HR Document Management

Closing the Gap in Your Digital Transformation Strategy

CartaHR
by **Access**

Digital Transformation:
Still Just a Theory for HR

When it comes to HR, digital transformation is still more of a concept than a reality. HR departments remain one of the largest paper creators in most companies, and often lag behind in eliminating time-consuming, paper-based processes. Even worse, companies that digitize often make the mistake of executing their new digital processes based upon old paper workflows. This means they gained all the expense of digital transformation while missing opportunities to gain efficiencies.

Here's the reality: According to an **Access survey**, just 12% of HR organizations store all their files electronically. Many HR leaders believe that deploying a cloud Human Capital Management (HCM) system will solve these problems, but after implementation, they discover gaps in how these systems handle compliant digital document management. Further complicating matters, many organizations have multiple HR technology solutions that create data silos. This makes it difficult to find documents and extract essential business information.

To create a solution that is useful for your HR department, and in alignment with your organization's information governance best practices, HR leaders need to develop a comprehensive approach.

THE SOLUTION:

Creating a digitization strategy that leverages a state-of-the-art HR document management system as part of a comprehensive records information management (RIM) program.

Read on to learn more. →

HR and Records and Information Management:
The Basics

Let's take a step back: If you're considering digitizing your documents, you should do it as part of a comprehensive HR information management program, which includes developing, enforcing and maintaining a written information governance policy that dictates:

Compliance
Outline which regulations (such as GDPR and CCPA) your organization needs to comply with.

Retention
Develop retention policies to mitigate organizational risk.

Security
Institute security controls and monitors to ensure secure information sharing while protecting confidential data.

Permissions

Establish permissions based upon role and document type to limit access to confidential information to those whose job requires it.

Classification System

Adopt a taxonomy for critical documents to streamline searches and ensure that employee files are complete and up to date.

Transition Policies

Develop secure chain of custody and data-in-motion policies to protect information in transit, whether it exists on paper or digitally.

Without an effective information governance program, your organization faces multiple costly risks, including non-compliance, litigation expenses, exposure of personally identifiable information (PII) or private medical information (PMI), lack of accessibility to documents when required, and lost productivity due to work inefficiencies. On top of these is the reputational damage your organization faces with each exposure.

WTF (Where's the File)?

Information governance is a big deal. It's all but impossible to maintain when crucial HR documents are scattered across physical locations and electronic systems, making access difficult, time-consuming and costly.

The Access survey revealed that crucial HR documents are often scattered across multiple locations and systems. Among the survey's respondents:
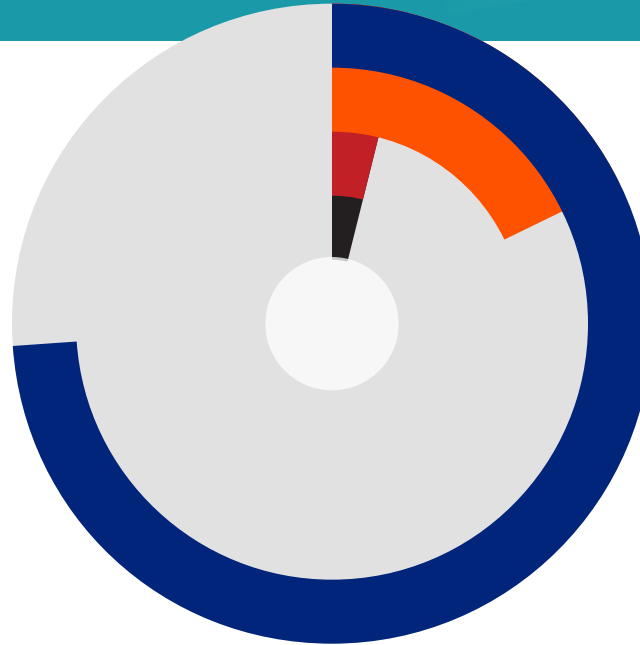
36% store employee files in a shared services center

36% store some off-site and some in their offices

17% store employee files in file rooms in multiple offices around the country/world

At the same time, however, paper isn't going away. And when it comes to inactive files, paper may never quite disappear. The Access survey reveals:

74% of HR organizations store employee documents in a mix of paper and digital formats

18% store all employee documents in paper format

4% store inactive employee files with paper documents and active files in digital

Only 4% store all employee files digitally

The conclusion should be obvious, but let's spell it out:
You need a solution *and a partner* that can handle documents whether they exist in paper or digital media, whether they are in active or inactive files.

