THE TAX OFFICIALS OF TOMORROW

ARE HR DEPARTMENTS IN TAX ADMINISTRATIONS PREPARED FOR THEM?

IOTA
Intra-European Organisation
of Tax Administrations

WWW.IOTA-TAX.ORG

The bases of the articles were presentations given at the 23rd General Assembly of IOTA, 2-4 July 2019, Brussels.

Published by Intra-European Organisation of Tax Administrations, Budapest.

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FOREWORD

Dear Readers,

An important part of the Communication strategy of IOTA relies on our publications. In recent years, we have extended our publishing scope to a variety of publications intended to reach out to our membership and beyond.

With this objective in sight, we initiated the publication of books following each of our general assemblies, characterised by technical content. The material is provided by those who delivered speeches and presentations during the plenary and break-out sessions of the technical part of the event.

Thus, our readers can benefit from a broad scope of opinions, approaches and perspectives since the authors represent a wide range of tax professionals. They come from the tax administrations members of IOTA, and also from other international organisations, businesses and academia.

This new book follows the same logic and intends to provide answers to the question reflected in the professional theme of the 23rd General Assembly of IOTA: “Are tax administrations ready for the tax official of tomorrow?”.

Kicking off with an inspiring address by Alexander De Croo, Finance Minister of Belgium, the host of IOTA’s General Assembly in 2019, this book includes a collection of articles that touch upon Human Resources issues that are high on the agenda of every modern tax administration and even of every organisation to, namely employer’s branding, evaluation, closing the knowledge and skills gap and leadership.

I believe that the knowledge gathered in this book will help facing and overcoming the challenges of managing tax employees as well as pointing to the future of human resources.

Since my term as Executive Secretary of IOTA is soon finishing, I may take this opportunity to say how honoured I feel to have been serving IOTA during these three years and I hope dear Reader that our paths may cross some day in the near future.

Enjoy the reading and all the best.

Miguel Silva Pinto
EXECUTIVE SECRETARY
Intra-European Organisation of Tax Administrations

INTRODUCTORY SPEECH

23rd IOTA General Assembly – 2-4 July 2019, Brussels

It's my honour to open this technical session on such a vital and current theme. Human Resources is a top priority for tax commissioners, in particular the need for transformational change of competencies following the implementation of digital solutions. The theme of this General Assembly is therefore a well-chosen topic.

We are moving into highly technological times. This is the case in any domain, in any type of activity in society and this is definitely the case in government, finance and taxation.

We tend to look at technology with a very ambivalent view. Too often in the public and political debate, we look at technology with a certain fear, regard technology as a threat, destroying our jobs and our privacy. Something we must defend ourselves against. It is very dominant view in public debate. However, the question is whether this is the right approach. In the end, the digital of today is a technological tool. We, human beings, have been using tools over the past centuries. And every time new tools came in, they eliminated certain type of jobs. Often jobs with very low added value, repetitive, physically restraining and back-breaking jobs with low financial remuneration. New technologies and new tools created new jobs that were physically less straining, intellectually more interesting and that gave more job security. New tools generated new jobs more than they destroyed.

I have an optimistic view on technology and its influence. Yet, it does not mean that I am naïve. The technological transformation is happening in a much faster pace than it used to be. This poses a lot of strains and challenges on companies and public organisations. On one side, the drive for digital is pushing a gigantic amount of investments, changing processes and integrating technology in our way of working, while on the other side, it requires other skills, more soft skills, human skills.

Instead of looking at technology as a threat, let us look at it as complimentary and focus on the value we add to technology, e.g. creativity, innovative thinking, problem solving, analytical thinking, emotions and empathy. Organisations that are the most powerful and successful today are the ones that have the right combination of technology and the human side.

In the years to come, we have to emphasise and strongly develop this human side. We need to invest more in people that are good with emotions. We do not only need people with coding skills, we need a lot more people with human skills than with technical skills.

This fundamental change also confronts us with the need for new leadership. In times of profound change, leadership is more important than ever. Yet, it will be a different type of leadership. Digital leadership will be more collaborative in nature.

And finally, we also have to make our teams more diverse. Gender diverse teams drive better results and less risks. It is a no-brainer, but we still have a long way to go. We need to look at diversity in a broader sense. A team with different backgrounds has different sensitivities, different ways of picking up things. A diverse team is a better team. It'll lead to other ways of decision-making, less hierarchical and more based on influencing and consensus-building. That is why diversity in leadership should be a priority.

During this General Assembly, we hoped to encourage the debate around these critical challenges.

Alexander De Croo

Deputy Prime Minister and Minister of Finance, in charge of the fight against tax fraud
Minister of Development Cooperation

TRENDS IN HR MANAGEMENT OF TAX ADMINISTRATIONS

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Human Strategy of the National Tax and Customs Administration

Csilla Tamás Czinege

Deputy State Secretary, Director General for Taxation Issues
National Tax and Customs Administration, Hungary

Many conferences have dealt with challenges of digitalisation and how tax authorities can take full advantage of these opportunities. In the National Tax and Customs Administration (NTCA) in Hungary we focused on our taxpayers: how we could make taxation more convenient for them and how we could enhance compliant behaviour. Now, it is time to pay attention to our internal procedures, because the most modern technologies mean nothing if we are not able to use them.

In Hungary, the former tax and customs administrations and the investigation of financial crimes were merged in 2011.
Five years later, we noticed that the merged Administration was functioning more transparently and cost-effectively. We introduced real-time data services and targeted selection. In 2016, we initiated a client-oriented attitude, which changed the relationship between the Tax Authority and the taxpayers. We have transformed the NTCA, besides being an Authority responsible for collecting taxes, into a service-provider, which supports taxpayers in their obligations.

Real-time data have been integrated into our operation and risk management. At the same time, modern IT solutions were expected to be implemented.
The pressure of reducing the number of employees, the demand for hiring more qualified employees (because of the IT development) puts the HR management under a two-sided pressure.

HR development program

As a reaction to Governmental expectations and internal constraints, NTCA developed a new strategy, the so-called NTCA 2.0. We carried out several surveys while we created this strategy.

For instance, we assessed and analysed the management tasks, processes, structure and organisation. The HR faced a significant challenge to unify the competencies related to the different legal relationships of our employees: officers and officials, to harmonise the salaries and other benefits and to create a unified organisational culture. The main factors of our HR Strategy concentrate on how to gain, optimally use, support, enhance, train and keep valuable and result-oriented workforce.

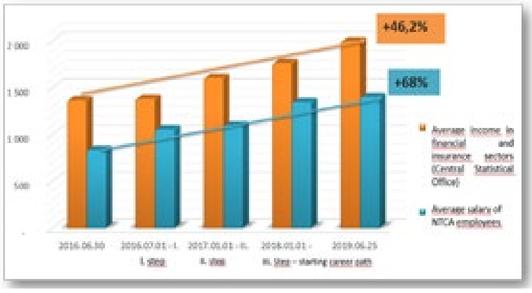
Career path model of the NTCA

NTCA of Hungary is a merged administration: tax and customs had different legal relationships, which meant different remuneration systems as well. It was a top priority to unify the remuneration system after the re-structuring.
Furthermore, we had another reason to remodel the system of salaries. The higher salaries of the private sector are very attractive for the NTCA employees. In order to keep the workforce, the so-called **Career Path Model** was introduced in 2016.

The main purpose of the **Career Path Model** is to offer every NTCA employee a position, which is in line with his/her qualification, expertise, experiences and competences. Besides, the Career Path system improves loyalty and enhances long-term professional development of employees.

INTRODUCING NTCA CAREER MODEL – 2016.

- Is able to reward outstanding performance, greater responsibilty and self-reliance as well as professional achievements
- Provides possibility for progressing horizontally and vertically as well
- Is in line with competences in scope of activities
- Salary elements and bonus system have been simplified



The new system rewards outstanding performance, greater responsibility, autonomy and professional development better than the length of service. Categorisation of positions, where each category has gradually higher basic salaries, makes this possible. Promotion and getting higher positions are not automatic, but it is possible on the basis of qualification, skills and competencies of persons concerned.
The definition of roles, responsibilities and necessary competences are derived from the long-term strategy, objectives and values.

The Career Path has been progressively introduced, according to legal regulations. The new system provides **the possibility of horizontal and vertical promotion**. From the perspective of efficiency, it is necessary to have those colleagues in every position, whose personal competencies are the most in line with requirements of the given position.

Job classification system, formulation of competencies

It is very important to identify the competencies of future colleagues at the time of selection in order to have high quality workforce. Now we have a well-defined and structured framework of competencies. The categories of positions are dependent on the level of professional skills and competencies. In Category "A", tasks require lower level of competences and expertise, while, our colleagues graded in Category "E" should have the highest level of knowledge and competencies. This framework is in line with the EU rules.

Renewal of education and training systems

Clear definition of roles, competences and levels of competences may help the selection process and also the training development.
Our basic training has three levels: the first one is the training for recruit, after this, there is the level of basic professional training, finally the specialised basic trainings. These trainings are obligatory for each employee. After the basic trainings, there are a lot of possibilities for developing professional skills and competencies. Special training programs are dependent on the training needs. There are two carrier paths possibilities for the employees: the expert path and the manager path.

Our performance evaluation system

Receiving feedback on our performance is a fundamental need for all of us.
An internal regulation of NTCA on organisational performance management provides a frame for the process of performance management. Setting yearly goals and evaluations at year-ends are obligatory. There is a high demand from our employees that the work performance should be measured and evaluated in the most precise and comprehensive way.

Recruitment, selection

Tax authorities must be able to compete effectively and to be on the labour force market as an attractive workplace, even for a longer period of time.

WORKFORCE RECRUITEMENT, SELECTION

Employees aged 35-44, are the largest ratio in the organisation of NTCA, it is nearly 40%. The ratio of employees in the age group of over 55 is below 15% and the NTCA's situation is better than EU average. However, their replacement will be a challenge when they will retire.

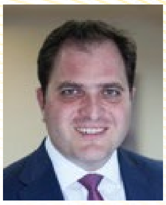
The technological evolution, social-cultural challenges, different generations and HR trends significantly influence our human resource needs and requirements set towards our future employees. In the course of selecting employees, we need colleagues who are able to understand the technologies that we use. Applying digitalisation, artificial intelligence and software robots may substitute significant amount of human resources.

Elements of our common organisational culture

The organisational culture basically defines the employees' efficiency, satisfaction and motivation.
Creating or changing appropriate organisational culture is a time-consuming process; however, this has a lot of benefits in the long run.

It is very important that we devote particular attention to innovative ideas, as well as to accomplish them, in parallel with requiring the fulfilment of duties. We reward our most innovative colleagues and the best experts.

