Joseph J. Famularo

Handbook of Personnel Forms, Records, and Reports

HANDBOOK OF PERSONNEL FORMS, RECORDS, AND REPORTS

By Joseph J. Famularo

INTRODUCTION

The purpose of this book is to help you develop better personnel forms and records. The modern-day personnel worker is besieged with requests from inside and outside the company for information about staff members. Requests pour in from line managers; top management; city, state, and federal agencies; and, of course, from the employees themselves. Personnel workers themselves would find it impossible to perform their tasks without the use of information properly recorded and updated.

Our aim is to create a volume of forms and records, conveniently accumulated between two covers, that can rest in one place for easy reference; a volume that would represent the personnel forms and records in use in large and small companies, used by the government, nonprofit agencies, educational institutions—in other words, wherever people are brought together to work. Another purpose of this hand-book is to share with the reader the "state of the art of recording data about employees."

FORMS AND RECORDS ARE ESSENTIAL

A modern organization could not fulfill its mission without adequate forms and records. Information about people must be transmitted. Think of the new department manager reporting for work in a department of 100 employees. How would the manager know who is who? Who has been there how long? Who does what? Whose performance is exemplary, whose isn't? And so on. The value of forms and records for historical purposes should never be underestimated. Many of today's decisions are based on yesterday's data. How many months since the last wage increase? How many employees worked in the company 10 years ago? What was the rate of absenteeism 5 years ago; what is it today?

Personnel forms are "action sheets." They alert managers to anniversary dates, excessive rates of absenteeism, return from leave of absence dates, vacation allowances, overtime pay, disability pay, employee health—to mention a few. In today's world, many forms are essential to comply with the law at the city, state, and federal levels—in fact, often at the international level. They save everyone time, for without them there would be endless research and voluminous errors. And one of the most essential reasons for maintaining forms and records is to deal with employees themselves. More than ever, employees today have a great interest in their personnel records. They want to know what is in them, why certain statements have been made, and why records may or may not have been updated. An employee's glance at a fully documented record of days off the job may be the very instrument to bring about a change in behavior and the resultant improvement in reducing time off.

BACKGROUND OF THE STUDY

For the past several years, companies of all sizes and kinds were requested to share copies of their personnel forms and records in use today.

Companies in heavy industry, light manufacturing, services, educational institutions, nonprofit agencies, and hospitals are represented in this handbook. Some companies sent hundreds of forms; others sent a few. Some forms were computerized; others were mimeographed on 3×5 cards. Many forms have not been included here for obvious practical reasons; but our aim was to include as many representative personnel forms and records in use today as possible. Some companies specifically requested that their names be deleted from the forms if we decided to publish them in this handbook. Their reasons were understandable in that forms today are constantly being changed because of government requirements. The editors assigned to this handbook agreed to delete company names and, in that sense, be helpful to users of this handbook in erasing the image that any form of a given company has use *only* in that particular company.

ORGANIZATION OF THE HANDBOOK

This handbook is designed as a companion piece to the *Handbook of Modern Personnel Administration* (McGraw-Hill). The chapter set-up somewhat parallels the companion handbook. Chapters are sequenced logically from recruitment and employment, on to training and career development, to special people problems and benefits, to termination of employment.

EMPLOYEE RIGHT-TO-KNOW

The collection, maintenance, and protection of personnel information by private-sector organizations must protect employees' rights to privacy and equal employment. The existence of personnel information must be justified by the legitimacy of need, and the confidentiality of such information must be guaranteed. The most frequent offenses against the privacy of individuals in society are said to be committed by government agencies; in this area, legislation already exists to regulate any indiscriminate demands and unauthorized disclosures of personal information about individuals.

All companies maintain data of a confidential or personal nature generally found in, but not limited to, "personnel files"—applications for employment, résumés, reference letters or check forms, salary history data, job levels, performance evaluation reports or appraisal scores, medical history and evaluation reports, credit inquiries and checks, wage garnishments, warning or other disciplinary memos, test evaluation reports, and so on. Such information must not be subject to unauthorized or abusive

use, especially because so much of the data is subjective (e.g., psychological test reports).

The employee's awareness of the particular data collected, and of the very existence of such files, is now termed the employee's "right-to-know." To satisfy the right-to-know, an employer must grant access to the data in some manner—computer printouts, copies of all documents held, or direct examination of the original files. And with the right-to-know as the fulcrum, the employee's control must also depend on some form of "file grievance"—the ability to dispute the data and to correct, erase, or amend it. Then all that remains for the employee to be in full control of his or her "privacy" is the right to determine the use and dissemination of the information—other than the purpose for which it was originally collected. This original purpose, it is presumed, was explained to the employee, along with consequences for not providing the information, when it was originally requested.

The vanguard of employers—those with voluntary privacy policies—feel these measures contribute to good employee relations, but the existence of employee privacy policies in industry is by no means general. Significantly, where companies have adopted privacy codes, it was not in response to employee demand, but was entirely management-initiated.

An example of one company's employee right-to-know policy is as follows:

WHAT IS THE BASIC POLICY?
To protect the privacy of employee files, and to share with individual employees their career-related information maintained in central personnel files.

What Constitutes an Official Central Personnel File?
The official central personnel file is that file established for each employee and maintained by the Personnel Relations Department in company headquarters. Where files are not maintained in this location, such as for employees of subsidiary companies, the official personnel file is located with the subsidiary's personnel function. No other departmental or local regional file is considered a "personnel file" as covered by this policy.

