

# RELATIONSHIP STATUS: IT'S (NOT) COMPLICATED

Every six months? Twelve months? Two years? How often do you do it—you know, reassess your recruiting and hiring strategies?

Despite striving to meet new goals, dealing with shifting demographic profiles, and having access to dwindling talent pools, our clients and business partners have many of the same policies and procedures in place: ones that have been in place for years; ones that feel comfortable; ones that have become routine.

But, we're not here to be routine. We're here to move businesses forward. And that means challenging the status quo.

*If referrals (in any form) bring in better workers, why limit the number of talent pools available to you?*

## BLOOD IS THICKER THAN WATER

With such a tight labor market, your handbook should open doors and invite people in, not build walls to keep them out. In the least extreme cases, companies simply fail to acknowledge the power of friend and family referral programs, while in the most extreme cases, they uphold blanket anti-nepotism policies—both of which close the doors on a highly accessible talent pool. Not only are referred employees cheaper to acquire, they perform as well or better than employees acquired through other sources. The proof's in the data.

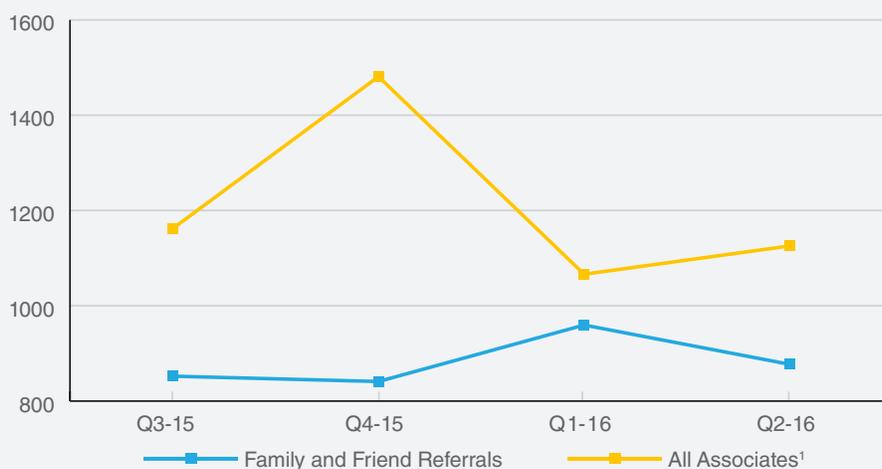
To us, the ultimate measure of a successful assignment is whether or not our associate is hired by our client. The faster our clients hire, the more successful we consider the match because it indicates an eagerness to retain the worker that outweighs the cons of making a permanent hire. We compared two groups of workers over the past 12 months—referred associates working on their first assignment versus all associates in our workforce—and the average length of time it took each group to get hired on by our customer. Across quarters, the amount of time it took for a first-assignment, referred associate to be hired by our client averaged hundreds of hours lower than associates in our general workforce.

While it's difficult to know exactly why referred employees outshine their peers and get hired more quickly, we believe a few factors come into play:

### Current employees are a living billboard.

It's impossible to impart company culture in a job description or during an interview, but current employees do this unknowingly every day through their actions. Friends and family members see and hear about a company long before they step foot in the door—they know the good, the bad, and the ugly because they watch someone live it out first. If they're willing to seek employment with you after this, you can bet they're already pretty invested in making it work—and these are the employees you need.

AVERAGE HOURS WORKED PRIOR TO BEING HIRED BY A CLIENT



<sup>1</sup> This benchmarked group includes all associates at more than 100 of our largest clients, a sample set that remains relatively stable over time in terms of industry, geography, and seasonality.

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## **Social connections keep people performing.**

It's easier to let someone down if you'll never see them again, but it's much harder to perform poorly when someone you care about is watching. Plus, referrals want to do a good job, as they know their good work reflects well on the referrer.

