



**USAID'S LEADERSHIP IN PUBLIC FINANCIAL MANAGEMENT**

**Detailed Guidelines for Improved Tax Administration in Latin America and the Caribbean**

**Chapter 13. Human Resource Management and Organizational Development**

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**August 2013**

Contract Number: EEM-I-00-07-00005-00

This publication was produced for review by the United States Agency for International Development. It was prepared by Deloitte Consulting LLP.

# Detailed Guidelines for Improved Tax Administration in Latin America and the Caribbean

## Chapter 13. Human Resource Management and Organizational Development

**Program Name:** USAID Leadership in Public Financial Management (LPFM)

**Sponsoring USAID Office:** USAID/LAC

**Contract Number:** EEM-I-00-07-00005-00      Task Order: 11

**Contractor:** Deloitte Consulting LLP

**Date of Publication:** August 31, 2013

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# List of Acronyms and Abbreviations

Acronym	Definition
ADDIE	Analysis, Design, Development, Implementation, and Evaluation
HR	Human resources
ISD	Instructional Systems Design
LAC	Latin America and the Caribbean
OPM	Office of Personnel and Management (United States)
SARA	Semi-autonomous revenue authority
VAT	Value added tax

## ACKNOWLEDGMENTS:

A number of persons contributed to drafts of this document. Doug Pulse and Anton Kamenov provided an outline for the chapter and, with Rajul Awasthi of the World Bank Group, commented on drafts. Arturo Jacobs provided revisions. This assistance is greatly appreciated. In addition, this chapter relies heavily on information from OECD (2011). Errors and omissions should, of course, be attributed to the authors.

# Chapter 13. Human Resource Management and Organizational Development

Given the heavy reliance on personnel to carry out core functions and the fact that the wage bill for staff often exceeds 80 percent of total operating costs, human resource management is a key issue for tax administrations.<sup>1</sup> Managers worldwide realize that the effective management and development of organizational personnel is vital to the accomplishment of organizational goals. In other words, tax administrations have a large investment in their employees, and it is essential that they have a Human Resources (HR) function that assists management in achieving business goals. This chapter discusses the key HR management and organizational development functions of a tax administration.

## 13.1. Leading Practice

The HR function should consistently and efficiently support the tax administration’s fundamental need to utilize high performing employees effectively. As part of the business planning process, the HR function should work with managers to identify the resources needed to execute strategic and operational business plans, as opposed to focusing just on day-to-day administrative issues, such as processing the required paperwork for employees to join or leave the tax administration. While line managers are responsible for managing personnel on a day-to-day basis, good support systems from the HR function can make their job easier. Increasingly, tax administrations are finding that improving the HR function is a key strategy in reducing overhead costs while increasing quality. Even today, however, the HR function in many tax administrations continues to play primarily an administrative role, as opposed to a strategic one.

In general, the role of the HR function should be to support line managers to effectively manage employees to accomplish their departmental business goals. HR activities can be categorized as follows: attracting, selecting, retaining, developing, motivating, and effectively utilizing employees. Listed below is an overview of the fundamental HR functions, their key activities, and their affiliated business purpose:

**Figure 13.1. Fundamental HR functions**

Human Resources Functions	Activities	Business Purpose
Selection and Placement	<ul style="list-style-type: none"><li>• Conduct job analysis</li><li>• Establish selection criteria</li><li>• Recruit</li><li>• Interview and select</li></ul>	<ul style="list-style-type: none"><li>• Attract employees</li><li>• Select employees</li><li>• Develop employees</li></ul>

<sup>1</sup> OECD (March 2011), p. 101. In tax administrations in Latin America, personnel costs averaged 68.1 percent of total costs in 2010, with Argentina, Uruguay, Honduras, Mexico, and Chile exceeding 80 percent (CIAT et al (2012), p. 19).

Human Resources Functions	Activities	Business Purpose
	<ul style="list-style-type: none"> <li>• Manage personnel changes</li> <li>• Undertake staff planning</li> <li>• Promote career development</li> <li>• Conduct management succession planning</li> </ul>	<ul style="list-style-type: none"> <li>• Effectively utilize employees</li> </ul>
<b>Training and Development</b>	<ul style="list-style-type: none"> <li>• Conduct training needs assessment</li> <li>• Create training plan</li> <li>• Develop, select, and deliver training</li> </ul>	<ul style="list-style-type: none"> <li>• Develop employees</li> <li>• Retain employees</li> <li>• Motivate employees</li> <li>• Effectively utilize employees</li> </ul>
<b>Performance Management</b>	<ul style="list-style-type: none"> <li>• Implement a performance improvement process: <ul style="list-style-type: none"> <li>○ Set business goals</li> <li>○ Create job descriptions</li> <li>○ Establish performance expectations</li> <li>○ Motivate / provide feedback</li> <li>○ Engage in coaching</li> <li>○ Conduct performance appraisals</li> </ul> </li> <li>• Facilitate employee communication and involvement programs</li> </ul>	<ul style="list-style-type: none"> <li>• Retain employees</li> <li>• Motivate employees</li> <li>• Develop employees</li> <li>• Effectively utilize employees</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Establish compensation philosophies and practices</li> <li>• Create pay structures</li> </ul>	<ul style="list-style-type: none"> <li>• Attract employees</li> <li>• Retain employees</li> <li>• Motivate employees</li> <li>• Effectively utilize employees</li> </ul>
<b>HR Management and Effectiveness of HR Function</b>	<ul style="list-style-type: none"> <li>• Establish policies and procedures</li> <li>• Create delivery systems</li> <li>• Employ methods to evaluate and measure employee performance</li> </ul>	<ul style="list-style-type: none"> <li>• Effectively utilize employees</li> </ul>

Through the effective management of employees, managers can improve employee performance and increase efficiency, thereby increasing tax revenues and reducing employee-related expenses. Effectively managing employees, however, is not the responsibility only of HR. HR and functional line managers each have a role in strategically managing the human assets of the tax administration. Listed below is an overview of the key roles for HR and line managers for each HR function:

**Figure 13.2. The roles of HR and functional line managers**

Human Resources Function	Human Resources Role	Line Manager Role
<b>Selection and Placement</b>	<ul style="list-style-type: none"> <li>• Provide tools for job descriptions</li> <li>• Manage employment applications</li> <li>• Facilitate interview process</li> </ul>	<ul style="list-style-type: none"> <li>• Complete job descriptions</li> <li>• Define required job skills</li> <li>• Make hiring decisions</li> </ul>

