

# CIAT Manual on Human Resources Management in the Tax Administrations



**Inter-American Center of Tax Administrations**

**CIAT MANUAL ON HUMAN  
RESOURCES MANAGEMENT IN  
THE TAX ADMINISTRATIONS**



## **CIAT Manual on Human Resources Management in the Tax Administrations**

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# P

## resentation

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The Inter-American Center of Tax Administrations (CIAT) has been working for some time in the development of documents and studies that may serve as reference to the member countries in implementing strategies and practices aimed at strengthening their processes and, accordingly, at the strengthening of their tax administrations.

In the preparation of these Manuals and Models CIAT has counted on the invaluable collaboration of its member countries and the distinguished participation of specialized officials of the tax administrations, whose contributions have allowed the drafting of current, technical and useful documents for complying with the functions of said administrations.

On this occasion, the significant collaboration of the Directorate of Public Finances of France-GDPF has been essential in the work of the group of experts in charge of analyzing and drafting the Manual which the Executive Secretariat now makes available to all the member countries.

France, one of the first European countries to become a member of CIAT supports the work of the Executive Secretariat not only through a body of excellent professionals, but also through the activities carried out by the French Mission at CIAT in Panama.

On this occasion, Human Resources Management is the main theme of the work undertaken by the Center with the support of the GDPF. The purpose of this study is to respond to the need for developing the most important aspects dealing with appropriate management of the staff that comprises the tax administration; namely: promoting abilities and skills through development; the recruitment and selection of qualified



staff according to some previously determined profiles and the implementation of an Administrative Career Path that may clear determine the factors of mobilization within it and which may likewise establish technical and transparent parameters for the promotion of officials.

On multiple occasions one has evidenced the need to strengthen the human resources of the tax administrations as a way of multiplying inputs - information and technology - available in the organizations for arriving at successful management. Without human resources duly recruited, selected, train, evaluated and for opportunities for development within the organization, it will be difficult for the latter to achieve or maintain compliance with its objectives as required by society.

This Manual which is today made available to the tax administrations of the CIAT member countries is a compilation of the most innovative practices provided by the countries participating in the group: Barbados, Brazil, Chile, Guatemala, Honduras, Italy and Peru, in addition to France and the Executive Secretariat, in issues dealing with Human Resources Strategic Management; Employment Management, Performance Management, Development Management; Human and Social Relations Management and the Promotion of Ethics in Human Resources Management.

We wish to thank all the participants in the group as well as their tax administrations for their support in the preparation of this Manual, as well as to the Executive Secretariat officials who have directly or indirectly participated in the successful conclusion of this document.

Finally, we wish to reiterate our appreciation and gratitude to the authorities of France for its continued support during the two years of intensive work that have been necessary for the publication of this Manual.

**CIAT Executive Secretariat**



## Report of the CIAT Working Group Co-Sponsored by France

For the General Directorate of Public Finance (GDPF) the transfer and exchange of "savoir-faire" are framed within the context of active participation in the activities of the international organizations and, in particular, in the activities carried out by the Inter-American Center of Tax Administrations (CIAT).

France was one of the first European countries to join this important organization and leading role player in international taxation by installation of a permanent mission of the GDPF at its headquarters in Panama to coordinate relations and activities.

The development of key aspects for strengthening the tax administrations is among the main activities of the strategic plan of the Inter-American Center of Tax Administrations (CIAT). One relevant issue is to develop the tax administrations' capacity for managing their human resources for fulfilling the main objective, namely: "achieving great quality public service that may respond to the expectations of the collectivity".

This is a particularly significant issue for the GDPF given that, in order to overcome this challenge, the tax administrations must evolve in their operational methods, determine and assign responsibilities at all levels, create opportunities for dialogue, assign significant resources for development and improve the working environment of their officials. The success of this permanent modernization process is also based on recognized qualities of competency, integrity and strictness of their officials, as well as in the will shared by the entire organization for collectively seeking greater effectiveness in management.

These are some of the reasons why the GDPF deemed it interesting to involve itself with other CIAT member countries, Barbados, Brazil, Chile, Guatemala, Honduras,

Italy and Peru in establishing a working group to consider the most relevant aspects in human resources recruitment, selection, development and promotion processes and to co-sponsor with CIAT this means for the exchange of experiences.

This manual, which is the result of the working group's activity, does not in any way endeavor to be a universal model of systematic application, but rather a tool with a series of fundamental references to the specific issues considered, illustrated with concrete experiences to afford each tax administration perspectives regarding practices and evolutions in human resources management.

## Members of the Working Group

<b>BARBADOS</b>	<p><b>Ronald Bascombe</b> Permanent Secretary (Special Assignments) in the Ministry of Finance</p>
<b>BRAZIL</b>	<p><b>Moacir Das Dores</b> Coordenador-geral de gestão de pessoas de la Secretaria da Receita Federal de Brasil</p> <p><b>José Aparecido da Conceição</b> Coordenador-geral de gestão de pessoas de la Secretaria da Receita Federal de Brasil</p> <p><b>Luiz Claudino</b> Coordemador do Centro Estratégico de Formação e Educação Permanente da Escola de Administração Fazendária</p>
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<b>GUATEMALA</b>	<p><b>Alejandro Campos Portillo</b> Gerente de Recursos Humanos de la Superintendencia de Administración Tributaria de Guatemala</p> <p><b>Ligia Pinto</b> Subgerente de Formación y Desarrollo de la Superintendencia de Administración Tributaria de Guatemala</p> <p><b>Ramón Antonio Fion Montero</b> Gerente de Recursos Humanos de la Superintendencia de Administración Tributaria de Guatemala</p>

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<b>ITALY</b>	<b>Pasquale Elia</b> Head of Apprenticeship and Induction Team - Training Expert of the Tax Agency of Italy
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To summarize the activity and life of this working group in a list of positions and surnames would not in any way reveal what was experienced in over a year of exchanges and 100 meeting hours shared by the participants.

More than the meetings that were held in Paris, the first two and in Panama City, the last two, it is worth noting that the rule of democracy governed the group's operation and discussion framework, which actually implied openness in the discussions and reflections, transparency so as not to avoid controversial issues, as well as a sense of responsibility when it came to making group decisions.

In sum, there would not be much sense in concluding this small section on the experience of the working group, without mentioning that such stumbling blocks as working in four languages or the specific unavailability of some participant in one of the meetings were always resolved through the professional friendship developed among the participants.

# 1.

## Introduction

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Human Resources have always been and will continue to be a priority in the Tax Administrations. However, there are many factors involved in their effective management, which evolve independently and autonomously and if due attention is not paid they may affect the system as a whole and originate difficulties among the elements that comprise them.

Currently, Human Resources Management does not only imply having a data base with information that may affect or influence an employee's working life, but rather involves as well other elements or factors that are determinants to managing the organization.

The organization's strategy which should be determined in its strategic plan and the Human Resources Management strategy that must be aligned and subordinated to the first are the starting point for this Manual. It is believed that the basis of any development aimed at improving the tax administration in general and the administration's staff in particular, must result from an integral objective that must be in keeping with the organization's mission and vision.

In a second section, the Manual covers Employment Management specifically in relation to such aspects as Recruitment, Selection and Mobility; Performance Management as regards performance evaluation; Development Management, by analyzing the main aspects of development, the administrative career path and promotion; Human Relations Management as regards communications and social relations; and lastly, it includes the most relevant aspects dealing with the Promotion of Ethics in Human Resources Management.

The components dealing with the Organization of the Work (manuals and job profiles) and with the Management of Compensation are not discussed in this Manual since it is considered that they are aspects inherent in each tax administration and in some cases, in the legislations on the subject that are applied in the countries. Nevertheless, it should be noted that their due regulation and implementation are essential elements in Human Resources Management and probably in the future these issues must be added to this work.

Lastly, for a better understanding of each aspect developed as part of the Manual, based on the information provided by the countries, a series of administrative practices have been included which clearly illustrate the situations described. The objective is to have an idea of what is actually done in practice in a specific tax administration.

Likewise, a series of basic questions on Human Resources Management in a tax administration have been prepared by way of Self-assessment Guide, which may assist in the design and implementation, as appropriate, of strategies for its improvement, consolidation or strengthening.

# 2.

## Scope and Objectives

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The purpose of this Manual is to provide the Tax Administrations a general guide that may serve as reference in their process for improving and/or strengthening Human Resources Management.

This does not mean that the document is per se the solution to all circumstances that may arise in such management. Therefore, it is not mandatory or prescriptive in nature, but does not prevent enunciating therein specific policies and procedures which all members of a tax administration are obligated to adopt.

In the process of development of this document it was considered that the adoption of a mandatory or prescriptive approach could present major difficulties for understanding and applying it, given that the member countries are in different stages of development and more so their diverse practices, policies and systems are in many instances determined by law.

In addition to the elements or components of Human Resources Management, cases or experiences of the countries participating in the group have been included, for informative purposes, as well as for stimulating the administrations so that their systems may be more responsive and relevant to the dynamic environment in which they operate.





# 3.

## Strategy of the Organization and Strategy for Human Resources Management

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### 3.1. General Framework

Regardless of the strategy, actions or measures adopted to manage human resources in an organization, they must be in keeping or in harmony with the strategies which the organization may have determined.

The strategies of the organization are included in the Strategic Plan which each institution adopts for a specific period, establishing therein its priorities, focus of main attention, the mechanisms or means for carrying them out, as well as the external and internal factors or conditions that may influence or affect the development or achievement of the goals determined.

The human resources management strategies must then be aligned with that **Strategic Plan**, which must necessarily consider human resources management as one of its strategic objectives, determine its priorities and develop them in accordance with the policies determined by the top level authorities of the administration. If there is a conflict between them, obviously it will be reflected in management quality and efficiency.

Likewise, the corresponding business or management plan of the area or areas in charge of human resources management must indicate the activities that will be carried out for fulfilling the strategies and objectives determined for the organization.

It could be mentioned that if the organization has set the struggle against tax evasion and fraud as its strategic goal, the human resources area must aim its efforts in that direction; e.g., by strengthening the development program so that it may provide greater and better tools to officials fulfilling the control or audit functions in order that they may more effectively and efficiently carry out their task.

As will be seen throughout this Manual, human resources management is quite comprehensive and accordingly, when referring to its alignment with the organization's strategy, we are referring to each of the components: training, selection, recruitment, career, etc., and not only to some of them.

As far as these components are concerned, they are all necessary and must be developed under the integrality concept to make room for and render the system operational as such.

The foregoing allows for considering the need to establish points of liaison and communication between each of these elements; that is, to determine the way in which they are integrated and developed in the tax administration and especially the way in which the human resources system manager is going to manage it.

It is, therefore, important to bear in mind that the interaction with individuals, must consider mechanisms that afford it flexibility, mobility and at the same time soundness, to achieve the institutional objectives as well as the personal ones of the members of the organization.

The processes for managing and developing individuals are similar in all environments, at least as far as the fundamental aspects are concerned and accordingly, there are common concerns, doubts, problems and challenges.

There are, in addition, several models that have served as reference to approach the human resources management strategy in the tax administrations. Some have been more successful than others or have experienced greater permanence or continuity; while others, have even been taken from the private sector's experience.

To attempt to determine which model is the best or perhaps the one with greater applicability in the tax administrations would seem somewhat bold, since it is clear that there is no model that may equally fit everyone; but rather, the pertinent modifications must be made so that it may duly fulfill its function.

However, there is a series of conditions that must be taken into account for considering the human resource management model or strategy to be applied, which are determinant in their design, implementation and evaluation.

These **conditions** are:

1. If it acts as a link between the strategy and the persons.
2. If it is a strategic value system.
3. If there are situational influential factors that must be taken into consideration.

Listed below are some of the influential situational factors to be considered, without describing them in great detail; but rather the most important ones are simply highlighted so that they may be taken into account by way of reference.

### **3.1.1. Environmental factors**

These are aspects outside the organization which nevertheless influence the strategy which the latter may adopt. The tax administration has little or no influence or control over such aspects and its task is to identify, assume, abide by and consider them in the organization's own strategy.

Some of the factors worth mentioning, in general, among others, are the globalization of the markets, the creation or greater importance which the regional economic groups or unions have had in the past decades, or the economic crises and their impact on the tax administrations.

Other relevant considerations are:

#### **3.1.1.1. The legal framework of the country and the organization**

All rules, regulations and provisions dealing with the areas, issues and actions involved in human resources management and which must necessarily be taken into account by the pertinent areas in the design and execution of their plans and tasks.

An example of the foregoing is the rules on administrative career path, nomenclature of positions, labor rules and working regulations, among others.

#### **3.1.1.2. The government policies**

- The **budgetary and austerity rules**: All governments have quite strict provisions regarding scheduling and execution of expenses, as well as drastic measures when reductions must be made to already approved budgets. These restrictive measures obviously

affect human resources management and call for adjusting the scheduled strategies and actions, it being necessary, in many cases, to prioritize and postpone the development of tasks.

- **Policies for selecting, hiring or incorporating staff** in public organizations: some governments establish restrictions or conditions for hiring new staff or promoting officials in public administration. In some countries, in particular, as a measure of control and transparency, staff lists are "frozen" prior, during or after presidential or collegiate bodies elections.

### **3.1.2. Internal factors**

Much in the same way as there are external restrictions, there are likewise internal conditions that impact or affect human resources management.

When talking about "affecting" or "impacting" we are referring to the need or obligation to abide by these conditions.

In this sense, the organization's strategy and the human resources strategy must necessarily consider such conditions and be aligned with the Strategic Plan determined for the institution and developed in the area's business plan.

#### **3.1.2.1. The organization's policies**

Every institution, according to its Strategic Plan, mission, vision and organizational objectives and the existing priorities and conditions, determines a series of internal policies that frame the activities of the entity's areas or dependencies.

An example of this may be hiring or form of hiring new staff on determining that new officials should have a specific professional profile or as a minimum, a bachelor's degree, thus endeavoring to professionalize certain areas of the tax administration.

It could also be that a financial resources reorientation policy be determined and access to external education be limited or eliminated, giving priority to other aspects.

Likewise, in the different Government and public administration management modernization processes, a key element are efforts made for arriving at an effective and efficient modernization of human resources management procedures.

In the modernization of various organizations it has been proven that new management calls for structures, processes and functions that may result in efficient staff management, inasmuch as institutional transformation processes are bidirectional. In other words, they affect and are affected by psychosocial variables present in the various human teams that comprise an organization.

In view of this situation, there is the need to consider human resources modern management from a **global standpoint**, whereby the various working subsystems may be organized in a coordinated manner by clearly establishing relationships, interdependence and areas for growth and mutual collaboration. .

The model presented in the chapter on "Human Resources Strategic Management in a tax administration" of the CIAT Human Resources Management Manual, thus shows the importance of the different human resources subsystems in achieving the institutional strategic objectives.

The application of this model and continuous modernization of the different processes proposed therein, will tend to substantially improve numberless products and services that are common to human resources management. This will positively influence the quality of the organization and its employees, whereby both will be receiving better quality products with more efficient response time and visible benefits for each worker segment and significant improvements in the business processes.

Accordingly, employees as well as top management representatives may devote greater efforts to the continuous maintenance and improvement of the human resources strategy inasmuch as it appears as a means for facilitating the coexistence and development of the various institutional interests. **In response, the various actors involved will be more committed to the institution and to what it represents.**

In order that the human resources management model of an organization may be aligned to management's global transformation and modernization processes, it is necessary that such model be applied within an institutional space that may facilitate its central role and that its influence network may permeate the institutional development process. However, not only as support to the organization's general strategy (business management), but also, and above all, as an articulator with a

legitimate interest, acknowledged as having led the entire organization to a superior and integral stage of modernization, where the value of individuals, be they customers or workers is considered an institutional asset.

To this end and following the model proposed by Dave Ulrich, the human resources management action area must cover from the basic operational levels common to a traditional human resources administration, up to a strategic action field. It is well understood that for the abovementioned purposes it will be necessary to count on human resources management with strategic capabilities for participating and developing institutional management based on its values framework where individuals play a leading role.

To achieve this institutional status, human resources management must organize its activities on the basis of a strategic framework whereby it may add value to the organization, not only in the rendering of internal services, but especially by participating in corporate decisionmaking.

This privileged and somewhat innovative position of human resources management, that deviates it from a simple administrative support to participating in determining institutional strategies, is the position that will ultimately favor an integral vision when designing human resources management modernization models for the Tax Administrations.

### **3.1.2.2. The structure of the tax administration**

#### **- The centralization of functions**

The tax administrations may adopt different structures and in some cases, this may mean that some functions can only be carried out by the central entity and not by regional offices.

Although in certain areas of human resources management there has been a trend toward centralization, especially such processes as recruitment and selection, it is no less true that in others like development, regional offices have devoted greater efforts and some of them have even developed their own programs.

## - **Administrative and financial autonomy**

In recent years, many of the TAs, especially of the Ibero-American member countries of CIAT have acquired relative or total administrative and financial autonomy. That is, they are fully or partially free to appoint their staff and administer the financial resources allocated to them, even counting in some cases, with specific legislation for carrying out their recruitment, selection and promotion processes, with an administrative career path of their own and with a considerable budget at their disposal and under their administration.

On the other hand, there are also countries where human resources management provisions are applicable to all government officials and thus they are applied to those of the ministries of economy and finance or treasury, entities to which the tax administrations are subordinated.

This hierarchical and functional dependency of the ministries, as regards the rules, as well as in general, the regulations or policies applied to state officials, condition the action of a tax administration, to the extent it is necessary to follow the regular procedures established for staff management, which many times is dependent on the good or bad relationships that may exist with the corresponding dependency of the ministry.

The foregoing does not imply that the first situation described is the ideal one for a tax administration. Every country must abide by its own provisions and regulations and efficiency and effectiveness in human resources management will depend on the fluidity of the process, regardless of which and how many areas may be involved.

Of course, it is easier when the tax administration itself may determine when and how to fill a vacancy or establish additional budgets to carry out special training programs. However, what is most important, is efficiency and effectiveness of the processes as key aspects for appropriate human resources management.

### **3.1.2.3. The existence of a positions or job profiles Manual**

Other aspects that are an integral part of human resources management are the definition of the positions available in a tax administration and the profile of each working position identified.

In many countries, the definition of the positions and their corresponding nomenclature, rank and identification codes are of a general or universal nature for Public Administration. In other words,



special or particular nomenclatures have not been created by the organization, but rather they are part of the general manual of civil service positions.

On their part, there are other States that have greater autonomy for developing this manual of working positions and jobs and accordingly, have a greater level of specialization inasmuch as they cover in detail the actual operation and business of a tax administration.

Regardless of the way of defining and operating a Manual of positions and profile of jobs, it is a relevant and essential issue in human resources management which cannot in any way be disregarded.

Although this issue will not be discussed in this document, it is only mentioned as one of the conditioning factors in management that should be taken into consideration.

### 3.2. The Model for Human Resources Strategic management in a tax administration (Figure 1)

Shown below is a Human Resources Management Model based on the one designed by Professor Francisco Longo, although adapted in keeping with the discussions, analyses and agreements of the Working Group according to the experience of the Tax Administrations.

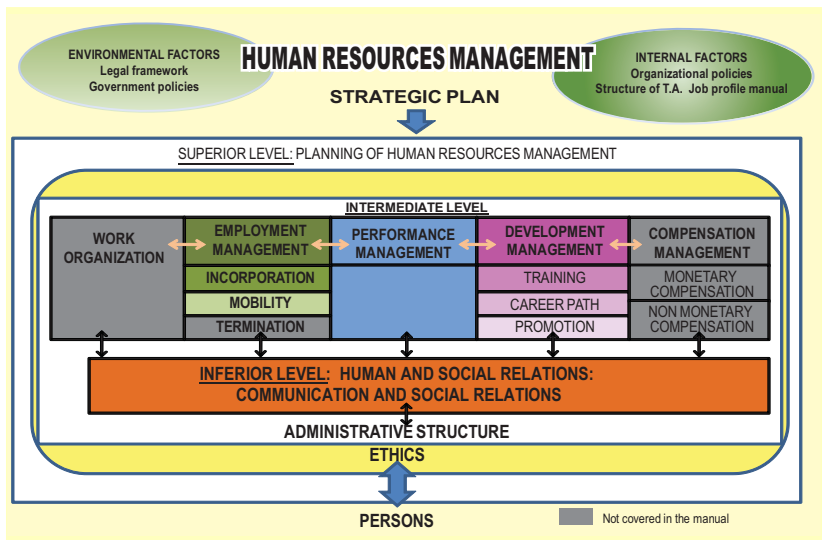


Figure 1.

The **Human Resources Strategy** may be defined as a series of basic priorities that guide the HRM policies and practices to make them available to the organizational strategy.

The existence - more or less explicit and formalized - of a human resources strategy is essential for:

- Achieving the alignment between the staff policies and practices and the priorities of the organization.
- Giving meaning and value to the HRM policies and practices which, otherwise, will tend toward the mere administration of staff, routine and inertial activity of pure maintenance of that which already exists, deprived of its own thrust.
- Rendering possible the innovation of HRM policies and practices.

**HUMAN RESOURCES MANAGEMENT MODELS INCLUDED IN THE COUNTRY EXPERIENCE SECTION OF THE MANUAL:**

- Brazil: Human Resources Management Plan of the Secretariat of Federal Revenues (SRFB)
- Chile: Strategic Human Resources Project of the Internal Revenue Service (SII)
- Guatemala: Human Resources Management Model of the Superintendency of Tax Administration (SAT)
- Peru: Human Resources Management Model of the National Superintendency of Tax Administration (SUNAT)



## Self-assessment or Self-diagnosis guide

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### **The Human Resources Strategy**

1. Does your tax administration have a defined strategy for human resources management? Is it formalized in a specific Plan or by some other means?
2. Is it known or communicated? If the answer is yes, which mechanisms are used for such purpose?
3. How is the Human Resources strategy determined?
4. How do officials join or participate in the strategy design and implementation process?
5. Who is responsible for the design and implementation of the strategy?
6. What is the methodology for designing it?
7. Is the strategy developed through a human resources management model?
8. Which are the criteria for aligning it with the organization's Strategic Plan?
9. Is there a position and job profiles Manual in the Human Resources Management Strategic Plan?
10. Does the Human Resources Management Strategic Plan consider the influence or impact of external and internal factors?
11. How does the Human Resources Management Strategic Plan include the different categories of officials (employees, staff and directors) and how is their level of participation determined?
12. What type of communication is used in the organization to disseminate the Human Resources Management strategy?

### 3.3. The Human Resources Strategy and its subsystems (Figure 2):

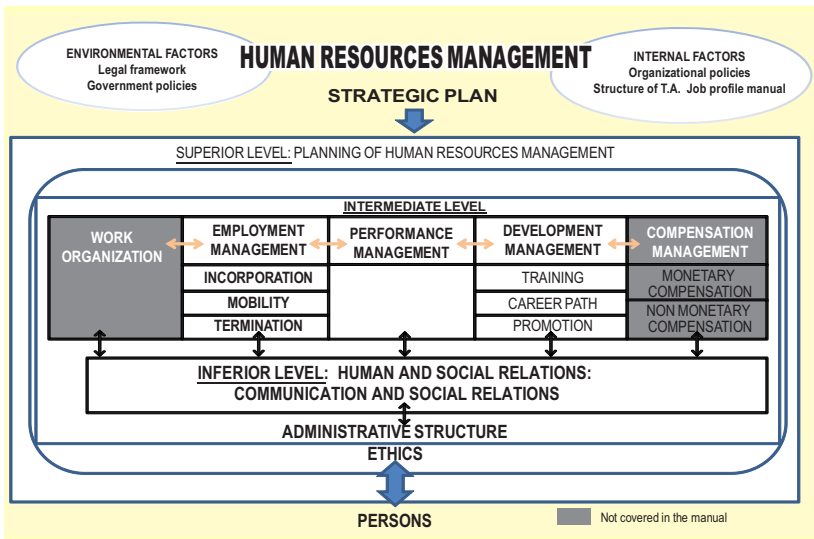


Figure 2

The administration of human resources is an integrated management system that is spread out into different components which operate as its subsystems and are, in turn, connected and interrelated in the manner shown by the arrows in **figure 2**.

There are **seven** basic **subsystems**. These are: Human Resources Planning, Work Organization, Employment Management, Performance Management, Development Management, Compensation Management and Human and Social Relations Management.

**Figure 2** shows these seven interconnected subsystems, vertically located at three levels:

- In the first level there is **Human Resources Planning**, which allows for anticipating the definition of policies in all the remaining subsystems, with which it is connected. It corresponds to the subsystem that links all the parts among themselves and Human Resources Management to the institution's strategy.

Through Human Resources Planning, the organization analyzes its short, medium and long term needs and compares them with its capabilities, while identifying the actions that must be undertaken for covering the differences.

With respect to Planning activities, it is important to highlight their necessary alignment with the institution's policies.

b. At the **intermediate level** there are five subsystems:

- The first is the **Organization of the Work**, which determines and specifies the contents of the tasks and the characteristics of the persons that must perform them. It answers the questions: *What should we do and who should do it?* An example of this in many countries is the generation and development of profiles and job manuals.
- **Employment Management**, comprises the processes of entry, mobilization and exit of the individuals. It responds to the questions: *How do officials enter, remain, mobilize and leave the organization?* An example of this corresponds to the incorporation, selection and termination system.
- **Performance Management**, plans, encourages and evaluates the contribution of the individuals. It responds to the questions: *How well are we doing it according to what has been scheduled and how we are relating incentives, behaviors and feedback from management to our daily tasks?* Examples of this are such practices as performance evaluation, making collaborators aware of management's expectations, etc.
- **Development Management** which answers the question about *how the organization learns and how the persons working therein grow individually and collectively.* An example of this in many countries corresponds to the processes of promotion, administrative career path and development.
- **Compensation Management**, corresponds to the reward each official receives based on the classification of positions based on the scales of the salary table and which takes into account the complexity of the work and qualifications. In most cases this results in an improvement in *salaries and benefits.*

c. At the lower level, **Human and Social Relations Management** aims to manage the relationships established between the institution and officials and is related to all of the previously mentioned subsystems. It answers the questions: *How do we interrelate, communicate and interact?*

Among the many possible options, the classification into two management areas has been selected.

- **Communication management**, which includes the communication policies and practices of every organization. It must be determined if the institution has mechanisms that are regularly used and comparable to disseminate the initiatives, projects and information originating from management, as well as the requests, suggestions and opinions originating from the officials.

It must also be determined whether the directorate's decisions as well as relevant information of every type promptly circulate throughout the organization and effectively reaches all the officials.

- **Social Relations management**, defined as a series of relationships between the organization' directorate and the internal spokespersons that represent the officials.

Special attention must be paid to labor relations; that is, that each party represent the role for which it has mandate and whose exercise is reciprocally accepted.

### **3.4. The integration of the subsystems**

Three conditions are required in order that the HRM policies and practices may operate in an organization:

- That the subsystems be operational; that is, they must be recognized by the members of the organization as current and valid, at least at a minimum level.
- That these subsystems be interconnected among themselves; in order words, the products of one should serve the work of the others.
- There should be global coherence between the subsystems and the HRM strategic model.

**Operativeness:** It is necessary that all subsystems listed be operational; that is, that there be a minimum series of coherent staff policies and practices that may allow for rationally inferring their existence and operativeness.

Thus, for example, if there is no minimally formalized performance evaluation, the promotion and career path processes will be deprived of basic inputs for their adequate development. The trend will be toward producing arbitrary promotions, or else based on seniority or purely formal merits.

**Interconnections:** The HRM subsystems should, in addition, be interconnected in the manner shown by the arrows in **figure 2**.

For example, if there is no operational interconnection between the design of positions and profiles and the staff incorporation processes; that is, if each subsystem operates in isolation, it will be difficult to find qualified staff for the tasks.

**Strategic coherence:** Lastly, the totality of subsystems should appear as applications of a human resources strategy, derived from the organizational strategy and drawn together by it. A staff policy or practice cannot be evaluated separately from this basic coherence. For example, if the internal promotion system is not precisely determined and sufficiently linked to the organization's strategy, the entire recruitment system loses its coherence.



## **Self-assessment or Self-diagnosis guide**

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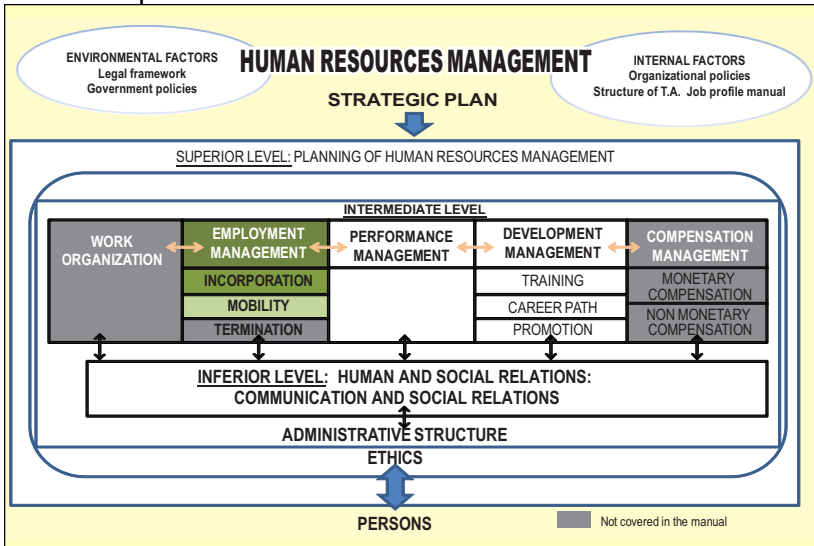
### **The Human Resources Strategy and its Subsystems**

1. Does the organization have an institutionalized Human Resources Management model and which is its legal framework (law, regulation, internal administrative provision)?
2. What is its development and implementation status?
3. Does the Human Resources Management Model applied by your administration include the three levels indicated in the CIAT Model?
4. Are there subsystems and how do they operate?
5. Are the subsystems interconnected and through which mechanisms and/or procedures?



