

# Records Management – Who is taking responsibility?



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## Introduction

Records management has gained increasing prominence over the past few years. From high-profile court cases, to new legislation and regulations, it has been dragged blinking from the archive basement where it traditionally resided into the blinding spotlight of center stage. Electronic records management systems have also matured, gaining in functionality and depth, and with adoption moving from government and regulated industries to all types of organizations, across all sectors.

Yet even with this new high profile, it is not at all clear who is responsible for the management and preservation of the corporate memory or for the increasingly sophisticated mechanisms now available for managing records. Given that poor records management can have a major impact on companies of all sizes, it is important to understand who in the organization is taking responsibility.

In this white paper we will first review the impact of poor records management, and the emerging challenges that records management faces. This will be followed by an analysis of who is currently responsible – and who should be responsible. Finally, we will describe a process to ensure that organizations put the right person in charge.

## The impact of poor records management

Poor records management can have major impacts on the organization:

### ● Unnecessary Costs

Inadequate filing and indexing of information for future retrieval creates unnecessary costs as staff waste valuable time trying to find information. Poor filing can also impact the time required to respond to customers, regulators and lawyers.

Poor records management also has the effect of increasing the proportion of office space used for storage. The systematic disposal of records, as required by proper records management policies and processes, not only avoids costly paper accumulation, but also frees valuable floor space. For the same reason, without due separation into working documents for deletion and records for retention, disk, tape, and other digital storage is wasted as unnecessary information collects on the infrastructure.

### ● Increased Risk

Poor records management has an impact on the risk profile of an organization. Increasingly, organizations are being asked to produce documents to demonstrate regulatory and legislative compliance. The inability to produce documents – and do so quickly – can have grave results, as demonstrated by a number of recent high-profile court cases and company collapses.

The specific risk of poor records management with regard to litigation is threefold: it may result in accidental or premature destruction of relevant information which could be important to the outcome; records that cannot immediately be found might be “undeclared” yet turn out to be discoverable; and there may be records that could or should have been destroyed, but still exist.

A further risk arises from an organization’s lack of resilience in the event of business disruption or natural disaster. Poor records management practices could leave the business without access to the corporate knowledge base.

Conversely, good records management is associated with significant cost reductions and risk mitigation. In today’s tough business environment, where many firms are decreasing costs through headcount reductions and business reorganization, it is ironic that they are not investing to save in the long term via resilient records management processes and systems.

However, the environment in which records management processes occur is not static. Changes in society and technology are bringing new challenges.

## Challenges are Emerging

The context in which records management occurs – technology, economy and society – has been evolving at a great rate. Examples of this are increasing digitisation, more frequent bouts of economic instability, and increasing use of the Internet for social means. Social, government and legal frameworks, including those of records management, have been slow to adjust to these changes. There currently exist some major challenges that records management must address:

- **Records management is going to get more important**

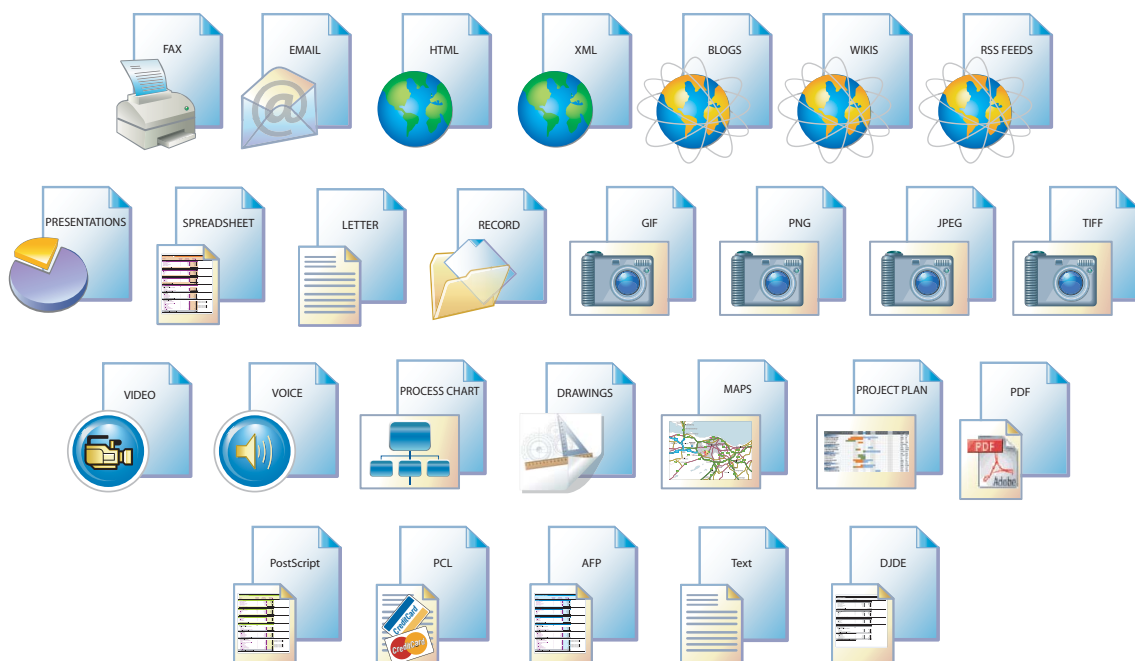
Without a doubt, there is more regulation coming, and with it an increased requirement for sophisticated records management. In financial services, there are likely to be significant increases in regulatory requirements, with a strong focus on accountability and transparency, from monitoring of liquidity risk, to tracking the payment of bonuses. Increasing government intervention in other industries will mean greater accountability and closer scrutiny as well, with the associated requirement for records management. An example of this is the current focus on healthcare provisioning in the US. Security concerns will also trigger a range of new regulations relating to the capture, maintenance, and disposal of key information assets, both within and across differing organizations.