Human Resources Function	Human Resources Role	Line Manager Role
	<ul style="list-style-type: none"> <li>• Screen applicants</li> <li>• Coordinate staff plans</li> <li>• Provide direction and resources for career paths and management succession planning</li> </ul>	<ul style="list-style-type: none"> <li>• Develop staff plans</li> <li>• Provide information about career paths and management potential</li> <li>• Provide counsel to employees</li> </ul>
<b>Training and Development</b>	<ul style="list-style-type: none"> <li>• Coordinate training plan</li> <li>• Provide resources, policies, and guidance to develop and deliver training</li> <li>• Develop and deliver train-the-trainer courses</li> <li>• Evaluate training effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Determine department training needs</li> <li>• Assign staff to help develop and deliver technical training courses</li> <li>• Develop employees (on-the-job)</li> <li>• Evaluate training effectiveness</li> </ul>
<b>Performance Management</b>	<ul style="list-style-type: none"> <li>• Coach managers to give employee feedback</li> <li>• Ensure fair employee treatment</li> <li>• Develop performance appraisal process and forms</li> </ul>	<ul style="list-style-type: none"> <li>• Define performance requirements and priorities</li> <li>• Communicate performance expectations</li> <li>• Give employee feedback</li> <li>• Evaluate performance</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Establish pay structures</li> </ul>	<ul style="list-style-type: none"> <li>• Make compensation decisions</li> </ul>
<b>HR Management Plan and Effectiveness of HR Function</b>	<ul style="list-style-type: none"> <li>• Develop methods to evaluate the HR function</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure accountability</li> </ul>

The HR function should be a business partner providing specialized services that help tax administration managers work with their personnel to accomplish organizational goals. As a business partner, the role of HR is to ensure that the tax administration manages its employees as a valuable asset, with improved methods for managing individual and team performance, resulting in higher effectiveness and efficiency, and leading to increased tax revenue and reduced operating expenses.

Listed below are some ways that HR and line managers may enhance the role of the HR function as a value-added business partner. HR managers:

- Adopt goals that add value and bring results to the tax administration;
- Learn how the tax administration runs from the perspective of a line manager;
- Become a partner in the strategic business planning process;
- Connect the goals and programs of the HR function to the strategic business plan;



- Become proactive, rather than reactive, and take the initiative to become a business partner and an asset to the management of the tax administration;
- Broaden the role of the HR function from "administration" to a "service provider"; and
- Measure and report results of the activities of the HR function in relation to tax administration results.

Line managers:

- Expect HR managers to be a value-added business partner;
- Involve HR managers in the strategic business planning process;
- Expect HR managers to contribute to the overall improved effectiveness of personnel in the tax administration; and
- Hold HR managers accountable for measuring and reporting results of the activities of the HR function in relation to tax administration results.

### 13.1.1. Selection and Placement

Generally, the recruitment protocol for a tax administration is established by the government. The government establishes how and when openings are posted and for how long, how many candidates, at a minimum, must apply for an open position, and what the interviewing protocol should be. A challenge for tax administrations is the external pressure to hire specific individuals. Therefore, the established protocol should ensure that the hiring decision is based on whether the candidate is appropriate for the job.

One way to confirm that a candidate has the appropriate traits for the job is to follow the protocol of 'behavior-based' selection. Behavior-based selection is based on the knowledge, skills, and behaviors that directly relate to those needed on the job. The steps in behavior-based selection include:

- Establishing selection criteria;
- Identifying effective recruiting sources;
- Interviewing qualified candidates; and
- Selecting the most qualified candidate.

In addition, a behavior-based interview is an effective way to determine if the candidate has the experience, skills, and knowledge required for the job. The behavior-based interview should be based on objective criteria rather than subjective opinions and impressions. Behavior-based interviewing relies on the premise that the best indicator of future performance is past behavior. The interviewer can directly observe behavior – what a person says or does – and/or ask the candidate to describe an example when he/she has had to use a specific behavior in past jobs and what the results of this behavior were.

### Box 13.1. Innovative recruitment practices in Italy<sup>2</sup>

In Italy, the revenue agency in 2009 blended competition and learning as a means of screening applicants. Job seekers completed a series of training events and on-the-job learning and were evaluated at each stage. Those having good results at each stage were hired. This approach reduced agency training costs and led to faster onboarding for staff whose behavior was in alignment with agency values.

The behavior-based interview is structured. Questions are written for each of the important selection criteria for the position, and all candidates are asked the same questions. A behavior-based interview guide is developed for the position, containing the questions and space for the interviewer's notes. During the interview, the interviewer writes notes in the interview guide about the candidate's responses to the questions. These notes aid the interviewer in recalling specific examples and situations that the candidate provided as responses to the interview questions.

Behavior-based interview questions are written in a way that prompts candidates to give concrete examples about how their experience demonstrates capability for each of the selection criteria categories. They eliminate hypothetical responses, such as what the candidate would or should do in a situation. Following a behavior-based interview is an appropriate way to select suitable candidates for open positions.

#### 13.1.2. Staffing Levels

Although there are variations in the staffing of functions amongst tax administrations<sup>3</sup>, the following figure provides an indication of staffing allocations to high-level functions. Differences are largely shaped by the level of use of self-assessment for income tax, automation of routine tax administration tasks, consolidation of tasks such as data processing and customer service centers, outsourcing for functions such as IT support, number of staff included in overhead costs, and the size and organizational structure of field offices.

Figure 13.3. Average staff usage (percent of total) in major tax administration functions<sup>4</sup>

Countries	Client Account Management	Audit and Other Verification	Enforced Debt Collection	Corporate Management	Other
OECD	30.76	32.43	10.41	14.79	11.68
Non-OECD	28.91	32.43	10.14	15.60	12.92
All	30.22	32.43	10.33	15.02	12.04

The overall number of staff employed in any tax administration depends on the tax administration's budget allocation and usually a bidding process by the government agencies and individual departments. There are no strict benchmarks. After allocations are made, the departments must plan

<sup>2</sup> OECD (March 2011), p. 108.

<sup>3</sup> See, for example, figure 10.9 of Chapter 10 for the variation in staffing numbers in enforced debt collection functions.

<sup>4</sup> OECD (March 2011), p. 139.

the most effective way to deploy the resources allowed. Some inferences can be drawn from USAID's collecting taxes database<sup>5</sup> (2010), which shows a higher number of taxpayers per tax official (conversely, fewer tax officials per taxpayer) in high income countries (908) than in low-middle income countries (270). These numbers should be used cautiously, however, as the number of taxpayers per tax official depends on many factors, including on the comprehensiveness of the tax system and advances in technology, amongst other things.

### 13.1.3. Education and Skills

Striving for more highly qualified staff members is a strategic issue for a number of tax administrations. Some tax administrations reflect this in their strategic plans or annual plans as a key initiative on its own or as part of achieving a related performance goal. A number of tax administrations report on staff skills, development, and/or educational attainment as part of their annual reports or business plans.

