

Trapped in Administration – Exploring Options to Free Human Resources¹

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Abstract

New ways to deliver HR services – and especially those of an administrative nature - are developing rapidly. To take full advantage of emerging opportunities it is paramount to understand the organisation's underlying HR administration costs. The paper gives an overview of the detailed costs of administering human resources. We found that the administrative burden accounted for two thirds of HR staff costs and occupies even more of HR professionals' time. Moreover, companies that outsourced payroll activities gained cost and quality advantages. Based on these new insights, we discuss a range of alternatives in terms of what would be useful to further administrative efficiency. The article explores outsourcing as a strategic and operational option to liberate HR from administrative chores.

There is much anecdotal evidence that the HR function is becoming more accountable for its contribution to business and, at the same time, is being asked to do more with less resources (Capelli 1999; Caster 2001; Johnson 2001). In short, becoming better 'strategic partners' and 'change managers' is on the agenda of nearly every HR director. In contrast, much if not most of the work undertaken by HR functions is concerned with administering employment in organisations. Even in the famous formulations showing the strategic roles in HRM to be those of business partner and change agent, Ulrich (1998) still acknowledges the employee champion and administrative roles. This article addresses the fundamental issues of how significant is HR and payroll administration for the HR role, and what proportion of the department's costs are concerned with administration? It, then, assesses the implications for the HR role and the possibilities to increase the degrees of freedom of the whole HR function. Questions about costs and the kinds of HR administration performed are critical at a time when new ways to deliver HR services are developing rapidly through e-HRM solutions and the outsourcing of whole HR functions (Hammond 2002, Rana 2002, Roberts, 2002).

Distinguishing Administrative and Other HR Costs

HR functions have used cost control measures like most other departments to measure performance and to ensure efficiency. For example Allan and Cameron (reported in Tyson and Fell 1986) used manpower costs as a percentage of base pay to audit recruitment, reward and training policies. These show administration costs to be around 0.4% - 0.6% of base pay according to the seniority of the employee. Moreover, these costs are influenced by the sector and industry. The Saratoga study (2001) shows for the UK an HR ‘service span’ – the ratio of HR staff to all employees- of 1:119 with widespread differences between industry sectors. For instance, the service spans for banking (1:81), telecoms (1:68) or manufacturing (1:149) vary widely. The Bureau of National Affairs (BNA 2002) survey showed HR costs as a percentage of total operating costs in the USA. The median figure was 1.2% of total salaries, with wide variations according to industry sector and size, the higher costs being in the service sector, and in small organisations (ranging from 0.6 – 2.3%). While surveys either measured costs looking at whole departments or some sub-functions (e.g. investment in training) they have generally failed to distinguish between the costs of administrative and managerial or other activities. However, without an improved understanding of cost structures, it is difficult to take informed decisions about how to optimise HR work. Thus, research into the cost of HR administrative activities is long overdue.

Administrative tasks are typically routine and normally leave little freedom for discretion and creativity in the way they are performed. The possibility to define routines and standardized outcomes make administrative tasks the ideal candidates for ‘disaggregation’ (Apte and Mason 1995). Disaggregation, the conducting of work processes in different locations, in diverse, cooperating organisations or by the application of new tools, particularly in the domain of e-technology (e-tools), for some part of the process, is increasingly seen to have the potential to increase efficiency (Auguste et al 2002; Caster 2001). As HR administration often needs specialized knowledge, technical expertise and may be time intensive it is a prime candidate for outsourcing. Moreover, the development of sophisticated information technology has increased outsourcing opportunities (Bates 2002) as this allows outside service organisations to gain access to relevant information more easily.

There are a number of external pressures that have meant that companies look with renewed interest into the possibility of outsourcing. Increased competitive pressures (Bartlett and Ghoshal 1995, Porter 1985) have led to a stronger need for efficiency, quality and higher innovative activity. This is why there has been a trend towards the increase use of outsourcing and, in turn, why eminent HR observers – like Ulrich (1998) and Cappelli (1999) – have postulated a changing role for people management.