What Type of Information Is Maintained on Individual Employees in the Central Personnel Files?
Information is kept on individual employees in central personnel files only if it is both *relevant* and *necessary* in serving the mutual best interest of the company's business requirements and the employee's career. (See Procedure for items retained.)

Who Has Access to Central Personnel Files?
Information is maintained on a strictly confidential basis. Disclosure is made only for essential

business purposes to authorized company personnel with a need to know. Disclosure to any other person of information in the file beyond simple verification of employment is not made without the consent of the individual employee. Exceptions to these restrictions are made if required by legal action, or as a result of a responsible request from a law enforcement agency; when permissible, in both instances, the employee is advised that such disclosure has been made.

Can Individual Employees Review the Central Personnel File Pertaining to Them?

Yes. Every employee has the right to examine information kept on him or her in a central personnel file. Such examination, if requested, is made at a mutually convenient time in the presence of a senior staff member of the Personnel Department or the local manager responsible for personnel administration so that an immediate response can be given to questions or problems. The granting of access is not conditioned upon any requirements that the employee state a reason or otherwise justify the need to review the file.

Can an Employee Request that the Records Be Amended?

Yes. Individual employees have the right under the company complaint procedure (see Section II of the chapter) to request review of any information filed which is deemed by the employee to be inaccurate, misleading, or unfair. If the company through the appropriate management agrees with the employee, the file will be amended accordingly. In the event that the company decides that amendment of the file is not warranted, the employee has the right to add his or her note of disagreement to the file.

Who Has Access to Medical Records Maintained by the Medical Department or Personnel Benefits Section?

Medical records are of an especially sensitive nature and are maintained on a highly confidential basis. Disclosure of information in these files is made only at the professional discretion of the company medical director and may be limited to a physician chosen by the employee.

Do These Policies Apply to Former Employees?

Yes. In addition to the above policies, disclosure of certain basic information in the file of a former employee may be made to future employers to assist the employee in verifying company employment. (See Chapter Z—Reference Checking on Former Employees.)

PROCEDURE ON EMPLOYEE FILES

Documents to Be Retained in Central Employee Personnel Files:

Generally, all information in an employee's file is job related and pertains directly to job status and performance. As a guideline, only the following types of information may be included:

- employment application
- résumé
- reference checks and telephone check forms (Any information of a negative nature furnished on a confidential basis is purged from the file.)
- medical evaluation form
- evidence of course completion (correspondence courses, business schools, etc.)
- skills test results
- appraisal forms (last five years)
- adjusted anniversary date and continuous service date calculations
- unique correspondence having a direct bearing on the employee's job status
- tuition refund forms (last five years)
- successful suggestion award forms (last five years)
- signed 5090s (made part of the central file only after effective date of change)
- payroll review confirmations (may be made part of the central file but only after effective date of change)
- sales or other contracts if applicable
- payroll addition notice
- personnel requisitions

Any other correspondence is kept by the manager or department head in separate correspondence files and is regarded as "personal" files for his or her use.

Final warning memos (Chapter B, section IV) are included in the personnel file only when the employee is dismissed as a result of the memo. Otherwise, final warning memos (which are always addressed directly to the employee) are kept in a separate file until the performance problem is resolved, at which time the memo should be destroyed. No warning memos should be kept in the file more than two years without being reviewed. The purpose of keeping warning memos out of files of employees is to protect them against possible long-term adverse reflection on their careers after problems have been resolved.

Wage Assignments

Wage assignments and garnishments are also kept in separate files, purged as each action is completed, and not included in an employee's personnel file. Such actions are regarded as entirely personal and not relevant to job-related concerns of the company.

Security of Files

Appropriate physical and procedural safeguards are established by the custodian office (Personnel Records Section) to insure the security and confidentiality of records. This includes provision for locked files, close physical control of the files, and positive identification of the employee who

requests access to his or her file, or of any other person to whom information is given.

Accounting of Disclosure

All disclosures of salary information are logged showing the date, nature, and purpose of each disclosure, the identity of the person to whom the disclosure is made, and the fact that employee consent was obtained. Disclosure required by legal action or as a result of a responsible request from a law enforcement agency is included in the log, and may or may not involve employee consent depending on the circumstances. Normal Personnel Department use of the files is not logged nor is normal use for reference information confirming title, department, and dates of service.

Employee Requests for Copies of Records

Requests by employees for copies of their central personnel file records are not ordinarily granted since review of the file is permitted without restrictions.

Requests by Employees in Out-Of-Town Offices

Requests by employees in out-of-town offices for information in their central personnel files are forwarded to the Records Section of the Personnel Relations Department. A copy of the complete file is then sent to the local manager responsible for personnel administration who reviews it with the employee and answers questions that may arise. The file is then returned to the Records Section with any comments or necessary amendments.

State Privacy Laws

Certain states have passed privacy laws under which a personnel file is generally considered to be any systematically maintained file on an employee or group of employees which affects the hiring, promotion, transfer, termination, salary review, or performance evaluation of the employee. Questions arising concerning these local privacy laws should be referred to the Records Section, Personnel Relations Department.