Re-engineering IAPR's HRM System



Georgios Pitsilis

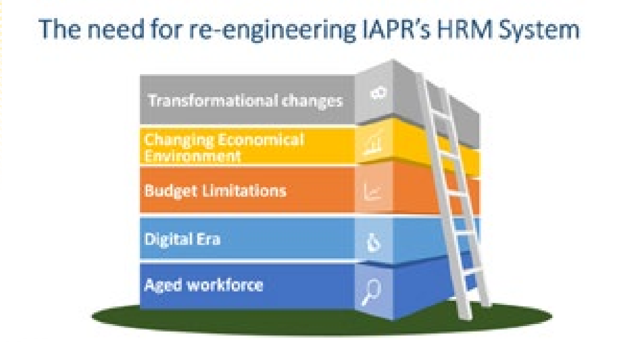
Governor
Independent Authority for Public Revenue, Greece

All Tax Administrations around the globe have to confront a constantly changing and challenging environment in a variety of issues:

- Aged workforce: high percentages of retirement, succession gap, generation gap, obstacles for mobility and workforce planning;
- Digital Era: telework environment, integrated IT applications, specific IT competencies;
- Budget Limitations: doing more with less, limited recruitment, workforce under pressure;
- Changing Economic Environment: business implications - new tax evasion/avoidance schemes, need for high levels of agility and responsiveness and
- Transformational changes: merging with Customs Administrations, reconstructing/re-engineering services – procedures – processes, lack of professional and qualified experts in critical areas.

In the Independent Authority for Public Revenue (IAPR), we are well aware that the improvement to the quality of our services to taxpayers goes through the improvement of our Human Resources Management System, i.e., the way we treat our 12.000 employees. This is why we have put a significant amount of effort in establishing a modern Human Resources Management System that mirrors our vision and strategic plan for a modern and forward-looking organisation.

HR is viewed as an important and integral part of Tax Administrations' organisational development and change management. As far as, on average, **approximately 70% of tax administrations' operational budget is spent on staff salaries** (OECD Survey 2018), it is crucial that an HRM system delivers the optimum level of effectiveness.



IAPR's HRM Transformation

Since January 1st 2017, the Greek Tax Authority has become organisationally and functionally independent. This was the end of a process of institutional transformation that has started from the creation of a single revenue authority and the start of a new era that we, in the IAPR, view as an enabling framework that will allow us to implement the broad list of structural reforms we need.

Thus, one of our priorities is to establish and operate a transparent and fully meritocratic Human Resources Management System, re-engineering all HR functions. It is tailored to the needs and expectations of our Revenue Agency and based on best practices of other Tax Administrations. Notwithstanding, the organisational structure as a whole has been re-shaped in order to "fit" to a modern and efficient Organisation.

The new System is a **Competency-based HR Management**, meaning that all Job Descriptions have incorporated Competency Profiles which are the basis for all Human Resources Functions, so that everyone can see what the jobs are, what competencies are required and that the work that is done is clearly understood. The first step was made in 2017, by allocating every employee to a job. This step provides the foundation for the whole HRM System (Grading, Payroll, Performance Appraisal, Mobility & Career Paths).

More specifically, the basic components are:

The new HR management system in the IAPR

1. Job Descriptions
2. Grading System
3. Mobility & Career Path
4. Performance Appraisal
5. Payroll

1. Job Descriptions

As aforementioned, the basis of our new HRM System is Job Descriptions. JDs have incorporated Competency Profiles, distinct for every Job Family.
In a nutshell:

- Descriptions for every Job
- Competency Profile per Job Families
- Competency Framework for all IAPR's Jobs (Tax, Customs, Chemical Labs, IT)
- Allocating all employees to Jobs (one –off assessment)
- Launching the new HRM System

2. Grading System

The aim is to move from a traditional grading scheme (based solely on seniority and educational level) to a system that will be based on Job Evaluation.

The grading structure adopted will be "future proofed" by reference to international practice, to ensure that it does not simply reflect the way work is currently carried out but can also meet the future needs of the IAPR.
All IAPR's jobs were described, analysed, evaluated and allocated to Grades according to specific criteria that are finally depicted in every job description:

- Knowledge and Experience
- Complexity & Creativity
- Critical Thinking & Decision Making
- Influence & Supervision
- Contacts & Communication
- Working Conditions

One of the innovations of IAPR's HRM system, compared to the rest of the Greek public sector is that many low or mid-level Managerial Jobs are at the same Grade with operational Jobs that require high skills and are critical for the success of IAPR's operations.

3. Mobility & Career Path

The main characteristics of the Mobility System are:

- All Job Vacancies are monitored and a Circular Mobility System is established
- Staff needs are being recorded and the Workforce Planning is being prepared
- Job Vacancies are immediately announced through the Intranet HRM Platform
- Targeted Training Programs via our Tax & Customs Academy will be developed
- Career Paths are created

IAPR will develop clear and specific career paths for every Job Family and in the long run we will also design and issue a thorough & detailed Career Guide.
Training and development will be provided by the IAPR Tax & Customs Academy, by means of job-focused training programs at various levels of proficiency or delivered by line managers through personal guidance programs (coaching & mentoring) as suitable.

4. Performance Appraisal

The primary goal of the Performance Management system is to identify 'areas' of the employees' work behaviour and performance that can be improved in terms of achieving individual and operational expectations and targets while aligning Personal and Organisational Targets.

The new appraisal system is based on **qualitative** (competency-based appraisal) and **quantitative** criteria (targets) and aims at rewarding the best and, equally, at helping the weaker to upscale their performance. Its main characteristics are:

- Quantitative assessment based on Business Plan targets and Functional targets, set primarily at team level to promote co-operational behaviour.
- Qualitative assessment based on the competencies at the expected level of sufficiency required for the Job. The assessment includes a 360° cycle evaluation.
- Targets will be agreed between the manager and the staff member at the beginning of the year. Progress will be regularly monitored throughout the year. Poor performance against targets and/or competencies will be communicated by the manager to the staff member at the earliest opportunity and the manager and staff member will be required to work together to achieve improvement.
- Performance assessment will focus on consistent identification of staff performing below a certain ("acceptable") standard, as well as people performing at a consistently high level.

- Where the required standards are not being met over the year being assessed, the manager and staff member will need to agree on the steps that will be taken in order to improve performance (e.g. training).
- HR processes will be developed to help employees who don' t meet the required performance standards.

5. Payroll

The payroll system will be based on the Grading System. The new Grades will be the pay bands of the new Payroll system.

So, overall, we are shifting towards a system in which the payment is not based only on seniority and academic skills, but also on the evaluation of the Job that every IAPR employee holds.

- This will ensure that payment reflects the weight of the job so that people doing equivalent work are paid on the same basis ("equal pay for equal work").
- Each remuneration band will have a minimum salary.
- Subject to a satisfactory annual performance assessment, the employee will progress through the steps.
- Once the top step is reached, the way to further improve payment will be to apply and be selected for a job in a higher band that will also belong to a higher remuneration band, thus incentivising people.

The "EU Tax HRM Readiness & Agility Model" Project

Having laboured on HRM increasing effectiveness, during the 1st plenary meeting of the Tax ADministrations EU Summit last year (TADEUS) our country proposed to EU General Directorate TaxUD to undertake a project on "HR and Skills". This led to the formation of an EU project group, composed of 19 representatives from 13 EU Member-States, under the auspices of TADEUS, which bares the task of designing an assessment tool (based on the TADAT concept) for Human Resource Management.

Namely, the idea is to develop a diagnostic tool that assesses the Agility and Readiness of European Tax Administrations in the following main Human Resource Management functions (also called "Performance Outcome Areas"):

- Recruitment
- Succession Planning
- HR Analytics
- Workforce Planning
- Payroll
- Training Management
- Career Development
- Performance Management

The model will provide feedback on the capacity level of each function that will then allocate the Tax Administration in one of the four different levels of Readiness & Agility:

- Basic
- Progressing
- Advanced
- Leading

Cooperation and synergies are being developed together with the OECD and TADAT Secretariat that have similar HR Maturity Model projects in progress. The project is expected to be completed at the beginning of 2020 and provide a useful and much needed tool for Tax Administrations to measure and monitor their performance in the critical HR area.

For all Tax Administrations, people are their greatest asset and their motivating power. Being committed to change, means focusing on keeping our HRM systems contemporary and agile and our people proud for their jobs and happy with their work-life balance.

Collecting taxes in the digital era – challenges and opportunities

Stephen Quest

Director-General for Taxation and Customs Union at the European Commission

Abstract

The rapidly changing economy means that tax administrations will need to adapt their human resource policies and their staff profiles to acquire new competences. To ensure tax compliance, tax administrations need to diversify their expertise and use their workforce in smarter ways. Equally, tax administrations need to be attractive employers and offer challenging, flexible working conditions to face the global competition for talent. To offer a structured solution to these challenges, the EU Member States and the European Commission collaborated to create TaxComp^{EU}, an EU competency framework for tax. This will provide tax administrations with a standardised approach towards training and performance development for tax professionals, connecting all HR processes under a uniform, tax-specific, competency-based methodology and toolset.

Upcoming challenges

It is a truism to say that tax administrations do not always evolve as quickly as the external environment.

The rapid growth of the **digitalised economy** is affecting tax bases and the nature of economic activities. The dematerialisation of goods and services, the sharing and gig economy, emerging use cases for blockchain and the growth of cryptocurrencies, are all examples of the significant ways in which change is occurring.

Equally, **technological evolutions** open the prospect of implementing new functionalities for tax administrations, exploiting data assets in new ways and concluding new arrangements for working with companies or even individual taxpayers.

At the same time, tax administrations will remain under pressure to **ensure trust and compliance**. Ensuring tax fairness and facilitating compliance will be key words in the coming years. Stakeholders naturally expect tax administrations to provide high quality taxpayer services, to work collaboratively with businesses and to ensure the uniform application of rules both nationally and, in the case of EU, across the whole Internal Market.

Heads of tax administration remain very focused on the growing difficulties in **managing increasingly limited resources**. In addition to the overall trend in shrinking resources, people management in tax administrations faces two adverse trends: the ageing workforce and the increasing competition for talents at global level. Tax administrations in the EU Member States count around 500.000 employees altogether. More than 30% are in the 45 - 54 years age category and another 30% are 55 years or older. While this trend of ageing staff mirrors the ageing of European society, it challenges efforts to promote technological evolution and change management. In addition, retaining staff is challenging, as attrition rates are around 6%. Each year, EU tax administrations lose an important proportion of their staff, much more than the departures caused by retirement. They also face difficulties in recruiting new staff with appropriate profiles. While the policy of only partial replacing departures over the last decade may have led to reducing the overall costs of collection, it has adversely influenced tax administrations' capacity to transfer knowledge and worsened their capacity to attract new talents.

To address these challenges, tax administrations will need to employ staff with special competences, people who understand well the new economic models, most notably the collaborative economy and the large internet companies. At the same time, tax administrations will need staff with an advanced level of digital and data literacy and with knowledge in statistics, psychology and communication, and in inter-disciplinary fields. Employees with experience in problem-solving, cross-sectorial analytics, artificial intelligence and creativity skills will be extremely valuable.