Outsourcing

A possible definition of HR outsourcing is “the performance, by outside parties on a recurring basis, of HR tasks that would otherwise be performed in-house” (Greer, Youngblood et al. 1999). All the evidence suggests that the incidence of outsourcing is increasing. The US outsourcing market has reached \$ 60 billion in 2001 and is growing strongly (Bates 2002). Outsourcing has also spread geographically with a boom predicted for certain countries in Asia (Goad 1999).

Organisations within the profit and the not for profit sectors alike increasingly consider outsourcing arrangements (Parmenter 1999). According to a European survey, (PwC 2000) 62% of their respondents had outsourced some of their activities. The BNA (2002) study showed that seven out of ten employers in the USA had chosen to outsource some aspect of the HR function.

The list of potential outsourcing advantages is long. Maurer and Mobley (1998) summarised the expected benefits of outsourcing as:

- lower costs,
- reduced overheads,
- increased flexibility to manage the business,
- reduced distractions to focus on planning and growing the business,
- acquisition of best practice,
- integrated senior-level expertise,
- saved time,
- gathered expertise,
- avoidance of technical and skill obsolescence,
- improved service quality with a dedicated,
- access to an expert resource,
- reduced business risks by involving knowledge experts and the
- ability to forge strategic partnerships.

Other authors add even more possible benefits such as bringing in new ideas or making it easier to hold HR service providers accountable (Klaas, McClendon et al. 1999) or simply reducing the need for high IT investment (Lever 1997).

The perceived benefits of outsourcing HR tasks are influenced by the degree of idiosyncratic HR practices, the level of uncertainty, and firm size (Klaas, McClendon et al. 1999). For example, increased outsourcing resulted in bigger increases in the perceived benefits among firms facing more uncertainty as it decreased the need for staffing adjustments and tasks reallocations. Moreover, firms that had less idiosyncratic HR practices would benefit more strongly from outsourcing – either by initial lower prices or by gain-sharing – since the service provider could reap economies of scale more easily. This seemed to be especially true for small and medium sized enterprises (SMEs) and moderately large companies since very large firms are likely to have already gained the economies of scale before entering an outsourcing agreement.

Concentrating on Small and Medium-Sized Enterprises (SMEs)

Qualitative information in professional publications tends to concentrate on big organisations and novel contract forms (c.f. Bates 2002). However, if smaller firms had a sufficient knowledge base about the costs and competencies associated with a set of specific administrative activities, they would have a higher incentive than bigger firms to outsource (Klaas et al 2001). Given that SMEs account for a large share of employment and sales in both the US and the European Union, this is an important but relatively neglected area in the HR outsourcing literature. We attempt to redress this lack of focus on SMEs. The research defined the areas of HR and payroll administration and concentrated on:

- What are the key costs involved?
- How do SMEs attempt to optimise costs and quality of their HR administration?
- What are the likely effects HR directors foresee for the role of HRM?

Methodology

We decided to conduct case studies with a semi-structured interview questionnaire that formalised the important issues to explore. Given the degree of complexity within the HR and the extent of detailed information we wanted to gather, the method presented us with the opportunity to clarify specific questions and to ensure more consistent answers.

One way to increase the consistency of the answers was to define the administrative items carefully. Non-administrative activities – e.g. leadership or team management – may entail large amounts of flexibility and creativity and often place the responsibility for the general outcome on the person who performs these. Administrative tasks, on the other hand, are typically more routine and normally leave little freedom for flexibility and creativity in the way they are performed.

The responsibility of the contents of these tasks lies often elsewhere while the responsibility for the quality of the administrative service delivery lies with the person who performs these activities. An overview of the administrative descriptions we used is given in the appendix.

Twenty case studies were carried out between June and September 2002 in companies employing between 200 and 3,000 staff. The level of detail in the analysis of administrative costs can be seen from the specific items we were interested in. For example, general HR administration would cover detailed costs in the areas of induction, termination, employee contract management, sickness, maternity, holidays, time and attendance tracking, employee queries relating to administration, expatriate administration, enquiries and surveys from professional bodies etc. Administrative costs of other HR activities included tasks within recruitment and selection, training and development, applying HR policies, implementing internal communication, administering social and industrial relations, health and safety or legal watch. An overview is given in the appendix.

