Fortune 100 + Private 100 Electronic Records Management Study

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Project Proposal

Project Overview

No academic study of electronic records management programs within large corporations has been performed to date. Several *ad hoc* studies have been performed by consultants and consulting companies[1] that include corporations but none with the controls and methods of formal social science research. Records management has been ignored by business research despite electronic records being one of the most insidious problems within every type of organization with many companies settling law suits where computer forensics are concerned rather than litigate because of the costs involved.

As companies have employed technology within the past decade to address information on an enterprise-wide basis, rather than as departmental silos, and to address documents as well as data, litigation has also increased.[2] Technology and litigation have both changed the role of records management within organizations: technology by isolating records management to paper and the end of the life-cycle, and litigation by raising the profile of records management within the corporation to the entire life-cycle. Until recently, when corporations implemented imaging, document management, and content management applications, the records managers were not consulted. When records management issues have a high enough profile in well-publicized litigation, such as employee destruction of information relevant to an SEC investigation,[3] companies generally have addressed deficiencies in records management policies, procedures, training, and employee awareness.

I propose to study the role of records management in the life-cycle of electronic records within some of the largest U.S. corporations using the controls and methods of social sciences research.

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[1] "2005 Electronic Records Management Survey: A Call for Action," by Cohasset, AIIM, and ARMA; Forrester's "2004 E-records Research Initiative for ARMA;" "Managing Email in the New Reality: A Summary of Findings from the AIIM International and Kahn Consulting, Inc. Email Policies and Practices Survey, 2003," by Randolph Kahn and Barclay Blair; and "Electronic Communication Policies and Procedures: A 2005 Industry Study" by AIIM and Kahn Consulting, Inc.

[2] Why litigation has increased is unclear, nor is it the purpose of the study to examine why.

[3] For example, Frank Quattrone at CSFB, Arthur Andersen and Enron.

Discussions with records managers of sample private and public companies within these categories indicates a keen interest in the results of this study, particularly if they have input and will see the results. This research will examine the factual circumstances of the records management department: reporting relationships and breadth of duties, as well as informal relationships, i.e., the "organigraph" described by Mintzberg and Van der Heyden (1999). Understanding records management's role within the corporation is interesting to organization science because records management touches every part of an organization from the janitor to the board of directors. Where does a company place a department that theoretically creates policies and procedures and manages every document within the organization?[4] Even ten years ago, the records manager quite often reported to the facilities manager because she was viewed as a person who managed paper the company could not throw away, but could not keep in the office. With more and more records managers having responsibilities for managing electronic records, this appears to be changing. How formal are those reporting relationships, how far do her duties now extend, and what informal arrangements has she made to perform her duties throughout the life cycle?

I theorize that because records managers have been given more responsibilities and better reporting relationships, they have also been able to contribute to some creative solutions for managing electronic records. Many large corporations have experimented with the management of some types of electronic records. For example, Patrick Cunningham at Hewitt Associates (715 in the Fortune 1,000 of 2004) has performed an excellent, unpublished case study of how email can be limited per employee to 150 MB through technology as well as policies and procedures, auditing, and enforcement.[5] Cunningham is a certified records manager who has helped to implement and document this email project. The effort put forth by Hewitt is atypical in that it combines records management, information systems, and human resources into a single effort. I expect to find similar types of experiments, both successes and failures, in other corporations.

First, however, I must find where records management is situated within the corporate organization, both in terms of locating records management on the organizational chart and in terms of informal relationships created between the records manager and other areas.

Some of the research the NHPRC funds are experiments in managing electronic records in government. Some of that research depends upon software applications that will help manage those records. The world of business, and many government entities, can afford to purchase applications, such as Filenet P8 and Records Manager, OpenText Livelink and Records Management, IBM ContentManager and DB2 Records Manager, which manage many aspects of

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[4] "As I have been arguing throughout, to understand the way information is constructed and travels within an organization, it is first necessary to understand the different communities that are formed within it and the distribution of power among them. Conceptual reorganization to accommodate learning-in-working and innovation, then, must stretch from the level of individual communities-of-practice and the technology and practices used there to the level of the overarching organizational architecture, the community-of-communities," Brown & Duguid (1991), 55.
[5] Patrick Cunningham, presentation to Indianapolis Chapter of ARMA, International in Indianapolis, IN, March 8, 2005.

the life cycle. So, this study will also attempt to discover success stories using various types of software that satisfy records management requirements within the company. I will investigate what went into the success of those application implementations similar to those at Hewitt Associates. In the case of Hewitt, they did not purchase additional software; they customized their Lotus Notes database and forced each individual to classify each email as it was sent or closed.