In 2018, responding to a need expressed by many European tax administrations, we have created TADEUS – the TAX Administrations EU Summit, an informal network allowing for a strategic dialogue between the heads of tax administration in the EU Member States and the European Commission. Inside TADEUS, one of the most important lines of work is currently in the area of human resource (HR) management. The Commission stands ready to support the efforts of EU tax administrations to improve their HR management and to get prepared for the new world of taxation and for the tax official of tomorrow.

EU competency framework for tax

Examining these challenges helps us understand the importance of having a comprehensive approach towards the required competencies for staff working in tax administration.

Even if the European Commission has no specific legal competence in the administration of taxes, it does have a role in providing a platform for EU tax administrations to develop common strategies to be developed at national level, based on best practices in other EU Member States. While all Member States tax administrations need to anticipate the challenges in the sector and have similar needs for skilled people, situations vary greatly across different administrations. This can affect the overall effectiveness and efficiency of tax administrations in the EU.

Therefore, based on the positive example in the Customs area, the Commission worked together with 11 EU Member States to develop an **EU competency framework for tax**, TaxComp^{EU}. The competency framework, a product of the Fiscalis 2020 programme, is ready for use in English as of end-September 2019 and it will be made available to EU Member States in all the EU official languages by the end of 2019.

The framework is designed to support European tax administrations in further aligning their staff policies with business needs when defining job requirements and preparing the recruitment process. Through targeted, competency-based HR processes, the competency framework will in particular contribute:

- to recruit staff equipped with the right knowledge and skills set for the tasks they have to perform,
- to train staff throughout their whole work life and
- to provide data for fact-based strategic workforce planning in national tax administrations.

The EU competency framework for tax will support EU Member States with a concept to connect the main HR processes under a consistent, tax-specific, competency-based methodology and toolset. As such, it has the potential to constitute the backbone of modern and efficient national HR practices as well as a common language for EU Member States tax administrations as they seek to provide prime public-sector services across the EU, through a trained and efficient tax workforce. Using the EU competency framework, tax administrations could plan and obtain a workforce with diverse, advanced skill sets and have their core functions properly ensured.

The EU competency framework for tax incorporates four main tools presented in Figure 1.

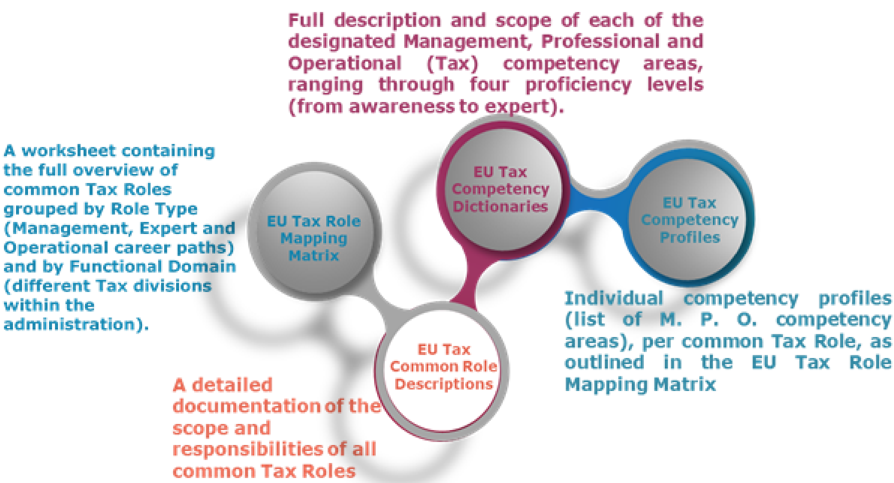


Figure 1 - Tools included in the EU competency framework for tax

Overall, the TaxComp^{EU} is an excellent window of opportunity for tax administrations in the EU Member States to begin modernising their HR processes using state-of-the-art competency management techniques and tools. The value added of this tool is that it integrates answers to most of the upcoming challenges into the role mapping, role descriptions and competency profiles for the EU tax administrations' staff. In view of its benefits, more than half of the EU tax administrations already plan to implement the EU Tax Competency framework while others are considering doing so (Figure 2).

Figure 2 - Possible use cases of the EU Competency framework for tax

HR management in practice

Experience shows that organisations face recurrent issues with the workforce planning, recruitment and motivating employees.

In the European Commission, we strive to ensure continuity by **transferring knowledge** from departing to new employees. We look for way of developing capabilities and helping our people get ready for upcoming challenges, most notably in terms of technical and technological preparedness. As such, we have launched over the last two years a number of projects to help us explore the potential of **better using our data** and preparing our staff for working in the new environment.

Our recruitment process is organised in such a way that we generally achieve a good transfer of knowledge to new employees. The centralised and specialised recruitment system of the European Commission manages to ensure both efficiency and effectiveness. More recently, a **talent screener** has been introduced in the recruitment process, to help pre-select candidates and find the best-suited profiles compared to our needs. The high number of **trainees** working temporarily at the Commission both keeps the organisation open to swift transfers of knowledge to and from the external labour market and helps potential candidates prepare for future recruitment processes.

Keeping high morale among staff is essential to maintaining performance and delivering results. The European Commission takes care to **survey regularly** staff opinions and to respond to the results. Equally, we seek **to empower people** by involving them in the decision-making process and to listen to their initiatives. For this to happen, among other communication channels, we have initiated regular meetings with all staff in the form of an **open forum**, to enable open, participative discussions that go beyond the traditional boundaries. Finally, to take account of the various needs of colleagues, the European Commission allows for a high level of **flexibility in working conditions** (part-time work, flexible working hours – flexitime - or working from home - teleworking).

These are just a few examples of the active measures that the European Commission has taken to transfer enhanced HR management ideas into practice.

HOW TO BECOME AN ATTRACTIVE EMPLOYER

To live and build an attractive employer brand

Camilla Hallberg

Head of Resourcing, HR department, Swedish Tax Agency

Employer branding has become a necessity in attracting and keeping talent, especially talent in high demand. It has become a strategy that organisations realise isn't just nice to have. It's something we need to have. At Swedish Tax Agency we have identified employer branding as one of our key focus areas now – and for the future.

Global trends

Trends in our favour

Trendspotting is a vital part of our strategic planning process and currently we follow four major trends with extra care:

- Purpose
- Leadership
- Flexibility
- Career development

Trend reports tell us that younger generations desire working for a higher purpose. As our organisation serves the public, we can leverage on this. We create trust and pride with our brand and employer brand by using messages that emphasise our role and purpose. We show what we can offer in terms of challenging tasks at work and the impact our services have on the citizens and companies.

Challenging trends

We also spot a coming dilemma. Young people demand to work for great leaders but are not aspiring to be leaders themselves. How can we make the leadership roles attractive for the future generations?

Being able to work in a flexible way is important. Being able to combine a personal life with the professional may be something we are already good at, but to offer working wherever and whenever our employees want may be more challenging for organisations as ours.

We may have to overcome both cultural, legal and technical obstacles to be able to offer a flexible work life. Career development possibilities need to be available, transparent and move faster to meet the expectations of the younger generations. This includes both new tasks and missions, feedback on how they are doing and a clear picture of what their next step could be.

Building our employer brand

To build our employer brand we need to be a great employer, but also great at telling the story about our brand and offer to the persons we want to attract.
For us, being a great employer includes having interesting jobs and tasks, a good work environment, great leadership, career development and attractive compensation and benefits, among other things. And we need to work on improving this, all the time.

Tell the right things to the right persons

But we also need to excel in telling the story about us, to the right persons in the right channels and at the right time. This is essential for effective employer branding. In order to reach the right persons with the right message we need to define and decide important factors by answering a few central questions:

• Define who we are as an employer – what do we offer?
We need to look at ourselves and define who we are as an employer. What kind of employer do we want to be and what do our current employees actually think of us? And also, ask ourselves questions like what can current and future employees expect from us, what value will we bring them and why should they stay with us or come to work for us?

• Define potential target groups – what do they want?
It is also of vital importance to identify our future critical competences. Which competences do we need as an organisation to be able to achieve our mission and goals? With this as a starting point, we can define the potential target groups we need to attract and those we have difficulties in retaining to be able to analyse the factors they find attractive.

• Create our employer value proposition – our promise
The combined knowledge of what attracts our target groups and what we can and want to offer, that is what sums up to our employer value proposition. This becomes the foundation of our promise to our current and future employees.

Remember that this is not applicable for external communication only. The employer value proposition must also be true from an internal perspective. Setting correct expectations is crucial and that is our main goal when communicating. We must live our employer brand and never over-sell in order to deliver our promise. Anything else will only cause disappointment and a bad employee experience, which will also affect the brand.

Offering the right content in the right channels

Once the target groups are defined, it's time to move on to exploring and deciding the content and channels.

• Be where our target groups are
We need to use modern channels that will attract our candidates. Again, to use our knowledge of the target group to make the right choices. If they are in social media, so should we be.

• Use content that attracts the target groups
Younger target groups want videos. In today's environment of intense communication our target groups, as well as most of us, are often sceptical to ads and marketing. Instead we want to hear the true stories from real people. Videos can be used to visualize what it is like to work for us, in a genuine and personal way.

• Our employees are our best ambassadors
Employees who like their jobs and their employer will tell their positive stories to others. This kind of informal communication has a much larger effect than other employer branding activities and current employees are thus vital to get on board. Co-working with our ambassadors and communicating through them in their own networks is definitely a key to success.
The story of my own recruitment is a perfect example of how this can be done successfully. I saw an attractive ad in my social media flow. It really spoke to me with challenging tasks and interesting content - a picture of my future manager in combination with comments from former employees praising her leadership skills. And here I am now, an ambassador for our organisation and the career possibilities we offer.

Living the employer value proposition

The promise of us as an employer isn't a one shot. We need to live the employer value proposition during the whole employee life cycle, the recruitment process, the on-boarding and all other hr-processes as well.

In the recruitment process, we build further on the employer brand. We must ensure that all people and tools involved in the recruitment process live and breathe our employer value proposition, and are strong ambassadors of the employer. By this I don't mean only the recruiters within the human resources department. Educating and communicating the importance of this to the hiring managers is equally important.

When **on-boarding** we must secure that good care is taken of the investment we have made during the employer branding strategy and recruitment process. We need to engage our new employee as early as possible. We can use the period before joining to keep up the interest, we can interact, build relationships and share information. We must ensure that all things practical and administrative matters are working from day one. The key, as always, is to plan, communicate and follow up. Mentoring the new employee in learning and getting productive quickly is equally important as securing the social inclusion in the team and organisation.

The focus in this article has been on recruitment and on-boarding, but it is of course equally important to live - and continue to communicate - our employer brand during the whole employee life cycle.

Conclusion

The employee experience must align with the promise made to the talent that joins, to the strategic vision of where the organisation is heading to and to the unique needs and expectations of the individuals that make up the organisation today. I think this is how we as organisations will become both the winners of scarce talents and the employer that employees find attractive during the whole employee life cycle.