# 4.

## Employment Management



Corresponds to the series of staff policies and practices intended to manage the flows whereby persons enter, are mobilized and leave the organization.

In this subsystem there are **three** main management areas:

- **Incorporation**, which comprises policies and practices dealing with the access of individuals to the jobs, which in some cases can imply their access to the organization.

This area involves **three types of processes**:

- **Recruitment**, which consists of HRM policies and practices aimed at looking for and attracting candidates for the positions to be covered;

- **Selection**, which comprises the election and application of precise instruments for adequate selection and hiring decisions.
  - **Induction**, which covers policies and practices, intended to adequately receive the persons and assist them in their first steps on the job and its environment.
- **Mobility**, which affects the movement of persons between positions in or outside the organization and wherein one must distinguish between:
- **Intra-institutional mobility**, which includes functional mobility and geographical mobility in the same organization;
  - **Inter-institutional mobility**, which implies a change of institution.
- **Termination**, which integrates HRM policies and practices dealing with the termination of the employment relationship, either due to disciplinary reasons, unadaptation or low performance, or due to economic or organizational reasons.

The Manual does not cover this aspect on considering that they correspond to the specific sphere of each administration and, in some cases, to the legislations on the subject in force in the countries.

The aspects dealing with Incorporation and Mobility will be discussed in detail hereunder.

#### **4.1. Incorporation**

Human Resources Management (HRM) is responsible for staff recruitment which includes, among other aspects, determining strategies aimed at attracting persons, who in addition to fulfilling the requirements of the position, have the potential to continue developing themselves and to continue to produce every day with greater effectiveness.

Its **purpose** is to count on staff with the knowledge, experience, skills and attitudes, commitment and ethics required for fulfilling the functions assigned to each of the positions.

The design and execution of a recruitment and selection system implies that the units of the administration count on qualified staff for carrying out the different activities entrusted to each of them. To this end, it is important to be familiar with each of the activities and tasks included in each of the functions in order to be able to prepare and continuously update the required profiles at a given moment.

**For the adequate operation of the Employment Management subsystem, it is necessary that the organization count on Manuals that define the positions or job profiles which constitute the reference framework for the correct and successful application of the recruitment systems.**

Therefore, the human resources area should keep an updated register of the activities and tasks carried out by each function as well as of the profile or profiles required for executing them. This calls for clearly and completely defining the positions or jobs existing in the organization according to the special or general nomenclature applied by the tax administration.

Likewise, the tax administration should count on human resources management areas that may clearly establish in due time, the positions that should be filled due to retirement of staff members, vacations, etc. This will allow it to timely schedule the recruitment, selection and promotion processes without affecting the development of the management areas.



## **Self-assessment or Self-diagnosis guide**

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### **Incorporation**

1. Does your organization have a profile and job description Manual?
2. How is said Manual linked to Incorporation and mobility of officials?
3. Which are the transparency, equality and merit in access mechanisms found in each of the three incorporation processes?
4. Which are the organization's quality requisites for incorporation management?

#### 4.1.1. Recruitment

**It is the internal or external announcement made by the organization to fill a vacancy in a specific area.**

Its objective is to identify and attract skilled and qualified candidates to satisfy a staff requirement according to a predetermined profile, carried out by an executive or director of the organization or as a result of a pre-established process for filling vacancies.

The success of the announcement undoubtedly will depend on several factors and worth highlighting among them is the prestige, renown, and distinction of the tax administration within the context of the society it serves. An organization with a good reputation, technical recognition and transparent performance is a place wherein many people would be interested in working and accordingly, would respond to the announcement made.

Other important considerations within the recruitment process are:

##### - **Equality and merit in access**

- Recruitment for filling the positions is open to all candidates meeting the requirements. These are established on the basis of qualifications technically evaluated and not arbitrarily.
- There are guaranteed procedures and mechanisms to avoid arbitrariness, politicization and patronage and cliental practices, throughout the incorporation process.
- There are mechanisms which are applied to effectively guarantee equality and nondiscrimination, aimed at overcoming gender, sexual preference, ethnic, cultural and origin disadvantages in the procedures of access and progression in public employment.
- There is a limited and reasonable number of positions filled by staff designated on the basis of criteria and mechanisms of a political nature.

##### - **Quality of recruitment**

Some of the sources for obtaining possible candidates that respond to the requirements of the position are universities, professional data bank service companies and state or private employment bureaus, among others.

The means used to look for, communicate and attract candidates usually results in an adequate number of appropriate applicants for the positions that must be filled.

The need for quality implies the fulfillment of certain **requisites**:

- advertising in relation to vacancies must be as wide as possible, to attract the largest possible number of applicants;
- meetings and presentations may be organized for specific groups which the administration wishes to attract; such as, for example, the Student's room, the public employment room, open doors sessions, etc.);
- in some cases, although this practice cannot be generalized, the tax administrations may resort to specialized "talent hunters" for jobs with very specific profiles;
- information on the contents of the different tests should be provided, in order that it may impact the profile of the applicants participating in the contest;
- the administration should evaluate the professional career of their officials so that they may compete with those of the private sector;
- the administration should evaluate its image so that it may attract quality applicants.

#### **4.1.1.1. Types of recruitment:**

There may be several ways of making the announcement as well as the procedure to be followed according to the policies and priorities established in the organization's strategic plan.

In general, there are **three ways of recruiting**:

- **External recruitment:** This kind of recruitment is usually carried out after an open and public announcement. Each administration should develop a recruitment plan based on expected retirement and the strategic plan.
- **Internal recruitment:** The process exclusively involves persons that belong to the organization and based on the same planning considerations used for external recruitment.
- **Mixed recruitment:** The process considers the possibility that external or internal applicants may participate in the process.

**It is important that every Tax Administration consider and reflect on the three types of recruitment, to achieve, with the experience of other countries, the elements that may be adapted to its own context.**

#### **4.1.1.2. Procedure for undertaking the Recruitment**

It is important that steps and conditions to be followed in recruitment be determined and disseminated. This affords the process transparency and clarity to those interested as well as to the organization regarding the requirements and conditions to be fulfilled by each of them.

Whether it is an external, internal or mixed recruitment, all must fulfill the following **steps**:

- The announcement: once the profile has been determined, an open announcement is prepared, which should include the following basic information:
  - title of the vacant position;
  - general requirements for filling it;
  - specific requirements of the position;
  - areas of knowledge;
  - stages of the process;
  - documents the candidate should provide;
  - employment application form;
  - site and deadline for applying.
  
- The procedure for applying consists of each of the steps to be followed by the applicant; the office or offices in charge of the process, working schedules for handling the process and dates for making known the partial or definitive results and the way of communicating them, as well as the subsequent steps, as each step is fulfilled.

The steps should also consider the objection or review mechanism or mechanisms that should be applied if the applicant would disagree or have doubts about the procedure followed, as well as the time for responding to the objection or review.

As applicants apply, it is verified whether they fulfill the requirements indicated in the announcements, in order to proceed to the pre-selection process or debugging of the lists.

It should also be taken into account that, in some cases the established procedure does not consider all or some of the general steps. It could also be that expeditious procedures be undertaken to respond to "urgent" or "compelling" needs for filling vacancies.

**TAX ADMINISTRATION PRACTICES ON EMPLOYMENT MANAGEMENT - RECRUITMENT INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Barbados: Notification of vacancies
- Chile: Incorporation Policy
- France: Mixed Recruitment and open recruitment for nonnationals / Reflection on the quality of recruitment
- Honduras: Experiences in the sphere of Recruitment at the Secretariat of Finance and Public Credit (SCHP)
- Italy: IRIDE Project: Recruitment according to target Group





## Self-assessment or Self-diagnosis guide

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### Recruitment

1. Which mechanisms are used to guarantee equality and merit in access?
2. Which advertising or dissemination means are used to publicize the announcement?
3. What types of recruitment are used in the tax administration and when are they used
4. Which are the specific objectives for each type of recruitment?
5. Are steps and/or conditions for recruitment delimited?

#### 4.1.2. Selection

**It is a process whereby the person who will fill the announced vacancy will be chosen from among a number of candidates that have fulfilled the stipulated conditions.**

Comprises the election and application of instruments for making the selection and hiring decisions as such.

The **objective** is to select the best candidate that complies with the profile determined for the position.

Within this aspect, it is worthwhile to mention the following important processes to be considered:

- The selection is based on the existence of competency profiles of the positions that must be filled.
- The selection instruments used are adequate for the previously determined profiles and their design responds to technically validated criteria.
- The selection committees are designed on the basis of professional criteria and technical experience and act independently in carrying out their functions.
- Incorporation decisions are made in response to merit criteria and professional capabilities.
- The transparency of the process appears as fundamental axis for ensuring the quality of the selection process, the candidate's trust in the institution and the citizen's information about the public policies.

##### 4.1.2.1. Selection Procedures:

Jointly with attracting the best candidates to the selection process, it is important to remember that the entire process responds to technical considerations and that the selection and evaluation of candidates is based on objective criteria.

To this end, along with disseminating the main characteristics of the process - type of position, name, location, function and salary - one must mention the type of evaluation instruments and tools to be applied, as well as the scores or scale to be used, so that all the participants may be aware of them.

- Another fundamental element in this type of processes is **transparency**, for which reason it is suggested that each institution maintain in its web site, background information on each contest, whereby the participants may aware of the results. One way of preserving the privacy of the data is through the identification of each applicant by means of a code provided when formalizing the application. In this way, there is a clear indication of the participants who are advancing in the different stages, while maintaining the principle of confidentiality of their personal data.

Currently, many tax administrations hire third parties for the application of specialized tests given the advantages that this may afford them. For example, there is no need for additional staff for the application of tests which, in many cases, is not a permanent activity of the administrations. These subcontractors are organizations with great experience on the subject and, in certain cases they can afford a greater level of security and transparency in grading, since it is a third party in charge of the evaluation who delivers the results to the administration.

- Another important element are **the instruments** that may be usually applied. However, each country may vary, and in fact there are variations, either in number, order or combinations of the tests applied. That is irrelevant, to the extent that what is sought is for the processes to be carried out in a technical, planned and transparent manner and based on evaluations designed for such purpose. Each established instrument or test involves a procedure.

The tools that are normally used to select a candidate are:

- **General knowledge test**, for preselecting candidates based on evidence of studies and knowledge of what is happening in the Tax Administration and society;
- **Simulation centers** for measuring the behavior of candidates in situations that resemble the working area;

- **Development courses** wherein candidates are subjected to partial and final evaluations for the purpose of measuring not only their technical knowledge, but their adaptation to the organization. It deals with those cases wherein the tax administrations develop courses for the candidates on specific topics, which require evaluation processes that serve as reference for determining whether a person is selected or not. They may involve a significant cost for the tax administration and therefore, even though they are an interesting and effective means for staff selection, it is necessary to clearly determine when their use is timely and efficient.
- **Psychometric test** whose purpose is to ensure that the candidates have the skill for becoming tax career officials, emotional maturity and sufficient control for adequately adapting themselves to the organization's working environment;
- **Interviews with candidates** is the opportunity for validating the applicant's skills, working experience, clarify areas of concern and obtain additional information by using follow-up questions. It also allows for maximizing the potential for identifying the applicant whose profile is more aligned with the functions of the position, allowing in addition to getting to know and interacting with the person regarding his/her way of looking at the position, his/her expectations, concepts, preferences and objectives pursued through the nomination and how these elements are integrated and complement themselves with what the organization requires and desires.
- **Evaluation in the field or apprenticeship**, which consists of evaluating the applicants on the work area, under the supervision of a specialist who determines, based on previously defined grading parameters, which of the applicants meets the best conditions for filling the vacancy. Generally, the field evaluation is made after exhausting other ways of selection, such as technical development. This type of evaluation is generally used for selecting auditors, examiners or tax or customs inspectors.

- **Verification of applicant's data and references**, used as a means whereby the tax administrations may verify and be sure that the information provided by the applicant is reliable. Working references, in turn, allow for knowing the opinion of other persons that may have interacted with the applicant at the professional level.

**The selection procedure is an integral part of the Strategic Plan and it should not be in any case isolated. Therefore, an important aspect to be considered within the selection process is the feedback, through follow-up of the selected employee (e.g., adequate performance, promotions, appropriate behavior, if he resigned or was dismissed shortly after being hired, etc.).**

**TAX ADMINISTRATION PRACTICES ON EMPLOYMENT MANAGEMENT - SELECTION INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Brasil: - External selection with development Program
- Chile: Forms of Selection / Initial Development Program for new Examiners
- France: Selection
- Guatemala: Staff selection, the in-depth interview and veracity evaluation
- Honduras: Staff selection and CEIMSA
- Italy: Outsourcing of selections tests
- Peru: Staff selection



## Self-assessment or Self-diagnosis guide

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1. How is the Selection process linked to the job profiles Manual?
2. Which are the existing mechanisms to guarantee an efficient and transparent Selection process?
3. Which Selection procedures are applied?
4. How do selection processes work?
5. What are the objectives of the selection process?
6. How is the Selection process linked to the Human Resources Management process?
7. Is there some follow-up and evaluation mechanism that may allow for verifying if it corresponds or is aligned to the institutional strategic plan?
8. How does the follow-up of employees that have been selected provide feedback to the selection process?

### 4.1.3. Induction

**Comprises policies and practices aimed at adequately receiving the individuals and accompanying them in their first steps in the position and its environment. There are adequate procedures, which are applied, for receiving employees and facilitating their entry in the organization, in their job, as well their first steps in the position and its environment, in addition to transmitting to them basic behavioral principles and guidelines of which they should be aware when joining the organization.**

Induction is a phase which is acquiring ever greater importance in the selection process. This process is aimed not only at hiring new employees but also at orienting them inside the organization and at preparing their future development. Without an effective induction it would take the new employee much longer to be fully productive, nullifying, in part, the investment made in the selection process.

Through an **effective induction** of the new resources selected, an organization carries out the first step of a complex and fundamental process called "socialization at work". It is a phase aimed at acquiring knowledge, attitude, skills, behaviour, values and motivation to completely become part of the new organization.

The early days and months at work are very important for a new employee because he assimilates the first impression on the organization, the managers, the colleagues and the new job. This first impression will affect directly his future performance and behaviour. So, it is important for an organization to provide an induction program to reduce the risk of the new employee feeling ill at ease in this new environment or of not grasping what is expected of him.

The induction program consists of **two steps**:

- The **welcome plan** which is aimed at granting the new employee all the information necessary to get to know the organization, the office, the activities, the colleagues, the rules, the rights but also the duties.

The welcome plan includes an **information course**, which usually does not last more than two days.

- The **induction plan** covers a longer period, is the new employee's first development plan and is aimed at learning the job and at accelerating participation in the job life.

An effective induction plan combines training courses and on the job training.

The most important and longest phase is **on the job training**, which permits the new employee to learn the job directly on the field and to come directly in contact with the organization values, rules - implicit and explicit - and habits of the organization. Thus, during this period the organisation can invest in the growth of the people not only from the standpoint of their knowledge but above all in their skills and their organisational behaviour.

To carry out an **effective induction plan** the contribution of an expert colleague, the tutor, is fundamental. The tutor is selected from among the best executives for his professional-technical knowledge, relations capacity and motivation.

The **tutor**, who has had specific training in coaching and on mentoring, transmits his abilities, "the secrets of the job", to the new employees. Besides, for the young officials, the figure of the tutor is an important point of reference from the behavioural standpoint, inasmuch as he assumes full responsibility for the official's growth.

## **TAX ADMINISTRATION PRACTICES ON EMPLOYMENT MANAGEMENT - INDUCTION INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Brazil: Induction
- France: The Ministerial Cycle of Initial Development (MCID) and PACTO
- Guatemala: Institutional induction to SAT
- Italy: The IRIDE Project and the Induction Program





## Self-assessment or Self-diagnosis guide

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### Induction

1. Is there an Induction Plan in the tax administration where you work?
2. Does said Plan answer the following questions?
  - who is the new employee?
  - what are his/her needs?
  - what should be his/her motivation?
  - what should he/she know about the new organization?
  - what will be his/her future work?
  - what are his/her knowledge and skills on beginning to work?
  - who will interact with the new employee within the organization?
  - what type of relationship do we wish to promote (hierarchical or cooperative)?
  - what could be his/her future development?
  - what could be his/her future career?
3. How does such Plan interact with Human Resources Management?

## 4.2. Mobility Management

**Mobility, in any of its modalities, is the transfer or movement of an official from his current working area or place to a different area or region, without it necessarily implying an improvement in his salary or functional level.**

Mobility management affects the movements of persons between jobs and one may distinguish between:

- **Functional mobility**, which only implies change of task.
- **Geographical mobility**, which implies change of the working site, with change of residence.

The functional and geographical mobility mechanisms allow for responding with flexibility to the needs of staff redistribution.

As regards the requests for mobility by the officials, it is important to clearly and explicitly establish the position of the organization with respect to mobility. In this context, one must establish the framework for responding to the mobility requests by officials on the basis of equal opportunities and following a previously established procedure that seeks to reconcile the needs of the organization and the requesting staff.

For example, there cases of a social nature (health and family unity) or security (threats to physical integrity) that require special treatment from the organization in order to solve those inconveniences that would not allow the staff to work in peace.

In general, one must bear in mind that mobility may also involve benefits for the official and it should not be merely seen as a decision by the administration.

In addition to the social and security aspects mentioned, functional mobility allows the official to complement his/her knowledge and skills in the different tax and customs business processes, while geographical mobility will allow him/her to familiarize himself/herself with different realities common to each region and to work with colleagues that have their own subcultures. All this will better prepare the official to face new challenges and develop himself/herself in the institutional career line.

Some of the **principles and considerations** that may guide the mobility are:

- **Principle of transparency:** it is necessary to make the members of the institution aware of the criteria to be considered for solving the transfer requests.
- **Principle of fairness** among the officials in order to allow them the option of changing the working place.
- **Principle of balance** between quality of labor and family life and the officials' duties, understood as the conciliation of aspirations and needs of the official and his nearest environment with the demands of the institution in its capacity of employer.
- Internal staff movements as a result of transfers must abide by the number of staff assigned to the respective areas and count on the approval of the authorities delivering and those receiving the transferred official:
  - It is important to authorize the requests for transfer which combine the needs and requirements of the institution and the needs or expectations of the officials;
  - Officials may request a transfer after having spent some time in the geographical location from which they are requesting to be transferred.

Likewise, the types of mobility may be organized in accordance with **two concepts**:

- **Intra-institutional mobility** that includes:
  - functional mobility, which implies a change of task. It usually involves an internal selection to evaluate an employee's potential for performing a new job.
  - geographical mobility, which implies change of working place or residence. Usually involves a mobility procedure which determines:
    - o the number of employees that are allowed to enter or leave a region /department;
    - o the principles (criteria) established for determining a classification of mobility (seniority, family/health reasons, etc.)

- **Inter-institutional mobility**, which implies a change of institution. Staff wishing to leave usually requires an authorization. On the other hand, the employees of another public administration wishing to enter must generally undergo a selection process. It could be convenient, with this type of mobility, to have persons with special skills that are already working and which do not have to be chosen through external selection.

When inter-institutional mobility is of a temporary nature; that is, that the official returns to his/her original institution following a specific period of incorporation to another institution, the benefits generated involve the three players in the operation:

- the official who can widen his/her professional horizon and diversify his/her professional career by learning from other institutions, sharing good practices, ideas and experiences;
- the host institution which may improve its professional training, its procedures, working methods and cultural environment during the official's stay in said institution;
- the original institution, provided it adequately follows up the mobilized official to ensure effective feedback, may achieve the same benefits as the host institution during the period of mobility and after the reincorporation of its official.

Inter-institutional mobility is an important source of reciprocal enrichment for the organization and the official. When it reaches a significant institutional development level, it constitutes a special reinforcement for implementing the modernization policies of the tax administrations, with particular relevance when the inter-institutional mobility takes place within an international framework.

### **TAX ADMINISTRATION PRACTICES ON EMPLOYMENT MANAGEMENT - MOBILITY INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Brazil: Transfer process
- Chile: Staff transfer procedure
- France: Internal and external mobility
- Guatemala: Labor mobility at SAT
- Honduras: Experience on geographical institutional mobility



## Self-assessment or Self-diagnosis guide

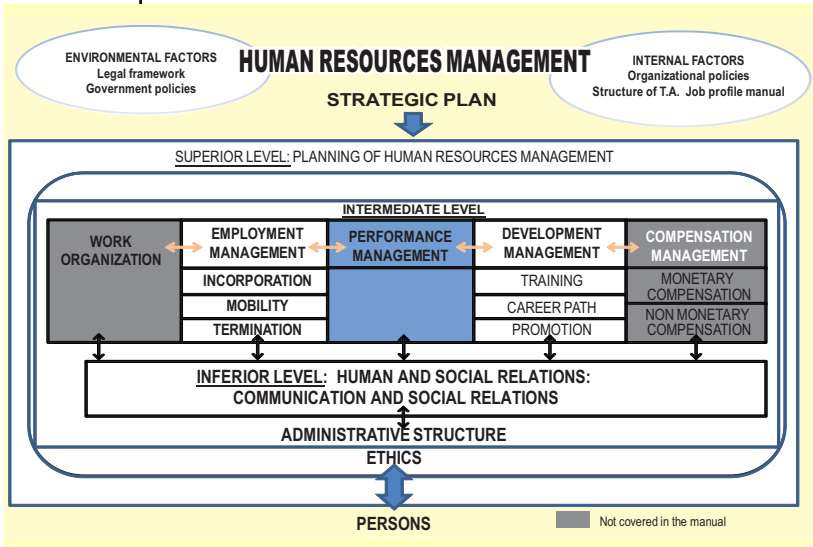
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### Mobility Management

1. Is there functional mobility in the tax administration?  
Is it regulated?
2. Which are the devices implemented to evaluate the mobility policy?
3. What are the objectives of said policy; for the employee in relation to the career system, as well as for the organization, in relation to its strategic orientations?
4. Is there geographical mobility? Is it regulated?
5. Are there the intra and inter-institutional modalities?  
Are they regulated?
6. In which cases and under what conditions are the different mobility modalities applied? e.g. Need for the service, official's request, threats against physical integrity, etc.
7. Has there been a follow up or evaluation, and measurement of the greater or lesser impact in performance and in the achievement of institutional goals of officials that have been mobilized?

# 5.

## Performance Management



**Performance Management is the subsystem of Human Resources Management (HRM) whose purpose is to influence the productivity of individuals at work.**

**The objective is to align it with the priorities of the organization and maintain it at the highest possible level, thus achieving a sustained improvement of the employees' contribution for ensuring the organizational objectives.**

It must be noted that through Performance Management valuable information is obtained for HRM decisionmaking in different fields. Performance Management has an important position in an integrated HRM system, and is interrelated with Compensation and Development management.

Its relationship to Compensation Management occurs when the latter includes the payment of variable compensations linked to productivity, which constitutes, in spite of frequent criticisms to its real operation, a significant trend of the compensations systems throughout the world.

The **connection with Development Management** occurs in a double sense:

- **Providing inputs** that are essential to the promotion and career processes
- Detecting in the individuals the **need for developing competencies**, which is basic for the design of effective development policies.

There are several performance evaluation **models** with the most complete ones being those including elements of quantitative and qualitative measurement.

- The **quantitative measurement** elements must specifically respond to numerical indicators that may define a trend, a goal or a purpose that may be measured within a specific time frame.
- The **qualitative measurement** elements respond to indicators of behavior and conduct of the individuals and the result obtained from those same indicators.

For the effective establishment of an evaluation system, one must take into account the following **aspects**:

- The **periodic dialogue or conversation** between the official and his supervisor which allows a discussion of all aspects of this evaluation.
- The **determination of responsibilities**: this dialogue should allow for professionally discussing the official's performance of his working activity, personal involvement in his job, his expectations, as well as those of the administration with respect to the official, the quality of his professional integration and evaluation of his performance.
- **Transparency: objectives** must be clearly determined and the results should be communicated to the official.

- Consideration of the official's **professional commitment**: the issue must be raised by the tax administrations. How to compensate officials who achieve good results thanks to their strong commitment? Individual merit should be taken into account for a faster career development.
- **Harmonization**: all officials belonging to the same entity must be subject to the same system for determining objectives and evaluating results.

## 5.1. Performance Management Processes

It is a **cycle** that comprises:

- **Productivity planning** which entails the definition of productivity guidelines or standards in keeping with the strategy and objectives of the organization
- **Productivity evaluation**, comparing productivity guidelines and objectives with the results.
- **Feedback** between the evaluator and evaluated and preparation of productivity improvement plans.
- Active **follow-up** of performance throughout the management cycle, observing the performance of the individuals and supporting it.

### 5.1.1. Productivity Planning:

There may be a double planning system:

- **Evaluation of the collective result** whereby the institution sets the objectives, evaluates the results and analyzes the consequences on the individual situation of the officials who participated in carrying them out.
- **Evaluation of the individual result** following determination of objectives for each official.

The evaluation of the individual result corresponds to logical planning which involves several stages:

- determination of individual objectives -qualitative and/or quantitative- which coincide with the determination of the expected level of results;



- determination of results; what is expected and how it will be measured.
- evaluation of actual result versus expected results which simply implies the comparison of the result achieved with the expected result;
- consequences to be inferred from the results.

### **5.1.2. The evaluation of productivity:**

#### **- Periodicity**

Performance evaluation should be subject to a specific periodicity which is determined in accordance with the strategic objectives of the organization, evaluation planning and the administration's own operational capacity for carrying out the evaluation process.

Given all the elements involved in the process, an annual evaluation is recommended.

#### **- The evaluator**

Should be the official's hierarchical head of the service. It is important to clarify that when the official is in a multiple dependency relationship, he should be aware of who will be in charge of the evaluation and the issues that correspond to each of them. For this reason, in determining and identifying the objectives or goals to be achieved, one must also state who will be evaluating each goal or objective.

#### **- The objectives**

Objectives must be ambitious, although realistic and not be merely limited to a quantitative approach; e.g., how many files are processed in a year. They should be the subject of a real exchange within the framework of the interview and for that purpose, they should be clearly defined in order that the official may be aware of what the head of the service expects from him.

#### **- The interview**

The interview should be based on a previous summons indicating the date of the meeting, in order that the official may have sufficient time to prepare for it.

The interview should be a privileged moment for the exchange of opinions between the evaluator and the evaluated official.

After the interview, minutes should be drafted with the main items considered, of which the following are worth noting:

- the service's organization and operating conditions (this may justify, when appropriate, noncompliance with the objectives);
- the professional results achieved during the year;
- development activities carried out during the period and those anticipated for the subsequent period;
- the evolution perspectives (career and/or mobility);
- the new objectives determined for the following year;
- time should be allowed for discussing various issues or for the official to freely express himself.

### **5.1.3. Feedback**

Feedback on the results of a performance evaluation is a mechanism whereby the evaluator and evaluated official identify outstanding aspects, those aspects where working quality has been maintained and those wherein there are possibilities for improvement or excelling.

At this stage, parameters are established for following up the results, determining where there is evidence of improvement and the mechanisms whereby such improvements were achieved, as well as the elements to be considered for continuing an extraordinary performance in the areas that are considered outstanding.

This process allows for promoting communication between the head and the subordinate and even between the employee and his environment, although it depends on the tool to be applied for measuring performance.

### **5.1.4. Follow-Up**

This is the stage of the process of mutual check-up and control between the supervisor and the subordinate, of compliance with the commitments acquired and the aspects to be improved as determined in the feedback stage.

If the commitments are not achieved, the factors are evaluated and again there is a feedback, continuing with the follow-up.

There is generally a follow-up between the evolution and evaluation periods.

## 5.2. Consequences of the Evaluation

A Performance Management System designed for professionalizing the Administrative Career Path should bring about the following **results**:

- Identify staff qualified for promotions or those whose skills and competencies may be used for other assignments.
- Improve individual performance to ensure achievement of organizational objectives.
- Provide performance information by identifying any weakness and developing a plan to correct it through development or additional supervision.
- Recognize or compensate good performance through bonuses and other incentives.
- Identify possible dismissals as a result of low individual productivity.
- Adjust strategic objectives.
- Adjust the evaluation instruments.

**It is advisable to establish a Pilot Evaluation Program when a new system is to be implemented. It is important to point out that Leadership is an important component of change management which ensures successful execution of the Evaluation Program.**

## 5.3 Ascending Evaluation

Finally, it must be mentioned that, in addition to the experiences of collaborators' performance evaluation, new **ascending evaluation** practices, that is, from the latter toward the upper level officials.

The main **objective** of these measures is to obtain relevant information with respect to the strengths and weaknesses of the upper levels in carrying out their functions, based on the perceptions of their team members.

The ascending evaluation reports provide the head officials information on their behaviors and attitudes which could be improved, those strengths which should be maintained and/or increased and suggestions for improving the managerial function.

These measures allow for strengthening the competencies of the head officials for contributing to develop and improve the performance of their functions.

