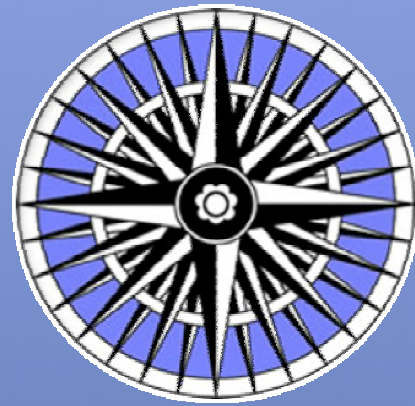


INTERNATIONAL RECORDS MANAGEMENT TRUST



Module 5

MANAGING PERSONNEL RECORDS IN AN ELECTRONIC ENVIRONMENT

Training in Electronic Records Management

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General Editor, Laura Millar

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**MANAGING PERSONNEL
RECORDS IN AN
ELECTRONIC ENVIRONMENT**

INTERNATIONAL RECORDS MANAGEMENT TRUST

TRAINING IN ELECTRONIC RECORDS MANAGEMENT

Module 5: Managing Personnel Records in an Electronic Environment

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TERM Project Personnel

Project Director

Dr Anne Thurston, founder of the Trust, is a pioneer in defining international solutions for the management of public sector records. Both as an academic and as a programme director, she has extensive experience of working with many different governments to provide practical solutions for strengthening record-keeping systems. Her groundbreaking survey of record-keeping systems across the Commonwealth resulted in the establishment of pilot projects to restructure records systems in The Gambia and Ghana, and she established the Trust in 1989 to develop and extend this work. She joined the staff of the School of Library, Archive and Information Studies at University College London in 1980 to develop the Masters' in Records and Archives Management (International); she was also a Reader in International Records Studies. In 2000 she was awarded an OBE for services to public administration in Africa; she received a lifetime achievement award from the UK Records Management Society in 2006. She was awarded the Emmett Leahy award for Outstanding Contributions to the Information and Records Management Profession in 2007.

General Editor

Laura Millar divides her time among three careers: in archives as an archival and information management consultant and educator; in publishing as a writer, editor, and instructor; and in distance education as a curriculum developer, instructional designer, and course author. She received her MAS degree in archival studies from the University of British Columbia, Canada, in 1984 and her PhD in archival studies from the University of London in 1996. From 1994 to 1999, as Managing Editor of the Management of Public Sector Records Study Programme for the International Records Management Trust and the International Council on Archives, she was responsible for the development, testing, and delivery of 18 distance education training modules and 15 associated publications in archives, records and information management. She is the author of a number of books and articles on various topics in archives, publishing, and distance education.

Project Manager

A New Zealand born Australian based in Seattle, Washington, Michael Hoyle has a Masters degree in Information Management and Systems from Monash University in Australia. Prior to moving to Seattle in 2005, he was the Group Manager, Government Recordkeeping at Archives New Zealand. He has also worked in various information management and other roles in several government agencies in Australasia, including ten years at Archives New Zealand and six years at the National Archives of Australia. Michael has been a council member of the Archives and Records Association of New Zealand (1996 to 1999) and served the Association of Commonwealth Archivists and Records Managers (ACARM) as Deputy Chair (2000 to 2002) and as Chair (2002 to 2004). He also served the Pacific Branch of the International Council on Archives (PARBICA) as Secretary General (2002 to 2003) and President (2003 to 2004).

Module 5: Managing Personnel Records in an Electronic Environment

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Contents

Preface	ix
Introduction	1
Unit 5.1 The Context of Personnel and Payroll Records Management	5
Unit 5.2 Understanding the Relationship between Human Resource Management Functions and Records	13
Unit 5.3 Types of Personnel Records	29
Unit 5.4 Managing Personnel Records and Personnel Files	39
Unit 5.5 Improving Personnel Record-keeping Systems and Verifying the Payroll	49
Unit 5.6 Moving Toward Electronic Personnel Record Keeping	59
Study Questions	67

Figures

Figure 1	Documents Generated by the Personnel Function	14–16
Figure 2	Master File Checklist	33
Figure 3	Sample Paper File Cover	40
Figure 4	Sample Retention and Disposal Schedule for Personnel Files	46
Figure 5	Decongesting a Personnel Filing System	52
Figure 6	List of Payroll Anomalies	55
Figure 7	Developing and Implementing a HRIS	63

ABOUT THE *TERM* PROJECT

This module is part of an educational initiative called *Training in Electronic Records Management* or *TERM*, developed by the International Records Management Trust as part of a wider project to investigate issues associated with establishing integrity in public sector information systems. Begun in 2006, *Fostering Trust and Transparency in Governance: Investigating and Addressing the Requirements for Building Integrity in Public Sector Information Systems in the ICT Environment* was a project designed to address the crucial importance of managing records in the information technology environment. The focus of the study was pay and personnel records, since payroll control and procurement are the two major areas of government expenditure most vulnerable to misappropriation, and payroll control is, therefore, a highly significant issue for all governments.

The project provided an opportunity to explore the management of paper records as inputs to financial and human resource management information systems, the management of electronic records as digital outputs and the links between them. It also involved examining the degree to which the controls and authorisations that operated in paper-based systems in the past have been translated into the electronic working environment.

The primary geographical focus of the study was eastern and southern Africa, and two significant regional bodies participated: the Eastern and Southern Africa Regional Branch of the International Council on Archives (ESARBICA) and the Eastern and Southern African Association of Accountants General (ESAAG). Four countries from the region (Zambia, Botswana, Lesotho and Tanzania) hosted case studies, and comparative studies were carried out in West Africa (Ghana) and Asia (India).

The products of this project, which will be available without charge, include

- route maps for moving from a paper-based to an electronic information environment
- good practice indicators to measure records management integration in ICT control systems
- these training modules on the management of records in electronic form.

The project deliverables also include case studies conducted in Botswana, Ghana, India, Sierra Leone, Tanzania and Zambia. The studies focused primarily on issues related to the management of human resources and payroll functions in governments and involved research into paper-based and computerised personnel management systems. However, they provided an opportunity also to examine records and information management in the public sector in these countries. The case studies are

most relevant to those readers focusing on personnel and payroll management. However, the findings also offer valuable insights into the challenges of automation and electronic government, and the issues involved with making the transition from paper-based to electronic records and information management. The final case studies are being made available on the Trust website at www.irmt.org.

The case studies all point to the general need for greater integration of records management in the design and implementation of electronic information and communications (ICT) systems. The good practice indicators produced by this project are intended to help governments determine whether or not records management requirements have been integrated in ICT systems and to provide a high-level guide to records management integration. The indicators are particularly relevant to Modules 2 and 3. The good practice statements that underpin the indicators are derived from generally accepted international standards but are also informed by the findings of the case studies.

It is hoped that the research conducted as part of this project will offer governments the resources they can use to increase their capacity to manage paper and electronic records as accurate and reliable evidence in electronic environments. Their ability to measure progress toward accountability will be enhanced, and there should be a higher success rate of e-governance applications.

Project Steering Team

An international steering team oversees the work of the project, consisting of the following members.

- **Stephen Sharples**, Chair of the Steering Committee, Senior Governance Adviser, Africa Policy Department, UK Department for International Development
- **Anne Thurston**, Project Director and International Director, International Records Management Trust
- **Michael Hoyle**, Project Manager, International Records Management Trust
- **Andrew Griffin**, Research Officer and UK Director, International Records Management Trust
- **Jerry Gutu**, Chief Executive Officer, East and Southern African Association of Accountants General (ESAAG) (2006)
- **Cosmas Lamosai**, Chief Executive Officer, ESAAG (2007 and 2008)
- **Kelebogile Kgabi**, Chair, Eastern and Southern African Branch, International Council on Archives (ESARBICA), and Director, Botswana National Archives and Records Services (2006)
- **Gert Van der Linde**, Lead Financial Management Specialist, Africa Division, World Bank
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- **Ranjana Mukherjee**, Senior Public Sector Specialist, Asia Region, World Bank.

More information about the project and the other deliverables can be found on the International Records Management Trust website at http://www.irmt.org/building_integrity.html.

About the Modules

The following modules have been produced as part of this project:

- Module 1 *Understanding the Context of Electronic Records Management*
- Module 2 *Planning and Managing an Electronic Records Management Programme*
- Module 3 *Managing the Creation, Use and Disposal of Electronic Records*
- Module 4 *Preserving Electronic Records*
- Module 5 *Managing Personnel Records in an Electronic Environment.*

As well, the following two resources have been produced:

- Additional Resources* a bibliography of key resources related to the management of electronic records.
- Glossary of Terms* a consolidated glossary of relevant records management, electronic records management, information technology and computer terms.

These materials are primarily intended for use by records management practitioners in developing countries. The focus is on providing both a conceptual framework and practical guidance about important issues related to electronic records management. The goal is to produce a series of resources that can be used in a variety of ways, such as

- for self study
- for in-house training
- for management training institutes
- as a resource for university or college courses
- as supporting information for distance education courses.

A series of self-study questions has been included at the end of each module. These questions can be used by readers to assess their own understanding of the content provided in the module. The questions may also be used by trainers or educators to develop activities, assignments or other assessments to evaluate the success of any training offered. In order to facilitate the widest possible use of these questions by both learners and educators, they have been gathered together in one place at the end

of the module rather than interspersed throughout the text. Readers interested in developing educational or training initiatives using these modules are also directed to the MPSR training resources developed in 1999, and listed below, which offer guidance on how to adapt and use educational tools such as these.

Contributors

A number of records and information professionals were asked to contribute to the modules, including representatives from such countries as Australia, Botswana, Canada, Kenya, Singapore, South Africa, the United Kingdom and the United States. The following people have contributed to the project as contributors, editors, reviewers and production assistants.

- Keith Bastin, United Kingdom, reviewer
- Adrian Brown, United Kingdom, contributor
- Luis Carvalho, United Kingdom, administrative coordinator
- Donald Force, United States, editor
- Elaine Goh, Singapore, contributor
- Andrew Griffin, United Kingdom, contributor
- Greg Holoboff, Canada, graphic artist
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- Charles Kinyeki, Kenya, reviewer
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- Setareki Tale, Fiji, reviewer

- Louisa Venter, South Africa, reviewer
- Justus Wamukoya, Kenya, reviewer
- Richard Wato, Kenya, reviewer
- Geoffrey Yeo, United Kingdom, reviewer
- Zawiyah Mohammad Yusef, Malaysia, reviewer.

Relationship with the MPSR Training Programme

The modules are designed to build on and support the *Management of Public Sector Records* training programme, developed by the International Records Management Trust in 1999. The MPSR training resources consist of over thirty separate training tools that address basic records management issues for developing countries. While some information found in those earlier modules may also be found in this new training programme, the concept behind this new set of modules is that they build upon but do not replace those earlier fundamental records management training tools. However, this new TERM programme focuses on the electronic record-keeping environment that is becoming so prevalent in the early years of the 21st century.

Readers wishing to orient themselves to basic records management principles will want to refer back to those MPSR resources, which are available free of charge from the International Records Management Trust website at www.irmt.org. Those training resources are identified below.

Training Modules

- 1 The Management of Public Sector Records: Principles and Context
- 2 Organising and Controlling Current Records
- 3 Building Records Appraisal Systems
- 4 Managing Records in Records Centres
- 5 Managing Archives
- 6 Preserving Records
- 7 Emergency Planning for Records and Archives Services
- 8 Developing the Infrastructure for Records and Archives Services
- 9 Managing Resources for Records and Archives Services
- 10 Strategic Planning for Records and Archives Services
- 11 Analysing Business Systems
- 12 Understanding Computer Systems: An Overview for Records and Archives Staff
- 13 Automating Records Services
- 14 Managing Electronic Records
- 15 Managing Financial Records
- 16 Managing Hospital Records
- 17 Managing Legal Records
- 18 Managing Personnel Records

Procedures Manuals

- 19 Managing Current Records: A Procedures Manual
- 20 Restructuring Current Records Systems: A Procedures Manual
- 21 Managing Records Centres: A Procedures Manual
- 22 Managing Archives: A Procedures Manual
- 23 Planning for Emergencies: A Procedures Manual
- 24 Model Records and Archives Law
- 25 Model Scheme of Service

Educators' Resources

- 26 Educators' Resources
 - Introduction to the Study Programme
 - Glossary of Terms
 - Additional Resources for Records and Archives Management
 - Educators' Resource Kit
 - Writing Case Studies: A Manual.

Case Studies

- 27 Case Studies Volume 1
- 28 Case Studies Volume 2
- 29 Case Studies Volume 3

The introduction to each module in the TERM programme includes more specific information about relevant MPSR resources that readers may wish to review in association with the TERM module in question.

A Note on Terminology

As with any material related to computer technologies, these modules contain a great deal of specialised terminology. Every attempt has been made to define key terms the first time they are used. When important concepts are discussed cross-references are included as appropriate to earlier references or to the glossary of terms. Readers are also directed to the *Additional Resources* tool for more information on various topics, and web addresses are included whenever detailed information is provided about particular organisations or specific resource materials.

The modules are written using British English (programme, organisation) though of course many computer terms use American English: thus an organisation may run a records management 'programme' but it uses a particular software 'program.' Abbreviations and acronyms are defined the first time they are used in each module and are used as sparingly as possible.

One exception is ERM for 'electronic records management': this acronym is used regularly throughout all the resources as appropriate when referring to the general concept of managing computer-generated records. When referring to an electronic

records management system – that is, to specific software programs designed to manage electronic records – the term ERMS is used. It is recognised, however, that ERMS software may also offer document management features: supporting the creation, use and maintenance of both documents (such as works in progress) and records (official, final documents). When referring specifically to software that manages both documents and records, the acronym EDRMS is used, but the acronym ERMS is used more often, particularly when the concept of electronic records management systems is discussed more generally.

For More Information

For more information or to download a copy of these resource materials free of charge, go to the International Records Management Trust website at www.irmt.org. The Trust can be reached as follows:

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INTRODUCTION

All public and private offices, including businesses and government, generate personnel records. Personnel records play a vital role in providing the information needed by organisations to manage and pay their staff members, plan their workforce requirements and monitor staff performance. Ultimately, any organisation's development and sustainability will depend on sound and effective human resource management, and the approaches it chooses to follow will be derived in part from an analysis of the information contained in personnel records.

The goal of personnel records management is to ensure that a complete and comprehensive employment history of each employee is readily available for as long as it is needed, and that the information contained in personnel records supports the management, deployment, payment and development of staff. Other key objectives of personnel records management are to support transparency and organisational accountability and to enable accurate audits by creating and protecting human resource records as reliable evidence.

The purpose of this module is to provide guidance to those who create, use and keep personnel records, both in paper and electronic form. With the introduction of Human Resource Information Systems (HRIS), human resource management functions and processes are increasingly conducted electronically. Many business processes that traditionally depended purely on the movement of paper have become partially or wholly computerised. The adoption of technology has allowed human resource managers not only to focus on purely administrative activities relating to individual employees, but also to develop well-researched strategies and plans, enabling human resource planning to be aligned directly with overall business objectives.

