SUPPLEMENTAL MATERIALS

Exhibit A1. Ben's endorsements from professional social networks.

Well-Qualified Condition

James Raitto

Chief Technology Officer at Boonstock

"Ben is a very talented engineer with great technical skills and outstanding self-education abilities. Ben defined and drove the implementation of cutting edge software package for one of our most important clients."

Jan 12, 2016, Ben reported to James at Boonstock

Dave Stephan

Software Engineer at Boonstock

"I have worked with Ben for the past 2 years. Ben is exceptionally knowledgeable in the development of mission-critical software. He also demonstrated terrific competence when building excellent products and contributing greatly for his team."

Jan 7, 2015, Dave worked with Ben at Boonstock

Less-Qualified Condition

James Raitto

Chief Technology Officer at Boonstock

"Ben is a good engineer with some good technical skills and decent self-education abilities. Ben was part of a team implementing a software package for one of our most frequent clients."

Jan 12, 2016, Ben reported to James at Boonstock

Dave Stephan

Software Engineer at Boonstock

"I have worked with Ben for the past 2 years. Ben seems knowledgeable in the development of Boonstock software. He also demonstrated various competencies when building good products and contributing to his team."

December 7, 2015, Dave worked with Ben at Boonstock

ROBUSTNESS

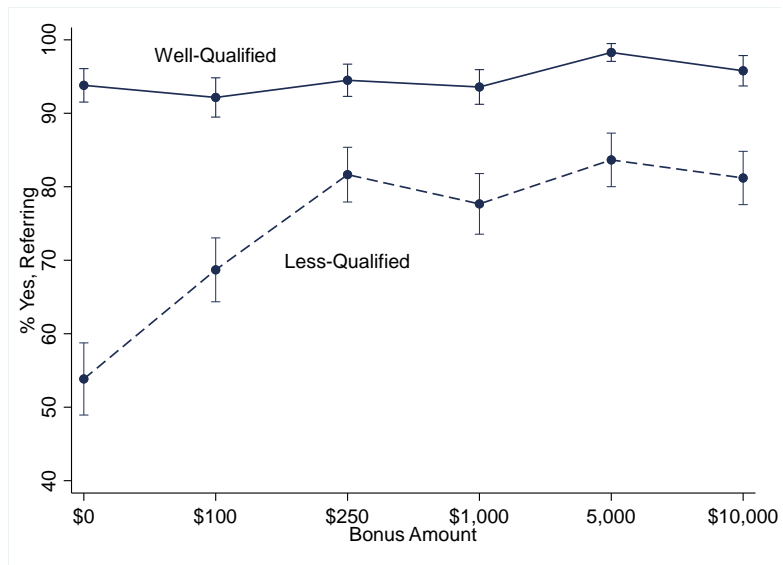**Figure A1. Less Qualified Candidates Referred More Given (Higher) Bonuses (% Yes on YES/NO)**

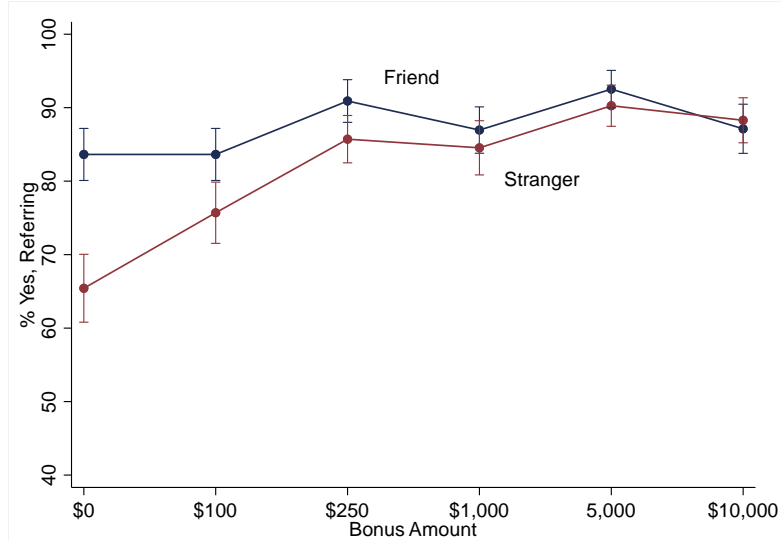**Figure A2. Strangers Referred More Given (Higher) Bonuses (% Yes on YES/NO)**
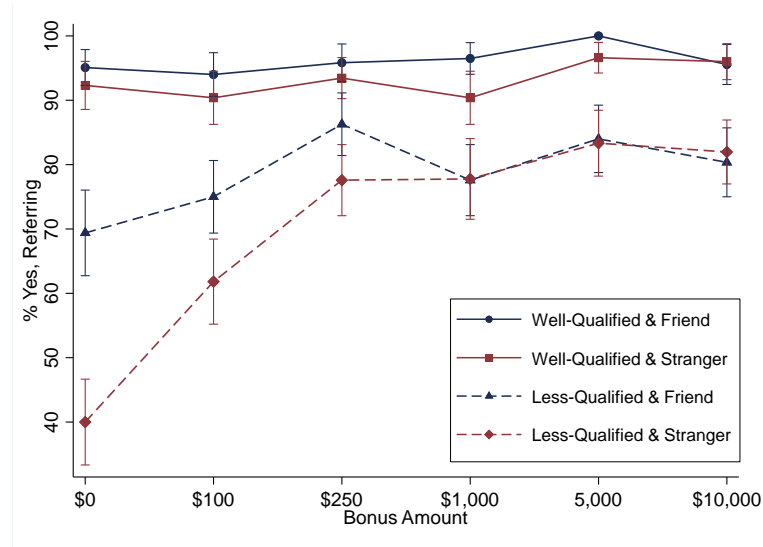
Figure A3. Candidate Quality dominates Strength of Tie Friendship Considerations (% Yes on YES/NO)