Some **general considerations** that should be taken into account in carrying out this process are:

- The suggestions on aspects to be improved dealing with the head official should reflect the general opinion of the group and not individual evaluations.
- The suggestions made to the head official should correspond to possibilities for change that are within his/her sphere of action.
- Confidentiality of the conversation held in the meeting.
- The perception expressed by the group regarding the head official's performance of his functions must not necessarily be true.
- The process involves an inquiry regarding the manner in which the head official is perceived, but is not an evaluation of the latter.
- It is necessary that in ascending feedback, a professional expert be the one to transmit the information to the head official, who must validate, recognize and understand the sense of the information received.

**TAX ADMINISTRATION PRACTICES ON PERFORMANCE MANAGEMENT INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Barbados: Performance Review & Development System (PRDS)
- Chile: Performance Management at the Internal Revenue Service (SII) / Integral Feedback on Head Officials "from the standpoint of collaborators"
- France: The double Performance Evaluation system
- Guatemala: The Performance Evaluation Model
- Honduras: The Performance Evaluation system of the Executive Directorate of Revenues (DEI)
- Italy: Performance Evaluation
- Peru: Performance Evaluation System



## **Self-assessment or Self-diagnosis guide**

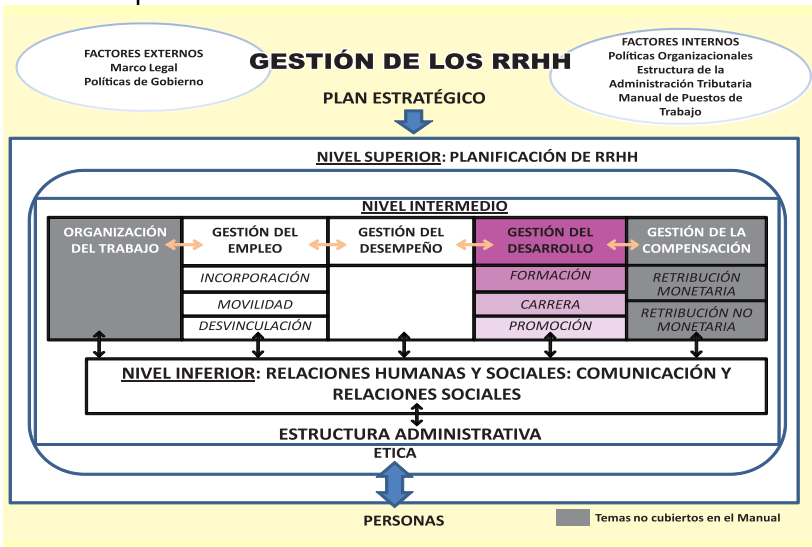
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### **Performance Management**

1. Is there a performance evaluation system in your organization?
2. What type of evaluation is applied?
3. How or through which administrative or legal mechanism has the process been formalized?
4. What types of indicators are used to measure the performance of the officials: qualitative and/or quantitative?
5. What are the consequences anticipated by the organization in accordance with the results achieved by an official?
6. Which are the stages in performance management?
7. What are the objectives of each stage?
8. Is there a system for recording the performance of an official or group of officials during the evaluation period?
9. What type of feedback has been implemented by the organization to assess and adjust its Human Resources Strategic Plan in accordance with the results of the performance evaluation?

# 6.

## Development Management



The purpose of Development Management policies and practices is to promote the professional growth of individuals, according to their potential, promoting the necessary learning and determining career programs that may combine organizational needs with the different individual profiles.

Development Management covers three basic areas of Human Resources Management policies; namely: the **development policies**, the **career policies** and **promotion policies** which describe the processes whereby persons achieve progress in their contribution as well as in the organizational recognition thereof.

### 6.1. Introduction: Development Policies

The **development policies** play a central role and are intended to guarantee the necessary individual and collective learning for achieving the objectives of

the organization by developing the officials' competencies and stimulating their professional growth.

Among the development strategies, plans and actions within the Tax Administrations special emphasis is placed on the **development strategies for supervisors and managers**. Such importance is attributed to two factors that must be considered when designing development plans for managers:

- **Scarce development of managerial skills** prior to being appointed in a supervisory position. In most cases, the assignment of a managerial position for the first time, either through contests or central designation, does not consider as a relevant variable, previous development in those necessary skills for conducting or leading working teams. Most of the time, technical skills have a greater weight over leadership and thus, managerial responsibilities are assigned to officials with relevant and faultless experience in the sphere of their technical knowledge with respect to the task to be developed, but leaving the managerial and leadership skills in the background.

Nevertheless, leadership skills are acquiring ever greater importance.

- **The multiplying factor of the management development plans:** Unlike the general development plans, whose impact is mainly of an individual nature, the management development plans do not only impact the personal learning process of the manager participating therein, but rather, to the extent there is a good design and follow-up they also impact the working process and the relations of all collaborators under said manager, generating a "chain reaction" process that may include from the top hierarchical levels of the organization down to the positions at the base.

Therefore, programs for developing managerial skills are excellent means for transmitting organizational changes to all officials in the institution where they are applied.

Thus, considering these two arguments, it must be said that management development strategies play a fundamental role in the general development plans of the tax administrations, which must design systematic strategies and actions that may add value to the leader's experience in directing the working teams.

The role of conducting, supporting and following up the working teams is key to the success of organizational management, especially when the latter is linked to compliance with goals, a managerial modality that is quite extended in the sphere of the tax administrations. Therefore, it is essential that every manager assume the responsibility of guiding his collaborators in a task that involves, in many ways, changing the way of doing things, or even, the very transformation of institutional management.

Therefore, an integral management development program must include two levels of analysis in its design:

- The depth of the development action which should be gradual, and considering that in most cases managers have scarce previous development, training should be considered at three distinct moments:
  - basic training or induction;
  - middle level or general training;
  - advanced or specialized training.
  
- The knowledge, abilities and skills to be taught should cover at least, in each of the aforementioned levels, three areas that have been traditionally defined as necessary spheres of development and training of leadership skills:
  - **Technical Skills**, such as process management, project management, change management, resources management, quality of service, among others.
  - **Personal Management Skills**, such as self-knowledge, personal vision, time management, stress management, etc.
  - **Interpersonal Management Skills**, among which we find emotions management, team leading, feedback, collaborators development, effective communications, assertiveness, among others.

## 6.2. Development

**Its purpose is to render the Tax Administration staff more professional, by means of a continuous and systematic development process that may increase its knowledge and skills, in order to contribute to the rendering of efficient services and guaranteeing achievement of the goals of the Tax Administration.**



The purpose of the organizations is to have fewer people performing more functions with high levels of development. The need to have one person working in several areas and even in several positions requires better staff development programs.

Staff preparation, training and development should be focused in a more effective and efficient manner, by individualizing the programs and using such electronic means as remote training systems and even telecommunications systems which several years ago were given other uses.

The **conceptual base** of development courses should be the ethical and philosophical aspects of public management, to be developed according to critical awareness of the professional values that will guide the public official's new way of performing. In this way, the theoretical, practical and methodological aspects of the training courses may be expanded, with emphasis on **three dimensions**.

- **Human dimension**

Deals with the essential elements of individual development and the quality of relationships between the person and its action group, the individual and the organization, and the individual and society.

In the human dimension, emphasis is placed on the official's motivation, the ethical, citizenship and functional behavior aspects, the work with persons and groups.

- **Technical-professional dimension**

This dimension covers issues that are common to the career, in keeping with the functions assigned to the tax administration.

It is systematically developed until arriving at an organic conception of the development process, through the preparation of the professional in such a way as to be able to perceive the professional profile of the public official as well as of the public institution.

The official is also taught to develop critical awareness that may allow him to reflect on his role within the context of change.

This dimension is associated with the technical qualifications the official should have for performing the job's corresponding tasks: examiner, collector, etc.

It is important in this dimension to identify the promotion mechanisms and strategies that contribute to the human resource's growth and consolidation as key factor for achieving the objectives of the tax administrations.

#### - **Organizational and managerial dimension**

It includes understanding of the organizational culture, the dynamics of change and relationships with the environment, as essential practice for improving the quality of the managerial and administrative actions.

In this dimension, public service and modernization of the State are considered by the group.

From the organizational standpoint, an analysis is made of the structure of the entity with which the candidates are related. At that stage, they are informed of the organization's policies and strategies, of the relationships with the environment and also of the practices for improving the quality of the administration's actions.

The analysis, learning and changes of policies, structures and the strategies per se are important in this study.

### **6.2.1. The Development Plan**

The Development Plan is framed within the Human Resources Management Plan which, in turn, is aligned with the organization's Strategic Plan.

Accordingly, the development plan must consider the development needs of the organization that are either directly or indirectly necessary for complying with the goals of the organization. It should also take into account the priorities of those objectives, , the execution time and the form of evaluation and follow-up of the said plan.

### **6.2.1.1. Identification of Development Needs:**

#### **Development is based on a reliable diagnoses of needs**

One of the most common forms of identifying such needs is through a survey or direct consultation with the areas involved. Their participation is essential for achieving real results that will take into account the requirements of the areas and which may at the same time be in harmony with the organization's needs.

In identifying such needs, it is common that they be classified according to the impact of successful results on the tax administration. That is why such needs as technical tax development and improvement of research techniques, analysis and collection traditionally have a special place in the development plans, inasmuch as they are the most frequently required.

On the other hand, managerial, support and skills development must also be considered within the Development Plan.

It must be noted that feedback and follow-up of development evaluation show interesting results as regards the identification of development needs, which should be taken into account by the appraiser when submitting his development needs to the pertinent area.

To conclude, investment in development is carried out through plans based on the diagnosis of needs and designed to support clear priorities of the organization.

### **6.2.1.2. Preparation of Development Plan**

**All areas of the organization should participate** in the preparation of the Plan, even though its design is the responsibility of the Human Resources or Development area.

The different areas of the organization involve themselves in the process from the time they identify their development needs and must likewise contribute to the development and execution of said plan by allowing or facilitating the participation of officials as instructors or students receiving or benefitting from said development.

Once needs have been identified, **priorities and the order** in which they will be satisfied must be determined, based on the objectives

and priorities of the organization, the human and financial resources available and the anticipated execution time. Likewise, the **type and nature of development** must also be determined; whether it is obligatory or voluntary, for example, or if it is required within a specific process, as is the case of promotions or advancements within a career system.

### **6.2.1.3. Evaluation of the Development Plan**

The Development Plan must provide for the manner in which it will be evaluated as well as the periodicity of such evaluation. Although every plan must be consistent and constant, this does not mean that they are inflexible and cannot be modified when needs and priorities thus determine.

The Plan takes into account the diagnosis of needs, timeliness and speediness in responding to them, adjustment to the demand and coherence with the Human Resources Management Plan and the institutional Strategic Plan which are determinant factors in the success of said plan.

### **6.2.2. Quality of Development**

It must be determined whether individuals receive from the Tax Administration adequate development to complement their initial development when entering the institution, in order to adapt themselves to the evolution of the tasks, face performance deficits and support their professional growth.

Development supports collective learning which consolidates achievements in organizational capacity to face problems and provide effective responses. Development as also an effective support in the innovation and cultural change processes.

It is worth noting that development is an **instrument for promoting the Tax Administration we desire for the future.**

Specialists fully agree on the crucial value of development in modern HRM. Nevertheless, it must be recalled that in order for a development system to satisfy these expectations, it is essential that the development activity be designed for the organizational strategy and not constitute a mere catalogue of training offers managed by the employees themselves according to their preferences and personal interests.

Since development does not generate resistance, somewhat frequently it becomes a policy used for facing any staff problem, even those for which it is not the most appropriate instrument. It must be borne in mind; however, that development by itself does not solve deficits in more "difficult" areas of HRM, such as performance or compensation management.

Development is ever more a **support process**, not only to learn best practices but to sustain promotion, the Administrative Career path, the full exercise of the competencies and to generate a change of attitudes.

### **TAX ADMINISTRATION PRACTICES ON DEVELOPMENT MANAGEMENT THAT ARE INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Brazil: Individual Evaluation and Development Program (PRCAD)
- Chile: Development of Head Officials
- France: Individual right to Development (DIR) / Evaluation of Development Needs
- Guatemala: Detection of Development Needs (DDN) applied at SAT
- Honduras: Development of Head Officials at the DEI
- Italy: Diagnosis of Needs: a pilot Project for the Department of Lombardy
- Peru: Development Strategy for SUNAT



## Self-assessment or Self-diagnosis guide

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### Development

1. How is the development policy related to the organization's strategic plan and with other policies such as those dealing with performance, administrative career, compensation, etc.?
2. Is there a Development Plan, formalized in a document, resolution, etc.?
3. What is the procedure for the preparation of the Development Plan?
4. What actions are considered in the Development Plan?
5. How is the Development Plan evaluated?
6. What is the nature of the Development Plan: normative or administrative?
7. Is the Plan adjusted periodically? Through which mechanisms?

### 6.2.3. Types of Development

Development may be varied depending on the approach adopted for the classification. These approaches are determined by the goal pursued with the development of the activity, for which reason it is classified according to the **nature of development, time development is carried out and target group**. There may even be a combination of different factors with the adoption of a mixed classification that may involve several approaches. For example, target group and time when development is conducted.

Shown below are some types of development according to these three approaches, without this implying that they are the only existing ones.

#### 6.2.3.1. Nature of development

As regards the nature of development, the types of development will depend on the nature thereof and not from who it is intended. Nevertheless, it is evident that the profile of the participants will depend on who requires that type of development within the organization, according to the diagnoses of development needs.

Based on the nature of development, the latter is **classified** as:

- **Personal skills:** aimed at the development of specific talents or capabilities that may support the performance of the official's tasks; for example, taxpayer assistance, communication, solution of conflicts, etc.
- **Technique:** related to the main functions of the tax administration's business, which allows the acquisition or reinforcement of knowledge required for carrying out technical functions; for example, the audit and collection techniques, tax procedure, etc.
- **Organizational:** deals with support processes of the tax administration that allow the latter to carry out its management task and execution of the tax system; for example, the organization of processes, strategic planning, financing and accounting, internal control, etc.

- **Obligatory:** aimed at providing the necessary knowledge to guarantee the security and integrity of the employees; for example, ethical development, organizational health, professional risks, etc.
- **Managerial:** aimed at providing tools that may allow officials to perform their jobs efficiently and effectively; for example, leadership, decisionmaking, identification of alternatives, etc.
- **Personal:** aimed at supporting the official so that the latter may design his/her development plan during the time he/she remains in the organization; for example, planning of his/her professional career, personal finances, time management, etc.

#### 6.2.3.2. The time development is carried out

One may distinguish **three traditional types** of development without this implying that there may not be other forms of classification or sub-classification:

- **Initial development**, which is provided upon selection recruitment and whose contents depends on the selection modes. For example, it is not the same when the selection is very open or non-specialized, than when it is a matter of internal promotions.

This initial training may also involve **induction** on the job which is carried out as part of the training of the persons selected. Although it could also be included as part of the process of incorporation of officials, in this manual it is included as part of development, given that the development areas and units are the ones in charge of advancing the process, regardless of whether they are included or not within the human resources area or may be an independent entity.

- **Development during the course of the career**, whose objective is to provide officials the necessary knowledge and skills for adapting themselves as required by environmental conditions and thus carry out their tasks in a more efficient and effective manner.
- **Development for adaptation to a new job**, whose objective is to provide the official the necessary knowledge, abilities and skills for performing in a new job or function, either as a result of promotion or functional or geographical mobility.



### 6.2.3.3. The target group

Development may also be classified according to the target group to which it is aimed, for example:

- **Managers and first level Authorities:** where development focuses on topics of interest regarding administration, in general, and responding to specific factors or variables. For example: decisionmaking, leadership, control or monitoring of variables that affect the tax administrations, holistic or systemic approaches of the processes, human resources or finances, among others.
- **Head officials or professionals with profiles to become heads of offices,** where development allows for preparing the path for future officials who will be in charge of working teams or have greater responsibility in the execution of collection strategies or the implementation of improvement processes. For example: establishment of a list of indicators, follow-up of controls on such variables dealing with improvement, performance, strategic and operational planning, budgets, among other issues.
- **At the professional and technical level,** where development allows for improving processes or incorporating new techniques, technology, legislative changes, and operational improvements in general, according to the different working and performance areas. For example, investigation techniques, program formulation, audit techniques, IFRS, NIC's, budgets, costs, technological development, among others.

The necessary alignment and coherence between the organization's Strategic Plan and the Development Plan calls for implementing the entire range of development types - initial, during the course of the career and adaptation- to achieve an effective and standard impact on all the officials of the organization.

Beyond the objectives common to each type of development, there is a common component that should be integrated to each of them and that is **the permanent link with the Strategic Plan to disseminate and explain the organization's orientations.**

Within this framework, it is advisable that all types of development abide by the institution's modernization policy, by highlighting the importance of organizational changes, the application of new

technological tools, the adaptation to new competencies and behaviors, the service quality culture and development of managerial competency; with this latter aspect being of particular relevance, so that intermediate level staff members may assume the essential role of the Strategic Plan's dissemination vector.

**TAX ADMINISTRATION PRACTICES ON DEVELOPMENT MANAGEMENT-TYPES OF DEVELOPMENT THAT ARE INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- France: The general scheme of the stages of Development
- Guatemala: Types of Development during the course of the Administrative Career
- Honduras: Types of Development



## **Self-assessment or Self-diagnosis guide**

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### **Types of Development**

1. Does your institution's Development Plan include all types of development described in this Manual?
2. In which cases and circumstances are the different types applied?
3. What are the objectives pursued with each type of development?
4. How are the different types of development accessed?

#### **6.2.4. Development Modalities:**

There may be different development modalities as described below, which are used separately or as a complement, depending on some criteria such as objectives of the development action, number of officials to undergo development, duration of development and contents thereof.

- **Face-to-face modality**

The learning process takes place in a classroom, through courses, workshops or development sessions by one or more proctors, where the participants carry out a series of instructional activities that facilitate their learning, through presentations, personal exercises and in small groups. Learning may be conceptual, involve skills or be attitudinal.

Generally, this modality must be organized in groups of approximately 20 participants, because of the capacity of the classrooms as well as for the appropriate development of the activities.

- **Cascade modality**

This methodology is part of the personal participation modality. It has the same characteristics, although it is of short duration, a maximum of one day or two half days, according to the regions and units. It is intended to ensure that lessons taught at the central level are disseminated. Generally, cascades are appropriate for processes requiring massive participation by processes, whose contents are generally updated, and for this reason, the first ones participating are the heads of group and they, in turn, train their officials at the local level.

- **E-learning modality**

The teaching process that takes place through the intensive use of technological tools and allows participants to learn processes and the use of tools, regardless of where they may be, provided that they have access to the said tools. In this modality it is possible to set up large groups, which makes it economically viable.

The way of conducting this modality will depend on the characteristics of the system and the number of tutors on line.

Also, a percentage of the time is allotted to face-to-face development, to solve doubts, make the evaluation and close the course.

A virtual tutor may handle a maximum of 25 participants, depending on the contents of development courses.

#### - **Tutorial modality**

Is that process of distance learning whereby the study material is made available to the participant through a computerized means. The participant organizes his time for studying and carrying out the instructional activities for learning the conceptual aspects and some skills. Such development requires the participation of a tutor, who supports, supervises and provides feedback on the participant's learning process on the job.

The number of participants may be high, although it may depend on the availability of local tutors.

It is advisable to work with short readings and various exercises for continued interest and permanent motivation.

As in the previous modality, a percentage of the time is devoted to development with face-to-face development for solving doubts, making the evaluation and closing the course.

#### - **Self-study modality**

The teaching process takes place through the use of written material: a self-study manual, with a scheduled sequence of contents on which the participant works individually and independently.

Learning is mainly focused on the conceptual and on the acquisition of some skills when exercises are proposed.

This development process concludes with a face-to-face feedback session which is held locally and is headed by a monitor, who is generally the respective chief.

The number of participants per course may be high.

Self-study is appropriate for officials who are changed or join a new area.

Lastly, it must be mentioned that development in Tax Administrations issues also includes scholarships abroad for the development of professionals and technicians in topics of interest and in accordance with the organizational strategies.

**TAX ADMINISTRATION PRACTICES ON DEVELOPMENT MANAGEMENT-DEVELOPMENT MODALITIES THAT ARE INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- France: Tutor's reference framework project
- Guatemala: Development Modalities
- Honduras: Development Modalities
- Italy: Example of Modalities: distance, face-to-face, and/or mixed: face-to-face and virtual. Development Modalities
- Peru: The SUNAT Development Modality



## Self-assessment or Self-diagnosis guide

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### Development Modalities

1. Which development modalities are used in your organization?
2. Under which criteria are these development modalities applied?
3. Which is the target group of the different modalities?

### 6.2.5. Evaluation of Development:

Development evaluation seeks to measure and correct development actions to ensure that they abide by the plans.

Evaluation in each one of the stages of the process promotes the generation of a system for preventing and correcting errors and deviations. Therefore, it should be **constant, continuous and participative**; that is, it should involve all those participating in the development process in order to contribute to decisionmaking at all levels of the tax organization.

Development activities are evaluated by verifying whether the transfer of knowledge, skills and attitudes proposed as objectives of the development actions have been achieved or not.

The fact that it provides information regarding compliance with the learning objectives, calls for evaluating the participants' initial knowledge level, their development throughout the activity and the knowledge, skills and attitudes acquired upon conclusion of each development action.

There are **five essential moments** in the development evaluation process:

#### - **Diagnostic evaluation**

Is carried out prior to the formative action and its purpose is to investigate and determine the previous level of knowledge of the participants with respect to the topic or matter that will be studied.

It allows for a comparative analysis between the results of the diagnostic evaluation and those of the final evaluation to ascertain the increase in knowledge, development of skills or change in the attitudes of the participants.

It is important to develop a formal measurement instrument, such as a test, in order to have a precedent for making the comparison.

This type of evaluation is advisable, since it allows the professor or tutor a general overview of the knowledge of the group, as well as their expectations vis-a-vis the development action, aiming it



towards the level expected to be achieved. It also allows for determining whether there is a need for in-depth consideration of the contents or just an overview of the subject.

The characteristics of the diagnostic evaluation are the following:

- its purpose is to make the pertinent decisions to render more effective the teaching-learning process;
- its function is to identify the participant's expectations with respect to development and compare them with the objectives anticipated for said development action;
- It is applied at the beginning of the development action;
- the instruments that may be applied for this type of evaluations are those that explore or recognize the expectations of the participant in relation to development.
- the results must be adapted to the teaching-learning process, since the information obtained is useful for future plans.

#### - **Formative evaluation**

It is carried out throughout the formative process by means of partial evaluations at the end of each topic, in order to determine achievement of the particular objectives.

It allows the professor or tutor to verify the group's understanding of the topics, analyze progress and thus achieve the final objective or, if necessary, to go back to achieve it; Provides information for making adjustments or reinforcing key aspects of the contents.

The **characteristics** of formative evaluation are:

- its purpose is to provide permanent information for adapting the contents and the procedures that are being developed;
- it is important because it provides indicators on the effectiveness of development and allows for readjusting those aspects that are not adequate;
- Its function is to provide feedback to participants as well as professors and tutors regarding progress in learning;
- It is applied during instruction, at any of the critical points of the teaching-learning process. For example, on concluding the unit, at the end of a topic, etc.;
- The results will serve for correcting the contents, support materials, etc., as required.

## - **Final evaluation**

As its name indicates, it is applied on concluding the development action and it measures the effectiveness of the teaching-learning process. The results show the extent to which the objective of the subject has been achieved on concluding instruction and is compared with the diagnostic evaluation.

The most important **characteristics** of this type of evaluation are:

- its purpose is to evaluate learning achieved at the end of the formative action to determine the participant's progress;
- provides objective information regarding the participant's performance;
- its function is to determine learning of the contents provided, by locating in the results the individual level of achievement;
- it is applied upon conclusion of development;
- the results are applicable to develop future learning activities, in addition to providing valuable information about results achieved to the participant, the professor or tutor and those in charge of managing development.

## - **Evaluation of the intervention**

The evaluation of the intervention compiles quantitative and qualitative information to determine, on the basis of objective data, the perception and level of satisfaction of participants with the formative action.

Some of the **main aspects considered** by the evaluation of intervention are:

- contents of the course;
- performance of the professor or tutor;
- facilities and services;
- perception of impact or usefulness of the contents studied in the functions of the participants;
- quality of instructional materials.

The intervention evaluation provides the participant's opinion in relation to the development received and is applied immediately after concluding the development action.

However, to measure the quality of learning and its usefulness in the performance of the functions, the intervention evaluation is not enough, but rather, it is necessary to undertake the follow-up evaluation.

#### - **Follow-up evaluation**

This type of evaluation determines the practical application of the learning acquired after a formative action, since it allows for measuring the qualitative and quantitative benefits in practice.

It examines professional behaviors in relation to the knowledge, skills and aptitudes resulting from development and likewise involves the measurement of efficiency of the process through various instruments, procedures, means, resources and goals.

The objective is to verify what is transferred and what is not, in practice, as well as its repercussion on work performance and it is the means for improving planning through continuous feedback.

Its implementation requires specific behavior or performance indicators related to professional behaviors in order that they may be used as evaluation criteria.

**It is important to point out that any follow-up activities in development must be planned and structured to facilitate determination of its impact on work performance.**

In **terms of impact**, development evaluation is extended to the satisfaction achieved by the participants, the relationship between results and costs, and the impact on the individual's on the job performance.

It is common knowledge that organizations are ever more interested in running development as a business.

The first aim is to ensure more efficiency by verifying the cost/benefit ratio and by focusing on directly usable contents.

Secondly, to improve the link with the organization's strategy, verifying that training initiatives are properly aligned with business objectives.

The five stages presented are those which, at different levels of development are being implemented in the tax administrations. It is worthwhile to introduce in the following section a fifth level focused on the measurement of the **return on investment in relation to development**. To this date, efficient practices or tools that may have been applied in the tax administrations have not been identified.

In spite thereof, it is important to present elements that are food for reflection regarding this important challenge for the organizations.

#### - **Evaluation of the investment**

We will analyze the traditional Kirkpatrick<sup>1</sup> Evaluation Model, which consists of four levels of evaluation of development, to which we have added a fifth level that originates from the analysis of the Return on Investment (ROI) of the business<sup>2</sup>.

The use of the ROI is intended to provide financial evidence on the value of a development program. Given that ROI is a financial ratio, it measures the financial result of a decision to determine a development program: the relationship between costs and results.

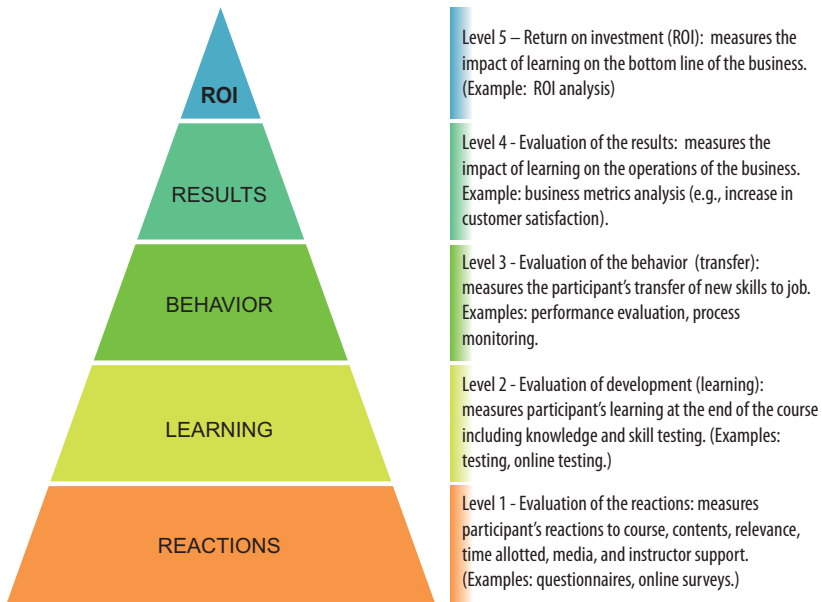
The goal is to translate the Metrics of the Business Impact - Kirkpatrick's Level IV into monetary amounts.

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<sup>1</sup> *The evaluation model by Donald Kirkpatrick was introduced in 1959 and has been the one most widely used because of its simplicity.*

<sup>2</sup> *Return on Investment ROI was added by Jack Phillips in 1997.*

## The Kirkpatrick's Evaluation Model integrated with Return On Investment



$$\text{ROI} = \frac{\text{Total benefits}}{\text{total development costs}} * 100$$

### Examples of benefits:

- Increased productivity
- Improved quality
- Reduced turnover
- Increase in customer satisfaction
- Improved communication
- Enhanced corporate image
- Improved conflict resolution

### Examples of costs:

- Training design & development
- Trainers
- Cost of stationery
- Equipment, facility
- Postage
- Trainees missing work

## **TAX ADMINISTRATION PRACTICES ON DEVELOPMENT MANAGEMENT - EVALUATION OF DEVELOPMENT INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Colombia: Evaluation of the influence and impact of the DIAN National Training and Development Plan, 1999-2003
- France: Evaluation of development during the career
- Guatemala: Evaluation of development during the career



## **Self-assessment or Self-diagnosis guide**

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### **Evaluation of Development**

1. What type of evaluations are applied in your organization and which are the objectives pursued?
2. When are they applied?
3. Which criteria are used for their application?
4. What results have been achieved?
5. Is feedback given to the participants, tutors, officials responsible for the business and development areas, on the basis of results achieved?