Becoming an attractive employer with the help of design thinking

Phil Abgottspon

Head of Human Resources,
Swiss Federal Tax Administration

In 2024 over 45% Millenials will be on the job market due to the demographic change in Switzerland. The demands of this group of potential employees put very different expectations on their future employers. As a Tax Administration we therefore must be prepared to approach, attract and recruit new employees by other means. Furthermore, we have to adjust the conditions of employment and the working environment so that we, as an attractive employer, can recruit and retain these resources.

While you're focused on yourself, you still need to know what others are doing. **We want to attract and retain the best and brightest minds in the market**, so it's important to pay close attention to trends and what draws your target job candidates. A company should continuously adapt its workplace to reflect both. For example, we're seeing changes in the way people want to work, and we know that we need to support employee's different work styles.

Today we already use social media channels for recruiting (Instagram, Facebook, Xing, LinkedIn). We also have an FTA image video uploaded on YouTube:
https://www.youtube.com/watch?v=SyJ10FVij7g .

In 2018 around 50% of our new employees were recruited via social media channels. The demands of the candidates on the current market have changed a lot. In the past, wages and personal development were the driving motivation for employment. Today it is flexible working conditions, home-office, part-time work and modern working tools that are crucial to compete with the job market. We also try to attract more and more women for management positions in order to get the best possible resources from the labour market.

Employers that have open discussions with employees about short-term and long-term goals, and then work with them to meet those goals, will have happy employees. Companies that offer rotations or other opportunities to explore different roles often find that people come back to their original roles rejuvenated. And those who do leave speak positively about the company, which helps attract better people. **By means of a structured design thinking process, the Swiss FTA researched concerns, needs and wishes of potential candidates in early 2019.** As a result, our communication with new employees before the start of their employment was completely redefined. For example, **new employees can obtain information on the FTA and their work by means of an app before they take up their job.** They can communicate with us even before the access to information systems is technically available. Especially the early period of an employment (probation period of three month) is very important to retain new employees and keep fluctuation low.

Particularly in the trend of digitalisation, the desire for location-independent exchange of information is increasingly evident.

This is the logo of the FTA app for new employees that was created by the FTA HR department.

We also realised that the ability to home-office work was becoming a significant criteria for accepting a job offer. Today we have over 32% of our staff that work one or up to two days away from work. It's not necessarily about working from home. Instead, companies that focus more on results and project completion and less on how many hours someone sits in a chair get high marks from potential candidates.

A big challenge for the Swiss FTA is **the location of our offices**, which are mainly based in Berne. The Swiss capital is in strong competition with major cities such as Zurich, Geneva or Basel in terms of salaries and professional development but also in terms of free time activities.

In order to convince candidates to move to Berne, more marketing of the location of Berne is needed. So, we try to not only brand us as an employer but also the wonderful city of Berne.

Deliver consistently on your value proposition and make it an integral part of everything you do, from university recruiting and internship programs, to online tools and resources, to media and communications. Encouraging employees to be brand ambassadors to others will help reinforce your organisation's image as a leader.

EVALUATION OF TAX OFFICIALS AND THE NEW ROLE OF HR

An integrated system of management and performance evaluation

Ângela Silva Santos

Director of HR Management Services
Tax and Customs Authority, Portugal

The Portuguese Tax and Customs Authority (AT) has a specific performance evaluation system for its officials, which is characterised as an integrated management and performance evaluation system that is intended to be developed on a "top down" basis, so that everyone is involved in the activity of the organisation and in the fulfilment of its mission.

The main reasons for having an AT adapted system are:

- A very wide range of organic units of variable size and distinctive tasks, with diverse functions in AT;
- The organic units are geographically spread throughout the country (covering the mainland and the islands);
- More than 11,000 employees, with differentiated and specific tasks (within the tax and customs area), compared to the remaining careers of Portuguese public administration.

The basic principles of the system

These are the main principles of the performance evaluation system, which articulates with the Ministry of Finance's (AT's supervising Government member) macro planning system:

- Coherence and integration - aligning the action of services, managers and officials in the pursuit of the objectives and in the implementation of public policies;
- Accountability and development - reinforcing the sense of responsibility of managers and officials for the service's results, coordinating improvements of the organisational systems and work processes and the development managers and officials competence's
- Transparency and impartiality - ensuring the use of objective and public criteria in the performance management of services, managers and officials, based on performance indicators;
- Effectiveness and Efficiency - directing management and action of services, managers and officials to achieve the expected results and relating the goods produced and services provided with the best use of resources;
- Guidance for quality in public services.

The integrated logic on which the evaluation focuses

The integrated logic of the strategic (organisation), operational (services) and individual (officials) objectives is represented in this performance evaluation system, integrating the AT's management cycle, developed as follows:

- Development of the Activity Plan for the following year, in accordance with the strategic objectives
- Definition of the Objectives of each Service
- Definition of the Objectives to be achieved by each Worker and/or Team;
- Performance evaluation;
- Preparation of the Activity Report.

Within this context, it is essential to adopt management solutions that ensure that the obtained results are comparable in each service or organic unit.

The evaluation process is subject to a timetable established by law, therefore all involved (evaluators and evaluated) are fully aware.

The performance evaluation system is based on the parameters: **Results** - obtained from individual or team-shared objectives (shared responsibility objectives should be set whenever teamwork is developed) which are contracted between evaluator and evaluated – and demonstrated **Competencies** - which aim to evaluate technical and behavioural aspects (for example: Expertise and Experience, Adaptation and Continuous Improvement, Teamwork and Cooperation, Planning and Organisation, Accountability and Service Commitment).

It is worth pointing out the importance of contracting objectives between the evaluator and the evaluated (their correct definition, the setting of performance indicators and their overcoming criteria) as it contributes to a fairer evaluation based on reliable and susceptible data control. This should not only be a posteriori control, but should be maintained throughout the evaluation cycle through performance monitoring, to assess the need to reformulate the objectives.

The final performance evaluation of AT officials is the result of the weighted average of the scores obtained in the following two parameters: **Results**, with a weight of **65%** and **Competencies**, with a weight of **35%**.

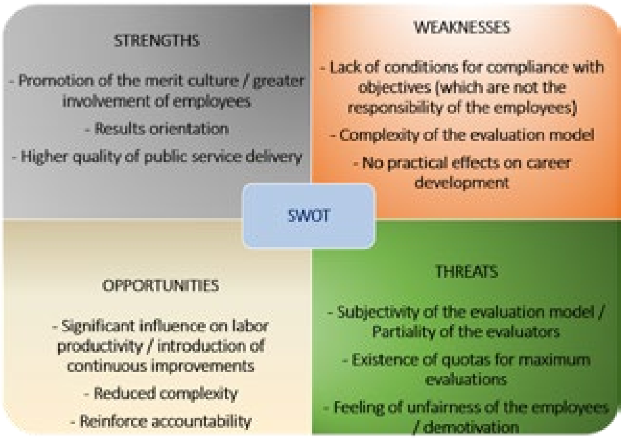
Like all other Portuguese public administration employees, the final performance evaluation of AT officials is subject to a quota, and only the Top **25%** may receive a Relevant performance mention - and out of these **25%**, only **5%** may receive the Excellent merit mention.

It is worthwhile to emphasise the establishment of the defense safeguards of the evaluated officials in this system. The evaluated may present a claim concerning his performance evaluation, and there are three different levels provided for the purpose: i) the appeal to the evaluator, ii) the review to the director-general (or to the director of tax office or to the director of customs office, when the evaluated carries out his/her duties in the services of those regional services) and, finally, iii) the hierarchical appeal to the supervising Government member.

Critical Analysis of the Evaluation System

This system has been implemented in AT since its inception in 2012, aligned with the Portuguese public administration performance evaluation system, which was in force since 2004 replacing an evaluation system that was already ineffective. The new system aimed to establish a credible model of evaluation, which was considered essential for introducing a new public management culture (allowing a proper assessment of the resources allocated to each body and function) and, at the same time, could promote the creation of increased professional motivation, qualification, and human resources' continuous training conditions.

Analysing the performance evaluation system, the general at Portuguese public administration and the specific used in AT, its strengths/weaknesses and opportunities/threats can be summarised them as follows:



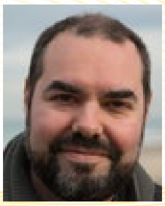
Conclusion

One of the main objectives of this evaluation system implementation was to promote merit differentiation (with the provision of quotas for top evaluations), thus putting an end to the injustice which consisted, until 2004, in the widespread and systematic award of maximum performance scores. However, from this analysis it appears that this aspect is the most pointed out as being a threat to the system, boosting the injustice feeling of the evaluated and, consequently, decreasing their motivation levels. The complexity (bureaucracy) still inherent in the system is, on the other hand, one of the identified weaknesses.

Therefore, we will have to maintain the identified strengths, considering that this evaluation system is an important management tool promoting the merit culture. In the future, working on the aspects that are recognised as opportunities, it will be possible to identify the functional imbalances, hold managers and officials accountable and influence their productivity, reinforcing an environment of demand, merit and transparency in the action of services provided, thereby improving the provision of services to citizens.

The quota issue, although still sensitive, seems for the time being insurmountable, due to system balance and given the current context of the Portuguese public administration.

Performance evaluation: an opportunity for evidence-based HR?



Everard Jean-Marc

Learning Technologies Team Manager
Federal Public Service Strategy and Support, Belgium

Performance evaluation system for career & contract-based staff

There are five distinct appraisal systems for the civil servants of the federal level of the state in Belgium:

a. the most common one for administrative personnel, whether they are career or contract based;
b. The system for the senior managers with a mandate function;
c. The system for the scientists;
d. The system for the members of the court of justice;
e. The system for the interns in training before entering being officially civil servants.

In this paper, we will only focus on the first one, which is the appraisal system of the vast majority of the staff of the FPS Finances, as it is also the one used for all the civil servants of the federal administration of Belgium. This system was actually offered by the FPS Policy and Support and is supported by an application, Crescendo, also furnished by the FPS Policy and Support but managed locally by the HR team of the FPS Finances (as every other Federal Services).

Description of the performance and development evaluation system

In the early years of the appraisal system, its focus was put on the "development of the competencies" part and on the moments of direct communication between the team leader and a team member. It was even called "development circles". But little by little, the performance evaluation part became more preeminent, even though the focus is still put on the direct communication. It's now called "evaluation's cycle".

The appraisal system is based on several live meetings :

- Function meeting (about the function description and optional if already done before)
- Planning meeting (setting the 4 types of goals and timing)
- Functioning interview : to adapt the goals or the timing during the cycle
- Evaluation meeting

The results of these meetings as well as the function description with the general competencies and the technical competencies of the civil servants are stored in the application Crescendo. Mostly for recording and documentation but here lies also a great opportunity for the Human Resources Department.

