

OFFICE MANAGEMENT

FILING

Filing is the process of organising the correspondence and records in a proper sequence so that they can be easily located. The term filing may be defined as the process of so arranging and storing original records or copies of them, that they can be readily located when required. It involves placing of documents and papers in acceptable containers according to some predetermined arrangement so that any of them when required may be located quickly and conveniently.

Definition

According to Zane K. Quible, "Filing is one of the activities in the records management programme which involves systematically classifying, coding, arranging and placing of records in storage". G.R Terry has defined filing as "the placing of documents and papers in acceptable containers according to some predetermined arrangement so that any of these may be located quickly and conveniently, when required".

Objectives

The major objectives of filing process are to ensure proper arrangement, careful storing and easy availability of records. An efficient filing system is expected to have the following objectives:

- i) To classify and arrange records properly.

- ii) To protect documents against possible loss or damage.
- iii) To provide a method of obtaining information without loss of time.
- iv) To enable past records to be made easily available to management for framing business policies and future plans.

Functions Of Filing System

- Classification of documents on a pre-determined basis.
- filing of letters and other documents after action taken in cardboard file covers or folders.
- Preservation of file covers or folders in cabinets fitted with drawers.
- Issue of files on requisition by any department.
- Transfer of papers no longer in current use from the existing files to separate folder or box files at regular intervals for possible future use.
- Disposal of old papers and records when these are no longer useful.

Advantages Of Filing System

Records are stored under a suitable system of filing in order to achieve the following purposes and benefits.

1. Ready Reference:

Records constitute the storehouse of information relating to past events. They can be referred conveniently if they are filed in a systematic manner and a proper index is maintained for various files.

2. Safety of Records:

Filing ensures the safe storage of records of different types. Letters and other documents are put into folders and the folders are kept in cabinets. Thus records are saved from unforeseen happenings like theft etc.

3. Documentary Proof:

Records serve as documentary evidence in case of disputes. Copies of records can be produced to settle the claims with different parties. Records can also be produced in a court of law as evidence when a party to the dispute resorts to the process.

4. Prompt Handling of Correspondence:

Filing enables the handling of correspondence properly without any delay. It builds up the reputation of the organization and helps in securing orders.

5. Statutory Requirements:

Records are kept in compliance with provisions of various statutes like companies Act, Income tax Act, Factories Act, etc

6. Barometer of Progress:

Filing makes available the records of previous years. It helps in comparing the current year's performance with the previous years. Thus it is an important aid in measuring the efficiency of the enterprise and various departments.

7. Decision Making and Policy Formulation:

Availability of up-to-date information is essential for taking important decisions and for formulating policies.

8. Increased Efficiency:

Filing increased the efficiency of the office. It makes available to the management the required information with speed and accuracy which is helpful for prompt decision-making. Follow-Up actions are also taken quickly if records of the past correspondence are easily available.

Characteristics of a Good Filing System

1. **Simplicity:** The system should be simple so that the employees concerned may operate it without any difficulty.
2. **Accessibility:** The system should enable files to be easily located and papers to be inserted in files without disturbing the arrangement.
3. **Compactness:** The filing section should occupy reasonable space in view of the cost implication of large space.
4. **Economy:** The cost of installation and operation of the system should be proportionate to the benefits derived from it.
5. **Flexibility:** The system should be capable of expansion as the activities of the organisation expand.
6. **Safety:** The records should be safe and available whenever they are needed. There should not be any danger regarding insects, rain and mishandling.
7. **Retention:** There should be a well-defined policy of retaining or discarding the papers and records. Dead material must be discarded periodically.
8. **Classification:** Most suitable method of classification should be adopted. Too many miscellaneous files and bulky files must be avoided.

Centralized Vs Decentralized Filing

The document and records concerning a particular department of the business enterprise can be filed either at the department itself or in any other central place. Thus, a business enterprise can have either a decentralized or centralized filing system. Each system has its own merits and demerits.

Centralized filing system is one where all the filing equipment and personnel are located in a single section. In other words, under centralized system, all the records of the business firm (relating to activities of all the sections or departments) are filed in one place or in the central office. This place is usually called as filing section. This system implies that individual departments have nothing to do with the filing of records.