Distancing Measure

The ("Refer with Name") response option measures the likelihood of referring when the referrer associates their name with the candidate. This is the key dependent variable of interest in this study. The secondary item ("Refer Without Name") captures the likelihood of referring the candidate when the person can protect their reputation. The difference between the second and first measures ("Refer Without Name" – "Refer With Name") gives a measure of referrer distancing from the candidate in referring. The difference will be larger to the degree that the referrer is protecting his or her reputation by avoiding being associated with a candidate.

While such reputation protection is unlikely in the case of referral bonuses generally, subjects exhibit reluctance in referring unqualified candidates and ones they do not know well if they worry the referral's work would reflect poorly on them and this reluctance is captured by this distancing measure. This is supported by the results from our supplementary robustness checks regarding willingness to distance

oneself from a referred candidate. As figure A3 illustrates, the only condition where referrers are more likely to protect their reputation by distancing themselves from the referral through anonymous referring is when considering a less-qualified candidate in the no bonus condition. Understandably, when there is money on the line for referring a candidate explicitly as their referral, there is less anonymous referring than non-anonymous referring for all candidates regardless of qualifications for the job.

Finally, this trend is moderated only slightly by the strength-of-social-tie considerations. As figure A4 illustrates, strength-of-social-tie considerations have no material effect on the decision to refer anonymously less-qualified candidates, and for well-qualified candidates, it only changes the intensity of referral likelihood.

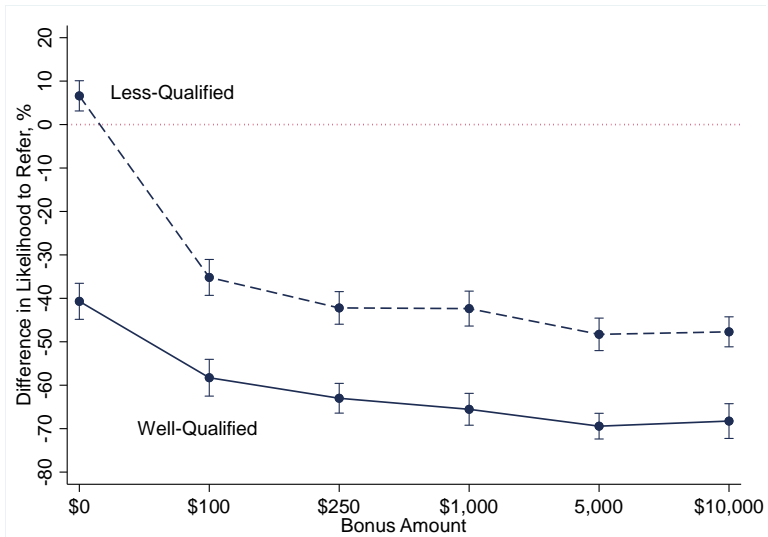**Figure A4. Referrers Distance Themselves from Less-Qualified Candidates**

Figure A5. Referrers Distance Themselves from Less-Qualified Candidates, by Strength of the relationship between referrer and referral candidate
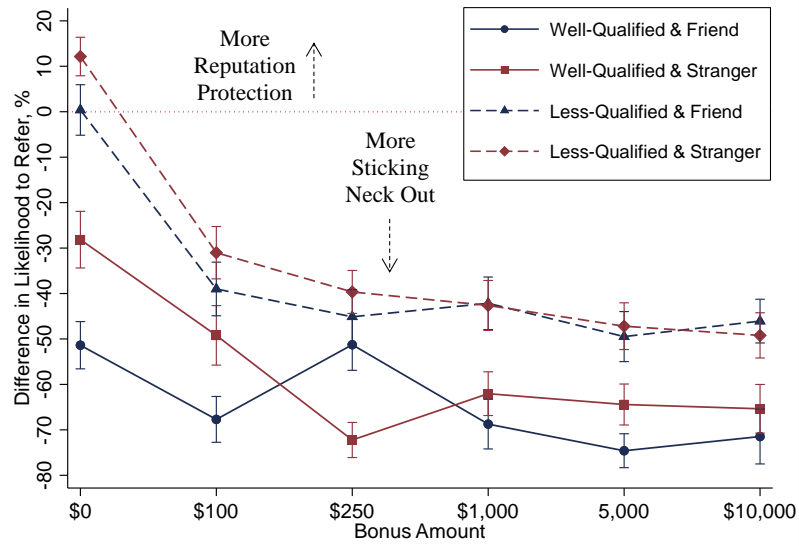

Figure A6. Less Qualified Candidates Referred More Given (Higher) Bonuses (% Likelihood), IT Subsample, $n = 212$