

Streamlining I-9 Compliance: A Customized Approach for Efficient Employment Verification in High-Turnover Industries Using HCM Systems and Third-Party I-9 Service Providers

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Abstract: *The Form I-9, officially known as Employment Eligibility Verification, is a crucial document used by U. S. employers to confirm the identity and legal authorization of all new hires. This form has been mandatory for all U. S. employers, regardless of company size, for any employee hired after November 6th, 1986. Non-compliance in completing and retaining Form I-9 can lead to substantial penalties. To address these legal requirements, modern cloud-based Human Capital Management (HCM) systems offer built-in functionalities to initiate, process, and maintain I-9 documentation for future audits. These systems typically include self-service options for new hires to complete the Form I-9, approval features for I-9 administrators, and seamless integration with E-Verify for employment eligibility verification. While these HCM solutions are generally effective in standard hiring scenarios, such as pre-planned recruitment where I-9 administrators are designated, they exhibit limitations in specific circumstances. This is particularly evident in industries such as Media, Retail, Hospitality, and Construction, where seasonal or short-term hires are common, and candidates are often selected on the spot during events. In such cases, standard HCM functionalities may not suffice for managing the I-9 process efficiently. This article explores the customization of business process workflows, questionnaires, and integration methodologies necessary to create a robust solution for handling employment verification for short-term hires during events, particularly in media and retail industries. Additionally, the paper discusses specific tools and functionalities within the Workday platform that support this tailored solution, thereby improving the employment verification process and ensuring compliance with legal requirements.*

Keywords: Human Capital Management, Form I-9, Employment Eligibility Verification, Questionnaire, Software as a Service (SaaS), I-9 Administrator

1. Introduction

The Immigration Reform and Control Act (IRCA) of 1986 mandates that all U. S. employers complete the Employment Eligibility Verification Form I-9 on or before the first day of employment for every new hire [3, 7, 8, 9, 10]. Despite widespread awareness of this requirement, compliance challenges persist in the corporate sector [2, 3, 8]. Every employer in the United States is obligated to comply with Form I-9 regulations [1, 2, 6, 7, 8, 10], with non-compliance potentially leading to severe consequences, including significant fines, partial or complete loss of the workforce, or even the revocation of business licenses [1, 2, 8, 10]. These repercussions can create a ripple effect, adversely impacting both employees and customers [8].

Numerous non-negotiable laws and regulations can impact a business's ability to maintain I-9 compliance [8]. Each industry faces unique obstacles in adhering to Form I-9 Federal Statutes and Regulations [2, 3, 8]. In the hospitality sector, for instance, restaurants and hotels are particularly vulnerable due to high employee turnover, which can hinder new managers' ability to receive timely and adequate training on Form I-9 protocols [8]. Similarly, construction and landscaping companies often experience a revolving door of employees who change from project to project, requiring employers to restart the I-9 process with each new hire [8]. Retail businesses, characterized by dynamic operations and high seasonal turnover rates, face the ongoing challenge of initiating the I-9 process for each new employee, which can be time-consuming amidst other daily responsibilities [2, 8].

Media companies encounter similar challenges during event-based hiring, such as for sporting or political events, where they need to hire short-term employees specifically for those occasions [8].

In today's business environment, many organizations utilize Software as a Service (SaaS) Human Capital Management (HCM) solutions that incorporate built-in functionalities for I-9 processing, approval, and integration with E-Verify. These systems offer configurable business processes to track, manage, and store I-9 forms for new hires. Typically, these processes are configured with designated I-9 administrators who are responsible for reviewing and approving the forms on behalf of the organization [1, 8, 9, 12]. These administrators are granted specific security roles within the HCM system, defined at various levels—such as Company, Departments, Cost Centers, and Locations—granting them the necessary access to process and approve I-9 forms for new hires. The role of I-9 administrators is crucial as they mitigate risks, handle I-9 responsibilities, and are particularly effective in remote hiring scenarios [1, 9, 12].

However, in industries as outlined above, companies often face the need to hire short-term employees for events, conferences, meetings, and other gatherings, where the designated I-9 administrator may not be available to complete employment verification [2]. Employers encounter several challenges, including the absence of I-9 administrators, limited knowledge of I-9 processing among company representatives at the event [2, 8], the drawbacks of using paper I-9 forms and their storage [5], the complexities of

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granting I-9 administrator access temporarily for the event, and the impracticality of providing HCM system access to seasonal hires who will only be with the company for a brief period. Developing a customized solution to address these scenarios can help organizations comply with federal regulations while avoiding unnecessary system access for temporary staff.