The four types of goals are:

1. Performance objectives
2. Development of the competencies
3. Contribution of the agent to the team performance
4. Availability of the agent for the public service delivery for both external & internal users/beneficiaries

The final appraisal results can be :

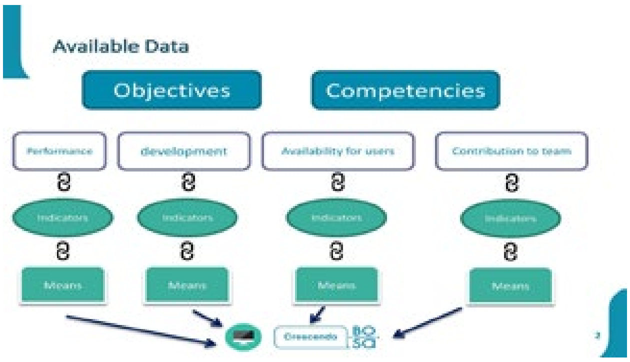
- Exceptional
- Meet the expectations
- To be improved
- Insufficient

The very vast majority of the civil servants do have "meet the expectations" (93% in 2018) as a result of the performance evaluation and a few get an "exceptional" (6 % in 2018) but the negative results are very rare, which raises some questions about the effectiveness of the system regarding the appraisal.

Moreover, there is very little improvement in the results of the last 3 years as we can see in the table below:

Mentions	2016	2017	2018
Exceptional	4,69%%	5,58%	5,71%
Meet the expectations	94,94%	93,96%	93,95%
To be improved	0,32%	0,38%	0,29%
Insufficient	0,06%	0,08%	0,05%

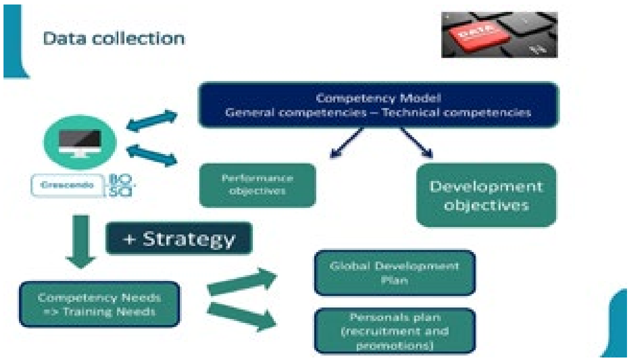
But as already said, the system was focusing on the development of competencies in the first place and can still be very effective in this way. If we see it from a different point of view, we can see that if the appraisal system is not very effective to improve the performance, it is however very effective to predict the lack of competencies to come or the necessary development plan to be implemented in some part of the federal administration. As a large amount of data is stored in the application "Crescendo" which support the appraisal system, these predictions are possible on a vast population.



New opportunities for HR

Each team leader is asked to enter the goals in every category of objectives. But he/she will also link one or several indicators and means to each goal. Moreover, these goals are put in function of the profile of the team member who is also stored in the application "Crescendo". On the one hand, the performance goals should be linked to the management agreement and the strategy of the FPS and the development goals are linked to the competency model of the function. On top of that, the team leader can add some technical competencies to be confirmed or enhanced.

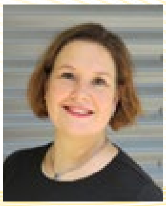
Actually, every civil servant which has his/her evaluation rapport stored in the application "Crescendo" has also his description of function linked to a generic and technical competencies profile. Each evaluation cycle will then bring new information over the need for developments, and the link to be made with the future performances. If we cross it with the objectives of the whole organisation, we begin to have clear views of the future needs and gaps in competencies.



In other words, this means that through the application Crescendo and after each cycle planning/evaluation, HR services have a clear picture of the task, the goals, the competencies present in the organisation and the one which are missing or to develop. The path to close the gap, should it be through global training plans or recruitment is then data driven, and evidence-based. It's a clear way for opening to the use of artificial intelligence for the careers path of the tax employees. Should we embrace it or not is a different question which will not be discussed here but is surely to consider for the years to come.

CLOSING THE KNOWLEDGE & SKILL GAPS

Closing the knowledge & skill gaps in Finland



Pirta Karlsson

Director HR Development,
Finnish Tax Administration

Digitalisation and the changing environment challenges people, development and HR in many ways. As much of the basic work is automatised and done by robots in the future, the daily work becomes more demanding in every job level and we need more specialised skills and knowledge to handle it. That also means that we need more diverse problem-solving and customer service skills in the future. We work and learn more and more in different kinds of projects, networks and programs. This all means that we need to be capable to live in the world of change and be curious and eager to learn new things. To do that, we also need to know how to utilise analytics and handle new information in a coherent way. Another trend, that brings a twist on learning and development, is the large number of people retiring in the next few years. At the same time, new people are joining tax administrations in new roles with quite different capabilities, expectations and skills than before.

In this world of change, we need to ensure that the tax officials have the right skills and capabilities to face the changes and new ways of working. It is not only the professional skills that we need to develop - it is also the metaskills that we need in the future. In Finland, we have chosen six different capability areas that we emphasise in developing our current staff and in recruiting new employees. These are creative problem-solving, continuous learning skills, self-management, cooperation and networking, information management and comprehensive mindset.

Strategic personnel planning & development as the basis

Learning and development needs to take a leap into a more strategic and agile way of working. One key issue in talking about change, new job roles and learning is that it needs to be rooted in the strategy and future business needs. In the Finnish Tax Administration, we started this work simultaneously as we updated our strategy. We asked all our process owners and business leaders, what the keys roles of the future are and how much people do we need in these roles. In the next phase, we defined what the skills that we need in every role are. After the roles were defined, we mapped the skills of our current employees and decide into which roles we would start to develop each employee. As it is not possible to develop everyone into the new roles at once, we also make a plan on which phase different roles and employees will join the development journey. This road map also makes the possible career paths and the requirements of every role more visible to our employees. Now we have a picture of the roles in which we need to develop our people to and we also know what are the roles are to which we need to recruit people from outside the tax administration. We also have a good picture of the development and learning needs of our people at this moment. We update this information and plans regularly as all the changes are not easy to foresee.

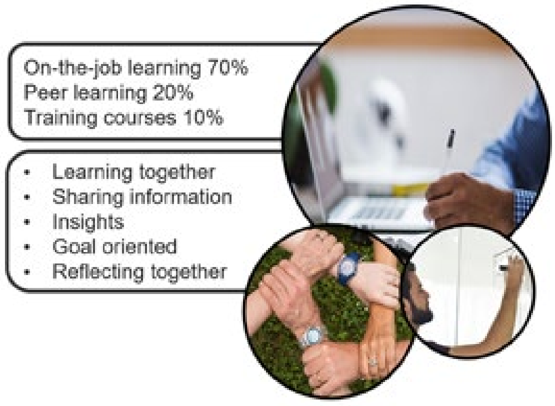
70-20-10: a more agile and efficient way of learning

In the early phases of this work, we realised that the traditional way of doing learning and development is too slow and costs too much. We needed to develop a much more efficient and agile way to do it than the traditional trainings and training programs. We decided that the main focus will be on learning and developing the 70-20-10 -model. This model emphasises on-the-job learning (70 % of all the learning). To make this happen, we need to enrich and extend current tasks towards the future roles and make the work more goal-oriented, giving employees more space to develop their work and learn by trial and error where it is possible. On-the-job learning is based on information sharing, learning and reflecting together. To ensure this, we need to remodel the ways we are working so that there is time and space to cooperate and share in a more systematic way. We need to train the managers and team leaders so that they know how to support this new way of learning. Short-term job rotation, working in projects, programs and networks, working as a trainer and a lecturer and job shadowing are also ways to support this new way of learning.

Peer learning counts for the 20% of the learning and development in this 70-20-10 -methodology. For this to happen, we need systematic and ongoing feedback loops from our peers, managers and other colleagues. We need to reflect and evaluate our work and share lessons learned. This is done in study groups and networks, mentoring and sparring groups.

Traditional classroom training counts for only 10% of the learning. It is a good method when you are teaching the basics of a matter or when you are sharing only information. The challenge of traditional training is to make it effective and really make a change in the way you work. It is also quite slow and costly (time and money) way to develop people. In this 70-20-10 -method we link training more closely to work tasks and involve managers to support the learning and taking the new information as the way to work.

We also use e-learning as part of this methodology by offering some theory lessons and practices on our online learning platform. After doing a learning module on the platform, the participant will reflect and share with the peers what he or she has learnt and then use the new skills in their work. After that, they can continue to the next learning module. We design these learning entities so that the learner first needs to study the goals of the program and decide on his or her own goals. That binds it more closely to the participant's own work and interests. We also encourage everybody to work and reflect their learnings actively together with other students of the topic during the course. To support the managers in managing the work and learning support, we give them exact descriptions of the contents and goals of the learning modules and also time estimations of the duration of every module.



As a summary, there are three key points to take into account on developing new and effective ways of learning. The first key point is to develop not only the professional skills but also the capabilities that supports learning, self-management, cooperation and networking in all levels of the organisation and in all roles.

The second one is to take care that everything starts from the strategy and the future business needs. Strategic personnel planning must be an integral part of every business decision so that the possible effects on duties, competence changes and the personnel structure are considered early enough.

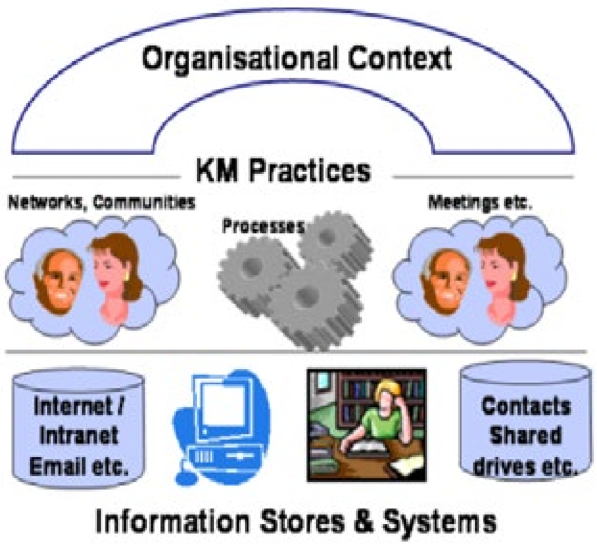
Thirdly, the traditional way of training is too slow and inefficient way of learning and developing in the rapidly changing world. 70-20-10 -model is one way of doing it in a more efficient way. The emphasis is on the "On the job" -learning supported with peer learning and training. This makes learning more agile, flexible and effective. By developing the skills and the ways of working of all our employees, we make them ready for the future work of the Tax Administrations.

Knowledge Management

Andrew Patterson

Senior Manager
Corporate Services Division, Irish Tax and Customs

Like other Tax and Customs administrations, Ireland's Office of the Revenue Commissioners is pursuing a number of different but complimentary pathways to meet the significant Knowledge Management (KM) challenges it faces. In the face of ever-increasing staff turn-over, evolving organisational culture and behaviours and the introduction of new systems, it is imperative that Revenue employees continue to correctly and accurately create, analyse, share and apply knowledge and information to meet organisational goals.