SOME OBSERVATIONS

1. There is a definite trend toward multipurpose forms. For example, companies are designing one form to handle many personnel actions, such as salary increases, transfers from one department or location to another, and so on. The highly advanced personnel form, usually computerized, is preprinted by a computer showing such essential data as employee name, age, department, location, and job title. A variety of actions can be taken by checking one or more boxes, inserting information, and sending forward for approval and machine action.

2. There is a trend toward mechanization of forms, but it is still not as advanced as one might expect. It is apparent that the very largest companies use this type of form, but many medium-sized companies do not. They say the cost is too high, their number of employees not large enough, and so on.

3. There is a trend toward eliminating paperwork; therefore, there is an increase in microfilming, a decrease in the retention of records, and a decrease in storage space.

4. In spite of 3 above, there is an almost measurable increase in the number of *new* kinds of records because of the ease of producing them by computer. And because of the data storage capabilities of the computer, more companies are utilizing such data for analyses of "frequency of salary increase," "percentage amounts of increase," and myriad other factors.

5. The forms and records picture seems to be in an ever-changing state. Most companies feel this is because of government requirements. There has been a commensurate increase in the number of new forms because of new laws. New forms have been created to record pregnancy disability payments, and to study various aspects of post–age-65 employment—just to give two examples of the products of new legislation. There will surely be an increase in the number of performance appraisals requested on the post–age-65 employee and, therefore, perhaps the development of appraisal or review forms where none had existed.

6. Personnel relations is a developing art and new personnel forms, records, and reports are being created as the field itself adapts to changes to meet individual corporate (and government) needs. Some companies are creating new forms in the area of career development as this area of personnel work is fast becoming a new function within the scope of personnel administration.

7. In some companies, personnel forms and records are as great a mishmash as they have ever been. Again, the need for analysis and streamlining of personnel documents has been demonstrated.

In summary, we hope this easy reference on personnel forms and records will be of help to you in the design of new forms, the revision of present forms, the mechanization of current forms, the decision to eliminate or add one or more forms—in general, to help in the tremendous task of recording voluminous data about your company's most important resource—its people.

THE COMPUTER IN PERSONNEL ADMINISTRATION*

PERSONNEL DATA SYSTEMS

Throughout the last decade personnel departments have made increasing utilization of the computer as a management tool in fulfilling their objectives. This expanding utilization of computer systems in the personnel function has basically come about for the same reasons that data systems are being utilized more and more in other functional areas. Personnel management has recognized the need for more data obtained more rapidly, and in a more accurate form, in order to make sound business decisions. In the past, the need for such data may have been recognized, but because the data was scattered throughout the organization, inaccurately maintained, or in some cases not available at all, decisions had to be made in the absence of meaningful information. Therefore, today many organizations have recognized this need for timely and accurate information on employees and have developed and implemented personnel data systems.

In industry today the term "personnel data systems" normally refers to a mechanized method for the creation and maintenance of personnel data, the reporting of such data, and the subsequent destruction of such data. A personnel data system may encompass all the functional area within the personnel department, or it may be limited to only one or two areas such as records and administration and wage and salary data. Personnel data systems vary from company to company, reflecting the specific needs of the company's personnel department, which in turn will reflect such variables as: city, county, and state laws; company personnel practice; and union contract agreements. Therefore, there is no one concise definition for the term personnel data system. However, for purposes of this chapter the term shall be used to apply to computerized personnel information systems in general as depicted on the following page.

PERSONNEL DATA SYSTEM

Types of input data	Master files	Output reports
Salary	Employee status	Wage and salary
Résumé		Employee history
Performance appraisal	Pension	Pension
Open requisitions	Skills inventory	Benefits
Applications	Job	Skills inventory
Payroll and benefits	Safety	Selection and placement
Safety	Benefits and pension	Safety statistics
Attendance	Suggestions	Dispensary statistics
Pension	Grievance	Lost-time reports
Skills inventory		Personnel utilization
		Personnel planning
Suggestions		Grievance status and
Dispensary		analysis reports
Grievance		Personnel statistics

ADVANTAGES OF PERSONNEL DATA SYSTEMS

The growth in the number of personnel data systems in industry today has come about due to the advantages that such systems can provide to the personnel function. One advantage is that such systems make it possible to store and retrieve the vast amounts of information about employees which are so vitally needed to properly exercise the responsibilities of the personnel department. Normally, such systems are capable not only of providing large quantities of information but also of relating various pieces of information which would be virtually impossible via manual means. For instance, in many systems it is possible to relate employee absenteeism to salary grades, work departments, seasonal fluctuation, etc. Another advantage is that such data can be made available at a very nominal incremental cost where heretofore it would only be possible to provide the information by a laborious manual means. Still another advantage of a personnel data system is that it provides for a degree of accuracy that otherwise might not be obtained. For example, the recording of employee data in personnel jackets, etc., is normally carried out by a personnel clerk and is reviewed or audited only at such time that the data is needed. However, in a properly designed personnel data system error checks are built into the system which would reject and call to the attention of responsible individuals missing or erroneous data. Also, since such data are normally provided to management in various summary reports, there is a tendency to place a greater emphasis upon the accuracy of data throughout the personnel data system. In organizations today that do not have some form of mechanized personnel data system, one will find various functional areas maintaining separate files on personnel data. For example, there will be files in the medical department, safety department, wage and salary administration, employee benefits, and pension department. Although some of the files pertain to the department's function specifically, in many cases there are files or portions of files that are duplicated in each one of these areas. Also, there probably are multiple files in each area in order to have information more rapidly available concerning employee matters. An example of this would be the situation of filing employee grievances where one copy of the grievance is filed by employee, another copy by subject, and yet another by disposition. Finally, an advantage often sighted is a savings in clerical costs. However, such savings normally are not realistic. Although there may be a savings in the pure clerical function of maintaining employee data, such savings dissolve when one considers the cost of mechanically creating and maintaining the data and the cost of analyzing such data. In other words, the number of people and the cost involved in the personnel department probably will not be reduced through the implementation of a personnel data system. The real savings is not realized in the creation and maintenance of data but rather in the improved management decisions which are possible through the availability of such data.