2. Problem Statement

In the highly regulated landscape of U. S. employment, ensuring workforce compliance is a non-negotiable imperative, with the accurate execution of Form I-9, Employment Eligibility Verification, representing a cornerstone of this obligation [6, 8, 9, 10]. Failure to adhere to Form I-9 requirements invite severe legal repercussions, including substantial financial penalties and potential operational disruptions, thereby necessitating an employer's vigilant adherence to evolving regulatory frameworks [1, 2, 8, 10]. Key aspects of Form I-9 compliance include:

- **Universality of Requirement:** All employees hired post-November 6, 1986, are mandated to complete Form I-9, underscoring its universal applicability across the labor market [3, 7, 8, 9, 10].
- **Employer Accountability:** The onus rests squarely on employers, or their designated proxies, to ensure the meticulous completion of both sections of the form, a

task fraught with potential liabilities if executed improperly [3, 9, 10].

- **Document Retention Obligations:** Employers are legally bound to retain completed Form I-9s for the longer of three years post-hire or one-year post-termination, with non-compliance inviting legal scrutiny [5].

Navigating these multifaceted legal requirements is critical for a seamless onboarding process, safeguarding against the punitive penalties that can arise from non-compliance. Form I-9 is bifurcated into two distinct sections: the employee must attest to their identity and employment authorization via specified documentation, while the employer is tasked with the verification of these documents and the subsequent endorsement of the form [1, 2, 8, 9, 10].

Contemporary Human Capital Management (HCM) SaaS platforms, exemplified by systems such as Workday, offer sophisticated, configurable business processes designed to streamline Form I-9 processing, thereby bolstering compliance with stringent legal and federal mandates [8]. These systems enable organizations to establish an electronic Form I-9 process, integral to verifying U. S. employment eligibility, either as a standalone business process or as an embedded component within broader onboarding workflows. Additionally, integration steps can be configured within the Form I-9 process to interface with E-Verify, thereby automating the verification of work authorization statuses.

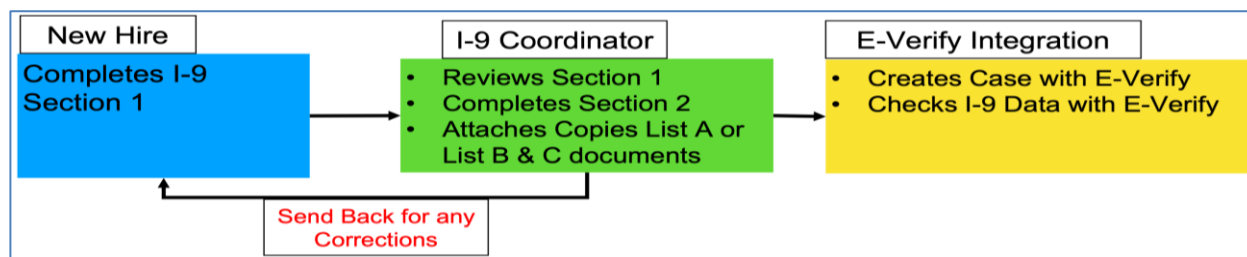


Figure 1: The typical configuration of the I-9 process workflow [13]

Within the Workday ecosystem, the HR department typically designates I-9 administrators or coordinators, who are granted specialized access to new hire data—ranging from Social Security Numbers to passport details—segmented across organizational strata such as departments, cost centers, and locations. This nuanced configuration of access rights is essential to maintaining the confidentiality of sensitive employee data, particularly given the legal and ethical implications of mishandling such information. However, the transient designation of I-9 administrators, particularly for short-term or event-specific roles, must be approached with caution, given the elevated risk of data exposure.

Organizations that engage in the on-the-spot hiring of short-term employees for specific events confront distinct challenges in executing I-9 processes within the Workday HCM framework, such as:

- 1) **Lack of Designated I-9 Coordinators:** In the absence of pre-assigned coordinators within the system, the workflow associated with completing Section 2 of Form I-9 becomes bottlenecked, stalling the entire compliance process [2, 8].

- 2) **Excessive Access Rights:** Granting I-9 coordinator status to on-site company representatives—who may only require temporary system access—introduces significant risks, as this role confers broad visibility over sensitive personnel data far beyond what is necessary for event-specific tasks.