Actual attainment of university level education varies widely across those countries on which the OECD collects statistics. While the average rate of staff holding degrees is 46 percent overall, in six countries more than 75 percent of employees are degree holders, while in nine countries less than 25 percent hold degrees. In terms of driving change and increasing organizational performance in key areas, the education and skills of staff members are important for leaders to consider carefully.

**Figure 13.4. University degrees in tax administrations<sup>6</sup>**

Degree level educational attainment of staff	Number of tax administrations in category
Less than 25 percent	9
25-49 percent	14
50-75 percent	12
Over 75 percent	6

University education is a good start, but there are other qualities that need to be tested in the recruitment procedure to ensure candidates most suited to the tax administration are selected.

Given the nature of the tax administration's work, staff at all levels could well come into direct contact with the general public. At a minimum, all staff need good interpersonal skills and an ability to deal with confrontational situations. Depending on the level of work, other skills and qualifications may be necessary. Clerical staff will be expected to have secondary education, be able to use computers, and understand and carry out the basic procedures and processes of the administration. Staff of principal functions will need to exercise basic professionalism, including the following:

- Good judgment;
- Sound analytical skills;
- Excellent decision making abilities;

<sup>5</sup> <http://egateg.usaid.gov/collecting-taxes>

<sup>6</sup> OECD (March 2011), p. 113.

- Drive and determination;
- Ability to work alone and in unfamiliar premises; and
- Ability to work as a member of a team.

Regardless of the position, an accurate, complete, and up-to-date job description should be on file for each tax administration staff member. Each job description should contain the following items:

- Job purpose;
- Responsibilities;
- Working relationships and lines of reporting (internal and external); and
- Job specifications:
  - Education and experience
  - Skills and knowledge
  - Competencies.

It should be noted that it is not uncommon to have qualifications written in the law. This is not a recommended practice, because these qualifications tend to be incomplete and make the tax administration and employed staff reluctant to prepare more detailed and accurate job descriptions. This can greatly limit the ability of the tax administration to attract, select, retain, develop, motivate, and effectively utilize employees.

#### **13.1.4. Training and Development**

##### *Training*

Training that is applicable across the civil service, such as induction training, ethics, and courses like project management and leadership skills training, is often offered through civil service training institutions. Increasingly, tax administrations are outsourcing training for management and leadership-related skills to private companies. Due to the technical nature of the work of tax authorities and the unavailability of candidates in the hiring pool who already have all the necessary technical skills, tax administrations often need to train staff. This training is essential in order to develop the workforce necessary to carry out the organization's mandate. The OECD reports that 90 percent of tax administrations conduct assessments of their current and future skills and capability needs, and develop a plan to fill any gaps.<sup>7</sup>

Although there may be a training function in the government responsible for delivering training courses applicable across government agencies, tax administrations must develop specialized technical training. Tax administrations that do so typically rely on a systematic approach to developing training programs and materials to achieve specific learning goals and to provide performance-based training, such as Instructional System Design (ISD).

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<sup>7</sup> OECD (March 2011), p. 100.

At the highest level, the ISD process consists of identifying what learners currently know, defining what they need to know, and creating an intervention to bridge the gap. Instructional design is informed by research-based theories about how people learn and has its roots in behavioral and cognitive psychology. For more than three decades, the prevailing model of instructional design has been the systems model, which includes analysis, design, development, implementation, and evaluation, and which is better known as the ADDIE Model<sup>8</sup>. ADDIE is a step process, which means that each step has an outcome that leads to the subsequent step:

- Analyze the gap between what learners currently know, and what they need to know;
- Design a learning intervention to bridge the gap;
- Develop learning materials according to the design;
- Implement the training program; and
- Evaluate the implementation.

Although there are many ISD models, ADDIE is the most widely used and is able to provide performance-based training that meets learners' needs.

It should be noted that tax administrations commonly provide training without establishing standards for design, development, or delivery and without evaluating whether learning occurred or whether participants use what they learned once they are back on the job. Instead, most tax administrations rely on informal, on-the-job training that may or may not produce the desired impact. Serious consideration should be given to designing and implementing a formal on-the-job training program. In best practice terms, the bulk of learning undertaken by anyone in a new role is predominantly acquired on the job itself rather than in the classroom. The 70/20/10 Learning Concept created by the Center for Creative Leadership suggests that on average:

- 70 percent of learning and development takes place from real life and on-the-job experiences, tasks, and problem solving. This is the most important aspect of any learning and development plan. For example, the real learning from a skill acquired in a training program or from feedback takes place on the job when the skill or feedback is applied to a real situation;
- 20 percent of learning and development comes from feedback and from observing and working with role models; and
- 10 percent of learning and development comes from formal training.<sup>9</sup>

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<sup>88</sup> Summerville et al. (2008), p. 45. The ADDIE model appears in literature as early as 1970s (see, for example, Briggs (1977), p. 390). It should be noted that there are variations of the ADDIE model, but, at a high level, the model contains the phases described above (Allen (2012), Chapter 2).

<sup>9</sup> The 70/20/10 learning concept was developed by Morgan McCall, Robert W. Eichinger and Michael M. Lombardo at the Center for Creative Leadership and is discussed in Lombardo et al. (2000).

### Box 13.2. Redeveloped training approach in Kosovo<sup>10</sup>

The Tax Administration of Kosovo (TAK), with assistance from USAID, significantly redesigned its staff training function. An important part of this was the introduction of the Instructional Systems Design (ISD) methodology for all training activity based on a five-step ADDIE (analysis, design, development, implementation, evaluation) process.

Prior to 2010, the TAK Training Department operated as a 'travel agent' making administrative arrangements for staff travelling outside Kosovo, and each functional area of TAK Headquarters organized its own training activities. The previously established Training Policy and Training Commission had both been abandoned and previous attempts at establishing a Training-of-Trainers program had failed.

In mid-2010, TAK senior management committed to re-adopting its past Training Policy, re-establishing its Training Commission, and fully staffing its Training Department. A comprehensive Training Needs Assessment, comprising four competency surveys covering various functional roles in TAK, was conducted, along with an institutional capacity survey across TAK's 700 employees. The assessment identified the need for:

- The re-establishment of the "Training-of-Trainers" program. The new program included three courses covering curriculum development, test writing, and presentation and facilitation skills;
- A range of technical training courses covering audit, taxpayer education, and enforced collections;
- Management training with six courses covering managing results, managing performance, managing teams, managing change, managing operations, and managing communication; and
- Soft skills training, such as computer skills and English language training.

A comprehensive 12-month induction program was also prepared for 36 new tax inspector hires and involved alternating sessions of off- and on-the-job training.

Today, TAK has a fully functioning Training Department supported by a Training Commission that monitors training activity progress and a team of over 50 internal trainers. TAK has taken on full responsibility for design and delivery of all training courses. TAK has a comprehensive range of training materials, including instructor guides and pre- and post-training tests. Participants' ratings of the training received are consistently high, and post-training evaluations show that over 90 percent of training has been retained three months after the training.

