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Companies relying on employee referrals for 30% of hiring: Experts

New Delhi, Aug 30, (PTI):

Companies are increasingly relying on existing employees to rope in fresh recruits, especially in the IT space, and experts believe employee referrals account for about 30 per cent of hiring.

The existing staff members get to benefit by way of a fixed amount paid to them by the employers for every successful hire based on their recommendation, while the companies also benefit in terms of savings on costs associated with the search process.

According to experts, 25 per cent to 30 per cent of employees in the IT and ITes space are recruited through the employee referral process.

"We hire almost 30 per cent of our lateral talent acquisition through our employee referral programme," Infosys BPO Vice-President and HR Head Raghavendra K told PTI.

Echoing a similar view, iGATE Patni Associate Vice-President (Global Recruitment) Mahesh Guru said, "We had hired 24 per cent of employees through the referral plan last year."

Explaining the reason for such hiring, MyHiringClub.com CEO Rajesh Kumar said, "Employers prefer this programme because it's very cost-effective for them and employees are dedicatedly referring candidates to earn some extra money. It's a win-win situation for both."

He further said the major resource through which employees source candidates is social networking sites like LinkedIn, SiliconIndia, TooStep and TechGig.

"From a candidate perspective, there is no better reference point than their friend/ex-colleague who works with the company and is there to provide unbiased information that one needs to know before making a decision to change their careers.

"Employees also see this as an opportunity to continue their camaraderie with individuals and, hence, are motivated to refer their friends and/or past colleagues," Guru said.

Guru further said that companies in almost all sectors have some form of employee referral programme in place.

"IT/ITES leads the pack through some very innovative referral programmes. Outside of IT/ITES, the FMCG sector has done well in utilising this channel for hiring over the years," Guru added.

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