- 3) **Paper I-9 Form Risks:** Resorting to manual, paper-based I-9 processes introduces multiple vectors for error, including data inaccuracies that automated systems are designed to prevent [5]. Furthermore, the subsequent digitization and integration of paper I-9s into the HCM system—designated as the authoritative source of employee records—presents a formidable challenge, exacerbating compliance risks.

To mitigate these challenges, a bespoke solution leveraging Workday's business process workflows, custom questionnaires, studio integrations, and third-party I-9 solutions can be developed. This solution would automate I-9 processing for short-term hires, ensuring that all activities are conducted initiated within the HCM system's secure environment. By centralizing and automating this critical compliance task, organizations would benefit from enhanced

visibility, streamlined reporting, and a reduced risk of non-compliance, all while safeguarding sensitive employee data.

3. Solution

3.1 9 Verification Service Providers

Numerous third-party I-9 verification service providers offer solutions designed to optimize the I-9 employment eligibility verification process for employers [11]. To address the challenges discussed previously, it is advisable to integrate the Human Capital Management (HCM) system with these third-party I-9 verification tools, thereby shifting the I-9 processing from the HCM system (e. g., Workday) to specialized platforms. This approach eliminates the need to assign I-9 administrator roles within the HCM system to HR representatives present at short-term hiring events, thereby enhancing both security and efficiency.

Equifax's tools offer comprehensive support for I-9 management by guiding organizations through the completion of both Section 1 and Section 2 of the Form I-9, ensuring that the necessary expertise is applied to these critical stages [4]. Additionally, Equifax provides robust management of E-Verify processes and tools for reverification, which are essential for maintaining ongoing compliance [4]. Their service also includes the continuous maintenance of records, ensuring that all documentation remains accurate and up to date [4].

The integration of Equifax with HCM systems, such as Workday, is relatively straightforward. This integration facilitates the seamless transfer of necessary data from Workday to Equifax to initiate the I-9 process for new hires and enables the retrieval of completed Form I-9s from Equifax for record management in the employee's Workday profile.

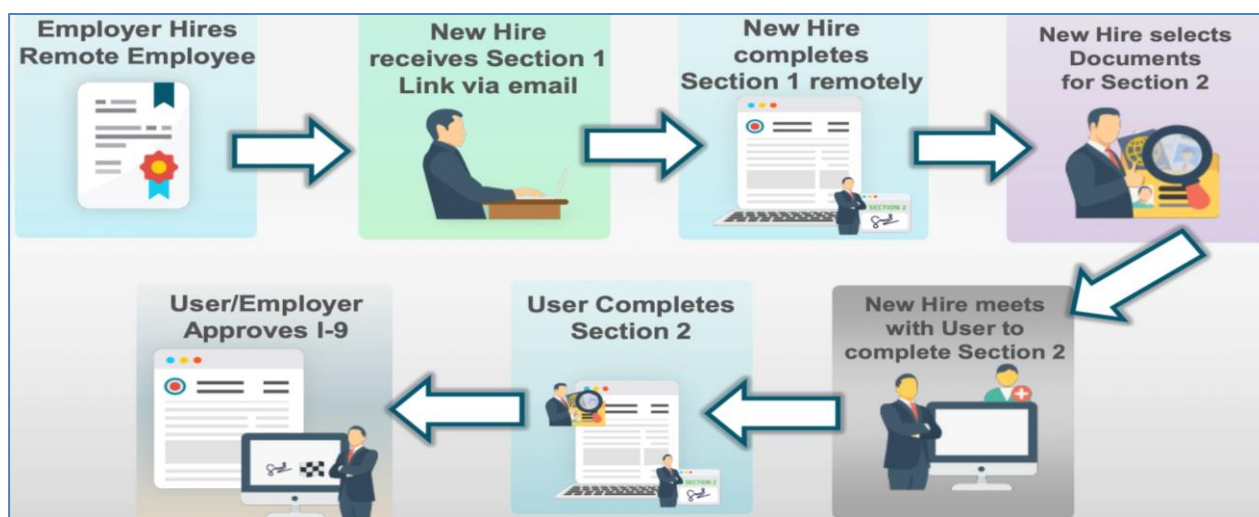


Figure 2: Standard workflow for I-9 processing using Equifax [14]

3.2 Workday Business Process & Questionnaires

In Workday, a business process is a sequence of tasks that are initiated, acted upon, and completed to achieve a specific business goal [15]. When a business process is initiated, Workday assigns tasks to the appropriate roles based on their membership in security groups, ensuring that security and business rules are applied throughout the process [15].