The benefits of technology are not limited to strategic planning, however. Increasingly, organisations are providing their staff with direct access to human resource information through an Intranet or web portal. As a result, organisations can communicate changes in personnel policies and procedures more easily; managers can access staff records without having to keep multiple copies or wait for the delivery of a centrally held paper file; individual employees can access personal information about their work status and entitlements; and self-service facilities can be provided so that staff members can manage their own personal data. HRIS are also increasingly likely to have built in workflow and business rules to promote consistency in operations and to allow for better monitoring.

While technology is greatly affecting how human resource records are created, used and maintained, the record-keeping requirements remain the same no matter the medium. Regardless of whether records are electronic or paper, the evidence of decisions, actions, communications and transactions related to employees must be kept and safeguarded in accordance with records management principles.

Electronic records may be replacing paper but most organisations will need to maintain a mix of manual and electronic record-keeping systems for the foreseeable future. Even in the most highly computerised offices, paper copies of forms and correspondence will still be printed from the electronic record. The challenge of effective records management in this hybrid environment is to integrate paper and electronic systems so that all records about the same employee, whether they are created or held in paper or digital media, can be brought together, and managed and used effectively. Manual filing systems are likely to play a continuing role in human resource management for some time. Therefore, paper records must be maintained in good order so that the information contained in them can serve as authentic and reliable evidence.

The planning, design and implementation of electronic personnel management systems is often seen as the responsibility of information technology specialists and human resource management professionals. Frequently, records managers are not included in the design process, resulting in poor control over the evidentiary inputs to, and outputs of, the computer systems. It is hoped that this module, in conjunction with the other modules in this training programme, will equip records managers with the knowledge and skills to help them play a greater role in planning major IT initiatives, particularly in the area of human resource management.

This module examines key issues for managing personnel or human resource records in an electronic environment.

Unit 5.1 addresses contextual issues surrounding personnel and payroll records management, examining the different characteristics of personnel records, considering the legal framework for personnel records management and discussing some of the key issues associated with the impact of automation on personnel records.

Unit 5.2 looks at the different personnel management functions performed by most governments or offices and the records generated by those functions. Specific functions examined include human resource planning, monitoring and policy development; establishment control; recruitment; appointment; performance appraisal; education, training and staff development; promotions, transfers and secondments; disciplinary and grievance proceedings; attendance, leave and sickness; termination or separation from employment (through resignation, retirement, dismissal or other reasons); and pay and allowances.

Unit 5.3 examines the different types of personnel records that might be created and used, including policy and subject files; personnel files, including both master and working files; other manual records; data input sheets; and records generated by computerised human resource management systems.

Unit 5.4 examines recommended standards for, and key processes involved in, the management of personnel records. While the focus is on traditional paper records, many of the principles and standards apply also to electronic records. Specific processes examined include: creating standardised file covers; arranging files and establishing numbering systems; managing registers and indexes; establishing and maintaining movement registers; receiving documents; providing access; preparing

active personnel files for transfer; closing files; appraising and disposing of personnel records; and storing personnel files.

Unit 5.5 considers how to improve personnel record-keeping systems in order to ensure the quality of electronic and paper records and information. It examines certain actions that can be taken to improve paper-based and electronic systems so that they can better support the human resource management function. The unit includes an examination of the challenge of collapsed record-keeping systems; discusses the importance of capturing and preserving accurate personnel data; outlines the steps involved in repairing collapsed systems and dealing with incomplete personnel files; outlines a method of verifying payroll data; and examines issues associated with digitising paper records.

Unit 5.6 looks at some of the issues associated with moving toward computerised human resource records management.

At the end of the module, there is a series of study questions that readers may wish to review in order to help them reflect on the topics discussed throughout the text.

FOR ADDITIONAL INFORMATION

Readers are reminded to review the *Additional Resources* document for more information about publications, websites, associations and other resources relevant to the general topic of electronic records preservation. The *Glossary of Terms* includes definitions for key records management terminology. Readers wishing to study some of the fundamentals of records management as related to this specific topic may wish to review some of the MPSR training modules, available online at www.irmt.org.

Of particular relevance to the preservation of electronic records are the following MPSR products:

Training Modules

- Managing Personnel Records

Procedures Manuals

- Managing Current Records: A Procedures Manual
- Restructuring Current Records Systems: A Procedures Manual

Case Studies

- Ann Pederson, Australia, Management Case Study: Revising the Record Keeping Programme for the Widget Manufacturing Company
- Barbara Reed, Australia, Personnel Records: A Case Study

A Note on Terminology

In this module, the term ‘human resource management’ is used synonymously with ‘personnel management’ as a description of the functions and processes involved in

managing the employees of an organisation. The abbreviation HR is also used when referring to human resources. The term HRIS is used to refer to Human Resource Information Systems, which are electronic information systems that support the processes of human resource or personnel information management (also sometimes referred to as 'human capital' management).

The term 'payroll' refers to the record of salaries and deductions for each employee. The payroll record is likely to be maintained in an electronic database. This database may be a stand-alone payroll system or part of a combined personnel / payroll system that supports the human resource management function. While this module discusses payroll management, it does not address the management of information in 'stand alone' payroll systems, focusing instead on the wider sphere of human resource information management. The module also emphasises HR management in government and the public sector, but readers will find that much of the content also applies to private-sector organisations. The module is also written from a British Commonwealth perspective, and users in different countries may find they need to substitute local terminology for some of the words and phrases used in the text. The underlying principles of effective human resource information management should be the same regardless of country, however.

THE CONTEXT OF PERSONNEL AND PAYROLL RECORDS MANAGEMENT

Personnel or human resource management refers to the management, both individually and collectively, of an organisation's most valuable resource, the people it employs. The goal of human resource management is to attract and retain a workforce that will enable the organisation to achieve its purpose and objectives. Human resource management also involves the training and development, health and welfare and performance improvement of each employee. In addition, it supports the organisation's capacity to plan, monitor and evaluate its own performance.

It follows that the creation and control of personnel records are critical to the success of an organisation's operations. The effective management of personnel records enables organisations to manage their employees efficiently and equitably, encourages informed and consistent decision making, supports transparency and accountability and facilitates the monitoring and evaluation of staff performance. All operations in relation to human resource management, from preparation of pay slips to strategic planning, ultimately depend on reliable and accurate personnel records. The records professional needs to understand the special characteristics of personnel records, the legal framework for HR management and the effect of changing technology on the nature and structure of personnel records.

This unit begins by discussing the characteristics of personnel records: most notably, that they are found throughout organisations; they can be linked with other systems in the organisation; and they can be used for many different purposes. The unit also discusses the fact that personnel records are critical to the operations of the organisation, they can consist of large quantities of highly sensitive information and they must be retained and protected for extended lengths of time. The unit also considers the legal framework for personnel records management and some important issues associated with the impact of computerisation on personnel records.

Characteristics of Personnel Records

While sharing characteristics with other types of records, personnel records have some special characteristics, as outlined below.

Organisation wide

Organisations normally maintain personnel records of some sort at many different levels within their organisational structure and in different physical locations in their

offices. This variety of location has implications for the duplication of records as well as for the communication and sharing of information about employees. It also has implications for ensuring the reliability of records in order to provide evidence of HR events, especially when records are located in widely dispersed locations.

Links with other systems

There are strong links between personnel record-keeping systems and other government systems, notably systems dealing with budget, payroll and pension management. Personnel records provide the evidence and authority to pay salaries and benefits to employees. Personnel costs are likely to be the largest single item of expenditure in the public sector budget, and personnel records ultimately enable governments to be accountable for this expenditure.

Different uses

Personnel records provide a basis for planning, decision making and conducting business in every area of human resource management, whether in relation to the individual employee, to groups or categories of employees or to the entire workforce.

Importance

Reliable personnel records support the efficient management and use of the organisation's single most important resource, its people. However, the quality of personnel records also directly affects the employees themselves, as well as their families, in relation to job security, pay and entitlements. Personnel records document the contractual relationship between employer and employee and provide a history of the employee's career. The information held in these records is used to make a wide range of decisions, for example about promotion, transfer, termination or disciplinary action. The records also provide the authority to determine pay and other benefits, including pensions. Personnel records must be accurate and complete, and they must also be trustworthy to both the organisation and the employee.

Sensitivity

Because many personnel records contain personal information about individuals, they are highly sensitive and confidential. Access to the records, whether paper or electronic, must be strictly controlled and monitored: strong and effective security measures are needed to protect the records against loss, damage, unauthorised access or alteration, while in storage and during their active use in the office. The location and use of paper records needs to be tracked. Mechanisms need to be developed to identify who has accessed an electronic record, when they accessed that information and whether any action was taken on, or changes made to, the record. Those who have custody and day-to-day management of personnel records must be aware that they have been entrusted with the responsibility not to reveal information gleaned from the records.

Longevity

Some personnel records will need to be kept for the entire career of the employee and then for a period after the employee's death, retirement or separation from public service. This extremely long retention requirement has implications for the selection of storage systems, both for paper and electronic records. Factors such as the longevity of the media and ease and cost of migration of personnel records are particularly relevant when developing and using electronic record-keeping systems. All personnel records must be retained and disposed of in accordance with approved retention and disposal schedules.

Quantity

Typically, the public service maintains very large quantities of personnel records, the majority of which until recently have been on paper. The failure to manage personnel records appropriately will result in wasted office space, wasted financial resources and wasted staff time. Given the longevity and quantity of personnel records, the conversion of all paper records to digital media may not always be a cost-effective and efficient solution; sometimes it is just as effective to maintain older records (such as those for retired or deceased staff) in paper form and digitise newer records (for current staff).

Ownership

Within the public sector, all personnel records are government property and must be maintained by the relevant record-keeping authorities (for example, the department or authority responsible for public service staffing, as well as the National Archives). Personnel records, or any of their contents, must be provided to the relevant authorities on request and may not be destroyed without authority.

The Legal Framework for Personnel Records Management

The legal framework in which human resource records are created, used and maintained will vary from jurisdiction to jurisdiction, but it is the norm that the terms and conditions of public service are governed by some form of employment legislation, such as an Employment Act or Civil Service Act. Legislation generally defines the rights and obligations of employers and employees and establishes various mechanisms for resolving disputes (including grievances) between management and staff. These and other acts may also prescribe the establishment of employing authorities, such as a Public Service Commission or Civil Service Department, and outline mechanisms relating to compensation, entitlements and pensions.

The laws themselves may be supported by regulations, codes and statutory instruments that further define personnel structures and outline policies and procedures. Both HR managers and records professionals responsible for personnel records must be fully aware of the record-keeping implications of all relevant laws, regulations, standing orders and codes. Certain records will need to be created and kept specifically to ensure that ministries, departments and agencies (MDAs) can

demonstrate compliance with these laws and regulations. Other legislation may also be relevant to the management of personnel records, including public records and archives legislation and laws related to public access and the protection of privacy.

Many governments and central agencies with responsibility for HR functions follow written rules and procedures for human resource management. These documents are often printed and issued in compendium editions and are updated regularly. Typically, the rules and procedures address issues such as: general conditions of service, appointments, examinations, discipline, promotions, transfers, performance appraisal, emoluments, training, benefits, loans, leave, travel and transport. The rules may also specify the content and structure of forms used to execute HR processes.

With the introduction of computerised systems, there has been a tendency not to keep printed rules and procedures up to date but to rely instead on business rules built into the systems. However, up-to-date online or printed manuals are still essential to guide users through procedures.

The laws, policies, regulations and procedures which govern human resource management are also subject to revision as government organisation and functions evolve. It is important, therefore, to keep track of the development of new or revised employment-related legislation, policies and procedures and to ensure that record-keeping practices and reporting requirements continue to support current HR practices. In addition, legislation may need to be updated to allow electronic records to be considered acceptable evidence in a court of law.

The Impact of Computerisation on Personnel Records

Human resource management has been undergoing considerable change over the past few decades, as governments and decision makers have recognised the potential of technology to improve HR management and information. At the same time, there has been a desire in many public agencies around the world to increase efficiency, reduce costs, save space, improve service delivery and enhance transparency and accountability. Traditional paper-based records systems, even if well organised and complete, cannot easily provide the information governments need to manage the public service and to develop policies and plans based on accurate and current data. The expectation has been that computerisation will not only improve HR processes but will also provide more accurate, consistent and usable information.

The basic function of a computerised Human Resource Information System (HRIS) is to hold data about employees. This information, which may relate to both existing and former staff, will include personal details as well as data about recruitment, salary, position, entitlements, attendance, leave, skills, training, performance, discipline and grievances. When integrated with payroll management, a HRIS can calculate salaries and provide a range of supporting functions such as preparing pay slips and payroll reports.

A HRIS may be closely linked to, or even a component of, an Integrated Financial Management Information System (IFMIS). Regardless of how effectively, the organisation has structured the functions of payroll management, establishment

control, budgeting and HR management, these processes need to be closely integrated so that information about employee costs and deployment can be shared. Typically, an HR event that affects the payroll (a new appointment, a promotion, the grant of an allowance) originates in the HR function but is concluded in the finance function. Pensions and loans may be managed by separate systems but again, there should be the capacity to share data with the HR and finance systems.

A HRIS can support the management of many HR processes. To take one example, the task of recruitment is managed by capturing information about applicants and tracking the interview and selection process. Controls can be built in to ensure that the organisation follows all necessary authorisations, communication and monitoring processes. Once a selection is made, the HRIS is used to manage the processes associated with the new employee commencing work and joining the payroll. In a highly developed system, users can create their own required business processes and decide how to store and retrieve information.

Good practice requires that audit trails document all additions, deletions and changes to personnel data, not only identifying which user made a change and when but also ensuring the original, unchanged information is retained as a record. A HRIS may have the capacity to generate a wide range of reports to support HR planning and decision-making, such as lists of employees by department, grade or location; summaries of personal and career details; payroll or benefits statements; annual wage reports; or bank deposit details. The HRIS should also enable HR managers to define and generate additional reports to meet their particular requirements.

Many HRIS applications are split into separate but integrated modules, each covering a different aspect of HR management. For example, separate modules may exist to manage payroll; personal details; recruitment; position management; performance management; training; attendance; travel and expenses; loans and advances; and pensions. The modular approach enables the system to be matched to users' needs. More powerful systems can be tailored to meet organisation-specific requirements.

The Effect of Technology on Record Keeping

The introduction of computerised systems, digital technologies and electronic communications is having a huge impact on the management of recorded information throughout organisations. There has long been an expectation that technology will solve information management difficulties and that it will remove the need for paper records. Computerisation of the payroll and personnel information has often been regarded as a solution to the problem of poor information quality, particularly when existing paper systems have failed to meet information and business needs. But not all computer systems are designed to create and preserve records. While HRIS are excellent tools for managing data, they have generally lacked the capacity to meet records management requirements: for example, to manage the records used to enter or verify system data, or the records generated by the system such as letters, memoranda, forms and reports. Furthermore, experience has shown that effective electronic systems cannot simply be built over poorly managed manual systems. In many cases, when a HRIS is quickly introduced to replace a collapsed and non-

functioning paper-based system, the payroll and HR data used to populate the new system are inaccurate and unreliable.