### 6.3. The administrative career path

**The administrative career path is the procedure which determines the forms, conditions and requisites which an official at the service of public administration should have for advancing in his individual development within the organization according to the strategies, needs and objectives of the Institution.**

At present, most tax administrations have regulated staff selection and employment systems. However, such systems may or may not be part of the **Administrative Career or Civil Service** system. In any case, when they exist, whether specifically for the tax administration or, in general, for all State workers, these processes must be integrated therein.

The administrative career path fulfills a very important function within the scheme of public administration on providing clear and objective elements for employing and promoting State officials, in order that such state organizations may count on trained technical staff for fulfilling the requirements of each organization, guaranteeing compliance with the objectives and an efficient service to citizens.

The job of attracting to Public Administration the most prepared candidates with potential for future development has become ever more complex and given way to competition for determining the requirements to be fulfilled. Likewise, the selection process is becoming the responsibility of the operational official, while the Human Resources area's task is one of counseling and support. On the other hand, the detailed analysis of the competencies to be provided, also calls for taking into account personal aspects and characteristics, as well as theoretical and practical knowledge acquired through experience.

In the logic of highlighting the role which professionalization and the development of officials perform in the achievement of its goals, the tax administrations must generate instances or opportunities so that their officials may come to hold positions or jobs that may imply greater responsibilities and which, in turn, may allow them to display their capacities and competencies, thereby contributing effectively and efficiently to the achievement of the institutional goals.

In said sense, it is necessary to generate initiatives aimed at promoting the development of the career that may be capable of adequately combining staff expectations as well as institutional needs

on the subject, and which may be based on merit as fundamental and distinctive element.

### 6.3.1 General Conditions

A career procedure should count on certain general conditions that may allow it to account for what has been previously stated

- It should consider the use of **contests**, understood as a mechanism including a series of definitions and procedures that may allow for selecting those who are nominated for specific positions, through the use of quantifiable measurement factors, according to the profile of the position.
- The areas in charge of Human Resources Management should design, implement and control the different actions linked to Career development.
- In career development the tax administrations must apply the **legal regulations** in force as well as the internal powers that may facilitate its implementation.
- Likewise, mechanisms should be generated for keeping **updated the corresponding job profiles**, according to the organizational needs. To this end, it should undertake their periodic review and make the adjustments, as appropriate.
- In a specific contest, all officials should be evaluated according to the **same criteria and parameters**. Actions for career development should be based on the application of technical and objective procedures that may ensure the validity and reliability of the results. These evaluations should provide quantifiable and standardized information, allowing for comparable results through a score system.
- All the officials participating in contests shall have the right to **be informed** about the method, procedures and objectives of the evaluation to be applied, as of the beginning of the process and in each one of its stages, with access to the respective information by means of the communications means available and through the dissemination that each office should make with the officials under its responsibility.
- The **sources of dissemination** of the different alternatives for career development and development for internal mobility will be all those available in the organization, which may ensure far-reaching and effective dissemination of the announcement.



### 6.3. 2. The perspectives of career evolution

Each administrative career process sets its own forms of evolution or progress; therefore, they are obligatory steps to be followed in each tax administration, whether it is a career applied to the entire Civil Service or one which may be of a special nature for tax officials.

Nevertheless, there are certain **general rules**, such as:

- Establishment of a **policy in relation to the Career**, labor stability, Job Descriptions, External and Internal Hiring Procedures (Tests, Classification, Interviews and Evaluation), and Performance Evaluation.
- Establishment of **regulations** for each of the subsystems mentioned in the previous tem for sustainability of the processes.
- Counting on a system of **ranges and positions** that may include initiatives aimed at reducing internal and external salary inequity and establishing a bonus program linked to individual and organizational performance.
- Counting on a **Development Program** with curriculums for Professional Positions, Managerial Development Training (review of workloads and performance evaluations), establishing competency tests and formalization of Development evaluations.
- **Transparency, fairness, equal opportunities and equity** should be the transversal axes in the development of any Administrative Career.
- Establishment of a **communication strategy** that may keep the staff at different levels informed while at the same time receiving feedback.

The general rules of the public function statute according to the **Organization of American States Model (OAS)** allow for describing the perspectives of career evolution at three levels:

- Evolution within each category due to **promotion** within the scale. Relatively fast promotion according to the evaluation score.

- Change of category through **internal or external competition**. Facilities may be afforded during regular working hours for preparing for this competition. Likewise, preparation may be provided within the TA or at the level of the public function.
- Change of category through selection. Might not be subject to competition and only takes into account the best candidates that fulfill the conditions of seniority and evaluation of work performance.

#### 6.4. Promotion

Promotion is an aspect that must be integrated to the Administrative Career subsystem and its development should be treated as part thereof. However, on some occasions, according to the policies, development and strategies of some organizations, it is treated separately from the Administrative Career.

In this Manual, Promotion is discussed within Development Management, but as an independent item, it being clarified, nevertheless, that their integration is advisable.

**Promotion may be defined as the transfer of an official to a position with a higher salary, responsibility, hierarchical level and/or opportunities for development within the organization.**

This issue is related to the location of the official within the organizational structure and conditioned to the latter's characteristics. In this sense, the identification of different "career positions" helps every person to plan and schedule his own progress within the organization, even with respect to development.

An **essential requisite** of any HRM system is that in the Promotion as well as Career policies, promotions be made on the basis of capabilities and merit of the individuals and not on arbitrary criteria. Both policies, together with recruitment and selection are the most sensitive areas in the vulnerability of the principle of merit.

In the public sphere there is the tendency to relate Promotion to hierarchical ascent. When this is so, structures are artificially inflated to satisfy expectations and demands for promotion and not the needs of the organization.

This problem may be solved through the design and application of horizontal careers.

#### 6.4.1. Relevant aspects to be considered

- **Effectiveness** of promotion policies.

Promotion policies are effective and efficient when they are incorporated to career and succession plans and reconcile the needs of the organization with individual expectations.

Even though there may be regulations, Promotion policies may weaken the Development Management system when handled in isolation and independently since by itself, it may give way to inequities, subjectivities, mistrust and lack of transparency. It is therefore convenient to have a Career Plan that may consider and normalize the process of promotions, with an approach based on merits and on the results expected from each organizational program.

- **Criteria** for designing promotion
  - promotion is linked to productivity, the development of competencies and the individual's potential through its criteria and mechanisms;
  - the evolution of individuals within the organization is managed through clear processes applied in a flexible and transparent manner;
  - horizontal or on the job careers recognize professional excellence without the need to increase formal authority and represent some alternative forms to strictly hierarchical promotions;
  - promotion represents one of the most relevant situations in an official's work history, since in itself, it represents recognition for previous performance and the potential perceived from that official towards the future.
  - following a promotion, it is important to consider a feedback process for officials who hoped to fill the vacancy but were not selected. It is important that the organization confirm its appreciation for their efforts and that they may be considered for future promotions; likewise explaining the reason why they were not selected and providing orientation regarding the specific skills and knowledge they should acquire to be promoted in the future.

## 6.4.2 Forms of promotion

As in the case of the Administrative Career, when there are regulated forms of promotion in a tax administration, their provisions must be followed.

Shown below are some forms of promotion that are universally applied, without contradicting the forms which may have been determined by the organization, which will always prevail.

Among the forms of promotion we may mention the following:

- Based on **merit**, resulting from the official's outstanding performance and experience in carrying out the function. To guarantee objectivity, it is advisable that it be based on a previously established performance measurement instrument.
- Based on **seniority**, whereby employees of highest seniority are the ones promoted. This system forces managers to bear in mind the importance of timely training the staff that will eventually be promoted.
- Based on a combination of merit and seniority.

Currently, promotion based on merit is preferred over the one that exclusively takes into consideration the official's seniority, given that the first one recognizes an official's abilities, skills and knowledge for fulfilling the position which is the subject of the promotion and which are not necessarily acquired through the number of years he/she may be in the organization, but rather through the interest, results, effort and proactivity shown.

### **TAX ADMINISTRATION PRACTICES ON DEVELOPMENT MANAGEMENT - ADMINISTRATIVE CAREER AND FORMS OF PROMOTION THAT ARE INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Brazil: Administrative Career/ Rules on Functional Advancement
- France: Forms of professional promotion
- Guatemala: Individual promotion and promotion linked to the Administrative Career
- Honduras: Individual promotion and promotion linked to the Administrative Career
- Peru: Forms of Promotional. The Work Career



## Self-assessment or Self-diagnosis guide

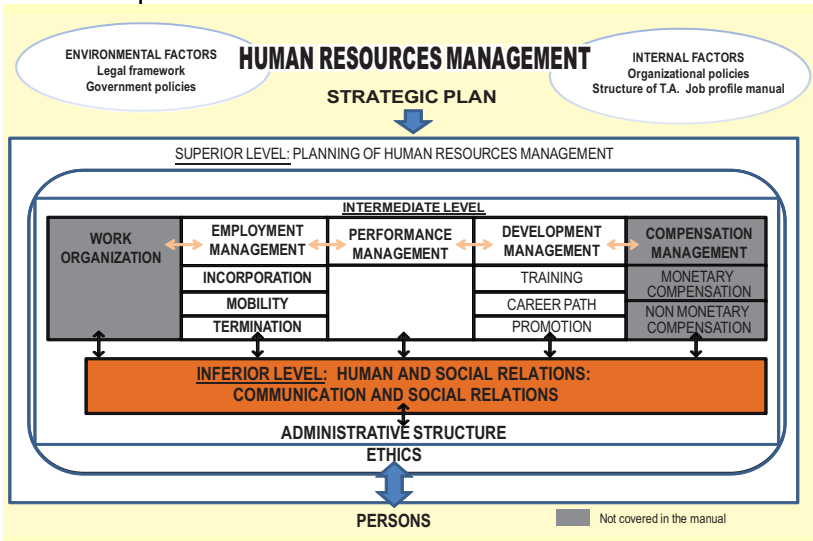
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### **Development Management: Administrative Career and Promotion**

1. Is there a Career System in your organization? If so, how is it linked to the organization's strategy and the Human Resources Development Plan?
2. Does the Career System include other subsystems such as employment or performance?
3. Does the career system fulfill general conditions that allow for satisfying the employee's expectations as well as institutional needs?
4. Which are the general conditions for the application of the Career system?
5. Which are the benefits of the career system for the organization?
6. Is Promotion part of the Career System?
7. What forms of promotion are applied and in which cases?
8. Under which specific conditions and criteria are the seniority and merit criteria used?

# 7.

## Management of Human and Social Relations



**The purpose of this Human Resources Management subsystem is to manage relationships established between the institution and the officials, when there is a collective relationship with the latter.**

Human and Social Relations Management deals with all the other subsystems that comprise the Human resources Management system as may be evidenced in the diagram.

Among the different possible options in a particularly broad field, in this Manual, one classification has been selected in **three management areas**:

- **Communications management**, which deals with the communications policies and practices of each organization.

First of all, it must be determined whether the institution has regular and verifiable mechanisms for

disseminating the initiatives, projects and information from the directorate and the requests, suggestions and opinions of the officials.

It must also be established whether the managerial decisions, as well as relevant information of any kind, is fluidly and effectively circulated to all officials.

One must also determine if there are specific communication instruments.

- **Social relations management**, defined as a series of relationships between the organization's management and internal interlocutors who represent the officials. In labor relationships it should be ensured that every part plays the role for which it is empowered, and whose exercise is reciprocally accepted.
- **Incentives management**, is understood to be the compensation for the official's performance, whose objective is to generate commitment and sense of belonging among the members of the organization.

## 7.1 Communication

Communication is the means for disseminating institutional policies, knowledge, relevant information, as well as the means for learning about the concerns, suggestions and comments of the officials, allowing for developing an environment of trust and security in the organization that may contribute to and facilitate not only the knowledge of what must be done, how to do it, but that it be done in a harmonious and efficient manner.

Communication failures may cause disastrous consequences that affect the organization and the individual, affecting trust and credibility which are very difficult to subsequently restore.

Internal as well as external communications are part of **organizational communication**, which is more encompassing and is also a managerial function which calls for defining, projecting and managing the organization's image. Organizational communication includes: relationships with the communications media, taxpayers, institutional relationships, advertising and relationships within the organization.

Internal communication is the one developed in this Manual because it is directly related to Human Resources Management as a means of disseminating relevant information for developing each and every one of the subsystems.

### 7.1.1 Definitions and functions of Internal Communication

**Internal communication** is that through which all aspects relevant to the development of activities related to Human Resources Management are disseminated in a quick, timely and effective manner. It includes the communication of the organization's policies and strategies, the organizational values, the development activities, the results of contests, etc.

The internal communication function has changed according to the evolution of the objectives and goals of the organization, as shown in the following chart:

Standardization of the production and quantitative efficacy	50 <sup>s</sup>	<b>Regulating</b> communication
Integration of employees / technology		<b>Learning</b> communication
Chain process work organization, continuous improvement	90 <sup>s</sup> - <sup>s</sup>	<b>Innovating</b> communication <b>Motivating</b> communication

- **Regulating Communication:** is related to the traditional internal communication function aimed at promoting the dissemination of all the information throughout the organization as well as the rules necessary for its efficient operation.
- **Learning Communication:** the use of internal communication tools allows for training the staff and developing their skills
- **Innovating Communication:** is aimed at favoring organizational change, its flexibility and the dissemination of new ideas. Innovating communication helps the organization to be dynamic.
- **Motivating/integrating Communication:** is aimed at developing motivation at work, achievements, the proactivity of the employees, as well as sharing the organizational mission, the strategies and values. It helps to reach agreements, develop a sense of belonging, reliability and self-effectiveness.

These are the most common **functions** of internal communication, although usually an organization does not carry out just one function since they can all be integrated.



### 7.1.2. The internal communication plan

In the last 20 years internal communication has become more important as well as more complex and sophisticated within the organization. Therefore, more appropriate planning and control tools are required, such as an **Internal Communication Plan** which is prepared by the internal communication office and approved by top management for the purpose of changing strategic objectives into communication objectives.

### 7.1.3. Objectives

The usual objectives of internal communication are:

- Promote and disseminate organizational values.
- Promote and disseminate the organizational model.
- Guarantee the sense of belonging to the organization
  - increasing circulating information;
  - supporting additional professional knowledge and skills.
- Support top management so that:
  - it may be aware of the expectations of the staff;
  - disseminate the organizational strategies.
- Monitor the organizational atmosphere
- Guarantee coherence between internal and external communication.

### **TAX ADMINISTRATION PRACTICES ON HUMAN AND SOCIAL RELATIONS MANAGEMENT - COMMUNICATION INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- France: Areas devoted to communication
- Guatemala: Communication Protocol of the Human Resources General Management Office
- Honduras: Communication
- Peru: Open door policy



## Self-assessment or Self-diagnosis guide

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### **Social Relations Management - Communication**

1. Which communication mechanisms are used in your organization?
2. Which criteria are taken into account for the use of these mechanisms?
3. Is there a Communication Plan in your institution? If so, what is the relationship with the organization's strategic plan and with the Human Resources Management plan?
4. Are there mechanisms to learn about the staff's opinion, concerns and suggestions?
5. Which are the criteria and objectives for determining the communication actions implemented and for selecting the corresponding tools?
6. Which are the mechanisms for evaluating and adjusting the Communication Plan?

## 7.2. Social Relations

The quality of human relations within the professional context depends on a series of institutional factors linked to the organization itself. The hierarchical pyramid and the organization of the work are elements with direct consequences on this issue.

Beyond the unique organization, the institution should be interested in the human wealth which is formed by the officials working at their services, whether central or decentralized.

At all stages, the human resources service must guarantee officials respect for **fundamental principles**; namely:

- **Nondiscrimination at work** (linked to sex, age, racial origin or disability).
- The consideration of **tension or harassment** phenomena at work;
- The **dialogue** on working conditions.

The organization should be provided with means for detecting and regulating any of these situations, such as, for example, the survey or interview between officials and their heads of service,

This should take place within a framework of dialogue and communication with the social interlocutors, such as the **union organizations**. The latter are in direct contact with the officials for which reason they are capable of transmitting information to the administration on individual cases that should be denounced and allow for reflecting on issues dealing with working conditions.

Equal rights is also another important element for the administrations, particularly tax administrations. Institutions should reflect on adopting behaviors and methods susceptible of promoting a constructive dialogue.

The heterogeneity of practices, the multiplicity of participants in the **social dialogue** render it essential to analyze and disseminate good practices. The relationships between the administration and union

organizations may be framed within a "Social Dialogue Charter" in order to determine the respective commitments of the social interlocutors and cover a series of **principles**, namely:

- **Recognition of the union event.**

- the **principle of representation and full exercise of the union activity** includes the group of officials who act in positions elected by the staff or designated representatives of a union organization.

Within a context where union organizations enjoy a monopoly in representing the staff at consultative parity instances, the **legitimacy of the representatives** cannot be objected. Elected positions and staff representatives are the privileged and natural interlocutors before the Administration. The legitimacy of this representation originates from the professional elections at the different instances provided by the system; generally, parity commissions since they have equal representation of the administration and the unions. The administration cannot express itself about the operation of a union organization, which must be free to determine the specific modalities for carrying out its activity, linked to the defense of the individual and collective interests of the officials, within a framework of respect for the legislation and regulations in force.

- the **principle of nondiscrimination as a result of union activity** fully complies with the principle of equal treatment of the officials. The exercise of a union activity should not affect the assessment of an official's professional activity.

There should be no confusion between the **administrative function** of the official being evaluated by the head of the service and the **union function** which, by nature, are not included in the administration's assessment.

The free action of the union members must be maintained and guaranteed, within the framework of compliance with the regulations in force.

- **Establishment of an environment of trust.**

Social dialogue is based on strong principles that guide the relationships:

- **dialogue and honesty in the debates.** Every one should be listened, respected in his opinions and informed with clarity and transparency. Social interlocutors should have available sufficient information to facilitate exchanges, promote understanding of the decisions made by the administration's representatives.
- an evolution of behaviors that may favor social dialogue. Consideration of the evolution of social-professional relationships should encourage social interlocutors to contribute all the necessary **flexibility** for a modern social dialogue. Therefore, the hierarchy should not interfere in the relationship established between the Administration and the staff representatives.

This operational method should allow, in addition to the official meetings, the establishment of **working groups or informal meetings** on technical issues to facilitate the dialogue between the partners.

In this case, the **informal dialogue** should abide by the following requirements:

- be **clear** as to what is at stake in the meeting: specify that there will be no decisions necessarily adopted after the meeting;
- be **complementary**: this informal dialogue does not substitute the regular instances provided by legislation;
- The frequency of the meetings should be **adapted to the needs** and be organized by initiative of the Administration or the staff representatives.

#### - **The keys to operation with union representation**

The purpose is to make a series of simple **recommendations** to ensure the quality of the social dialogue, such as:

- Favor mutual **respect**:
  - absence of any issue of a personal nature;
  - respect for rules of courtesy in the debates;
  - establishment of realistic agendas, adapted to the duration of the meeting;
  - respect for the rules of **confidentiality** linked to the debates in a parity commission.

- disseminate **objective information**. Respect for this rule is a factor of trust between the participants in the social dialogue. This objectivity does not in any way exclude a critical analysis of the opinions of the different parties or the synthetic presentation of each one's position.
- Agree on the schedule and purpose of the meetings. Summons for the meetings must be sent within a reasonable term that may allow individuals to organize themselves for attending the meetings.

- **Work environment free of discrimination and harassment**

The administrations must apply specific measures intended to fight against all forms of discrimination and harassment. These measures must consider:

- discriminations based on sexual orientation, age, origin, political opinions, religion, health or being part of minority groups;
- sexual or moral harassment practices;
- tension and stress at work.

To improve working conditions and fight against these complex situations, it is convenient **to detect**, as soon as possible, the cases of harassment or discrimination. Thus, for example, a questionnaire addressed to a representative sample of officials allows for measuring their perception about working conditions.

The **measures** that may be adopted are:

- Better integration of staff members within the administrative structure; in particular, agents recruited in underprivileged social environments, disabled agents.
- The use of already existing services, such as social assistants, prevention physician or even staff representatives or the creation of services specifically in charge of this type of issues, such as a social mediator, teams specialized in preventing professional hazards or assisting agents facing difficulties.
- Prevention of tension and stress, improving working conditions, such as the organization of the work, ergonomics, health at work, or psychosocial risks);
- Protection of agents exposed to particular professional hazards.

**TAX ADMINISTRATION PRACTICES ON HUMAN AND SOCIAL RELATIONS MANAGEMENT - SOCIAL RELATIONS INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- Chile: Example of Social Dialogue at the SII
- France: The different parity institutions at the DGFIP



## **Self-assessment or Self-diagnosis guide**

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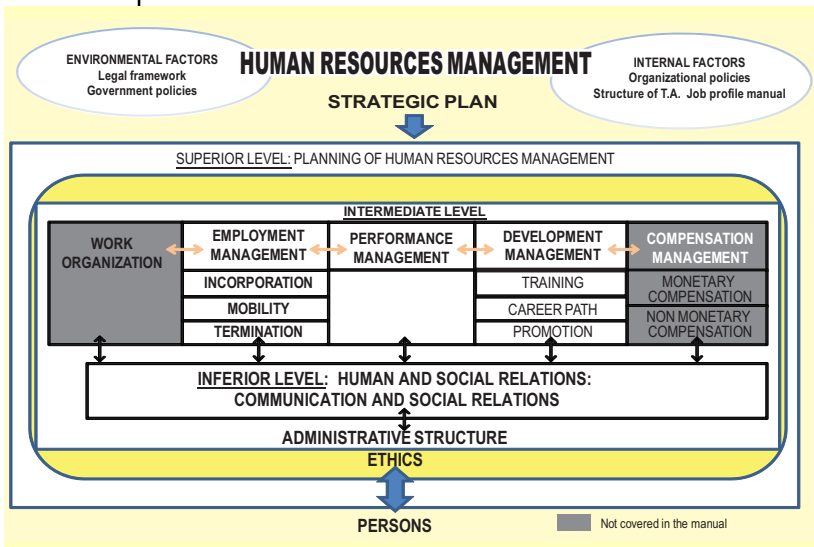
### **Management of Human Relations - Social Relations**

1. What mechanisms exist in your institution to avoid stress at work?
2. Is there a social relations plan? If so, is it related to the organization's strategic plan and the Human Resources Management plan?
3. Which are the objectives pursued by this social relations plan?
4. Does the plan include follow-up and evaluation mechanisms or instruments?
5. How is the Social Dialogue organized?
6. Which mechanisms have been implemented to prevent discrimination and harassment?



# 8.

## Promotion of Ethics in Human Resources Management



According to the Dictionary of the Royal Language Academy<sup>1</sup>, ethics is a "series of moral standards that govern human behavior. To be "ethical" is to do what is morally correct, fair and honorable.

**Ethics** is understood as a philosophical discipline whose task is to **establish behavior** (good or bad) **criteria and to evaluate its consequences**. Thus ethics, does not prescribe any standard; does not directly directly indicate or suggest what should be done, but rather its objective is to clarify what is moral and how it should be applied to different spheres of social life.

<sup>1</sup> Dictionary of the Spanish Language, Royal Spanish Academy, 22nd edition, 2001.

**Public Ethics** analyzes the behavior of the officials and deals with the morality of human acts to the extent they are carried out by public officials. Public ethics is a fundamental condition of democratic governments.

Ethics in Public Administration is a constant attitude vis-a-vis society, in terms of **transparency** in the performance of the duties that have been assigned to said organization. **Combating corruption and the promotion of public ethics** are decisive components in maintaining economic development through the execution of social investment plans.

### **8.1 The Promotion of ethics in the Tax Administration: the works of CIAT**

Since 1995 CIAT has been concerned about ethics and its promotion within the tax administrations through a series of agreements and documents worth highlighting.

First of all, in 1996, the General Assembly held in Santo Domingo, Dominican Republic approved the Charter-document: "**Minimum necessary attributes for a sound and effective tax administration**", which identifies **three key guarantees** for ensuring a modern and progressive tax administration which are:

- Guarantee the **integrity and impartiality** of a Tax Administration, which requires;
  - a strict **Code of Conduct**
  - absolute **compatibility** of the managerial and technical staff
  - an **Administrative Career**
  - **remuneration** in keeping with that offered in the market for similar technical qualifications, duties and responsibilities.
  - **Independence** of the tax administration for determining its policies and strategies in order to control compliance with tax obligations,
  - protection by the Administration of the **privacy and confidentiality** of the information provided by the taxpayers.
- Guarantee the **continuity** of an adequate Tax Administration; and
- Guarantee the **taxpayer's trust**.

Ethics is becoming a new issue within the tax administration, inasmuch as it was not previously considered in relation to the organization, but rather the individuals that comprise it. Ethics was supposed to be an attribute of individuals and not of organizations, since the latter could not be attributed the abidance or not of moral principles. However, this position has experienced variations in recent years and a direct relationship is being established between the Administration, the companies, and the staff working therein. Organizations are responsible for the actions of their officials, to the extent they must **promote and control** compliance with the established obligations and moral principles.

Organizations cannot excuse themselves for the action of an individual, especially if he/she is the general director of a company, so as not respond to the moral responsibilities that may be derived from "misbehavior" or the ethical violation he/she may have incurred. This is thus confirmed by recent scandals, as that of the auditing firms that were in charge of reviewing and certifying the financial and accounting statements of businesses.

This **change in the conception of ethics in the Tax Administration** has resulted from admitting the existence of anomalous situations in the organizations. Unfortunately, corruption events have acquired relevance in many administrations. Corruption has affected not only the image, and accordingly, the credibility of the organizations, but also has taken up in many cases, a significant part of collection by the Administration. In other words, it has become a "more than profitable business".

At present, the phenomenon has acquired such dimension that many organizations have undertaken studies for measuring its impact and establishing strategies for combating it.

CIAT, aware of the current importance of the issue, created in 2003 a **Working Group on Ethics in the Tax Administrations** which developed the "**Declaration for the Promotion of Ethics**", approved by all the member countries at its General Assembly in Buenos Aires, Argentina in 2005.

In addition, this Working Group designed a **Model Code of Conduct, a self-assessment Guide** that allows the tax administrations to diagnose the measures that are applied for promoting ethics in the organization.

The "**Declaration for the Promotion of Ethics**" clearly enunciates the **relevant aspects for the promotion of ethics**, namely:

**"The CIAT member countries, gathered in Buenos Aires, Argentina, on occasion of the XXXIX CIAT General Assembly DECLARE** that tax administrations should have integrity programs aimed at the promotion of Ethics that should take into account the following key elements:

### **1. Leadership and Commitment**

The prime responsibility for safeguarding and promoting integrity in the tax administration rests with the **top level authority and the upper management cadre**, which should adopt a strong leadership role, demonstrating a clear and unequivocal focus on integrity and recognizing that the struggle against corruption must be maintained over time.

### **2. Legal Framework**

The **laws, regulations, procedures and administrative guidelines** should be clear, precise, public, and easily accessible.

### **3. Fairness**

The tax law regime should be **fair and equitable**. Laws, regulations and policies should be **administered in a transparent manner**.

Taxpayers are entitled to a high degree of certainty and predictability in their dealings with the Tax Administration. They have the right to the presumption of their good faith; the impartial application of the law; to appeal decisions, and to the protection and confidentiality of the information.

Information provided to taxpayers should be clear, accurate and easily accessible.

### **4. Automation**

Computerization of tax functions, in addition to contributing to improved efficiency and effectiveness of the Tax Administration, increases the ability to identify inappropriate access and use of tax information.

Information systems must include strict security rules to avoid unauthorized manipulation of the information.

## 5. Institutional autonomy

To guarantee the Tax Administration's integrity and impartiality, it must have **independence** for determining its policies and strategies, as well as for controlling compliance with tax obligations, through strict application of the law, without concessions, favors or interference of senior level authorities or other members of the political power.

## 6. Effective control mechanisms

Sound mechanisms for assigning **responsibilities** and **accountability**, as well as **internal and external control** bodies are key elements for good governance and for contributing to safeguard integrity in the tax administrations.

## 7. Codes of conduct

A key element of any effective integrity program is the development, publication and acceptance of a Code of Conduct setting out in very practical and clear terms the behavior expected of tax officials. A Code of conduct can be an excellent tool to promote and safeguard integrity in the Tax Administration.

## 8. Human Resource Management Practices

The application of effective policies and Human resources Management procedures plays a major role in the promotion of ethics in the Tax Administration.

**A Permanent Committee on Ethics and Corporate Responsibility** has been created at CIAT which, in addition to identifying successful administrative practices in the promotion of this important aspect, is aimed at carrying out a pilot test with the set of tools and the self-diagnosis guide and establishing communication, dissemination and training strategies on this matter.

This Committee is also considering the inclusion of Corporate Responsibility within the tax administrations' sphere.

## 8.2. The Promotion of Ethics through Human Resources Management

One of the practices recommended in the CIAT Declaration deals with Human Resources Management practices and since this issue is the subject matter of this Manual, we shall analyze the practices considered relevant for ensuring an effective promotion of ethics.

- Fair, equitable and transparent **selection and promotion** procedures (see chapter 3: Employment management).
- Competitive **remuneration** level; (Compensation management, which is not discussed in this Manual).
- Tax officials, like any other worker, should be remunerated in keeping with the work performed and the lack of equity in remuneration facilitates or creates an appropriate environment for unethical behaviors.
- On the other hand, salary levels should also be considered vertically and horizontally. That is, should be no great gaps between different levels of positions or between similar positions.
- An **Administrative Career**; (see chapter 6: Development Management).
- Regulations that may guarantee tax officials the **exercise of their rights**.
- **Timely correction mechanisms** in case of inadmissible or inappropriate behaviors (see chapter 7: Management of social relations).
- Deployment, rotation and relocation of tax officials when appropriate; (see chapter 4: Management of Employment - Mobility)
- Adequate professional **development and improvement** programs; (see chapter 6: Development Management).
- **Performance evaluation** system; (see chapter 5: Performance Management).