A condition in a business process step consists of one or more rules [15]. If any rule within a condition is false, the entire condition is considered false, and the step is skipped [15]. Conversely, if all rules are true, the step proceeds [15].

A 'To-Do' is an external task that can be incorporated as a step in a business process [16]. For example, after a new hire completes and submits a W-4 form, a To-Do task can be added to prompt further action [16]. To-Dos can be grouped into checklists and integrated into business processes to streamline workflows [16].

Workday also allows organizations to add questionnaires to business processes to gather specific information [17]. For instance, a questionnaire can be attached to a job requisition to screen candidates based on criteria such as experience,

location, and education [17]. The data collected through these questionnaires can be used for filtering and decision-making purposes [17]. Organizations can configure questionnaires with various question types, including date, numeric, and multiple-choice questions, some of which may include branching to gather additional follow-up information [17].

By integrating questionnaires, conditions, and To-Do steps into the Onboarding business process within Workday, along with a Studio Integration, organizations can create a tailored solution for initiating the I-9 process through a third-party service provider like Equifax. When an HR representative initiates a hire in Workday, they are prompted to complete a questionnaire to determine whether to initiate the I-9 process in Equifax for short-term or seasonal hires instead of using Workday's native functionality. As part of the onboarding process, new hires will be required to enter personal details and their Social Security Number (SSN) into Workday. This information will be transmitted to Equifax via a Studio Integration, creating a package to begin the I-9 process. The new hire will receive a To-Do in Workday, including a link to Equifax, where they can complete Section 1 of Form I-9. Once Section 1 is completed, the HR representative will verify the documents and complete Section 2 in Equifax. By managing Section 2 in Equifax, the HR representative does

not need additional security access in Workday, thus preserving the integrity and security of the HCM system.

The figures below depict the configuration of the 'Hire' and 'Onboarding' business processes within Workday.

Step	Order	Parallel Step Order in My Tasks	If	Type	Specify	Step Label Override	Optional	Group
Configure Quest...	3		Form I9 Questionnaire	Complete Questionnaire	Form I-9 Selection for Employees		No	Initiator

Figure 3: The 'Complete Questionnaire' step in the 'Hire' BP to specify if I-9 need to be processed in Equifax

Step	Order	Parallel Step Order in My Tasks	If	Type	Specify	Step Label Override
Enter Personal Information	b	b1		Tasks		
Edit Government IDs	b	b2		Action		
Configure INT503...	bc		Questionnaire Response = Equifax?	Integration		

Figure 4: The 'Onboarding' BP including steps for collecting personal & Govt ID details and for Integration to Equifax

3.3 Process Flow

The process begins within the Workday HCM system, where an HR representative initiates the hire event for short-term seasonal employees. Following this, the HR representative must complete a questionnaire in Workday to indicate whether the Form I-9 should be processed through Equifax. Once the new hire enters their personal information, including their Social Security Number (SSN), into Workday, and if the HR representative has specified that Form I-9 processing should occur via Equifax, an integration will transmit the new

hire's details to Equifax to generate an I-9 package. Upon the creation of the I-9 package in Equifax, the new hire receives a 'To-Do' task within Workday, which includes instructions and a login URL from Equifax to complete Form I-9. Once the new hire completes Section 1 in Equifax, the process continues in accordance with Equifax's standard I-9 procedure. Additionally, a custom standalone Workday Studio integration can be implemented to automatically retrieve the completed Form I-9 from Equifax and upload it to the employee's profile within Workday.

