

Employee Recruiters



Organization: MITRE Corporation
Industry: System Engineering
Revenue: Non-Profit
Employees: 6,399
Headquarters: Bedford, Mass., United States

Goal

A strategy for empowering and enabling employees to successfully refer high numbers of quality candidates to the organization

Description

Facing low unemployment among systems engineers and fierce competition for talent from bigger, brand name companies, MITRE was looking for new ways to leverage current employees' social networks to attract and recruit needed talent. MITRE enables employees to act as promoters of the employment value proposition by providing them with the information and support that they need to successfully refer strong candidates.

Key Teaching

It is not the size of the referral bonus that is important to a successful employee referral program but the organization's ability to provide employees with the information and tools they need to effectively identify and attract potential candidates from their social networks.

Likely Return on Investment

- Increase in employee referrals
- Increase in quality of candidates

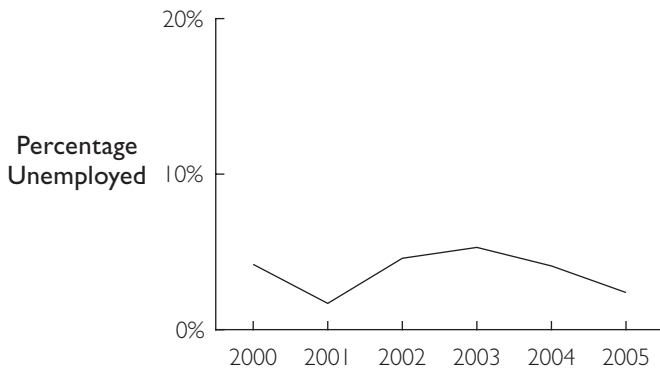
Practice Driver

MITRE's attempts to attract talent within a tight labor market where unemployment is low and competition for talent from larger, better-known competitors is high, drive the organization to focus on employee referrals as an important channel for hiring right-fit talent. However, in 2003 the organization was experiencing only moderate success, with 34% of hires coming from referrals compared with a U.S. organization average of 25%.

AN UNLEVERAGED WEAPON IN THE WAR FOR TALENT

Driven by low unemployment within target talent populations...

Unemployment Rate for United States—Software Engineers



...and tough, "brand name" competition for that scarce talent...

MITRE's Talent Competitors

- SAIC
- Lockheed Martin Corporation
- Northrop Grumman Corporation
- Accenture Ltd.

...MITRE was turning to employees as the most successful channel to attract right-fit candidates...

MITRE's Applicant-to-Hire Ratio by Source
2003

60:1

Source: Applications for advertised openings (active candidates)

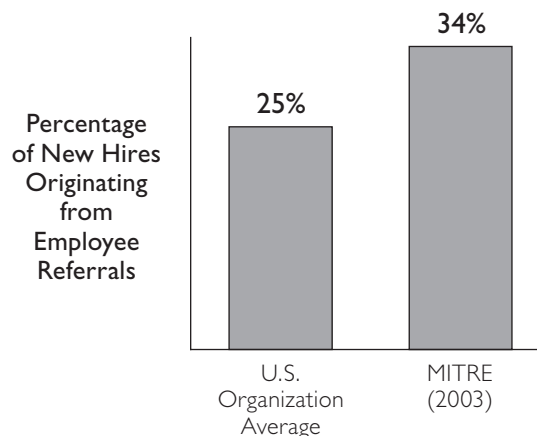
18:1

Source: Referrals from current employees (often passive candidates)

Referrals Yield More Right-Fit Candidates
The probability of finding the right talent is three times higher through employee referrals than through general applications.

...but only experiencing moderate success

Percentage of New Hires Originating from Employee Referrals



Source: U.S. Bureau of Labor Statistics; MITRE Corporation; Recruiting Roundtable Process Benchmarking Suite; Corporate Leadership Council research.

Practice in Context

MITRE’s HR department enables the workforce to be more effective at attracting talent by enhancing awareness about the organization’s talent needs and employment value proposition. In addition, HR provides employees with recruiting tools to maximize the attraction effectiveness of their networking activities. Contrary to common practice, MITRE does not believe that the referral bonus is the main driver of employees’ willingness to recruit talent for the organization. MITRE believes that success stems from providing engaged employees with the insights and tools they need to find right-fit candidates within their social networks.

SUPPORTING ORGANIZATIONAL ADVOCATES

MITRE’s HR department increases the level of information and support provided to employees to actively promote the organization’s EVP

MITRE’s Approach to Leveraging Employee Networks to Attract Talent

① **MITRE Increases Employee Awareness About Organizational Talent Needs and the Organization’s Value Proposition**

Organizational Challenges



Organizations are overly focused on employee referral incentives as the driver of a successful referral program.



