



Research report

Employer Orderline Research

Continued Stationery Usage Amongst Employers

Business Customer Unit

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part of the HMRC Customer Units*

Agents Qualitative Research

About the Business Customer Unit (BCU)

Business Customer Unit (BCU) is part of Business Tax responsible for ensuring businesses pay the right amount of tax whilst improving our customer's experience and the overall UK business environment.

The BCU role is to help colleagues make customer focus a reality by understanding our Business Customers needs better and using that understanding to design better products, processes and service delivery.

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Introduction

This report documents the findings of qualitative research which explored why employers of various sizes and types (Small, Medium, Large, with different reporting structures, across the HMRC customer segments etc.) continue to use the Orderline for stationery (forms, guides etc.) when these are available on the Employer CD-ROM and on the HMRC website, freely to print off.

This research was conducted by GfK NOP.

Background and Objectives

The Employer Orderline supplies stationery on demand to a number of key HMRC customer groups for the purposes of making tax and VAT returns. It serves a large customer group and responds to a high number of requests:

1.6 million employers, 4.5 million SMEs, 10,000 tax agents and payroll intermediaries can use the Orderline. In 2009, the Orderline handled c.5k orders by fax, c.275k orders through the HMRC website and c.475k orders by telephone.

Customers are also able to produce a range of required stationery by printing off from the HMRC website and/or the supplied CD-ROM. Despite this significant numbers of employers continue to order stationery through the Orderline.

There is clear rationale for encouraging more customers to 'self-serve' through the website/CD-ROM in terms of saving paper and money. Accordingly HMRC are developing a strategy for shifting the balance towards "e" fulfilment via self-serve.

However, there are presumably strong and residual reasons why employers continue to use the Orderline / printed stationery.

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HMRC required research to provide an understanding behind employers', agents' and payroll bureaux' continued use of paper payroll stationery, given end-of-year tax returns are required to be made on-line and the widespread use of e-channels in business.

The purpose of the research

- To understand employer motivations and drivers in terms of paper stationery vs. Online resources
- To determine employer response to HMRC ceasing or significantly reducing the supply of free paper stationery, including how long it would take them to get replacement arrangements organised
- To determine the effect of company arrangements on stationery use
- Likewise the impact of how payroll processes are operated
- To understand the process and rationale for stationery ordering, determining the policy and process for ordering from the Orderline
- To understand why some employers over-order
- To understand the impact of agents on ordering, where this applies
- To explore attitudes and beliefs concerning online HMRC resources
- To establish employer understanding of record keeping requirements
- To explore how HMRC can best communicate with employers to encourage self-serving

Methodology and Sample

Face-to-face interviews are unrivalled in terms of giving the highest level of insight into attitude and behaviour. However, as insightful as face-to-face interviewing is, it is costly – with the researcher having to travel to the respondent, thus incurring expense but more importantly using up time in doing so. Tele-depths in comparison offer a reasonable level of insight and the real advantage is flexibility (tele-depths can be anywhere) and economy of time and budget.

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Using a combination of face to face and telephone interviews meant we were able to make the most of the available sample in a cost-effective fashion, without sacrificing the quality of the research

We conducted 42 depth interviews in total with personnel representing employers who had ordered stationery through the Employer Orderline:

- 12 interviews were face-to-face
- 30 were by telephone

The employers represented different company sizes, locations and HMRC customer segments.

Interviews were 45 minutes to 1 hour in duration and were semi-structured; a pre-agreed topic guide was used by the interviewer as a means of covering off key issues, although all qualitative interviewers were encouraged to pursue any areas of relevance / interest that emerged over the course of the interview. Interviewing was conducted by a mix of project team executives and specialist qualitative researchers.

No financial inducements for respondents were used during this study.

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Main Findings

A number of factors presently combine to drive continued usage of the Employer Orderline. Some of these are intrinsic to the employer organisations and significantly to the personal attitudes and practices of individual payroll staff. Others are the result of HMRC practices or assumptions about those practices by payroll staff, and finally HMRC stationery resources currently play a role.

- Payroll organisation in terms of company structure (e.g. single site vs multiple, franchise etc.) or method of return to HMRC has not come forward as a driver of paper stationery usage here.
- Conversely, significant in driving paper usage are practices and assumptions about record keeping and distribution of copies to employees.
- Current focus on paper record keeping and copy distribution is driven by the assumption that it is HMRC's preferred/required format and certainly forms the best option to have for audit purposes.
- Equally many payroll staff here are highly attracted to paper records as being convenient and easy to access/manage.
- Paper records also form an important safety net (for attitudinally risk-averse payroll staff) against the prospect of electronic record failure/loss.
- A very important aspect coming forward concerns payroll staff's desire to give their internal audiences (i.e. employees) a quality service and assumptions about the 'legitimacy' of HMRC printed forms.

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- Simply put, through a sense of pride in their job, these payroll staff believe that their employees are entitled to professional looking forms for tax purposes, and they also assume that forms such as P60/P45, if simply printed off by the company rather than being supplied by HMRC, will not be fully valid, open to fraud and potentially would come back on the employer/payroll staff.
- Currently this is exacerbated by the prevalence of black and white printers used by most employers which do not provide the colour coded HMRC forms seen as carrying full legitimacy.
- Underlying this is an attitudinal dynamic common to the payroll staff interviewed here (irrespective of customer segment) that they, quite correctly, wanted to ensure their processes met with HMRC requirements.
- This engenders a sense of caution over stepping outside of accepted/previous practice unless this is clearly validated by HMRC.
- Audit experiences have generally reinforced this cautious attitude – to follow the safe/accepted/established route is to make one's life easier.
- Simple inertia does play a part in continued usage, as does the highly convenient and quality service provided by the Employer Orderline. Whilst such a customer-focused and effective resource continues to provide easily and speedily accessible stationery for free, people will continue to use it.
- Marked here was the degree of ignorance (either partial or complete) concerning the comprehensive provision of stationery on the website and CD-ROM. A major educational task is apparent to let people know what is available, the full extent to which this can be used for returns, record keeping and distribution, how to find it and how to download it.

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- Currently the website does serve to undermine further use as a stationery resource by being hard to navigate whereas low profile and residual memories of wrong information weaken the CD-ROM as a resource.
- Happily, resistance to the concept of self-serve can be categorised as ‘soft’ and in fact many payroll staff here are very keen to embrace this shift in their operations – so long as the path is signposted clearly by HMRC and the tools to make it easy, simple and assured are available.
- Payroll staff here generally see the shift to self-serve as natural and somewhat inevitable – through continued technological-enabled self-sufficiency and down to ever more pressure on public funding.
- Pragmatically they see their company making the adjustment quickly and relatively smoothly – resource implications are identified in terms of upgrading printers and staff receiving training, making sure they know how to operate in this new way.

Summary

- The research identifies requirements of HMRC in terms of communicating clearly the use and validity of self-serve resources, ensuring the system provides payroll staff with the assurance they are using the correct form, enhancing the functionality and ease-of-use of the website/CD-ROM, and ensuring guidance is available across different channels. There is no fundamental resistance to the direction which HMRC wishes to go in moving to self fulfilment.