- **New forms of information increase complexity**

The types of information that need to be managed as records are also evolving as part of the increasing digitisation of society. New information formats on the Internet are created rapidly and are no longer based on single stand-alone files:

- **Websites** - although now considered quite mature technology, traditional records management has always had an issue with websites due to the composite nature of web pages.
- **Blogs** - in many organizations, blogs are becoming increasingly popular; these are now often used as broadcast emails which the recipient signs up to receive, rather than the sender selecting who to send to. As with websites, the key issues are the composite nature of the page, the constantly changing list of recipients, and the dynamic, collaborative nature of the post and comments.
- **Wikis** – similarly, wikis are becoming popular to communicate key operational information in many organizations. The issue with wikis is that they are truly collaborative; there is generally no owner, data is often composite, and they are never static.
- **Messaging** – to date, phone, instant messaging and short message service/text have been very poorly managed, even though they have been around for quite a few years.
- **Social 2.0** – increasingly, the lives of people are moving online and into new digital spaces. Photos, videos, conversations, status updates, and messaging are now all provided through a range of social sites such as Facebook, LinkedIn and Twitter. Is a marketing message or a company comment posted on an official Facebook or Twitter location a record? If so – and it probably is – how do you manage it?

Figure 1: Information types



- **Ever-increasing volumes of data**

The increase in 'traditional' information, such as documents, images and spreadsheets is obvious, but we must also consider the reports, application output and communications recordings that have not traditionally been seen as 'must haves' for records management. These are perhaps the most overlooked record types, and are often some of the most voluminous.

Financial reports and other accounting records, statements, or any other kinds of information presented to customers are some examples of massively- and frequently-produced records. In most cases, these have been out of sight of a traditional records management practice and are only now being included due to regulatory requirements. In many cases, these items are produced by legacy operational systems which increase the difficulty of homogenising access.

- **"Findability"**

The flood of new information objects is accompanied by the challenge of establishing a uniformity of metadata across very different data types to ensure that data is both findable and manageable. The emerging discipline of Enterprise Data Management or Enterprise Content Governance has set as its goal the maintenance of consistent data quality across the organization, both for compliance and for knowledge management.

- **A single view of records**

With the increasing importance of records management, the need to have a single view of records is becoming more urgent. The ability to go to a single interface to apply a litigation hold or carry out a discovery search is becoming a daily requirement. However, this is a significant challenge; records are frequently stored in many different locations and on different systems – and interfaces are often incompatible.

One approach that is gaining traction is that of 'manage in place'. This is an emerging area, where the technology is still evolving with little standardisation as yet, and with much use of custom links and integration. A template-matching approach is often used to impose standard policies to common data types across different systems. Again, the challenge of mismatched metadata and data harmonisation becomes an issue when implementing a single view of records across multiple repositories.