Employees are unaware of organizational talent needs and the organization’s EVP.

② **MITRE Provides the Tools and Support Needed for Employees to Leverage Their Networks Effectively**

Organizational Challenges



Employees are too limited when thinking about potential networks to promote the EVP.



Employees often lack the tools and support to promote the EVP effectively.

—NOT (ONLY) ABOUT THE REFERRAL BONUS—

“We realized that our employees were committed to MITRE and actually wanted to champion the organization, they just didn’t know how. It was therefore up to us to provide the necessary insight and support in order to leverage that commitment to attract talent.”

Gary Cluff
Corporate Recruiting Director
MITRE Corporation

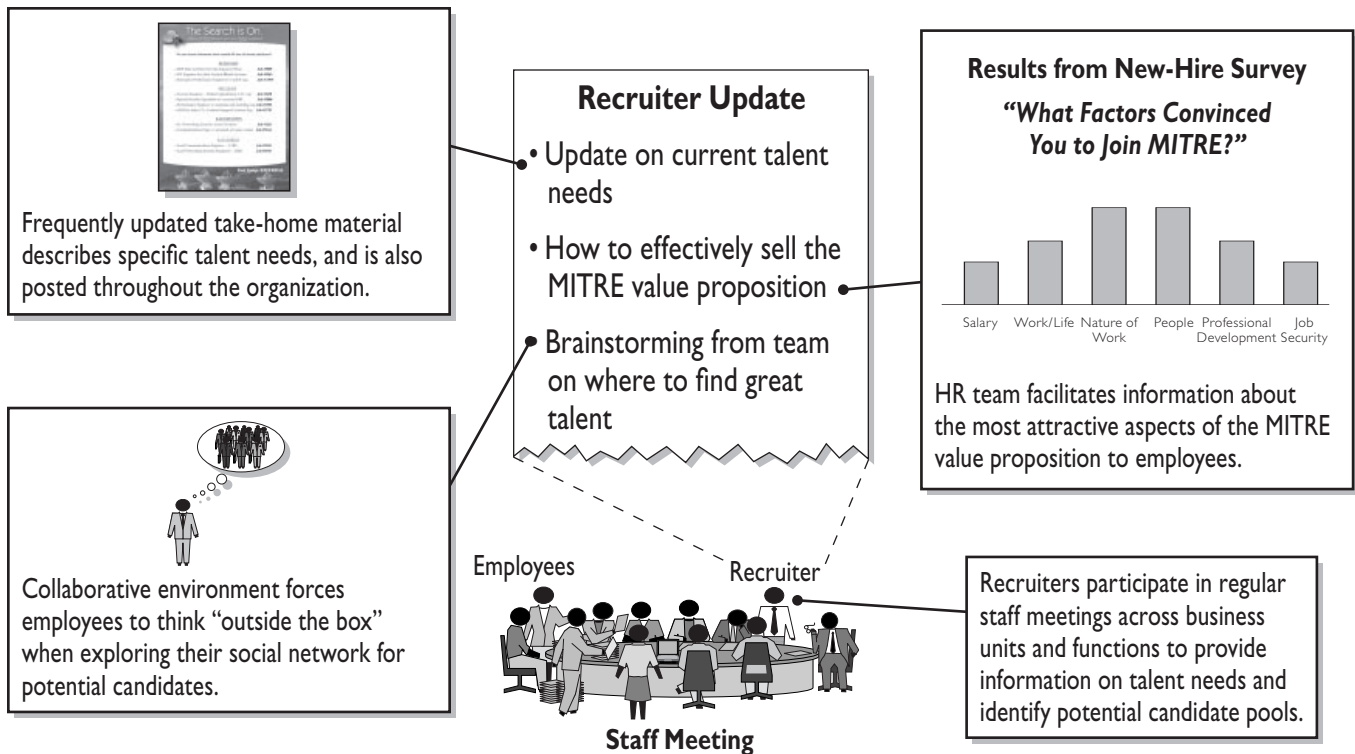
Step #1: Raise Employee Awareness of Attraction Goals

HR embeds a recruiting update into monthly team meetings across the organization to highlight current talent needs, provide insights into how to sell the organization’s EVP, and generate leads about where to find great talent. In addition, HR builds awareness about the organization’s EVP and talent needs through established events and programs.




THE INFORMATION THEY NEED

MITRE frequently provides employees with insight into talent needs and how to effectively promote the organization to potential job seekers

Ten-Minute Employee Referral Discussion at Monthly Team Meetings



ADDITIONAL AWARENESS-BUILDING ACTIVITIES

- 
New-Hire Involvement—HR introduces a referral program during formal onboarding presentation and provides practical advice for new hires to get involved. HR follows up with referral reminder e-mail 30 and 60 days after onboarding.
- 
Executive Promotion—CEO and executive team actively promote employee referrals and share referral success stories during companywide presentations.
- 
Organizational Promotion—HR constantly refreshes referral promotional material and promotes material at employee-wide gatherings and events.