When considering the role of a HRIS, therefore, it is important to resolve some important record-keeping issues. For instance, it is necessary to decide if the HRIS will hold records or if it will simply be a repository for data, with the records preserved elsewhere, electronically or in hard copy form. If the HRIS contains the authoritative evidence of personnel management processes – such as appointment and promotion letters or confirmation of transfers and retirements – then the HRIS must be able to keep this evidence meaningful and useable for as long as it is needed. If the HRIS is not the official records repository, then another mechanism will be needed to preserve the documentary evidence. In the past, HRIS have been used to manage data, not records, and the primary function has been to store current information. Unfortunately, separate processes have not always been established to protect the records, resulting in the loss of critical evidence.

Appraisal and the identification of official records are discussed in detail in the other modules in this series, particularly *Module 3*.

It is also important to integrate the paper and electronic systems used to support personnel management. Linkages between the HRIS and original, often paper-based, source documents need to be established. The source documents will continue to be needed to verify information about HR events. Too often, the personnel records that provide the evidence of personnel-related actions and decisions are managed completely separately from the HR database. One solution to these difficulties is to run the HRIS in conjunction with an electronic document and records management system (EDRMS), which is designed specifically to manage records as evidence. The EDRMS should be capable of managing and linking all the records relating to particular individuals, including emails, forms, desktop created documents, paper and digitised records so that, in effect, each employee has a virtual file.

ERMS systems are discussed in detail in the other modules in this series, particularly *Module 2*.

Security and Access

Computers have increased the ability of organisations to share information within and outside their offices. In the pre-computer days, information was communicated in the form of paper documents, and all the contextual information needed to understand and authenticate the information (such as the letterhead, signature, date and office of receipt stamp and other metadata) was contained in the document. Similarly, manual records management controls, such as registers tracking the movement of files or

security classifications governing access to folders, reduced the risk of unauthorised access to paper records.

As discussed in other modules in this series, computerisation enables information to be shared more easily; but it may also result in a gap between the information itself and the contextual data needed to authenticate and understand it. As a result, the information may not by itself provide all the evidence needed. Computerisation may also increase the risk of unauthorised access. While a HRIS enables personnel information to be more easily accessed and reused, it can leave information exposed to inappropriate access and use. Dates of birth and salary details can easily be changed. It is necessary to protect electronic records not only against unauthorised changes made by those accessing the system as users, but by system administrators who will have higher levels of access.

Decentralisation and Record Keeping

Another records management concern in an electronic environment is the management of personnel records in increasingly decentralised organisational structures. More and more governments are decentralising functions and services from central agencies to line ministries and departments or regional centres or to other levels of government. Decentralising of HR management can lead to greater ownership, accountability and efficiency, as well as more accurate, complete and up to date records for local purposes.

A common approach is to decentralise human resource and payroll management, but to maintain centralised monitoring and overall establishment control. However, decentralisation increases the challenges of maintaining the up-to-date information needed by the centre. Policies and procedures, and compliance mechanisms, must be in place to ensure that the information needs of both central and decentralised agencies are served. As well, networks must be sufficiently stable to allow the regular and routine exchange of data.

Centralised office systems were introduced when organisations such as government agencies were smaller and their functions were simpler. With the increase in the size and complexity of the civil service in many countries, it has become more difficult to deal with the volume of personnel transactions from a centralised office. As a result, there can be unacceptable delays in processing appointments, implementing salary changes, calculating pension payments and so on. Furthermore, centralised human resource operations are increasingly seen as too remote from the offices actually conducting the business of government. While centralisation encouraged the development of common procedures, it has been argued that decentralisation of tasks such as recruitment, appointments and promotions can increase efficiency, serve local requirements better and reduce cost.

Decentralisation has a significant impact on record keeping in both manual and electronic environments. New policies, standards and work practices need to be developed, and many more staff must be trained in their new responsibilities and procedures. While practices may differ to take account of local circumstances, common standards for record-keeping systems are still needed to ensure that agencies

manage their records effectively and comply with good practice. In national governments, the National Archives and Records Service can and should play a key role in developing record-keeping standards and monitoring compliance. Similar agencies can support effective record keeping in other jurisdictions and in the private sector. Just as agencies with devolved responsibilities for HR management must meet common standards for creating, managing and using paper personnel records, so they must also meet standards for the creation, management and use of electronic records.

In recent years, there has been an increase in the outsourcing of various functions (such as payroll) to private companies, adding to record-keeping and security challenges. One significant concern is the danger that personnel information will be lost or damaged during transit from government agencies to service providers. To ensure accountability, private companies must be required to comply with the same security and record-keeping standards as governments. Contracts and service level agreements between governments and private companies must explicitly require that records are securely and properly managed, that adequate records services are maintained and that the records remain the property of the government.

Regardless of whether the personnel management service is provided centrally or in decentralised offices, or by governments or private service providers, regular audits should be undertaken to make certain that all personnel records, regardless of medium or format, are properly managed. Again, the National Archives or another archival agency can play a pivotal role in monitoring compliance with records management standards. In addition, audit of the payroll and human resource function itself will involve other agencies, such as internal audit and the external audit office, which will each have an interest in determining whether record keeping is adequate and compliant.

As outlined in this unit, there are many issues affecting the management of personnel records in an electronic environment. The next unit looks more carefully at the relationship between human resource management functions and the records created and used as a result.

UNDERSTANDING THE RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT FUNCTIONS AND RECORDS

Most organisations undertake a number of common human resource or personnel management functions, including those listed below:

- human resource planning, monitoring and policy development
- establishment control
- recruitment
- appointment
- performance appraisal
- education, training and staff development
- promotions, transfers and secondments
- disciplinary and grievance proceedings
- attendance, leave and sickness
- separation from employment (through resignation, retirement or other reasons)
- pay and allowances.

All these activities generate records that need to be captured and managed in record-keeping systems, regardless of whether the records are in paper or electronic format. Examples of key documents generated by the personnel management function are provided in Figure 1 below, along with information about where they should be held. To illustrate different record-keeping requirements, the rest of this unit consists of a summary of typical personnel management functions and the records that they generate.

Figure 1: Documents Generated by the Personnel Function

Function	Examples of Documents	Custody
<p>Human resources planning and establishment control</p>	<ul style="list-style-type: none"> • Human resources plan: the plan should form part of and be linked to the organisation's wider strategic plan. There are likely to be records of analyses carried out leading to the preparation of the plan, as well as records relating to budgeting and monitoring • Staff establishment lists, seniority lists, organisational charts • Schemes of service, job classification schemes • Job descriptions, post specifications 	<p>The strategic plan should be widely disseminated through the organisation. The human resources plan itself should be treated as confidential and made available only to senior management. The central HR agency should hold the master copy in its policy files. Staff and seniority lists, organisations charts, schemes of service and job classifications, etc should be kept with the policy files of the appointing or employing agencies concerned.</p>
<p>Policy development</p>	<ul style="list-style-type: none"> • Policy and procedural documents on HR functions and processes including, for example, pay, grading and allowances, retrenchment, employer-employee relations, performance management, training 	<p>The central HR agency should hold the master copies of these records in its policy files. Line agencies will also keep their own policy files along with copies of centrally issued documents, records of local discussion and their own policy and procedural documents.</p>
<p>Labour relations</p>	<ul style="list-style-type: none"> • Records of negotiations, discussions, disputes with unions and staff associations 	<p>The central HR agency should hold the master copies of these records in its policy files. Line agencies will keep their own policy files containing copies of centrally issued documents and also records of local meetings, disputes, etc. Because of the sensitivity, some of these records may need to be kept separately with limited access.</p>
<p>Health and safety</p>	<ul style="list-style-type: none"> • Policy and procedural documents • Accident and incident logs • Investigations and reports of incidents 	<p>Records relating to policy and procedures should be kept in policy files. Reports should be kept by the relevant health and safety officer, with copies kept on policy files. Logs will be kept by the health and safety officer but will be accessible to deputising staff. Records relating to individuals should be kept in master or working personnel files as appropriate.</p>
<p>Recruitment</p>	<ul style="list-style-type: none"> • Job analyses, job descriptions, person specifications, advertisements, interview reports. 	<p>The appointing authority should hold these items in their position or case files.</p>

Figure 1: Documents Generated by the Personnel Function (cont.)

Function	Examples of Documents	Custody
<p>Appointments</p>	<ul style="list-style-type: none"> • Candidates' application forms, letters of appointment, letters of acceptance, confirmation letters • Contracts and records of contract negotiations, which may be specific to a particular job or may be more general, such as part-time working, working flexible hours or job sharing • Security clearance • Disclosure/confidentiality/official secrets act agreement 	<p>Successful candidates' application forms and letters of appointment/ confirmation should go in the master personnel files. The appointing authority or agency concerned should hold the contracts in a series of contracts files. A copy of the contracts with individual employees will also be kept in the master personnel files.</p>
<p>Performance appraisal</p>	<ul style="list-style-type: none"> • Record of appraisal, forward job plan, annual report • Personal development plan 	<p>These records should be kept in the master personnel files.</p>
<p>Education, training and staff development</p>	<ul style="list-style-type: none"> • Training needs/skills assessments • Records of courses attended, skills acquired and levels obtained 	<p>Agency-wide needs assessments or skills assessments should be kept in the policy files. Copies of certificates should be kept in the master personnel files. Individual training records should be kept in the working personnel files.</p>
<p>Promotion and transfer</p>	<ul style="list-style-type: none"> • Promotion board reports • Records of transfer negotiations • Letters of promotion and transfer 	<p>Promotion board reports should be kept in the policy files of appointing authority. Records related to transfers or promotions should be kept in the master personnel files.</p>
<p>Discipline proceedings</p>	<ul style="list-style-type: none"> • Warning letters; records of disciplinary proceedings and outcome 	<p>The full records of disciplinary proceedings should be maintained as separate case files, possibly requiring special security. Only the outcome, such as letters to the individual, should be kept in the master personnel file.</p>
<p>Grievance proceedings</p>	<ul style="list-style-type: none"> • Records relating to the hearing of, and decisions about, grievances 	<p>Depending on the seriousness of the case, records of proceedings and outcomes are likely to be kept in the master personnel file or, for complex cases, separately in an associated file.</p>

Figure 1: Documents Generated by the Personnel Function (cont.)

Function	Examples of Documents	Custody
<p>Attendance, leave and sickness</p>	<ul style="list-style-type: none"> • Leave and sickness cards • Requests, approvals • Claims; medical reports • Accident/incident registers 	<p>Records related to individual attendance, leave and sickness should be kept in the working personnel files. Records related to leave that affects terminal benefits and medical claims and reports should be kept on master personnel files. Accident registers should be held by the employing agency.</p>
<p>Separation from employment</p>	<ul style="list-style-type: none"> • Assessment of pension entitlement, pension notification and other documents relating to the retirement process • Full records of redundancy proceedings, negotiations and results relating to individual employees • Death certificate; compensation terms 	<p>These records should all be kept in the master personnel files; with copies retained in the pensions department case files.</p>
<p>Pay and allowances</p>	<ul style="list-style-type: none"> • Letters of appointment, promotion, transfer, and so on • Payroll input forms and authorisations 	<p>Copies of records that document payroll changes should be kept on master personnel files. The payroll record itself will be managed by the paying authority.</p>

Human Resource Planning, Monitoring and Policy Development

What Is the Function?

Human resource managers are responsible for assessing and monitoring their organisations' HR needs, planning for the future and developing appropriate policies and guidelines. Planning and monitoring activities may relate, for example, to recruitment needs; skills analysis; age and gender profiles; reorganisation of the workforce; position management; retrenchment; or the identification of staff due for retirement and the impact on pensions schemes. Policies cover all kinds of activities including, for example, codes of conduct, job and grading structures, grievance procedures, health and safety, labour relations and vacations and leaves of absence. Managers undertaking planning, monitoring and policy development will need to access data about current employees so that they can analyse existing and future HR requirements.

What Records Are Created?

Computerised systems provide the capability for detailed analysis of information about the workforce, but accurate and complete data are essential to ensuring the analysis is reliable. The most reliable data are derived from personnel records generated in the day-to-day processes of HR management. These records are traditionally paper documents kept on files but increasingly they may be held in electronic format. A HRIS is also likely to depend on data input sheets that themselves may provide 'evidentiary' data, including authorisations and approvals. A HRIS may capture this data during the processing of HR events, such as appointments or promotions, but verifiable evidence of these events must still be maintained in the form of records (for example, letters of appointment or promotion).

The analysis process itself is likely to generate reports, records of discussions and internal correspondence, some of which may need to be kept on policy files. In a fully computerised system, HR records and reports may be held electronically in an EDRMS, but it is likely that manual personnel files and policy or subject files will continue to be created and will be retained in a central filing system. Planning records should be retained as part of the development of all plans. They can provide useful insights into the evolution of practices and inform the development of future plans and policies.

Policy records include position papers, reports and the policies themselves. These are important documents and should be retained as a series on their own within the human resources filing system or central system.

More detailed information about file series is provided
in Unit 5.4.

Establishment Control

What Is the Function?

Establishment control is the term used to describe the processes by which governments and organisations control the overall number of employees, and ensure that the right number are recruited at the correct grades and with the right mix of skills. Frequently, establishment control involves employing authorities agreeing, with a central agency, the staff numbers and structure that can be appointed at designated grade levels, expressed in terms of authorised posts. More recently, other methods of establishment control have been introduced that give departments and employing authorities more freedom to choose their own mix of staff within fixed budget constraints.

What Records Are Created?

A wide range of documents are generated to support establishment control. Traditionally, these included, for example, staff lists, organisational charts, schemes of service, job classification schemes and a variety of reports and internal documents. Central and departmental estimates and budgets are also relevant. Computerised systems that enable the analysis and aggregation of data about employees are also likely to result in, or contribute to, reports for management. These will need to be retained in policy files.

Recruitment

What Is the Function?

Recruitment (or selection) involves a number of different processes, including filling new or vacant posts, advertising for applications internally or externally, interviewing candidates, conducting examinations or tests and corresponding with potential recruits. The recruitment process may involve communications in person, via the telephone, through regular print-based exchanges, through the Internet or by email.

What Records Are Created?

Records must be kept not only to document new appointments but also to provide evidence that the recruitment process has been competitive, fair, transparent and in keeping with established rules and procedures. In some situations, audio tapes may be made on interviews and may need to be treated as records. Records documenting the recruitment process should be maintained as subject or case files by the agency that is most directly involved with the recruitment process. The recruitment process may also include the issue of a document or 'warrant' authorising the filling of the position. Once a candidate has been selected, the records related to unsuccessful candidates should remain on file for a certain period, in case, for instance, a candidate questions the selection process or the agency wishes to consider the applicants for other positions. The actual appointment records related to the successful candidate become part of his or her personnel file and are discussed below.

Appointment

What Is the Function?

Most organisations make different types of appointment, depending on the particular requirements. For instance, jobs may be permanent; pensionable or non-pensionable; contract or temporary; casual or part-time; and so on. Usually, the more formal or structured the position within the organisation, the more documents will be created. Typically a letter of appointment is issued to new employees once they have accepted the offer, which they usually do in writing. Prior to confirming the appointment, the organisation may require candidates to undergo an examination by a medical officer, who will provide a medical certificate as a result. Candidates may also have to provide evidence of their birth date, citizenship and educational qualifications.