### *Induction*

In addition to a formal training program, tax administrations should have an induction program. The term 'induction' is generally used in a workplace context to describe the entire process during which employees adjust or acclimatize to their jobs and working environment. As part of this process, 'orientation' can be used to refer to a specific course or training event that new starters attend in their first few days or weeks, and 'socialization' can be used to describe the way in which new employees build up working relationships and find roles for themselves within their new teams. The induction program has to provide all the information that new employees need without overwhelming or diverting them from the essential process of integration into a team.

The purpose of induction is to ensure the effective integration of staff into or across the organization, which benefits both the individual and the organization as a whole. A good induction program normally contains the following elements:

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<sup>10</sup> Source: author Diana Osinski.

- Orientation (physical) – describing the office facilities;
- Orientation (organizational) – showing how the employee fits into the team and how his/her role fits with the organization’s strategy and goals;
- An awareness of other functions within the organization, and how the employee fits within that structure;
- Meeting with key senior employees;
- Health and safety information;
- Code of conduct/ethics training;
- Explanation of terms and conditions of employment;
- Details of the tax administration’s history, its products and services, and its culture and values; and
- A clear outline of the job/role requirements.

Bearing in mind the foregoing, an approach that adheres to the following principles should be adopted:

- As much as possible, attempts should be made to replicate the same quality and content of the learning journey across the first year for all new hires;
- Progress should be tracked continuously throughout the period by designated peers, managers, and other stakeholders;
- Problems and issues that arise should be escalated and dealt with in a timely fashion;
- The new hires should be treated as individuals. However, the adoption of a strong peer group ethos and evolution of a ‘community’ spirit should also support their development;
- There should be strong continuous emphasis on the principle of personal accountability for individual learning and performance;
- Robust feedback should be secured throughout the learning period; and
- The majority of learning should be on-the-job, consistent with leading practice in learning.

### *Career Development*

A formal career development program is another key program that facilitates the effective utilization of employees in the tax administration. Career development programs allow employees to match their job skills and interests with opportunities for development and advancement within the tax administration. Formal career development programs have several important purposes for the tax administration. They:

- Provide employees with the opportunity to learn and advance;
- Foster career satisfaction and, therefore, retain employees and reduce the cost of turnover;
- Fill open positions with internal candidates;
- Support the movement of employees to new jobs;
- Stimulate creativity and high levels of interest in work throughout the tax administration; and
- Develop depth and back-up for staff.

A career development program is a formal program that requires the HR function to coordinate the collection of information from across the organization and develop a program that meets the needs of the tax administration and its employees. Listed below are the components of a formal career development program:

- **Analyze staffing plans to determine high priority career development needs.** Determine high priority career development needs by analyzing staffing plans and identifying jobs that may be affected by changes, such as changes in business priorities, skill and experience requirements, and volume of workload. Some high priority career development needs may be described by the following types of situations:
  - Jobs requiring skills not currently possessed by existing employees (e.g., the adoption of modern methods of taxpayer control, such as fraud investigations);
  - Jobs targeted to accomplish high priority business goals (e.g., instituting modern risk-based audit selection and planning);
  - Jobs that have a history of high turnover (e.g., technical personnel in the IT support function);
  - Jobs where the workload is expected to change significantly (e.g., return processing with VAT threshold changes); and
  - Jobs requiring special skills and specialization (e.g., transfer pricing auditors).
- **Identify priority job families targeted for the career development program.** Job families are jobs grouped by similar skills, knowledge, and experience requirements. The tax administration functions listed in Chapter 2 of this product are, in essence, job families. A higher level aggregation is also possible, however, as evidenced by the organizational structures that many tax administrations employ. A number of tax administrations combine client (taxpayer) facing functions under a single division, such as taxpayer services and education with registration, or audit or collections with special enforcement programs, such as stop-filer identification.
- **Complete job descriptions and skills requirements for jobs in targeted job families.** The identification of skill requirements for jobs within targeted job families is an important feature of a career development program.
- **Develop career paths.** A career path is a logical career progression from one job to another job within a job family and between job families. The career path is based on the common skill requirements of jobs.
- **Create career path information resources for employees and managers.** The career path information needs to be written and available to managers and employees for use in staff planning and development.
- **Provide tools and training for employee career development.** Managers and employees each have a responsibility in a successful career development program. Written materials and training programs define and communicate roles, responsibilities, resources, and opportunities in the career development program.
- **Managers are usually responsible for conducting career development planning sessions with their employees.** In career development planning sessions, managers help employees determine their skills, interest, experience, and possible career goals. Career development plans



include developmental activities, such as training for additional skills, special job assignments, and other tasks that give employees the opportunity to develop new skills. Managers need training, support, and consulting for their career development coaching role.

- **Employees are responsible for becoming informed about career path possibilities and making decisions about career goals.** Career development training programs for employees are usually focused on assisting employees to evaluate their skills, interests, and experience and to set career goals.
- **Develop a system to track individual employee career development plans and progress.** The HR function has an important role to play in coordinating the development of career path information and establishing an organization-wide system that keeps track of individual career development plans and progress. Employees who are actively engaged in career development activities constitute a pool of internal candidates available for placement into open positions.

### *Management Succession*

Another important program tax administrations should have is a Management Succession Plan. Management succession planning is the formal process that identifies developmental activities to prepare an employee for management positions with greater responsibility. Management succession planning is important for the tax administration because it establishes a method for identifying successors to each key management position. Management succession provides continuity of management leadership, which is important, especially in environments in which there is significant turnover of managerial staff. Where there is significant turnover, it is necessary to groom a larger pool of middle managers than might otherwise be necessary. With an effective management succession plan in place, a tax administration has greater flexibility to strategically move managers within the organization. The components of a management succession planning program are described below:

- **Evaluate performance of individual managers.** Some of the information that tax administrations use to evaluate the performance of managers include:
  - Performance rating;
  - Ranking within the peer group;
  - Listing of areas for improvement; and
  - Creating a development plan.
- **Identify potential future positions for each manager.** Since one of the main goals of management succession planning is to identify potential replacements for open management positions, managers are carefully evaluated to identify their potential for future positions. The potential for which each manager is assessed includes promotion, movement into lateral positions, and suitability in his/her current position. This assessment includes an estimate of the length of time before the manager is expected to be ready for potential future positions.
- **Identify possible successors for each current manager.** Possible successors are identified for each manager.

- **Summarize manager evaluation information.** The information from individual manager evaluations is compiled and summarized. Based on the summary, priorities and plans for management development programs are identified, such as:
  - Training;
  - Work assignments; and
  - Recruiting and hiring needed management talent.