The development and implementation of this KM resource is not a 'project' but rather a continuous programme of initiatives and improvements. It involves a significant investment in organisational transformation and renewal to support the introduction of a new system and associated business processes as well as changes to organisational culture and behaviours.

The knowledge and information it must manage involves both

- Explicit Knowledge:- the data or information that has been filed or codified in some way, such as in a paper or electronic file and
- Tacit Knowledge:- the 'know-how' people have in their heads, gained through their experience, learning and qualifications that informs their outlook and behaviour

Revenue employees must be able to quickly and effectively store, retrieve and share key information so that they and their colleagues can understand and apply important corporate memory. It is also vital that Revenue retains the platforms and resources needed to help embed the core values which lay the foundation for enduring behaviours.

Revenue does have a range of platforms – some of which are in common use while others enjoy far more limited application – where the knowledge and information that represents core elements of the corporate memory currently reside. These include: -

- Its intranet and, in particular, the pages outlining "Technical Support", "Operational Support", "Staff Support", "HR Support", "Strategic Planning and Governance" and "Internal Communications" for staff.
- Revenue's Tax and Duty Manuals that provide interpretations and opinions on each area within the tax code.
- Revenue's website.
- Divisional, Branch, Team and Individual directories, including shared and private emails, containing soft copies of key corporate information essential for the efficient and effective operations.
- Retention of hard copy records in files in a myriad of buildings, basements, offices and rooms all across the organisation.

Knowledge management is supported by frameworks and process associated with

- Revenue's standing as an employer of choice which supports its efforts to recruit, select and retain talented and committed staff.
- Revenue's continuing investment in Learning and Development for its staff.

One of the key KM objectives is to establish one credible, robust and user-friendly resource where all important records are readily available to all of those employees who may need them.

We hear that "KM is no one person's responsibility, it is everyone's responsibility". But who is going to make it work? In Revenue, a small dedicated team of people in the Corporate Information Management Unit is responsible for establishing a KM action plan.

This team have developed a KM vision and strategy. The strategy outlines the need for Revenue to reinvent its approach to KM. While recognising the value of some of the platforms in place to support KM, the strategy outlines, in stark terms, the challenges Revenue faces and the high-level risks associated with these challenges. The KM risks posed by our existing arrangements include: -

1. **We are losing lots of our most experienced and knowledgeable staff.** 20% of our staff likely to retire in the next 5 years (growing to 50% in the next 15 years). In addition, the new staff that we are recruiting are likely to stay with us for a far shorter timeframe. Accordingly, we cannot rely on our staff alone to remain the font of corporate memory.
2. **The staff joining the organisation don't like and won't do mundane work.** New employees are less content about performing tasks such as record management and are more interested in carrying out higher level duties such as developing ideas and interpreting rules.
3. **Our work is getting more difficult** as it involves dealing with heightened uncertainty, complexity and ambiguity which necessitates far greater level of collaboration and sharing of knowledge and information.
4. **Competing priorities and opportunities dictates that KM remains a "Cinderella" discipline.**

On a positive note, the strategy identifies the benefits for the organisation and its employees in investing time and energy in getting KM right. It sets out that improved KM will lead to

1. **Cost Savings** by reducing the time staff spend searching for information, reducing duplication of work and increased productivity. It is generally recognised that staff spend an inordinate amount of time involved in researching, analysing and problem-solving difficult cases totally unaware that colleagues in other areas had previously carried out all of this work on very similar cases.
2. **Greater Customer Satisfaction** through better quality service delivered more quickly
3. Higher Staff Satisfaction Levels by facilitating greater collaboration and the sharing of "know-how"
4. **Promoting Innovation** by facilitating the removal of "silos"

With the support and involvement of the Chairman and the Board, the KM team have continuously communicated their vision at meetings, presentations, conferences, email, intranet etc.

Plan of Action

1. The KM Team established structures and processes in the different divisions in Revenue.
2. They enlisted a volunteer army of enthusiasts from each and every division in the organisation and assigned them specific roles and responsibilities.
3. With the help of the divisional staff, the KM team conducted a Knowledge Audit to ascertain what knowledge is held, where it is held, who accesses it as well as the impediments to accessing this knowledge.

4. They supported these divisional staff members in conducting workshops and in developing a new "taxonomy" (file classification system) for Revenue.

5. With the help of our procurement and IT staff, they selected "Microsoft Share-point" as the file management platform for the organisation. The Share-point platform has been assigned a Revenue "brand" which has been communicated extensively across the organisation.
6. The project team have developed an implementation plan with the roll-out commencing in non-operational areas.
7. They are arranging training for each and every employee of the organisation in the working share-point and the application of the new taxonomy system.
8. They set out a governance structure for the management of information and knowledge and
9. When the Share-point systems beds-in, they are intent on preventing staff storing any and all future records on pre-existing and legacy platforms so that most the Share-point platform becomes the one and only place where records are retained.

The next steps involve the establishment of "COMMUNITIES OF PRACTICE" with an emphasis on staff learning over system development. This will bring both experienced and less experienced staff together. In parallel, the KM team is promoting a KNOWLEDGE TRANSFER FRAMEWORK as a response to the loss of experienced staff Revenue faces over the coming years Revenue.

While Organisation Structures, Strategies, Systems, and Processes can support KM, its success in Revenue will ultimately require the skills and commitment of a core team responsible for setting down and embedding the appropriate frameworks.

The Challenge of an Aging Society in Japan and Solutions

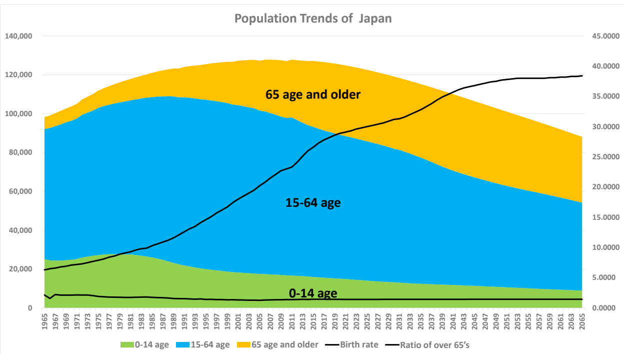
Megumi Kashiwagi

Research Director,
Canon Institute for Global Studies, Japan

The aging society and depopulation

Japan is facing an aging society ahead of other countries. In Japan the birth rate has remained low for several decades. The population has been in decline since 2008, with the decrease in the working-age population and the increase in the number of people aged 65 and older. In 2013, the ratio of over 65's was 25% which means one in four people could be described as elderly.

The situation is a major concern for Japan because of its implications for social welfare and labour shortages.



Depopulation is another serious problem. Many companies and people are increasingly concentrated in Tokyo. Regarding prefectural GDP, Tokyo is the highest of all prefectures. It has 60 times the GDP of Tottori, which has the lowest GDP. The concentration of population in Tokyo is causing rural depopulation. This depopulation is continuing in rural areas because young people move to Tokyo for work. This is a vicious circle. Both central and local governments are trying to deal with the problem without much success. A fundamental solution for this is not clear.

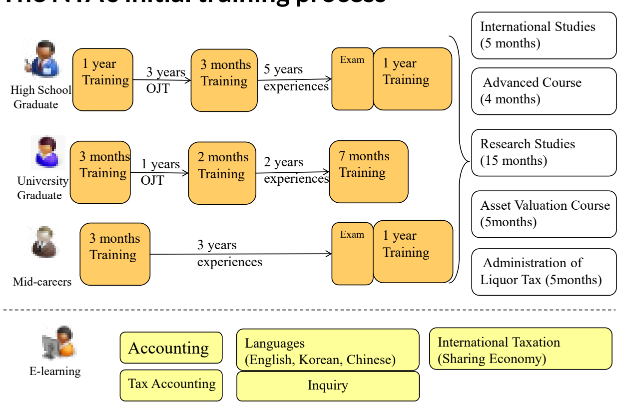
Training for tax professionals

The national tax system is operated by the National Tax Agency (NTA) under the control of the Ministry of Finance while local tax systems are operated by local governments under the guidance of the Ministry of Internal Affairs and Communications.

Japan has a world-class tax training system. The NTA has been training staff at the National Tax College. The Ministry of Internal Affairs and Communications has conducted training on local tax collection at the National Autonomy College.

Regarding NTA's initial training, high school graduates receive training for over 10 years, university graduates and mid-career recruits for 4 years or more. Subsequently they can receive advanced training on specialised areas. Through these extensive courses tax officials become experts. However, there is room for improvement in the training systems. Recently the NTA utilises many types of e-learning. Regarding IT security, all NTA staff have to take an online module once a year.

The NTA's initial training process



Challenges of recruitment

An aging society means a decrease in the working-age population and manpower shortages are a major concern for the future. Although the number of NTA staff has not been reduced yet, the number of tax staff in local governments is decreasing with the retirement of baby boomers and fewer new hires. Comparing the figure of local government tax staff per ten thousand people, it has changed from 6.8 staff in 1994 to 5.5 in 2016. Accordingly, there are fewer people to do the same amount of work. The retirement age of government officials is 60 years old at this time. The government is trying to gradually raise the retirement age to 65, but this is still under discussion. Also, there is the gender equality issue. The Japanese government has been promoting employment of women for over 10 years, but the total number of women and the ratio of females in management are still low.

Digital solutions

Digitalisation is one solution to the aging society in Japan. Digitalisation is a means for the government to cover manpower shortages and to improve work efficiency. For taxpayers, it is a means to improve convenience and to support daily life. In the area of taxation, e-filing is one of these solutions.

Regarding the history of digitalisation, Japan enacted the “Fundamental IT Law of Japan” in 1994 and made the “National IT Promotion Plan” in 1997. Together they form a comprehensive IT policy. The NTA established the committee of e-filing in 1999 and e-filing was launched in 2004. The number of e-tax users increases every year as does taxpayer satisfaction with system. In the three years from 2007 to 2009, the NTA staff workload was reduced by 533,760 working hours. On the other hand, regarding local tax e-filing, all local governments were participating in e-filing by 2013. In October 2019, the joint tax payment system for local taxes will begin.

Digitalisation is a key policy for Japan moving forward. I believe that these efforts will be expanded in the future due to the user-friendliness of the system. Led by the Cabinet Office, digitalisation has been promoted throughout Japan.

The central government is training government officials to be IT professionals. The Cabinet Bureau of Personnel Affairs is responsible for human resource development. The training is under the Administrative Management Bureau of the Ministry of Internal Affairs and Communications. Since 2014, the amount of training and e-learning courses has been increasing year after year. In 2018, a skill certification system for IT professionals was started.

In 2017, I wrote a paper that said for the following 10 years, it would be better to prepare a tax environment that today’s teenagers are familiar with because they will be the future taxpayers.

The progress of digitalisation is remarkable. When people in their 40’s and 50’s were born, there were no mobile phones but today’s teenagers have grown up with them. For them, tablets and smart phones are part of their daily life. Methods of communication and payment systems have changed as a result.