New staff members are often subject to a probationary period. At the end of this period, they should be formally confirmed in post, unless their performance has been unsatisfactory. If the probationer is not confirmed in post, the reasons for the decision should be given and documented. A further probationary period, or dismissal, may follow.

What Records Are Created?

Individual personnel files should not be created until a candidate has been appointed and issued a unique personal identification or other number. This number should ideally become the unique identifier for that employee in any paper-based or electronic HR information system. Copies of the application form, appointment letter, acceptance letter, medical certificate, birth record and evidence of qualifications may all go on the new employee's master personnel file. Also on the personnel file should be the confirmation that the employee has been placed on the payroll, and any data entry forms used to create a record for the employee in a HRIS. Original paper-based documents may be digitised and captured in an ERMS, if the organisation wishes to keep as much information in electronic form as possible.

Both the letter of appointment and letter of acceptance are a crucial part of an organisation's audit trail. They provide evidence that a post is genuine and that it has been filled by an actual person. The birth certificate or other evidence of birth date also provides a key record that will be needed later when confirming the employee's retirement date and pension entitlement. Some organisations may require a security clearance and disclosure agreement to be produced and filed. All these records will need to be kept for the whole career of the employee and for a period after the employee leaves employment. Retention and disposal schedules should provide detailed guidance about the length of time records must be kept, when they can be destroyed and what information may be confidential or sensitive. Given the importance to the organisation and the employee of accurate and reliable personnel information, all key appointment information must be kept in a way that prevents loss or alteration and ensures that records remain accessible and understandable for as long as necessary.

During the employee's probationary period, HR managers should ensure that records are kept of the progress of the staff member. These records will be essential should the employee turn out to be unsatisfactory and not confirmed in post; otherwise, the agency may have difficulty defending the legitimacy of its decision.

Performance Appraisal

What Is the Function?

Annual performance appraisals are a common requirement of the modern public service, and they are increasingly popular in the private sector as well. A performance appraisal is usually carried out as a dialogue between an individual employee and his or her supervisor. The appraisal helps the organisation to document and monitor the nature and effectiveness of each individual employee's work. The appraisals can also be used to identify training or development needs; to assess a person's suitability for promotion; or to provide rewards and incentives based on good performance. The appraisal process also allows the employee and supervisor to review and agree specific work objectives. The employee may be asked to conduct a self assessment and prepare a personal development plan for the next year. At the end of the process, it is normal for the employee and supervisor to agree to a set of goals for the next year, either to set targets, improve performance or address inadequate work.

What Records Are Created?

Assessment reports provide a means of monitoring the overall operational effectiveness and continuing development of the organisation. Self-assessments are also important for documenting the employee's perspective on his or her performance. All officers involved in the appraisal process must contribute to or sign a report summarising the points raised and decisions made. If it is agreed that the employee's performance needs to improve, the specific concerns and agreed actions must be documented and reviewed with the employee concerned. In cases where an employee is considered unsuitable, performance appraisals can serve as critical evidence of the problems or concerns raised and actions taken prior to actual dismissal.

The time frame for retaining performance appraisal records is usually determined by local requirements, but the general practice is to retain the records for a finite period (such as three or six years). The rationale is that an individual's performance may vary considerably over time: a new employee with few skills and limited performance could quickly grow into an effective and valuable member of the organisation. It could be prejudicial to the employee to retain records that document very different levels of performance in earlier years. Because performance appraisal records are kept for a relatively short period, they may need to be kept separately from other personnel records, preferably as a subordinate file associated with the master personnel file.

Education, Training and Staff Development

What Is the Function?

All new members of staff require induction to their jobs and to the organisation as a whole. During their careers, staff members should also receive opportunities for further education, training and personal and professional development. Sometimes, if the training is extensive or costly, bonding may be required: the employee agrees that in exchange for access to education or training, he or she will undertake to work for the employer for a specific period upon completion of the training. Where possible, discussions about education and training should take place during the employee's performance appraisal and documented in writing as evidence of options considered and decisions made.

What Records Are Created?

The new employee's immediate line manager and the HR manager will have joint responsibility for managing the records of staff induction and initial training. Induction records related to specific employees should be placed on their individual personnel file.

Requests for training or education, along with approvals or rejections, information about courses attended, post-training reports and certificates or other records of qualifications should be placed on the personnel files or captured electronically. A separate series of files on training opportunities, such as descriptions of courses or information about educational institutions, will need to be kept by the HR unit as subject files. Increasingly, information about training and qualifications is kept electronically in a HRIS to allow HR managers to monitor and evaluate training needs and opportunities across the organisation.

Promotion

What Is the Function?

The decision to promote an employee is usually based on an assessment of his or her experience, qualifications, performance and potential. This information is gleaned from performance appraisals and other records kept in individual personnel files. Increasingly, governments and public organisations, as well as private-sector agencies, promote employees based on their documented ability – often referred to as meritocracy – rather than on personal preference or seniority, as used to be the case in years past. Promotion on the basis of merit demands that organisations create and keep complete and accurate records for each employee.

What Records Are Created?

Any records related specifically to the promotion of an individual employee must be placed on the personnel file of the individual concerned. Promotion is likely to lead to an increase in pay, which then has implications for the level of pension benefits available. Thus records related to promotion are critical for ensuring the payroll is updated and that pension requirements are met when the time comes. In addition to

paper and electronic records, it is also important to retain any forms or similar computer input documents used to update the HRIS and initiate changes in the employee's status or pay.

Transfer

What Is the Function?

Within the public service, employees can be transferred to other positions, sometimes at short notice. Transfer is most common for staff members in specialist positions or at a certain level within the organisation, as they may have skills and knowledge that are in high demand. Staff members may also seek a transfer from one agency to another, for personal or professional reasons. Even if transfers take place within the same office of employment, and so do not involve a change in employer, it will still be necessary to update information in personnel files and the HRIS to reflect changes in title and position.

What Records Are Created?

Records should be created and filed documenting all transfers. Documents may include written communications between the employee and both the old and new employing agency, as well as documents between the two offices involved in the transfer or between the old and new offices and any central personnel authority. Copies of all correspondence and communications must be filed on the personnel file and the HRIS must be updated. Any input documents used to add information to the computer should be retained and filed in accordance with established standards. A letter of transfer or notification of posting will be issued to the employee, and a copy of this document must be placed on the master file. Paper personnel files should be transferred to the new employer's HR unit.

Disciplinary and Grievance Proceedings

What Is the Function?

Disciplining staff is a serious undertaking that may have significant consequences, and any disciplinary action should conform to legal, regulatory and policy requirements. If any steps can be taken prior to actual discipline, these should be initiated in order to identify weaknesses and take remedial measures before it is too late to help the employee without recourse to disciplinary action. Such intermediate actions may include preparing a performance improvement plan, issuing a warning letter or imposing a penalty.

In cases where a departmental or ministerial inquiry is conducted, a disciplinary panel is likely to be established. At the conclusion of the inquiry, the panel will submit a record of the proceedings along with a notification of its findings and recommendations. All these procedures and any resulting disciplinary or other actions must be fully documented.

Discipline and grievances may be covered by the same or similar procedures. However, minor matters are likely to be dealt with informally and may not result in the creations of records.

What Records Are Created?

It is important that a full record is kept from the outset of the events or alleged offences that have resulted or have the potential to result in formal proceedings. Because it is impossible to know before an event happens that it may have such serious consequences, it may be necessary to create a record some time after the first indication that an alleged offence or incident took place, to summarise the situation as known to that time. Employers and HR managers must be vigilant to document any situations that have the potential to lead to difficulty or conflict: written warnings, notes to file summarising conversations or situations or records of interviews will all help document the facts and events in an objective manner.

Any records generated from a disciplinary or grievance process, including written warnings, proceedings and reports, must be kept on master personnel files and / or captured electronically in a HRIS or ERMS. They must be managed as records and protected against alteration or loss, as their evidential value is very high. Adequate documentation allows both the employer and employee access to the facts and reduces the chance of appeal or further legal action by either party.

For exceptionally serious or sensitive issues, it may be necessary to file disciplinary records separately from the individual's personnel file and provide additional security against inappropriate access. Since penalties or disciplinary action may affect the employee's salary, position or benefits, relevant information must be added to the HRIS to assist with financial calculations.

During a disciplinary or grievance hearing, both parties will need access to all relevant documentary evidence or other documents. Any employee charged with misconduct or any other violation should be given an opportunity to see the evidence related to the charges, and he or she should also have the chance to submit a written reply to any charge. Copies of all these records must be filed in the master personnel file; they may also be scanned and added to an electronic file. The records should be kept until there is no possibility of further appeals, usually at the end of a statutory period of limitation. In certain cases, it may be necessary to remove the record from the personnel file and destroy it once the statute of limitations has expired or if the charges are determined to be unfounded. Decisions to remove records must be made by the appropriate authorities who must follow established regulations and procedures.

Attendance, Leave and Sickness

What Is the Function?

Decisions about an employee's attendance, annual leave, vacation time or sick leave must be documented fully, in order to track the employee's performance, ensure that only the entitled time is taken and make sure the employee's rights to such benefits are respected. Requests for leave and records of attendance should be monitored by

the HR manager, who should discuss any concerns with the employee in order to address attendance problems as early as possible.

Continuing poor attendance may result in disciplinary action, and excessive sick leave may require reference to a medical board. A medical board may need to assess the situation and prepare a report on the health and welfare of the employee.

Other types of leave include compassionate, maternity and paternity leave. Accurate records of compassionate leave are particularly important to prevent abuse of the system. Sabbatical leave, secondments and leave without pay must also be recorded.

What Records Are Created?

Applications for leave (including vacations, secondments, sabbaticals or unpaid leave) must be submitted on the prescribed forms and approved by the relevant authority. In some situations, applications for leave can be submitted and authorised electronically; the evidence of these applications must be protected within the electronic record-keeping system or HRIS. In general, any decision about a leave request should be recorded on the application form and placed on the employee's working personnel file or captured by the electronic system. In cases of sick leave, a medical certificate covering the period of absence may need to be produced and captured.

Normally, leave records are filed on the employee's working file, but where a medical board is involved, the record of the decision should be filed on the employee's master personnel file. Attendance records that may affect an individual's employment or retirement may have to be retained for a long time. Records of leave that affect benefits or pensions (such as evidence of unpaid leave) should therefore be kept on the individual's master file.

Routine attendance records, such as signing-in registers, rarely need to be kept for a long time. Once they can no longer be used for grievance or disciplinary actions, they should be disposed of according to retention and disposal schedules. If records are required for disciplinary situations, the relevant entries related to the individual employee can be extracted as long as it can be demonstrated that the information remains accurate and reliable.

Official travel, home leave, study leave and associated expenses generate large quantities of records. Where these records involve payments, records should be kept according to financial and audit requirements. Generally, copies of such records are kept on working files and do not require long-term retention.

In order to ensure accurate information is maintained about employee attendance, all organisations are encouraged to maintain a daily manual or electronic attendance register of staff. Local rules will specify which employees will be required to enter information into the register. Aggregated attendance and leave data also provide useful information for HR planning and monitoring.

Some types of leave records, such as staff annual leave plans, will need to be kept separately from individual personnel files since they relate to more than one member of staff. In some circumstances, it may also be more convenient to keep paper records of annual and sick leave separately.

Separation from Employment

What Is the Function?

Separation from employment refers to situations where a person leaves the organisation permanently. Separation may be the result of

- resignation
- compulsory or voluntary retirement
- redundancy (layoff)
- retirement on medical grounds, requiring a medical board recommendation
- retrenchment (abolition of position)
- termination of non-pensionable employee (end of fixed term)
- dismissal for disciplinary reasons or unsatisfactory performance
- death in service
- removal in public interest
- termination on contesting constitutional leadership or elective political post.

What Records Are Created?

Each type of separation may be associated with different records (notice of termination decision, letter of resignation and so on). However, the basic process and documentation of a separation from employment is similar. A letter of termination (or acceptance in the case of resignation) is prepared. The letter confirms the reason for termination and the date that the person's employment ends. A copy of the letter should be placed on the individual's master personnel file. There must also be a process by which either a copy of the letter, or data derived from the letter, is used to update the HRIS and payroll system so that the individual is removed from the payroll.

Any outstanding leave, loans, salary, allowances and so on should be verified from existing records, either in the HRIS or in personnel files or payroll records. Any resulting compensation or adjustments should be documented, and in all cases the paper files, the HRIS and payroll records should be updated. The employee should be removed from the payroll on the effective date as indicated in the records. Any data input forms created during the process of carrying out the termination should be retained and filed in accordance with standard procedures. The employee's file should then be closed and transferred to secure storage for as long as required to fulfil legal and statutory obligations.

In the event of redundancies or layoffs, a record should be made of any future entitlements along with information about any compensation to be provided at the time of redundancy. A copy of the statement of entitlement should be provided to the employee. Any records related to redundancy policies should be kept in appropriate subject files, together with records related to implementing any redundancy schemes.

Some benefits or allowances, for example, medical benefits, may continue after the employee has separated from employment. Records that document or affect

entitlements and benefits should be retained for as long as required on the individual's personnel files.

If an employee dies while in service, his or her surviving spouse may be eligible for a pension. Similarly, children below the age of majority may be entitled to survivor benefits until they reach a specified age. *Ex gratia* payments may be considered in some circumstances, for example where the death may have been brought about by poor working conditions or an accident. In addition, the employer may be liable for a statutory payment under health and safety legislation.

Pensions

What Is the Function?

Generally a specific length of continuous service is needed for an employee to be entitled to a pension. Pensioners have statutory rights that must be observed.

What Records Are Created?

Organisations must retain records documenting an employee's length of service along with information about non-pensionable breaks in service. Calculation of pension entitlement or terminal benefits will depend on reliable and accurate records that document the employee's date of birth, first date of appointment and final day of employment. Information about the person's level or grade in the organisation may also be required.

Records relating to the actual payment of pensions are usually created and retained by the pension office or authority, not by the original employer. However, such records may be accessed by authorised officials in the organisation, either manually or electronically, such as through a HRIS.

Pay and Allowances

What Is the Function?

Some of the records already described in this unit will be required to confirm the amount a person is paid according to position, grade, salary scale and qualifications and any allowances he or she may be entitled to receive. For example, copies of the letter of appointment, acceptance letter and other records related to the employment of a candidate will likely be sent to the organisation's accounting office to ensure the individual is added to the payroll. Any HR event that effects a change to an individual's pay and allowances will trigger changes in the payroll, so the effective management and communication of relevant records is critical to maintaining accurate payments.

Commonly, changes in pay and allowances are initiated in the HR function but put into effect by the finance function. Clearly, there is a requirement to integrate systems and business processes that are involved in separate but related functions. This underlines the need for the integrations of systems that manage data relating to HR management and payroll control as well as pensions, loans and any other systems that manage employees and employee-related costs.

What Records Are Created?

Actions affecting an individual's pay and allowances need to be documented in his or her personnel file and also in the records of the agencies responsible for making changes to and maintaining the payroll. Each payroll change will generate a separate record. The organisation will need to keep records of some payroll changes, such as secondments, leave without pay and educational leave, for a long time; these records can document and therefore affect entitlements and terminal benefits.