The sample consisted of a balance of service and manufacturing sectors. Moreover, we obtained a wide range of industries, sizes, for profit/not for profit entities and regional location that reflected – while not being totally representative – some of the characteristics of the UK economy. After each company visit, a report was compiled for each case which was then sent to the subject organisations. The contacts were asked to check whether there were any inconsistencies or misunderstandings in the data.

Table 1: An Overview of the Sample Companies

Organization Size (FTE employees)	Company	Industry Sector	No of Employees (in FTEs)	Contact in Organisation
150 – 499	Advertising	Advertising	175	Financial Controller, Group FD's Assistant
	Publishing	Publishing	215	HR Manager, HR Assistant
	Engineering	Manufacturing	245	Head of HR, Payroll manager
	Cars	Manufacturing	358	HR Manager
	Estate Agency	Prof. Services	375	Personnel Manager
	Accounting	Prof. Services	393	Head of HR, HR specialist
	Airport	Aviation	414	HR Manager, Payroll Manager
500 - 999	Chemicals	Chemicals	545	HR Director
	Edu-Publishing	Publishing	550	HR Officer, HR Group Manager
	Housing 2	Not for Profit	570	Head of HR Systems and Benefits
	Law 2	Prof. Services	646	HR Manager, Payroll Manager
	Construction	Construction	719	HR Director, Payroll Manager
	Chilled Foods	Food	925	HR Director
1000 - 2999	Law 1	Prof. Services	1015	HR Director, Payroll manager
	Adhesives	Chemicals	1289	HR Planning Manager
	Housing 1	Not for Profit	1417	HR Director, Payroll Director
	Fin. Services	Fin. Services	1737	HR Analyst
	Education	Education	2200	HR Director, Payroll Manager
	Railways	Transport	2430	Head of HR
	Electricity	Utilities	2534	HR Operations Manager, General Manager Shared Services and 2 other Managers

All relevant data was tabulated. Regrouping it with respect to a number of criteria (size, sector, number of payrolls etc) enabled a more structured analysis across the cases. Moreover, to enable a tentative comparison many results were converted into ratios or full-time equivalent (FTE) employee numbers. It has to be noted, however, that comparisons across organisations which have different HR structures, have assigned different roles to HR specialists, have different sizes and operate in diverse industries, have to be interpreted with the utmost carefulness. In many instances the “gestalt” of the single case will have to be closely evaluated before jumping to conclusions.

Results: Administration within HR

The HR departments varied distinctly on their sizes, costs, functions, breadth and depth of work. The biggest HR department had 31 staff. In one organisation there was no personnel function with HR work being carried out by two staff in a fraction of their time. The ‘HR service span’ varied between 25.4 and 231.3¹ with an average of 101.5. This accords with the ratios described earlier, showing the sample does have some typicality. The more elaborate and bigger the HR department the more segmentation of the work could be found.