I believe I will find complex solutions to complex problems. Those solutions can be beacons to others, including government entities for how to manage electronic records successfully. I believe the first element of success is that the records management department must report to a high enough level of executive for far-reaching electronic records programs to succeed.

Hypothesis

Where records management is placed organizationally and how it is defined directly affects a company's ability to manage the complete life-cycle of its electronic records effectively. A company having been adversely affected by regulatory action or litigation will have a more robust records management program reporting to the CIO or Chief Legal Counsel.

Research Methodology

The study will be completed in two parts. First, I will examine where records management is placed within the organization and its duties. Second, I will examine what records, what part of the life-cycle, and how electronic records are managed. The reason for separating the study into two parts is that it is often very difficult to determine what area has records management responsibility within a large corporation. In addition, I believe I will get better participation in the second half of the study if I give the records managers some input into how the second survey will be operationalized as well as what questions may be asked and how the questions are asked.

The first part of this study will examine where in the organization chart the records management program of 100 of the 500 largest publicly traded companies and 100 of the 500 largest private companies is placed and what duties the records management program is assigned. The first part will examine what industry the company is in, where records management is assigned within the organization, how the department is configured, number of personnel, titles, and duties of the department. Questions will also be asked about relationships with other departments such as IT, office of legal counsel, executive officers, etc. Records managers will be interviewed about what benchmarking or "best practice" information they would like to obtain from this effort. Records managers will also be asked what type of survey instrument would be best for their participation.

This study differs from the *ad hoc* studies mentioned above in that the information collected will be associated with a specific company and industry, and the specific details of the department's structure will be known. I will not make use of a web survey that simply invites anyone on a listserv or belonging to an association to participate without identification. Nor will I be asking persons who happen to be our clients to participate. I will contact a minimum of 100 of the Fortune 500 companies and a minimum of 100 of the largest private corporations in the U.S. to participate in this study. This method will ensure accurate and detailed enough information to report on the state of electronic records management in companies that have the resources to solve the problem.
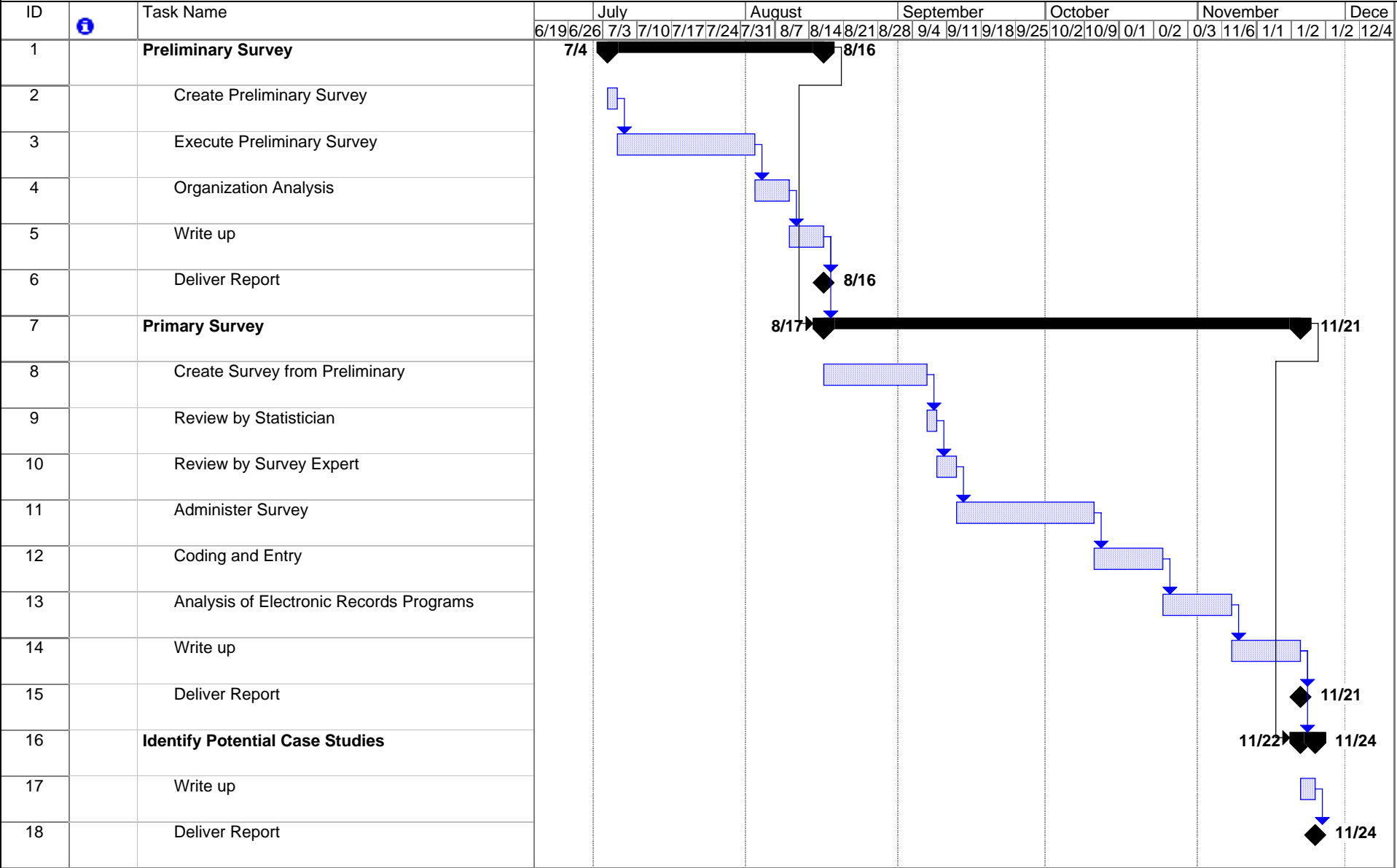
Discussions with several friends who are records managers of the of the U.S.'s largest public and private corporations, as well as cold calls to records managers of the same group demonstrated overwhelming support for this project. The support I am receiving from ARMA (see letter from the President-elect who will be president for 2005-2006), my own personal contacts, as well as these preliminary discussions indicate I will have a very high degree of success in getting full participation for this study.

