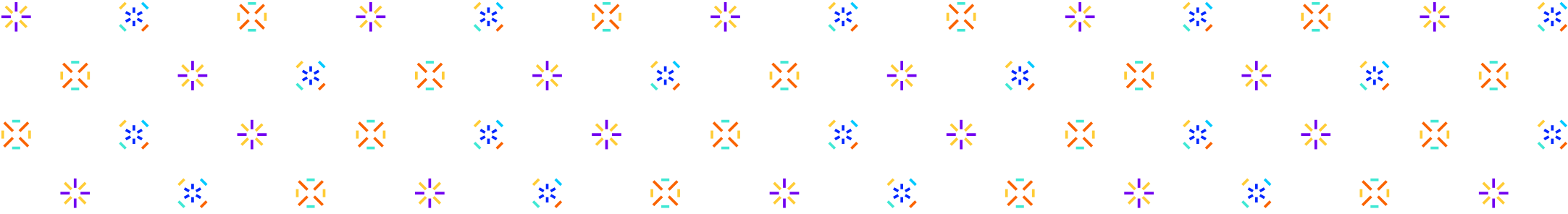
The main reason for this increase is low employee engagement in referral programs. Many companies naturally assume that to bring in more referrals, they simply need to increase the amount of the reward. However, as we will see in coming chapters, this does prove unsuccessful.

63% do not pay out rewards on a staggered basis, but as a one-time payment.

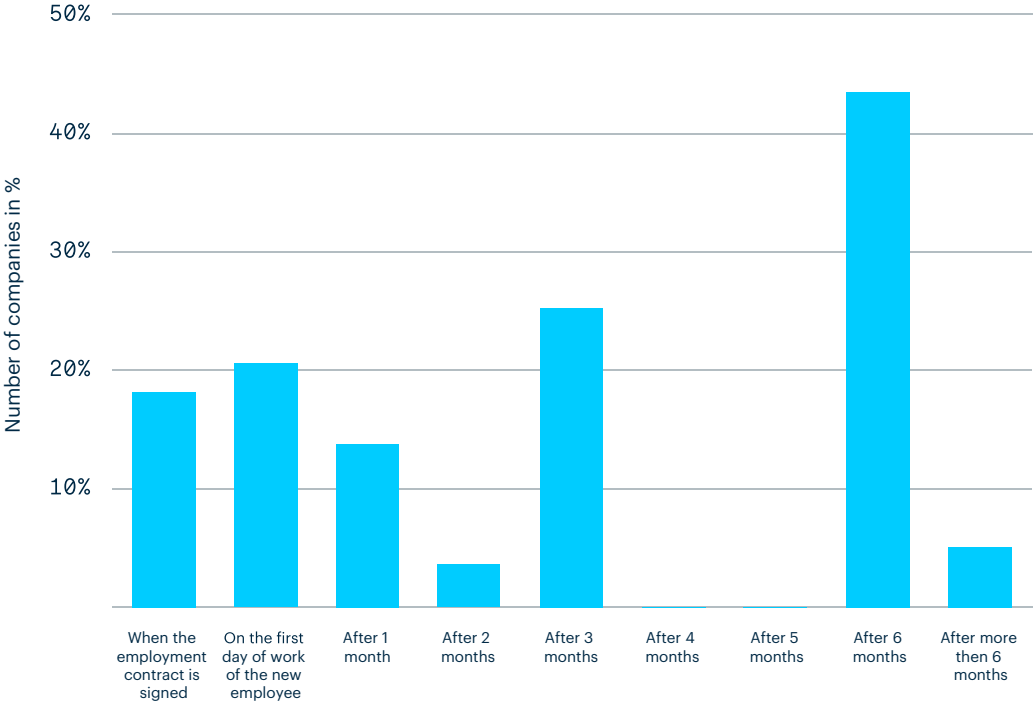


The majority of companies adopt a one-time payout of rewards, and half of them execute the payment after 6 months. Just a small number of companies reward as soon as a referral is successful, that is on the day the employment contract is signed or on the first day of work of the referred hire.

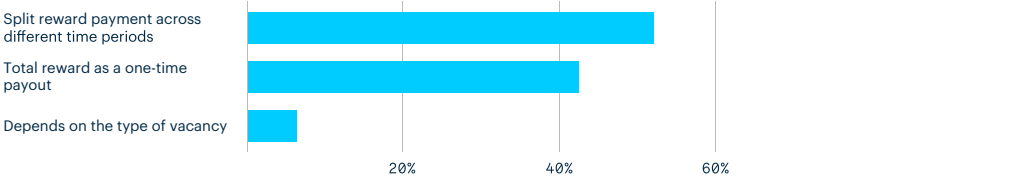
Graph 2.3: Pay Out of Monetary Rewards



49% of companies pay out the cash bonus after 6 months, 43.6% of which is a one-time payment.



Graph 2.4: Time of Monetary Reward Payout



Graph 2.5: Payout of Monetary Rewards After 6 Months

Forty-nine percent of companies that pay out monetary rewards after 6 months adopt the staggered payment of rewards to compensate for the delayed recognition.

A Golden Rule: Employees need to receive prompt appreciation and recognition for their actions. This means rewards should be paid out as soon as possible once the hire has taken place, even if it means splitting the reward. This will allow the employee to connect this gratifying experience to the act of referring.

Only 10% of companies give out non-monetary rewards such as additional vacation days or small gifts.

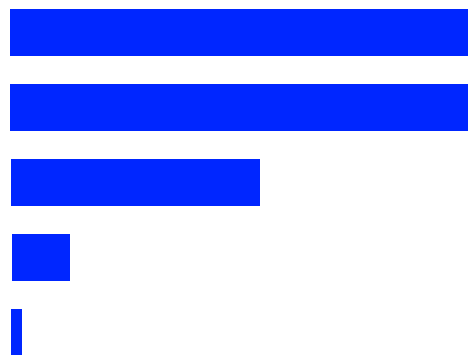
vouchers
restaurant
donations coffee
experiences courses
extra holidays
mugs conferences
travel headphones
gift cards
trainings

There is great potential for companies to increase the usage of non-monetary rewards. One of the greatest benefits of non-monetary rewards is that they are not 'silent' rewards. Employees are, in most cases, excited and happy to talk about receiving a non-monetary reward, much more so than a cash reward. This creates a multiplication effect, and gives an employee referral program great visibility internally.

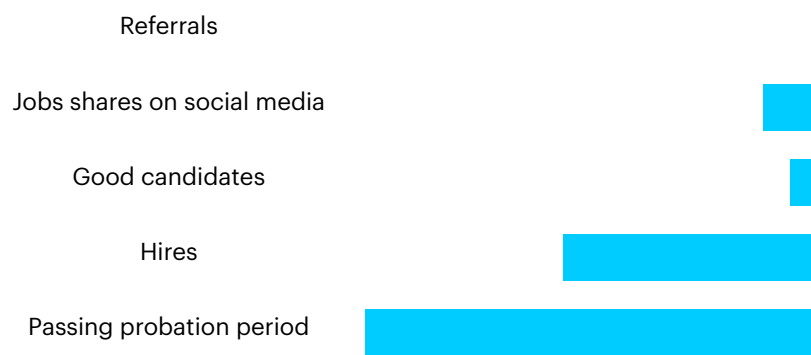
To enhance employee participation when it comes to submitting referrals, a holistic approach to reward management is needed. That means combining non-monetary and monetary rewards in order to reward all stages of the referral process.

Rewarding Employees for Participation

What an employee can influence



What an employee is rewarded for



In traditional referral programs, employees are only rewarded for the activity they actually don't have that much influence over: that is, their referral being hired. Instead, the multiple smaller referral steps, such as sharing jobs on social media, that still lead to the final objective are worth rewarding and appreciating. Smaller incentives for activities that your employees do have influence over increases their motivation to reiterate the referral activity. Additionally, employees who are not providing the referrals will feel encouraged to participate in the same activities by seeing that employees are being rewarded timely and, more importantly, with visible incentives, as opposed to cash bonuses.