Figure 1: Hierarchical Variations of Administrative Duties

Costs of Administrative HR Activities

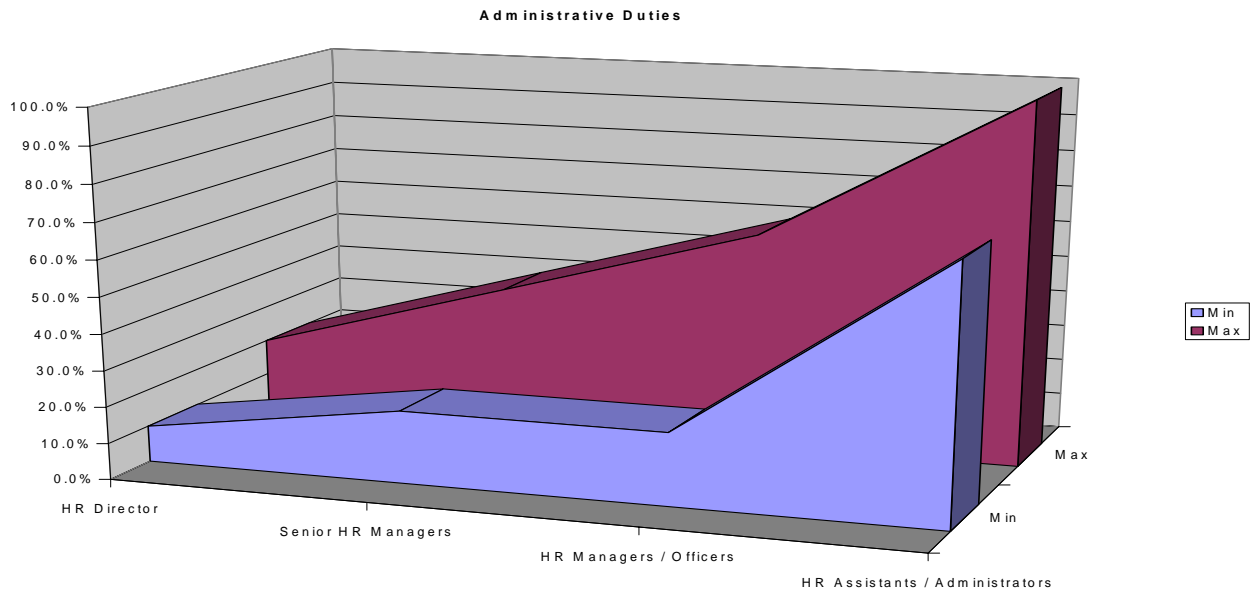


Figure 1 shows that HR directors typically spent 10 – 20 percent of their time on administrative duties. They would often be concerned with more complex or more political queries and with an hierarchically higher target group (directors and senior managers). Senior HR managers spent between 20% – 40% of their days on administration while managers, officers or (senior) advisors would need up to 60% of their time for administration. Lastly, HR assistants or administrators would be occupied to between 70% and 100% with administrative activities. To assess the detailed costs of these administrative activities we will focus below on general HR administration, benefits administration and other HR activities.

General HR Administration

There are many ways in which one could classify HR administration activities and which particular administrative task belongs into the realm of personnel. From the existing literature (BNA 2002; PwC 2000) we chose to concentrate on contract, attendance, expatriation, enquiries, induction and termination issues in general HR activities as significant. The administrative costs incurred are given below. Table 2 presents the costs of general HR administration activities normalised to a full-time employee (FTE) basis.

Table 2: Cost of General HR Administration (per FTE; exclusive overheads)

<i>General HR Administration</i>	<i>Average £ (per FTE)</i>	<i>General HR Administration</i>	<i>Average £ (per FTE)</i>
Induction	10.2	Holidays	2.1
Termination	13.6	Tracking Time and Attendance	3.0
Employee contracts	19.4	Employee Queries relating to HR	29.3
Updating Employee Data	7.6	Expatriate Employee Admin	2.7
Sickness	7.1	Enquiries and Surveys	3.1
Maternity Absence	2.3		

Overall, general HR administration adds £100.2 per full-time employee to the costs of companies. We found several companies that incurred costs of over £200. By far the highest effort was spent on answering employee queries – often questions referring to general policies and HR products. Most companies suggested that an up-to-date intranet / employee self-service (ESS) website could save them significant amounts of administrative time. Furthermore, standardisation of contracts and of termination procedures (where possible) and outsourcing of some activities (such as expatriate employee admin) was seen to have the potential for cost savings.

Absence monitoring was with £14.5 per FTE time consuming and costly. Using an adequate tool to monitor and plan time and attendance could make a big impact. As one director confided: “ Shortly after [the new time and attendance software] was used we realised that our costs went down....What had happened was that the error rate had gone down in that we captured the actual time worked more correctly.”

Benefits Administration

We focussed predominantly on the cost of administering well established benefits such as pensions, private healthcare, benefits in kind and long term incentives. In order to gain a better understanding of administration options, we also probed for which of those would be outsourced and at what costs.