**TAX ADMINISTRATION PRACTICES ON PROMOTION OF ETHICS INCLUDED IN THE COUNTRY EXPERIENCES SECTION OF THE MANUAL:**

- France: Transparency in Recruitment
- Guatemala: The promotion of Ethics and the struggle against corruption / Transparency as necessary condition in the recruitment process.
- Honduras: The promotion of Ethics in the Recruitment and Selection areas.



## **Self-assessment or Self-diagnosis guide**

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### **Promotion of Ethics in Human Resources Management**

1. Is there a strategy for the promotion of ethics in your tax administration? Is it aligned with your organization's strategic plan? How?
2. Which mechanisms that have been implemented do you consider contribute to the promotion of ethics?
3. Of the key aspects mentioned, which ones are clearly applied in your tax administration?
4. Is there a periodic assessment of the operation of the promotion mechanisms?
5. Are officials aware of the existence and use of said mechanisms?





## Promotion of Ethics in Human Resources Management

In view of the importance of ethics in the tax administration, which is a fundamental and determining pillar for the viability of the organization, CIAT has developed a Self-Assessment Guide for the Tax Administrations.

As already mentioned, this guide is based on the 8 key aspects included in the Declaration for the promotion of ethics, approved by the CIAT member countries. One key aspect included therein is Human Resources Management. For an in-depth analysis of this issue in particular, it is recommended that you refer to the checklist of this Guide which fully covers each of the following aspects:

### **8. Human resources management practices.**

- Fair, equitable and transparent selection and promotion procedures;  
Competitive level of remuneration;
- An administrative career;
- Regulations that may guarantee tax officials the exercise of their rights;
- Timely correction mechanisms in case of inadmissible or inappropriate behaviors;
- Deployment, rotation and relocation of tax officials when appropriate;
- Adequate professional development and improvement programs;
- Performance evaluation system; and
- Work environment free from discrimination and harassment.



## Country Experiences

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The following experiences have been contributed by the member countries of the working group in relation to different issues discussed in the Manual.

They may have undergone modifications or variations since the time they were provided. It is therefore suggested that, for additional information, you consult the Taxation Data Base -Description of the Tax Administrations, which will soon be available to all officials of the tax administrations of the CIAT member countries at the Center's portal: [www.ciat.org](http://www.ciat.org); as well as the Web pages of the member countries.





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## Experiences with Human Resources Management Models

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# Human Resources Management Plan of the Secretariat of Federal Revenues (SRFB)

The VALUES on which the Human Resources Management Plan of the Secretariat of Federal Revenues of Brazil (SRFB) is based are: **Objectivity, Participation and Transparency.**

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<b>Strategic Planning at the SRFB</b>			
<b>Individual Management</b>	Employment management: - Incorporation: Through external public contest and with an eliminatory development program (of a minimum of 360 hrs.) - Mobility: According to official's and/or Administration's interest, through Internal Selective Process for managerial position or specialized Units or activities.	<b>Human and Labor Union Relations</b>	<b>Management of Interaction with SRFB</b>
	Performance Management: - SIDECC - PRM		
	Development Management: - PROCAD - Talents Bank - Internal Selective Process for Positions and Improved Functions - Events Chart - Training "models"	<b>Management</b>	<b>Units</b>

This chart shows instruments that are already implemented at the SRFB as well as others that are in the process of implementation.

**PROCAD** is an external public contest instrument that has already been implemented and evaluated and its individual management tools are:

- **Talents Bank** (implemented in January 2009), is an instrument that allows the official to register his experience, knowledge and expectations.
- It must be electronically complemented to be able to participate in the internal selection processes.
- **Internal selection procedure for the position of Delegate or Inspector** (implemented in January 2009): it is a selection system that uses the information compiled in the talents Bank and uses it to electronically select the three or five best qualified applicants. They will continue on to a second selection phase where they will be interviewed by strategic managers.
- **Internal selective procedure for entering in specialized Units or activities.** (in the implementation phase), uses the information from the Talents Bank.
- **Events Chart** (in the implementation phase), is an electronic space informing about all training events and technical activities at the SRFB.
- The objective is to encourage the participation of all qualified officials.
- **Merits Recognition Panel (PRM)** (in the implementation phase), is an electronic platform that will allow each official to elect those that excel in their working life.
- The registry of positive evaluations will only be provided for the following skills: managerial capacity, technical knowledge, dedication and public spirit, empathy and ethics, initiative and creativity, and organization and team work.
- **Training models** (in the implementation phase), is a Project developed with the collaboration of the School of Finance Administration (ESAF) and its objective is to trace the map of macro processes (working processes that involve more than one entity) and identify the necessary competencies for their execution.

- The result is better management of training activities by visualizing the entire process, which guarantees rationalization of resources and adaptation of the contents..
- It is a very useful tool for management by competency.
- **Career Development System**(SIDECA), Recently implemented.



## Strategic Human Resources Project of the Internal Revenue Service (SII)

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### C H I L E

The Internal Revenue Service (SII) has carried out an Institutional Development Plan to be executed in 2006-2010 which involves five strategic projects intended to generate reforms that may strengthen and improve the institution.

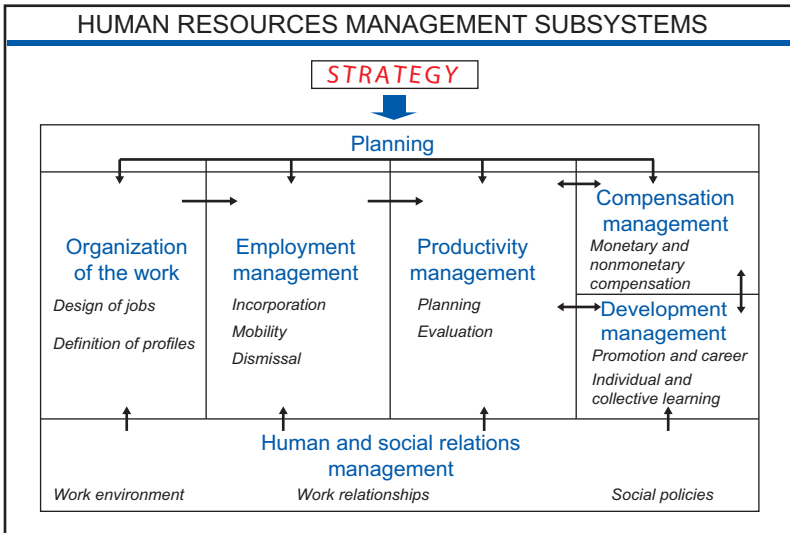
To this end, the Deputy Human Resources Directorate developed a plan intended to strengthen the modernizing role of the Service and to contribute to achieve the challenges posed.

The **Human Resources Strategic Plan** considers the implementation of a series of projects intended to count on a Human Resources Management office involved in the maintenance and promotion of quality of labor life and the development of individuals, by facilitating compliance with individual goals.

The Human Resources Strategic Project began in mid-2006 with a **diagnosis** stage by means of information obtained with the participation of different officials of the organization, such as the Director of the Service, the Deputy Directors and Regional Directors, the Officials Associations, who undertook a survey at the country level with the officials and the entire team of the Deputy Human Resources Directorate.

Based on the diagnosis, the different human resources area worked on the design and development of a series of proposals for considering weak points that were included in the **Human Resources Strategic Project** prepared on the basis of the Human Resources Management Model by Francisco Longo (Francisco Longo, 2004) which was revised and approved by the Directorate of the Service.

## Human Resources Management Model by Francisco Longo



The projects related to this Strategic Plan were divided among those aimed at change management and those at optimization of processes, considering each of the subsystems of the Human Resources Management Model.

### 1. Projects aimed at Change Management:

- **Modern HR Policies:** A Portfolio of Human Resources Policies was developed which contributes to the standardization of processes, facilitating their development and favoring institutional alignment.
- **Program for the Development of Head Officials:** Consists of a 3-year course at Pontificia Universidad Católica de Chile and an internal program for the Development of Feedback Skills. It is aimed at strengthening the managerial and Leadership capability of managers and heads of offices of the Service, according to the institution's strategic guidelines..
- **Labor Environment Management:** Involves the systematic application of labor environment measurement instruments for identifying those conditions that facilitate and promote good labor performance. The final objective is to count on clear indicators

that may allow for designing change strategies intended to correct unfavorable situations, and follow up and evaluate the impact of the activities carried out.

- **Quality of Work Life:** Consists of developing a program within the Service for increasing the level of satisfaction of officials with their life at work, since it is assumed there is a close relationship between officials that perceive the organization as concerned about the quality of their labor life and the motivation and commitment they display in providing a quality service to taxpayers.
- **Productivity Management:** Reform of the process implies a redesign of the Performance Evaluation System (PES) which involves a modern policy on the subject, new evaluation instruments linked to competencies or capabilities which the Service demands from its officials and all within the framework of the institutional strategy.
- **Training and Development Management:** The objective is to review, reformulate and improve the different stages and procedures of the Training System in order to carry out professional development activities with respect to technical knowledge, skills and attitudes required to successfully perform each job.
- **Career and Professional Development:** It is necessary to determine a Career Development plan that may promote improvement of skills and knowledge to hold positions or carry out functions of greater complexity and responsibility. The purpose is to favor permanence and commitment of officials to the institution, count on qualified officials for performing the different functions according to the design of tasks and taxpayer type.
- **Labor Intelligence:** The project consists of the structuring of a computerized tool that may include information on competencies and skills of the officials and make them available to the head offices, so that when labor decisions are made, they may count on updated and relevant data.

## 2. Concluded projects aimed at the optimization of processes:

- **Incorporation Management:** Includes recruitment, selection, hiring and induction policies and procedures for permanent and provisional positions.
- **Staffing Management:** Allows for planning and controlling staffing according to organizational needs, thus contributing to optimize resources management.
- **Mobility of Officials:** Transfer policies and procedures that may allow for counting on established and known transfer conditions, reconciling the needs of the institution as well as the personal needs of the official.
- **Induction Process:** Induction Program that facilitates the adaptation and integration of new officials to the institution, as well as those belonging thereto, but who have changed their functions.
- **Competency Profiles:** Consists of the development of profiles based on generic and specific competencies for each job of responsibility and the establishment of transversal standards to the institution.

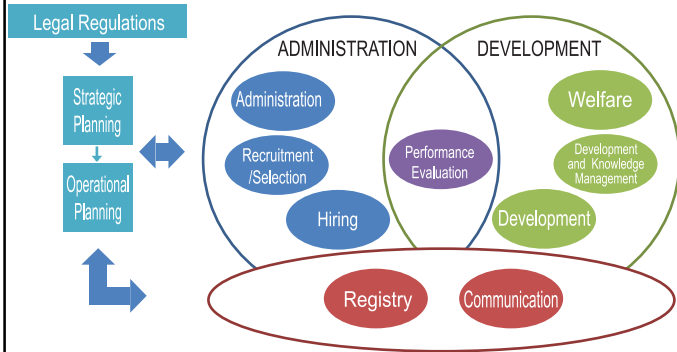
The "**Human Resources Modern Management**" Project considers impacting the organization as follows:

- Contributing to create a working environment of respect and mutual trust among individuals and which may allow effective and open communications.
- Adapting competencies and skills of the head officials and collaborators in an organization scheme focused on quality, effective leadership and collaborative work.
- Project the Service's official as a professionally competent collaborator, committed to the mission and the strategic objectives of the institution.

A measurement will be undertaken to evaluate the impact of the project in relation to the following aspects: supervision/leadership, commitment of officials with the institution and quality of feedback.



# Human Resources Management Model of the Superintendency of Tax Administration (SAT)



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The Superintendency of Tax Administration (SAT) of Guatemala conceives Human Resources Management as a system formed by two other main subsystems:

- **Human Resources Administration:** formed by the recruitment and selection, hiring and management of compensation and benefits processes.

The **PROSIS** tool integrates them all, allowing electronic recruitment through the Web, administration of the payroll through intranet and facilitating public announcement of positions through contests.

This subsystem also includes labor relations that involve the administration of cancellation of contract and sanctions for different reasons.

- **Human Resources Development:** conceived as a series of macro-processes and processes that allow for strengthening the officials' capabilities and providing the adequate conditions for their permanence in the working center.



This subsystem comprises the career plan, development plan and labor welfare plan and is complemented with knowledge management, still in the design process as regards the scope and results expected. These two subsystems are complemented with two other ones:

- **Registry**, which includes the series of processes involved in the design, administration, maintenance and expansion of PROSIS tools for consolidating the registry of all movements, starting with recruitment until the official abandons the institution.
- **Internal communication**, which strengthens the bonds of institutional loyalty and may be the mechanism through which the collaborators commit themselves to comply with the institutional goals.

According to the legal provisions originating from the Directory as top level authority and the **Labor and Human Resources Management Regulations**, SAT has implemented all the components of the system, except for knowledge management which is still in the design phase. This implies that work is underway for strengthening all the subsystems, thereby promoting the systemic approach as main methodology for considering these phenomena and highlighting the incorporation of new processes to the PROSIS tool (such as, for example, the administrative career).

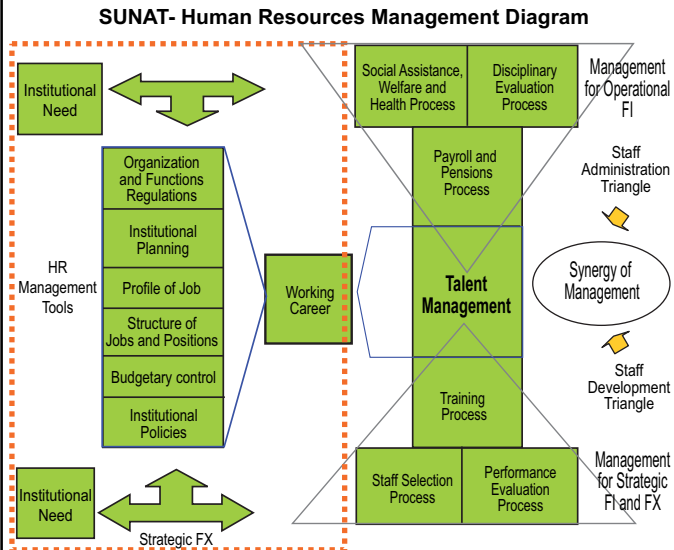
#### **Comments on the Model:**

- This model has already been examined and implemented in other government institutions with autonomy in organization and budgetary execution.
- The model represents a system, for which reason all the subsystems that comprise it are related and when one is modified, it affects the others.
- It is an excellent implementation guide of the processes because the working teams understand them and may identify the stage and part of the subsystems where work is being done.
- It has allowed for institutionalizing good practices and experiences of Human Resources Management in the Administration as well as Development subsystems.
- The corresponding software has not been fully implemented.



# Human Resources Management Model of the National Superintendency of Tax Administration (SUNAT)

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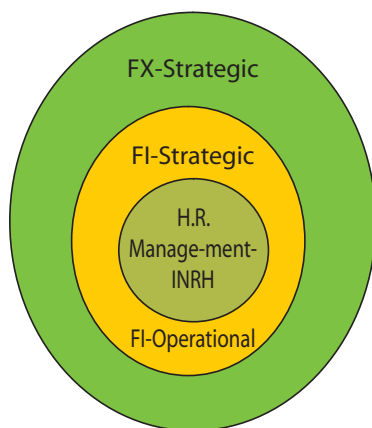


Human Resources Management at the National Superintendency of Tax Administration is based on three fundamental pillars:

- **Staff Management**
- **Staff Development**
- The Human Resources Management Tools which consist of:
  - The Organization and Functions Regulations
  - Institutional Strategic Planning which allows for aligning human resources management with the objectives of the Tax Administration.
  - The Profile of the Position.
  - The Staff Assignment Chart
  - The Institutional Budget
  - The Institutional Policies

These tools are the basis of the Staff Development and Management Processes, whose dynamic interaction allows for managing talent, obtaining information for decisionmaking, evaluating the workers' potential for undertaking a technical, professional or managerial career, as appropriate, within the institution.

### OBJECTIVES OF THE HUMAN RESOURCES MANAGEMENT MODEL



SUNAT's Human Resources Management model has three (3) **main objectives**:

- Alignment with the institutional strategy
- Support for improving Working Environment
- Management of Talent or Staff Competencies

These operational and strategic support actions for the implementation of the model are carried out by a multidisciplinary team formed by staff working at SUNAT's Human Resources National Intendance.

- The **Operational Function** is linked to the Internal Front or Environment (IF); in other words, the daily administrative actions dealing with recruitment, selection and hiring, salary compensation, recognition programs, health assistance, discipline, etc.

- **Strategic Functions** are those focused on the alignment and development of individuals through the creation and improvement of staff policies, human resources procedures, tools and processes, internal communication system and cultural organization, as well as the management of staff recruitment and selection, development, work performance evaluation, staff development and career.

Alignment with the institutional strategy has allowed human resources management to respond to the organizational changes internally promoted by the strategic functions and Management's needs (Internal-External FX). It has also allowed for a better institutional positioning, being direct actors in proposing improvements in the processes, tools and working conditions by taking advantage of favorable political situations, developing draft regulations and procedures in favor of the Tax Administration's staff management.

#### **Comments on the Model:**

- The management model is implemented as individual processes, some of which are formally approved and the Evaluation and Discipline process is more a function than a process.
- Dissemination has taken place throughout the institution, but only of some processes such as: Training Process and Performance Evaluation Process.
- The Training Process, Staff Selection Process and Performance Evaluation Process subsystems are in operation.
- SUNAT's Human Resources Management model as an integrated whole has not been formally approved. It is institutionalized, but as human resource processes.
- The Payroll and Pensions process is implemented but still has deficiencies.
- The Social Assistance, Welfare and Health Process operated with limitations of a budgetary nature.
- The Evaluation and Discipline Process is only carried out as a function.



# Employment Management

## Recruitment





## Notification of Vacancies

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Job opportunities or vacancies must be advertised or published in the Public Service or outside of Barbados and all the relevant information shall be accessible to all prospective candidates including:

- The statutory qualifications required;
- The duties, functions and responsibilities of the office;
- The major terms and conditions of service applicable to the office;
- The skills, competencies, experience and personal qualities required; and
- The nature of the procedure of the selection process, based on relevant criteria applicable to all candidates.

Non- national persons may access jobs within the Barbados public service where there are special needs and /or required skills deficit, however these persons are generally recruited on a short to medium term contractual basis and are not eligible for appointment to the permanent establishment which guarantees security of tenure.

Note should also be taken of the Revised Treaty of Chaguaramas - CARICOM Single Market and Economy (CSME); which establishes a regional grouping of Caribbean states and provides for market access and free movement of persons among other things. Under the treaty provisions, participating states are mandated to provide free access of persons, being nationals of other states within prescribed categories: graduates of the University

of the West Indies, artists: musicians, media workers and sports persons effective 1 August 2003.

(Source:[www.caricom.org/single market](http://www.caricom.org/single_market))

### **Strong Points**

- The approach and process are known, predictable and promotes transparency.
- Equity and equality of treatment is assured.

### **Weak Points**

- Process has potential to be unduly long and nonresponsive to individual organisation requirements.
- System Is Civil Service wide in application and not specific to the tax administration's needs.
- Nationals and in particular special interest groups may feel threatened by the possibility of loss of jobs to other persons.



## The Incorporation Policy

Recruitment may be: internal, external and mixed, according to the current possibilities of the labor market and compliance with the rules in force, with a view to ensuring the broadness and effectiveness of the announcement.

The Service's web page is used to invite candidates.

- External Recruitment: This type of recruitment is exclusive for positions that cannot be filled by persons working within the institution. It is the case of persons who will be working as assistants.
- Internal Recruitment: It is given priority as a means of promotion in an official's career. If there were no qualified candidates, external recruitment is used.
- Mixed Recruitment: Is applied to positions which, given their specificity may be filled either by internal or external candidates.

### **Incorporation policy**

The Internal Revenue Service (SII) has determined an **Incorporation Policy** which includes the processes of **recruitment, selection, hiring and induction**, framed within the following guiding values and principles:

- Nondiscrimination and equal opportunities
- Orientation to merit, personal competency and integrity
- Discretion and confidentiality of personal information and results of the incorporation process



- Access to information of the stages of the incorporation process
- Shared responsibility, with respect to the incorporation of persons in the institution between the head of the unit requesting the position and the Human Resources Deputy Directorate.

Recruitment: At the SII, the recruitment process involves a series of activities carried out to attract those candidates with the required profile and required competencies vis-a-vis the request for incorporation to the institution.

Transparency is a necessary condition for the recruitment process.

- Incorporation decisions are based on the authorized staffing.
- All staff recruitment processes of the Institution will require the design of updated position profiles. The position profile will be understood to be the series of requirements, attributes or competencies a person must have in order to perform a specific function.
- The definition and validation of position profiles is carried out jointly between the head offices requesting a selection process and the Human Resources Deputy Directorate and use is made of the information originating from the competency profiles designed in the institution.
- Every person entering the SII must have the organizational, generic and specific competencies which the institution may have determined.

**Strong Points:**

- The use of different sources of recruitment allows for counting on a larger number of candidates with the requirements for the position.
- Online application through the SII's Web page allows for speeding up the process, in the sense that background information on the

candidates is readily available. It also facilitates the curricular preselection stage, inasmuch as the candidates' information is stored in a data base.

- Recruitment through the SII's Web page involves lower administrative costs.

**Weak Points:**

- There are no significant weak points.



## Mixed Recruitment and Open Recruitment for Nonnationals

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The General Directorate makes an estimate of recruitment needs by projecting the decrease in the labor force. This task is carried out by an office known as Career Employment Forecast Management (CEFM).

The decrease is calculated by taking into account the balance between departures (final, due to retirement, for example, or temporary for varied reasons such as maternity or paternity leave, or leave to raise the children) and returns (staff which renew their activity after a period of interruption).

The recruitment limit is budgetary and therefore the authorization cannot exceed the payroll that can be paid.

After determining the number, the Central Administration calculates the proportion of recruitments, internal as well as external, both competition or contest process

The **internal offer** is intended for staff already having a lower position, which allows for development of the career.

The **external offer** is for individuals outside the administration holding the first place. For example, in the tax area of the DGFIP for the category A (inspector) contest in 2007, there were 448 recruitments: 215 internal and 233 external.

### **Strong Points:**

This mixed recruitment system (internal and external) allows the Administration a balance between the contribution made by an external person and appraisal of the professional development of the officials who can thus advance in their career and evolve by changing specialty.

## **Weak Points:**

The system recruits "generalists"; that is, staff with a specific level of studies, without necessarily linking recruitment with the future position he will hold. This proposal generates a very significant initial investment. The objective is to guarantee all (internal or external) an identical level of tax knowledge.

## **Open recruitment for nonnationals**

By virtue of the provisions of article 5 bis of Law 83-634, of July 13, 1983, amended by article 10 of Law 2005-843, of July 26, 2005, which stipulate the rights and obligations of the officials, the nationals of one of the member States of the European Union or a State that is a party to the agreement on European Economic Space are authorized to participate in contests for accessing the French public function.

The law imposes a single restriction that deals with the functions carried out. Thus, European nationals cannot have access to positions whose functions are not separable from the exercise of sovereignty, or which imply direct or indirect participation in the exercise of public power prerogatives.

## **Reflection on the quality of recruitment**

The DGFIP faces a large number of applicants in its contest without certainty of the quality of the candidates or their adequacy for the jobs to be filled.

The public function, represented by one out of every five jobs in France, must face several **challenges**: the expectations of the users and officials, the dissemination of new technologies, the control of public expenditure and all within a framework of demographic renewal.

Currently there are several efforts underway for the quality of recruitment and allowing candidates of varying origins to join the administrations (especially, in areas with social difficulties).

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<sup>1</sup> *By way of example, at the last contest (date?) 23,000 candidates registered for 900 positions.*

Future contests in the public function will be held within the context of modernization of said function, which will result in a simplification of the recruitment standards and greater diversity of the profiles.

Some measures have already been adopted, such as the elimination of age limits, recruitments without contest or recognition of the professional experience. The purpose is to allow for the evolution of the recruitment methods and facilitate the possibilities for mobility among the three public functions (**territorial, health and state**). On the other hand, contests should especially focus on the "job" , thereby reinforcing the professionalization of tests.

Some measures have been adopted for providing greater knowledge of tasks in the public functions and anticipating recruitment through the creation of sectors within the school framework. Thus a high school degree program on "jobs of the public function" has been created and likewise development at the university level has been undertaken on basic knowledge for entering the public function).

As is done in the private sector, for the first time State jobs have been described and defined in a single document: the **Interministerial Directory of State Jobs** (RIME) which interministerial tool was officially launched on November 16, 2006.

The RIME provides a common description of the State employments:

- Informs citizens about what State officials do, thus promoting communication for better recruitment.
- Contributes to developing professional career paths in an interministerial mobility perspective.
- Helps HR directors to determine the jobs required for carrying out the State's missions.
- Assists HR directors of the Ministries and those responsible for decentralized services in undertaking recruitment and development actions better adapted to needs in terms of competencies.

RIME is at the service of HR management aimed at the needs of public services and the assessment of competencies and qualifications of State officials.



## Experiences in Recruitment at the Secretariat of Finance and Public Credit (SFPC)

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The objective of SFPC's recruitment program is to identify and attract qualified candidate(s) to satisfy staff requirements in accordance with a profile previously developed and defined in the Description of Positions of the Executive Directorate of Revenues.

The **forms of recruitment** used are: internal, external and mixed contests.

Recruitment begins with the **Announcement** which is disseminated through such means as: Intranet, newspapers, bulletin boards and other means such as visiting public and private universities for obtaining a larger number of potentially qualified candidates. The notice includes the following basic information:

- Name of the Position
- Location
- Profile of the Job
- Essential Competencies
- Procedure for participating in the Contest
- Receipt of documents (Curriculum vitae, Application Form and Employment Application with questions intended to verify the information on the candidate's qualification).
- Form of Evaluation
- Deadline for receiving and opening documents
- Indication of office where the candidate may obtain additional information

The Human Resources Department makes the **Basic Evaluation** of the documents received for evaluating the candidate's eligibility.

**Strong Points:**

- Advertising gives the process transparency and affords the opportunity for attracting candidates classified as highly qualified in relation to the published Profile of the Job.
- Allows for counting on profiles of the jobs in keeping with the strategic needs of the institution.
- Guarantees a fair and equitable technical process.
- Candidates are attracted on the basis of objective criteria.

**Weak Points:**

- The Human Resources departments should have a fluid structure and staff sufficiently qualified which may respond to the demand in keeping with what the institution requires.
- The cost of publications, especially when reform processes are implemented.



## The IRIDE (RAINBOW) Project: Recruitment According to Target Group

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The IRIDE project began in 2004 to recruit university graduates under thirty-two years of age. The recruitment took place through an announcement published in different media in relation to the required professional skills.

Currently, there are more and more on candidates with high professional skills specifically targeted to the organization's needs.

The task of the Italian tax administration is to select persons with the profiles required to guarantee the best investment on the most expensive resource.

After the candidates are selected, they undergo special training courses under the tutorship of an official specialized in the area for which they have been recruited.

The name of the project, IRIDE, rainbow in English, represents with each of its colors, the different public announcements corresponding to recruitment in the seven (7) areas:

- Tax administration
- Statistics
- Public communications
- ICT security
- Auditing
- Human resources
- Planning and control



The public competitions were promoted through the Agency's official page in the official journal and directly through contact with the best Italian universities.

### **Strong points**

- A better investment in HR recruitment.

### **Weak points**

- Greater costs because the process involves the publication of numerous and different public announcements



# Employment Management

## Selection





## External Selection with Development Program

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Incorporation in the Brazilian Civil Public Service must be preceded by a **public contest**. The selection process is broad and those who are already public officials participate under the same conditions as those who are not.

Contests may consist solely of tests or tests and academic degrees. They are carried out in a single stage and their objective is to select professionals for the positions, professionals trained through the regular teaching system.

There are many positions in the Brazilian Civil Public Service which may be filled by individuals with various professions. However, it is necessary to complement development in order to have the adequate preparation for carrying out the activities of the position. In these cases, the contest is held in two stages, where the second is called Development Course or Program.

Since the tax administration positions call for multiple types of professional knowledge, the two-stage selection is applied to them, with the purpose of the second being the preparation of the candidate for the job.

The first stage is of a selective, eliminatory and classificatory nature. These are tests of general and specific knowledge dealing with the areas of tax administration, carried out by the "Escola de Administração Fazendária" - ESAF -, entity of the Ministry of Finance which has the authority to organize public contests.

The competency sectors of the SRFB for purposes of the tests of the contests are: tax administration, Taxation, Technology and Security of Information, Programming and Logistics, Staff management and Tax Policy.

The second stage of the public contest, of an eliminatory nature corresponds to a development program that consists of a series of disciplines or activities dealing with human, organizational and technical-professional dimensions. The contents and depth of the subject are aimed at training a general professional and not a specialist, emphasizing the practical aspect over the theoretical one.