USES OF PERSONNEL DATA SYSTEMS

Today many progressive personnel departments of large organizations are realizing considerable operating benefits through the availability of more data on a more timely and accurate basis. The utilization of computers within these personnel departments has usually taken place in four broad areas: records and administration, wage and salary, skills inventory, and employment.

Personnel records and administration is an area where the most tangible clerical savings can be realized. Therefore, it is not surprising that this is the area in which most computer applications have begun. In general the main advantages of applications in this area are the

savings in clerical time, increased accuracy, imposed standardization, and time necessary to prepare routine and special reports. This area includes such items as keeping track of the status and progress of employees, and basic employee data.

Wage and salary applications have been cited to have four principal advantages. One advantage is that they provide a rapid means of simulating the effects of wage and salary changes, which can be especially useful during union contract negotiations. Another advantage is that it is possible to derive comparisons of wages by job class, by department, etc., on a rapid and efficient basis so that internal wage and salary surveys may be conducted. Still another advantage is that wage and salary applications can be utilized to control and analyze salary administration. Finally, such applications can facilitate the preparation of data for outside salary surveys.

One of the most recent areas to be encompassed by personnel data systems is the area of skills inventory programs. Companies are recognizing that they must keep track of a multitude of employee skills in order to properly fulfill their replacement responsibilities. Skills inventory systems can provide an objective means of selection and placement of employees, thereby utilizing in-house talent to a maximum.

Another recent area to be considered for computer applications is the area of employment. This area has come under study primarily due to the high cost of recruiting technical personnel. Such systems are credited with speeding the hiring decision, coordinating the internal routing of information and files concerning prospective employees, reducing the time required to determine the disposition of applications, and reducing clerical costs.

The above presentation of the four categories of personnel data systems is not intended to be all-encompassing. Today and in the future there will be a growth in the utilization of computer services in more areas of the personnel function. Data systems will be utilized to simulate the effects of wage and salary changes, benefit changes, employee levels, etc. They will be used to increase and intensify the control of personnel costs in all areas of operation such as pension, medical insurance, and recruiting. The level of control in absenteeism, job evaluation, the selection of job candidates, and other areas where the absence of data on a timely and accurate basis has limited the level of control will be increased. Still other applications will deal with training, safety, and suggestion programs; preemployment testing; personnel planning; and employee appraisals. Two very recent developments in this area have been the development of systems for the evaluation of

various compensation plans available to company executives. Through such systems it is possible for an executive to select, from options such as current pay, deferred pay, and stock options, that combination which most precisely meets his or her personal objectives. Another development has been the preparation of annual employee benefits reports. Companies utilizing such programs believe that employee morale is improved by providing employees with a report illustrating the worth of the various company fringe benefits.

WHAT DATA SHOULD BE STORED

In order for a personnel data system to be able to provide information such as outlined in the previous section, it is necessary to provide for the creation, storage, and maintenance of a vast amount of data in a form which will provide for the rapid and efficient availability of such data for reporting purposes. As was mentioned earlier, personnel data systems will vary greatly between companies reflecting the needs of the particular personnel function. In turn, the need for keeping specific pieces of information will also vary between organizations. Therefore, the following presentation of data fields should only be interpreted as a general example and not as a recommendation for all personnel data systems.

DATA ELEMENT DESCRIPTION

	Number of
A. Basic employee data	**characters**

1. **Current data**

Social security number	9
Status (active, inactive, terminated)	1
Name	25
Address (2 lines)	25 × 2
City	18
State	2
Zip code	9
Familiar name	10
Home telephone	10
Work building code	2
Work floor	2
Work extension	4
Work location (state, city, county)	7
Type employee (office worker, etc.)	2
Work status (permanent full time, etc.)	2
Sex code	1
Marital status	1
Citizen code	1
Race code	1
Handicap code	1
Military status	1
Hire code	1

A. Basic employee data (cont'd)	Number of characters
1. Current data (cont'd)	
Rehire code	1
Recruitment source code	3
Position source code	3
EEO code	3
Final warning indicator	1
Division	2
Company number	2
Department number	4
Hire date	6
Continuous service date	6
Adjusted anniversary date	6
Termination date	6
Termination reason	2
Prior termination date	6
Salary continuation date	6
Leave of absence date	6
Expected return to work date	6
LTD date	6
Decease date	6
Leave of absence reason	1
Effective date of salary distribution	6
Effective date of rate	6
Effective date of grade level	6
Effective date of job class	6
Reason	2
Rate differential (annual or hourly)	7
Overseas employees:	
Currency paid with	3
Annual rate in foreign currency	13
Cost of living adjustment	13
Rent and utilities allowance	13
Education allowance	13
Hardship allowance	13
Automobile allowance	13
Overseas premium	13
Tax protection	13
Actual rent	13
Actual utilities	13
Pay mode (weekly, etc.)	1
FLSA code	1
Contract code	2
Quote indicator (hourly or annual)	1
Shift indicator	1
Standard weekly hours	3
Hourly rate	5
Annual rate	9
Job identification number	5
Grade level	3
Job class	6
Operating position title	35
Salary structure code	3
Planned additional compensation	6
Actual additional compensation	6
Guaranteed draw (sales representative)	9
Sales quota (sales representative)	10
Primary territory (sales representative)	10