There is a clear difference between rewarding for activities that employees can influence themselves and rewarding for activities that can be influenced directly or indirectly by employees



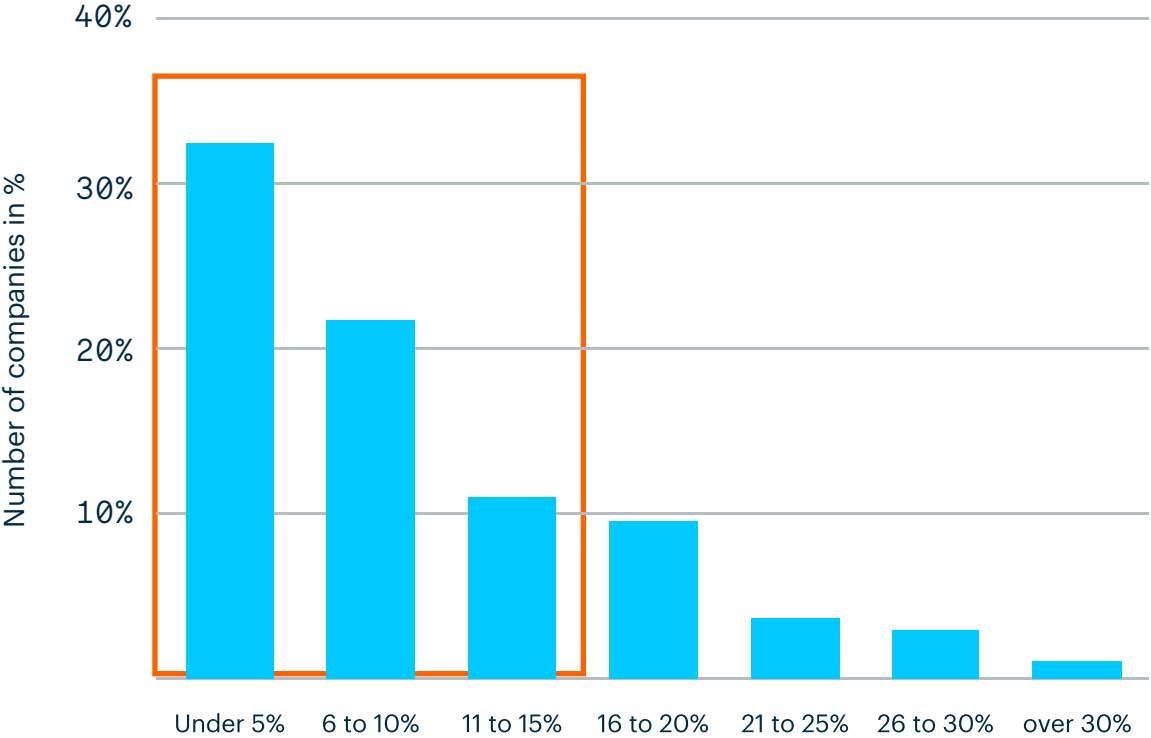
Chapter 3

Hiring & Application Impact

The impact and benefits of employee referrals on a company's hiring and application metrics are well-known. But reality paints a different story, with many companies' referral programs failing to reach their full potential. Nevertheless, one thing almost all talent acquisition specialists agree on is that they are one of the best sources of quality candidates.



Only 4% of companies are power users: they receive more than 25% of all new hires through referrals.



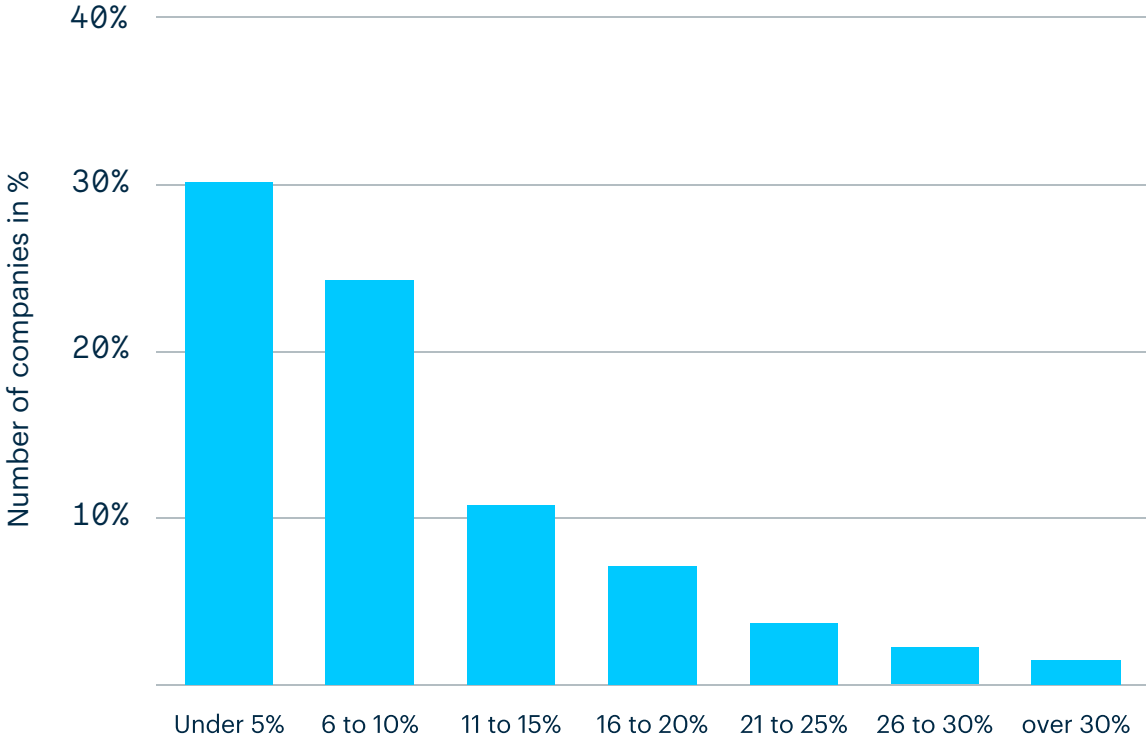
Graph 3: Percentage of Hires via Referrals

66% of the participating companies have significant potential to increase the success of their own employee referral program.

Despite many things changing for employee referral programs in 2022, including an increase in the amount of cash reward payments and organizations becoming more professional in managing their referral programs (for example using applicant tracking systems), there is no significant improvement in the success of referral programs overall.