## FISCAL AUDITOR OF THE SECRETARIAT OF FEDERAL REVENUES OF BRAZIL - AFRFB

### TAX AUDITOR OF THE SECRETARIAT OF FEDERAL REVENUES OF BRAZIL - ATRFB

Characteristics		AFRFB		ATRFB	
		TA	TI	TA	TI
<b>1<sup>st</sup> Stage – Broad Selection</b>		Elimination and classification. Election depends on the classification of the candidate			
1	Academic Development	Superior		Superior	
2	Subjects being tested	11	10	8	9
3	Tests applied	3	3	2	2
4	Registered candidates	69.021	7.149	90.956	6.294
5	Vacancies available	900	100	1640	180
<b>2<sup>nd</sup> Stage – Development Program</b>		In order to pass, 40% per test is required, a general mean of 60% and 92% attendance. It is carried out in the same period in all <b>training centers</b> . The <b>centers</b> may be established in a maximum of 10 cities where Fiscal Regional Offices are established.			
1	Total duration in hours	429	426	213	213
2	Duration in weeks	12	12	6	6
3	Duration of hours per day	6	6	6	6
4	Curricular activities	35	35	20	28
5	Tests Applied	10	11	4	4

TA - Tax and Customs Area

TI - Information Technology Area

#### Strong Points:

- Standardizes knowledge, facilitating communication and integration of the group.
- Allows for developing, through the induction course, programs aimed at areas of regional or local interest.

#### Weak Points:

- In-depth learning is below the specific needs in some of the areas it addresses..



## Forms of Selection / Initial Development Program for New Examiners

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The selection process corresponds to the **set of activities** sequentially applied to the persons recruited through the application of diverse mechanisms and criteria, in order to select the person that best responds to the demands of the position and the institution.

### **Ways of selection -in the field evaluation - interview of candidates and references.**

- An **evaluation** is made of curricular background, psychological evaluation (psychometric and projected) technical evaluation and working references.
- All candidates have the right to be informed about the method, procedures and objectives of the evaluation to be made.
- The Deputy Directorate of Human Resources is responsible for the selection of the psychological tests.
- The responsibility for selecting the technical tests is shared between the Deputy Directorate of Human Resources and the area requiring the position.
- Annually, a review and adjustment is made of the psychological and technical evaluation instruments, their adaptation to the profile and their validity and reliability.
- For the **interviews** an internal committee is established with different officials according to the relevance and origin of the position.
- The Deputy Directorate of Human Resources submits to the internal committee a list of preselected candidates to be interviewed and evaluated, whose scores obtained in the previous

evaluation stages allow them to participate in the shortlisting of three to five candidates for filling a position. Said committee receives counseling and professional support from the Deputy Directorate of Human Resources.

- Considering the background on merits achieved in the different stages of the selection process, the final election will be made by the Service Director, Regional Director, Deputy Director or Director of Large Taxpayers.
- Every candidate should be timely informed about the results of the process.

#### **Strong Points:**

- It is an integral process to the extent it incorporates curricular, psychological and technical aspects.
- The area requesting the position actively participates in the selection process; that is, in the technical evaluation as well as election of the candidate best qualified for the required position.

#### **Weak Points:**

- Considering that every process comprises the previously mentioned stages, as the number of vacancies to be filled increased, the longer the time devoted to the development of the process.

#### **Examiners and their Integration into new jobs as part of the Selection process**

The **Initial Development Program for New Examiners** is designed to contribute to the development of the examiners that will join the Service and their integration into their new jobs.

The program consists of two stages:

The first stage is a **face-to-face development process** whose objectives are:

- Familiarize themselves with the tax and organizational structure for administration and examination in the country, as well as the strategic guidelines of the SII.

- Initiate familiarization with rules, procedures, techniques and methodologies related to the SII's examination action.
- Identify and analyze the values and principles that serve as basis of the performance of the job as public servants.
- Develop personal and team skills for carrying out the job.

The second stage corresponds to a two-month tutoring process on the job, whereby the new examiners perform their jobs under the tutorship of their direct supervisor.

**Strong Points:**

- The new examiners have a standardized development process whereby they are given technical tools to perform their functions as best as possible.
- The internship period contributes to induce the examiners in the new position under the supervision of a tutor who directs his on-the-job learning.
- The official manages to acquire personal skills and gradually familiarize himself with the organizational structure and culture while being induced in the job.

**Weak Points:**

- Since the face-to-face development process is of an evaluative nature, some participants are left out of the learning process.



## Selection

# F R A N C E

On occasions, given the significant number of candidates, there may be a need to preselect a reasonable number of candidates to participate in a public contest. For example, at the DGFIP, the C level contest (support officials) attracts so many candidates that it is almost impossible to organize a complete process for all the applicants. Thus, a preselection is made with a tool known as QCM: in French, a multiple choice questionnaire that calls for answering within a specific time frame a series of varied questions on such issues as logic, knowledge, spelling and mathematics, to select at the end of the process a predetermined number of candidates that will participate in the "classical" contest. If the candidate passes this test, he may participate in other exams, either written or oral.

### **Strong Points:**

- Affords the possibility of reducing the number of candidates and with a lower administrative effort for the organization than that of a normal contest;
- Allows for continuing with an offer of complete courses for those selected, following the preselection stage.

### **Weak Points:**

- It was conceived as a way to compensate the success of administrative contests in times of difficulties for entering the labor market; therefore, it renders more complex the development of the global process
- Given the need for jobs, candidates participating in the contest are always overqualified, with degrees above the high school level.





## Staff Selection, the In-depth Review and Veracity Evaluation

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To avoid discretion in selection, the process consists of several stages, with the participation of different professionals in each of them, who provide a score, based on predetermined criteria. Based on the total score obtained, the candidate is elected or not.

This same selection process is also applicable to internal promotion.

The objective is to provide qualified staff to the organizational units, in order to fill vacancies resulting from staff retirement or new requirements.

### **Strong Points:**

- Transparency in the process.
- Avoid hiring as a result of close friendship.
- Select the best qualified candidate according to the profile of the position.
- Improvement of official's self-esteem on knowing that he was hired on the basis of his professional qualifications and behavioral qualities as compared to others.
- Speedier development of the process.

### **Weak Points:**

- Lacking sufficient number of vacancies in the regions from where the candidates originate.
- Lack of motivation when the hiring process is not carried out promptly, thereby losing in many cases, candidates that have been already evaluated.

## **Interview of Candidates in the selection process**

As of the implementation of the flow manager of the human resources recruitment and selection process, in the Prosis system, one of the stages is the In-Depth Interview.

Within the relational data base the selection professional uses as basis the requirements of the profile of the vacancies, carries out the search for the candidates that fulfill the minimum parameters. If the candidate appears in the search list, he is scheduled for the In-Depth Interview, whose purpose is the direct observation of the candidate's professional behavior, as well as the verification of some data considered relevant within the electronic curriculum vitae or which have not been validated in the previous stages of the process. The report is drafted with in-depth consideration of the relevant aspects that could influence the values and organizational culture of the tax administration.

### **Strong Points:**

- The information provided by the selection flow manager is standard;
- The orderly sequence of the information that has been developed according to the interests of the tax administration allows for easily locating and using the information in the electronic résumé.
- The presence of the interviewer has allowed for validating cultural conducts, behavior and perceptions about the candidates based on the grading of the psychometric tests.

### **Weak Points:**

- The information is based on the good faith of those entering it. When appearing for the interview, candidates are requested to bring their accreditations to validate them. In some cases, approximately 10%, some data do not coincide.

## **Evaluation of Veracity**

This is a test designed and prepared for exclusive use by SAT in 1999 and updated in 2001. However, for unknown reasons the test was easily passed and this resulted in the admission in SAT of several persons with a trend toward corruption.

In 2004, the polygraph came to be used for investigating individuals that had been pointed out as corrupt. Since it was considered to be too invasive a test, alternatives were sought. This led to the **veracity tests** by means of tools for measuring stress through the voice. These tools have not only been useful for internal investigation and follow-up of denunciations of corruption but have likewise been used since 2005 as an additional stage with defined criteria for identifying the interests of candidates requesting a position at SAT, in particular the reasons why they wish to work in the organization.

### **Strong Points:**

- This is a tool that has allowed for providing at the level of administrative processes, evidence of confessions regarding illegal acts.
- There is a tool available that provides some indications about the candidate regarding such sensitive issues, and thus avoid cases of fraud, corruption, theft or others.

### **Weak Points:**

- The tests are in force as long as there is a contract and the Tax Administration is willing to renew it.
- May be used by some authorities as an element for discarding or including preferential groups.



## Staff Selection and CEIMSA

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The purpose of Selection is to elect the candidates with the best technical and behavior competencies and intellectual capacity according to the profile of the job and the needs of the institution.

After completing the **basic review**, the Human Resources Department sends to a Panel previously established and formed by the Head Offices requiring the staff, the classified documents of the candidates. This Panel performs a **curricular evaluation** to determine the level of professionalization, personal development and technical experience of the candidates. The Panel provides a weighted grade and is responsible for preparing the knowledge tests and questionnaire for the Interview Based on Competencies.

The procedure is the following:

- Application of **technical knowledge tests**, carried out through practical exercises, theoretical or analytical questions to determine the professional and/or technical knowledge of each candidate.
- Application of **psychometric tests** that measure intellectual, skills, aptitudes and personality traits.
- **Evaluation of performance potential**, which is required of the candidate's immediate supervisor and is a temporary instrument until results are obtained from the Performance Evaluation System being implemented. It must be noted that this requirement only applies in the selection through institutional internal contest.
- **Interview** based on competencies with guided questions intended to confirm the candidate's competencies and experience. They are conducted by a Panel with technical and professional experience regarding the position.

- Determining which are the best qualified is the responsibility of the panel through the scores that have been weighted for each of the instruments applied.
- Selection of the candidate by the official requiring the position which is always a member of the panel.

These processes have been implemented in accordance with the Reform for Human Resources Modernization of the Executive Directorate of Revenues (DEI) and were validated with the selection of staff of the Large Taxpayers Administration in 2008 and 2009. A total of 248 persons were selected to fill the different positions, and this was a Pilot Project.

**Strong Points:**

- Promotion of the Administrative Career Path.
- Selection of staff based on merits.

**Example of staff selection for jobs in the different customs offices in the country**

Executive decree No. 004-2004 provided for the creation of the **Special Inter-institutional Commission for the Modernization of the Customs Service (CEIMSA)** as a permanent inquiry office for the follow-up, analysis, evaluation and formulation of recommendations in customs affairs that may lead to promote transparency and simplification in said administrative sector.

For this reason, in June 2006, the Executive Directorate of Revenues (DEI) announced a contest for the positions of the different customs offices of the country:

- Customs Administrators
- Deputy Customs Administrators
- Heads of Valuation and Clearance
- Valuation and Clearance Officers

This commission (CEIMSA) participated in the recruitment, evaluation and selection process and the guarantors of said process were the National Human Rights Commissioner and the Anti-Corruption Commission.

CEIMSA consists of the following institutions:

- Secretariat of Industry and Commerce
- Secretariat of Finance
- Executive Directorate of Revenues
- Secretariat of Agriculture
- Migration and Aliens Directorate
- Secretariat of Security
- Secretariat of Public Health
- Private Enterprise
- Civil Society

The process was carried out through public announcements that indicated the necessary professional requirements and experience to apply for the job.

The steps were the following:

- Public Announcement. An announcement requesting said staff was disseminated through different written and radio media.
- Receipt of CVs.
- Initial evaluation to determine the candidates that fulfilled the minimum requirements for each position.
- Training and evaluation of the candidates selected in the initial evaluation. This step was of vital importance, since it allowed the DEI to elect staff academically qualified in the subject areas dealing with the institutional activity; in addition to disclosing the future working potential of the candidates.
- Investigation of personal and penal background.
- Psychometric evaluations and oral interviews.
- Second selection of candidates that have passed the foregoing requirements.
- Interview of candidates by the members of CEIMSA.
- Report and recommendations from CEIMSA to the HR Deputy Commission.

- Appointment and induction of qualified candidates. The appointments are made by the Secretariat of Finance (SEFIN) at the request of the Executive Directorate of Revenues (DEI).
- Take over of their respective positions by the selected candidates.

<b>Candidates</b>	<b>Number</b>
Initial candidates	2,256
Rejected for not meeting requirements	269
Registered for development	1,188
Took knowledge test	1,030
Passed the knowledge test	588
Took psychometric test	565
Rejected due to their penal background	23
Passed the psychometric test and were subjected to the voice stress analysis (VSA)	424
Passed the VSA	249
Final hiring	200

**Strong Points:**

- Greater transparency in the selection
- Political shielding
- Appointment of professional staff in the jobs

**Weak Points:**

- The institution had scarce financial resources.
- This process was carried out in 2006 and 2007.



## Outsourcing of Selection Tests

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The recruitment procedure is regulated by law and provides for a public selection process.

In the Revenue Agency the public selection process includes four different steps:

- A technical-knowledge test
- An aptitudes test
- An internship in an operative unit which ends with a competence evaluation
- A final interview

Regarding steps 1 and 2 it is important to clarify that tests are **outsourced**. The company is chosen through a public competition and must guarantee the confidentiality and effectiveness of the tests.

The work of the company is supervised by a commission of expert managers.

The technical-knowledge test is a multiple-choice test which consists of 80 questions about the following subjects: civil and commercial law, accounting, business organization, finance and statistics.

The test takes 50 minutes and only the candidates with at least 24/30 points, considering the maximum number of candidates admitted in this stage: three times the vacancies to be filled, may be admitted for the second test. The aptitudes test is also a multiple-choice test which consists of 40 questions of mathematical logic and 40 of comprehension.



The test takes 50 minutes and only the candidates with at least 24/30, considering the maximum number of candidates admitted at this stage: 40% of vacancies, are admitted for the internship.

**Strong Points:**

- Outsourcing of the selection tests guarantees greater effectiveness and less probability of differences in answers in the tests.

**Weak Points:**

- The cost of outsourcing.

**The IRIDE project: the evaluation on the field**

The Revenue Agency selects its new employees through:

- Technical test.
- Aptitudes test.
- Job evaluation based on the competency model.
- Technical and motivation interview

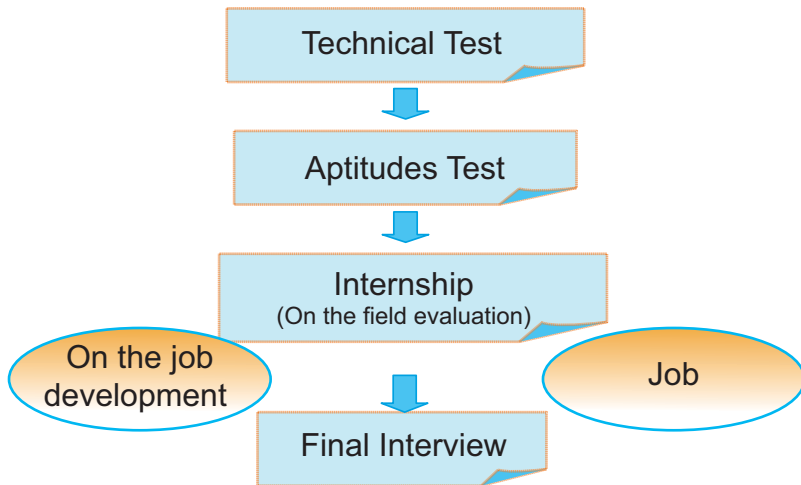
After 12 months of training on the job with a tutor, officials who have reached a good professional level will be given the possibility of signing a long-term employment contract. The evaluation of the professional level is made by the manager, the candidate's supervisor, taking into consideration the tutor's observations and comments.

The evaluation system identifies two areas for evaluating the candidates: performance and organizational behavior.

As final result, the Revenue Agency may count on:

- Operational staff immediately available, since they can learn their work on the job.
- Staff with high professional profile, who can learn their work through specific development and mainly staff that is aligned with the Agency's principles and values.

View of the process:



**Strong Points:**

- A more efficient selection
- The dissemination of the evaluation system

**Weak Points:**

- Equity of the evaluations
- Managers' difficulty for assuming responsibility of the evaluation process
- The burden of selection falls on the operational unit.
- The difficulty in finding a structured evaluation system.
- Planning of development courses for candidates and tutorships that must be carried out.
- Shared responsibility in the evaluation of candidates through a comparative co-evaluation chart.



## Staff Selection

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The objective is to provide qualified staff to the organizational units, in order to fill the vacancies resulting from staff dismissals or new requirements.

The Sources of Recruitment are:

- Job Exchange of the Ministry of Labor and Employment Promotion
- Institutional Web Page
- Universities and Technical Studies Centers
- Most Widely Circulated Newspapers at the National Level

The stages of the Selection Process: (Each of them involving an elimination stage)

- Announcement
- Evaluation of formal Requisites and curricular evaluation
- Technical and psychological evaluation linked to the job and position.
- Personal interview regarding technical and behavioral competencies.
- Training Course (for the jobs of the business)
- Internship (for the jobs of the business)

**Strong Points:**

- Integral evaluation through the design and combination of the stages used.

- Knowledge of candidates, which allows for anticipating future work performance.
- Preparation of the Technical Test by professionals from the institution.
- The development courses and internship allow for strengthening not only the knowledge of the business but tax awareness.

**Weak Points:**

- Partial verification of the working background of the candidates.
- It is necessary to provide additional development to interviewers for carrying out behavioral interviews by competencies.
- There is no follow-up of persons selected in order to determine how successful our processes have been and to make the corresponding adjustments.
- The process is long and does not allow for responding to urgent needs.
- High cost of the process.
- The induction stage is not adequately implemented in the case of massive recruitment.



# Employment Management

## Induction





## Induction

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On concluding the contest, those selected join the organization and become employees. Then the induction process begins.

The "**Professional Training Program**" (PCP) was created by the SRFB following the 2005 public contest and its objective is to provide practical training to recently incorporated employees thus complementing the knowledge acquired during the second stage of the public contest. It is especially focused on specificities and priorities of the SRFB' centralized or decentralized units.

The program is carried out during the first 90 days following nomination. It is a pre-requisite to pass the probationary period and to be able to participate in the process of geographical location.

It is carried out in a decentralized manner in the areas distributed in the General Coordination Offices and Fiscal Regions, taking into account the number of persons to be assigned to each unit, the positions and new areas of activity so as to minimize the transfer expenses.

Characteristicss	AFRF	ATRF
Activities dealing with achievement of priorities of the units where recently incorporated employees will be working	90 hours	80 hours

Upon conclusion of this training, the new employees are introduced to the units where they will be performing their professional tasks.

**Strong Points:**

- Decentralization of decisionmaking power regarding regional needs.
- Better and faster integration of new employees in their working groups.

**Weak Points:**

- Methodological aspects and areas to be serviced are regionally determined.
- Difficulties for integrating regional and central professional development policies.



## The Ministerial Cycle of Initial Development (MCID) and PACTO

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The **Ministerial Cycle of Initial Development (MCID)** established in 1992 is aimed at the **level A (recently recruited)** officials of the Ministry, around 1,400 persons per year, within the framework of the junior cycle of the University of Officials manager by the Institute of Public Management and Economic Development. Its purpose is to consolidate the sense of common belonging to the Ministry, facilitate relationships between the Directorates of the Ministry and reinforce between the students and financial schools.

It involves three phases:

- At the beginning of development there is a common cycle of 75 hours to get to know the Ministry's environment, its missions, organization and to understand the role and responsibility of a level A official.
- During the course there are conferences by experts to provide an inter-directional approach to teachings.
- During the practices there is a one-week period at a service of another directorate of the ministry.

### **Strong Points:**

- Allows the new official to get a better knowledge of the directorates that comprise the Ministry, facilitating and favoring his integration.

### **Weak Points:**

- In the first phase the cycle may seem difficult to externally selected officials who are unfamiliar with the administrative organization.



**"PACTO"**: Access to careers in the territorial public function, hospital public function and State public function.

These are contracts outside of contests intended for socially unfavored individuals.

For 1 year, and according to a practices agreement, these youth (must be between 16 and 25 years) and not hold any degree or recognized professional qualification) follow development adapted to the job they will performing at the administration, with a tutor who will be in charge of promoting their incorporation to the professional environment.

This development which is alternated must allow the person hired to achieve a qualification or, when appropriate, a degree for a professional purpose or a diploma.

Development should not be less than 20% of the total duration of the contract, which represents a minimum of 320 hours for a one-year contract.

The jobs offered are the following:

- Guard or concierge.
- Agent in charge of logistics.
- Geometrical assistant of cadaster.

The tutor follows up the beneficiary of PACTO throughout the duration of the contract, ensuring that the agent attends the development sessions and organizes the practice periods.

For the fiscal sector, he establishes a follow-up record of the beneficiary of PACTO which describes the agent's adaptation to his/her job, the development, difficulties faced and progress achieved.

**Strong Points:**

- It is a way of opening recruitments by taking into account society's evolution.

**Weak Points:**

- The Administration must **specifically develop** its managerial staff for managing this type of public in order to **integrate the "differences" in culture, religion, social level, etc.**



## Institutional Induction to SAT

# G U A T E M A L A

The **general objective** is to introduce, familiarize and sensitize the new colleague to the culture of SAT, its internal and external relationships, environment and tools. Participating in this process, are operational, technical and administrative staff members, even top level authorities that follow up the program and intervene in any of the areas.

The main **characteristics** are:

- **Institutional induction** allows for initiating the development of the new staff's behavioral competencies, such as: leadership, team work, personal follow-up, etc.
- Information on SAT,
  - Topics of context, structure, history, vision, mission and achievements.
  - Aspects regarding working contracts, schedules, recording, subsidies and benefits, life insurance and medical expenses, payment dates, days of rest and vacations, among others.
  - General aspects about Laws and Regulations.
  - Automated systems.
  - Incentives and scholarship programs, local and international.
  - Human resources subsystems, performance evaluation, programs for employees and relatives, social activities, location of physical areas, emergency exits and others.
- Held once, every fifteen days with a two and a half day duration, during working hours.

- The mixed teaching modality is used: documents are provided for in house reading and verifications are made during the personal participation section.
- A package is delivered with the following documents:
  - Organic Law of the Superintendency of Tax Administration
  - Internal Regulations, Working Regulations and Human Resources Management of SAT
  - Code of Ethics and Conduct
  - Institutional Policies in force:
    - Human Resources Development and Knowledge Management
    - Confidentiality
    - Computerization
    - Physical assets
- Induction to the job is the responsibility of the employee or official's immediate supervisor in each Administrative Unit for which purpose he must implement an Integration Program, informing the staff about the policies, rules, processes and procedures included in the Rules and Procedures Manuals corresponding to each of the areas.
- There is a thematic program that includes:
  - Welcome to the Superintendency of Tax Administration, SAT
  - Functions of the Tax Administration
  - Human Resources Management
  - Planning and Institutional Development Management
  - Team work
  - Service Culture
  - Life Insurance and Medical Expenses
  - Information on the Prosis System
  - Completion of forms
  - Ethics and Values
  - Tax Culture
  - SAT Regulations
  - Getting to know SAT
  - Operational Security
  - Final Information and Closing

**Strong Points:**

- It is a structured program that allows for a quick and effective orientation on the institution, with the main aspects that must be taken into account at the level of behavior, ethics and values as well as regulations.
- Has been efficient and has evolved until arriving at the contents that is being implemented.

**Weak points:**

- On some occasions, professionals commit themselves to follow up the induction by directing some of the topics; however, not all of them have complied.
- There is no incentive for the instructor conducting the induction to assume responsibility for the topic he must develop.
- Top level authorities do not involve themselves in any topic, in spite of the formal invitations made.



## The IRIDE Project and the Induction Program

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The induction period is very important for a new employee in an organization: in this phase he gets the first impression as to how his/her future performance may be affected or influenced. For this reason, since 2004, the tax agency initiated the IRIDE (RAINBOW) Project, in order to guarantee better induction to the new employee through four different steps:

- **The Welcome day: when the organization's structure, values, mission and rules are made known.** On this day, at the regional department, a brochure is delivered, as well as a welcome package containing all the information that will afford new employees orientation regarding the organization's operation.
- **The "on board" day when he may socialize with their new colleagues and get to know the structure of the office where he will work.** This day is organized at the local office with the participation of the manager. The Development program: allows for accelerating induction to the work by the new employee. The program is carried out in different modules with a duration between 6 and 12 months during which the candidates attend classes and are trained on the job. The longest and most important phase is on the job training which allows the organization to invest in the growth of its people, not only from the theoretical standpoint, but also in the development of their profile and institutional commitment. To this end, it is important to count on the experience of specialized tutors with special training in coaching and mentorship.
- **The Final Evaluation: allows the development of the competencies of new employees through induction and the development of a plan aimed at identifying strengths and weaknesses.**

In addition, this project combines induction and selection: only candidates who at the end of training fulfill the performance expectations may remain in the organization. The evaluation system includes intermediate and final performance feedbacks, carried out on the basis of the organization's competency model.

**Extension of the project:**

Over 5,000 persons have been trained and employed according to the IRIDE Project. Of these, approximately 30% are executives of the professional area which number some 1,600 employees from a total of 36.000. Since 2002, some 1,500 tutors and 500 advisers have been trained by a group of experts, which involved a significant number of the best officials and managers of the organization.

**Strong Points:**

- Better induction
- Retention policy for the best employees.
- Development and evaluation of internal human resources (tutors).

**Weak Points:**

- Difficulty of local offices for administering development of too many staff members when recruitment is massive.



# Employment Management

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## Mobility





## Transfer Process

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The transfer of officials of the Secretariat of Federal Revenues of Brazil may take place as a result of the interest of the tax administration or at the request of the official.

The transfers take place as allowed by law, such as, for example, the official or his/her spouse's health reasons or the exchange between officials at the same level.

The **objectives** are:

- Allow displacements between SRFB units through an objective and transparent system and criteria;
- Reconcile personal interests and the interests of the Administration;
- Eliminate the practice of traffic of influences at the Administration Council;
- Compensate duration on the job and time of service in borderline or difficult regions;
- Obtain an indicator for managing studies on vacancies and comparing them with new offers and the scope of activity requiring greater concentration in relation to the experience and development of new values.

The main **characteristics**:

It is an auction of vacancies promoted by the Administration. The number of vacancies to be subjected to contest is established by taking into account the following:

- Search undertaken by unions to determine the officials who may be interested;



- Number of retirements during the previous period;
- Number of positions offered to new employees;
- Need for human resources in each unit.

The contest recognizes the candidate with the greatest seniority in the service, also taking into account the employee's location.

Phases:

- Preparatory phase:
  - Definition of vacancies.
  - Collaboration with those interested.
- Application phase:
  - Registration.
  - Evaluation, processing of information and preliminary classification period.
  - Analysis, treatment of information and definitive classification period.
  - Approval and dissemination to candidates.
  - Calendar of release of those classified, prepared by the units of origin of the employees.
  - Withdrawal of those classified.
- Closing Phase:
  - Closing of competition (publication).
  - Consolidation of information.

The competition takes place through the use of the Web (Internet) and the system that processes all the information for transfers is currently been developed by SERPRO.

**Strong Points:**

- Transparency and democratic processes.
- Objective criteria.

- Speed in the presentation of results.
- Assignment of the employee to the unit of his/her choice.
- Costs are on account of the employee who obtains his transfer.

**Weak Points:**

- Dissatisfaction with the election obtained.



## Staff Transfer Procedure

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This procedure endeavors to specifically regulate the institutional transfer policy included in Circular Letter N° 19 of September 13, 2007, according to the following aspects:

### **Application for Transfer:**

- The official may apply for transfer by means of a simple letter addressed to the respective Regional Director or Deputy Director, with a copy to his/her immediate supervisor if appropriate, briefly explaining the reasons for the request and attaching the correspondent support documents, if any.
- The Regional Director or Deputy Director receiving the request for transfer must Express his/her support or rejection thereof. In this latter case, he will inform the requesting official about the situation, stating the causes that justify his/her decision, and as in the case of approved requests, he/she will send the to the National Directorate's Staff Department.

### **Receipt of Background Information and Evaluation of the Request:**

- Once the request for transfer has been received at the Staff Department compliance with the necessary conditions will be verified. If it does not fulfill any of them, or the procedure established in the previous item has not been followed, the request for transfer will be suspended and this will be informed in writing to the official within ten working days following receipt of the request, with a copy to his/her respective Regional Director or Deputy Director.

- If, on the contrary the official fulfills the established requisites, his/her request will be evaluated verifying the possibilities of Exchange available at the requested destination, as a result of requests in force and pending solution. If there is such possibility the situation will be informed to the official and the respective Regional Directors or Deputy Directors, in order to coordinate the operational aspects to carry out the exchange of officials involved and thus render effective their respective requests.
- If there is no possibility for exchange because there are no requests for transfer which may involve as destination the locality of origin of the new petitioner, the Staff Department will inform the official within 10 working days following receipt of the request and will file the background information, thus leaving his case pending in the Data Base maintained for such purpose, while at the same time affording him/her a position of precedence in the waiting list of the destination requested. Said place of precedence will be determined according to an index of equal weight between the date of the request and the last performance evaluation, so as to activate the request when there is a specific possibility for transfer, in which case the validity of his/her request will be confirmed with the petitioner.

**Request based on serious or catastrophic illnesses:**

If such illnesses affect the official or any direct member of his family group and to the extent medical treatment is required in the geographical location to which transfer has been requested and if such pathologies are duly accredited and supported, they shall be given priority and the following procedure will be applied: }

- A Commission will be established, formed by the Head of Staff or whomever the latter may appoint, the Head of Welfare or Regional Social Assistant, as appropriate, the coordinator of the matter at the Staff Department and a representative of the Workers Association of which the official is a member. In addition the Regional Director or Deputy Director of the dependencies of origin and destination that are involved in the request will participate in this commission on a face-to-face basis or virtually.
- The above described Commission will participate in all situations involving requests due to catastrophic illnesses, thereby

accelerating or facilitating the processes, when the solution may be an exchange that may be done directly and, especially, in the cases where a decision must be made because there is more than one official under similar conditions requesting the same destination. It will also participate when there is no possibility of Exchange in the destination requested.