	Number of characters
Executive compensation—long term:	
Planned compensation	9
Actual compensation	9
Planned percent	3
Actual percent	3
Executive compensation—short term:	
Planned compensation	9
Actual compensation	9
Planned percent	3
Actual percent	3
2. Future salary data (2 occurrences)	
Effective date	6 × 2
Reason	2 × 2
Quote indicator	1 × 2
Differential	7 × 2
Hourly rate	5 × 2
Annual rate	9 × 2
Planned additional compensation	6 × 2
Actual additional compensation	6 × 2
3. Future personnel data	
Effective date	6
FLSA code	1
Quote indicator	1
Shift indicator	1
Type employee	2
Contract code	2
Standard weekly hours	3
Operating position title	35
Job class code	6
Work status	2
Division (name abbreviation)	4
Work location	7
Pay mode	1
4. Future salary distribution data	
Effective date	6
General ledger (9 occurrences)	3 × 9
Sub ledger (9 occurrences)	3 × 9
Department (9 occurrences)	4 × 9
Total	**823**

B. Salary (work) history data—occurs an unlimited number of times for each employee	Number of characters
Division (name abbreviation)	4
Effective date	6
Reason	2
Position source code	3
Department number	4
Department (name)	24
Work location (state, city)	5
FLSA code	1
Work status	2
Contract code	2
Quote indicator	1
Hourly rate	5
Annual rate	9
Grade level	3
Job class	6
Operating position title	35
Salary structure code	3

Effective date of rate 6
Effective date of grade level 6
Effective date of job class 6
Rate differential 7
Standard weekly hours 3
Planned additional compensation 6
Salary range—minimum 9
Salary range—maximum 9
Actual additional compensation 6
Overseas employees:
  Currency paid with 3
  Annual rate in foreign currency 13
  Cost of living adjustment 13
  Rent and utilities allowance 13
  Education allowance 13
  Hardship allowance 13
  Automobile allowance 13
  Overseas premium 13
  Tax protection 13
  Actual rent 13
  Actual utilities .... <u>13</u>

                                           Total 306

C. Benefits data   **Number of characters**

1. Deduction data (12 occurrences)
  Benefit code .... 3 × 12
  Eligibility code .... 1 × 12
  Notification code .... 1 × 12
  Amount .... 7 × 12
  Installment code .... 2 × 12
  Start date .... 6 × 12

2. Miscellaneous data
  Pension wages (from 12/1) 8
  Pension deductions (from 12/1) 7
  Prior year W2 earnings 8
  Prior prior year W2 earnings 8
  Prior prior prior year W2 earnings 8
  Life insurance base 4
  LTD base 4
  Life insurance age 2
  Pension age 2
  Previous 10 years'
    base compensation .... 8 × 10
  Previous 10 years'
    additional compensation .... 8 × 10
  Monthly annuity 6
  Monthly supplemental 4
  Social Security
    Type 1
    Source 3
    Benefit 4
  Year-to-date hours:
    Regular 6
    Vacation 6
    Paid personal business 6
    Paid sick 6
    Paid weather 6
    Paid other 6

    Unpaid personal business 6
    Unpaid sick 6
    Unpaid weather 6
    Unpaid other 6

3. Supplemental Retirement Income Plan (SRIP) data
  Eligibility indicator 1
  Company contribution equity percent .. 3
  Company contribution fixed percent 3
  Voluntary contribution equity percent .. 3
  Voluntary contribution fixed percent 3
  Year-to-date deductions 7
  SRIP wages 8
  SRIP entry date (month, year) 4
  Accumulated SRIP 6
  Monthly annuity 6
  Additional accounting information to be
    defined at a later date 200

4. Beneficiary data
  Designation date (4
    occurrences) .... 6 × 4
  Beneficiary's name (4
    occurrences) .... 25 × 4
  Beneficiary's relation (4
    occurrences) .... 2 × 4
  Beneficiary's special relationship
    (4 occurrences) .... 1 × 4
  Number of dependents 2
  Dependent's name
    (10 occurrences) .... 15 × 10
  Dependent's relation (10
    occurrences) .... 2 × 10
  Dependent's date of birth
    (10 occurrences) .... 6 × 10
  Dependent's effective date
    (10 occurrences) .... 6 × 10

5. Medical claims data (unlimited occurrences)
  Date received 6
  Type of expense/service 10
  Amount of bill 6
  Amount paid 6
  Status 1
  Type claim 1
  Date paid 6
  Check number 6

6. Pension data (4 occurrences)
  Plan identification .... 2 × 4
  Pension status (active employee,
    refunded, retired, etc.) .... 1 × 4
  Entry date (month, year) .... 4 × 4
  Retirement start date (month, year) .. 4 × 4
  Pension vested date (month, year) .. 4 × 4
  Acquired company code .... 2 × 4
  Acquired company pension adoption
    date (month, year) .... 4 × 4
  Years in company .... 2 × 4
  Company transfer date
    (month, year) .... 4 × 4