Electronic HR Document Management:
An IG Superhero

Digital technology in the form of an HR document management solution that integrates with existing technology is the key to successful HR information governance. It offers your organization the ability to meet IG and regulatory requirements by maintaining data security, documenting chain of custody and complying with retention policies throughout the entire document lifecycle — even as regulations are added or updated.

You should expect a best-in-class solution to be built upon IG and RIM standards allowing you to easily adopt appropriate organizational policies. Taxonomy across sensitive documents should be easily automated for the classification and management of records, no matter the source. This will improve searchability, security and proper retention. Your solution should permit quick and efficient legal holds when necessary, and it should automate releasing holds when no longer required. It should provide access only to authorized users, as well as restrict sharing, copying and printing as needed to prevent unauthorized access.

Your HR document management system should make it easy to consolidate information across geographic locations and departments. It should serve as a "command central" for documents, making them readily accessible from anywhere and at any time, as well as reducing redundancies and improving search and retrieval. When you do need to share documents, you should expect your solution to enable secure, role-based document sharing wherever and whenever necessary.

Additionally, an efficient HR document management system will free up valuable real estate used for storage of paper files and preserve documents that may be deteriorating. Whatever solution you choose should offer the ability to extract value from records and allow you to create reports and analyses that can support talent projections, recruiting efforts and much more.

3 STEPS to Achieving HR Document Nirvana

Taming the HR document tsunami needn't be difficult or complicated. It starts with a clear-eyed assessment of your needs, then choosing the right partner capable of providing cutting-edge technology and advice and then executing effectively.

STEP 1

Assess the Need

The easiest way to determine where the gaps in your HR management program exist is to ask yourself the following questions:

→ **Do you have 500 or more employees?**
The more employees you have, the more pain you endure around managing their documents and compliance.

→ **Do you have multiple physical locations?**
That usually means that your employee documents are spread out over lots of different places. The more physical locations you have, the harder it becomes to track and view those documents.

→ **Where, and how, are your documents maintained?**
Do you have a large backlog of paper documents? Are they stored securely? Can they be retrieved easily? The answers to these questions will go a long way in helping you choose a vendor-partner that can help you with the transition process and ongoing processing.

→ Do you have high employee turnover?
The higher your turnover, the greater the number of employee documents, both active and inactive, you need to track and retain for the requisite length of time.

→ Are you in a highly regulated industry or state?
Compliance is always a concern, but if you're in the financial, healthcare, pharmaceutical, manufacturing or other industry that receives an additional level of regulatory scrutiny, it will have a bearing on how much control you need to have over your employee documents.

→ Is your company acquiring or merging with other companies?
Absorbing new employees, workflows, records and even HCM solutions represents an enormous challenge. It multiplies the ways in which documents can become hidden, lost or simply siloed within incompatible systems.

→ Do you have an HCM solution or are you planning an implementation?
As we've pointed out, HCM solutions typically fall short of providing the level of control over your HR documents that you require. If you're evaluating solutions — or even if you've already implemented one — ask these questions of your team or HCM vendor:

- What are its actual document-management capabilities beyond simply storing them as record attachments?

- Does it provide multiple levels and types of permissioning when it comes to document access?

- Can you manipulate, share and report on documents across your entire employee population easily and securely?

- Can you create digital documents within your applications to eliminate paper-based processes altogether?

- Will you lose chain of custody if you outsource scanning of your legacy paper for employee records and other HR documents?