### 13.1.5. Performance Management

Performance management is the process of managing tax administration employees and teams based on established performance expectations and measured performance results. The OECD notes that 91 percent of the tax administrations reporting indicate that they have performance management systems. A significant number (36 percent) do not set objectives for individual staff members at the outset of the performance period, but all report that their staff members are subject to performance assessments.<sup>11</sup> Mexico's tax administration is one of a few that engage in 360 degree assessments in which performance is assessed by the supervisor, co-workers, subordinates, and clients.<sup>12</sup>

#### Box 13.3. 360-degree assessment

Traditionally, performance appraisal has been limited to a feedback process between employees and supervisors. With increased focus on teamwork, employee development and customer service, however, organizations have devised systems to obtain performance feedback from a variety of additional sources. According to the U.S. Office of Personnel Management (OPM)<sup>13</sup> a "360-degree assessment" represents a full circle of performance-feedback sources with whom an employee interacts on the job, such as the employee's supervisor, peers, subordinates, and clients. OPM cautions that it is not necessary, or always appropriate, to include all feedback sources in a particular appraisal program, because the organization's culture and mission must be considered, and the purpose of feedback will differ from each source.

In a 360-degree assessment, generally, feedback providers fill out an anonymous online feedback form with questions covering a broad range of workplace competencies about an employee. The feedback forms include questions that are measured on a rating scale and also ask raters to provide written comments. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms.

An international company which specializes in 360-degree feedback, employee surveys and other tools<sup>14</sup> explains that the 360-degree assessments do provide pertinent feedback that can help evaluate behaviors and competencies, how others perceive an employee, skills, such as listening and courtesy, and subjective areas such teamwork, leadership, and character. However, such assessments do not provide feedback to measure how well employees are meeting performance objectives, whether an employee meets basic job requirements, the adequacy of basic technical or job-specific skills, or objective criteria, such as attendance and quantitative objectives.

The process of performance management involves line managers consistently:

<sup>11</sup> OECD (March 2011), p. 101.

<sup>12</sup> Ibid., p. 110.

<sup>13</sup> U.S. Office of Personnel Management (1997), p. 1.

<sup>14</sup> CustomInsight.com (2013), p. 2.

- Defining performance requirements and expectations;
- Communicating performance expectations to individuals and teams;
- Measuring the actual performance in relation to the desired performance; and
- Giving regular feedback and rewarding desired performance.

The HR function should support line managers by providing activities and programs that facilitate the performance management process. The process begins with the tax administration's goals. To support the tax administration's plans, each department, work unit, or team sets its goals and plans. To support the work team's goals, each person on the team has individual standards or objectives. To keep the work team moving quickly and in the right direction, managers should provide motivation and feedback. When someone has an ongoing performance deficiency, managers should provide continuous coaching. If the performance problem does not improve, managers should conduct discipline discussions.

After a period decided by the tax administration leadership, managers should write and discuss the performance appraisal, measured against the individual's or team's standards and objectives. A performance appraisal is a summary of the employee's or team's performance over a designated period of time, usually six or 12 months. An effective performance appraisal is based on the standards and objectives set at the beginning of the performance period. However, it should be noted that performance appraisals do not replace regular, continuous feedback and coaching. More importantly, they usually do not motivate or improve performance. The purpose of performance appraisals is to:

- Serve as a regular checkpoint for providing formal feedback to an employee; and
- Document performance for making future management decisions, as described below.

Individual employees or work teams may both be appraised. The appraisals may be done by the manager of the employee or work team, by peers, or by the team itself.

Appraisal forms vary from tax administration to tax administration. More important than the format of the form is the ability to accurately evaluate performance and document the justification for the rating. It is common to see high performance ratings and no written justification for them. In such cases, the performance rating becomes a less valuable metric to use in making personnel-related decisions.

A performance appraisal system has many components to ensure that it works for the benefit of employees and the tax administration. The system usually provides guidance as to the following points:

- How frequently appraisals for each team or employee should be done (usually every six or 12 months, although for some standards managers may need to provide daily or weekly feedback. Employees are more likely to work to improve their performance if they receive frequent information about how they are doing);
- How the appraisal date for each employee or team should be decided (e.g., the anniversary of employment, the same date for all employees or teams, or some other method);
- The categories to include in the appraisal (an appraisal form may also be provided);
- The rating scale to use for evaluating performance;

- The method for filing the appraisals, and who has access to the appraisal files; and
- Whether appraisal ratings will affect salary increases.

After completing a performance appraisal, managers should be able to make decisions related to the following five areas:

- Salary recommendations;
- Recommendations for promotion;
- Career planning;
- Developmental planning; and
- Possible disciplinary actions.

These decisions may also be made by a small group of senior management personnel instead of directly by the manager. The manager will then continue the performance management process by reviewing and setting new performance standards and objectives with the employee and/or team.

Providing frequent and appropriate feedback is one of the most important things a manager at a tax administration can do to let employees know how well they are performing. Feedback is the communication of information about the quality and quantity of performance by an individual or team. The most effective form of feedback is when the manager provides it verbally and in person. Providing feedback is a simple process and usually does not take much time.

It is also important for managers to motivate their employees. What managers say and do affects the ability for a person to motivate himself or herself. Therefore, the manager creates an *environment for motivation*. Motivating employees, or creating a motivational environment, is part of everything a manager does. The major advantages of managers making a conscious effort to motivate are:

- Increased productivity;
- Higher quality of work; and
- Improved morale.

Listed below are four strategies for motivating employees:

- Giving feedback to employees
  - Reinforces current and desired performance;
  - Corrects undesired performance; and
  - Provides information about how to complete a task.
- Providing a positive work environment
  - Sets the direction for the work team;
  - Sets a good example;
  - Provides satisfying work activities;
  - Provides a satisfying work setting; and
  - Removes obstacles to job satisfaction.

- Giving appropriate recognition and rewards
  - Includes positive recognition for good work; and
  - Includes small gifts, certificates, and prizes.
- Soliciting ideas and feedback from employees
  - Listens to and welcomes new ideas;
  - Holds staff meetings to keep everyone informed; and
  - Asks for suggestions from employees about how to improve the work environment or overcome obstacles.

If the feedback and motivation strategies do not encourage optimal tax administration performance, managers may need to coach some employees. Coaching is a more formal problem-solving process than feedback. The outcome of a coaching session should be a plan for improving or correcting performance. Coaching keeps an employee focused on the performance goals and corrects or improves poor performance.

### **13.1.6. Staff Satisfaction and Engagement**

Staff engagement is critical to high performing organizations and many tax authorities monitor and evaluate employee satisfaction. According to the OECD, 81 percent of tax administrations routinely measure engagement, satisfaction, and motivation.<sup>15</sup> Organizations that are highly effective actively engage their staff and help their staff to make meaningful connections to each other and to the purpose of their work.