- **Existing standards are becoming out-of-date and unwieldy**

In response to the new information formats and regulations, existing standards, with their cultural and technological baggage, are being extended, enhanced and stretched. Although the principles of records management still apply, it is the technological and approach-specific policies that are being stretched and twisted. As a general rule, these policies are fundamentally based around a paper-based view of information. The policies need to be updated or even rewritten to deal with the new forms of information and the huge increase in volumes. Is it any wonder that an organization processing more than 6 million pages per day decides that a file plan is an oppressive management overhead and therefore unnecessary? Or that another organization only working with collaborative electronic documents decides that the idea of 'declaration' is unworkable and focuses on document lifecycles instead?

The records management discipline needs to develop baseline, digitally-focused policies in the context of the way information is now stored, accessed, and managed – while taking the large volumes and automated nature of information creation into consideration. Policies need to adjust to the fundamental difference in character between electronic information and physical information.

Given these emerging challenges, records management is increasingly becoming a more sophisticated and complex function that requires formal leadership.

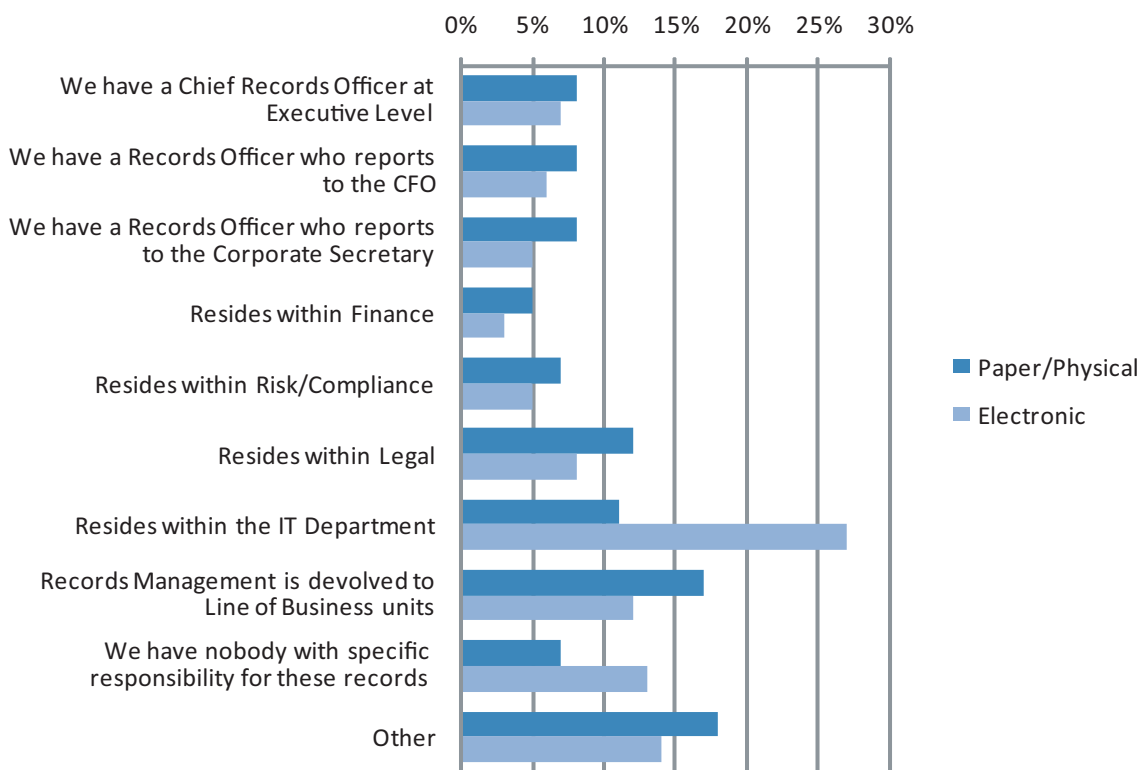
## So, Who's in Charge?

Currently, the records management responsibility is not definitively owned by any one role in an organization.

The 2009 AIIM Survey on Records Management<sup>1</sup> found that responsibility for records management is scattered all over the organization. It can be found in the executive suite, with Finance, with the corporate secretary, with Legal, with lines of business, and with IT. This distribution over the organization is common to both physical and electronic records. When it comes to physical and paper records, unsurprisingly, there is a definite bias towards the lines of business and/or Legal carrying the responsibility. However, responsibility for electronic records leans strongly towards IT.