The administration of benefits costs on average £20.9 per FTE employee. Because a large number of companies do not provide many benefits their (administrative) costs are low. On average, companies had outsourcing costs of benefits administration of £ 27.1 per FTE. Thus, the total cost of benefits administration was £48.

Table 3: Costs of benefits administration

<i>Benefits Administration</i>	<i>Ave.£ (per FTE)</i>	<i>Benefits Administration</i>	<i>Ave.£ (per FTE)</i>
Pensions	7.3	Long-term incentives	1.4
Private healthcare	4.2	Benefits in Kind	7.9
Total Internal Costs of Benefits Administration	20.9	Outsourcing Costs of Benefits Administration	27.1

The differences between the ‘average’ (£ 48 per FTE) and ‘least’ (more than £ 350 per FTE) efficient administration of benefits were marked. Some of the quoted reasons for high costs included the specificity of terms and conditions (“not clear enough so that many queries arise”) or the breadth of services/benefits (e.g. in private healthcare). Benefits in kind included company car schemes, loans, vouchers etc. Any company car scheme that was internally administered seemed to have added to cost.

What are the areas in which companies outsource? Foremost, pensions are outsourced normally at a cost per employee. This cost varied from “few pounds they earn on their policies” (HR director of ‘Construction’) to more than £300 for a full service. Beyond pensions, a private health insurance provider was most often used. The administration of company cars was frequently outsourced and outside solicitors were used in preparation of (and for carrying through) difficult legal HR issues. On average, firms spend £27.1 per full-time employee on outsourcing – most of this can be accounted for by pension administration. The general trend with respect to the organisations’ evaluation of the merits of benefits outsourcing was positive in that many firms claimed lower costs and higher quality of service.

Administrative Costs of other HR Activities

Average administrative costs of other HR activities were £144.1. The highest individual costs accrue in recruitment & selection and training & development – the two areas that were normally seen as very important by the interviewees. Sectoral differences between service firms (spending significantly more on recruitment, selection and training) and manufacturing organisations were pronounced in the sample.

Table 4: Administrative costs of other HR activities

<i>Administrative Cost of Other HR Activities</i>	<i>Ave. £ (per FTE)</i>	<i>Administrative Cost of Other HR Activities</i>	<i>Ave. £ (per FTE)</i>
Recruitment & Selection	42.9	Social & Industrial Relations	5.3
Training & Development	41.8	Health & Safety	2.4
HR Planning & Policies*	23.5	Legal Watch	19.0
Internal Communication	9.1		

* “Advertising” which has no dedicated HR employees is left out of this section.

For instance, the service organisations had a higher likelihood to focus their HR work on recruitment and retention of highly educated, young professionals. This, in itself, created different “service” challenges and may partly explain the higher costs. While some subcontracting of specific tasks within recruitment & selection as well as training & development was carried out, the most likely activity to be outsourced was “Legal Watch”.

The Internal and External Administrative Costs of Payroll Activities

The research also explored the administrative cost of payrollⁱⁱ. Table 5 lists direct and indirect costs of payroll administration of those twelve sample companies that carry out their entire payroll processes internally and those eight firms that use a service provider for data processing and accounting. None of the sample firms used a full BPO service for payroll, which allowed us to draw up a clearer contrast of internal payroll administration compared to the use of limited external services in payroll.

A key argument by the proponents of outsourcing is that it can reap economies of scale so that firms have lower payroll costs. This is also true for the sample – total cost was lower for those companies that used outsourcing providers (£64.30 versus £69.60). Key factors in *indirect* costs savings were that the software and maintenance costs for outsourcing companies were much lower- they avoided technical obsolescence of their IT investments. Beyond pure costs, firms that used outsourcing pointed to an increase in payroll service quality, a higher degree of their own flexibility and lower risks in terms of inadequate staff competencies.