Organizations that are able to communicate a meaningful connection between employees and the organization's core purpose perform better than those that do not. Better performance includes stronger financial performance and increased client and employee satisfaction. Successfully communicating organizational purpose is also beneficial in terms of recruiting and retaining staff.<sup>16</sup> In environments in which it is difficult to attract and retain the best staff, this is a potent and actionable measure for managers. Also, when conducting staff surveys to gauge employee satisfaction, it is good practice to disseminate and share the results.

### **13.1.7. Compensation**

Obviously, tax administrations need employees to execute tax-related work, and one of the fundamental reasons employees work is to receive a salary. Beyond the basic business reasons for paying salaries, some tax administrations control compensation to achieve other goals. The following compensation philosophies are designed to achieve various designated goals and can be used alone or in combination.

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<sup>15</sup> OECD (March 2011), p. 100.

<sup>16</sup> Deloitte Core Beliefs & Culture Survey 2012 was conducted among 1,310 U.S. adults age 18+, who are employed full time in non-government, for-profit businesses with 100 employees or more. Of those professionals who qualified, 298 were classified as executives and 1,012 were classified as non-executives, based on job title and job role.

**Figure 13.5. Compensation philosophies**

Philosophy	Definition	Reason
<b>Pay for the job</b>	Every worker who does the same job is paid the same salary.	The work of a certain job is worth a specified value. No one who is doing that work is paid more or less than that value. The tax administration may give cost of living salary increases to all employees based on the percentage of inflation. This approach may diffuse tension arising from pay differentials for staff performing the same job, but also may discourage motivation for innovation and achievement.
<b>Pay based on market pricing</b>	Every worker who does the same job is paid within a salary range based on market pricing (average salaries for the same competencies).	<p>The tax administration may decide to use a philosophy of paying salaries at the high end of the range in order to attract good workers.</p> <p>The tax administration may decide to use a philosophy of paying salaries in the middle of the range in order to retain employees at the competitive rate.</p> <p>The tax administration may decide to use a philosophy of paying salaries low in the range in order to reduce salary expenses. In this case, the tax administration takes the risk of not being able to attract or retain good workers.</p>
<b>Pay for seniority</b>	Every worker receives the same amount or percentage of salary increase each year. Over several years the workers with longer tenure are paid more than workers who have not worked at the tax administration as long.	Workers are compensated for staying on the job. The purpose of this philosophy is to retain workers at the tax administration who have job knowledge and experience.
<b>Pay for performance</b>	The annual (merit) salary increases are based on an individual worker's performance during the year. A pay-for-performance system usually uses salary ranges based on market prices.	Workers are compensated for good performance. Top performers receive the highest percentage salary increases. Average performers receive salary increased near, or slightly higher, than the percentage of inflation. Poor performers receive no increase. The purpose of this philosophy is to retain the good performers. Theoretically, workers are more in control of their salaries. Good workers can progress to the top of their salary range in several years, and be highly compensated for the quality of the

Philosophy	Definition	Reason
		work they do.
<b>Incentives and bonuses</b>	Compensation above the worker's salary. Incentives are paid for doing work beyond normal expectations, based on the quantity above normal. Bonuses are paid based on achieving certain criteria or level of achievement. Bonuses are most often available to executives, but may be awarded for any worker for a special achievement.	Incentives increase productivity without hiring additional workers and adding salary expense.  Bonuses motivate workers to strive for excellence. The criteria for executive bonuses are usually established, like a contract, at the beginning of the fiscal year. The criteria usually include high goals for performance (individuals, department, and the tax administration).

## 13.2. Common Trends

### 13.2.1. Separate Employment or Budget Conditions

Modern government-wide HR functions use complex job assessment systems that set out to measure the roles and responsibilities of all jobs across the civil service. To equalize pay scales across government agencies, positions are categorized into an overarching matrix, in which each position with similar weights of responsibility receives the same remuneration, independent of the agency or department in which it is located.

For many years, tax administration staff have argued that their jobs are unique within the general civil service and that they face much more difficult tasks than the normal deskbound tasks in most other departments. Discussions around whether tax administration staff merit higher rewards for their work have resulted in myriad outcomes.

As noted in Chapter 3, the semi-autonomous revenue authority (SARA) is one approach to implementing separate conditions for revenue authority staff. Countries in Latin America and the Caribbean (LAC) are, in fact, at the forefront of re-organizing tax administrations previously under the Ministry of Finance into SARAs. As discussed in Chapter 3, civil service staff remuneration in most developing countries is generally very low and far from competitive with the private sector. This situation may contribute to significant observed levels of corruption. Studies on the success of SARAs remain inconclusive. A recent presentation by the IMF, focused primarily on SARAs in Africa, highlights that while SARAs have helped increase remuneration for tax officials and improved HR, they have not necessarily translated into better reduced corruption, increased flexibility for reform, or better incentives for good performance among staff.<sup>17</sup>

As an alternative to separating the tax administration salary scale from the civil service, some tax administrations have considered rewarding tax officials based on the amount of annual revenue

<sup>17</sup> Kloeden et al. (2012), p. 9.

collection. Allowing the tax administration to retain a portion of collected revenues, whether to pay tax officials' salaries or for general budgeting, has had many disadvantages. These are discussed in detail in Chapters 10 and 14, with one example in Box 3 below.

#### **Box 13.4. Remuneration based on annual collection in Egypt<sup>18</sup>**

The Sales Tax Commissioner in Egypt negotiated 20 percent of the annual sales tax collections in excess of the collection target set by the Ministry of Finance as departmental bonus to spend at the Commissioner's discretion. The bonus was especially resented by the Income Tax Department. The sales tax collection target was exceeded each year, and there were continuous rumors that advanced collections and other nefarious methods were employed. When the Sales Tax Department and the Income Tax Department were combined into the Egyptian Tax Authority, the system was abandoned.

### **13.2.2. Staffing Levels**

Since 2004, the OECD has been collecting data on overall staffing in tax administrations, and the data show a trend toward fewer staff.<sup>19</sup> As tax administrations gain more operational efficiencies through increased reliance on electronic transactions and information flow, improved workplace technology, increased automation, and reorganizing workflows along functional lines, the need for staff is reduced. The chart below makes the trend toward overall reduced staffing levels clear. Moreover, even tax authorities with relatively low levels of staff overall report that they expect to hire fewer staff up to 2015.

## **13.3. Tax Administration Maturity**

This section presents a four-level model to allow interested officials to self-assess the general level of maturity of their tax administration's HR framework.

### ***HR Management and Organizational Development: Maturity Level 1***

Key word: "Basic"

- The HR function is not seen as a strategic part of managing the performance of the organization.
- The HR function may be carried out within the tax administration or as part of the larger civil service, but, regardless of where the function fits, it is not yet capable of carrying out a range of modern services for the organization.
- The HR function primarily focuses on basic HR administrative activities.
- The organization has not yet developed a code of conduct.
- The remuneration structure does not yet effectively incentivize ethical action and strong performance.
- Job descriptions are yet to be developed, out of date, or insufficiently detailed.
- The HR function's cadre of senior leaders lacks HR skills, training, or education.