The payroll record itself is likely to be held in a database that is continuously updated. Hard copies of the payroll record are likely to be printed for review and audit purposes. Regular electronic copies of the entire payroll record may also be created and retained for security and reference purposes.

Employing agencies may be required to obtain copies of the payroll from the accounting office so that they can compare it with the nominal roll and ensure that numbers and names of the 'staff in post' agree with the information on the payroll.

A wide range of reports to support monitoring, management information and audit are also likely to be generated.

This unit has provided a summary of typical personnel management functions and the records that they generate. The next unit looks at the different types of personnel records created and used, particularly in public-sector agencies.

TYPES OF PERSONNEL RECORDS

A wide variety of records may be created in the course of personnel or human resource management. This unit examines the different types of personnel records that might be created and used, including policy and subject files; personnel files (both master and working files); data input sheets; and records generated by computerised human resource management systems.

While the discussion in this unit focuses on the management of paper-based personnel files, the underlying principles are the same whether the records are paper or electronic. Individual personnel documents held electronically should be accessible as a virtual file so that all documents relevant to the same individual can be viewed through a single access point.

Policy and Subject Files

Most public offices maintain policy or subject files relating to the human resource management function. These files are normally kept as a separate series within the office's filing system. The documents created address the development of policies and procedures related to issues such as recruitment, conditions of service, schemes of service, training, labour relations, performance management and discipline.

While some of the records kept on policy files may refer to individual public servants, the records usually make reference to individuals only in order to develop or illustrate policy or to carry out procedures that relate to groups of employees. Records that document decisions, actions and processes affecting specific individuals should always be copied to individual personnel files. In many jurisdictions in the past, the practice of maintaining a separate personnel file for each employee has not been followed, especially for non-established, non-pensionable civil servants such as temporary or junior level staff. This has caused considerable problems in establishing control of information about the whole workforce.

A suggested structure for HR management files is given below, with some examples of the subject areas covered. The file series provide a coherent and comprehensive framework into which registered files can fit easily. For records held in a central office, as opposed to a local agency, the six file series described below will need to be subdivided into many separate files or sub-series. Local agencies will likely need fewer files, but the six main subdivisions should be maintained.

The suggested file series are:

- 1 *Staff Planning, Monitoring and Budgeting*: including data on staff numbers, grades, skills, age and location; forward plans; recruitment and appointments; probation; and promotions and transfers.
- 2 *Performance Management and Training and Development*: including staff appraisal procedures; career planning and development; training policies and delivery; and management of a public service training college or training unit, if applicable.
- 3 *Pay, Grading and Allowances*: including pay and grading reviews; staff inspections; structural reviews; job evaluations; pay structure and levels; contracts and performance agreements; performance-related pay; travel, subsistence and foreign allowances; and annual, sick and special leave.
- 4 *Employer / Employee Relations*: including conduct, standards, discipline and inefficiency; staff welfare; labour relations and staff associations; and retirement and pensions.
- 5 *Senior Executive Service* (if applicable): including terms and conditions and performance-related pay; appointments and promotion to and within the senior levels of the service; succession planning; competency framework; and leadership planning.
- 6 *Corporate Strategy*: including communications; organisational planning; central staffing strategies; new policies; records and information management; internal administration; human resource management strategies; and senior management team activities.

Personnel Files

Personnel files contain the records that document an individual's employment history throughout his or her career. These records must be managed throughout their life cycle, from creation, through their active and semi-active phase until their final disposal as determined by retention schedules. There are two types of personnel files: the master file and the working file. The master file is maintained as a central record by the central HR management authority (for example, the Public Service Department or a decentralised authority with a similar role). The working file is kept by the local agency in which the individual is employed.

Throughout his or her career, an employee should have only one master file, though the file may exist in several parts and there may be sub-files (for performance appraisals, for example). In most circumstances, there should also only be one working file at any one time. However, it may sometimes be necessary to maintain more than one working file. For instance, the employing ministry may keep a working file and the local office in which the individual is employed may also keep a working file.

Whereas the master file is kept for the whole of the individual's career and for a certain time after the employee leaves the agency, documents on the working file may be destroyed in accordance with retention schedules when they have no further value. While many of the documents held on the master file may be duplicated on the working file, the master file should always be treated as the authoritative record and should contain a complete set of all key documentation. The contents of master and working files are described below in more detail.

In addition, some governments make a distinction between open and confidential personnel files. Confidential files should be housed in a more secure environment with restricted access, whereas open files are maintained under normal record office conditions. If both open and confidential files are maintained, it is essential to establish standards and rules to determine the types of documents to be placed on each file. Any lack of clarity about which documents belong on which file is likely to result in slower access, and there is the risk that confidential records will be seen by unauthorised staff. If the open and confidential files are governed by different retention periods, accurate and consistent filing is critical to ensuring that records with ongoing value are not destroyed by accident.

Many public-sector agencies have adopted a system of managing unified files which bring together what were formerly treated as open and confidential records. The recommended standard is that all personnel files should be classified as confidential and protected against unauthorised access. Access to individual personnel files, whether paper or electronic, should be restricted to appropriate staff, such as heads of the department, human resource managers and authorised records staff, direct supervisors and, in accordance with established policies, the individual staff member himself or herself. Any records that have different access requirements must be kept separately from the personnel files. For example, documents used to plan the vacations and absences of staff working together in a unit will need to be shared among employees and so should be kept separately from other personnel records.

Contents of the Master File

The contents of a master personnel file are the single most valuable record of an individual's career with his or her employer. The file is an essential source of personal information and should therefore be safeguarded for as long as it is needed. The master file also facilitates information retrieval by ensuring that all essential personnel documents are concentrated in a single location.

The master file should include the core record of service, basic personal details and all the records that are needed to document the legal and contractual relationship between the employer and employee, such as letters of appointment; confirmation of position; promotion, transfer and separation records; and disclosure agreements concerning official information. The purpose of the master file is not only to hold the key documents that provide evidence of the individual's employment history, but also to protect the legal and financial rights of the employer and the employee.

A master file should not be created until the appointment letter has been issued and an acceptance form signed and returned by the new employee. Certain prescribed key documents should be added at the time the file is opened. These may include, for example:

- the application form
- appointment letter
- acceptance letter
- medical certificate
- evidence of qualifications.

Other initial documentation could include:

- copy of birth certificate
- passport photograph or biometric records
- medical reports
- security clearance
- disclosure / confidentiality / official secrets act agreement.

While the concept of ‘original’ and ‘duplicate’ records may be blurred in the paper environment (for example, two identical signed copies of the same document may be created), the master file should contain the originals of key documents when there is a clear distinction to be made between ‘original’ and ‘copy.’

The master file must be assigned a unique file number created according to a common standard, as discussed in Unit 5.4. Before a new file is opened, a search should be carried out to confirm that a newly appointed employee has not already been employed in the same organisation or public service. If the individual concerned was employed before, the master file covering the earlier period of service must be joined with the master file for the current employment. Similarly, files for reinstated staff should be located and combined with the new master file.

See Unit 5.4 for more detailed information about
creating and managing files.

The master file may also include a checklist recording the presence of all documents on the file. The checklist should be kept at the front of the file and should record the addition of new documents, such as letters of promotion or transfer, disciplinary records, evidence of change of name and so on, as they are filed. The checklist serves as a security measure, allowing users to confirm that no documents have been removed. An electronic equivalent of a checklist can also be maintained for electronic files.

Figure 2 below provides an example of a checklist and also identifies the documents typically held on a master file.

Figure 2: Master File Checklist

MASTER FILE CHECKLIST				
Name:		File/PIN Number:		
Use additional columns for new documents, such as a second promotion letter, third transfer letter and so on.				
Document	Folio no.	Folio no.	Folio no.	Folio no.
Personal Record Card/Form (including PIN and Social Security Number)				
Application form(s)				
Appointment letter(s)				
Acceptance letter(s)				
Medical report on appointment				
Birth certificate/affidavit				
Photograph				
Letters of confirmation				
Letters of promotion				
Letters of transfers/postings				
Copies of educational/professional certificates				
Security vetting documents				
Disclosure/official secrets act agreement				
Marital status record				
Medical Board reports				
Notification of termination/resignation/retirement/death				
Change of name				
Disciplinary records				
Pension certification				
Performance assessment forms (on sub-file)				

Working Files

'Working' personnel files are maintained by the local agency or office in which the individual public servant is employed. A working file may contain reference copies of key documents held on the master file, but the file is primarily used for routine records that are not critical to the employee's contractual relationship or salary calculation and do not therefore need to be filed in the master file. In decentralised systems, the master and working files may be held by the same authority, but the distinction between the two files should still be maintained. The contents of the master file should be retained for the whole career of the employee, whereas the contents of the working file may be weeded periodically or destroyed according to retention schedules. Ensuring the two files are distinct and separate is essential to maintaining accountability in human resource management.

Examples of the types of records that can be found on working personnel files are shown below:

- copies of documents held on the master file
- details of acting appointments
- requests for job changes, transfers and so on
- complaints concerning promotion, training, allowances, leave and so on
- documents relating to salary and allowances, including:
 - salary advances
 - salary arrears
 - salary slips / advice
 - documents relating to tax, national insurance and so on
 - government loan applications and details
 - allowance applications, repayments
 - refunds
 - expense claims
 - telephone call charges
- documents relating to training or study leave, including:
 - training requests / nominations
 - training courses / reports
 - academic progress report
 - correspondence relating to travel, other travel documents, insurance records and so on
- records of annual leave, leave forms, applications and so on

While it is not good practice for a number of working files to be opened for the same individual, it is sometimes necessary for separate working files to be kept at different levels in the same organisation, such as by the employee's section manager and by the agency's HR authority. In such cases, the contents of the section manager's working

file should be regarded as convenience copies kept for reference purposes. These copies should be destroyed when they are no longer of reference value.

To prevent the creation of multiple working files for the same employee, working files should be transferred with employees when they move from one office to another. A common indicator of record-keeping problems is the proliferation of personnel files, as offices create new files each time an employee is transferred rather than retrieving existing files. The resulting confusion can lead to difficulties in verifying personal details and service records, confirming pension entitlements, validating payroll and HRIS data or performing other important HR functions. The files for employees who transfer from one office to another should therefore be sent to the new agency's HR authority so that any documents of potential further use can be combined with the agency's own working file.

Data Input Sheets

HRIS systems are themselves significant generators of paper records, including input forms and supporting documents; output forms; and printed reports and logs. These records are part of the audit trail of human resource and payroll processes and need to be managed properly.

Data entry forms and supporting documents are of particular concern because they are produced in large volume but are frequently poorly managed once their initial purpose of data entry has been served. Responsibility for managing data entry forms, including their filing and storage, must be assigned and monitored. An effective method for managing them is periodically to arrange the forms and supporting documents in bundles and send them to local storage or to a records centre. This process ensures that the documents are available for reference and audit. They can be kept in storage until their destruction date, as authorised in retention schedules, is reached.

Data entry forms and supporting documents should be bundled into an appropriate order that facilitates reference and retrieval. The arrangement of documents within bundles will depend on a number of factors, including the processes involved in generating the documents. For example, if data entry forms originate in the business offices themselves, they may be organised by the name of the office and the month the document was created; the documents in each bundle can be organised by the employee's personal identification number (PIN). On the other hand, if forms originate in regions or districts, they may be batched by geographical area and then by PIN number. Alternatively, if different forms are used for different purposes, such as promotion, transfer, retirement / separation and so on, they can be sorted by purpose and then by the employee's PIN. Combinations of these arrangement methods may also be needed.

An alternative approach is to file all input forms on the relevant paper master or working file depending on the significance of the data. This approach also ensures there is a direct link between the data used to update HRIS and payroll and the personnel records used to verify information.

See Unit 5.4 for more information about how to
arrange and number personnel files.

HRIS-Generated and Desktop-Generated Records

Until recently, a print and file approach was used for many electronic records created from HRIS software programmes or desktop computers. Electronic systems were not considered as trustworthy as paper record-keeping systems, and so the recommended practice was to print any electronically generated record and file it as a paper record. Many HRIS may still operate in this way, with parallel sets of paper personnel files kept as the authoritative and authentic record.

The storage, search, dissemination and access capacity of electronic systems has encouraged users to dispense with the paper copy. With the introduction of the desktop in many working environment, personnel records created electronically are now also stored with varying degrees of formality and standards on the desktop itself. Of course, simply storing information electronically will not ensure long-term preservation and accessibility. Rather, records have to be captured into a formal record-keeping system and properly managed to ensure their survival, as discussed in the other modules in this training programme.

One of the objectives in implementing a HRIS is to make use of the computer technology to create new outputs that were not previously possible. Some of the outputs (such as employee lists, earnings registers or pension entitlements) will have been created as paper records before the arrival of the HRIS. HR managers may continue to create some or all of these records in paper form after the installation of the HRIS, but once the computer system is fully operational it is common to discontinue the maintenance of paper records systems. However, this would require that effective electronic records management procedures are in place and are working well to ensure the preservation of reliable and authentic evidence in electronic form.

Payroll Records

Payroll was one of the first business functions to be computerised. Initially, pay records for each employee were typically maintained in a stand-alone database. While such systems still exist, large organisations are now more likely to administer payroll as part of a combined or integrated personnel / payroll / financial management system so that data affecting different business processes only need to be entered into computers once.

Prior to computerisation, payroll records were maintained in registers and pay lists, with payroll files maintained to hold the forms and documentation required to request, authorise and direct changes to the payroll for individual employees.

As a minimum, the payroll record, whether manual or computerised, should include the following details for each employee:

- name and birth date of the employee
- PIN and / or payroll number
- Position / designation / grade
- place of employment
- rate of pay
- additional allowances
- amount of all deductions made from paid wages / salary
- payment method (for example, weekly / monthly / bank details)
- date of the beginning of the employment
- dates of unpaid absences
- date of termination of employment.

This unit has examined different general types of personnel records. The next unit considers the standards that should be followed and the core tasks that should be performed in order to manage personnel records effectively.

MANAGING PERSONNEL RECORDS AND PERSONNEL FILES

This unit examines recommended standards for, and key processes involved with, managing personnel records. As noted several times in this module, paper and electronic personnel record-keeping systems are likely to operate in tandem for many years to come. Even though the standards and processes outlined here apply primarily to the management of manual records, and even though there are obvious differences between physically arranging and storing paper and electronic documents, the general recommendations offered in this unit can apply to some degree to both paper-based and electronic personnel systems. In fact, establishing sound and effective procedures for managing paper personnel files forms a solid basis for identifying the requirements needed to manage a computerised system successfully.

In this unit, the following record-keeping issues are addressed:

- creating standardised file covers
- arranging files and establishing numbering systems
- managing registers and indexes
- establishing and maintaining movement registers
- receiving documents
- providing access
- preparing active personnel files for transfer
- closing files
- appraising and disposing of personnel records
- storing personnel files.