Source: MITRE Corporation; Corporate Leadership Council research.

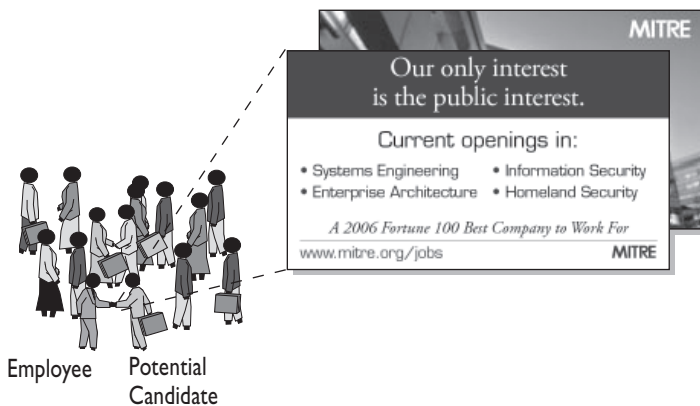
Step #2: Provide Employees with Ongoing Support to Drive Referral Activity

MITRE supplies its employees with candidate referral materials such as networking cards, to maximize referrals from employees' social and professional interactions with potential candidates. Best practices on finding, approaching, and securing applications from candidates are promoted through HR support materials.

THE SUPPORT THEY NEED

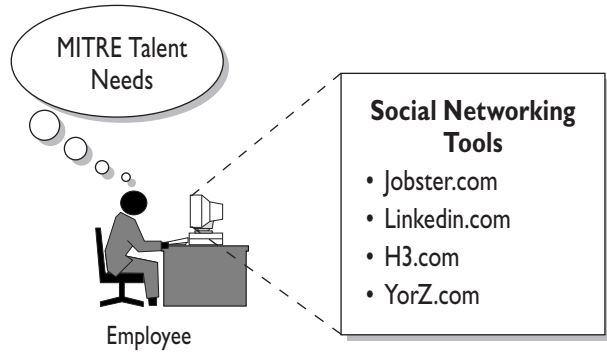
MITRE provides support material for employees to use at social and professional events...

Employee Networking Cards



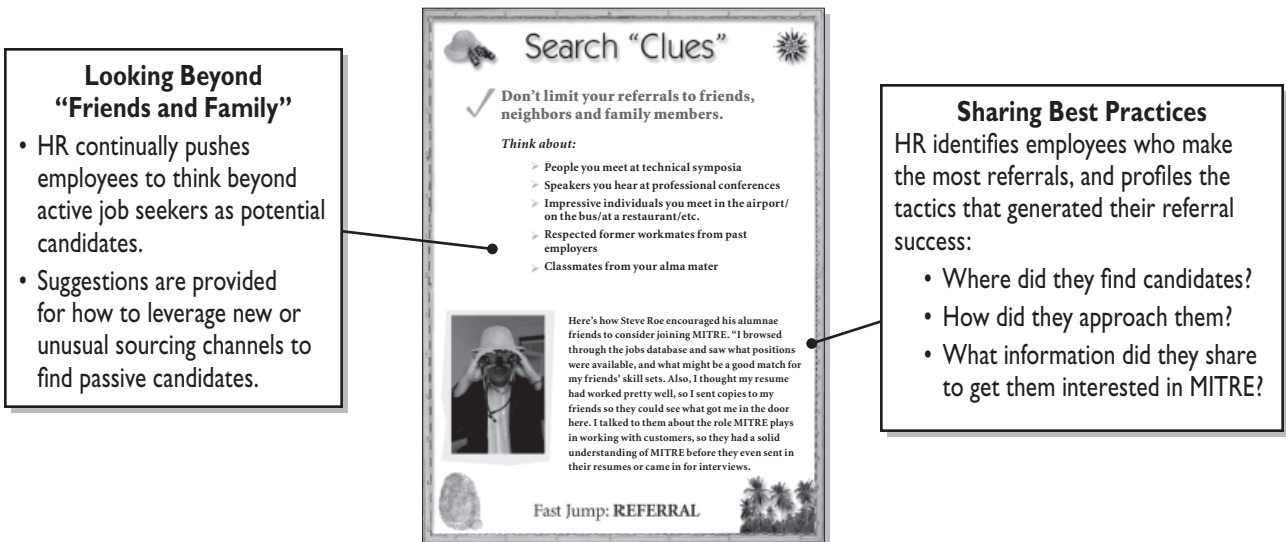
...promotes employee involvement in new online social networking tools...