The second part of the study will be a follow-up survey using the results of the first survey as a guide. The second survey will examine the extent of management by records managers over electronic records and high-level information about what electronic records are being managed and how those records are being managed. I will use input from the records managers of the various corporations collected in the first survey to ensure I are asking the right questions.

What I expect to find is an environment varied by a number of different criteria. Some whole industries, such as financial services have been adversely affected by Securities and Exchange Commission rulings and have pursued electronic records management solutions in various forms or face fines in the millions of dollars. Other industries, such as pharmaceuticals, have not been adversely affected by regulatory rulings, but may have been adversely affected by litigation. Even within industries, some companies have been more adversely affected by regulatory activity and litigation than others. I expect that specific industries and specific companies that have been adversely affected either by regulatory activity or litigation will have programs that manage a higher percentage of electronic records and manage a greater extent of the life cycle of those electronic records. In addition, I expect those companies most adversely affected will have records management programs that report to the CIO or Chief Legal Counsel.

As for solutions to managing electronic records throughout the life cycle, I expect to find a wide variety of solutions from simple to complex, department-oriented to enterprise-wide, some that include the records manager and some that exclude her entirely. I expect some companies not to have addressed electronic records as a problem at all, others that have aggressively pursued pinpoint solutions to particularly painful problems, and some that have begun to address all electronic records throughout the corporation and throughout the life cycle.

Electronic Records Management in the Fortune 500

ID		Task Name
1		**Preliminary Survey**
2		Create Preliminary Survey
3		Execute Preliminary Survey
4		Organization Analysis
5		Write up
6		Deliver Report
7		**Primary Survey**
8		Create Survey from Preliminary
9		Review by Statistician
10		Review by Survey Expert
11		Administer Survey
12		Coding and Entry
13		Analysis of Electronic Records Programs
14		Write up
15		Deliver Report
16		**Identify Potential Case Studies**
17		Write up
18		Deliver Report

Timeline headers: July, August, September, October, November, Dece
6/19 6/26 7/3 7/10 7/17 7/24 7/31 8/7 8/14 8/21 8/28 9/4 9/11 9/18 9/25 10/2 10/9 0/1 0/2 0/3 11/6 1/1 1/2 1/2 12/4

Key dates shown on chart: 7/4, 8/16, 8/17, 11/21, 11/22, 11/24

Legend:
- Task
- Split
- Progress
- Milestone
- Summary
- Project Summary
- External Tasks
- External Milestone
- Deadline

Project: NHPRC Project
Date: Thu 5/19/05

Page 1

Discussion of the Literature

Cohasset's "2005 Electronic Records Management Survey: A Call for Action," presents a very convincing picture painted by records managers that America is not managing its electronic records. The report is the result of a web survey of 2,206 respondents out of a potential estimated 11,000. There were no controls for industry, size of corporation, private/publicly traded/NGO/non-profit, or duplicate responses. Responses were entirely voluntary, but suffer from "self-selection." In addition, this method invites specious results and duplicates from individuals not friendly to the purposes of the study.[6] My study will differ in that it will be limited to the Fortune 500 and the 500 largest private U.S. corporations and will not include not-for-profits, universities, government entities, consultants, technology companies, service providers, etc.