- The main task of this Commission will be to provide sufficient background information to justify the transfer of the affected official within the shortest possible term.
- When authorizing a transfer due to serious or catastrophic illness, the Staff Department must take into account the staff assigned to the Regional Directorate or Deputy Directorate of origin and destination of the official, as well as the commitments that may be acquired for replacing the official within the shortest time possible, in those units which as result of authorization of this unusual transfer could be left with a staff deficit.
- In all cases, whether the situation is solved immediately or postponed, the official will be informed in writing about the result of his request, within 10 working days following such receipt.

### **Massive Transfers:**

This will take place as a result of incorporation of new officials to fill vacancies or replacement of some positions. In these cases preference will be given to applications filed by officials, according to the following criteria:

- On the occasion of massive processes to fill vacancies in different levels, the Human Resources Deputy Directorate will provide the definitive list with the positions assigned to the different units, to the transfer coordinator at the Staff Department, who will compare and crosscheck the list with the data base of requests for transfer in force and pending.
- As a result of this information crosscheck, a list of potential transfers will be generated and verified case by case with the officials who would be in conditions for transferring themselves.
- Of the list arising from the previous process, conversations will be held with each of the Regional Directors or Deputy Directors

involved in the issue and a final list of transfers will be prepared to be subsequently ratified and sent to the pertinent authority to proceed to the publication of the notice of the selection process with the redistributed positions. This will mark the closing of possible transfers according to the process.

- Once the process has been concluded as well as the corresponding induction actions, if any, the transfer of officials with seniority and new officials will be coordinated, according to the dates anticipated in the rules of the contest or announcement of the process, as appropriate, in order that all transfers be carried out, preferably, on the same date.
- In the case of officials with seniority, they will be transferred on the date anticipated, with the respective resolutions of destination or change of contract, depending on whether they are permanent or hired officials, being generated at the Staff Department.

#### **Strong Points:**

- The system implemented allows for optimizing the labor offer generated in the institution, by crosschecking the need for new hires with the request for change of locations made by the officials, it being possible to exchange the positions between the unit to which the official is being transferred and that of origin.
- On the other hand, advantage is taken of the capabilities which the official has acquired during his working career on suggesting improvements in management in his new work place.
- Undoubtedly, the greatest advantage is the satisfaction of the transferred officials who perceive that the institution is actually focused on people, since a significant number of transfers are requested to solve personal type problems, such as illnesses of the official or his/her family, conflicts with the spouse, access to greater academic offers for the official and his children and to a lesser extent, shorten travel time between their domicile and workplace.

#### **Weak Points:**

- Due to the limited number of existing positions in some areas, waiting time for such transfer is very high.



## Internal and External Mobility

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### Rules on Internal Mobility

The DGFIP allows its incumbent officials to benefit from **geographical and/or functional mobility**. Such mobility is provided by article 60 of law 84-16 of January 11, 1984 of the Public Function Statute which states: "the competent authority proceeds to transfers of officials following resolution by the joint administrative commissions".

Law 94-628 of July 25, 1994 specifies the following elements: "in accordance and compatibility with the appropriate operation of the service, assignments should take into account the requests made by the interested parties and their family situation. Priority is given to officials separated from his/her spouse for professional reasons" (...) "When it is question of filling a vacancy which compromises the operation of the service and it is impossible to fill it otherwise, even temporarily, an official may be assigned with a subsequent examination by the pertinent commission".

Management provisions stipulated by financial administrations authorize an official to change functions and/or change geographical assignment, without this change involving a promotion or career evolution.

In this case it is a totally internal mobility that allows an official to change jobs while at the same time continuing to be part of the General Directorate of Public Finances. Currently given the recent merger of the General Directorate of Taxes and the General Directorate of Public Accounting to create the DGFIP, rules applicable to the public management sector and fiscal sector are different. Each sector will preserve for some time its own management rules.

The mobility system in force at the DGFIP (fiscal sector) is based on four main principles:

- Collective annual mobilizations with anticipated fixed dates.
- Assignment disseminated at two levels: national and local.
- The main criterion applied for the classification of requests is administrative seniority.
- Exception to the classification by seniority are the positions according to judgment, profile and request of a priority nature.

**Strong Points:**

- The DGFIP (fiscal sector) allows its agents a great geographical and/or functional mobility where by officials may find the job that suits them best and come to (sometimes after several years) to incorporate themselves in the area closes to his family interest.

**Weak Points:**

- Functional mobility is generally associated with development adapted to the position held and, therefore, the official who undergoes training to hold a specific position, may change position after a year and not have time to profit from his/her development. This presents the risk of "administrative tourism" that may lead to excessive mobility detrimental to the efficient operation of the service.

**Framework of External Mobility**, (within the same ministry or at the interministerial level)

On April 29, 2008, the Senate adopted a **Bill relative to mobility and the professional careers in public function**.

This bill is the result of discussions on the issue of mobility that has been taking place between social interlocutors and the representatives of the three public functions, (State public function, territorial public function and hospital public function).



These works allowed for identifying restraints on mobility:

- The multiplicity of bodies and officials statutes.
- The division between administrations and public functions.
- The differences of indemnified regimes in public function.
- The lack of transparency regarding jobs offered and the "rules of the game" of mobility.
- The scarce follow-up by officials of their mobility projects.
- The lack of evaluation of mobilities carried out in career development.
- Material, social and family difficulties linked to mobility (access to accommodation, day-car centers, difficulty for the spouse to find a job).

The Bill dealing with mobility and professional careers covers the main proposals resulting from this agreement. Sixteen articles are focused on the solutions sought. It deals with favoring transfers and integration between different public functions, developing new hiring modalities and anticipating mutual recognition between the administrations of the advantages acquired by an official during his transfer period.

The innovative aspect of this device is that it allows for performing the job, not full time under the three public functions and authorize, at times, having to resort to temporary employment for facing additional work.

This text also eliminates the age limits for internal contests and opens them to nationals from the European Union.



## Labor Mobility at SAT

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Starting in 2005, the policy of internal mobilization or rotation of administrators and deputy administrators of the country's customs offices was institutionalized.

It began to be applied to administrators in the same categories. Categories are determined according to the size of the Customs Offices and number of operations carried out. In 2006, the policy was applied to the deputy administrators of the country's customs offices.

In both cases, there was the surprise factor and it was also considered an involuntary mobility. Then in 2007, the strategy for mobilizing or rotating the administrators and deputy administrators of the different customs offices was implemented, although taking into consideration the regions thereof and the categories.

That same year, when taking the initial steps in the administrative career path, following the creation of 180 new positions at the Examination Intendance, internal mobilization or rotation of professionals from the operational to the normative area and viceversa was begun.

The contracts include the clause of acceptance of mobility within the region where the official is originally hired and in addition, rotation issues are clarified in the process of selection, hiring, inclusion and induction and therefore, it is then perceived as voluntary mobility.

### **Strong Points:**

- Any of the trade facilitation networks that could be established in the customs area are eliminated.

- The level of collection is increased by rendering effective internal mobilizations or rotations.
- A level of risk perception among officials working in the Customs Offices is established, because they consider and perceive that there is surveillance.
- At the Examination Intendance there is a significant reduction of anonymous notes or denunciations about auditors who lend themselves to acts of corruption.
- Perception of improvement in the working environment of the operational as well as normative area is determined, according to measurement undertaken in late 2007.
- Inclusion of the clarification in the contract makes professionals aware of the possibility of mobility at the tax administration's convenience.

**Weak Points:**

- There is instability in the working environment of the teams, on experiencing sudden changes at the top levels of customs offices.
- It is necessary to allow time for the physical mobilization of the administrator or deputy administrator to a new customs office, since he must change residence, given that most Customs Offices lack infrastructure for providing them housing.
- If the tax administration does not make it clear to the hired professionals that they may be rotated according to the organization's interest, mobility may be considered involuntary.



## Experience on geographical institutional mobility

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To strengthen transparency in performance of the job and capitalize on the competencies of the hired staff in the country's different customs offices, it was decided to stipulate **annual rotation** in the officials' appointment agreements.

The rotation process at the Customs Offices is carried out through a simple drawing by levels of positions as follows: 1) Administrators, 2) Deputy Administrators, 3) Heads of Valuation and Clearance and 4) Valuation and Clearance Officials.

According to the procedure a representative from each level is selected in each customs office and this is informed to the Deputy Directorate of Customs Revenues. The Directorate issues a list of all the positions described above at the national level with the respective representatives. Announcement of the drawing is made. Ballots with names of the different customs offices of the country are placed in sealed envelopes and introduced in a ballot box, which is opened on the day of the announcement in the presence of witnesses representing CEIMSA, the National Human Rights Commissioner, the National Anti-corruption Commissioner and the press media. On the day of the drawing, the name of the customs official is read and the representative takes the ballot with the name of the customs office from the box and reads out loud the customs office to which the official will be assigned. Thereafter, an official Communications of the transfers of officials is sent to the different customs offices of the country.

### **Strong Points:**

- Avoids familiarity of external customers of each

customs offices for the benefit of transparency and reduction of corruption.

- Acquisition of experiences in the air, land and maritime customs offices according to the commercial activity taking place in each of them.
- The appointment agreement indicates annual mobility in these positions.

**Weak Points:**

- May result in staff desertions due to family or geographical reasons.



# Experiences on Performance Management





## Performance Review & Development System (PRDS)

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The new Performance Review & Development System (PRDS) is part of the reform initiative of the Public Sector which seeks to actively link the work objectives of individuals to the objectives of the public sector and specifically to the key tasks and key results of each agency;

**Performance Management:** is a planned organisational approach to the management of employee performance by providing continuous feedback on actual performance, in relation to agreed and clearly defined performance standards.

- It endeavors to Improve performance by aligning planning with management.
- Connecting and coordinating planning and the budgetary cycles of the organization with the plans of the division and the working plans of the teams and employees, with development and compensation and recognition activities for a job well done.
- Promoting a non-blame approach for solving problems, empowering the employee and developing a performance culture.
- The system is objective and providing for development by nature, allowing for recognition and compensation for good performance.

**Objectives of the Performance Review and Development System (PRDS):** The system contributes to develop a culture of "renewed professionalism" in the public sector in part by:

- Improving work planning.
- Clarifying authority, responsibility and reporting relationships in order to ensure accountability and transparency.

- Identifying employee competencies and allowing the prioritising of their development needs;
- Identifying unsatisfactory work performance and developing employee performance improvement plans, while recognising and rewarding good work performance.
- Appraising the work performance of employees in an open, objective, fair and consistent manner.

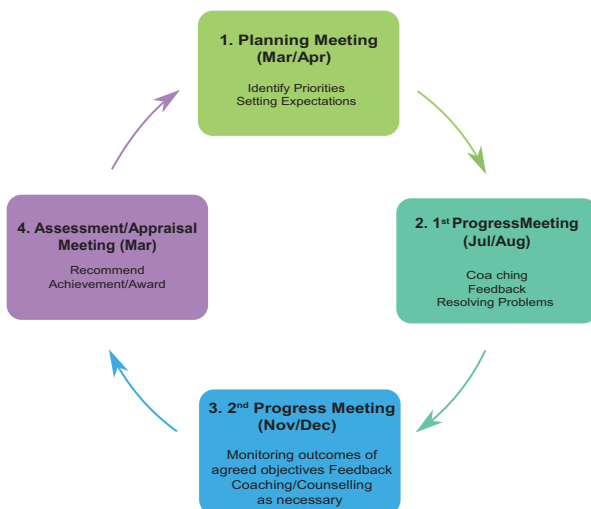
### Who Is Involved?

All members of the public service of Barbados with the exception of the Police force and teachers, for whom separate systems exist.

The Government's objectives are communicated to ministries and departments for translation into key objectives and key performance indicators. These will flow through into departmental work plans and individual work plans. Every office develops its work plan with the supervisor or manager, receives coaching and assistance throughout the year, as needed. Employees are assessed at the end of the review year on the achievement of agreed work plan objectives and individual achievements.

### The Annual Performance Cycle

#### The Annual Performance Review Cycle



(Source: Performance Review and Development System Guidelines)



1. Planning (Mar/April)
2. 1st Progress Meeting (Jul/Aug)
3. 2nd Progress Report (Nov/Dec)
4. Performance Appraisal (March)
  - Achievement/Award
  - Resolving remaining problems affecting performance
  - Career development considerations
  - Performance improvement plans.

**Strong Points:**

- Removes subjectivity from the process.
- Provides for prior agreement on performance targets by both evaluator and evaluatee.
- Encourages development of the individual.
- Promotes the alignment of individual and organisational goals.

**Weak Points:**

- Failure to achieve adequate buy-in may result in failure of the system.
- Detailed nature and additional effort seen as an imposition made by management.



## Performance Management at the(SII)/ Integral Feedback on Head Officials "from the standpoint of collaborators"

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### Background

Within the context of the new challenges it must face, the Internal Revenue Service counts on the effective and efficient collaboration of each of its officials, for fulfilling the pertinent organizational objectives and goals, as well as proactive and flexible willingness to face and adapt to institutional changes.

In said sense, the SII has been designing new initiatives to follow up and strengthen the performance of its officials, by generating mechanisms for the continuous improvement of institutional management.

In a gradual process, the purpose is to move from the current grading process to an effective **Performance Management** system that may be directly and effectively linked to the organizational needs and with the professional and personal development of the officials.

### Performance Management

At the SII, Performance Management is a systematic and continuous process which allows for guiding, following up, reviewing and improving institutional management, for efficiently achieving the organizational results, in a logic of permanent optimization.

The process calls for influencing the performance of the officials, aligned with the strategy of the Service and the sustained improvement of their contribution for achieving the institutional objectives.

The Service recognizes in the performance of its officials, the fundamental basis that generates the overall achievements of the organization and, accordingly, the compliance of its mission. Therefore, it will generate

the necessary conditions to facilitate the active roles of the managers and officials in the performance management process.

The Service has decided to develop a cycle that comprises four phases:

- **Performance Planning** which is defined as the phase establishing performance rules or guidelines, aligned with compliance of the objectives of the respective area that may allow for continuous managerial improvement.
  - Work performance will be understood as the result of a series of conducts or behaviors which persons display in their jobs and which account for their compliance with their role and achievement of the results expected.
  - The Deputy Directorates, Regional Directorates and Large Taxpayers Directorate will establish performance rules or guidelines for the areas under their responsibility, linked to the period to be evaluated, which will be aligned with the scheduled objectives and goals.
  - At the beginning of the period to be evaluated, the head offices will hold meetings or interviews to share with their officials the performance rules or guidelines determined for the period, indicating what is expected of them and urging them to pose their expectations and requirements in such respect.
- **Performance Evaluation** which is a results variable preceded by factors that are internal or external to the individual.
  - Performance Management implies developing a formal, speedy performance evaluation process through instruments and procedures clearly established in regulations known by all SII officials.
  - The Service will use evaluation instruments with a simple structure based on measurement instruments that may account for performance linked to transversal conducts or behaviors, as well as specific ones, related to the functions required by the positions.
  - The transversal competency factors will be those determined by the Service and will be linked to certain capabilities which all officials must have for performance and development at the SII. They involve the evaluation of certain behaviors that are directly related to the compliance of the SII's strategic objectives.

- The Service understands that performance evaluation is a task inherent in the managerial function, for which reason it must be carried out according to the conditions determined in the policy and rules in force. Therefore, managerial positions will be evaluated according to the manner in which they comply with such conditions.
  - For effective Performance Evaluation, the Service has determined compliance with four important milestones:
    - Determination of the performance guidelines at the beginning of the period to be evaluated.
    - Feedback interviews.
    - Quality of the background in the performance reports.
    - Compliance with the terms established according to regulations.
- **Feedback on Performance** is an important factor in Performance Management and is defined as the process whereby the official receives from his supervisor direct, timely, clear and useful information about the recognition and improvement of his performance.
- **Capacity for providing feedback** will be defined as the skill of the supervisors for holding a dialogue with his officials, to discuss and express recognition for the contributions made to the working team and the organization, as well as to provide orientation and the necessary support that may allow for modifying those performance aspects that are capable of improvement.
  - The Service will promote in the management offices the capacity for providing feedback, in the understanding that this is a generic and fundamental competency for carrying out their functions, which should be carried out in a timely, adequate and constructive manner in relation to the officials under their direct supervision, at the level of respect and fair treatment.
- **Performance Follow-Up** is related to monitoring, control and support to the Performance Management Process, for the purpose of favoring its quality.

## Example

A series of initiatives intended to strengthen the Performance Management process have been implemented, fundamentally with respect to feedback.

Some of them are:

- **With respect to Management Offices:**
  - The management offices must follow up the performance of their officials by applying some management instruments such as, for example, "the Performance Improvement Matrix", whose objective is to maintain more precise record on the performance of their officials at different times, by attributing importance to quality in feedback as well as in the preparation of the performance reports.
  - As a result of follow-up through the feedback process, the management offices must determine actions for the individual improvement of their officials, motivating them to achieve specific goals within specific time frames.
- **Performance Agreement:** One of the commitments of the SII's Performance Agreement is aimed at improving performance management through 2 indicators:
  - The first is aimed at compliance with the performance reports and pre-qualification within the established terms.
  - The second deals with compliance with the conditions of the feedback process.
- **Skills Development:** The SII's management offices have been specifically trained in feedback skills through a program consisting of three levels (basic, intermediate and advanced). The purpose of the program is to strengthen the skills of supervisors so that officials may receive adequate feedback as part of a continuous process and complying with the stages of preparation, development and conclusion.

### Strong points:

- The performance evaluation process helps officials to be aware of their supervisor's expectations, allows them to receive feedback as part of a continuous process, with the possibility of carrying out timely improvement actions.

## **Weak points**

- There is a weak interrelationship between performance management and the compensation and development issues. On the one hand, there is no variable compensation linked to performance and, on the other, the connection with development management only occurs in the promotion processes of some groups of officials, but is not an essential input for all career processes.

## **Integral Feedback on Managers "from the standpoint of the collaborators"**

### **Background**

The SII's Deputy Directorate of Human Resources has decided in its Strategic Plan to consider the development and improvement of the performance of its managers for which reason it has implemented a series of development and support activities so that they may adequately manage and better exercise their functions.

Feedback is an essential element for achieving such development and improvement in performance. Therefore, starting in June 2007, some Regional Directorates have included as **pilot experience**, an initiative aimed at generating "**ascending feedback**" to the managerial teams that comprise the Regional Directorate.

Depending on the results of this pilot experience, it will be extended to the rest of the teams.

### **Purpose of the project:**

Improve the competencies of managers through feedback based on the perception of the collaborators with respect to their leadership capacity and daily management, to thus contribute to develop and improve their role as manager.

### **Variables on which feedback is focused:**

- Factors used in Evaluation Managers' Performance.
  - Collaborative Work (Interpersonal relations, Collaboration).
  - Customer-Oriented (Customer assistance, Problem-solving).
  - Commitment to the institution (Flexibility, Initiative, Compliance with regulations).
  - Compliance and Responsibility (Leadership, Managerial Capability, Feedback Capability).

- Impact of Human Resources policies and programs management:
  - Impact of program for developing managerial skills.
  - Impact of management of plan for improving working environment.
  - Impact of plans and programs for improving the Labor Life Quality
  - Other specific plans and programs.

**Methodology for Facilitating Feedback:**

The methodology for facilitating feedback is implemented by a **Human Resources Consultant**, social sciences professional who provides support in Human Resources Management to the different managerial teams of the Service.

The function of the consultant is to facilitate the process, by generating opportunities for participation and Communications between the team members seeking to improve the performance of his immediate manager.

After the feedback process the necessary orientation and support are given to the manager for modifying and improving those performance aspects indicated during the process.

**Stages of the Process**

**Stage 1: Compilation of Information:**

Objective: On the basis of the team members' perception with respect to their direct boss, obtain relevant information on the strengths and suggestions for improvement in exercising leadership and team management.

Methodology: The Human Resources Consultant facilitate cycles of meetings at four levels of the Regional Directorate:

- 1st level: Officials who are collaborators of group managers (one meeting for each working team).
- 2nd level: Group Managers who are dependent on Department Manager (a meeting for each team of group managers).
- 3rd level: Heads of Department under the Regional Director } (one meeting).
- 3rd level: Heads of Unit under the Regional Director (one meeting).

## **Stage 2: Consolidation of information and preparation of the Feedback meeting:**

Objectives:

- Systematize the information compiled from the meetings with managerial teams.
- Prepare the Feedback meeting.

Methodology: The Human Resources Consultant identifies those performance variables which may have been mentioned with a positive or improvement valuation, and based thereon, he prepares the feedback meeting with the respective manager.

## **Stage 3: Feedback Meeting:**

Objective:

- Deliver to the manager information about behaviors and attitudes that could be improved, as well as those strengths he should maintain and/or increase.
- Determine a working plan and commitment for performance improvement by each manager with respect to those variables identified as deficient in exercising the role of manager.

Methodology: At individual meetings, the Human Resources Consultant delivers to the respective manager the feedback on his/her performance, from the standpoint of his team of collaborators, seeking permanently consensus on the diagnosis and commitments for improvement, which are materialized in a specific working plan at a 6-month term.

The suggestions and aspects for improvement mentioned to the manager must reflect the group's general opinion and not individual appraisal.

The suggestions made to the manager must correspond to possibilities for change that are within his/her sphere of action.

## **Stage 4: Initiation of a New Process (continuous improvement):**

After six months and having carried out a sufficient number of follow up and support actions, a new cycle of meetings will be held with the working teams and feedback interviews with the managers to verify



compliance with the improvement plan and provide feedback to the manager with respect to variables susceptible of improvement.

**Strong Points:**

- Allows for learning about the officials' perceptions regarding the performance of his direct manager.
- Allows for recognizing those significant aspects of the managers evaluated. Behaviors considered as strengths are reinforced.
- Provides reliable information on the observation of the officials, which towards the future allows for the manager's real development.
- Allows for developing the capacity for self-criticism in managers. Opportunities are generated for communication and participation among the team members for the purpose of improving the performance of managers and, accordingly, the general performance of the working team.
- Commitments for improvement of manager are generated and evaluated after 6 months.

**Weak Points:**

- At the beginning of the process there is mistrust on the part of the officials with respect to confidentiality in the handling of the information provided.
- Managers with little capacity for self-criticism, for which reason it is difficult for some of them to perceive the weaknesses that are observed by their collaborators.
- Perception, by the managers and collaborators that the information could be used for other purposes (such as dismissals, transfer, formal evaluation, etc.)
- Fear of expressing the perception on the evaluatee, due to possible adverse reactions.

All these threats that were observed in the two pilot plans currently underway have been mitigated by instilling trust, demonstrating that the information is confidential and is used for the exclusive purpose of continuous performance improvement.



## The double Performance Evaluation System

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There is a system which poses a double evaluation of the result of the activity at the collective as well as individual levels.

### **The collective result:**

The evaluation is provided in a results contract entered into with the General Budget Directorate. In this framework, the tax administration commits itself to achieve specific objectives. As counterpart, the Budget Directorate commits itself to provide the human and financial resources for achieving them.

Follow-up indicators corresponding to the objectives to be achieved are determined. Sharing in productivity profits and collective benefits is anticipated for all officials if the objectives are achieved.

### **The individual result:**

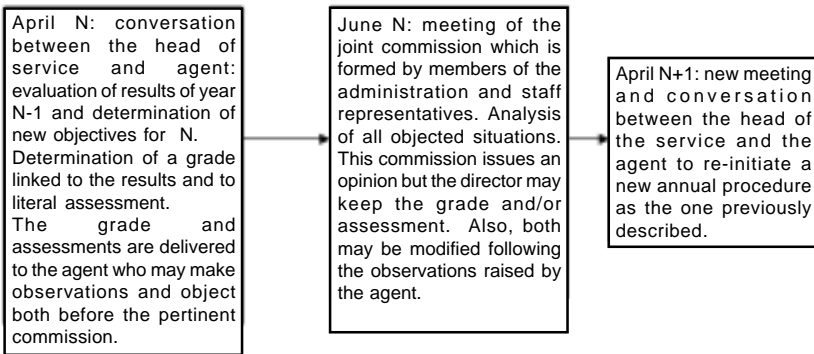
Every year the head of the services establishes in a contract and in writing, the individual objectives of each official. The following year a personalized assessment is made at a meeting of the head of the service and the official. The annual score given to the official who achieves the objectives allows for speeding up progress in the seniority scales. (1 month when the official has an increased score of 0,02 points and 3 months where the increase is 0,06 points). The change of scale generates an increase in compensation.

For the directors, the achievement of objectives as well as the implication in the professional activity are considered in determining a results bonus which is set according to the goals achieved.

**Observation:**

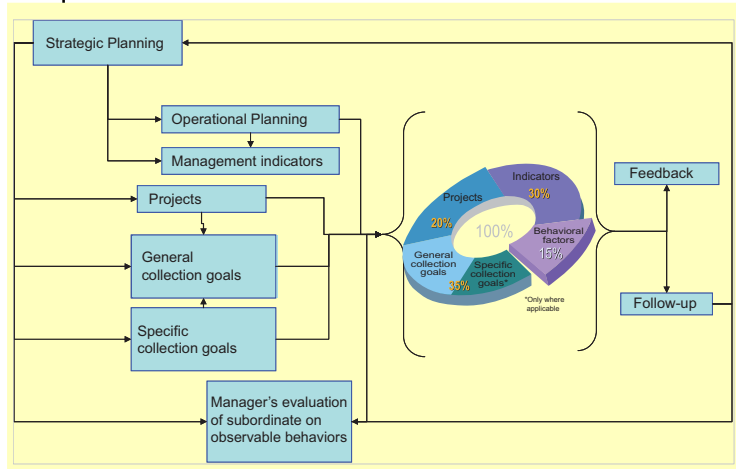
This double level system allows each official involved in achieving the objectives individually determined and those assigned to his/her office and at the national level.

**The evaluation cycle works as follows:**





# The Performance Evaluation Model



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The **objectives** of the evaluation:

- Strengthen the performance of the working teams and evaluate the results of the teams.
- Promote a management culture aimed at institutional objectives and results.
- Direct efforts and resources to the areas of potential improvement identified in the evaluation.

**General rules and responsibilities** of the administrative units

- The Human Resources Management Office must coordinate SAT's Integral Performance Evaluation Process. Within its sphere of control, it establishes and manages the Performance Evaluation Model and the behavioral factors.
- The Institutional Planning and Development Management Office must establish and manage the objective factors of the Performance Evaluation Model.

- Internal Auditing must verify the Model, the Processes and actual application of performance evaluation, as well as the information or documents that support the progress of projects or the status of indicators to guarantee its reliability.

The information included in the Management Planning and Control Module of the PROSIS System used by the different head offices of the different levels of the administrative entities is the responsibility of said heads of offices.

The 2008 Performance Evaluation Model has been reconsidered, since for 2007 and 2006, the models included 20% and 40%, respectively, of behavioral factors.

**Factors** comprising it and their weights.

The integral performance evaluation system consists of two types of factors:

- **objective**, with an 85% weight in the final grade and consists of:
  - Projects, 20%.
  - Performance Indicators, 30%.
  - Collection, 35%.
- **behavioral**, with a 15% weight in the final grade.

The members of the SAT management committee must hold working meetings to fulfill the commitments acquired with respect to projects, performance progress or strategies for increasing collection.

**Strong Points:**

- The results of the performance evaluation have been a criterion for several promotion processes. For example, in the case of candidates who have opted for internal positions or have applied in announcements of promotions, international scholarships, the results of the performance evaluation have provided objective information.
- Has afforded a measure for identifying trends among SAT officials and employees.

- Has allowed for measuring the evolution and development of individuals and working teams regarding projects, management performance and personal growth.
- It is a key element in the HPT (Human Performance and Training) for detecting technical or personal development needs.
- Has been considered a model and example of performance evaluation at the national level by other institutions and organizations.

**Weak Points:**

- Improvement in the measurement of factors has been evolving positively; however, until it has been totally developed and understandable by officials and employees, there are certain biases regarding the calculation, whether it is fair or not and how it is weighted.



## The Performance Evaluation System of the Executive Directorate of Revenues (DEI)

Within the framework of the DEI's **Human Resources Modernization Reform**, the **Performance Evaluation System** has been established as a process designed with three objectives:

- Examine, evaluate and improve institutional management.
- Achieve institutional goals.
- Serve as a tool for the employees professional and personal development.

The implementation of the system consists of three phases:

- Performance Planning.
- Execution of the Performance Plan.
- Preparation for Performance Evaluation.

**Performance Planning**: Is the first step and "milestone" of the system which puts into operation the rest of the new activities of the calendar year. This Plan establishes:

- Performance objectives that are aligned with the goals of the Annual Operational Plan determined in each management unit.
- A standardized systematic methodology with specific instruments and procedures.
- Responsibilities of managers that imply:
  - Review of their "Performance Commitments".
  - Establishment of objectives for the managerial staff under his/her direction.

- Supervision to verify that they are linked to the organizational priorities.
- Establishment of a Performance Review Plan scheduled to promote monitoring and achievement of the goals.
- Ensuring that planning reflects the cascade effect down to the line supervisors.

