

# Employee Referral Program Policy

## 1. Introduction

At [Company Name], we believe that our employees are our greatest asset. We also recognize that our current employees are often the best source for identifying talented individuals who can contribute to our company's success. To leverage this valuable resource and attract top talent, we have implemented an Employee Referral Program.

### 1.1 Purpose

The purpose of this policy is to outline the guidelines, procedures, and benefits associated with our Employee Referral Program. This program aims to:

- Encourage employees to recommend qualified candidates for open positions
- Reduce recruitment costs and time-to-hire
- Improve the quality of new hires
- Enhance employee engagement and retention
- Foster a collaborative company culture

### 1.2 Scope

This policy applies to all full-time and part-time employees of [Company Name], except for those in the Human Resources department and hiring managers directly involved in the recruitment process for the position in question.

## 2. Eligibility

### 2.1 Eligible Referrers

The following employees are eligible to participate in the Employee Referral Program:

- All full-time employees who have completed their probationary period
- Part-time employees who have been with the company for at least six months
- Contract employees who have been with the company for at least one year

## **2.2 Ineligible Referrers**

The following individuals are not eligible to participate in the Employee Referral Program:

- Human Resources personnel
- Hiring managers directly involved in the recruitment process for the position in question
- Senior management (C-level executives, VPs, and Directors)
- Employees who are on a performance improvement plan or have received a formal disciplinary action within the last six months

## **2.3 Eligible Referrals**

To be considered eligible for the referral program, candidates must meet the following criteria:

- Not be a current or former employee of [Company Name] within the last two years
- Not be an immediate family member (spouse, sibling, parent, or child) of the referring employee
- Not have been previously submitted by another employee for the same position
- Not be currently engaged with [Company Name] as a contractor, vendor, or temporary worker
- Meet the minimum qualifications for the position as outlined in the job description

## **3. Referral Process**

### **3.1 Identifying Open Positions**

Employees can find information about current job openings through the following channels:

- Company intranet
- Weekly company-wide email newsletters
- Departmental meetings
- Quarterly town hall meetings

### **3.2 Submitting a Referral**

To submit a referral, employees must follow these steps:

1. Visit the Employee Referral Portal on the company intranet
2. Select the open position for which they are referring a candidate
3. Provide the candidate's full name, contact information, and current resume
4. Complete a brief questionnaire about the candidate's qualifications and suitability for the role
5. Confirm that the referral meets all eligibility criteria as outlined in section 2.3

### **3.3 Referral Tracking**

The Human Resources department will track all referrals using an Applicant Tracking System (ATS). Employees can check the status of their referrals through the Employee Referral Portal.

### **3.4 Communication**

The referring employee will receive updates on the status of their referral at the following stages:

- Initial receipt of the referral

- When the candidate is selected for an interview
- When a hiring decision is made

To maintain candidate confidentiality, specific details about the interview process or reasons for non-selection will not be shared with the referring employee.

## 4. Referral Rewards

### 4.1 Reward Structure

Employees who successfully refer a candidate who is hired and completes their probationary period will be eligible for a referral bonus. The bonus structure is as follows:

Position Level	Referral Bonus
Entry-level	\$1,000
Mid-level	\$2,500
Senior-level	\$5,000
Executive	\$10,000

### 4.2 Bonus Payment

The referral bonus will be paid out in two installments:

- 50% after the referred employee completes their 90-day probationary period
- 50% after the referred employee completes six months of employment

Referral bonuses are subject to all applicable taxes and will be included in the referring employee's regular paycheck.

### 4.3 Multiple Referrals

If multiple employees refer the same candidate, only the first referral received will be eligible for the bonus. In the case of simultaneous submissions, the bonus will be split equally among the referring employees.

## **4.4 Annual Referral Cap**

To ensure fairness and prevent abuse of the program, there is an annual cap on referral bonuses. An employee can earn up to a maximum of \$20,000 in referral bonuses per calendar year.

# **5. Program Integrity**

## **5.1 Conflict of Interest**

Employees must disclose any potential conflicts of interest when submitting a referral. This includes personal or professional relationships that might influence their recommendation.

## **5.2 Equal Employment Opportunity**

The Employee Referral Program adheres to [Company Name]'s commitment to equal employment opportunity. All referred candidates will be considered without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, or any other protected characteristic.

## **5.3 Confidentiality**

Employees must maintain confidentiality regarding the referral process and any information about the candidates they refer. Sharing sensitive information about candidates or the hiring process is strictly prohibited and may result in disciplinary action.

## **5.4 Program Abuse**

Any attempt to manipulate or abuse the Employee Referral Program will result in immediate disqualification from the program and may lead to disciplinary action, up to and including termination of employment.

# **6. Program Evaluation and Modification**

## 6.1 Regular Review

The Human Resources department will conduct a quarterly review of the Employee Referral Program to assess its effectiveness and identify areas for improvement. Key performance indicators (KPIs) that will be evaluated include:

- Number of referrals received
- Quality of referred candidates
- Hire rate from referrals
- Retention rate of referred employees
- Cost savings compared to traditional recruitment methods
- Employee satisfaction with the program

## 6.2 Program Modifications

Based on the regular reviews and feedback from employees, [Company Name] reserves the right to modify, suspend, or terminate the Employee Referral Program at any time. Any changes to the program will be communicated to all employees through official company channels.

# 7. Roles and Responsibilities

## 7.1 Human Resources Department

The HR department is responsible for:

- Administering the Employee Referral Program
- Maintaining the Employee Referral Portal
- Processing referrals and communicating with referring employees
- Ensuring compliance with equal employment opportunity laws
- Calculating and processing referral bonuses
- Conducting regular program evaluations

## 7.2 Referring Employees

Employees participating in the program are responsible for:

- Submitting referrals through the proper channels
- Ensuring the eligibility of their referrals
- Maintaining confidentiality throughout the referral process
- Disclosing any potential conflicts of interest

## 7.3 Hiring Managers

Hiring managers are responsible for:

- Considering referred candidates objectively alongside other applicants
- Providing timely feedback on referred candidates to HR
- Maintaining the integrity of the hiring process

## 8. Frequently Asked Questions (FAQs)

▼ Q: Can I refer someone for a position that hasn't been officially posted yet?

A: No, referrals are only accepted for positions that have been officially posted and are open for applications.

▼ Q: What happens if I refer someone who is hired for a different position than the one I originally referred them for?

A: If your referral is hired for a different position within six months of your initial referral, you will still be eligible for the referral bonus associated with the position they are hired for.

▼ Q: Can I refer former colleagues or classmates?

A: Yes, you can refer former colleagues or classmates as long as they meet the eligibility criteria outlined in section 2.3 of this policy.

▼ Q: How long is my referral valid?

A: Referrals are valid for six months from the date of submission. If the referred candidate is not hired within this period, you may resubmit them for

consideration if there are suitable open positions.

▼ Q: Will I still receive a bonus if the referred employee leaves the company shortly after I receive the full bonus payment?

A: Once the full bonus has been paid (after the referred employee completes six months of employment), you will not be required to return the bonus if the employee subsequently leaves the company.

## 9. Conclusion

The Employee Referral Program is a valuable tool for [Company Name] to attract top talent while recognizing the contributions of our current employees. By participating in this program, you play a crucial role in shaping the future of our organization. We encourage all eligible employees to take advantage of this opportunity to help build a stronger, more talented team.

For any questions or clarifications regarding the Employee Referral Program, please contact the Human Resources department at [HR Email Address] or [HR Phone Number].

Thank you for your participation and commitment to the growth and success of [Company Name].

[Signature of HR Director or CEO]

[Name]

[Title]

[Date]