Table 5: Annual Cost per Internal / External Payroll Service Provision

Payroll Administration	Average Cost Internal Service Provision (per FTE in £, excluding Overheads) N=12	Average Costs External Service Provision (per FTE, in £, excluding Overheads) N=8
Sum Direct Payroll Costs	48.6	49.6
Sum Indirect Payroll Costs	21.0	14.7
Sum Direct and Indirect Payroll Costs	69.6	64.3

N = 20 Sample Companies.

* Only six of the eight companies specified their outsourcing costs, the other two provided their costs for data processing and payroll accounting.

The total *direct* unit costs of payroll activities were similar between outsourcing and non-outsourcing firms (£49.60 verses £48.60). However, a more sophisticated assessment of direct cost of payroll activities also needs to take account of other, more hidden, factors. The analysis identified five primary factors. First, there are risks that companies incur that have lesser sophistication in payroll. Second, ‘sloppy’ payroll practices may lead to penalties. Third, firms with small payroll departments may have the choice of hiring another person or enter into arrangements with external service providers that may give them more flexibility. Fourth, there are opportunity costs in devoting much of management time on payroll issues rather than on the new HR roles of change agent and business partner (Ulrich 1997). Fifth, the annual training investment in payroll managers and staff may be substantial. Overall, these costs are likely to be less for a firm that uses outsourcing providers. Thus, while the direct costs are similar, quality, flexibility and risk factors point to the benefits of using an outsourcing provider.

An Overview of Administration and Non-Administration Costs

It is interesting to note the results from the ratio of cost of HR administration to HR staff salaries. The administrative burden accounts for two thirds of HR staff costs. Given that higher paid HR staff spends less of their time on administration, we can conclude that well over two thirds of HR specialists’ time is devoted to administration. Furthermore, we can also infer what proportion of total HR staff costs is spent on what administrative activity. About 25 percent of total staff costs accrue to general HR administration, more than 5 percent to benefits administration (with approximately an extra 7 percent paid for benefits outsourcing) and well over a third (36.6%) to other HR activities. These numbers underline the importance to identify administrative costs and processes in order to inform decisions about future improvements.

Table 6: HR administrative and non-administrative costs (per FTE)

<i>Activity (Costs in £)</i>	<i>Overall Average</i>
Total General HR Admin Costs	100.2
Total Costs of Benefits Administration	20.9
Total Costs of Other HR Activities	144.1
Outsourcing Costs of Benefits Administration	27.1
Sum of Administrative Costs*	292.3
Cost of providing HR service	394.1
Percentage of Admin Costs to Total Staff Costs in HRM	67.3%

*** Sum of General HR Administration Costs, Benefits Administration, Benefits Outsourcing and Costs of Other HR Activities.**

To understand the importance of administration for the role of the HR function it is informative to compare the different categories of administrative activities with total staff costs. Table 6 shows that the relative importance of other HR activities is highest. In fact, both recruitment & selection and training & development have administrative costs that are similar to the whole internal and outsourcing administration costs incurred for benefits. Thus, finding ways to optimise the handling of employee sourcing and development could have a powerful effect on the efficiency of HRM. The sample organisations indicated that more integrated HR software and the use of outsourcing providers would be their likely actions in the future to address this opportunity.

Total general HR admin costs are the second biggest cost factor for HR departments. Employee queries, contracts and termination issues were the highest cost factors. A range of full and mid-scale outsourcing solutions have emerged in precisely these areas so that firms have the opportunity to take advantage of new technology and novel industry practices in their strive to economise on their costs and improve their employee service delivery.

Summary, Discussion and Conclusions

The most prominent reasons for outsourcing were to reduce costs, gain expertise, and save time to increase the focus on what were perceived as “important” HR tasks. This is the result of research by authors such as Maurer and Mobley (1998) or Klaas, McClendon et al (1999). Table 5 indicated that administrative HR tasks cost almost three times as much as those HR activities that were non-administrative in terms of human effort – the administrative quicksand within HRM and payroll is difficult to underestimate.