Only a small percentage of companies manage to make referrals one of their main recruiting channels, meaning more than 25% of their new hires are coming via referrals. That is because it is not so much about the cash payouts or the administration management, but instead it is about **the engagement of employees.**

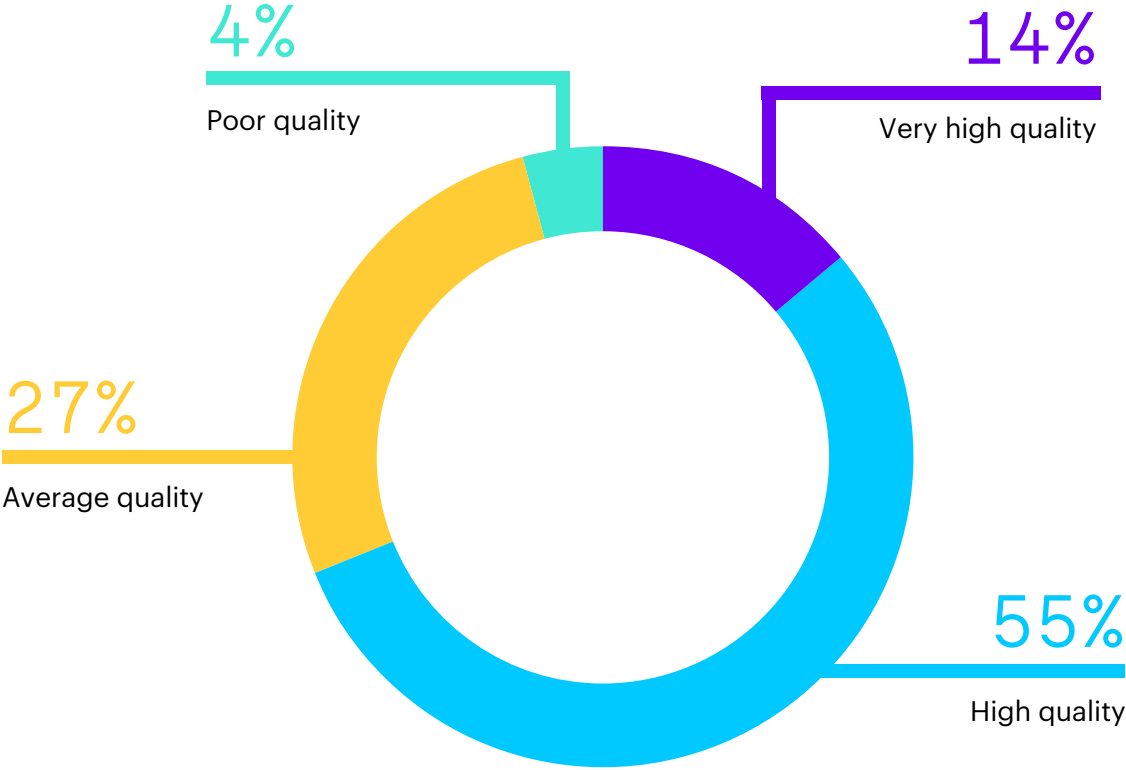
Over 50% of companies receive less than 10% of applications via referrals.



Graph 3.1: Percentage of Applications via Referrals

There is still huge potential for companies to increase their number of applications coming via referrals. Through employee referrals, the passive labor market can be tapped into – this is a whopping 70%⁴ of the global workforce, consisting of highly qualified potential candidates.

69% of respondents indicated that the quality of referred candidates is high or very high.



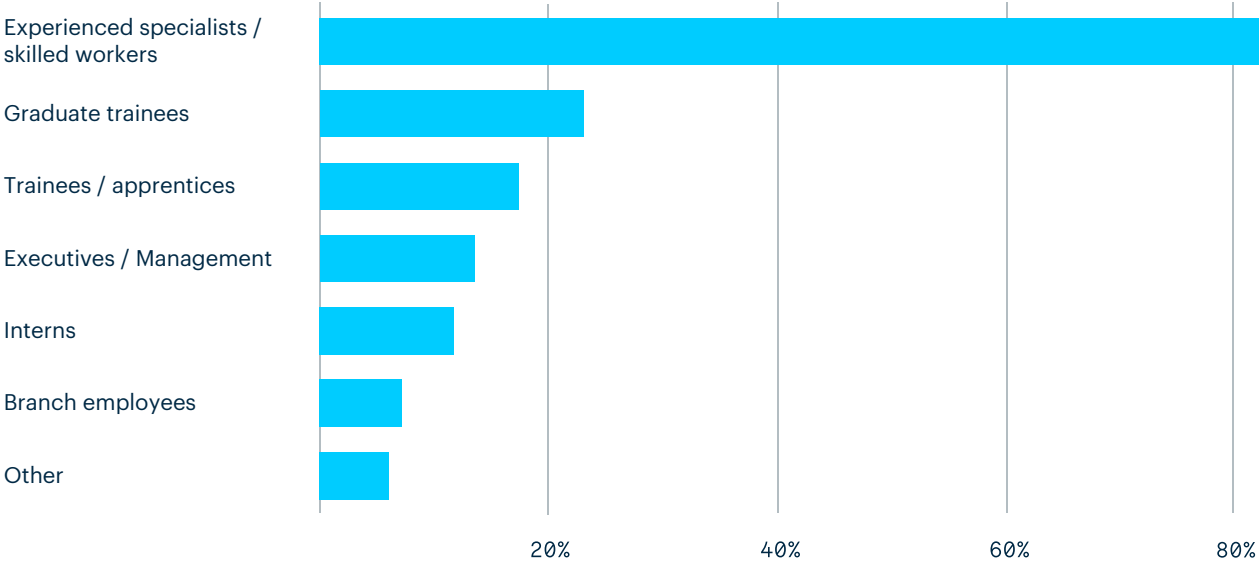
Graph 3.2: Quality of Referred Candidates

Compared with the previous year, the perceived quality of employee referrals increased by significant 12% among the companies surveyed.

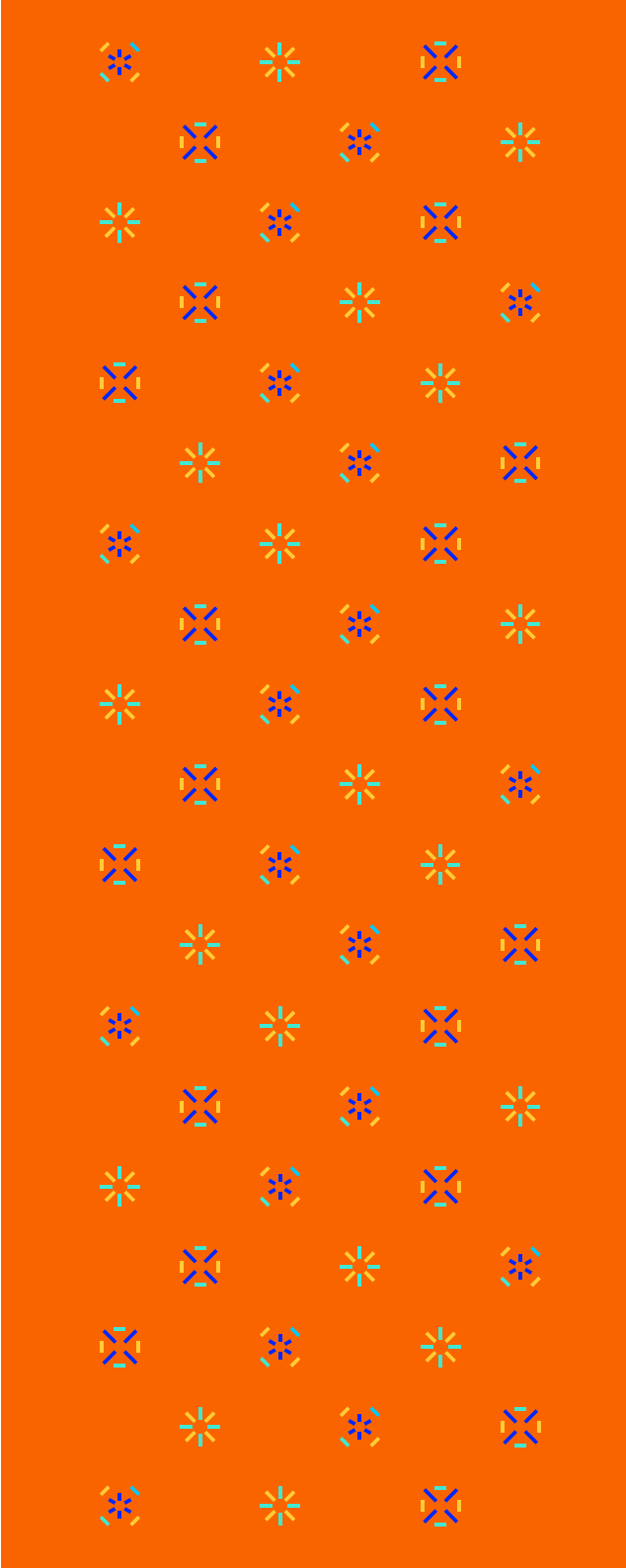
As we saw in Chapter 1: The Usage of Employee Referral Programs World-wide, 75% of companies use referral programs with the objective to increase the quality of their hires. As you can see, referral programs do deliver on this aspect, with 69% of companies rating referred candidates as high or very high quality.