Creating Standardised File Covers

File cover designs should conform to a common standard throughout the organisation, so that everyone becomes familiar with the same approach to documenting and managing records. The cover design will be determined by the information to be included; the following elements are most often required on a file cover:

- social security or other individual identification number (such as a nationally issued identification code)
- personal identification number (PIN) for the employee (a government-issued number, often the unique payroll number)
- name of the employing office, such as the ministry, department or agency

Arranging Files and Establishing Numbering Systems

Experience shows that if personnel files are organised and stored alphabetically by the name of the employee, numerous errors can arise when files are removed and replaced or when documents are added to the files. Moreover, an alphabetical filing system is difficult to audit against the payroll. Alphabetical filing is prone to error, because of, for instance, the similarity between two or more names; the misspelling of names on documents; changes to names over time; confusion between first, middle and last names; and the use of hyphenated names. Even poor penmanship can cause confusion and filing mistakes. Errors are reduced when files are arranged and stored in numerical order.

The file numbering systems used by different offices within an organisation should be standardised so that there is no confusion between different methods of numbering. More importantly, the same number should never be issued to more than one individual. The simplest and most reliable method of achieving a common file numbering standard across a government or other agency is to use the individual's personal identification number or PIN. Optimum efficiency is achieved and audit is facilitated when the PIN is also the employee's payroll number as well as his or her file number.

The method of generating the PIN or payroll number is an important consideration. Poor control or lack of discipline in the method of generating numbers may result in the creation of duplicate numbers that will affect the integrity of the payroll. Some systems use a serial number so that each new employee is assigned the next available number in a sequence. Other systems use a combination of, for example, date of birth, date of first employment or national insurance number with a serial number. However, the method of generating the number should not be too complex otherwise it too will be prone to human error. Whatever the method, the number should be permanent and should be issued by the time the new employee is added to the payroll.

When the unique PIN is used, any personnel file for the same employee, regardless of where it is kept, will always bear the same number and provide a unique identification for that employee. The number also provides a convenient cross reference between the paper personnel files, electronic information in the HRIS and payroll records.

An individual's PIN should always be quoted on all documents created in conjunction with any dealings with that individual. This practice also helps to reduce filing errors by ensuring both the name and number are always on the record.

Managing Registers and Indexes

For paper records, an index of personnel files must be maintained to provide quick access to the files. The index should link the employee's name to his or her PIN and personnel file. The index can take the form of a card index or a simple computerised database created, for example, in MS Access. Both computerised and manual indexes should use the same data fields, including the person's full legal name, his or her PIN, any alternative names and the date the personnel file was opened. If individuals are known by alternative surnames, cross references should be created for the different

names. Similarly, cross references are necessary to identify employees who change their name, for example when they marry.

A personnel register is a log of each new personnel file created. Entries in the register may be made in chronological order, according to the date on which files are opened. For systems that have large volumes of files, entries can be made alphabetically according to the initial letter of the surname and, within initial letters, chronologically by date of opening. The register is intended to keep track of the existence of all personnel files. The register should include, as a minimum, the employee's PIN, the surname followed by all forenames in full, the date the file is opened and the date it is closed. A 'remarks' column records important details, such as why the file was closed (the employee retired or left the service), when the file was transferred to another employing agency or any other comments needed to locate the file. The register will serve as a permanent record of all employees and will help confirm whether personnel files have been created.

Establishing and Maintaining Movement Registers

Many of the processes relating to the HR management function involve the movement of information between different officials within the employing agency and the central human resources agency and with the office responsible for payroll. HR managers, records office staff, data entry section staff and others who send and receive personnel-related documents must ensure that all movements of personnel documents are fully recorded. For instance, incoming and outgoing correspondence registers or equivalent electronic databases track the movement of letters and forms, particularly paper-based documents. A manual register is valuable as evidence, since anyone receiving or dispatching documents must always sign the register to confirm the action, leaving behind an audit trail and ensuring that the location of documents is known at all times.

Senior staff, HR managers and all other users of personnel files must deal with files promptly and not let them remain on their desks for an extended period. As soon as any business is concluded on a personnel file, the file should be returned to the records office or authorised storage area. If files are passed directly from one officer to another, the records office must be informed of the new location so that the 'movement' record can be updated.

In the electronic environment, a HRIS may incorporate a 'workflow' function that not only passes information from officer to officer involved in the business process, but also tracks the progress of any outstanding work. For example, several authorities may need to confirm the appointment of a new employee before he or she can be added to the payroll. A HRIS can automatically route a request for approval to each of the appropriate authorities and can capture information at each step. Thus the status of the new appointment can be verified at any time.

Receiving Documents

In paper filing systems, documents should be placed on the file in order of the date they were received, rather than the date of the actual document. Filing this way preserves the correct business sequence. Traditionally, each paper document on the file is given a folio number: a sequential number, beginning at number one, for each distinct document in the file. Note that each document is given a folio number, not the individual pages within that document. At the front of the file, a minute sheet is maintained recording the addition of each document, indicating: the author or sender, the recipient, the date it was sent, the date it was filed, one or two keywords identifying the topic of the document and a note of any action required. As well as improving access to individual documents, the assignment of folio numbers helps maintain the integrity of personnel files, since it is possible to identify missing documents by reviewing the sequence of folio numbers and referring to the minute sheets.

Each new document received for filing should be examined to see if it indicates a change in an employee's status or provides new information about the employee concerned. For example, the document may confirm a new position, indicate a change of name or identify a promotion or transfer. Any change in the employee's status should be noted on the employee's record of service or in the HRIS. The task of updating the employee's record of service is usually the responsibility of the HR manager, and any changes must be supported by copies of the documents that initiated the change. Note that this same procedure applies whether the employee's record of service is held in paper or electronic form.

Providing Access

Organisations should establish a formal policy for accessing personnel records, stating explicitly who may access records for what purposes and when. Access must be limited to those whose official duties require them to have access; the sensitivity and confidentiality of personnel records demands that no unauthorised access be provided. Any evidence of alteration, tampering or removal of documents must be reported immediately to the HR manager or other senior member of staff.

The same requirements for controlled access must apply to personnel records in both paper and electronic form. There is little point in establishing a strict policy on access to manual personnel files if the same information can be accessed electronically without the same restrictions. Audit trails in electronic systems are extremely valuable, since they can document not only each instance that an employee's record is accessed and any changes that are made but also the identity of those accessing the information. Clearly, it is more difficult to maintain the same 'audit trail' controls for paper records. Electronic systems should also enable different levels of access permission to be assigned to officers, depending on their responsibilities.

Procedures must be in place to handle requests from anyone outside of the organisation to access individual personnel records. Some requests are legitimate and others are not; in all cases, the request should be referred to a senior officer who will determine whether the request should be authorised. All such requests and

authorisations should be documented and either filed on the employee's paper personnel file or added to log entries in the HRIS. In most circumstances, certified copies of requested documents can be provided in place of originals.

Preparing Active Personnel Files for Transfer

As already noted, personnel files should move with employees when they transfer from one office to another within an organisation or government. Before transferring a paper-based file, a check should be made that all required documents are included, that they are filed in correct order and that the file includes up-to-date information about absences, leaves, loans or advances against salaries. The associated indexes, file registers, movement registers, databases and HRIS should be all be updated as appropriate. The same broad principle applies to electronic records, although the mechanisms for transfer may differ depending on the technology used and the organisation's policies about electronic file sharing. Access permissions will need to be changed to allow the new employer to access the electronic file and to restrict the former employer from using the file again.

Closing Files

The systematic closure of files is an important aspect of file management, ensuring that files do not become too bulky for efficient access and handling, and that files for staff members who are no longer employed are identified for removal from the active filing system.

The personnel files of any employees who have left the public service must be closed. This closure should be done as a matter of routine in accordance with established policy or retention schedules. For manual files, the reason the employee has left – such as 'dismissed,' 'resigned,' 'retired,' 'terminated' or 'deceased' – should be written diagonally across the front cover of the file. The date the file was closed should be written on the cover as well. Indexes and registers and any electronic systems will also need to be updated.

Processes for closing electronic folders will depend on the functionality and particular operating procedures of the electronic system. However, the same broad principles that apply to manual files also apply to electronic folders. For electronic folders, the metadata should be updated to include a note that the file is 'CLOSED' and the date of closure recorded. Retention and disposition instructions associated with the folder may need to be updated, using the date of closure to set the disposal date. There may also be procedures to transfer the folder from current records to closed records.

Appraising and Disposing of Personnel Records

All personnel records should be governed by retention and disposal authorities, as discussed in other modules in this training programme. These schedules should

- describe all the different series of personnel records (for example, master personnel files, working personnel files, separately held performance appraisal

and leave records, movement registers, tracking databases, data input sheets and HRIS records)

- set out the length of time that each series should be retained
- specify the actions to be taken at the end of their retention periods (for example, transfer to a records centre or destruction).

In the absence of an approved retention schedule, an interim policy should be agreed so that closed and inactive personnel files can be removed from current filing systems and transferred to storage until agreement is reached about their final disposition.

Ideally, an employee's master personnel file should be kept in active storage for two years after the individual leaves employment before being transferred to a records centre or other offsite storage facility. The files of temporary and contract employees who are not pensionable and who have left the service must be retained in active storage for two years from the date of cessation of employment before they are transferred to storage. A list should be maintained of all files transferred, so it can be checked against the records when records arrive at the records centre.

Master personnel files must be retained until all pension or other rights will have expired, after which they may be destroyed. To simplify the disposal process, master files may be kept for 100 years from the employee's date of birth, or 85 years from date of the earliest document on file if the person's date of birth cannot be determined. For non-pensionable staff, many organisations retain files for ten years after the year of termination of appointment and then destroy the files in accordance with retention and disposal schedules.

The personnel files of distinguished public servants, including employees notable for their achievements and those whose misdeeds may be of future interest, may be worthy of permanent preservation in the National Archives. Decisions will need to be made on a case-by-case basis. Such files are eventually opened to public use according to retention and disposal schedules, for example 100 years from the individual's date of birth or five years after his or her death, whichever is later.

Figure 4 below provides a general example of the structure and content of a typical personnel records retention and disposal schedule.

Figure 4: Sample Retention and Disposal Schedule for Personnel Files

Record Category	Held By	Action	Records Centre Retention	Final Disposition
Master personnel files (pensionable officers)	Central employment authority	Closed files are retained in the records office for two years after the date of cessation of employment and then transferred to semi-current storage.	100 years from date of birth	Archives to review before destruction and select files of significant public servants for permanent preservation
Working personnel files (pensionable officers)	Office of employment	Closed files are retained in the records office for two years after the date of cessation of employment and then transferred to semi-current storage.	5 years from date of transfer	Destroy
Master personnel files (contract officers)	Central employment authority	Closed files are retained in the records office for two years after the date of cessation of employment and then transferred to semi-current storage.	8 years from date of transfer	Destroy
Working personnel files (contract officers)	Office of employment	Closed files are retained in the records office for two years after the date of cessation of employment and then transferred to semi-current storage.	5 years from date of transfer	Destroy
Personnel file registers	Office of employment	Closed registers are retained in Records Office for two years after the register is superseded by a new register system, and then transferred to semi-current storage.	10 years from date of last entry	Destroy
Personnel file indexes	Central employment authority	Closed indexes are retained in Records Office for two years after the index superseded by a new index system, then transferred to semi-current storage.	10 years from date of last entry	Destroy
Original HRIS / IFMIS input forms and supporting documents	Office of employment	Place on working files after copies are dispatched to the central employment authority or financial office.	See working personnel files	See working personnel files
Copies of HRIS / IFMIS input forms and supporting documents	Central employment authority	After data entry, batch documents by number and retained in current storage for two years, then transfer to semi-current storage.	10 years	Destroy

Storing Personnel Files

Active personnel files should be stored in numerical order according to their unique identifying number. Arrangements for storing closed files may be different. For example, inactive files may be closed and removed from active file storage as part of an annual routine procedure required by retention and disposition schedules. In this case, the files may have to be stored in annual batches and then by their unique identifying number within those batches.

From time to time, storage areas should be inspected by audit and records staff, who should be encouraged to make recommendations for improvements or corrective action, especially if storage conditions do not meet required standards.

See *Module 4* for more information on the
preservation of electronic records.

The next unit examines some steps that can be taken to improve personnel records systems and to incorporate effective records management into the development of computerised human resource management systems.

IMPROVING PERSONNEL RECORD-KEEPING SYSTEMS AND VERIFYING THE PAYROLL

Poor record-keeping standards are likely to result in unreliable information about individual employees. Effective human resource management demands that personnel and payroll information must agree, whether the records are in paper or digital form. The breakdown of personnel records systems is a major obstacle to effective and accountable human resource and payroll management.

This unit considers how to improve personnel record-keeping systems in order to ensure the quality of records and information, in paper filing systems, in electronic HRIS and in payroll systems. It considers the actions that can be taken to improve paper-based and electronic systems so that they can better support the human resource management function. In particular, this unit looks at the challenge of collapsed record-keeping systems, the importance of capturing and preserving accurate personnel data; the work involved in repairing collapsed systems; steps involved in recreating incomplete personnel files; and the importance of being able to verify payroll data using accurate and reliable personnel records. The unit also looks at issues associated with digitising paper records. The processes in relation to verifying the payroll are also outlined.

The Challenge of Collapsed Record-keeping Systems

In some countries, paper-based filing systems managed by traditional registries have deteriorated, in some cases to the point of collapse. The deterioration of records systems can be the result of a shortage of funds for equipment and supplies, a lack of training and career development for registry staff, or a poor understanding by managers of the role, functions and importance of record keeping. Another factor in the decline of paper records systems is an excessive confidence in the role of technology to solve information problems. With the introduction of computerised systems, paper filing standards and procedures that were used in the past to generate good quality records are no longer followed. Copies of key personnel records may no longer be automatically sent to the registry, and if they are sent they may not be filed promptly and accurately.

A vicious circle results: as confidence in the paper filing system declines, the incentive to maintain or improve the system decreases. As the system continues to deteriorate, ad hoc practices replace formal rules. In the end, it is impossible to use the records as a basis for consistent and sound personnel management decisions, to determine responsibility for HR actions and to hold individuals accountable for their decisions and actions.

Overcrowded registries and storage areas are a common consequence of the neglect of personnel filing systems. Current files become mixed with files relating to individuals who have been transferred or who have died, resigned or retired. In these circumstances, it is not surprising that senior executives wish to scrap old systems and move straight to electronic record keeping.

Policy makers often see the computerisation of personnel information and HR management processes as a solution to the problem of poorly managed paper-based systems. However, building an electronic system on top of a collapsed manual system usually results in more problems rather than improvements. Without a reliable source of information from paper records, the data used to populate an electronic system may be inaccurate or out of date. It is difficult to verify information if the paper records cannot be found, and in the end a computerised personnel management information system based on erroneous information cannot but fail to deliver its objectives. It is not possible to achieve control over personnel management functions simply by automating inadequate and incomplete information systems.

The Importance of Accurate Personnel Data

A credible plan for computerisation of the HR management function must include three essential records-related components: (1) a comprehensive infrastructure of policies, standards and work practices for record keeping; (2) staff who have been trained to manage paper and electronic records as an integrated whole and (3) a reliable source of personnel information for data entry into electronic systems. The other modules in this training programme are designed to explain the infrastructure and training requirements needed for an effective electronic records management programme of any kind; this next section of this unit focuses on the importance of data quality for accurate human resource management.