Our objectives were to assess the administrative costs within the HR function, including the payroll department. In so doing, we intended to gain insights into the size of the costs of certain aspects of HR, payroll and benefits administration as well as an understanding of what was being outsourced within our medium-sized sample organisations. This detailed analysis is absent in the literature at present. However, we regard this information as useful in many decision processes concerning how HR work can be organised more efficiently and how it can contribute more to an organisation’s bottom line. Given that two thirds of all HR staff costs – and even more of the staff’s time – are spent on administrative activities, this is clearly an area that business managers and academics need to understand more fully. (This improved understanding may also inform decisions of what exactly is or can be outsourced, what costs and what quantifiable benefits may accrue. A sample size of twenty organizations allows us to explore these issues and point to some important effects. However, the usual caveats of cautious interpretation for firms of different sizes and in different industries apply. Due to their focus and experience in the field, specialist providers are likely to have a clear insight into general, size and industry-specific administrative cost structures and a range of approaches that may streamline service delivery processes.

The research identified a range of alternatives in terms of what would be useful to consider to improve administrative efficiency. In general terms, the following key options emerged for organisations.

Process/Content Analysis of HR Services and Optimisation via Integrated HR Software. Almost all companies stated that they wish to gain efficiency advantages from the introduction of sophisticated and highly integrated payroll & HR software. In itself, this is seen to offer savings due to less duplication, faster response times and higher quality of HR services. More savings and/or a higher quality can also be generated by establishing improved HR processes, particularly those linked with the employee life-cycle and a tailored approach benchmarked on the internal clients’ needs. On the other hand, implementing new software without a process analysis may not deliver the planned savings.

Sensible Use of Outsourcing. It emerged that most organizations claimed a range of benefits from outsourcing. These included a reduction in cost and an increase in quality of service. A few cases, however, indicated that costs for similar services could diverge dramatically. This indicates that the quality and efficiency of the outsourcing suppliers varies so that a careful evaluation of the alternatives has to be carried out. More efficient delivery of outsourcing solutions which uses best practice capabilities, employee self-service offers and modern web-based technologies has the potential to increase the benefits in terms of lower costs, higher quality and reduced risks for organizations that use a service supplier.

Rethinking the Boundaries of Organisations. A range of innovative outsourcing solutions is beginning to emerge on the market. Visionary companies have begun to take up a large range of activities that would formerly be carried out inside an organisation. Assessing whether an outside organisation can carry out cost intensive activities – such as recruitment & selection or the whole of HR admin – while shouldering the responsibility for these tasks may be a way forward towards cost efficiency and higher quality. We may speculate that as HR services are traded more externally so the function itself is likely to change fundamentally. This is likely to go beyond simply having more time to concentrate on the ‘strategic’ roles of business partner and change agent. It may mean that HR managers increasingly operate a network of contractual relations with major implications for control, coordination and networking issues.

Freeing the HR function from parts of their administrative chores may create more job satisfaction as well as allowing staff to concentrate more on strategic objectives. Paradoxically, in pursuit of the strategic role for HRM commentators have perhaps disregarded the daily routines of HR administration. This article has attempted to redress the balance, to return to the reality away from the rhetoric, and to point to the significance of the myriads of mostly tiny but important transactions between employees and employers conducted every day by all the functions upon which so much depends including the basic administration of recruitment, training and payment. For outsourcing solutions to be successful an appreciation of administrative activities in HRM and payroll and the attendant cost structures is essential.

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Appendix – A Sample Overview of HR and Payroll Administration Tasks