Remember: building a great employee referral program is not just about technology. There are many other important factors to consider such as employee experience, organizational enablement, knowledge and data and analytics.

Most frequently, experienced specialists/skilled workers are found via referrals (81%).



Graph 3.3: Job Positions Filled via Referrals



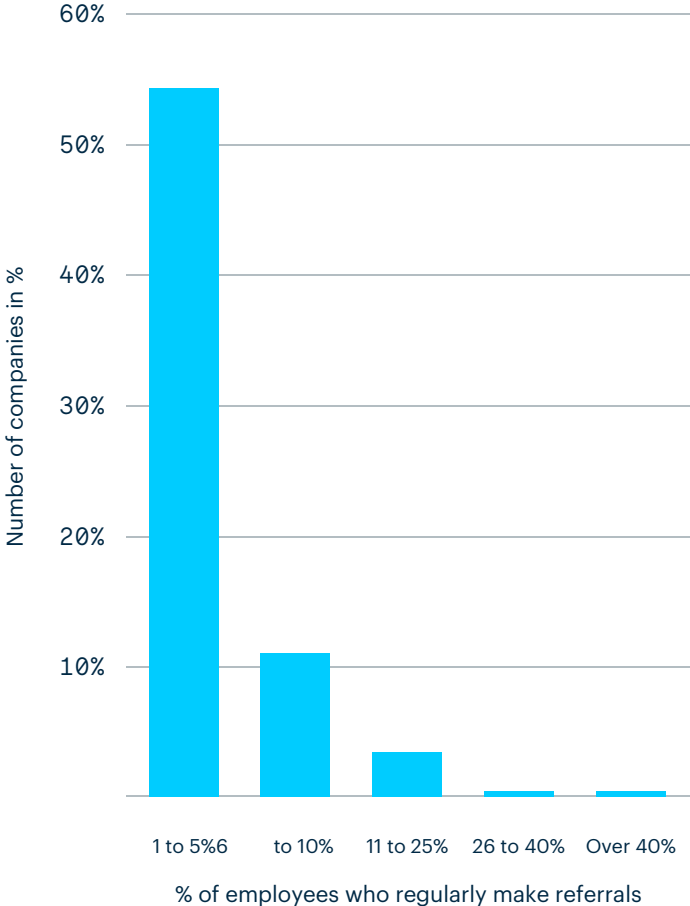
Chapter 4

Employee Motivation

The success of an employee referral program is strictly correlated with the levels of employee participation: the higher the number of employees submitting referrals – the higher the number of referrals coming in and the higher the share of diverse workforce. Additionally, a high employee participation is what steers your employee program, allowing your company to achieve the referral hiring rate of up to 33%.



Only a very small percentage of employees refer regularly (once a quarter).



Graph 4: Employees that make referrals on a regular basis (once per quarter)

As we saw in the previous chapter, the majority of organizations are not reaching their goals with employee referrals, and this is because the majority of employees are not participating in the referral program as can be seen in Graph 4.

The data shows that employee participation rates are critically low, despite the use of applicant tracking systems and the doubling of cash rewards.

There are two challenges with the fact that only a small number of employees actively participate in the referral program (Graph 4). Firstly, the networks of the small number of employees that do participate will dry up. This is quite a common occurrence for many companies that start seemingly successfully with a referral program, only to realize after a few weeks or months that their referral program is slowly sunsetting. This is because only a small number of employees participate, limiting networks and reach. The second challenge is a lack of diversity. With such a

small number of employees constantly referring, this limits the diversity of referrals coming in.

With low employee participation rates and companies not reaching their referral goals, the key to success lies in user engagement.

In order to make full use of an employee referral program, your employees must firstly be understood: what are their behavior trends, and how can they be leveraged or adjusted according to the program's goals? And the most important of all: what are their motivation triggers? This is where employee referral personas come into play.

Referral Personas

Employees that participate in a referral program can be generally grouped into five different persona types.

Power Users: exhibit a high level of activity, and have a high impact. They frequently share jobs on social media, have a strong impact in their communities, and are most likely to generate views and applications.

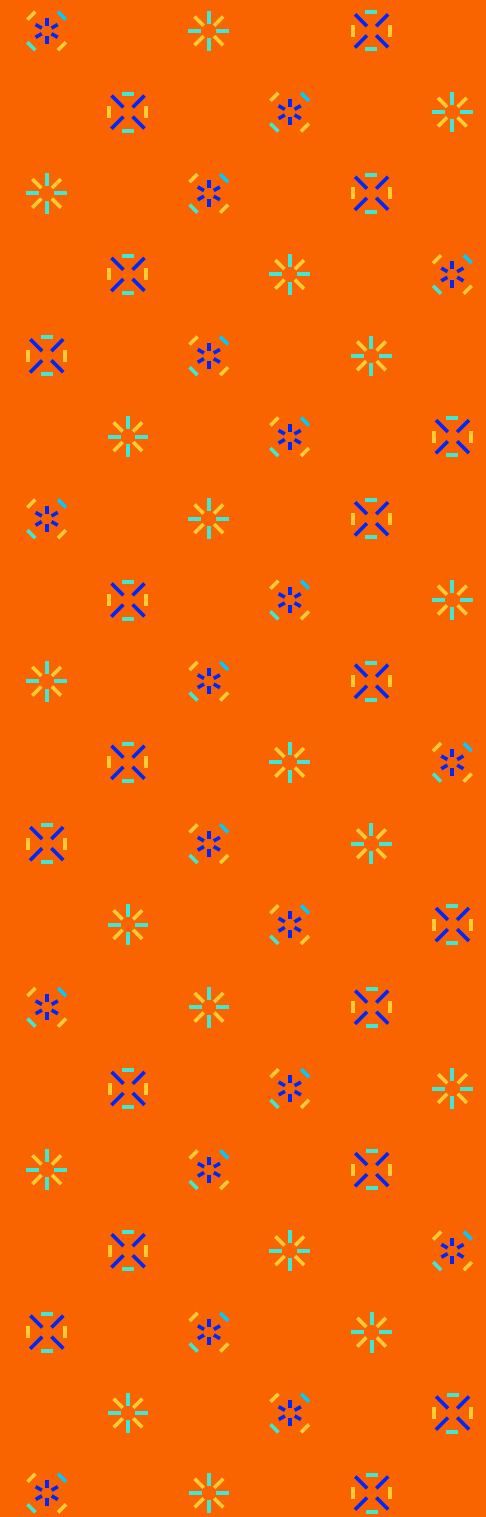
Strikers: have a sharp eye for detail, giving them ultimate precision in their referral activity. They are very cautious with sharing jobs on social media but when they do, they – similarly to the power user – have a high likelihood of generating successful referrals.

Multiplicators: the most active ambassadors on the business networks. They are behind the majority of all shares on social media, generating most of the views. Their efforts don't always pan out, and only a small percentage leads to hires, but they are great for helping you get the word out there and excellent for your employer branding.

Cautious Users: users in this group make few but unsuccessful referral attempts, making them quickly lose interest due to missing achievements.

Inactive Users: registered users that have never contributed to shares or referrals.

Only after establishing which personas your employees fit into can you begin your targeted approach to accordingly work towards making your referral program successful.