C. Benefits data (cont'd)

	Number of characters
6. Pension data (4 occurrences) (cont'd)	
Prior plan (to 11/30/73)	
Annual benefit	6×4
Total contributions with interest	6×4
Total contributions without interest	6×4
Accumulated since 12/1/73	
Annual benefit	6×4
Plan earnings	6×4
Current year	
Contributions	6×4
Plan earnings	6×4
Benefit	6×4
Totals since entry	
Annual benefit	6×4
Contributions with interest	6×4
Contributions without interest	6×4
Additional credit (11/73)	6×4
Total	**1639**

D. Applicant data

	Number of characters
Name	25
Address (2 lines)	25×2
City	18
State	2
Zip code	9
Sex	1
EEO code	3
EEO classification	1
Source code	3
Date available	6
Work location	5
Relocate code	1
Desired annual salary	5
Desired hourly salary	5
Education level	2
Skill codes (4 codes)	3×4
Veteran code	1
Referral code	1
Handicap code	1
Status (hired or open)	1
Start date	6
Tested indicator	1
Recruiter comments	20
Total	**179**

For each interview:

	Number of characters
Date	6
Interviewed by	3
Interviewed for (position)	35
Requisition number	6
Evaluation	10
Referred to	10
Comments	10
Date referred	6
Disposition	1
Offer-made indicator	1
Total	**88**

E. Job roster data

	Number of characters
Job identification number	5
Company/division	2
Department	4
Section	25
Work location (building code)	2
Work location (state, county, city codes)	7
Job class code	6
Salary structure code	3
Grade level	3
Job (operating) title	35
Job (classification) title	30
FLSA code	1
Number of budgeted staff	4
OJE evaluation points	18
Hay points	32
Evaluation analyst	10
Evaluation date (latest date, month and year)	4
Reporting to job identification number	5
Total	**196**

F. Career opportunities data

	Number of characters
Skills nonparticipation code	1
Participation date (month, year)	4
Experience codes (4 occurrences)	3×4
Experience classification (4 occurrences)	1×4
Interest codes (2 occurrences)	3×2
Interest classification (2 occurrences)	1×2
Education level	2
Degree types (3 occurrences)	2×3
Major fields (3 occurrences)	2×3
Minor fields (3 occurrences)	2×3
Language knowledge (3 occurrences)	2×3
Training and development codes (7 occurrences)	1×7
Career resource interview data (5 occurrences)	
Date	6×5
Interest	3×5
Contact	10×5
Department	4×5
Total	**177**

G. Salary survey data

	Number of characters
Survey code	4
Work location (state, city)	5
Grade level	3
Salary structure code	3
Job (operating) title	35
Survey date (month, year)	4
Survey base salary	6
Survey additional compensation	6
Number of employees in survey	6
Number of companies in survey	4

Pay mode 1
Forecast factor 4

                                    Total 81

H. Affirmative action goals | **Number of characters**

Work location (hiring authority) 5
Division/company 2
Turnover code 4
EEO job category 3
Total anticipated staff 3
Total anticipated women 3
Total anticipated minorities 3

                                    Total 23

I. Career planning and employee services | **Number of characters**

Appraisal date (month, year) 4
Promotability code 1
Appraisal rating 2
OJE/MPE training codes
    (6 occurrences) .... 1 × 6
Twenty-five Year Club
    member indicator 1
Working for degree 1
Degree major 3
College 3
Absenteeism indicator 1
Tardiness indicator 1

Tuition refund data (8 occurrences)
    Course .... 10 × 8
    Job/nonjob related .... 1 × 8
    Credits .... 1 × 8
    Letter grade .... 1 × 8
    Tuition cost .... 6 × 8
    Amount paid .... 6 × 8
    Date sent to accounting .... 6 × 8

Employee suggestion data (2 occurrences)
    Suggestion number .... 5 × 2
    Adoption code .... 1 × 2
    Date received .... 6 × 2
    Suggestion type .... 3 × 2
    Tangible/intangible .... 1 × 2
    Amount of award .... 5 × 2
    Date sent to accounting .... 6 × 2

Employee profile data (8 occurrences)
    Program code .... 3 × 8
    Course name .... 10 × 8
    Recommended to take/taken/both ... 1 × 8
    Date completed (or recommended) .. 6 × 8
    Type of course .... 1 × 8

                                    Total 493

J. Job requisition data | **Number of characters**

Requisition number 6
Recruiter assigned 3

Division/company 2
Department 4
Job operating title 35
Grade level 3
EEO classification 3
Date received 6
Date filled 6
Filled by recruiter 3
FLSA code 1
Addition or replacement indicator 1
Contact manager's name 20
Goals requisition indicator 1
Career opportunities indicator 1
Job title code 3
Date for filling job (due date) 6
Starting date 6
Starting salary 9
Work location 5
Fee allowed indicator 1
Contact information (6 occurrences):
    Agency or advertising indicator ...... 1 × 6
    Agency or advertising name .... 20 × 6
    Date contacted .... 6 × 6
    Minority source indicator .... 1 × 6
    Agency fee or ad cost .... 6 × 6

                                    Total 335

K. Employee relocation data | **Number of characters**

Reference number 6
Own/rent indicator 1
Relocate from 25
Relocate to 25
Average appraised value 7
Interest-free advance 7
First advance 6
Sale price 7
Household furnishings moving cost 6
Miscellaneous relocation allowance 6
Kit indicator (date) 6
Interview date 6
Guarantee value 7
Guarantee date 6
Advance application date 6
Promissory note date 6
5090 receipt date 6
Exception indicator 1
Exception value 7

                                    Total 147

The various data fields listed above apply in general to personnel data systems within many organizations. In organizations where the payroll function falls within the personnel department, of course, there would be many more data fields required in the system. The fields would deal with gross and net pay; withholding information at the federal, state, and municipal levels; various deduction amounts such as credit union, charity, insurance, union dues, safety equipment,

etc.; bonus eligibility hours; bonus paid dollars; and other data fields involved in the payroll function.

