

# A PRACTICAL CHECKLIST FOR Content and Organization

We recently took on a rather frightening assignment from a client. They asked us to completely revise their personnel filing system. This organization—employing about 1,000—had kept virtually every scrap of paper on every employee during the past 20 years. The mass of paper was distributed in more than a half-dozen places.

This article, which describes the filing system we developed, focuses on what information should be kept for each employee, not on all the other information of a personnel nature that an organization may keep which applies to many or all employees (such as wage rate tables, union contracts, affirmative action plans, lists of applicants for jobs and information on hazardous chemicals).

Please note: The filing system was developed both on convention and on our experience, since little published material existed. We also took into account the particular needs of the client. Therefore, the suggestions below must be tailored to your unique organization. This article is an illustration of a personnel filing system, not as an idealized model.

## LEGAL GUIDANCE

Guidance for system design primarily comes from the many laws that require organizations to keep information for compliance monitoring. Although these laws stipulate what information should be kept and for how long, they do not include other types of operational information a company may need to keep on file. Therefore, employers should review their needs regarding employee information and their current information practices before revising filing systems.

In terms of structure, legal and operational considerations also exist. Information that cannot be legally

used to make personnel decisions should not be kept in the personnel file. This includes medical records, equal employment opportunity information, citizenship forms and garnishment orders, among others. Such records should not be kept in main personnel files used for making decision about employees.

It's often useful to keep information intended for access by line managers separate from information used solely by HR staff. Work history and performance records should be kept in the file intended for manager access; benefits and safety records should be kept separate for HR use.

Taking these considerations into account, we developed the following system of three separate files for each employee. For each type of information, a retention duration (in parentheses) is suggested based on relevant laws. Durations may be extended beyond the legal minimum. Other types of information also may be retained in the files; some information listed may not be relevant to your organization.

## FILE 1: PERSONNEL

This is intended for use by managers and HR staff for maintaining routine job-related information. There are five sections:

### 1 Original Employment Information

- a) Employment application (permanent)
- b) Patent or confidentiality agreements (permanent)
- c) Tests used for employment actions (2 years)
- d) Letters of reference (2 years)

### 2 Work History

- a) Work histories within current organization (permanent)
- b) Other work history information, such as experience with other employers (permanent)
- c) Other documentation regarding work assignments, such as temporary assignments and leaves of absence (permanent)

### 3 Job Performance

- a) Performance appraisal forms and related documents (5 years or longer)
- b) Letters of commendation (5 years or longer)
- c) Absenteeism records (5 years or longer)
- d) Disciplinary records (5 years or longer)

### 4 Education

- a) Internal education and training records (permanent or most updated record)
- b) External education and training (permanent or most updated record)
- c) Educational assistance forms (active or longer)

### 5 Other Information

- a) Signed forms indicating that various policies have been communicated, such as company policies, ethical codes, etc. (permanent)
- b) All other documents (keep only if still applicable, with typical 5-year maximum)

## FILE 2: COMPENSATION/ CONFIDENTIALITY

This is intended primarily for HR staff for salary and benefits administration. There are three sections:

### 1 Compensation



- a) Tax withholding forms (keep only current active forms)
- b) Payroll deduction authorizations, such as health club dues, union dues, charitable contributions, savings deposits, etc. (keep only current active forms)
- c) Legal-related deductions, such as garnishments, child support, etc. (keep only current active forms)
- d) Salary history (5 years or longer)
- e) Pension plan contribution and related records (permanent)

### 2 Benefits

- a) Benefit enrollment, election and related forms (while active or longer)
- b) Beneficiary information (while active or longer)

### 3 Other Confidential Information

- a) Equal employment opportunity information (permanent)
- b) Citizenship information (permanent)
- c) All other documents (while active or longer)

### FILE 3: MEDICAL/SAFETY

This is intended primarily for use by HR staff to maintain employees' physical health-related information.

There are four sections:

#### 1 Pre-Employment Health (Not Work-Related)

- a) Health evaluation records from time of hire (permanent)

#### 2 Post-Employment Changes in Health (Not Work-Related)

- a) Log of non-work-related injuries or illnesses (5 years or longer)
- b) Records of subsequent post-employment health evaluations, such as company-sponsored health promotion checkups, records of blood tests or X-rays, etc. (5 years or longer)
- c) Records related to non-work injuries or illnesses, such as hospital visit and health status reports, leave of absence records, claims for disability benefits, logs of compensation paid, etc. (5 years or longer)

#### 3 Safety (Work-Related)

- a) Medical testing and screening records, such as hearing tests, Department of Transportation mandated drug tests, etc. (permanent)
- b) Work restrictions and related correspondence (while active or longer)

- c) Safety education and training records (while active or longer)
- d) Signed forms indicating safety policies have been communicated (active or longer)

#### 4 Accidents and Illnesses (Work-Related)

- a) Log of work-related injuries or illnesses (permanent)
- b) Records of work-related injuries or illnesses, such as hospital visit and health status reports, workers' compensation reports, other government records, supervisor reports and any other documents (permanent)
- c) Other documents and correspondence, such as absenteeism records due to work-related injury or illness (permanent)

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### OTHER PRACTICAL ADVICE

▶ Although most information can be kept in computer files, many organizations will want hard-copy files as backup. Multi-section cardboard file folders with fasteners are ideal for this purpose. But these files have an even number of sections, so you may need to eliminate Section 5 of the Personnel File and Section 3 of the Compensation/Confidential File by combining them with other sections.

▶ It may prove convenient to have files kept by different staff within your HR department. Depending on the

organization, Personnel Files might be kept by employee relations staff; Compensation/Confidentiality Files might be kept by the compensation or benefits staff; and Medical/Safety Files might be kept by the workers' compensation, medical or safety staff.

● In most cases, revising personnel files means purging them of paperwork that's outdated, redundant, useless or ill-advised to keep on file in today's litigious environment. Purging files also reduces space requirements—a cost savings. Purging files terrorizes many HR managers, however, because they wonder if the

information will be needed for some critical purpose the next day (a lawsuit, for example). To reduce apprehension, keep all purged information in a storage area until you're sure it's no longer need.

● Revising files may appear to be a big job, maybe even the "project from hell." From our experience, it takes about 1.5 hours per employee file to retrieve all existing files, sort through and purge them, and then create three new files. For an organization of 1,000 employees, the overall project would require 1,500 hours, or three-quarters of a year for one person.