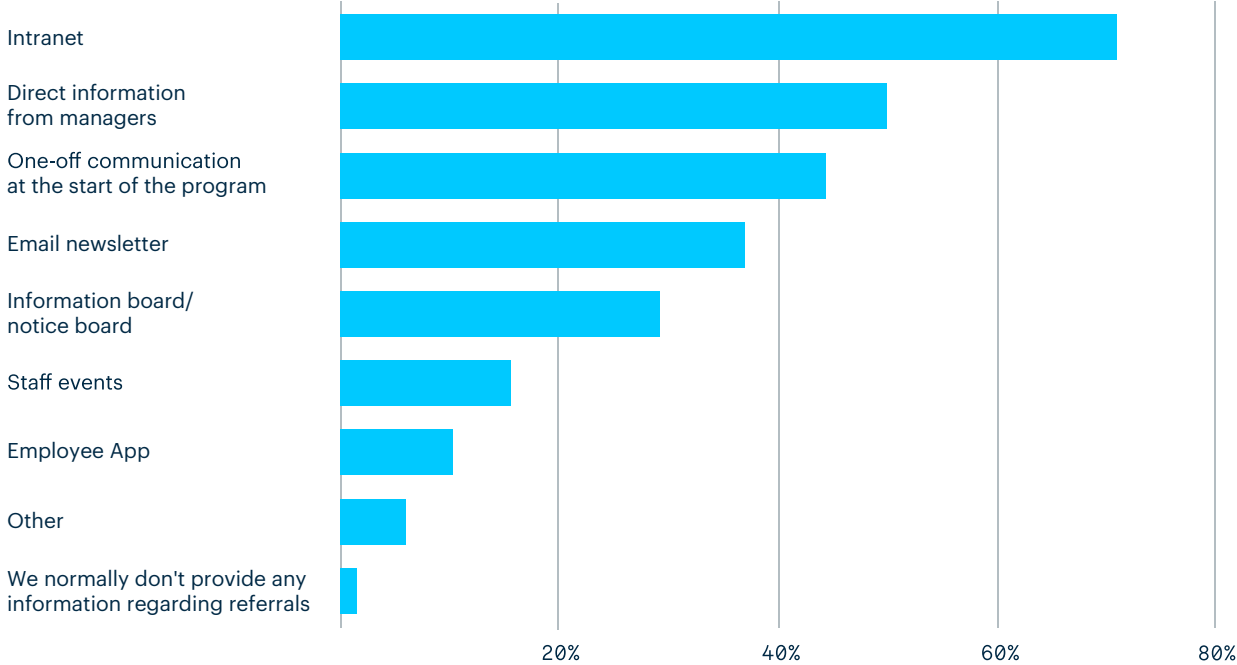
Chapter 5

Communication

One pillar of success for your employee referral program lies in its successful communication. All stakeholders should be on the same page when it comes to the goals of the program. After all, who would contribute to an initiative that they don't truly understand? In this chapter, we look at the most successful types of communication when it comes to employee referral programs, and why a clear core message is crucially important.



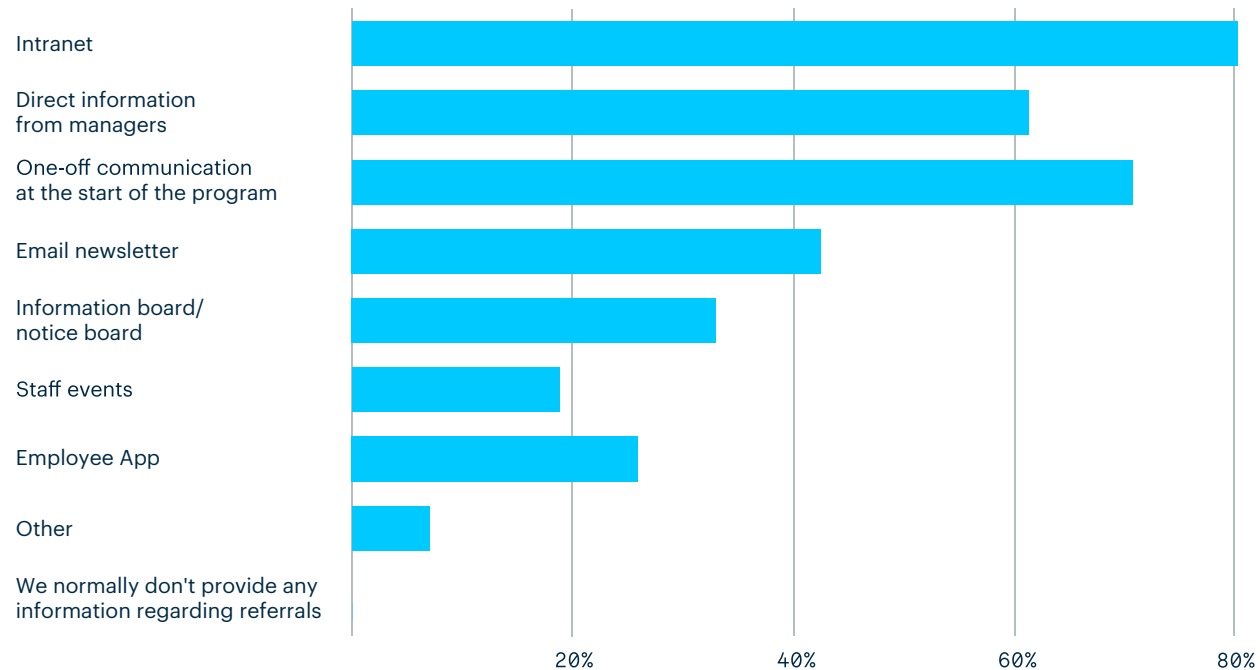
Most companies inform their employees about vacancies via the intranet (71 %) or direct information from managers (50 %).



Graph 5: Communication Channels Used

The study results illustrate a significant difference in the use of communication tools depending on the usage of a digital referral program. Companies with a digital employee referral program put more emphasis on information and show a higher use of all surveyed communication channels (see Graph 5.1)

A smooth launch of an employee referral program entails explaining exactly how and why referrals would benefit the company. A clear core message can fend away many of the challenges that could be posed by the introduction of the program – such as poor participation or hesitancy – empowering employees with the goal of bettering their company's workforce.



Graph 5.1: Communication Channels Used by Companies That Have a Digital Referral Program

In-person communication is the most effective means of launching a referral program. This can be achieved through a launch-day event where the referral program can be presented to employees. Whether it's the intranet, internal company newsletter, or emails, this event should be promoted on channels that are actively used by the majority of your target audience: your employees.

After this, the specifics of the program can be introduced. Employees must be shown the ins and outs of the program: all the way from how they will be notified about vacancies, to how to claim their rewards. This of course will differ from one program to another, but the idea remains the same – communicate transparently and ensure that every employee is able to confidently navigate the program.