The key to understanding this scattering of responsibility across disparate groups is the size of the organization. Many organizations, particularly smaller ones, do not have specifically-defined records management activities, as regulatory or operational requirements have not forced the organization into the creation of distinct and enforced policies. As they do not have specifically-defined records management activities, they are unlikely to have individuals specifically charged with managing records. On the other hand, larger organizations most certainly will have created identifiable records management teams and activities relating to the maintenance and preservation of information – usually as a response to either regulatory or operational concerns. And, with the possible exception of government, these activities were always treated as an ancillary function. As such, different persons within the organization would have assumed the responsibility for these activities.

*Figure 2: Which of the following would best apply in your organization as regards the highest level of records management expertise and responsibility for paper/electronic records? (AIIM RM Survey, August 2009, N=553)*



In today's organizational environment, what are the different roles that could have responsibility?

- **Chief Records Officer**

One role that has started to appear is that of the Chief Records Officer. The role generally is a member of the executive team who has responsibility for records management, working alongside the CIO and the legal function. Not unsurprisingly, Chief Records Officer roles are starting to appear in government, including the North Carolina Archives, the US Surface Transportation Board, and the University of Alaska. There are also some forward-looking law and financial services firms that have adopted such a role.

- **Legal / Compliance Function**

The legal and compliance functions have begun picking up more and more responsibility over the past few years for records management, as records management is closely related to the implementation of the policies that the legal function generally recommend. In many financial services firms, the responsibility for records management is increasingly finding its way to the legal and compliance function as eager young lawyers differentiate themselves by specialising in records management. It has been commented that this trend is very similar to what happened with the discipline of operational risk, which moved from a hidden back office function to increasing prominence during the 1990s, and is now enshrined in compliance through Basel 2.

- **IT Function**

Historically, the IT function has had responsibility for electronic records. This is no surprise as most of the records now are held in electronic form, and in many organizations the IT function owns not only the IT systems, but also by default the data and records that are captured in these systems. However, the IT function may not fully appreciate or understand the value or the retention requirements that apply to that data. It has been said that giving the electronic records management responsibility to IT because records reside on IT-managed systems is akin to giving the facilities manager control of paper records because they are stored in his basement.

- **Line of Business**

Devolving the responsibility to Lines of Business is a technique used to "assign" the records management processes into day-to-day operations. In reality, Lines of Business generally view records management as an ancillary function, to be delegated where possible, and in which records management processes are sidelined in favor of more strategic goals. An example of this is a global universal bank where the responsibility for records management was originally allocated to the leader of the individual business units. Unsurprisingly, the responsibility was often granted to individual teams with as few as four or five members; this usually resulted in one person carrying the burden of all day-to-day records management in addition to their original responsibilities. Although not an optimum scenario, this did mean that the people who knew the records best were the ones managing them on a daily basis.

- **Split between Finance, Legal, Records and IT**

In this model, there is no specific role with responsibility for records management. Instead, records management is split across various functions with no one person having accountability. This is the worst of the approaches currently observed – with key operational decisions either not being made, or being assumed erroneously by the wrong party. One example is a large government agency where the front office department was responsible for capturing and entering the records into the system. The Legal department was charged with verifying that the records complied with all regulatory requirements, while the IT organization was to maintain the system where the records were held. However, it transpired that no one really was responsible for the maintenance of the data, and issues started to arise when an internal review by the audit department identified that key records were automatically destroyed every year when customer data was updated, instead of being retained for the legal minimum as required by law.

This range of roles underlines the cross-organizational nature of records management: it is part legal, part information technology, part risk and compliance, part operational and part art.

## Assigning Responsibility

So, how should an organization assign responsibility for records management?

Authority is of primary importance for any role with responsibility for records management. Records management is inherently cross-organizational; therefore, there is a necessary level of authority that is required in order to ensure that records management is implemented and maintained. The particular “grade” or “level” the role is granted will be dependent on the organization, after careful consideration of its specific records management requirements. However, there is no additional structural requirement for the role, as it will be particular to the organizational operations, corporate culture, and industry.

In order to effectively allocate responsibility, there are a number of key steps an organization needs to consider:

### ● Understand the organizational context

The first element an organization should consider is to build an understanding of the organizational context in which records management is required. Key issues for an organization are:

- What are the current policies?
- How are policies applied? By whom, when?
- How are policies enforced? By whom, when?
- How many recognised records are there today?
- What high volume or hidden records are there?
- Where are records stored?
- What level of records automation is there?
- What systems are there?
- How are records processes integrated into operational processes?

Understanding these issues is often done in conjunction with a records management systems implementation.