STEP 2

Find a Partner

HR information management isn't exclusively a technology issue. You still need a way to manage the paper documents you've accumulated over the years, including prioritizing how and when they are digitized, storing them safely and securely, and accessing them as easily as you access digital documents. Here are some capabilities to look for in an HR information management partner:

→ **Auditing or survey services** and experience to determine your organization's current level of compliance, including accordance with regulations, such as GDPR, HIPAA, FACTA, Sarbanes-Oxley and FERPA.

→ **Expertise**, including a full understanding of the information lifecycle and compliance regulations. A reputable organization will have certifications such as NAID, IAPP, CCISO, CRISC and CISM.

→ **Retention assistance** to help in identifying expired documents due for immediate destruction.

→ **Reporting capabilities**, such as the ability to send regular or on-demand reports of inventory up for destruction.

→ **Advisory services** so you can take advantage of best practices and business process suggestions.

→ **Taxonomy assistance** to create a classification system that works for your organization and addresses diverse types of documents, user roles and departments, and compliance-mandated retention schedules.

→ **Record lifecycle tracking** at the document level and the ability to mark documents for destruction at the end of their retention terms.

→ **Legal hold capabilities** that allow the placement of multiple holds on individual documents to prevent indefensible destruction — and have those holds be automatically released upon expiration.

→ **Backlog prioritization** for paper files destined for digitization.

→ **Storage and access strategy** for securely maintaining any paper documents during and even after the transition to digital or hybrid paper/digital.

→ **Secure destruction services** to ensure defensible and compliant destruction at the end of your documents' retention periods.

→ **Continuous chain of custody** at all stages from pickup to retrieval and delivery, fully logged and documented.
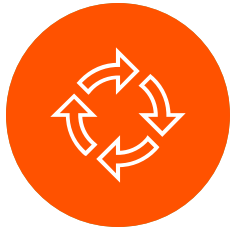
STEP 3
Execute the Program

If you've taken the time to create an effective HR records management program and chosen a strategic partner with the right capabilities, the actual execution of your digitization program will run more smoothly. There are two main phases to consider:

1 **Initial implementation:** During the initial phase of executing your HR document management program, you will need to scan groups of backlogged paper documents in bulk based on a clearly defined hierarchy of need that your vendor has helped you determine. During this process, your partner should be able to use AI document recognition and automated metadata assignment to reduce manual intervention during intake. While inactive paper documents may not need to be bulk-scanned, they also can't be ignored. Plan for these documents to be securely stored and scanned on an as-needed basis directly into the system to save time and effort.

2 **Ongoing execution:** Once your system is set up and you've initiated the bulk-scanning of your critical documents, it's time to consider ways in which your HR document management system will streamline processes moving forward. Based on the taxonomy you and your vendor-partner have devised, the solution will attach document-level metadata so it can track and retrieve individual documents. You should also institute processes to facilitate the cataloguing and tracking of documents from their creation or arrival until they are destroyed at the end of their retention schedule. At the conclusion of the retention period, you should have a documented and legally defensible process for securely destroying paper documents and deleting electronic documents.

Other data governance issues to integrate into your operational procedures include defining roles and limiting document access accordingly; setting up automated HR workflows to simplify compliance with built-in policy enforcement; setting alerts for automatic notification of missing or out-of-date documents; and creating a secure audit trail.

Your program should also include elements that help it improve over time. For example, you can create and distribute e-forms as needed while building a library of these forms to replace paper forms. Also, you should establish and track critical key performance indicators to monitor the effectiveness of your RIM program to identify inefficiencies and suggest improvements.

Find a Strategic Partner That's Right for the Job

An effective HR document management program requires a holistic and strategic approach that goes beyond mere digitization to fully incorporate information governance. At Access, we can provide end-to-end support for your HR information management program, including providing advice on governance and retention, scanning and digitization, technology solutions such as CartaHR, secure storage and defensible destruction of paper documents. By partnering with us, your organization can reduce the need for manual work by automating document intake and making document retrieval for audits and legal disclosure far less disruptive — freeing up time and resources to focus on your organization's strategic imperatives.

Contact the experts at Access to start overhauling your HR document processes.

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