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<sup>18</sup> Source: author Colin Lethbridge.

<sup>19</sup> OECD (March 2011), p. 137.



- Training is ad hoc or limited to senior staff teaching junior staff about changes to the tax code.
- The organization lacks a training curriculum, access to trainers, and/or access to relevant training.

### *HR Management and Organizational Development: Maturity Level 2*

Key word: "Developing"

- The HR function recognizes that it can play a strategic role in executing the organization's mission and is beginning to review its roles and responsibilities with a view to increasing the effectiveness of core functions, such as hiring, retention, development, training, remuneration, and motivation.
- The HR function is tracking the satisfaction of its key stakeholders with its services and is trying to build on strengths and address weaknesses.
- The HR function is reviewing its own structure, roles and responsibilities, and staffing needs in light of feedback from key stakeholders.
- The HR function is reviewing laws and policies that limit its effectiveness and is recommending relevant changes.
- The HR function recognizes its key role in promoting and enforcing codes of ethics and conduct and is beginning to fulfill this role.
- A training needs analysis of the tax administration has been undertaken and shaped into a training and development plan.

### *HR Management and Organizational Development: Maturity Level 3*

Key word: "Consolidating"

- The HR function is seen by the rest of the tax administration as providing an important and vital service.
- The HR function is achieving increased levels of satisfaction among its key stakeholders in its core functions, including hiring, retention, development, training, remuneration, and motivation.
- The HR function is able to influence laws and policies that limit its effectiveness.
- The HR function tracks compliance with ethics and codes of conduct and is seeing increased compliance.
- An effective training and staff development system is in place and is producing impact on the job, as validated by course evaluations.

### *HR Management and Organizational Development: Maturity Level 4*

Key word: "Leading"

- The HR function is seen by the rest of the tax administration as a key strategic partner and is brought into all major decisions taking place at the highest levels of the organization.

- The HR function tracks its performance in executing its core functions and continuously improves its systems.
- Laws and policies are conducive to building a strong, capable, and motivated tax administration, and the HR function is seen as an important advisor when new laws and policies are under consideration.
- Much of the code of conduct and related compliance systems are tracked automatically through electronic means, so HR staff can efficiently identify anomalies and investigate further as needed.
- The training and staff development system promotes continuous improvement of training approaches and curriculum in order to stay current and effective, such that operations clearly improve due to the training and development staff members receive.
- Some of the most satisfied government employees are found in the tax administration, and it is easy for the organization to attract and retain high performing staff members.

### 13.4. Latin America and the Caribbean

CIAT's recent study of tax administrations in Latin America provides a good synopsis of HR in tax administrations in the region, and the following discussion draws largely from the study.<sup>20</sup>

In 2010, the number of taxpayers to tax administration staff in the LAC region averaged 760.<sup>21</sup> These staffing levels are comparable to the staffing level average of upper-to-middle income economies, but lower than the average of high-income economies (908 taxpayers to tax staff). Quite interestingly, staffing levels of tax administrations in the region increased by an average of 9.1 percent over 2006-2010, contrary to the downward trend noted in OECD countries above, and contrary to what one would expect from the aforementioned comparison. This number is dominated to some extent by several countries with sharp increases in staffing (Brazil, Ecuador, Guatemala, Nicaragua, and Uruguay), although a few countries have also shown sharp reductions (Bolivia, Colombia, the Dominican Republic, and Paraguay).

The distribution of staff in 2010, on average, was 11.9 percent to taxpayer services, 30.1 percent to audit and examination, 25.2 percent to revenue and collection, and 32.8 to other functions, of which 22.4 percent were dedicated to administrative services, HR, and information technology. The proportion of staff dedicated to audit and examination seems consistent with OECD averages, while the proportion of staff dedicated to tax control is quite high. Although the definition of functions in this distribution is unclear, interestingly, CIAT notes that the number of staff in tax control functions is generally insufficient.

As noted in Chapter 3, LAC countries have led the way with regard to the establishment of SARAs. This is one of the factors that have resulted in improvements in remuneration to tax officials. Salaries of tax

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<sup>20</sup> Inter-American Center of Tax Administrations (CIAT) et al. (2012), chapter 3. Less information is available on Caribbean tax administrations.

<sup>21</sup> USAID's Collecting Taxes database, <http://egateg.usaid.gov/collecting-taxes>.

officials are generally higher than the rest of the public sector, although still lower than the private sector (except in Argentina). Most tax administrations have established variable compensation (i.e., bonuses) based on performance, which in some administrations can range up to 20 percent of basic salary. There are large variations in remuneration, but these are to be expected given different socioeconomic situations.

#### **Box 13.5. Reforming staffing levels and compensation in Peru**

Peru is a dramatic, albeit early example of reforms of staffing levels and compensation in the tax administration. Peru's SARA was established in 1988, but real reform took place in 1991. Between March and September of 1991, the tax administration's workforce was reduced from over 3,000 to 800 through voluntary resignation with monetary incentives and competency tests, and salaries were increased to be competitive with the private sector.<sup>22</sup>

Today, however, Peru's tax administration stands out as the one tax administration in Latin America with salaries that are significantly lower than those of the private sector.<sup>23</sup>

Recruitment processes are well established and, according to the CIAT study, "impeccable." Recruitment uses technical tests and, in some cases, requires that candidates pass selected courses at tax administration training centers. Over 50 percent of employees possess university degrees, which is higher than the OECD average. Continued training is a priority, and most LAC tax administrations have training departments that utilize both classroom and distance training to teach management and technical topics.

#### **Box 13.6. Training of tax officers in Chile**

The Internal Revenue Service of Chile organizes different educational courses with durations ranging from five weeks to five months dedicated to team work, decision-making and stress, time management, assertiveness, communication, personal development, and other topics. As long ago as the mid-1990s, 2,500 persons annually spent more than 100,000 hours in training.<sup>24</sup>

Today, Chile's tax administration has one of the lowest employee attrition rates amongst tax administrations in OECD countries – 2.8 percent in 2009. It continues to identify staff training needs, develop training plans aimed at achieving higher efficiency levels in work teams, and evaluate training for effectiveness. The latter is important, as Chile's Law 20.431 of April 2010 establishes an economic incentive linked to taxpayer satisfaction with the level of service provided, as measured by surveyed taxpayers.

### **13.5. Key Benchmarks and Guidelines**

Measuring the performance of the tax administration's HR function requires an understanding of how employees perceive the tax administration's performance in the key areas described below and whether employee satisfaction improves over time.

- Are employees satisfied with the standard of communication within the tax administration?

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<sup>22</sup> Bejakovic (n.d.), p. 12.