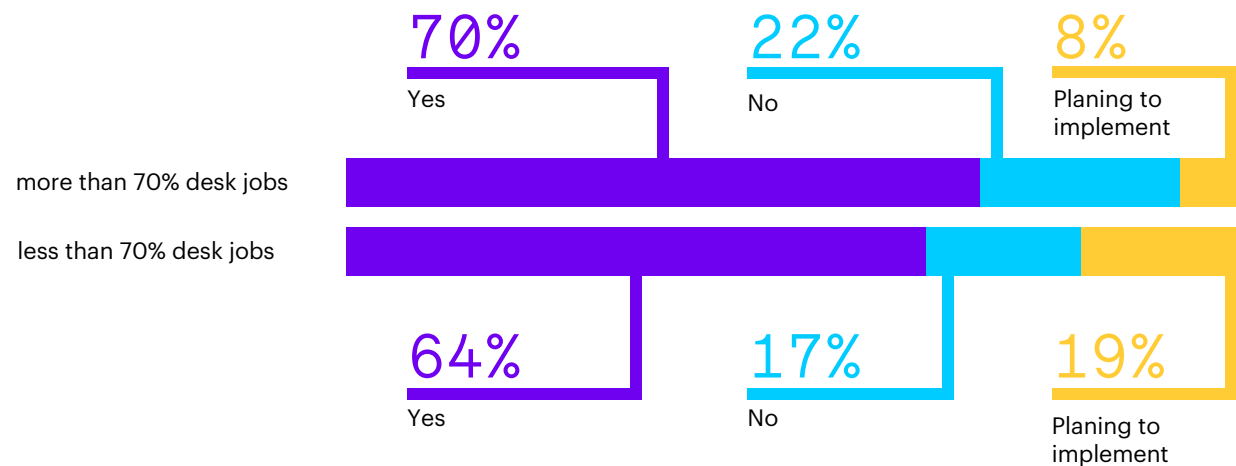
Upon completion of onboarding the referral program, the process of monitoring it for success begins. This involves tracking KPIs (key performance indicators) of the program to see how it's doing. Who is participating and who isn't? By following up on and investigating this, you can respond to any issues immediately and accordingly.

Chapter 6

Desk vs Non-desk Companies

Companies with mainly desk jobs (“desk companies”) have traditionally been the ones predominantly implementing employee referral programs, however our study shows companies with more non-desk jobs (“non-desk companies”) are now following suit. Non-desk companies encompass manual labor (construction, production, repair, transportation) and manual services (personal care, food services, cleaning) meaning that most employees either don't have a desk, or are not at it very often. An increasing rate of the implementation of employee referral programs by non-desk companies over the last few years can be attributed to their discovery of just how useful referrals can be.



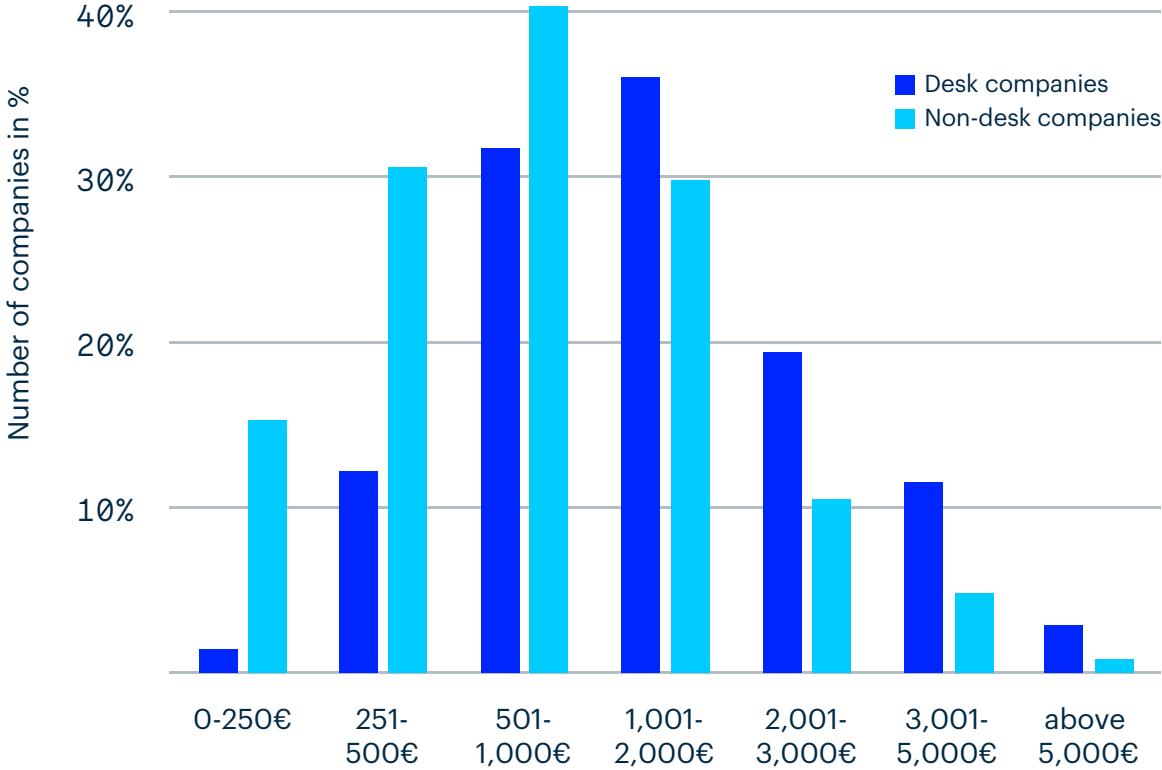


Graph 6: The Use of Employee Referral Programs:
Desk vs. Non-desk Companies

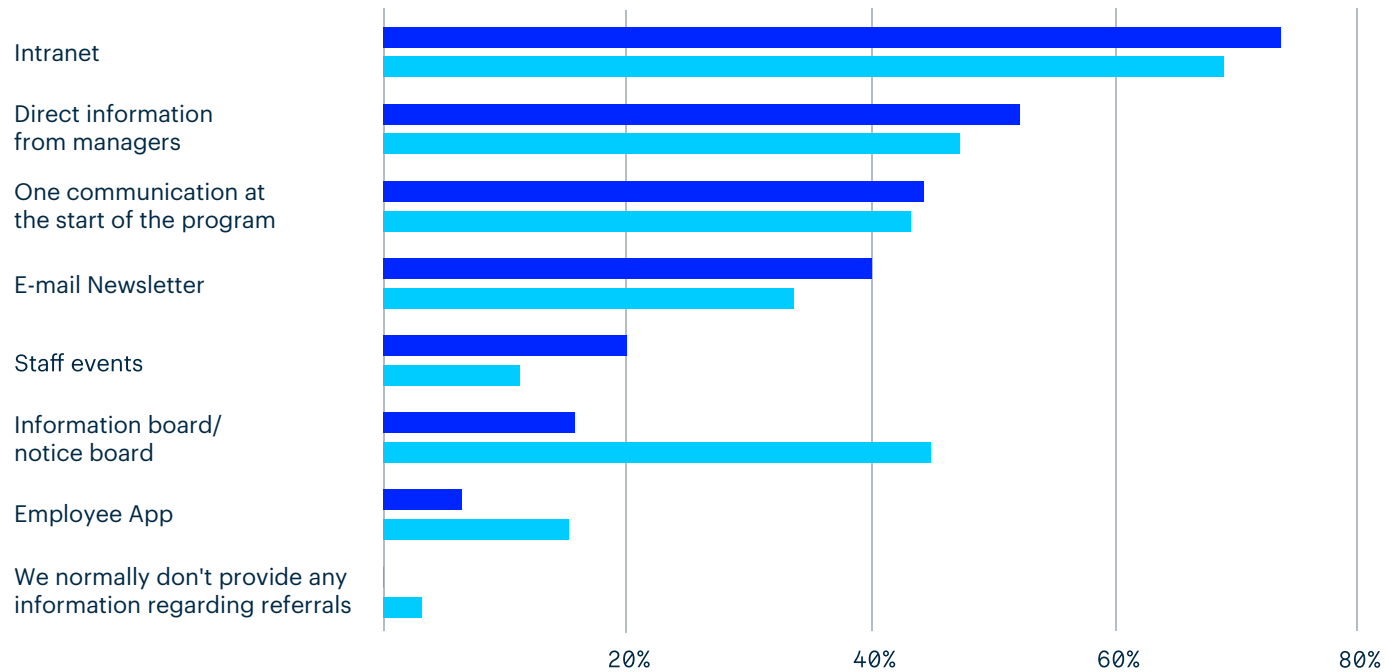
Reasons behind this trend echo the benefits of referral programs, including satisfaction of hiring needs in terms of the quality and quantity of candidates, as well as reaching the passive workforce and filling niche roles. Thanks to the challenges posed due to the pandemic, non-desk companies were hit especially hard with many manual labor and service roles vacant and talent seemingly scarce. Encouraging employees to refer candidates for these positions can open up doors of recruitment opportunities.

