

What is a referral worth?

Did you know that referrals stay longer?

## Breaking down your Referral Reward

### The Care Worker Persona

Internal research on the persona of a Care Worker in relation to employee referral uncovered one key finding: Carers are caring. They are focused on helping their friends find a job and helping find good carers for their clients. Money is secondary. Another finding in this research is that cash is a better motivator than other forms of rewards (such as time off, material items etc), and a reward is more effective if it is given close to the desired behaviour.

### Using Reward Psychology

Care Friends offers micro-rewards that build on this reward psychology to turbocharge employee referrals. Instead of one large pay-out when a referral is hired or makes it past probation, Care Friends rewards employees for behaviours we want to reinforce: sharing a job and making quality referrals. To promote quality referrals, we recommend using larger rewards for the latter recruitment stages.

Name	Suggested Breakdown
Sharing a job via the app Mandatory	<1%
Expression of Interest Received Mandatory	2%
Successful Interview Mandatory	7%
Hired and Started Mandatory	40-70%
Referred employee reaches 6 months employment Mandatory	20-50%
New to Care Optional	0-10%

### Choosing your Referral Reward

On average, we are seeing referral rewards between \$300 and \$600 spread across the micro-reward stages, however there are some outliers ranging from \$100 up to \$2,500. It is becoming popular to award additional points for hard-to-fill roles such as RNs.

When setting your referral reward, not only consider your budget, but also the message that your reward is sending to your staff. How valuable are your staff's network and their efforts to spread the word about your vacancies and organisation. Are you looking to diversify your recruitment sources or improve retention? Is it a motivator for your organisation to put more money in your staff's pockets and make recruitment everyone's business?

The average cost to hire in Australia is \$9,772 for an entry-level position. Employee referral costs considerably less. Those organisations that have a well-thought-out launch and invest in ongoing engagement, are seeing 15-30% of new starters come through employee referral. They also see improved retention rates of referrals and the referees as well as reduced time-to-hire. All these points make referral a worthy investment in your staff and organisation.

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Did you know that the referrer also stays up to 20% longer?

## Some notes about the referral stages

Trigger	Notes
Job is shared	Max 5 or 10 share points per month (further shares will no incur points)
Referral expresses interest	Points for eligible candidates only (as per the rules)
Successful interview	Unsuccessful interviews and no-shows are not eligible for points
Referral starts work	This step is updated manually so you decide what "started work" means
Referral is new to care	These extra points are allocated when the referral starts work
Referral employed for x months	Most organisations choose to align this with the probation period

## Strategic options

The reward stages “started work” and “retention milestone” can be used strategically in two ways:

**Retention focus:** the reward is weighted towards sustainable results with more points for the retention milestone. For example, the “started work” reward can be as low as 35% of the total reward and the “referral is employed for x months” milestone can get up to around 55%. This is seen to provide more bang for your buck if traditionally the early churn rates have been high.

**Appointment focus:** This is where the “started work” reward is above the retention reward and this is done mostly to keep the incentive as close as possible to the initial referral action, which encourages more referrals.

## Other things to consider

The "New to Care" reward is forward thinking and designed to encourage your employees to look for the right attitudes and values in whom they refer. This helps to broaden your pool of candidates and is ideal if you have a traineeship program or a relationship with an RTO.

When deciding on your referral reward breakdown, keep in mind your chosen minimum point cash-out. Most clients choose a minimum of 30-50 points, however this depends also on if Care Friends will be used for reward & recognition via the Bonus Point functionality.