The goal of the research was not to enhance the scholarly literature of records management, but to address an urgent need within all types of organizations to manage records electronically. Cohasset is a well-known records management consulting company that holds a professional services conference each year called MER (Managing Electronic Records). This survey began in years past as a brief survey completed by MER attendees. The 2005 survey included participation by ARMA, International, members of the Records Management Listserv, and AIIM members via an email asking for participation. The 2005 survey includes results from 1999 and 2003 that would have been only for participants at the MER conference. The survey itself asks about facts, not attitudes: whether the organization has a formal records management program, retention schedules, a set of policies and procedures for responding to litigation subpoenas, etc. In some instances the analysis posits that some "no" responses are actually ignorance of the organization's actual policies and procedures (p. 22). While this may be true, there is no evidence from the survey to support it. The report is certainly a snapshot of the electronic records management environment but gives an impressionistic set of results.

AIIM has a series of "Industry Watches" that includes an email study conducted by Randolph A. Kahn and Barclay T. Blair, "Managing Email in the New Reality: A Summary of Findings from the AIIM International and Kahn Consulting, Inc. Email Policies and Practices Survey, 2003" and another performed in 2005 by AIIM and Kahn Consulting, Inc., "Electronic Communication Policies and Procedures: A 2005 Industry Study." Both studies used surveys, but the 2003 study does not indicate how the study was performed. The 2003 survey had more than 1000 respondents and includes the following spread of industries: 12% manufacturing and engineering; 16% banking, finance, and insurance; and 24% government and public service. The industries of the remaining 46% of respondents are unstated. The study states that half of the respondents are from organizations larger than 1,000 persons and half from organizations less than 1,000 persons. The 2005 study used an on-line survey instrument. It states that the survey used was the same survey as was used in 2003. The 2005 study also indicates it had more than 1,000 respondents. The makeup of those respondents is: 19% banking, finance & insurance; 5% chemicals & pharmaceuticals; 1% construction & building; 5% education; 27% government &

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[6] For the 2005 survey I have received no less than eight live and viable invitations to participate.

public service; 3% healthcare; 3% legal; 11% manufacturing & engineering; 7% professional services & non-profit; 2% retail; 5% telecommunications & media; 2% transportation & distribution; 7% utilities oil & gas; 1% wholesale. The industries of the remaining 2% of respondents are unstated. Neither study states the roles of the individuals within the organizations surveyed. The results of these surveys are interesting. Without more information about how the study was conducted the results are of limited value. My study will differ in the same way described above in that the respondents will be controlled for size and corporate status.

Another recent study by Forrester, commissioned by ARMA International, attempts to study the state of records management within organizations from many industries that are Forrester clients. This study interviewed IT managers about where records management was located and what duties were assigned. Forrester conducted 150 phone interviews lasting 15-20 minutes each. The respondents were 50% IT professionals and 50% business managers. Of the respondents, 58% had business unit responsibility and 42% had corporate-level responsibility. Respondents were involved in electronic records management initiatives, but were not ARMA members. Companies had revenues of more than $250 million annually. "Don't Know" responses were excluded from the results. The respondents were from manufacturing, retail, services, financial services, telecom, and utilities, technology, chemicals and petroleum, government, health care, and education. This study addressed records management from the point of view of Enterprise Content Management software vendors and analysts in that both the Forrester analyst and the managers define records management as the management of documents after they are no longer required by the organization, but must be maintained for statutory and regulatory purposes.[7] In addition, the relationship between Forrester and the respondents is serendipitous, not scientific. Forrester is hired by its clients to describe the role of various software products within the organization as well as what various software categories are. Within the IT analyst community records management is an application in a suite of products called "enterprise content management." Within the practice of records management, most of the functionality within enterprise content management products is considered to be records management. What knowledge Forrester's clients have of records management would have come primarily from Forrester, creating a tautological situation. As noted in the Cohasset studies, the IT managers' negative responses to the importance of records management to the organization could also be ignorance of the organization's actual policies and procedures.[8] My study will differ from the Forrester in two ways, the respondents are not my clients and the corporate status and size of corporation will be controlled.

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[7] I had access to a video of most of the presentation by the Forrester analyst because of my duties as a board member of ARMA. The initial response of a highly respected senior records management consultant who was present for the initial presentation was informative, he corrected the Forrester analyst a number of times concerning what records management is and how far the life-cycle extends.

[8] Every company for which I have performed consulting services in the past year has an IT department with policies that were ignorant of the records management policies and records management policies that were ignorant of the IT policies—both often addressing the same topic.

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