Recruiting strategies which non-desk companies have traditionally relied on cannot compete with the benefits that referrals bring with them. Non-desk companies that don't have a referral program in place but plan to implement one make up a significant portion of those surveyed – a testimony to this increasing trend.

Companies with more computer workstations generally offer higher rewards for successful hires.



Graph 6.1: Gross Reward Amount desk vs. non-desk companies



With a high rate of non-desk roles comes the fact that major communication channels do not work, since non-desk employees do not have access to the intranet, not to mention a business email address. In contrast to desk companies, information boards and employee apps are highly regarded by non-desk companies.

Graph 6.2: Communication Channels Used desk vs non-desk companies

Summary of Results

- More and more companies are planning to introduce an employee referral program.
- Digital management tools for employee referrals are on the rise.
- Most companies pay monetary rewards of between 501 and 1,000 in their local currency for a successful referral - and the trend is rising.
- Only 4% of companies are using the full potential of their referral program. 66% of companies have great untapped potential.
- The results reveal that while employee referral use is growing and rewards are increasing, employee motivation and communication are critical to success.
- Companies offering manual labor and services, which are facing a shortage of skilled workers, are catching up in the use of employee referral programs.



Sources

- 1** Jobvite (2012). Social Recruiting Survey Results. Retrieved from https://www.jobvite.com/news_item/jobvite-social-recruiting-survey-finds-90-employerswill-use-social-recruiting-2012/
- 2** Firstbird (2021). Employee Referral Benchmark Study 2021. Retrieved from <https://www.firstbird.com/en/download/employee-referral-benchmark-study-2021-dl/>
- 3** UndercoverRecruiter. How to Implement an Employee Referral Program. Retrieved from <https://theundercoverrecruiter.com/employee-referral-program/>
- 4** LinkedIn. The Ultimate List of Hiring Statistics For Hiring Managers, HR Professionals and Recruiters. Retrieved from https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/Ultimate-List-of-Hiring-Stats-v02.04.pdf

Annex

Chapter 1: The Use of Employee Referral Programs Worldwide

Graph 1: The Use of Employee Referral Programs

Do you use an employee referral program for your recruiting?		
	Frequency	Percent
Yes	268	67.00%
No	77	19.30%
Planning to implement	53	13.30%
Total	398	100.00%

Graph 1.1: Planning to Implement

When are you planning to implement an employee referral program?		
	Frequency	Percent
In the next 3 months	18	34.00%
In 4-6 months	14	26.40%
In 7-12 months	16	30.20%
In more than 12 months	5	9.40%
Total	53	100.00%

multiple answers possible

Graph 1.2: Type of Referral Program for Implementation

Which kind of employee referral program do you want to implement?			
	Frequency	Percent	N
Analog program (written form, email, information board)	25	47.20%	53
An extension of an applicant tracking system	23	43.40%	53
A digital employee referral tool	31	58.50%	53

Use of Employee Referral Programs Desk vs. Non Desk

		Desk jobs / non-desk jobs			
		more than 70% desk jobs (N = 199)		less than 70% desk jobs (N = 194)	
		Count	Column N %	Count	Column N %
Do you use an employee referral program for your recruiting?	yes	139	69.8%	124	63.9%
	no	44	22.1%	33	17.0%
	planning to implement	16	8.0%	37	19.1%

Graph 1.4: Methods to Track Employee Referrals

		Market			
		1 INT (N = 82)		2 DACH (N = 186)	
		Count	Column N %	Count	Column N %
Which method do you use to track incoming employee referrals?	email	27	32.9%	93	50.0%
	intranet	10	12.2%	22	11.8%
	written form	9	11.0%	44	23.7%
	ATS	63	76.8%	85	45.7%
	digital employee referral program	10	12.2%	32	17.2%

Filter = companies with ERP, multiple answers possible

Graph 1.5: Methods to Track Employee Referrals 2021 vs. 2022

Which method do you use to track incoming employee referrals?				
	2022 (N = 268)		2021 (N = 239)	
	Frequency	Percent	Frequency	Percent
Email	120	44.80%	131	55.00%
Intranet	32	11.90%	38	16.00%
Written form	53	19.80%	60	25.00%
Applicant tracking system	148	55.20%	109	46.00%
Digital employee referral program	42	15.70%	38	16.00%
Other	13	4.90%	14	6.00%

Filter = companies with ERP, multiple answers possible

Graph 1.6: Objectives of Employee Referral Programs

What are the objectives of your employee referral program?			
	Frequency	Percent	N
To reduce employee turnover rate	69	25.70%	268
To increase employee retention rate	132	49.30%	268
To increase the number of new hires	198	73.90%	268
To increase the number of applicants	166	61.90%	268
To improve the quality of hires	202	75.40%	268
To reduce recruitment costs (e.g. cutting down on job announcements or on hiring a recruitment consultant)	153	57.10%	268
To build your talent pool	62	23.10%	268
To improve employee engagement by involving them in the recruiting process	156	58.20%	268
To strengthen the employer brand	156	58.20%	268
To reach out to more applicants by sharing job offers (via social networks)	148	55.20%	268

Filter = companies with ERP, multiple answers possible

Chapter 2: Rewarding for Employee Referrals

Graph 2: Monetary Rewards

Do employees receive a monetary reward for a referred candidate?		
	Frequency	Percent
Yes	253	94.40%
No	12	4.50%
I am not sure	3	1.10%
Total	268	100.00%

Filter = companies with ERP

Graph 2.1: Gross Reward Amount

How much is the gross reward?			
	Frequency	Percent	N
0-250 EUR USD GBP AUD	23	9.10%	253
251 to 500 EUR USD GBP AUD	58	22.90%	253
501 to 1,000 EUR USD GBP AUD	98	38.70%	253
1,001 to 2,000 EUR USD GBP AUD	88	34.80%	253
2,001 to 3,000 EUR USD GBP AUD	41	16.20%	253
3,001 to 5,000 EUR USD GBP AUD	23	9.10%	253
Above 5,000 EUR USD GBP AUD	5	2.00%	253

Filter = companies with ERP, multiple answers possible

Graph 2.2: Gross Reward Amount 2021 vs. 2022

Gross Reward Amount 2021 vs. 2022				
	2022 (N = 253)		2021 (N = 269)	
	Frequency	Percent	Frequency	Percent
0-250 EUR USD GBP AUD	23	9.10%	49	18.00%
251 to 500 EUR USD GBP AUD	58	22.90%	78	29.00%
501 to 1,000 EUR USD GBP AUD	98	38.70%	84	31.00%
1,001 to 2,000 EUR USD GBP AUD	88	34.80%	75	28.00%
2,001 to 3,000 EUR USD GBP AUD	41	16.20%	30	11.00%
3,001 to 5,000 EUR USD GBP AUD	23	9.10%	14	5.00%
Above 5,000 EUR USD GBP AUD	5	2.00%	0	0.00%

Filter = companies with ERP, multiple answers possible

Graph 2.3: Pay Out of Monetary Rewards

How do you pay out monetary rewards? (Multiple answers possible)			
	Frequency	Percent	N
Total reward as a one-time payout	160	63.2	253
Split reward payment across different time periods	87	34.4	253
Depends on the type of vacancy	14	5.5	253

Filter = companies with ERP, multiple answers possible

Graph 2.4: Time of Monetary Reward Payout

When do you pay out monetary rewards? (Multiple answers possible)			
	Frequency	Percent	N
When the employment contract is signed	46	18.20%	253
On the first day of work of the new employee	52	20.60%	253
After 1 month	35	13.80%	253
After 2 months	9	3.60%	253
After 3 months	64	25.30%	253
After 4 months	0	0.00%	253
After 5 months	1	0.40%	253
After 6 months	110	43.50%	253
After more then 6 months	13	5.10%	253
Other	16	6.30%	253