### ● Determine who has responsibility now

Once an organization has determined the context, and very often during the process of determining the context, it is important to understand who currently has responsibility. This understanding helps to highlight the current relative importance of records management within the organization. It also helps to determine the power and authority attributes that would be required to create an effective leadership role for records management. Organizations should consider cultural, formal, and informal perspectives when evaluating the role.

### ● Agree on the scope of the role

Once an organization understands the organizational context and has identified those currently responsible for records management, then it can begin to formulate what the scope of the new role is. Key issues to consider are:

- To whom will the role report?
- What will be the relationship with Legal?
- What will be the relationship with IT?
- What supporting roles should the role have?
- Should the role have real or “persuasive” authority?
- Who will have responsibility for aligning operational processes with records processes?
- What will be the relationship to the day-to-day users?
- How will compensation and incentives be aligned?

Scoping out the role is a crucial step before defining the job specification, as it ensures that the parameters of what is required in the organization are defined before the required skills and competences are identified. If this scoping exercise is not completed first, an organization runs the risk of creating a job specification which does not meet the organization’s requirements.

## ● Create the job specification

Once the organization understands the scope of the records management responsibility, then it needs to define the job specification. Particular focus should be placed on the skills required and the importance of such skills to the organization. Required skills may involve the following:

### ○ Political and cultural adeptness

The need to align, organize, and guide differing (and often conflicting) needs, requirements and demands within the organization is a key attribute. This ability to manage influence, survive politics, secure funding, and work within the culture of an organization is vital to gaining acceptance and adoption of records management principles and policies in a timely fashion.

### ○ Understands information processes and context

Understanding the key information and records processes, and the context in which information and records are created, used, managed and destroyed is vital. Knowing how information is used underpins the effective formulation and maintenance of effective policies and records management systems and tools, such as taxonomies and metadata models.

### ○ Records management competence

It is equally important to have a comprehensive understanding of key records management principles, policies and standards with knowledge of how they are applied to differing information types, processes and systems. Although it seems a given, it is also crucial to understand the importance of records management to the organization, in context of regulatory and operational requirements.

### ○ Awareness of the legal and regulatory environment

The legislative and regulatory environments of the organization are key inputs into the foundation of records management policies; a solid understanding is vital to be able to effectively formulate and maintain policies and records management systems. This can be especially important in companies operating across multiple jurisdictions, where the records management regulatory requirements of a host country may be more onerous – or simply very different – than those of the home country. For example, during the implementation of MiFID (Markets in Financial Instruments Directive) across its European Business Units, one US-based firm found it was subject to twelve different regulatory requirements, one for each of the European countries in which it operated.

### ○ Information Technology Skills

Finally, it is highly advantageous to understand the “art of the possible” in relation to information technology and records management. Not only is an increasing quantity of information now in digital form, but any solution to an organization’s records management challenges will involve some element of technology. This is especially important in financial services, where institutions must be able to provide up to 5 years of historical records of their daily transactions – typically in a very short amount of time.

Once the critical skills have been identified, they need to be prioritised to enable the role to be filled.

## ● Fill the role

Once the job specification has been created, then the organization needs to look both internally and externally for a person to fill the role. It is likely that no candidates will provide a complete match, in which case consideration should be given to those skill sets that might be acquired through training versus those that are more likely to be based on experience and personality.

These steps are crucial to ensuring that the records management role is adequately specified. The right person can then be hired for the right role.

## Conclusion and Recommendation

At present, there is no definite trend as to where records management responsibility lies - it is spread out across the organization. However, the challenges of increasing volumes of information, newly-emerging forms of information, ever-increasing quantities of regulation, the need for a single view of records, and a re-evaluation of the current standards, means that there needs to be a single role in the organization with responsibility for records management.

The ideal role to take records management responsibility must have sufficient authority in the organization to enforce records management procedures and policies, while requiring an individual who has political and cultural adeptness, an understanding of information processes and context, a background in records management, awareness of the legal and regulatory environment, and with appropriate information technology skills. Finding such individuals may be a difficult task, and organizations have taken all manner of approaches to solve this dilemma.

Records management in the organization is improving – electronic records management is definitely catching-up with physical records management. But this is no excuse for complacency. Organizations need to start thinking through the steps mentioned above and not only identify who is currently managing their records today, but determine who should be responsible for their records in the future.

## References

1. "Industry Watch: Electronic Records Management – still playing catch up with paper" published by AIIM, September 2009, free to download at [www.aiim.org.uk/research](http://www.aiim.org.uk/research)



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