<sup>23</sup> Inter-American Center of Tax Administrations (CIAT) et al. (2012), section 3.4.

<sup>24</sup> Bejakovic (n.d.), p. 13.

- Do they feel well trained to carry out their duties and responsibilities, and do they have satisfactory prospects for career development with the tax administration?
- Do they have sufficient training to effectively, efficiently, and productively use the tax administration's technology, and is this training up to date? Do they find the available equipment and technology to be sufficient for them to do their jobs?
- Are they satisfied with how tax administration leadership manages change and measures employee performance?
- Do they have a comprehensive, up-to-date job description that accurately reflects their position in the tax administration, along with formal written policies and procedures on how to conduct their daily work?

An example questionnaire that addresses the five areas above is presented in Appendix 13.A. In addition, a number of benchmarks can be derived from the discussion above:

- Where tax filings are nearly universal (i.e., most individuals and businesses are required to file), 850 taxpayers per tax administration staff seems to be an appropriate staffing level.
- The distribution of staff in OECD countries varies across countries. However, a significant number of surveyed countries report over 30 percent of employees dedicated to taxpayer account management (registration, filing and payment, taxpayer services), over 30 percent of staff dedicated to audit and verification, and over 10 percent of staff in enforced collections. Management staff in two-thirds of the countries was 10-20 percent.<sup>25</sup>
- Time spent learning should be in the neighborhood of 40 hours per year.
- Employee attrition rates should be low (5.5 percent on average in the OECD<sup>26</sup>).

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<sup>25</sup> OECD (March 2011), p. 139.

<sup>26</sup> Ibid., p. 112.

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# Appendix 13.A. HR Performance Questionnaire<sup>27</sup>

## Communications Questions

1. I receive regular briefings and verbal updates from my manager which keep me well informed of news and developments within the organization which are relevant to me and my team.
2. I receive regular briefings and verbal updates from the appropriate Director which keep me well informed of news and developments within the organization and its performance which are relevant to me and my team.
3. In the course of my work, I feel that the quality of communication between teams and functions works well and that this helps me and my team achieve our targets.
4. My team has regular team meetings, and these are useful in keeping me up to date on our performance and other aspects of our work which are relevant to me.
5. The written and verbal communications I receive within the organization are clear and understandable.
6. The written and verbal communications I receive within the organization are relevant to me and to my job.
7. I fully understand the strategic objectives of the organization and feel well informed about our institutional performance throughout the year.
8. I believe that the relationships between Headquarters functions/teams and outfield (Regional) functions/teams generally are very productive and help the organization as a whole to perform its duties effectively.
9. I believe that the relationships between the teams in the Regional Offices are positive and the coordination between them helps the organization to perform well as a whole.
10. I am satisfied with the standard of communication within the organization as a whole.

## Education, Training, and Career Potential Questions

1. I have sufficient education to enable me to conduct my work to the required standard.
2. I have received sufficient training to enable me to conduct my work to the required standard.
3. The training I have received has helped me to conduct my work to a better standard.
4. My immediate supervisor provides on-the-job training and development which enables me to work to a higher standard.
5. I have good training opportunities to improve my skills and qualifications.
6. My immediate supervisor works with me to develop my professional skills.
7. I feel a sense of ownership for my own development and my career.
8. I am well trained to carry out my duties and responsibilities.
9. I have satisfactory prospects for career development and promotion within the organization.

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<sup>27</sup> Source: author Diana Osinski.

### **Equipment, Working Conditions, and Miscellaneous Questions**

1. I have the equipment that I need to do my job properly.
2. I have good working conditions.
3. I have sufficient training to effectively, efficiently, and productively use the organization's equipment.
4. I can effectively, efficiently, and productively use the organization's computer systems and software.
5. I am fully proficient in the use of all systems and programs (e.g., Microsoft Outlook, Excel, Word, PowerPoint, etc.) that are necessary to do my job properly, and I utilize this proficiency to deliver a good standard of work performance.

### **Management and Senior Management Questions**

1. My achievements and contributions are valued by my immediate supervisor.
2. My immediate supervisor sets and communicates clear goals to me and takes the time to explain my role and the results for which I will be held accountable
3. The organization values my work and my contributions.
4. I am fairly compensated for my work.
5. I am satisfied with the relationship I have with my immediate supervisor.
6. My immediate supervisor measures the performance of everyone on my team accurately, fairly, and consistently.
7. My immediate supervisor directs and assigns work to members of my team effectively, fairly, and consistently.
8. I feel encouraged to make suggestions to enhance the efficiency and effectiveness of my team and feel that my ideas are valued and appreciated.
9. I feel that I have an appropriate degree of control over my work and influence the outputs of my work.
10. My immediate supervisor is good at managing people.
11. I feel comfortable asking for help from my supervisor whenever I have a problem to solve at work.
12. I know what is expected of me in performing my job.
13. Change is well managed within the organization.
14. I am treated fairly.
15. My line manager helps me to manage the pressure I come under in my job.
16. I would speak highly of the organization as an employer.

### **Mission Delivery Questions**

1. I receive sufficient training to be able to deliver high quality customer service internally and externally (as applicable).
2. I understand what is expected of me in terms of the standards of service that I am expected to provide to external customers (if applicable).

3. I am fully aware of who my internal customers are (i.e., internal customers to whom I provide a service) and the scope and standard of services which I am expected to provide (if applicable).
4. I am fully aware of whom I receive customer services from and the scope and standards of service I expect to receive.
5. My manager places sufficient emphasis on the importance of the team providing excellent internal and external customer service.
6. Customer complaints are well managed by my team.
7. I would speak highly about the standard of customer service that I and my team provide.
8. I would speak highly about the standard of customer service provided by the organization.
9. Customer complaints are well managed by the organization.
10. My immediate supervisor continuously encourages me to provide good internal/external customer service.
11. I believe that our customer service standards are well known such that customers always know what to expect from myself and my team and therefore have their expectations managed well.
12. I believe that the standard of customer service provided to external customers is satisfactory.
13. I believe that the standard of internal customer service within the organization is satisfactory.

#### **Policy and Procedures Questions**

1. I have a comprehensive, up-to-date job description which accurately reflects what I do and need to achieve.
2. I have formal written policy and procedures on how to conduct my daily work.
3. I know the expected quantity of my work and what I need to achieve for my manager to confirm that my performance is satisfactory.
4. I know the expected quality of my work and what I need to achieve for my manager to confirm that my performance is satisfactory.
5. I perform work in an effective, efficient, and productive manner.
6. I am clear about the long-term goals and objectives of the organization.
7. I am clear about the long-term goals and objectives of my department.
8. I fully understand the standard of performance which is expected from me each year.
9. My performance is formally evaluated in a thorough way at least once a year.
10. I am fairly rewarded for my performance.