**Video Title:** Employee Referral Programs

**Video URL:** <https://www.youtube.com/watch?v=EjSahL3iMGQ>

**Run Time:** 2:40

**Source:** One Productions/YouTube

**Close Caption Available:** Yes

The role of employee referrals in employee recruiting is described on pages 121-122 of the textbook. In this short but powerful video is presented by hr360 (HR Over Coffee). Hiring from job boards and career websites and other online sources is common practice, but only part of the picture. The general point is that employee referrals are an effective, but often overlooked recruiting source. According to the research firm Jobvite Index, most job candidates are derived from job boards (about 43%), and career sites (about 32 %). Employee referrals may constitute only 7% of applicants, but 40% of all hires, according to a study of 600 firms including Whole Foods and Zappos. Hiring an applicant from employee referrals is 55% faster than through other methods. These workers stay with the firm three years longer, with 46% of employee referrals still on the job after three years, versus only 14% of those recruited online.

*Questions for Thought and Discussion*

1. What might be a key reason that employee referrals are a valuable source of new hires?

2. An HRM professor wrote that despite all the attention online recruiting receives, most people who actually get a new job do so through friends. How well does this video support that contention?

3. What do you think about an HR manager giving more weight to the referrals from high-performing than low-performing employees?

4. What would be at least one reason that employees hired through employee referrals stay longer than those recruited and selected online?

5. What is your evaluation of the communication skills of the presenter?