We have been making progress step by step. But Japan’s digitalisation is not perfect yet. We’d like to continue to improve it. The important thing is to become more efficient. Japan will continue to digitalise. The information sharing between national tax and local tax authorities will be one example. In addition, there have been recent trials of Robotic Process Automation (RPA). RPA is good at processing big data and other routine work, it is said that RPA can do the equivalent of 60 hours of work performed by a human in two hours. According to the Financial Service Agency’s trial, 133 working hours of 4 tasks including data entry can be done this way. The Ministry of Economy, Trade and Industry saved 150 hours per year on the data entry for 900 personnel changes. The implementation of RPA may help to alleviate the problem of manpower shortages in the future. The NTA has been considering the use of RPA.

I strongly recommend RPA. I think RPA is good digital instrument to automatise and normalise job processes. People tend to over-complicate tasks. RPA eliminates unnecessary processes and improves productivity. People will be able to use extra time to improve work-life balance.

The NTA’s knowledge system

I think the NTA has IT and non-IT knowledge management systems such as various business process systems, in addition to its accounting system and human resources system.

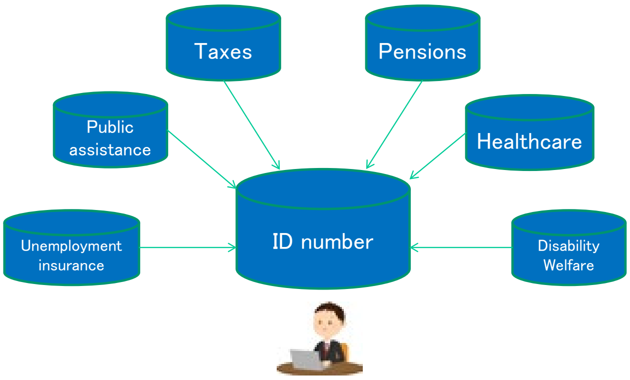
The NTA has its knowledge portal web site including various operating manuals which are accessible by all staff. The NTA’s IT operating system, the so-called KSK system, includes business process management systems, quality management systems and the data warehouse. All staff can access different data from the KSK system. Charts and graphs are made using data from the KSK system.

Regarding the NTA’s IT operating system and the accounting system, staff attend their training classes and get on the job training as well as e-filing and the call centre operations.

In my opinion, communication, collaboration and mutual understanding are important to make a success of knowledge management systems.

Future solutions

In Japan, an ID number is given to citizens. In the future, taxes, pensions, public assistance, healthcare, unemployment insurance, disability welfare and so on will be data-linked. I foresee taxpayers being able to declare and pay taxes at home. Tax administrations will also be able to push e-filing, e-payment, e-call notification (IVR), e-audit, e-garnishment and so on. Tax authorities will be able to use the time saved by digitalisation to improve the audit of difficult cases and to collaborate with other countries to combat BEPS and other tax avoidance.



WHAT IS REQUIRED TO BE A LEADER OF A TAX ADMINISTRATION?

Building leadership culture in support of organisational purpose

Piret Põldre-Vahur

Head of HR
Estonian Tax and Customs Board

It is not primarily about single leader's competences or looking for individual perfect matches for leader positions when recruiting (although these are important as well). To aim for true influence on the performance ability of an organisation, it is about building a common Leadership Culture as support system for strategic aspirations, which evolves together with developing business in the ever-changing environment.

It's a common understanding that rapidly developing technological opportunities with accompanying changes in customer's expectations and changes in regulations bring along new way of working with more automated jobs, bots taking over most routine work and big data providing new insights for solutions. Clearly it will be no different in tax administrations. Every responsible organisation understands, that changes are needed to be ready to accustom such significant shifts in the way of working.

What can be easily missed by these responsible ahead-planning organisations, is that the future doesn't arrive tomorrow or day after as a long-expected guest – the same future is stepping in every day in smaller parts and these changes are irreversible. To note these small piling changes in time, we need leaders to regularly take a step out from everyday rush for a helicopter view in order to be able to adopt decisions about leading the organisation accordingly.

So did also Estonian Tax and Customs Board (ETCB) to learn that the annual investments into software development have been 5,5 times up for the last three years and with these investments, new jobs (e.g. IT architect, IT developer, data analyst, etc.) were filtered in, however the rest of the organisation was striving to operate in unchanged way. It was a sound reminder to start consciously developing the organisation to be able to utilise these newly gained technological capabilities in ways of every-day working, collaborating and serving customers.

Ensuring organisational performance ability by strengthening leadership culture

The organisational performance ability, basis to ensure sustainable success for the organisation, consists from several elements, including clear focus at all times, organisational culture, internal systems, and engaged employees. All these elements need to be in good consistency with each other to support the organisation's needs. It means, that whenever any of the vital strategic elements or environmental circumstances change, all the rest need to be reviewed as well, so the whole system would operate smoothly.

The biggest role and therefore opportunity to initiate, influence and support that ongoing change process lies on the leaders and more generally, on corporate leadership of an organisation.

In this understanding, ETCB started the journey of adopting inflow of future work from developing its leadership culture.

Steps to build leadership culture

The first step in this development path was to articulate, how the expected leadership culture should look like in order to provide the best support for the organisation. Involving 200 managers across the organisation in development discussions, the basic identity of the organisation represented by values was combined with the strategic directions and future aspirations (innovativeness, flexibility, cross-function collaboration, constant development), coming together to common understanding and agreement, what the good leadership in our organisation should look like. As a result of this work, five value-based leadership principles were defined (innovativeness, people orientation, collaboration, professionalism, growth-mindedness) together with descriptions of how these should manifest themselves in action (competences). As the next step, the leadership principles were quickly incorporated to different people processes, including annual reviews, engagement surveys, individual development plans, leadership training programs, etc. These processes made it possible to understand, where we stand today, both collectively and individually, by assessing, analysing and giving ongoing feedback. The defined leadership principles and competences provided us with a language to talk about leadership on organisational level, which is helping to grow awareness and reinforce expected behaviours in the organisation. Moreover, understanding of a gap between existing and aspired leadership provides the organisation an opportunity to make informed decisions about selection and further development of leaders and leadership.

What have we in ETCB learned along the way?

First, it is one thing to define a general leadership framework on an organisational level and gain principal approval to that, the other thing is to ensure actual change taking place on every leader's level. It requires individual buy-in and good will to start to perform things differently, which can take a longer process. An organisation's tools in supporting such change include: extensive communication, involvement at all levels of the organisation, active sponsorship of top management, role modelling by both formal and informal opinion-makers and training of leadership skills.

Secondly, in order to create sustainable leadership culture, organisational communication should be used to keep focus over longer time. And as the whole operating environment is constantly changing, regular relevance checks are necessary to ensure continuous commitment to the common principles of an organisation's leadership culture.

Leadership culture in action

Leadership culture is much more than an individual talented leader, as instead of top-down approach, it reaches all levels of the organisation, involving and empowering employees to co-create the future in the most effective way. ETCB has started the change process by equipping its leaders at all levels of the organisation for embracing constant development supporting our strategic aspirations.

Building change capacity through leadership development

Anne Sigrun Moen

HR Director
Norwegian Tax Administration

Introduction – about The Norwegian Tax Administration

The Norwegian Tax Administration (NTA) has been through several large structural and technological changes over the last 15 years, to improve services to the public and optimise organisational resources. The NTA is often referred to as a locomotive in the Norwegian public sector due to continuous improvement of self-service solutions and use of digital technology.

Although the organisation is used to changes in organisational structures and adapting to new technological solutions, today's pace of change and other external conditions are imposing new challenges to the NTA. These new conditions require a more flexible and innovative organisation, that is able to adapt quickly to changes in society and working life, new regulations and solutions for financial transactions.

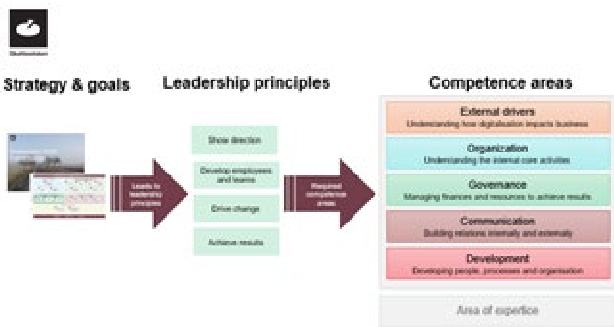
In January 2019 the NTA launched a new organisational model to meet the above mentioned changes in external conditions. The new organisational model will require new ways of organising, collaborating and solving tasks – the change of established ways of thinking and practice of the employees working in the organisation.

Call for leadership

The speed of change and getting the new organisational structure to work according to the intentions also imposes new challenges for our leaders. The tax administration's leaders will play a vital role in the development of the new organisation, and must be well equipped to handle higher pace of change, greater complexity, interdisciplinary collaboration and new expectations from employees.

Leadership is identified as one of the most important areas to ensure that the NTA succeeds in building an organisation for the future in accordance with our business strategy and the new organisational model. Transforming business depends on transforming individuals – and leadership is a key issue. Leaders – beginning with the most senior leaders and influencers - are the driving force in culture development and have great influence on the mindset, ways of working and collaboration within the organisation.

The NTA will this fall initiate several leadership development activities. These activities will - together with other tools and development projects - ensure that our leaders have a good understanding of the external conditions and have the necessary skills to contribute to building a culture that fosters innovation and new ways of working.



A digital mindset and culture

Digital technologies affect all aspects of today's organisations and together with uncertainty, complexity and the pace of change this requires organisations to develop a culture for flexibility and rapid response. Today's organisations face a situation with little stability and unpredictable external conditions, which is not very compatible with hierarchical and bureaucratic time-consuming processes that have been typical for the public sector.

The external conditions that influence today's organisations also influence the leadership role. Leaders are faced with more uncertainty and complexity than before. The pace of change means that it is no longer possible for managers to have a complete overview in all areas and to be professional experts, but they must be able to delegate and mobilise their resources based on changing needs. Leaders need to be curious about new ways of working, and spend time acquiring sufficient knowledge and understanding about ongoing changes.

These changes in the leadership role will require new leadership skills. These four key competencies are considered critical in today's leadership role, and they are all centred on how leaders can mobilise the organisation (Deloitte 2018):

- Communicate vision and purpose
- Facilitate arenas for exploration and experimentation
- Encourage employees to think "outside the box"
- Enable cooperation and interaction across organisational boundaries

Leadership development as a tool to promote change

It is our ambition that the corporate leadership activities and the way that leadership programmes are implemented will support the NTA's strategies and change agenda. Our aim is that the leadership development activities will be an integrated part of implementing our strategy, and support leaders in their new role and in building new leadership capabilities.

Corporate leadership programmes for all leadership levels are developed and will contribute to creating one unified organisation and building a common culture. Leadership programmes will also provide an opportunity to build internal networks and relationships across organisational units.

The following principles will guide the planning and implementing the corporate leadership activities:

- Create arenas for shared understanding of external drivers
- Emphasise training on communication skills
- Introduce agile learning methods and digital tools
- Create arenas where leaders can meet across organisational entities
- Involve leaders directly in content development by using agile methods.