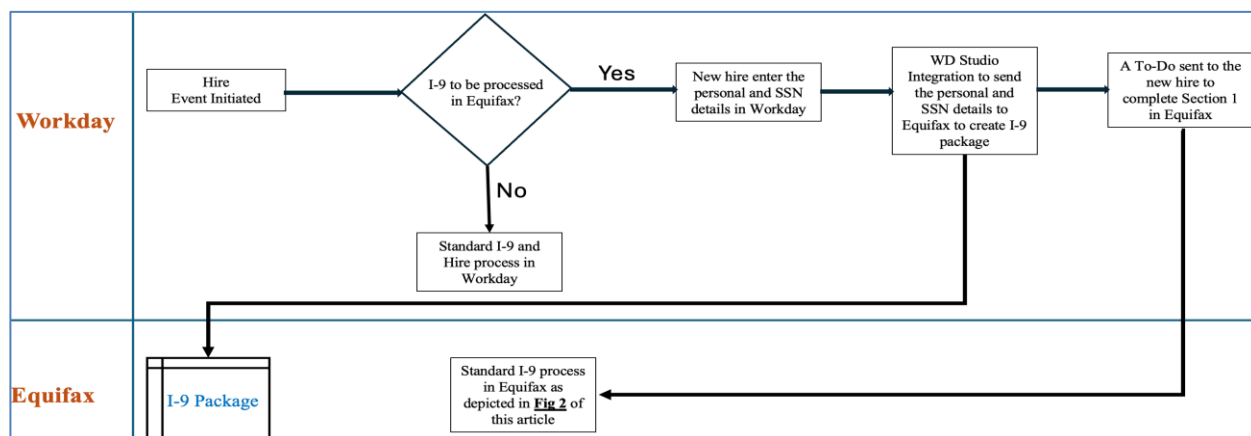


Figure 5: Process flow of I-9 processing for short-term seasonal hires

4. Impact

The implementation of a custom, integrated, and automated solution for I-9 processing of short-term employees hired on the spot for events—utilizing the HCM system in conjunction with third-party I-9 verification service providers—significantly enhances the employment eligibility process for organizations within industries such as media, hospitality, retail, and construction. This approach eliminates the need for modifications to existing security settings within the HCM system concerning the I-9 administrator role. By leveraging the advanced tools and features inherent in the cloud-based Workday HCM system, the custom solution is built upon robust security mechanisms, seamless business process workflows, and the efficient utilization of questionnaires, ensuring that the process is both secure and streamlined.

Moreover, the integration with third-party I-9 verification providers, such as Equifax, ensures that the security of employees' personal and sensitive data is upheld, mitigating concerns about potential data breaches or compromises. The various components of this solution—including questionnaires, 'To Do' steps, and designated user groups responsible for completing each step of the business process—are meticulously controlled through Workday's security groups. This design minimizes the risk of unauthorized access or incorrect data entry, thereby preserving the integrity of the process.

A key advantage of this solution is its ability to automatically import the completed Form I-9 from Equifax into the employee's profile within the HCM system, creating a centralized repository for these critical documents. Additionally, the solution facilitates easy reporting and auditing through comprehensive business process action logs. Custom reports can be generated using Workday's standard data sources, such as 'Business Process Transaction' and 'All Transaction Log Entries,' allowing for thorough oversight and compliance tracking. Crucially, this solution ensures that there is no need to grant additional security access to the company representatives present at events, thereby maintaining the security of sensitive data within the HCM system. Overall, this custom solution effectively streamlines the I-9 processing for short-term seasonal hires, all while preserving the existing security framework within the HCM system that safeguards employee data.

5. Conclusion

The implementation of a custom, integrated, and automated I-9 processing solution within the Workday HCM system addresses the specific needs of industries such as media, retail, hospitality, and construction, where short-term and event-based hiring is common. This solution not only enhances the efficiency and security of employment verification processes but also ensures that organizations remain compliant with federal regulations without extensive modifications to existing systems.

- 1) **Tailored for High-Turnover Industries:** The solution is designed to meet the unique challenges of industries with high employee turnover and event-based hiring, such as media, retail, hospitality, and construction.

- 2) **Robust Integration with Workday HCM:** It leverages Workday's security, workflow, and questionnaire functionalities to streamline I-9 processing, eliminating the need for significant security changes.
- 3) **Secure Third-Party Verification:** Integration with external I-9 verification providers like Equifax ensures that sensitive employee data is securely managed, reducing the risk of data breaches.
- 4) **Centralized Documentation:** The system automatically imports completed I-9 forms into the employee's Workday profile, centralizing documentation and improving accessibility for auditing and compliance.
- 5) **Enhanced Reporting and Auditing:** The solution provides detailed business process logs and custom reports, enabling efficient tracking and auditing of the I-9 process, ensuring that all compliance requirements are met.

In conclusion, this custom solution offers a scalable and secure approach to managing I-9 processing for short-term hires, particularly in dynamic industries like media, retail, hospitality, and construction. By preserving the integrity of the HCM system while ensuring compliance, it provides organizations with a robust and adaptable tool that can evolve with changing business needs.

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