

Measured Success! Raising the Bar in HR

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RECORD RETENTION

We are nearing the end of another year – it’s time to clear out the old to make way for the new! But what can we get rid of and what do we need to keep? Unfortunately, the rule of thumb used in personal life (if you haven’t worn it in a year get rid of it) doesn’t always apply in human resources. Take a few steps toward a more organized new year.

STEP 1: Find out if your company has a record retention policy. If it does, how does the policy apply to HR information? Does the policy comply with the various employment laws?

STEP 2: Implement a record retention policy or revise an existing one to ensure clarity, consistency, and ease of administration. Consider technology issues, the need for confidential document destruction, and the laws that would apply to the particular document in question.

STEP 3: Implement the record retention policy by reviewing files, destroy obsolete files, and reorganize files that must be maintained.

For a quick look at federal record retention requirements, refer to the grid below. For more complete information contact your employment law counsel or visit

http://www.shrm.org/hrresources/whitepapers_published/CMS_000270.asp

RECORDS TO BE RETAINED	RETENTION PERIOD	APPLICABLE STATUTE(S)
Applications for employment* and other personnel action records , i.e. regarding promotions, layoff, recall, training, etc.	1 year	ADEA ADA Title VII
Personnel action records , i.e., requests for reasonable accommodation, results of physical exams, job postings, applications, tests, etc.	2 years	Rehabilitation Act Executive Order 11246 VEVRAA (<i>Applies to federal government contractors</i>)
Payroll records showing employees’ names, addresses, dates of birth, occupations, rate of pay, and weekly compensation	3 years	ADEA Fair Labor Standards Act Equal Pay Act
Polygraph test results and reasons for administering	3 years	Employee Polygraph Protection Act

Basic employee data , dates of leave taken, copies of notices of the need for leave, premium payments during leave	3 years	FMLA
Records containing basic employee data and compensation records including amounts and dates of actual payment, etc.	3 years from the end of the contract	Davis-Bacon Service Contract Act Walsh-Healy Public Contracts <i>(Applies to federal government contractors)</i>
I-9 form	3 years after date of hire or one year after date of termination, whichever is later	Immigration Reform and Control Act of 1986
Basic employee data, compensation records, and tax records	4 years from date tax is due or paid	FICA, FUTA Federal Income Tax Withholding
Form 300, Form 301, Form 301A	5 years	OSHA
ERISA -related records used to develop all required plan descriptions or reports, as well as other materials needed to certify information	6 years	ERISA
Identify of chemicals recorded in MSDS sheets , medical or exposure records.	30 years	OSHA
Records concerning the health status of an employee which is made or maintained by a physician, nurse, or other health care professional/technician	Employee's tenure + 30 years	OSHA

* Where a charge or lawsuit is filed, all relevant records must be kept until final disposition of the charge or the lawsuit.

MEASURING SUCCESS! Human Capital ROI

Measure the return-on-investment ratio for employees and analyze the causes of positive/negative ROI. Use this analysis as an opportunity to optimize investment with HR practices such as recruitment, motivation, training, and development. Also evaluate if HR practices are having a causal relationship in positive changes to improving metric.

Revenue - (Operating Expense - [Compensation Cost + Benefit Cost*])

Divided by

(Compensation Costs + Benefits Cost)

*Exclude payments for time not worked

DID YOU KNOW? “Internet Applicant”

Executive Order 11246 requires covered entities to "maintain and have available for inspection records or other information which will disclose the impact which its tests and other selection procedures have upon employment opportunities of persons by identifiable race, sex, or ethnic group. . . ." 29 C.F.R. 1607.4A. One such procedure is the hiring process, which requires contractors to track the race and gender of those individuals applying for employment. The definition of an applicant was recently updated to reflect the practice of receiving applications through electronic media.

As published in the *Federal Register*, the regulation says that “Internet Applicant” means any individual satisfying all four of these criteria:

- The individual submits an expression of interest in employment through the Internet or related electronic data technologies.
- The contractor considers the individual for employment in a particular position.
- The individual's expression of interest indicates the individual possesses the basic qualifications for the position.
- The individual at no point in the contractor's selection process prior to receiving an offer of employment from the contractor removes himself or herself from further consideration or otherwise indicates that he or she is no longer interested in the position.

The regulation says that the phrase “submits an expression of interest in employment through the Internet or related electronic data technologies” includes “all expressions of interest, regardless of the means or manner in which the expression of interest is made, if the contractor considers expressions of interest made through the Internet or related electronic data technologies in the recruiting or selection processes for that particular position.”

THE RESEARCH

U.S. Equal Employment Opportunity Commission, www.eeoc.gov; HR Magazine, SHRM; www.shrm.org

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THANK YOU!