DEVELOPMENT AND IMPLEMENTATION

The development and implementation of a personnel data system is a large and expensive undertaking that must be thoroughly planned, organized, and controlled if it is to be successful. The first step should be a comprehensive economic feasibility study. The study should be conducted under the direction of a task force composed of representatives from the various functions involved and chaired by the representative from the personnel department. The study should encompass the following elements:

1. A definition of the objectives of the projects including time and cost estimates
2. A definition of the problem and its parameters in writing for mutual understanding and communication
3. An evaluation of various alternative methods and recommendations of an optimum solution including possible degrees of automation and associated equipment required
4. A definition of the potential benefits to the personnel department and the line organization from the point of view of information retrieval and utilization
5. A description of the degree of standardization of various personnel plans and programs and their adaptability for conversion
6. The identification of the impact on manpower, training, and retraining during and after conversion
7. A timetable for conversion and phase-out of the present system
8. An estimate of labor and other costs for the development and annual operation of the system
9. An estimate of the payback period and cost break-even point

The second step should be the presentation and selling of the recommended solution to top management. This is particularly important in that the acceptance and effectiveness of the new system will hinge largely on the understanding and endorsement of top management.

The third step involves planning the details of the conversion. Here, the thinking and planning done in the first step should be refined. In addition, the system should be defined in terms of conceptual models with associated system flowcharts and diagrams. This, of course, should be reviewed and approved by top management before the actual conversion is undertaken.

As part of the planning, the kinds of personnel information needed to satisfy the various requirements of the organization should be reviewed:

1. First-line supervision
2. Department, division, and corporate level
3. Government
4. Employees
5. Personnel department
   a. Employment
   b. Labor relations
   c. Control
   d. Salary administration
   e. Training, development, safety
   f. Medical
   g. Census
   h. Benefits
   i. Manpower capability
   j. Research, organization planning

A technique that can be utilized for this review is to conduct an audit of every report generated by the personnel department and then to survey the organization about the reports, asking:

1. Do you need this information?
2. Is it in the best form?
3. Do the data cover the best time period?
4. Is the frequency of distribution proper?
5. Is the report timely?
6. What other information do you need?
7. Do you circulate it further, discard it, or file it?

The results of this survey would help in determining what information is presently needed. Also, as a result of this type of survey it might be possible to eliminate a large number of reports, consolidate many others, and revise many to make them more effective.

MANUAL VERSUS MECHANIZED SYSTEM CONSIDERATIONS

During the design of a personnel data system, it should be recognized that not all data should be computerized and also that even with a computerized system there must be a certain amount of manual record keeping to support the system. The question of what data should be mechanized can only be answered by examining each piece of data in order to identify what alternatives are available for the creation and maintenance of such data and what are the advantages, disadvantages, and cost of each alternative. During this investigation certain questions must be answered, such as: How often are the data referred to? How long must they be

kept? How useful are they? In general, it can be said that mechanized systems should deal with current information whereas manual systems should deal with historical information. Also, in a mechanized system, data are used to identify, classify, and report status rather than to report voluminous historical and descriptive information. For example, concerning the topic of employee grievances, in a mechanized system one may want to capture grievance number, date, disposition, date of disposition, type of grievance, and a basic subject code of grievance. The actual description of the grievance and how it was settled should be captured within a manual filing system. This approach provides, via the mechanized systems, a means of summarizing, reporting, indexing, and identifying grievances in a rapid and inexpensive manner, while at the same time the manual system provides historical and detailed descriptive information concerning the grievance. If one were to attempt to capture in a mechanized system all the details concerning each grievance, the cost would be prohibitive and in reality would not provide more meaningful and useful results than the combination of manual and mechanized systems.

Another question to be considered in manual versus computerized record keeping deals with how definitely management's needs have been defined. For instance, if a company were to be initiating a skills inventory system, they should probably not attempt to mechanize the system initially if there were many questions concerning what data should be kept, how often the data are needed, and how useful they are. In other words, if it is not possible to precisely define the systems specification, then it is more appropriate to approach the system on a manual basis for a year or two. Once the manual system has been in operation and management needs have been defined, then the system can be mechanized.

Still another question in this topic of mechanized versus manual is a recognition that there must be a manual record-keeping system to support a mechanized system. The manual system, in such an environment, plays a supportive role to the mechanized system for the filing of input transactions to the system, and in filing and retrieving reports prepared by the system. It also would provide the extensive history files of various transactions concerning each employee. For instance, in an "integrated payroll and industrial relations system," it is a requirement in some states that the original employee time cards with the foreman's authorizing signature must be filed for seven years. These documents, within that environment, should be processed through the mechanized system to capture paying information and then should be filed and maintained in a manual system in order to meet the state requirements.