See the other modules in this training programme for more information on establishing effective and accountable electronic records management programmes.

Authentic, reliable and accurate paper records will play a key role in human resource management for many years to come. These traditional, manual documents will remain the best means for gathering accurate information for entry into electronic human resource management systems, even when the manual systems have collapsed and must therefore be repaired.

The data used to populate HRIS have tended to be drawn from several sources. These sources include paper personnel files, nominal rolls, existing systems, other databases and surveys (including questionnaires, interviews and statistical analyses). All these data sources have their shortcomings.

- Paper record-keeping systems may be poorly maintained, difficult to access and incomplete.

- Nominal rolls may be poorly maintained and in any case are normally derived from other sources.
- Existing databases, such as old payroll systems and HR spreadsheets, may contain inaccurate information or lack all the necessary data needed to populate the HRIS.
- It is often difficult to map data accurately from older systems, which are likely to have a different data structure than the current system.
- While surveys have the advantage of providing up-to-date information, the accuracy of information depends on the integrity and competence of those conducting the survey or completing survey forms. Surveys also require substantial effort to carry out and can end up incomplete or out of date if not conducted speedily and effectively.

The most reliable data source for any personnel management system is the well-kept individual personnel file, which should hold the accumulated record of the individual's employment history from the time he or she entered the service until the current time. Well-maintained and accessible files provide the evidence of appointments, promotions and other key events. But as noted, personnel files are not always well maintained, and it is unfortunate but not surprising that the developers of HRIS often decide not to use paper personnel files as the data source for a new system. It is equally true that, even when personnel files are reliable and complete, they present logistic and organisational difficulties if used to build HRIS and payroll data, especially when the number of employees is large. Where data sources do exist, the development of a HRIS is often driven by the need to have a functioning system up and running quickly. There may be pressure to compromise on data accuracy and rely on data cleaning at a later stage. However, those responsible for implementing a new or upgraded HRIS must be aware of the risks of working with inaccurate data.

Experience also shows that even where the paper records are under some degree of control, the developers of new systems too often overlook important records management requirements. Paper and electronic records end up poorly managed instead of coordinated as two parts of an integrated whole. Designers and implementers of software systems have tended to focus on information, not on evidence, and they do not recognise the vital importance of working with and protecting accurate documentary resources.

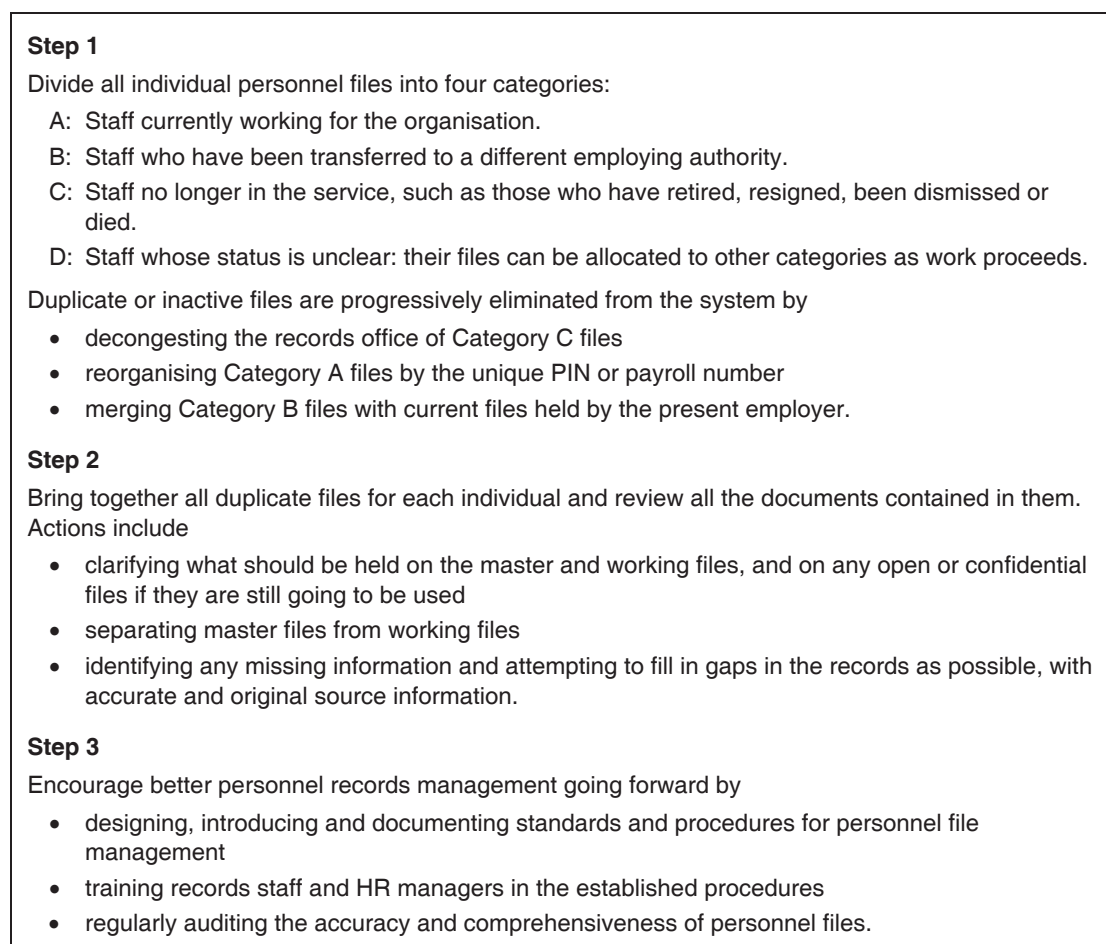
Repairing Collapsed Records Systems

There are steps that can be taken to restore poor record-keeping systems so they can be used as authentic sources of data and as accurate evidence of actions and transactions. One of the first tasks is to identify and physically remove from the records office those paper files that have not been used for some time. This will need to be for an agreed period, for example, five or ten years. The process of removing inactive records is often referred to as 'decongestion' because it creates more space for the current records that remain in the records office. The removed files may still be needed, for instance to verify benefits, and so they cannot be destroyed. But they can be transferred to separate storage, such as a low-cost but secure records centre.

Once non-current files have been transferred to a records centre, the next step is to create a finding aid that identifies all personnel files, so that all files or records related to the same individual can be brought together. Such a finding aid is best created using a database software programme but it can also be generated through the manual preparation of index cards that can then be sorted alphabetically.

The next steps in the decongestion process are outlined in Figure 5 below. This figure presents an approach that works best when multiple files exist for the same individual, where the distinction between master and working files has broken down or is unclear, and when the organisation wishes to create one master personnel file for each employee. The decongestion process should be carried out both in the central employment authority and in each office of employment. At the end of this process, both sets of files should be brought together to ensure overlaps are identified and gaps filled. This approach also requires access to payroll records, in order to confirm that all existing employees have been identified and any non-current or non-existent employees are removed from the payroll.

Figure 5: Decongesting a Personnel Filing System



Where the goal is to provide a basis for introducing computerisation, the timing of the decongestion exercise should coincide with the development of the electronic system.

Ideally, if there are any problems with the personnel records system, a records management improvement project should precede the implementation of computerised personnel systems in order to ensure accuracy and consistency in data entry and particularly to avoid adding unnecessary data about employees no longer with the organisation.

Creating Complete Personnel Files

Some governments or organisations wishing to implement an HR management or public-sector reform programme may find that their personnel files are incomplete, lost or scattered. Wars, natural disasters, frequent relocations, under-resourced records services, lack of effective systems and other factors can result in missing or damaged records throughout the agency.

Because incomplete and inaccurate files cannot provide comprehensive and reliable information about the workforce, it is common for senior managers to consider abandoning paper altogether and moving directly to electronic information systems. However, this could mean the loss of potentially valuable evidence. It is advisable instead to build a reliable information base for the workforce by reconstructing as much evidence as possible from existing personnel records, both records on personnel files and records from other sources as described below. This approach is particularly important in public service agencies with obviously inaccurate payrolls, especially those including 'ghost' names for nonexistent workers. If the reconstruction process includes taking photographs and / or fingerprints of all verified existing employees and for all new recruits, it will be possible to keep the payroll accurate and reliable in the future. Ideally, reconstruction will take place in parallel with the introduction of new or improved records management systems and procedures. The exercise of establishing a reliable information base may also be accompanied by other initiatives, such as the issue of new or improved employee ID cards.

The objective of the reconstruction programme is to locate, recreate or update a master personnel file for every civil servant. This file should contain at a minimum those key documents that define the contractual relationship between the employee and the employer, including the letter of first appointment and evidence of date of birth. These core records can be used to verify the payroll and resolve anomalies. Other core records may include: the acceptance letter for the first appointment, educational certificates, medical reports and previous photographs of the employee.

The central filing system maintained by the employing authority will be the starting point for the reconstruction process. Once all inactive files have been removed, as described earlier, the remaining files can be checked against the employee's payroll number or PIN to identify those employees for whom files do not exist at all. New files will need to be created for these employees. Then, essential documents need to be located and added to incomplete files. Important documents may be found in various places within the agency, including the following locations:

- the central authority's subject or policy files, which may contain records regarding individual appointments, promotions, transfers or retirements

- the personnel and subject files of line departments and line managers
- files in the accounting or audit offices
- records held by the Public Service Commission or equivalent appointing authority
- files or documents held by individual employees
- payroll verification records, data entry forms or survey records.

Gaps in the files can gradually be filled by photocopying documents found in these locations and adding them to the master personnel file.

Verifying Payroll Data

Once all sources of essential documents have been exhausted, the recreated master files can be used to verify the payroll and resolve anomalies. The objective of the verification process is to identify and investigate payroll anomalies between data derived from authenticated personnel records and data derived from payroll records. Note that missing key documents are themselves anomalies that will need to be resolved. The most effective method of capturing anomalies is to create a simple database. The fields of the database will represent the key data (date of birth, date of first appointment, current position and employing authority and so on) that should be captured about each employee.

The comparison of personnel records with payroll lists is likely to reveal many anomalies, particularly when establishment controls have been inadequate. For example, there may be individuals on the payroll for whom there is no evidence of appointment. There may also be discrepancies in an employee's name or date of birth between the payroll and personnel files.

The verification and anomaly resolution process is also likely to involve face-to-face interviews with each employee on the payroll. By attending an interview and being able to verify or supply key data, employees demonstrate that they are contactable at their place of employment and that they are drawing salaries legitimately. Interviews also provide an opportunity to take photographs, provide biometric data such as fingerprints and copy key personnel documents in their possession, such as letters of appointment or evidence of birth, which may be missing from official files.

A list of typical anomalies is provided in Figure 6.

Figure 6: List of Payroll Anomalies

	Anomaly Type
1	Employee appears twice on payroll with same PIN
2	Employee appears twice on payroll with different PIN
3	Two different employees with same PIN
4	Variation in name between payroll and personnel file
5	Evidence on file that employee has retired, resigned or been dismissed but still on payroll
6	Evidence that employee is past retirement age but still on payroll
7	Employee is on unauthorised absence but still on payroll
8	Evidence on file of authorised unpaid absence but still on payroll
9	Employee is deceased but still on payroll
10	Different dates of birth recorded on file or between file and payroll
11	Different dates of birth between file and payroll
12	Evidence of false identity (for example, photo on file does not match employee)
13	Document(s) on file are damaged so that key information is missing
14	Missing key documents on personnel file
15	No letter of first appointment on file
16	No letter of acceptance on file
17	No proof of date of birth on file
18	No proof of date of first appointment on file
19	No proof of education on file
20	Empty personnel file
21	Employee aged over 65 but no evidence of pension / retirement on file
22	Date of appointment less than 15 years after date of birth
23	Evidence of employment event before date of first appointment
24	Difference in position/ designation/ pay grade between file and payroll
25	No evidence of place of employment
26	Discrepancy in place of employment

A summary of the steps involved in the verification process are outlined below.

- Enter data from personnel files into a specially created anomalies database.
- Enter an up-to-date copy of the payroll in the database.
- Identify anomalies by comparing personnel file data and payroll data in the anomalies database.
- Request further information from the employing agency or the staff member to help resolve the anomaly.

- Update the anomalies database with new information received from offices or employees.
- Interview each employee at his or her office to verify or capture new information and obtain biometric data (such as a photograph and fingerprints).
- Update the anomalies database with new information received during the interview.
- Document all remaining anomalies and recommend a method for resolution, such as the removal from payroll of the names of individuals whose existence cannot be proved.

Payroll verification should be a regular activity, conducted annually or every two or three years depending on resources. HR managers should therefore plan and budget for regular verification exercises.

Digitising Paper Records

A common approach to improving personnel information management is to create digital copies of key paper documents using scanning technology. Digitised documents can often be located, accessed and used much more quickly than the paper originals. A database of digitised personnel records, linked to a HRIS, can be a powerful tool to improve the efficiency of HR management. The database can be part of an EDRMS or it can be a separate application designed specifically to hold digitised images of personnel records.

As with all other record-keeping systems, mechanisms are needed to ensure the database of digitised records is kept up to date and is integrated with systems and processes that generate and hold new personnel information. As well, the records must be secure from loss, deletion or alteration, so that the records are preserved and accessible for as long as needed.

Before embarking on large-scale scanning projects, all organisations should first consider whether there is a business case to justify the expense. A needs assessment and risk analysis, as discussed in Module 2, can be conducted specifically in relation to the digitisation of personnel records. The following questions should be considered during the assessment.

- Is scanning cost effective? Keeping and accessing well-managed paper copies may be cheaper.
- Which paper records should be scanned? It is important to retain any linkages between different paper records that document the full context of the information; scanning only selected documents may mean that users will have to return to the paper files anyway to gain a complete understanding.
- Will the paper originals be destroyed once they have been scanned? If yes, what are the legal implications? If not, what are the additional costs of maintaining two sets of records? If documents are selectively scanned, are there any linkages between scanned and unscanned documents that need to be preserved?

- Does the software application that will hold the scanned images meet acceptable standards for security, preservation and other record-keeping requirements?
- Can the system be integrated as necessary with related computer systems and business processes? Strong integration is essential if the digitised records are to be kept up to date. For example, when an employee transfers, is promoted or retires, this information needs to be captured and related to the employee's existing paper or electronic records.
- How long will scanned images be preserved? Are scanned documents identified in existing retention and disposal schedules? Is there a long-term preservation strategy in place?
- What is the cost of maintaining the integrity, accessibility and usability of the digitised records for as long as they are needed? Digitised personnel records may have to be kept for up to 100 years; can the organisation commit to that requirement as well the necessary expenditure?
- Should the digitisation process include optical character recognition (OCR) during the scanning process to enable content searching? Will OCR processes be effective for the records considered for scanning?

The next unit in this module introduces some important issues to consider when an organisation decides to investigate the transition toward electronic personnel record keeping.

MOVING TOWARD ELECTRONIC PERSONNEL RECORD KEEPING

Computerised payroll systems have been in existence since the early 1960s. Computerised HR management systems also have a relatively long history; they were run on mainframe computers and required high capital investment until the arrival of 'client-server' computer architecture in the late 1980s. Today, web-based computer programmes enable organisations to share human resources and payroll information throughout their offices, allowing a number of authorised users to have access to information at the same time.

