



Small Business Bulletin

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Employee Referral Programs for Small Businesses

As small businesses compete amid ongoing talent shortages, often with fewer resources than large companies, they may need to get creative in their attraction and hiring efforts. As such, employee referral programs are growing as a popular strategy. These programs are generally successful because employees tend to carefully consider possible referrals since they feel accountable to the organization and the person they refer. Additionally, high performers tend to refer other high performers, which benefits employers. This article explores the benefits of referral programs for small businesses and strategies for creating and maintaining successful programs.

Employee Referral Program Benefits

Employee referral programs allow existing employees to recommend candidates for open positions. Current employees can provide information about the company to referred candidates, giving candidates a good idea of what working for the organization would be like before being called in for an interview. In this aspect, referral programs can help save HR professionals, hiring managers and the organization time and money; since the employee knows both the company and the person they refer, this typically leads to a good match for the employer and new employee. Referral programs can reduce hiring time by half compared to traditional hiring methods. Further, since referred employees are faster to hire, organizations save money on internal labor costs or outsourcing.

Strategies for Small Businesses

An effective employee referral program can save small businesses time, money and other resources during

hiring. It can also help support an organization's reputation as an employer. Employers can consider the following strategies for establishing and maintaining such programs:

- **Make submitting referrals easy.** Clear communication is necessary so that employees know how to submit referrals. This process should be simple, allowing employees to send a resume, provide an email and phone number, or submit a standard form to start the referral process.
- **Incentivize employee referrals.** To enhance the appeal of referring friends and family to the company, employers may provide monetary rewards, paid time off or other gifts to current employees who refer quality candidates for open jobs.
- **Leverage technology.** Small businesses may be short on staff, but technology can help manage programs and automate referral processes.
- **Keep employees informed.** It's best for employers to keep employees in the loop about the status of their referrals to avoid frustration and increase transparency.
- **Acknowledge good referrers.** Public recognition can go a long way with employees, so small businesses should consider awards or public praise to let employees know they appreciate their effort in sending referrals.
- **Think beyond employees.** Referral programs don't need to rely solely on employee referrals. Companies can also decide to open referral opportunities to additional stakeholders, such as retirees and customers.

Employer Takeaways

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KEYSTONE

Employee referral programs can be a cost-effective strategy to attract and retain talent and hire workers faster.

Completing the New Form I-9

The U.S. Department of Homeland Security's (DHS) Citizenship and Immigration Services (USCIS) recently [released](#) an updated Employment Eligibility Verification form (Form I-9) and instructions. The [updated Form I-9](#) is available to employers as of Aug. 1, 2023. However, the prior version of Form I-9, which is dated Oct. 21, 2019, continues to be effective through Oct. 31, 2023. After Oct. 31, employers who continue to use the outdated Form I-9 will be subject to penalties.

This announcement has been long-awaited, and, as these changes will impact all U.S. employers who recruit and hire any individuals, now is a critical time to ensure that small businesses are familiar with them, review their Form I-9 practices and make any necessary adjustments. This article provides employers with an overview of the changes to Form I-9 and outlines strategies to help employers prepare for the new form.

Form I-9 Updates

The USCIS released the following updates to Form I-9:

- Reduced Sections 1 and 2 to a single sheet
- Moved the Preparer/Translator Certification area from Section 1 to a standalone supplement (Supplement A)
- Moved the Reverification and Rehire area from Section 3 to a separate supplement (Supplement B)
- Replaced the use of "alien authorized to work" with "noncitizen authorized to work"
- Clarified the difference between "noncitizen national" and "noncitizen authorized to work"
- Ensured the form can be downloaded easily and filled out on tablets and mobile devices
- Eliminated the requirement to enter "N/A" in certain fields
- Revised the notice that explains how to avoid discrimination in the Form I-9 process
- Updated the List of Acceptable Documents page to include guidance and links to information on automatic extensions of employment authorization documentation and some acceptable receipts
- Added a check box to use if the employee's Form I-9 documentation was examined under a

DHS-authorized alternative procedure rather than a physical examination

The USCIS also updated Form I-9's instructions.

Implementing the Updated Form I-9

While the required timelines for completing Form I-9 for employees haven't changed, the updated form will likely force employers to make some changes to their Form I-9 operations and processes. Therefore, it's critical that employers familiarize themselves with the new form and its changes so they can ensure an efficient and effective Form I-9 process and avoid costly penalties. Employers can consider the following strategies to help ensure they meet the Oct. 31 deadline and comply with Form I-9 requirements:

- **Create a plan.** By establishing a plan for implementing the updated document into their Form I-9 processes, employers can ensure they complete the form properly and avoid potentially costly errors. If an employer uses a vendor for their Form I-9 operations, they should work with them to develop a plan for using the updated form.
- **Train employer representatives.** Employers should train representatives who will be completing the inspection of employee identity and employment eligibility documents regarding all updates to the form and how to properly complete the new document.
- **Communicate with employees.** Employers can inform employees of the new form and any potential updates to their Form I-9 processes. By communicating information regarding the updated form and their plan for updating their Form I-9 processes, employers can set clear expectations with employees, increasing the odds of organizational compliance with Form I-9 requirements.

Employer Takeaways

By understanding Form I-9 requirement changes and the implementation timelines, employers can better prepare to comply with these new requirements. Due to the complexities of complying with Form I-9 requirements, employers are encouraged to seek legal counsel to discuss specific issues and concerns. Reach out to Franconia

Insurance & Financial Services for more workplace resources.