A final consideration in whether or not to mechanize certain pieces of data concerns the question of how many different functional areas have need for this information. If the information is required by many areas rather than a single functional area, it probably would be far more efficient and effective to capture such data mechanically and prepare the reports for distribution to the various functional areas. An example of this would be the difference between employee office phone numbers versus employee home phone numbers. It would be practical to capture in a mechanized system employee office phone numbers so that such information could be used to prepare employee phone directories for distribution throughout the company. On the other hand, the employee's home phone number may only be used by the personnel department for reference and therefore should be filed and maintained through manual means rather than a mechanized system.

INFORMATION CODING

A very critical area during the design and implementation phase of a personnel data system is that of assigning numbers to various data elements. The designing of a numbering structure is a task that—though it may appear very simple—can have a major impact upon the results and success of the system. Numbers should be used to identify information, not to classify it. Often numbers are used both to identify and to classify information, with the results that the whole numbering structure must be revised over and over again to reflect revisions in operating conditions. People have a tendency to want to look at a number and be able to tell something about it rather than just to use the number to identify. For instance, often an employee number not only identifies the employee but also indicates the employee's department. As a result, every time the employee changes departments not only must the number be changed but all the historical data concerning the employee must also receive a new number. On the other hand, if the employee number were used only to identify the employee—and another field on the master employee record were used to identify the department—all other records with the employee's number would still be correct. Violation of this principle of identification versus classification should be allowed only if there has been a very thorough analysis of all alternatives. Another advantage of using a number system only to identify and not to classify is that this prevents the problems associated with assigning numbers. For instance, it is easier to assign a new employee the next available employee number in the company on a random basis rather than to be concerned with which numbers are

open in a particular department. In summary, identification numbers should be used to identify data elements—e.g., employee number, insurance policy number, department number—and not to classify the elements. There should be separate data fields for the purpose of classification. This approach provides for greater flexibility in the system, fewer errors, and a minimum amount of maintenance expense.

TYPICAL PROBLEMS TO BE AVOIDED

With any large computer system development, installation, and maintenance, many problems can potentially arise. Through proper planning, however, the potential problems can readily be avoided, thus ensuring the usefulness and value of the system.

One of the most typical and most serious problems can occur during the development of the personnel data system and can result in the system's being totally useless. The problem, specifically, is a lack of communication and coordination between the personnel and data-processing functions. What can occur is that representatives from each of these functions fail to learn and understand the role and objectives of each others' functions. Each functional area has certain functional responsibilities to the overall organization. Also, each functional area has its own set of terms and operating procedures that are unique to the area. Therefore, a successful effort in the development and installation of a personnel data system requires good communication and coordination between the functional areas. However, very often the representatives from the respective departments fail to fully understand each other, and therefore, even though there are many meetings conducted on the objectives of the installation of the personnel data system and many memos exchanged, in reality the proper communication between the two elements is never achieved. Representatives from each element believe they understand and comprehend, but after the system is developed and installed, it is discovered that the system is not capable of performing at the desired level. This situation can be serious enough to require that the whole system be designed, developed, and implemented all over again, which is a very costly and time-consuming process.

Another potential problem is one arising from the electronic data-processing department's overzealous enthusiasm to serve the organization. This can result in the establishment of target dates and cost estimates that are too optimistic and practically unachievable. Another result can be that the implementation of proper controls, the documentation of procedures, and the training of personnel are neglected in an attempt to reduce costs and meet unrealistic target dates. In order to prevent these very serious problems, the overall project should be approached in phases which can be audited at the completion of each phase. Of course, there also should be a comprehensive reporting system established on the project itself. In this manner, the progress and cost can be evaluated during the project and corrective actions can be taken if necessary.

Still another potential problem can result from the lack of training, motivation, and documented procedures within the personnel department for the maintenance of the personnel data system. As a result, after the system is installed and operating, the accuracy of the reports generated by the system deteriorates rapidly. Further, if the proper controls have not been established, this deterioration can go unnoticed for a long period of time, which in turn can result in poor management decisions being made based upon inaccurate data. There is a very serious tendency in industry today to accept reports as accurate and unchallengeable just because they were printed on a computer. Management fails to recognize that the data were supplied to the computer by the same individuals as under a manual system and hence are subject to the same level of human errors as always. Also, because the data are processed by computer programs written by humans, there is the possibility that the programs do not function properly under all conditions and situations. Still another factor that can lead to the inaccuracy of reporting is that, through the installation of a mechanized system, the people supporting the system lose the visibility and understanding of the data. Whatever the causes of this phenomenon may be, the results can mean that people fail to recognize gross errors that would have been caught in a manual system. Apparently, once a mechanized system is installed, people begin to function just as mechanically as the system, and hence the data flowing across their desks become meaningless individual pieces of information such as names, social security numbers, and employee numbers. In order to prevent the very consequential results of the deterioration of the data files, stringent controls and procedures should be established and audited periodically. There should be controls established to check the validity of the data being entered into the system. There should be checks not only for the presence or absence of data, but also for the reasonableness of the data. There should also be controls for the presence and reasonableness of related pieces of data. For instance, when a new employee is being added to the file, there should be a check not only to ensure that he or she has been given a salary rate, but also to determine whether the salary rate is reasonable, (i.e., not less than $60 a week or more than $1000 a week) and that there is a positive correlation between