Decentralized or Departmental Filing: Under Decentralized filing system, filing is done in each individual department independently. In other words, each department makes its own arrangements for filing, install separate equipment and the department staff themselves will look after this work. Therefore, filing equipment are installed in each and every department. Hence, it is also known as department filing.

Table Showing Difference between Centralized and Decentralized Filing

Merits of Centralized Filing	Merits of Decentralized Filing
1. There is no duplication of filing equipment and work	1. Saves time in filing and obtaining records when departments are not located nearby.
2. Better utilization of storage space is possible	2. Departmental secrecy can be maintained.
3. There is saving in the cost of records management	3. Specialized knowledge of staff about the department prevent errors in filing.
4. Ensures uniformity and standardization of filing operations. Hence greater efficiency	4. There is flexibility as regards time of using and returning records
5. Trained personnel with specialization lead to increased efficiency	5. Ensures prompt availability of records.
6. There is better supervision and control by expert supervisors.	6. This is not possible
Demerits of Centralized Filing	Demerits of Decentralized Filing
1. Lack of specialized departmental knowledge of the operating staff	1. Duplication leads to increased cost of equipment and records.
2. There may be great delay in records being made available to departments when they are not located nearby	2. Lack of specialization of personnel in filing work.
3. Strict rules regarding use and return of files may cause inconvenience to departments.	3. Standardisation and uniformity filing work is not possible when each department is free to adopt its own system of filing.

4. It may be difficult to operate a centralized filing system if records are frequently needed by many departments.	4. Expert supervision is lacking.
5. It is difficult to maintain secrecy.	5. Confusion may arise in filing documents concerning more than one department.

Methods Of Filing

(A) Old Methods of filing : There are old filing methods like spike or wire file, folder file, pigeon hole file, box file, guard book file, expanding case file, and arch lever file.

1. Spike or Piller and Post File: A thick steel wire with one sharp end and a wooden, plastic or steel round at the other end is used for filing. It is placed on a desk or is hanged on a nail fixed on the wall after filing is done.

2 Folder File : There are covers of card board or thick paper fitted with metal hinges for fastening the papers together. A separate folder is allotted to each customer. All the letters relating to that customer are kept in the file date wise. The papers are punched and then inserted. The papers lie flat one above the other. These folders are placed horizontally in drawers.

3 Pigeon Hole File: It is a special almirah or cupboard divided into number of small compartments. It is open from one side and the compartments are square holes called 'pigeon holes'. Each pigeon hole bears a letter of the alphabet. When letters are received they are sorted according to the alphabet or subject wise. For example the letter received form Tushar & Co. is inserted into the hole marked with 'T'. Brief particulars are also recorded on each letter. This recording is known as docketing. This method is used in post office for sorting letters.

4 Box File: Box file, as the name suggests, is made in the shape of boxes. Quite often papers are first put into folders and then they are placed in box file. It helps to preserve papers better as they are safe and gather less dirt. For classification purposes, papers relating to different subjects can be folded. This method is useful for travelling agents and where correspondence is stored temporarily.

5 Guard Book File: Under this method, the paper or vouchers are pasted in bound book datewise. This method is often used for recording minutes and preserving receipts and vouchers. It avoids the possibility of loss or misplacement of any paper.

6 Expanding Case File: Under this method, the papers are usually placed alphabetically in numbered or lettered pockets of cases. This equipment is useful for filing papers in transit.

These cases or pockets can be useful for keeping papers together for temporary purchases. These cases can expand as per the need.

7. Arch Lever File: These are strong card board folders containing strong metal arches. These arches can be operated by a lever. When a paper is to be filed, it is punched with two holes with punching machine. The lever is then moved upward which opens up the metal arches or springs. After paper is inserted through the holes the lever is pressed down to close the spring. The papers in the file lie flat one upon the other.

(B) Modern methods of Filing

Old methods described above have limited use and are suitable only for small concerns. Even then these are being replaced by modern methods. The modern methods of filing used in offices, big or small, may be classified into two categories:

- i) Horizontal Filing
- ii) Vertical Filing

Horizontal Filing: In this system papers are kept in file covers or folders one upon the other in horizontal position. The papers are kept in chronological order inside cardboard file covers. The papers are held together by metal hinges or levers. The files are then kept in cupboards in a horizontal position one above the other. When any paper is required, the relevant file is taken out and after use it is put back in the same position.

