

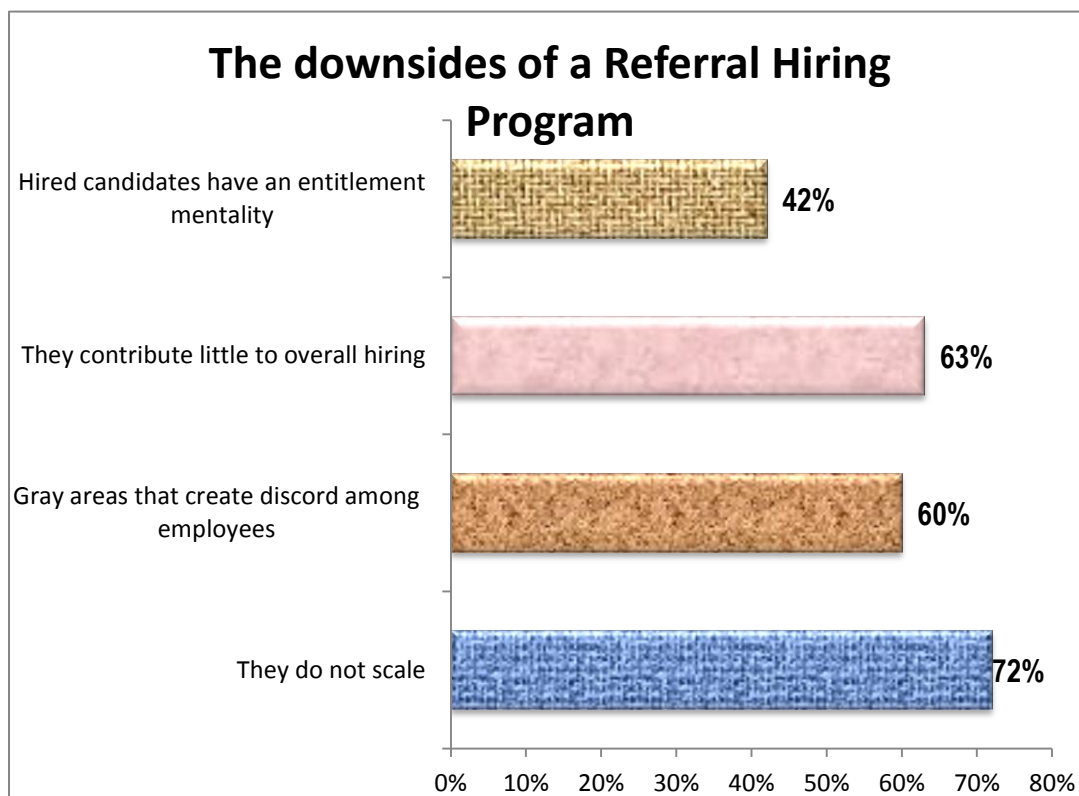
Media Release
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49% of INDIA INC BELIEVES REFERRAL PROGRAMS BREEDS MEDIOCRITY: TEAMLEASE STUDY

While referral program is touted as the silver bullet that can solve employee engagement, reduce hiring cost and improve retention, it promotes mediocrity states TeamLease Study. According to the report, more than 49% of the corporates felt referral programs hinders innovative thinking within the organisation. They attributed the passive attitude of the hires to the inherent survival instincts and the tendency to lean towards a safe harbour.

As per the study, though referrals constitute only 5% of the overall hiring, it leaves a far stronger impact on the functioning of the organisation. Around 44% of the employers believed referral programs proliferates herd mentality and complacency. The referral network becomes a cluster of buddies. It was also observed that the talent on-boarded through referral are not always open to connect with other members of the organisation leading to an unhealthy work atmosphere.

A detailed drill down on the referral programs, the report burst the myth about referral programs being driven by satisfied employees. According to the study majority (52%) of referrals were mere fervent solicitations motivated by monetary rewards. Some of the inevitable downfalls of the referral program are





Commenting on the report, Mr. Kunal Sen, Senior Vice President, TeamLease Services Limited said “Referral programs may have 50% better retention, however with its inherent limiting factors like scale, informality and survival instincts it is high time organization re-look at the methods to acquire quality talent.”

Further, the survey also suggests best practices that organizations can adopt. Employer brand recognition, controlled communication, expectation management and goal setting are few measures corporates can ensure to increase the effectiveness of referral programs.

‘Referral Programs Breeding Mediocrity Report’ is the first in TeamLease survey series to understand ‘India’s evolving World of Work’. The survey was administered on HR managers across sectors. The current survey series aims to understand the pulse of young Indian workforce to the different aspects that govern the working environment.

About TeamLease Services Limited

Established in 2000 with 4 offices, 20 clients and 40 employees, TeamLease is one of India’s leading human resource services companies in the country. As on July 31, 2015, the company had 8 offices, 1000+ clients and 1,106 crore employees across India. The company started with temporary staffing and then after adding permanent recruitment in 2004, expanded its portfolio to now become the one-stop provider of human resources services from temporary staffing to payroll processing, recruitment, compliance and training services. In the years 2014, 2013 and 2010 the focus was majorly on Education & Employability and applied for NETAP (National Employability through Apprenticeship Program), acquired IIJT and signed the MoU for TeamLease Skills University (TLSU) in Gujarat respectively. This complemented the larger mission of the company of ‘Putting India to Work’ by focusing on its vision of the 3 Es – Employment, Employability and Education. NETAP was rolled out this year (2014) and TLSU is operational in Vadodara. As of December 31, 2015, the company had 104,946 associates spread across 9 locations in India.

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