Filter = companies with ERP, multiple answers possible

Graph 2.5: Payout of Monetary Rewards After 6 Months

How do you pay out monetary rewards? (Multiple answers possible)			
	Frequency	Percent	N
Total reward as a one-time payout	48	43.6	110
Split reward payment across different time periods	59	53.6	110
Depends on the type of vacancy	7	6.4	110

Filter = companies with ERP, payout of monetary rewards after 6 months, multiple answers possible

Graph 2.6: Frequency of Non-Monetary Rewards

Do your employees receive non-monetary rewards for referred candidates?		
	Frequency	Percent
Yes	27	10.10%
No	233	86.90%
I am not sure	8	3.00%
Total	268	100.00%

Filter = companies with ERP, multiple answers possible

Graph 2.7: Types of Non-Monetary Rewards

What type of non-monetary rewards do you offer?			
	Frequency	Percent	N
A holiday/ Additional days of Holidays/ Extra time off	7	25.90%	27
Coupons, Vouchers, gift cards	9	33.30%	27
events, conferences, free trips	3	11.10%	27
Small gifts such as Lunch boxes, coffee mugs, music boxes, t-shirts, stickers and other swag	0	0.00%	27
Electronic devices: tablets, laptops, bluetooth boxes, etc; a coffee machine, headphones, Microsoft Surfaces	0	0.00%	27
Money for donation	2	7.40%	27
paid training, course	0	0.00%	27
other	7	25.90%	27

Filter = companies offering non-monetary rewards, multiple answers possible

Chapter 3: Hiring & Application Impact

Graph 3: Percentage of Hires via Referrals

Ref_Hire: What percentage of hires come through referrals?		
	Frequency	Percent (valid)
Under 5%	88	33.00%
6 to 10%	59	22.10%
11 to 15%	30	11.20%
16 to 20%	26	9.70%
21 to 25%	10	3.70%
26 to 30%	8	3.00%
Over 30%	3	1.10%
I am not sure	43	16.10%
missing	1	
Total	267	100.00%

Filter = companies with ERP

Graph 3.1: Percentage of Applications via Referrals

What percentage of applications come through referrals?		
	Frequency	Percent
Under 5%	81	30.20%
6 to 10%	65	24.30%
11 to 15%	29	10.80%
16 to 20%	19	7.10%
21 to 25%	10	3.70%
26 to 30%	6	2.20%
Over 30%	4	1.50%
I am not sure	54	20.10%
Total	268	100.00%

Filter = companies with ERP

Graph 3.2: Quality of Referred Candidates

How do you rate the quality of the referred candidates?			
	Frequency	Percent	corrected Percent
very poor quality	1	0.40%	0.40%
poor quality	11	4.10%	4.10%
Average quality	71	26.50%	26.70%
High quality	147	54.90%	55.30%
Very high quality	36	13.40%	13.50%
Missing	2	0.70%	
Total	268	100.00%	100.00%
Valid	266	99.30%	100.00%

Filter = companies with ERP

Graph 3.3: Job Positions Filled via Referrals

Vacancy: Which job positions do you fill most often through referrals? (Multiple answers possible)			
	Frequency	Percent	N
Interns	31	11.60%	268
Trainees / apprentices	46	17.20%	268
Graduate trainees	61	22.80%	268
Experienced specialists / skilled workers	218	81.30%	268
Executives / Management	36	13.40%	268
Branch employees	19	7.10%	268
Other	16	6.00%	268

Filter = companies with ERP, multiple answers possible

Chapter 4: Employee Motivation

Graph 4: Employees that make referrals on a regular basis (once per quarter)

How many employees make referrals on a regular basis (approx. 1 x per quarter)?			
	Frequency	Percent	corrected percent
1 to 5%	143	53.40%	54.20%
6 to 10%	29	10.80%	11.00%
11 to 25%	9	3.40%	3.40%
26 to 40%	1	0.40%	0.40%
Over 40%	1	0.40%	0.40%
We are not able to measure	81	30.20%	30.70%
Missing	4	1.50%	
Total	268	100.00%	100.00%
Valid	264	98.50%	100.00%

Filter = companies with ERP

Chapter 5: Communication

Graph 5: Communication Channels Used

How do you currently inform your employees about the possibility to refer candidates for an open position? (Multiple answers possible)		
	Frequency	Percent
One-off communication at the start of the program	120	44.80%
Email newsletter	100	37.30%
Intranet	192	71.60%
Information board/ notice board	79	29.50%
Employee App	28	10.40%
Staff events	42	15.70%
Direct information from managers	135	50.40%
We normally don't provide any information regarding referrals	4	1.50%
Other	16	6.00%

Graph 5.1: Communication Channels Used by Companies That Have a Digital Referral Program

How do you currently inform your employees about the possibility to refer candidates for an open position? (Multiple answers possible)		
	Frequency	Percent
One-off communication at the start of the program	30	71.40%
Email newsletter	18	42.90%
Intranet	34	81.00%
Information board/ notice board	14	33.30%
Employee App	11	26.20%
Staff events	8	19.00%
Direct information from managers	26	61.90%
We normally don't provide any information regarding referrals	0	0.00%
Other	3	7.10%

Filter = companies with ERP

Chapter 6: Desk vs Non-desk Companies

Graph 6: The Use of Employee Referral Programs: Desk vs. Non-desk Companies

		Desk jobs / non-desk jobs			
		more than 70% desk jobs (N = 199)		less than 70% desk jobs (N = 194)	
		Count	Column N %	Count	Column N %
Do you use an employee referral program for your recruiting?	yes	139	69.8%	124	63.9%
	no	44	22.1%	33	17.0%
	planning to implement	16	8.0%	37	19.1%

Graph 6.1: Gross Reward Amount desk vs. non-desk companies

		Desk jobs / non-desk jobs			
		more than 70% desk jobs (N = 139)		less than 70% desk jobs (N = 124)	
		Count	Column N %	Count	Column N %
How much is the gross reward?	0-250 EUR USD GBP AUD	2	1.4%	19	15.3%
	251 to 500 EUR USD GBP AUD	17	12.2%	38	30.6%
	501 to 1,000 EUR USD GBP AUD	44	31.7%	50	40.3%
	1,001 to 2,000 EUR USD GBP AUD	50	36.0%	37	29.8%
	2,001 to 3,000 EUR USD GBP AUD	27	19.4%	13	10.5%
	3,001 to 5,000 EUR USD GBP AUD	16	11.5%	6	4.8%
	Above 5,000 EUR USD GBP AUD	4	2.9%	1	0.8%

Filter = companies with ERP, multiple answers possible

Graph 6.2: Communication Channels Used desk vs non-desk companies

		Desk jobs / non-desk jobs			
		more than 70% desk jobs (N = 139)		less than 70% desk jobs (N = 124)	
		Count	Column N %	Count	Column N %
How do you currently inform your employees about the possibility to refer candidates for an open position?	One communication at the start of the program	62	44.6%	54	43.5%
	E-mail Newsletter	56	40.3%	42	33.9%
	Intranet	103	74.1%	86	69.4%
	Information board/ notice board	22	15.8%	56	45.2%
	Employee App	9	6.5%	19	15.3%
	Staff events	28	20.1%	14	11.3%
	Direct information from Managers	73	52.5%	59	47.6%
No, we normally don't provide any information regarding referrals	0	0.0%	4	3.2%	

Filter = companies with ERP, multiple answers possible



Do you want to learn more about employee referrals for your company?

Get in touch with us today.

REQUEST A DEMO