Electronic personnel record keeping can help HR departments perform routine administrative tasks more efficiently and cost-effectively. One example is updating information about an individual's employment and making this information easily accessible to authorised users. Another example is identifying when action may be required, such as to conduct staff performance reviews, initiate retirement procedures or investigate absences, through the generation of automated notification messages in the computer system.

This unit considers some of the issues associated with moving toward computerised human resources or personnel records management.

HR Management as a Strategic Service

At a strategic level, a HRIS can support human resource management and planning by providing information about, for example, the age profile or skills base of the workforce. A HRIS can also help managers uncover trends, such as the balance of genders, the number of employees close to retirement or the level of absenteeism in different parts of the organisation. Analyses can take place at the department level or for the organisation or government as a whole.

However, the installation of a HRIS does not automatically lead to a greater focus on strategy or an enhanced capacity to plan and manage human resources. Firstly, the data held in the HRIS must be accurate, up to date and complete. The HRIS must be able to capture new information about appointments, promotions, transfers, retirements and all other activities that affect individual employees and their pay. Appropriate business processes therefore must be in place to ensure this information is routinely captured.

The introduction of a HRIS inevitably requires changes in procedures and work practices. It may lead to a restructuring of functions in the central personnel management office, in HR units within employing offices or throughout the entire

organisation or government. Unless business processes are accurate and are executed fully and properly, the HRIS could end up holding incorrect and incomplete information, rendering the system unreliable and ineffective.

Within the payroll and HR management function, particular units and staff may use different HRIS modules. Whereas some will be more concerned with the payroll and position management modules, others will make greater use of the training module. This will require coordination across the HR function and with other functions within the organisation, such as finance, training or pension administration, not only to define roles and responsibilities but also to ensure that the data entered in the HRIS, and the information the HRIS holds, meet the requirements of all stakeholders. For example, the skills base of the workforce cannot be analysed if details of employees' qualifications and training are not captured consistently.

As well, a more strategic focus for personnel records management depends on how much authority the HR department is given. If senior management in the organisation does not see the personnel unit as a key player in government policy and strategy, the department will not receive the resources it needs to fulfil its potential in planning and policy development. For instance, the ability of a personnel department to demonstrate solid evidence of high absenteeism or high staff turnover is useful for strategic planning throughout the organisation. However, dealing with these problems may be complicated and time consuming, and unless the HR department has the authority to act then the information it generates cannot be put to good use.

Self Service in HR Management

The trend in the developed world is toward giving staff direct access to HR applications through an Intranet-based or web-based personnel management system. With 'self-service' facilities, individual staff members can manage and update their personal data such as home address, bank account details or life events (such as marriage or the birth of children). Employees can also download HR forms, book vacation and leave, check information about their pay and entitlements; and carry out many other tasks that previously would have involved other staff and taken more time and effort. Employee access to personnel management information also allows the organisation to disseminate HR policies and procedures and communicate changes electronically through emailed notices or web postings. As well, line managers are able to access records relating to their staff more easily rather than have to consult a paper file, which may be stored in a location removed from their own offices. Self service also reduces the cost of centralised human resource management and increases efficiency.

By empowering employees to take charge of their own personal details, the information is likely to be more accurate and up-to-date. However, ensuring individual security and data protection is critical; otherwise the entire personnel management system is at risk. All staff members need to be trained and able to participate in the system or else there will be gaps in service records and a greater likelihood that information for some employees will not be current. As well, checks are needed to ensure that incorrect data is not entered, for example, by reference to

documentary evidence. Moreover, setting up the infrastructure for managing staff access to a self-service HRIS is costly. This model may not be feasible unless the organisation already has or is considering the necessary ICT infrastructure.

Implementing a HRIS

Developing a HRIS is not just a technology issue. Implementation involves changes to policies, practices, business processes and organisational responsibilities and structures. As with introducing any computerised system, implementation takes place in several stages, including: identifying and defining the needs and requirements; establishing responsibility and accountability; planning the development project; conducting a business needs analysis; evaluating potential vendors; selecting a system; implementing and testing the system; and completing post-implementation audits or reviews. Introducing a HRIS can also result in business process reengineering, if the business practices are found to be deficient and unworkable in the electronic environment.

A number of important decisions need to be taken about how data are going to be managed in the system, who will have access to which records and who will be allowed to make changes to information.

Full support is needed from all key stakeholders in the organisation, including representatives responsible for human resources, financial management, information technology, legal matters and other business. Records professionals must also be central players in any implementation project, so that they can ensure critical evidential requirements are met. Stakeholders in a public-sector environment may need to include representatives from:

- the Public Service Commission
- the Ministry of Finance
- the Treasury or Accountant General
- the Pensions Office
- the Audit Office
- the Legal Unit
- the National Security Office
- the IT Directorate
- the National Archives and Records Service
- any line ministries or departments.

A communications plan will help keep staff informed and, as possible, involve them in the design and planning. Selected employees can participate in testing and piloting. Interested and motivated staff can become early adopters and expert users.

There are hundreds of companies that sell HRIS with at least some basic level of HR management functionality. (Indeed, establishing a HRIS is so popular that a website has been created specifically in order to provide up-to-date information about

different vendors of HR systems in North America and around the world: it can be found at <http://www.hr-guide.com/data/206.htm>.)

A successful HRIS implementation requires participation and commitment from all levels of the organisation, including senior executives or managers, who need to take ownership of any policy or organisational changes that are needed, champion the new system and show leadership in its development. HR managers must ensure that HR rules are appropriately built into the HRIS. Staff must be sensitised to the new system and users must receive sufficient training to make the successful transition to new work processes. And users must be given enough exposure to the technology to become confident when using the system, so that they are compliant with required procedures. Therefore, effective communication plans and change management programmes are critical.

See *Module 2* for information on advocacy and change management.

Figure 7 summarises the stages and roles in developing and implementing a HRIS. The figure omits reference to organisational and policy changes that are needed. These issues are covered in other modules, especially Module 2.

After a system is implemented, its effectiveness should be reviewed and changes made as required. Reviews are often conducted by individuals who have not been involved in the development of the system and can therefore provide an impartial assessment. Many organisations find it useful to keep a planning or steering committee in place after the HRIS has been implemented, to monitor the ongoing quality of operations, manage relationships with the HRIS vendor and plan for later HRIS upgrades or enhancements.

Figure 7: Developing and Implementing a HRIS

Stages in HRIS Implementation	Responsibility		
	<i>HR Managers and Other Users</i>	<i>Information Technology Managers</i>	<i>Records Managers</i>
analyse information requirements (for example, develop a business case)	✓	✓	✓
define systems requirements (process modelling, logic modelling and conceptual data modelling)	✓	✓	✓
carry out a benefits analysis (including stakeholder analysis)	✓	✓	✓
design the system (logical design: forms and reports, interfaces, data modelling; physical design: file and database design, distributed systems)	✓	✓	✓
specify hardware and software requirements	✓	✓	✓
refine design specifications		✓	
procure equipment and commercial software or develop in-house software		✓	
implement the system (includes coding, testing piloting and installing the system, training users and writing documentation)		✓	
maintain the system (including backup and storage provisions)	✓	✓	✓

Ensuring Compliance with Record-keeping Requirements

It cannot be assumed that all HRIS applications will function as reliable record-keeping systems. Many HRIS are designed largely to support current informational needs without regard for longer term evidential requirements. Some HRIS are likely to have stronger record-keeping capabilities than others. Below is a list of some of the ideal software features that will allow the HRIS to serve effectively as a records management system.

- As new information is entered to replace old data, the old information is maintained and remains accessible to authorised individuals.
- The system preserves the context of the data and the circumstances of the creation of that data, along with the inter-relationships between different data

elements or records, allowing users to interpret the data and understand its original content and purpose.

- The system supports all security, access, retention and disposal controls required to confirm with records management standards.
- There is a full audit trail of any changes made to information in the system.
- The HRIS supports the ongoing maintenance of historical data or audit logs so that they remain accessible over time, for example, by allowing migration to newer formats.
- All of the records required to support human resource management and planning are captured by, or linked directly to, the HRIS.
- Staff have the knowledge and skills needed to manage electronically generated or digitised records effectively.

If these needs are met, the HRIS may create and maintain high-quality records, meaning that the organisation may need to place less reliance on some types of paper records. However, the full audit trail of human resources events, such as appointments or promotions, may still depend on the preservation of supporting documents in paper form, such as formal letters of appointment, confirmation of promotion and so on.

Linking HRIS and Records Systems

In fact, despite the common belief that computer systems will replace paper-based information environments, few HRIS systems can or should capture all the documentation created from the processes of human resource management. In general, HRIS systems capture *data*: names, addresses, departments, locations, dates, grades, entitlements, qualifications, training and rates of pay. Records, in the form of *documents*, are most frequently maintained outside of the HRIS; examples include signed contracts of employment and letters to and from individual employees. Traditionally, these documents are maintained in paper filing systems. Increasingly, they are being captured electronically in ERMS or other content management systems, either as born digital records (that is, records that are created and maintained electronically) or as scanned paper records. However, these records are still retained outside of the HRIS so that it is necessary to manage at least two record-keeping systems in order to oversee the personnel management process.

Installing Safeguards for Accountable Records Management

As organisations move to electronic document creation, safeguards need to be in place to ensure the effectiveness of computer systems as repositories for authentic and reliable electronic personnel records. The following safeguards are highlighted:

- The integrity of all electronic records must be maintained: that is, the records must be complete, accurate and verifiable. Integrity requires the following.
 - Appropriate security procedures and systems (such as access restrictions or permissions) must be imposed to ensure that (1) only authorised information is input into the system and generated from the system and (2) only authorised individuals can access or amend information.

- There must be appropriate backup procedures and storage facilities to ensure records can be retrieved and restored if necessary.
- Appropriate protection from malicious code, such as viruses, must be maintained, including tools to contain the effects of such code, and to recover or reset the data back to the last known uncorrupted state.
- The decision about whether to establish centralised or decentralised systems must be made with due regard for record-keeping requirements and not just for the immediate needs of users.
- Records must be retrievable for administrative, legal or historical purposes; records should only be destroyed with proper authority and according to approved records retention and disposal schedules.
- Appropriate management structures need to be established to support the operation of the system; these structures include legislation and regulations confirming the legal admissibility of electronic information if there is no parallel paper system.
- Adequate administrative provisions must be in place to support the ongoing maintenance of the system, including financial resources, adequate physical conditions and sufficient staff. For example, power supplies must be reliable; secure backup and storage procedures and facilities must be in place; and electronic and paper records need to be stored in appropriate environmental and physically protected conditions.
- All users and custodians of the system and its records must receive adequate and ongoing training and support.

Additional Records Management Duties

In addition to ensuring that the standards and requirements outlined above are in place, records professionals can also help develop an effective HRIS by

- identifying records with continuing utility and enduring value
- determining, with stakeholders, how long records need to be maintained and accessible in order to meet business, reference or archival requirements
- identifying the structural and contextual information (metadata) that needs to be captured and maintained to ensure electronic records remain identifiable, understandable and accessible over time
- working with systems developers to ensure that electronic records can be preserved over time
- developing clear procedures for managing any paper inputs into or outputs from the HRIS, including data entry forms, confirmation notices or letters and other communications
- ensuring all records, whether paper or electronic, are managed according to established retention and disposal schedules.

As can be seen in this unit, many important steps are involved in making the transition from paper-based to electronic human resource management. It is hoped that the information provided in this module will help readers plan such a project so that it is effective, efficient and sustainable.

STUDY QUESTIONS

The following questions are designed to encourage readers of this module to examine some of the issues raised in more detail and to consider how the general information presented here applies to the specific environment in which these records professionals are working.

- 1 What is meant by the phrase 'personnel records are organisation wide'?
- 2 Why do personnel records have close links with other records in a government or organisation?
- 3 Explain why personnel records are considered both important and sensitive?
- 4 Who owns personnel records? Why is ownership important?
- 5 Explain the importance of understanding the legal framework for personnel records management. What research must be done in order to understand the specific legal environment in which an organisation's personnel records are created and used?
- 6 Explain some of the ways in which computerisation is affecting personnel records management.
- 7 Why is security an issue in the management of both paper and electronic personnel records?
- 8 Explain the concept of decentralised personnel management and the effect of decentralisation on personnel records management.
- 9 What kinds of records are kept in personnel-related policy and subject files?
- 10 Name five file series that could be established for the management of records related to personnel management policies.

- 11 Explain the difference between a master personnel file and a working personnel file.
- 12 Name five key documents that should be added to any personnel master file when it is first opened. Name five other documents that might also be added to a personnel master file over time.
- 13 Explain the concept of a checklist for a master file.
- 14 List the different types of documents that might be found on a working personnel file.
- 15 What is a data input sheet and why is it important to retain such documents when gathering and inputting information into a HRIS or payroll system?
- 16 Explain the function of human resource planning, monitoring and policy development, and then explain the types of records that are generated from that function.
- 17 Explain the functions of recruitment and appointment, and explain the types of records that are generated from those functions.
- 18 Explain the function of performance appraisal, and then explain the types of records that are generated from that function.
- 19 Explain the function of providing staff with education, training and staff development, and then explain the types of records that are generated from that function.
- 20 Explain the function of managing promotions, transfers and secondments, and then explain the types of records that are generated from that function.
- 21 Explain the function of overseeing disciplinary and grievance proceedings, and then explain the types of records that are generated from that function.
- 22 Explain the function of managing staff attendance, including regular leave and leave owing to sickness, and then explain the types of records that are generated from that function.

- 23 Explain the function of managing an employee's separation from the organisation, through registration or retirement, for example, and then explain the types of records that are generated from that function.
- 24 Explain the function of managing pay and allowances, and then explain the types of records that are generated from that function.
- 25 Why is it useful to create and use standardised file covers for paper-based personnel records?
- 26 What information should be captured on a paper file cover?
- 27 Why is it best to arrange files by numbering systems instead of alphabetically?
- 28 What is a personnel file register and why is it important for managing personnel information and records?
- 29 What is a movement register and why is it important for personnel records management?
- 30 How should documents be made accessible for use in order to protect them from loss or damage?
- 31 Why is it important to close files appropriately? When should files be closed?
- 32 What is the purpose of a retention and disposal schedule for personnel records?
- 33 Why is it so important to protect the authenticity and integrity of personnel records and information?
- 34 Why do personnel records systems collapse? Describe the steps that can be taken to repair collapsed systems.
- 35 List five sources that may be used to fill the gaps in incomplete personnel files?
- 36 Why is it important to verify payroll data? Outline the major steps involved in the verification process.

- 37 What issues must be considered when determining whether or not to digitise paper-based personnel records?
- 38 Explain some of the benefits of a HRIS for the organisation and its employees.
- 39 What different kinds of self-service functions could staff members perform if they had access to a HRIS?
- 40 Who are the stakeholders in any project to convert from paper-based to electronic human resources information management?
- 41 Name at least three features that a HRIS computer program should have in order to ensure the records it holds can serve as authentic documentary evidence.
- 42 What safeguards must an organisation put in place to ensure the effectiveness of computer systems as repositories for authentic and reliable electronic personnel records?

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