Social Networking Tools



...and shares best practices for how to leverage networks to generate referrals

Promotional Materials—"Where to Find Candidates?"*



* See Appendix page I30, "Employee Referral Templates."

Source: MITRE Corporation; Corporate Leadership Council research.

Results

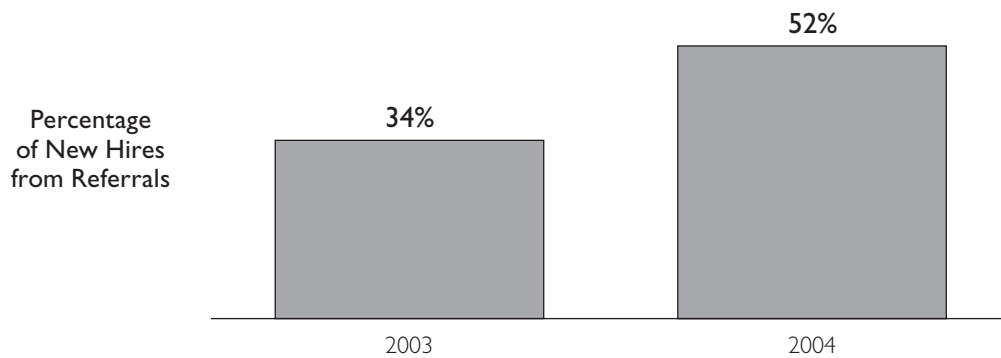
Since launching its employee referral support initiative in 2003, MITRE has experienced an 18% increase in the proportion of total new hires sourced through employee referrals, while achieving a turnover rate of just 5% against the industry benchmark of 23.7%.

HIGHER QUANTITY AND QUALITY

MITRE's efforts to leverage employee networks have led to more employee-referred new hires...

Increase in New Hires Coming from Employee Referrals at MITRE

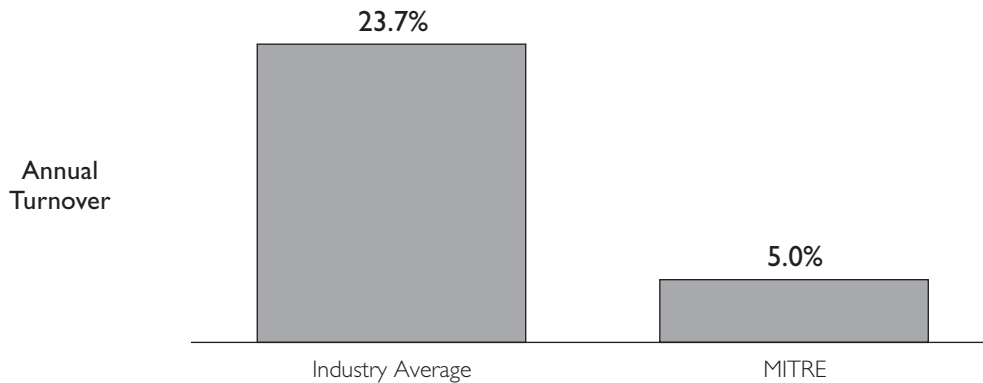
2003–2005



...as well as better retention

Industry Average Versus MITRE Systems Engineer Turnover Rates

2005



Source: American Electronics Association; MITRE Corporation; Corporate Leadership Council research.

COUNCIL ASSESSMENT: EMPLOYEE RECRUITERS

Caveat

While it is crucial that organizations raise employee awareness of talent needs and provide them with tools to support their referral efforts, MITRE sees particular success with this tactic because its workforce is highly engaged. Coupling this approach with an overall effort to improve the engagement of the workforce will provide greatest returns for member organizations.

Implementation Tips

- *Embed Referral Scheme Promotion Activity into Day-to-Day Work*—MITRE succeeds at raising the profile of the referral scheme by embedding the program into staff meetings, new-hire presentations, and executive talks, as well as more traditional organization-wide promotion materials.
- *Mitigate Problems Caused by Elimination of Cash Bonuses*—While MITRE's approach stems from an understanding that it is not the size of the referral bonus but providing engaged employees with the tools and insight that they need to successfully refer that drives talent attraction, the organization has not completely eliminated referral rewards. MITRE provides a token recruitment reward (e.g., electronic gadget) in place of a cash bonus.

ORGANIZATIONAL ROAD MAP FOR ACTION

- Increase employee awareness about the organization's talent needs by providing employees with specific information about the types of talent the organization needs and the roles the organization is seeking to fill.
- Provide employees with the tools and support needed to leverage their networks effectively.
- Facilitate employee best practice sharing about tactics for leveraging networks to generate referrals.