General HR Administration

Area	Examples of Activities
Induction	Operations and procedures to enrol a selected candidate as a new employee and prepare for the start in the organisation: internal notifications, HR data registration, payroll set up, arrangement and invitation to formal induction programmes, standard company information, follow ups for probation, future benefits entitlements etc.
Termination	Administration of compulsory and voluntary leavers. E.g. establishing termination papers, final contract payments, compilation of pre-leaving files, communication with former employees etc.
Employee Contracts	Work contract management: drafting, modifications, employee change notices, acknowledging terminations, monitoring fixed term expiry, career history recording etc.
Updating Employee Data	Modification of data for fixed and temporary employee records.
Sickness	Recording absence start and end, monitoring rules & rights, management of the long term sick
Maternity Absence	Maternity, paternity, adoption: Recording absence start and end, monitoring rules & rights.
Holidays	Recording absence start and end, monitoring rules & rights.
Time and Attendance	Attendance & activity data tracking & checking (e.g. from time record systems), overtime and flexitime management, management of other time off work (e.g. bereavement etc.): calculation of statutory and company rights / entitlements, registering requests, etc.
Employee Queries	Responding to enquiries from line managers and other employees (incl. mortgage enquiries,...). This includes one-to-one and other forms of queries
Expatriates & Inpatriates	Special administration related to expatriates, inpatriates and other detached staff (e.g. on projects in different locations)
Enquiries and Surveys	Responses to enquiries & surveys from professional bodies (statistical offices, industry associations, government, consultancies,...); Includes collective and anonymous data

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Other HR Activities and Benefits Administration

Areas	Example of Activities
Recruitment and Selection	All administrative tasks within search, selection and processing candidate applications (external and internal), administration related to liaison and contracting with external service providers (letters etc.), administration of instruments (payment for tests, arrangement of ACs), job offers etc. Does not include definition of profile, interview times, selection discussions etc.
Training and Development	Includes monitoring of training plans and activities, arrangement of these (hotel booking, travel) if done in HR, assessment and processing of training evaluation information, general information on training programmes (booklets, emails etc.), responses to specific queries. Does not include time of dedicated training practitioners, internal facilitation, costs of training courses.
HR Planning and Policies	Review of HR policies, rules & guidelines (in compensation & benefits, competency and performance assessment, career and management development, job design & evaluation etc.). Includes periodical HR reporting. Does not include the design of HR policies, modelling of workforce, headcount management.
Internal Communication	Range of tasks involved with information printing / emailing / putting on the web. Includes also employee surveys, welcome of new entrants etc. Does not include the actual meeting times or the design of the message to be communicated.
Social and Industrial Relations	Management / updating of trade union and labour agreements. Work such as minute taking (e.g. in Management – Works Council meetings). Other official information that needs distributing. Gaining information on proper procedures and processes. Management of social clubs / charities. Does not include negotiations or other meetings.
Health and Safety	Activities related to safeguarding conditions of work, incl. hygiene, security, medical care...
Legal Watch	Monitoring of taxation and social security changes, statutory payments and leave entitlements, employee benefits in kind...
Benefits Administration	All administrative activities related to the management of: Complementary health and welfare insurances, funded retirement, long term financial incentives (e.g. profit sharing, incentive schemes, employee savings, employee loans etc.), benefits in kind, individual benefits, perks such as luncheon vouchers.

Payroll Administration Activities

Area	Example of Activities
Collection and collation of payroll data	Receiving and collating raw data; including forms, facsimiles, electronic files.
Interpretation and manual calculations	Interpreting and checking raw data and performing manual calculations; accuracy, applicability, signature, HR review, out of cycle pays, absence adjusts, (prep and send to TPP)
Data entry	Input data into system; check interfaced data (variable/permanent record changes)
Checking and controls	Running gross to net trials, checking calculations and accuracy of data input, authorisation of pay run.
Data processing	Final pay run; printing Payroll management reports; transmit payee BACS, print, seal and distribute payslips, create Finance extract or report.
Payroll accounting	Payroll reconciliation, BACS reconciliation, disbursement reconciliation. Transmission of third party disbursements via BACS, cheques for third party disbursements.
Employee queries	Responding to enquiries connected with payslips i.e. calculations; payments, deductions, accruals, omissions.
Declarations	Control/completion of returns for Tax, Social Security, Court Orders, IR and Court Order Payments (P46, P45, P35 working sheet TCO1/02). EOY returns P14, Employee Statement P60, Employees in this employment P35.
Audits and enquiries	Placing and responding to statutory third party queries (IR, Social Security, Courts etc). ID and DSS payroll audits.
Filing and archiving	Input and output documents, individual and collective (declarations)