The advantages of horizontal filing are:

- This method is simple to understand, easy to operate and economical to maintain.
- Letters can be referred to in a file without removing them from it.
- As letters are chronologically arranged, it becomes very easy to locate them.
- Files are well protected from dust and moisture using thick covers and cupboards

Some of the disadvantages are:

- It is not very flexible.
- It is difficult to remove papers from files lying at the bottom or middle of the heap.
- This system cannot be profitably used by large offices.
- The equipments used are more space consuming.

Vertical Filing : This is the most modern method of filing. In this method papers are placed in files and kept in an upright, standing position. The folders are stored in specially designed cabinets. The front side of the folder is slightly shorter. The extended part of the back is used to indicate the code number of the file. The drawers of the steel cabinet are deep enough to hold the folders in vertical position. In order to divide the drawer into convenient sections guide cards are

placed at appropriate places. Under this method a separate folder is provided for each customer or subject. The folders may be arranged alphabetically, numerically, geographically or subject-wise. This system has become very popular in large offices and big business houses.

Advantages of vertical filing are :

- It is a flexible system .
- It is adaptable to various systems of classification.
- The location of papers is possible without much difficulty and loss of time.
- It takes less time to file papers in folders.
- It provides proper safety of papers and documents.

Disadvantages of vertical filing are :

- The equipment used like steel cabinets etc. is more costly.
- It is not suitable for small offices.
- Folders may slip down the drawers and get misplaced.

CLASSIFICATION OF FILES

Classification can be defined as the process of selecting headings under which documents are grouped or classified on the basis of certain common characteristics before filing takes place. The principal object of classification of files is to ensure prompt availability of information whenever it is needed. Classification aids the filing functions to attain these principal objects. The efficiency, particularly, the accessibility of a filing system depends largely upon the care with which documents are classified. By classifying similar paper or papers belonging to a particular head or subject, office staff are able to trace out the paper or documents required at any time with minimum delay and trouble

1. Alphabetical Classification
2. Numerical Classification
3. Geographical Classification
4. Subject Classification and
5. Chronological Classification.

1. Alphabetical Classification:

Alphabetical classification is based on the occurrence of the letters in the alphabet as it is done for the dictionary. Under the alphabetical classification, the filing of papers and documents is either by

the names of the correspondents or the subjects. This method of classification can be used in correspondence filing, contracts, orders and staff records.

2. Numerical Classification

Under this method, each folder or record is given a number and the files are arranged in the numerical order i.e. each customer or subject is allotted a number. All papers relating to a particular customer or supplier or subject are placed in one folder bearing its distinctive number.

Folders are arranged in the cabinet numerical sequence and guide cards are used to divide them into suitable groups of 10 or 20. Thus, if a customer, is allotted the number 14, all papers and documents connected with him will be found in folder number 14..

3. Geographical Classification

Under this system, files are arranged according to the location or addresses of the persons or parties to whom they relate. The classification can be street-wise, town-wise, district-wise, state-wise or country-wise. This system will operate efficiently only when it is combined with either numerical system or alphabetical system. This system of classification is generally followed in organizations engaged in export trade or doing business over a wide geographical area. Mail order houses, banks, insurance companies etc. also adopt this system of classification. This system is also suitable in those concerns where records are required according to the sales territory.

4. Subject Classification:

Under this system, all documents concerned with a particular subject are brought together in one file. Such document may have come from different sources and from different people. This system is adopted only when the subject or content of a letter is more important than the name of the correspondent. Each subject matter is kept in a separate file. These files may then be arranged alphabetically, numerically or on some other basis. For instance, separate files may be maintained for purchase quotations, purchase orders, income tax returns, traveling allowance bills and so on.

5. Chronological Classification

Under this method various records are identified and arranged in strict date order and sometimes even according to the time of the day. It is a useful method for filing invoices and other vouchers associated with accounts. This system may be useful if used along with some other system. The records may be arranged alphabetically first and then can be arranged date-wise within each folder. So this system cannot be used independently.