Large scale change processes are going to be successful only if the organisation understands what is changing and why it is important. One of the first major activities this fall will be to create a common "change-story" that leaders can communicate to the organisation. The intention behind the NTA's new organisational structure and the external drivers making these changes necessary will be reinforced by this story to all parts of the organisation. An understanding of the opportunities and challenges that digitalisation provides is also an important part of NTA's change agenda and this must be understood not only in the IT-department, but in all parts of the organisation.

A key component of leadership is communication, and management groups and leaders at all levels will be trained in communicating their own "change-agenda" to set direction and engage employees in execution. It is essential that leaders at all levels interpret the change message and make it their own in communication with their employees.

Agile working methods will be introduced in the planning of the leadership programmes. These programmes are developed in collaboration between HR and other staff units and external specialists, which in itself will contribute to a better coordination and understanding across different organisational units. The leaders and users of the leadership programmes will also be involved in the planning to ensure relevance and testing of solutions, like sprints, labs and network groups.

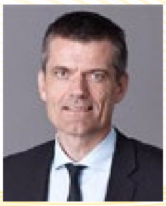
To create a common understanding of the change agenda across organisational boundaries it will be important to facilitate common leadership arenas – both through common leadership conferences and in the implementation of the leadership development programs. By bringing together leaders from different units with different backgrounds and working concepts in joint management activities, a greater understanding of the overall nature of the business operations and one's own contribution to the organisations total results will be further developed. This fall we are, for instance, planning a leadership conference where all the leaders of the NTA will be attending, in order to share examples and stories of successes and challenges in the new organisation.

The HR department will facilitate and support the change in cooperation with external leadership development specialists and other staff departments in the NTA. The ownership of making the necessary changes happen lies at top management level and with the division management teams themselves, working together with the HR, Communication and the Strategy unit. At the end of the day, implementing changes rely on the ability of every single manager to set direction and develop individuals and teams to create change.

> *"The ability to adapt and communicate change messages in a simple and understandable way – and our ability to continuously develop ourselves and others – are essential future leadership skills."*
>
> - ANNE SIGRUN MOEN -

PREPARE FOR THE TAX OFFICIAL OF TOMORROW

Technology and Its Impact on the Future Workforce



Niels Gotfredsen

Expert Associate Principal
at McKinsey & Company

The technology-driven world in which we live is filled with promise. However, it will also bring challenges around the way that people work. Cars that drive themselves, machines that read X-rays, and algorithms that respond to customer inquiries are just a few examples of technology's powerful potential. Machines are set to increase workplace productivity, improve lives and help compensate for an aging workforce. Yet, technology will also replace some workers and significantly change many work activities. This reality has sparked a debate among citizens, policy makers and employers over how the workforce will evolve, and to calls for action to offset technology's impact.

Tax administrations are not exempt from these trends. On the contrary, data-driven analysis and automation offer significant promise in improving the efficiency and performance of tax collection. However, in order to benefit, leadership needs to acknowledge the immense forthcoming changes to the everyday work life of employees. Data driven decisions, for example, will fundamentally shift the role and self-perception of front-line personnel as they move from relying on experience and gut feeling to make decisions to referencing data and machines. Management and leadership will need to help these employees redefine their roles and maintain their professional self-esteem.

Automation will impact almost all jobs

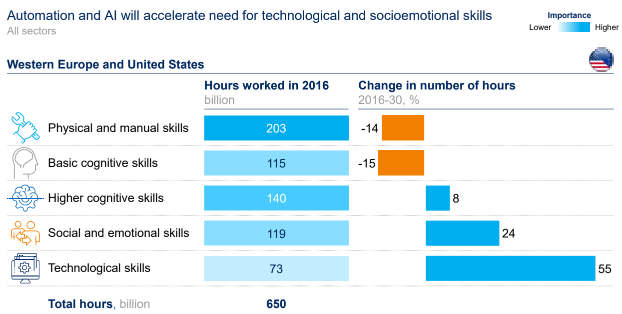
To better understand the changes and what they mean for skills in a broader sense, McKinsey developed a model that identifies tasks that are automatable with existing technology. The analysis focuses on 400 occupations and breaks them down into more than 2,000 activities that draw on 18 human capabilities. We then linked activity types with capabilities to reveal what job functions are most likely to be automated.

We found that around 50 percent of work activities are technically automatable with current technologies. While we expect that very few jobs will be completely automated, almost all jobs will be impacted by automation. In about 60 percent of occupations, at least one-third of activities can be automated, implying substantial workplace transformations and changes for workers ahead.[1]

Future skills needed

What does this mean for skills and the future work force?

We grouped the skills into five buckets. Some, such as physical and manual skills and basic cognitive skills are more likely to be automated, while others such as social and emotional skills and technological skills are less exposed. We expect that while demand for physical and manual skills will decline, demand for other skills, such as social and emotional and technological skills, will rise.[2]



NOTE: Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom. Figures may not sum due to rounding.

SOURCE: McKinsey Global Institute workforce skills model, McKinsey Global Institute analysis

[1] McKinsey Global Institute, Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation, December 2017

[2] McKinsey Global Institute workforce skills model. McKinsey Global institute analysis

Given this significant shift in demand, the ability to reskill and adapt competencies will become a key driver of organisational success. In the broader picture thus, the demand for skills will significantly change and therefore, reskilling and changed mix of competencies will be a key driver for success to adapt to these changes.

Reskilling and change management

For many public institutions, replacement of competencies is a not a realistic option. Therefore, reskilling is likely to play a significant role going forward.

Reskilling brings significant advantages. First, digital skills are in short supply, which means that hiring or outsourcing (gig economy) are unlikely to be effective strategies. Second, it is expensive to recruit and ramp up. Replacing an employee can cost 20-30 percent of his or her salary, while reskilling usually costs less than 10 percent.[3] Third, existing employees understand the organisation's culture, customers and stakeholders. Finally, satisfied employees are critical to productivity and innovation. In fact, satisfied and engaged employees are more innovative and 31 percent more productive.[4]

Still, to make reskilling successful, leaders need to address several questions: How will we reskill and who? How will we sustain engagement and a positive attitude among employees? What does the new technology mean for our strategy and the way we organise?

This leads us to an important element of preparing for a technology-driven workplace – change management. To achieve successful change, leadership must think through four dimensions:

- The narrative – does it makes sense? Employees required to change ways of working must understand why it makes sense, trust it and know what they are expected to do.
- Employees need the skills to perform their jobs in a new way, and the time to catch up.
- Leaders must lead and act as role models. They must demonstrate that they trust the new tools, use them, are adapting their ways of working, and are embracing new skills. This will also reassure employees and make them more confident in their adjustment.
- The whole organisation must be structured to support new ways of working. Systems need support, data must be manageable, and devices must be mobile.

In our experience, transformations that employ these four levers are more successful in adapting to and implementing change.

Conclusion and next steps

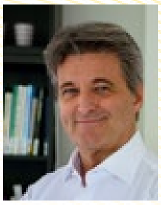
The impact of technology in the workplace requires determined efforts from leaders, managers and employees to reap benefits and handle challenges. While many questions remain unanswered we expect that some types of skills – such as social and emotional skills and technological skills - will be in higher demand, while basic cognitive skills and physical and manual skills will see decreasing demand.

Tax administrations globally should think seriously about how they are going to reskill their workforces in the years ahead. That means preparing to adjust employee roles and tasks and implementing a focused change management effort to maintain performance and ensure employees remain motivated and engaged.

[3] Murphy, Mark, Hiring for Attitude, 2011

[4] Shawn, Achor, The Happiness advantage, 2010

Prepare for the tax official of tomorrow



Lou Van Beirendonck, PhD.

Founder-Director Quintessence
Professor HRM University Antwerp Management School

We all know now that the future of work has a lot of challenging opportunities, but also risks to take care of.

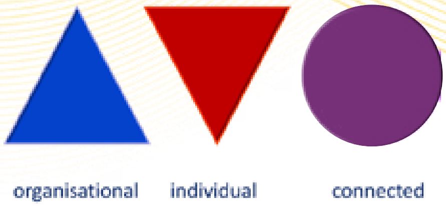
As far as people are concerned, the most important variables to take care of are (1) the scarcity of talent on the labour market, (2) the challenge of combining man & machine making proper use of digitisation and artificial intelligence and (3) the fact that already in 2030 the majority of our employees will be millennials with another attitude not fitting in the way we set up organisations today.

As far as human resources are concerned, the biggest challenge is 'how to be an employer of choice and create engaged performance with a future proof organisation of work'?

This challenge is about the connection of people and organisations with each other. This challenge is on many domains such as the purpose of the organisation, the culture, leadership, labour organisation, HR practices, etc. The challenge is to make ampersand combinations, connecting people with the organisation and vice versa. Such challenges can be described as: how can we create a corporate culture that guarantees highly efficient performances by giving space and combining the talents of all individual employees of our organisation? Which leadership style is future proof, organising work and talent in the most efficient way?

The essence of change

In the past, we tended to structure organisations in a top-down way, in a hierarchical way, with communication lines from top to bottom. Later, we understood that bottom-up feedback is important as well, but within an organisation with power, bottom-up communication isn't always appropriate or appreciated.



The biggest shift towards the organisation of the future is the shift from vertical thinking and vertical communication (blue triangle) into a horizontal dialogue, among colleagues, high quality dialogue in which managers or leaders are colleagues as well but with a different role, making use of the talents that are available chasing a common set of goals (purple circle).

A lot of the actual changes we perceive in organisations are linked with the move from a top-down approach into a bilateral, collegial and connected dialogue. Work spaces are changing, people are leaving their individual office and get into a modern type of organisation with open spaces, flex places, etc.. Moving from a blue triangle into a purple circle means a shift from central leadership to shared leadership, from the whole organisation as most important structure into the team as the most important one, from giving instructions going to self-regulation within a frame, moving from control over trust into dialogue and making agreements, from expecting competencies over appreciating talents into expecting competencies and valuing talents, form normative into appreciative as well as normative, etc.

In the future, all managers and leaders as well as the other employees will have to learn to make ampersand combinations, solving dilemmas or paradoxes by creating win-win solutions.

Competencies for the future

The competencies for the future can be grouped into three main units:

1. Learning ability, including integrating information, the ability to judge and to evaluate and flexibility;
2. The capacity to connect, including working together or teamwork, presentations skills, networking skills and empathy;
3. And finally, the capacity to structure, including planning, organising and simplifying information.

If we want to prepare for the future these competencies need all our attention. Taking into consideration that three of these competencies, judgement, flexibility and empathy are difficult ones to develop, it's important to develop our youth in these competencies, support them in speaking out, adapting and being aware of other people. The organisations we create are an important factor for working staff in the future. The metaphor of a fish, growing better when he gets place, is true for people as well. If we don't give fish space, or if the quality of the water is low, the fish won't grow.

Leaders, managers, politicians, our mission is clear now!

IOTA

Intra-European Organisation of Tax Administrations