Delegating Menial Tasks

John Wensink

MGT350 - Principles of Management

Colorado State University-Global Campus

Dr. Paul Gioia, Ph.D., MBA

June 23, 2019

Delegating Menial Tasks

In today’s modern workplace, no matter what your job is it is likely that a large percentage of time is spent working on tasks which could be handled by somebody with less training and skill. Examples of these types of tasks in include generating emails, taking notes, coordinating schedules, and sometimes even basic research. Some organizations are developing a new way to take care of these tasks without using the professionals whose job it would have normally been to take care of them.

In Sweeden, the company Ericsson, known for its electronic devices has outsourced its manufacturing and some research to more economical locations such as California, India, and Singapore. (Robins, Coulter, and De Cenzo, 2017 p.181) By outsourcing low-value, time-consuming tasks to employees or contractors who cost a lower wage, the modern professional is able to focus his skillset on the more complex, high-value tasks for which he or she was hired. Pfizer, an American pharmaceuticals giant has developed a process to outsource these types of tasks. The program was originally named The Office of the Future and has since been re-branded to the name PfizerWorks. (Robins et al., 2017 p192) The PfizerWorks process starts with a form that is completed by the professional which describes the task that needs to be completed. The form is then delivered to offices abroad who offer inexpensive labor to complete tasks that may be below the skillset of the professional needing the work done. Once the form arrives at its international destination, an estimate is written on the time and cost that will be associated with the work to be done. This allows the pharmaceutical professional to focus his unique skills on the tasks that require them. The professional then decides if the cost is in line and then directs the outsourcing company whether or not to proceed. Although PfizerWorks was originally implemented for low-level tasks, the program has shown that the capacity to delegate higher-valued tasks to the service as well. (Cohen, 2010)

At the time of the article’s publication, PfizerWorks has been tasked to complete 65,000 labor hours of menial tasks that had originally been tasked to pharmaceutical professionals whose time is better spent on more specialized tasks. (Cohen, 2010) The tangible benefits of this program such as cost savings on labor hours and improved project focus are met with more intangible benefits such as decreased employee burnout, and improvements in workforce morale. David Cain, a senior director of global engineering appreciates the program because he relates the experience to have an organization dedicated to his or her own professional needs. (Robins et al., 2017) It is no surprise that employee motivation and productivity would spike following the allocation of such a powerful asset.

USAA is a company that provides insurance and financial services for members of the US Military and Department of Defense. The organization has grown to over 12,800,000 members since its inception in 1922. (USAA, 2019) Within the insurance functional grouping, we have over 1,600 adjusters providing direct support to the membership for the most common type of insurance claim, a non-injury auto accident/incident. Simple division gives a rough estimate of one adjuster per 8,000 members. Claims adjusters undergo specialized training and certification to analyze complex situations of negligence and liability. The company realizes that many of the tasks associated with a claim do not require that advanced skillset and has several avenues in place to outsource these menial tasks. Some of the most advantageous time-savers are unlicensed representatives taking the first notices of loss, a fifteen to twenty-minute process. Importing data into the claim file from police reports that are sometimes barely legible is outsourced to a team by assigning a task to the document when it arrives via email, fax, or mail. USAA has an “adverse carrier” line where adjusters can transfer calls from other insurance companies regarding statuses of claims and most recently has added a similar type of line for body shops that need help from the claims department. USAA has leveraged this type of outsourcing to apply to most if not all tasks that do not require a claims adjusters license, yet are still a big part of the claims workload. If the systems are working as intended, the adjuster will spend 90% of their time speaking with members and claimants directly, analyzing the information gathered and organized by third-parties, to come to a liability and coverage decision that will hold up in court.

In my experience, these efficiency boosters have certainly allowed me to stay focused on the task for which I was hired, finalizing issues of coverage and liability. While I do agree with Cohen (2010) that these types of time savers are good for the company’s bottom line as they delegate tasks to the employee with the appropriate paygrade, I can not agree that keeping ones time spent on the most complex tasks is beneficial in decreasing employee burnout. A Gallup poll (2018) found that not having enough time to complete one’s tasks lead to employee burnout in 70% of workers interviewed (n=7,500). In my personal experience, I have found that having a few easy tasks scattered throughout my work day allows me to decompress and recharge my mental faculties in-between difficult tasks. Having a constant pipeline of difficult tasks with no downtime leads to more mental fatigue and lower quality work product that could have been improved by a few easier tasks throughout the day to recompose myself. Although, it makes little sense to the company when thinking theoretically, to pay a high salary to complete easy tasks, looking at the big picture a department is more likely to be successful if their employees aren’t burned out, and not outsourcing all of these tasks should be a balance the company strives to find.

Another industry where the outsourcing of menial tasks is highly prevalent is in the professionally prepared tax return industry. The past five years have seen tremendous shifts toward sending work to tax preparers located in India. (Leavins, Starner, & Simms, 2010) Some advantages of doing this include, cheaper labor, offsetting time zones, as well as virtually eliminating the need to hire temporary workers during the busiest season of the year. (Leavins et al., 2010) cautions, however that the prudent manager must be mindful of the security implications associated with online tax returns, as well as Federal compliance guidelines that have to do with the preparer never actually meeting the customer. Despite the challenges, outsourcing low-skill labor has grown to be a dominant factor in the American business landscape, due much to the relatively high minimum wage when compared with the rest of the world. Networking technology has made possible the ability to send vast sums of data across the world very inexpensively, securely, and quickly so much that it makes business sense to use resources in parts of the world where American labor is significantly more expensive.

At the end of the day, outsourcing makes sense if it can be done cost-effectively, securely, and without the customer knowing. In my opinion, it speaks poorly of the organization in question if its customers have that it is outsourcing any amount of work to a third party. The fundamental question is will the savings in money and time justify the perceived cheapening of the organization in the eyes of its customer base. If the answer is yes, it may make sense to outsource. If, however, the brand’s image of high-quality service is deteriorated to the point where customers start to group you with all of the other carriers they could choose, it may not make sense to outsource menial tasks. When giving critical tasks to third parties to complete the organization loses control of quality, it is up to the vendor to provide a high-quality product and foreign standards for quality might not always match American standards. While some businesses in the insurance and tax preparation industries may be inclined to use outsourcing, it is imperative for USAA to understand the long term potential for losses to the membership when the perception that we are charging more for the same level of service eventually takes root.

References:

Cohen, J. (2010, April 11). Getting Rid of the Busy Work so You Can Get to Work. Retrieved June 23, 2019, from <https://www.managementexchange.com/story/getting-rid-busy-work-so-you-can-get-work>

Gallup, Inc. (2018, July 12). Employee Burnout, Part 1: The 5 Main Causes. Retrieved June 16, 2019, from <https://www.gallup.com/workplace/237059/employee-burnout-part-main-causes.aspx>

Leavins, J. R., Starner, J., & Simms, J. E. (2010). Legal And Ethical Implications Of The Foreign Outsourcing Of Tax Return Preparation. International Business & Economics Research Journal (IBER), 9(3). doi:10.19030/iber.v9i3.540

Robins, S.P., Coulter, M., & De Cenzo, D. A. (2017). Fundamentals of management (10th ed.). Upper Saddle River, NJ: Prentice Hall

USAA. (2019). USAA Factsheet. Retrieved June 23, 2019, from https://www.usaa.com/inet/wc/about\_usaa\_fact\_sheets?akredirect=true