## **People are typically conscientious.**

They don't want to be embarrassed at work, nor do they want to deal with personal issues while on the clock. Therefore, they're probably pretty selective in who they encourage to apply, which serves as a natural mechanism for weeding out bad situations.

If you aren't already, you should welcome referrals of all kinds, family included. And if you have a blanket anti-nepotism policy in place, or are contemplating one, we ask you to consider this: *If referrals (in any form) bring in better workers, why limit the number of talent pools available to you?* We recognize there are valid operational issues that could arise from familial relationships in the workplace, so we absolutely recommend setting appropriate boundaries governing these relationships, such as those between direct or indirect supervisors and subordinates, those that would perpetuate discriminatory hiring practices, or those that could pose insurmountable manning issues.

## **WHAT DO WE DO?**

We put our money where our mouth is, both in recruiting and hiring for internal positions and for contingent associates.

We post all corporate positions on our employee intranet, encourage employees to refer qualified job seekers, and reward referrers for resulting hires. Though we limit direct or indirect supervisory relationships between family members, we do not have a blanket anti-nepotism policy because it prevents us from living out our mission, which in part states: *Our success depends upon our ability to identify and hire the very best and brightest employees...[and] provide compensation, benefits, opportunities, and personal fulfillment*

## **CREATE A COMPETITIVE ADVANTAGE**

*A referral program alone won't open the talent floodgates, but something similar will: offering a few unique job perks and using your employee network to promote them to a largely untapped group of potential workers—people who want to work but have quit actively looking. Results from our recent Dollars and Sense | Wages and Benefits Survey revealed one such opportunity to stand out among the crowd: provide a solution that alleviates the financial and/or personal toll of finding reliable, convenient childcare. Despite the fact that many American workers have family caregiving responsibilities, employers continue to disregard this as an opportunity to attract workers and sometimes go so far as to view it as a line item in support of no-hire policies for family members—because family members often rely on one another to help care for children. In fact, less than 1% of employers we surveyed say they offer in-house or subsidized childcare and only 27% offer at least one form of flexible scheduling. Many potential workers—like your employees' spouses, parents, or siblings who help with childcare—need to work specific hours to accommodate childcare or school schedules or need to earn wages significantly above and beyond the rising costs of childcare and after-school care. That's a huge group of people who want jobs that aren't easy to find or acquire. In today's competitive marketplace, a largely untouched talent pool is rare; take full advantage of it.*

*Opening an in-house daycare certainly doesn't make sense for every company, but a few things do: forging partnerships with daycares or youth centers in town to lower costs or provide part-time or after-school care, offering flexible spending programs, allowing employees to swap shifts, or implementing school-friendly working hours. These competitive differentiators—coupled with a strong word-of-mouth campaign—will help you attract and retain an otherwise untapped market of potential workers while also sheltering your business from potential manning issues.*

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*such that working elsewhere would be unattractive.* The potential for successful hires—good people tend to know and enjoy working with other good people—outweighs the exposure to family-related issues in our minds.

We also actively solicit referrals from working associates and job seekers through a long-standing, company-wide campaign. Every branch and on-site office displays posters and hands out referral cards to visiting associates and job seekers, and we reward working associates for referring successful hires. Referrals account for nearly 30% of our applicant traffic, and we attribute much of this to the emphasis we place on continually seeking them out. And because we're taking our own advice to never be satisfied with the status quo, we plan to expand the program and offer it online later this year.

## CONCLUSION

Recruiting is evolutionary. If you want to have even one foot in the race for talent, you cannot rest on your laurels or settle for ordinary. If you find your organization lacks the ability to tout unique qualities and fails to turn the heads of today's workers, it's time to mix things up. Drive job seekers to your front door by offering an experience they can't get elsewhere; look for untapped potential and overlooked opportunities; scrutinize, change, or remove policies and processes that close doors or leave them half open; and work hard to generate an organic buzz about your company by creating raving fans out of your current employees.

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