**Execution of the Performance Plan:** Is based on a process of feedback among managers to ensure:

- That the objectives are measurable as much as possible in terms of results.
- That the resources may allow for complying with the performance objectives, by setting priorities as to how objectives will be achieved and determining the monitoring of reviews.

**Preparation for Performance Evaluation:** Managers must keep a detailed record that may support the performance reviews and which may include observations regarding performance, achievement of objectives, use of management information reports and staff development, changes in objectives and priorities, opportunities or obstacles that affect performance.

The DEI has determined two Evaluation modalities: Managerial Evaluation and Employees Evaluation.

- **Managerial Evaluation** . Is aimed at directly supporting the strategic goals of the institution based on four Working Requisites:

- Results of the Program.
- Customer Satisfaction.
- Quality and
- Change Management

At the beginning of the year the Managers have prepared their "Performance Commitments", which is an agreement signed between the subordinated Manager and the Manager who establishes the working objectives; normative as well as operational which are transmitted by cascade effect to every level of the working area. The objective is to achieve the successful accomplishment of the DEI's Annual Working Plan.



This Evaluation is being implemented since 2009 and the "Performance Commitments" of every managerial office at different levels have been concluded and signed.

- **Employees Evaluation.** Is focused on the critical elements of the position that link the employee's performance to the achievement of the organizational goals. Describe how tasks in a position must be carried out in a totally satisfactory manner to support the critical elements of the position.

It is worth clarifying that employees' evaluation has advanced up to the identification of the critical elements.

Performance Evaluation is scheduled to be held annually with quarterly follow-ups.

The System operates in coordination with the Departments of Planning, Policies and Human Resources Processes and the normative Managers.

**Strong Points:**

- Allows for more effectively evaluating performance according to compliance with goals.
- Allows for continuous improvement and aligns development programs

**Weak Points:**

- The traditional culture generates some resistance which causes the process to be implemented at a lower pace than expected.



## Performance Evaluation

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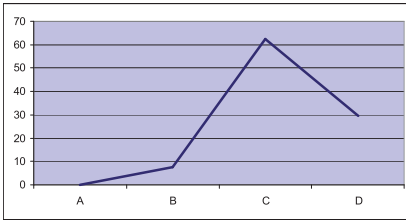
Since 2004 the managers of local offices have been assessing the performance of the new employees using an evaluation system which identifies two areas: output and organizational behaviour. The outputs are measured through the operative autonomy evaluation by using three different qualitative indicators of performance. The organizational behaviour has been codified in eight competencies grouped into three clusters: reliability, achievement dynamism and relational dynamism. Each competency has been codified by taking into consideration the specific needs of the tax administration and described in relation to the different organizational behaviour shown in our specific working context.

Both for outputs and competence evaluation we have four different levels:

- A = unsatisfactory. Behaviour which is not in line with the organization's values, and therefore are negative.
- B = satisfactory. Behaviour which meets a correct performance in relation to the Agency's targets.
- C = more than satisfactory. Real positive behaviour helping significantly to achieve the Agency's targets.
- D = excellent. Outstanding behaviour for the particularly qualified job.

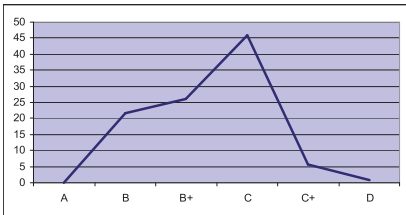
The graphs below show the evolution of the use of the evaluation system year after year, considering the average between the outputs and the organizational behaviour evaluation.

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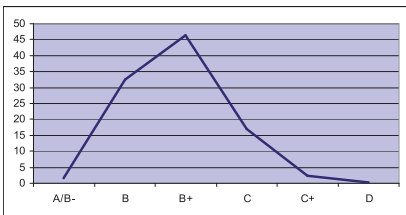
The evaluations were polarized at the highest levels (C and D). The performance was over-evaluated.

2006



The range of highest level is significantly reduced. The evaluations were polarized at level C. The performance was still over-evaluated.

2008



Distribution of evaluations was very close to normal distribution (bell-shaped curve). Evaluations are reliable. Main tool used for achieving this objective were co-evaluation tables. Evaluators must compare their evaluations among themselves and submit tangible evidence of excellent performance.

### Strong points

- The reliability of the evaluation system. The distributions of the evaluations show an increase in the evaluation culture inside the Revenue Agency from an over-evaluation approach, common in our public administration, to a reliable use of our evaluation system.
- The possibility to carry out a development plan based on the evaluation

### Weak points

- The tendency to over-evaluate
- The equity of the evaluations
- The difficulty for assuming the responsibility to evaluate



## The Performance Evaluation System

### P E R U

The Work Performance Evaluation System is governed by its own Regulations and has been applied annually. Starting in 2009, Work Performance will be evaluated biannually.

The initial **purpose** of the process is to measure the performance of the institution's workers, generating feedback to guide their efforts and minimize their deficiencies.

The **objective** behind evaluating the work performance of the Tax Administration officials is to determine their potential for development in order to carry out functions of greater complexity and responsibility and, in addition, to determine the training needs required by the staff for its development.

The Evaluation System is applied to Tax Administration workers in the Categories of Manual Workers (Porters, Drivers and Specialized), Assistants, Secretaries, Technicians, Analysts, Customs Officials, Professionals, and Managers.

In the case of Officials holding Trustworthy Positions (Members of the High Level Management Committee), High Level Management determines the evaluation mechanism for said staff.

The evaluation is made through a Computerized Module (INTRANET), and is carried out by Evaluator 1 (the worker's immediate boss) and Evaluator 2 (the boss of the worker's immediate boss).

The Evaluation System is based on the measurement of factors, according to the Occupational Group to be evaluated, as follows:

- Group I: High Level Management determines the evaluation mechanism.
- Group II: Formed by the Managerial staff
  - Managerial Capacity
  - Technical/functional knowledge
  - Staff motivation
- Group III: Formed by the Professional staff and Customs Official
  - Technical/functional knowledge
  - Organization of the work
  - Communication
  - Attitude to work
- Group IV: Formed by the support staff (Technicians, Analysts, Secretaries, Manual Employees, Assistants)
  - Technical/functional knowledge
  - Communication
  - Work attitude
- Each factor is evaluated by grades:
  - Grade A: Evidence of optimum performance
  - Grade B: Exceeds the required level
  - Grade C: Reaches the required level
  - Grade D: Below the required level

### **Strong Points**

- The results of the Evaluation System are a useful and effective tool for human resources and High Level management.
- Allows for aligning the training and development programs to the requirements of the institutional plans and objectives.
- Is an instrument for reinforcing the institutional and occupational competencies of each group.
- Is an objective evaluation of the worker's performance and may be used as evaluation parameter in the career path, managerial positions, etc.

- The interview process prior to entry of grades between the evaluator and the evaluate improves the process.

### **Weak Points**

- The training of evaluators as well as their level of commitment to the tool is still insufficient.
- Evaluators fail to timely return the evaluation sheets.
- The twelve-month period is too long and in many cases there is no record on each worker's critical incidents.
- There is no effective communication between the evaluatee and evaluator, which should exist at all times and not only when there is a process.
- No explicit terms are set for solving controversies (claims and appeals).
- No sanctions are applied for noncompliance with the process.



## Country Experiences on Development Management

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### Development





## Staff Grading and Development Program (PRCAD)

The **Staff Grading and Development Program** (PRCAD) which is approved every year by the Secretary of Federal Revenues of Brazil is the summary of needs of the RFB units.

There is a classification of actions at PRCAD: organizational or management, technical-administrative and complementary actions.

The system allows for seeing in advance the training actions that will be carried out the following year, thus rendering feasible the budgetary and financial control procedures, as well as the analysis and adaptation of training requests by each of the SRFB units. In addition, the system allows for making the necessary adjustments during the years of execution.

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**Chart on PRCAD Evolution**

Year	Resources	Nº of Actions	No. of Hours	Nº Officials Trained
2000	68,44%	576	29.047	22.391
2001	81,73%	1713	103.188	39.684
2002	75,97%	1844	43.977	41.139
2003	45,39%	1284	27.648	25.348
2004	90,39%	2079	46.018	37.365
2005	86,82%	2415	54.105	32.557
2006	73,20%	1731	49.210	33.678
2007	25,69%	665	19.461	16.911
2008	68,67%	2.733	57.696	17.632



**Strong Points:**

- Systemic Vision.
- Total control in training planning and execution.
- Data base that may be used for planning new training actions.

**Weak Points:**

- A secondary role has been assigned to the official in determining the training actions, whose decision and dissemination has been left to managers only. To solve this problem, a means is being considered whereby the official may make his requests and in addition may be directly aware of the training events that will be held at the SRFB.



## Development of Head Officials

Since 2006, the Internal Revenue Service of Chile has been implementing a Managers Development Program. The Program begins with a 16-hour induction module, after which every manager undergoes a general development program in managerial skills consisting of 6 modules (total of 100 hours) which is conducted by a national university for three years, along with a specific program for developing feedback skills (32 hours). Both programs correspond to the middle development level.

Currently most of the directors and managers are in the last stage of the intermediate development level, for which reason the Program does not yet count on advanced or specialized level products.

### **Strong Points:**

- Broad coverage (100% of managers and directors).
- Specialized support from a higher education institution, which in addition certifies the participants with a diploma.
- High levels of motivation and participation.
- There are change processes that have become evident in leadership practices and in the working methodologies of those who attend the program.

### **Weak Points:**

- Lack of specialization lines that are expected to be available during the last stage which comprises an advanced level development.

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## Individual Right to Development (IRD)/ Evaluation of Development Needs

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Law 2 of February 2007 and its application decree of October 15, 2007 amended that texts that regulated **professional development**.

The **individual right to development**(IRD) is the main innovation of this reform. It is in force since January 1st, 2008.

The objective of IRD goes beyond development for modernization and immediate adaptation to a job. It rather involves the development of skills linked to career development, in the perspective of mobility or a promotion.

The individual right to development is 20 hours (10 hours in 2008) per year and per official, which may be accumulated up to a total maximum of 120 hours.

An official may request, in agreement with the Administration, preparation for a contest, an exam or continuous development action. As regards continuous development, within the framework of IRD one may only choose development actions included within the Development Plan that respond to the objective of adaptation to the foreseeable evolution of jobs and the development and acquisition of qualifications.

The development action chosen on the basis of the IRD may be carried out during working hours as well as outside thereof. In this latter case, the official is entitled to development equivalent to 50% of his schedule. In all cases, the administration assumes the development costs corresponding to the duration of the IRD.

Observation: this measure was recently implemented and it is not currently possible to measure the effects. The only data available up till now is that there have been very little requests (60 from a total of 75,000 officials of the former DGI) this first year.

### **Evaluation of Development Needs**

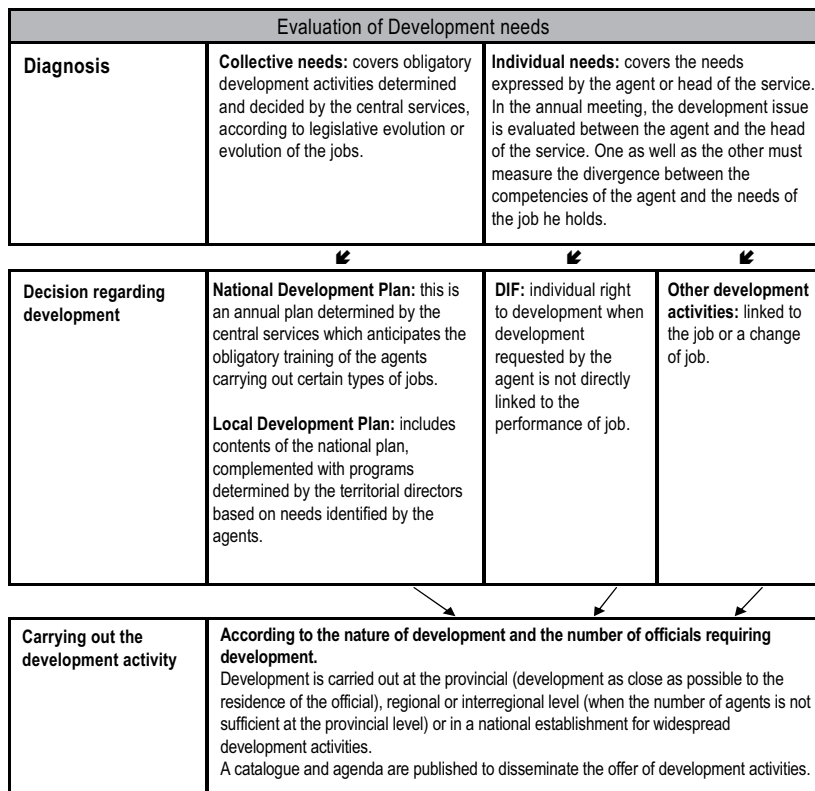
The professional development mission is carried out within the framework of a **National Development Plan** determined by the General Directorate.

It is organized on the basis of a method that consists of compiling the development needs expressed by the technical offices of the Central Administration and on the other, those expressed by the officials in the annual meeting with their heads of services.

The evaluation of development needs is based on 2 processes:

- The adaptation to a new job: with every change of job a balance of competencies is undertaken to measure the training needs.
- Additionally, the head of the services holds an annual meeting to determine the training needs expressed by the official. The head of services may also propose training that may allow the official to better perform his task.

## Scheme:



### Strong Points:

- The national and local development plans are a real synthesis of the training needs expressed by the central services (offices in charge of the "job" technique) and the directors.

### Weak Points:

- Development actions should also include in the development program the individual needs of the agents that at times may be very specific. The role of the development advisers (public management sector) or delegates of professional development (fiscal sector) at the territorial level is essential for specific local development actions adapted to this demand.



## Detection of Development Needs (DDN) applied at SAT

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Development in the Superintendency of Tax Administration of Guatemala is directed by **the Human Performance Technology**.

This model known as **Human Performance and Training** HPT, by its English acronym, provides an efficient method for solving performance problems and discovering the best opportunities for improving individual competencies.

DDN is thus based on this model. It begins with an analysis of gaps, the difference between the way things are and the way one would want them to be. After analyzing the problems of performance and their causes, there is sufficient information for choosing and designing solutions or "interventions".

- Solutions facilitate change to inadequate behaviors, preventing errors, reducing conflicts and providing a vision for the future.
- Interventions may vary, from changes in procedures, structures or equipment.

On making this analysis, one recognizes that, contrary to general belief, not all gaps are solved with development.

The diagnosis resulting from this analysis provides information on the type of development, depth of the topics, number of staff and proposes the appropriate methodology for delivering knowledge.

One of the most important aspects of this DDN is that the officials themselves are the ones directly involved in the analysis and strengthening of the performance of their staff and at the same time they become aware of the various ways for improvement.

**Strong points:**

- There is an integrated tool.
- With the application of HPT one has achieved:
  - Better guidance and distribution in development investment.
  - Greater commitment in the formulation of the development program the supervisor as well as the subordinate.
  - Improved quality of design in specialized, technical and professional development.

**Weak points:**

- Since development planning culture was lacking in previous years, there was reluctance in scheduling and filling the HPT forms, for the annual development plan in 2007 for application in 2008.
- Real needs determined by the superior authorities are unknown, general ideas were stated in filling out the forms.



## Development of Head Officials at the DEI

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The Executive Directorate of Revenues (DEI) presents some examples of development carried out within the framework of the Human Resources Reform being implemented.

Under **Recruitment and Selection** : All managerial level employees attended workshops on conducting "Interviews Based on Competencies" and focused on three aspects: Preparation of the Interview, Conducting the Interview and Evaluating the Interview.

Development involved teaching participants to conduct interviews, ask specific questions and follow up, with a logical sequence and with a previous reference framework so that they could identify those candidates whose profiles were better aligned with the functions of the position.

Under the **Performance Evaluation Program** they were trained in acquiring skills for preparing Performance Commitments for managerial positions, conducting working meetings, providing follow-up, reaching agreements and determining critical elements of the jobs to evaluate the employees.

The Performance Commitments are agreements signed by the immediate Supervisor and superior manager which establishes the working objectives. This commitment is signed at the beginning of the calendar year and the contents must explicitly ensure that the goals are aligned with the Annual Work Plan.

The Methodology applied was "Learning by Doing" and the participants were given the opportunity to develop Commitment proposals for 2009.



Priority was given to development of managerial levels as a means of ensuring successful results in the implementation of the Human Resources Professionalization Reform.

**Strong Points:**

- Support the commitment of management to the Human Resources processes and/or systems that may be presented.
- Promotes better on the job performance.
- Participation is increased thus favoring compliance with institutional goals.

**Weak Points:**

- The little time available for officials in managerial positions to participate in scheduled development events causes delays in carrying out the program.



## Diagnosis of Needs: A Pilot Project in the Department of Lombardy

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### The Experience of the Regional Department of Lombardy

Up to 2004 the Regional Training Office used to send a list of standard courses to the managers, who in turn recommended the appropriate personnel to undertake the courses. The managers often did not make the best choice so the diagnosis of training needs needed to be more effective.

Starting in 2005, the Regional Training Office began working on a development plan by way of an agreement between the regional offices and managers of the operational offices.

The project consists of the following steps:

- Telephone survey among managers regarding their perception about development.
- Preparatory activities for preparing a development plan.

The managers are divided into two groups to define development needs dealing with the working processes of the operational offices, specifying the name and contents of the courses and, if possible, their duration and methodology.

At the end, a catalogue of courses is approved by the managers.

- Diagnosis of needs:

Using the catalogue, the managers identify their office's training needs in three steps:

- Analysis of the resources matrix .
- Working processes of the office.
- Analysis of their staff's development potential.

**Strong points:**

- Greater involvement and commitment of the managers to the development plan
- A more complete catalogue of courses linked to the working programs
- Better diagnosis of training needs

**Weak points:**

- Very time consuming (including that of managers of the operational units)
- The catalogue needs to be improved and tested in the work field.



## Development Strategy for SUNAT

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SUNAT's development strategy is aimed at providing the staff the knowledge, skills and attitudes for efficiently and effectively carrying out their functions and for their professional and personal development.

- Sources for determining development needs
  - Institutional Planning
  - Performance evaluation
  - Surveys
  - Institutional Documents
  - Internal Auditing reports
  - Meetings with Professionals and Managers.
- Development Plan
  - For behavioral competencies
  - For updating managerial knowledge
  - For tax and customs knowledge (Institute of Tax and Customs Administration)
  - For Languages

### **Strong Points:**

- A good diagnosis of development needs for the business.
- A good budget devoted to development.

### **Weak Points:**

- High time consumption and not focused on support areas.
- The courses catalogue is not necessarily aligned with institutional planning.



## Country Experiences on Types of Development

### Types of Development





## The General Scheme of the Stages of Development

FRANCE

General type of recruitment (linked to a certain level of Studies and through public contests)			
	Type of development	Venue of development activity	Duration
Year N	Theoretical development	In a national development activities establishment	Development activities are 9 months for comptrollers and 1 year for inspectors. Conducted by permanent professors (category A agents who were given permanent professor training over a period of 6 years).
	Practice periods	In the provincial services	
	Complement of theoretical development	In a national development establishment	
Year N+1	Incorporation	In the provincial services	Assignments are made according to the range of classification when leaving the school.
	Practical complementary development	In the province assigned	Practical development covers a 3-month period for comptrollers and 6 months for inspectors. A tutor is designated to assist the agent in adapting himself to his new job.
	Definitive assumption on the job	The agent completed his formal development. If complementary needs arise, continuous development (during the course of the career) is provided.	
Year N + 2	<b>Continuous development:</b> obligatory development anticipated by the national development plan or at the request of the agent and/or his head of service.	In provinces, region, inter-region or in a national development establishment.	At the national level, permanent professors are the ones conducting classes in the establishments. In the provinces, regions or inter-regions, the trainers are officials from the services.
Year N + 3 and subsequent ones	When the agent requests a change of job, an evaluation of competencies is undertaken to measure his development needs. Different stages of development are proposed.		

**Strong Points:**

- There is initial high quality development of a general nature. The offer for continuous development is also very broad and complete.

**Weak Points:**

- The amount of the investment is very significant in the first years of activity, for the Administration as well as for the agent.
- For every change of job there is "return on investment" because an official who undergoes development during the career is not obliged to remain in his job and after a year, he may request a change to another position with a different job, thus generating new development.



## Types of Development during the course of the Administrative Career

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### Advanced Studies Program

The **University Education Program in Tax Administration and Insurance Technology** began in 2001 at SAT and was approved by the Management Council of a private university which conducts it. It was intended for 100 collaborators of SAT which at that time had approximately 2,427 employees.

In 2003, the Superintendent of SAT again signed an interinstitutional agreement with the private university for implementing the university studies, intended for already employed SAT officials. On this occasion, there were 33 officials among Managers and Directors and 366 employees for a total of 399 persons representing 14.43% of the total payroll. Students from the Western Region represented 2.1% of the total in 2003 and 0.87% in 2004.

In 2006, the masters' **programs** were replaced with Programs in various areas such as law, collection and customs. As of that year, only the programs that had already begun were continued, until gradually concluded in 2009.

### Development and Competitiveness Program

To repeat the experience with an institution devoted to development which supports and validates the subject contents of interest for SAT, in 2006, interinstitutional agreements were entered into with other private Universities and the National Development and Productivity Institute which certify the **Development and Competitiveness Program for the staff of the Customs, Examination, Collection and Management Intendance.**



Currently there is a Framework Agreement in force with a higher education center for implementing future academic programs for the SAT staff, which is preparing master's programs. Likewise, SAT is negotiating a similar type of agreement with the State University.

**Strong Points:**

- Interinstitutional agreements allow the Superintendency of Tax Administration as well as the student an annual savings in fees. The employee considers it an incentive because it facilitates academic improvement.
- Officials and employees are used as instructors and they can thus strengthen their knowledge and collaborate with the learning of students who are also employees.
- Has allowed for preparing the staff on affording them better knowledge of the law.
- Has strengthened knowledge of the legal framework and administrative processes.
- The level of professional criterion has been increased based on the experiences transmitted from the in-depth study and analysis of the Directory's Criteria.

**Weak Points:**

- According to Guatemalan legislation, they may become a source of economic advantage for those who have already received it. May become an acquired right for those who have not yet received it and have the right to acquire it.
- It is complicated to include specific development careers in tax and customs issues.



## Types of Development

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The main types of development at the DEI are: General Induction, Induction on the Job, Specialized Programs and Complementary Development and Staff Development Programs.

- **General Induction** is aimed at training recently incorporated persons for guiding them in important aspects about the organization from an integral approach which allows these selected persons to locate themselves within the context of their working environment. It is carried out by means of seminars duly structured according to topics, duration, target group and are conducted by members of the Human Resources Unit.
- **Induction on the Job** affords new employees development on issues directly related to the positions for which they have been selected. In such sense, there are induction programs designed for the customs and tax areas with an average duration of 350 hours. Each development process is certified by the Integral Customs and Tax Development School. (EICAT).
- **Specialized Programs** are intended to develop technicians in a specific area; for example, customs technicians.
- **Complementary Development** is aimed at strategic groups for the purpose of developing abilities and skills and supporting improvement, the services and the performance of persons participating in this type of development. Two programs have been institutionalized; namely: "Development of Instructors" and "Basic Management".

EICAT prepares, executes and coordinates the Development Plan, and likewise coordinates the

activities of the Central American Customs and Tax School (ECAT) which develops officials in the customs and tax areas. The School's headquarters are in Honduras and it is supported by SIECA, which certifies the development activities.

**Strong Points:**

- Focusing on Types of Development allows for counting on specific Development Curricula aimed at the objectives being pursued.
- Maximizes rationality of resources according to time, cost and effort.

**Weak Points:**

- The Development Curricula must be reviewed and updated by taking into account the global context.



# Country Experiences on Development Management

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## Development Modalities





## Tutor's Reference Framework Project

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Quality vocational development constitutes a strong priority in the human resources policy management. The practical training of theoretical knowledge forms an integral part of initial training.

In **initial development**, practical training courses, with variable duration according to the ranks, allow acquisition of the professional knowledge necessary for doing the job.

The **tutor of the practical course** plays a fundamental role because he takes part in the employee's adaptation process on the job and the working environment. Moreover, his mission may be of great relevance since practical courses are part of the recruitment process.

### **Recruitment**

Special attention should be given to the selection of the tutor since he plays a crucial role in the transmission of competencies. In order to guarantee the quality of the practical training courses, the first option of the group in charge of making the selection are those that offer themselves as volunteers.

It is recommended that you choose recognized professionals with at least one year of experience in the area he will be tutoring. The tutor must be in the same level of position or higher than that of the student.

To be sure of the tutor's time availability, he will only supervise one student. To carry out his task, the tutor must have teaching, relational and organizational aptitudes.

- **Teaching Aptitudes**: The tutor must be able to present the aspects of its his topic and work in the organization to the person being initiated through the transmission of the teaching objectives and different methods (demonstrations, explanations, on the job tests, etc.)

- Relational Aptitudes: He must follow-up the student or pupil, while establishing and maintaining the necessary support for the transmission of knowledge.
- Organizational qualities: He must be able to organize and create development situations or cases at the work place.

### **The mission**

He is in charge of following up the trainee in the process of discovering his/her future working areas through the transmission of knowledge and experiences and facilitating his/her professional integration.

The tutor welcomes, integrates, trains, and supervises the trainee.

He introduces him/her in the professional environment in which the trainee will be involved, provides daily supervision and plans the work. He integrates the trainee in real work situations to familiarize him/her with the various activities of his/he working area and must provide methodological advice and show "how things should be done". He participates in the professional integration of the trainee and creates the conditions that will assist him/her in his/her professional development, including those useful initiatives to be implemented in the practical course.

The tutor works in coordination with other colleagues in the development area. He does his work in accordance with the central administration's instructions. With the head of service, he plans the execution of the practical course. He must inform the central administration if difficulties are encountered, in order to solve them. He is also participates in development evaluation and coordination of the entire process with the central administration, schools, and other trainers. He evaluates the trainee's development and verifies the professional knowledge acquired, while evaluating the progression of the trainee in relation to the objectives.

### **The tutor's development**

When someone is a tutor for the first time, he should be trained as follows:

- General presentation of the initial development course (theoretical and practical)
- He must learn the codes of the development course

- Define the mission of the tutor in the development course
- Must be aware of the relationships that should exist between the tutor and trainee (communication and pedagogical techniques),
- Learns to evaluate the trainee's aptitude and to prepare and analyze an evaluation sheet, in the case of the practical development test course.

### **Responsibilities and rights**

Organize the practical development course according to the instructions given by the central administration in relation to the pedagogical implementation (contents and development). If necessary, he must meet with the head of the service to briefly report and obtain support.

He enjoys special leave benefits during the time he performs as tutor or attends meetings and may be reimbursed for travel expenses incurred in his work as tutor.

### **Evaluation**

The tutor is not entitled to any extra payment for his work.

However, following the evaluation interview, the official must be informed about the results, indicating and emphasizing the development activities to be carried out, according to his working area. The tutor's mission is to take into consideration, for the evaluation, the level of compliance with the objectives. The head of the development department should propose to the tutor to join the local development and also take part in the professional development council or working groups.

### **Strong points:**

- The role of the tutor is clearly identified and his mission is well defined.

### **Weak points:**

- At times it is difficult to find officials who may volunteer to carry out this mission, because it is believed that there is no adequate recognition by the administration.



## Development Modalities

# GUATEMALA

SAT, through mandate from the Directorate, at the proposal of the Administration has authorized an amount for granting scholarships to study either abroad or in Guatemala, with recognition from International universities.

Starting in 2006, the scholarship fund was created and the Scholarship Committee was institutionalized. It is comprised of the Administration, the areas involved in human resources development, as well as SAT's operation, planning and finance departments.

This Committee identifies priority issues to be taken into account in planning for developing the future strategies and links the universities and programs offered to the topics of interest. It thus invites those interested in participating in development and submits for consideration of the superintendent's office the proposals classified according to objective development factors such as the applicant's scholastic evaluation, performance evaluation and impact on the tax administration upon conclusion of studies in the areas of interest to the tax administration.

Funding includes payment of the student's registration fees and maintenance expenses, as well as one roundtrip ticket during the period of the scholarship.

### **Strong Points:**

- The professionalism of the tax administration is strengthened and officials are selected from different levels, management offices, regions and intendances.
- Transparent selection process.



- Development is aimed at the interests of SAT's plans and strategies, although it is dependent on the offer of the advanced education institutions abroad or local ones conducting International programs.
- The scholarship fund is implemented, for which reason it automatically becomes a recurrent program for development abroad.

**Weak Points:**

- Resource fund sets a limit to a certain number per year and not necessarily from various areas.
- Applications and adjudging to applicants depend on the academic offer in force, while funds are available.
- Development is still based on the demand of the collaborators and not on planning.



## Development Modalities

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Annually, a **Development Plan** is prepared and implemented by the **Integral Customs and Tax Development School (EICAT)** to prepare employees in the sphere of their specific functions and in accordance with institutional objectives.

A previous Detection of Development Needs (DDN) has been carried out and subjects requiring development have been identified, as well as the number of staff members that should undergo development; such needs have been prioritized and the Plan has been designed. The subjects identified may translated into duly scheduled workshops and/or seminars which are conducted by internal or external instructors developed by EICAT by means of an 80-hour instructors development program.

A new development program was implemented in 2009 to support the Administrative Career. This development modality is carried out until the staff undergoes the **Competencies Certification** process which determines the staff whose knowledge needs to be reinforced.

The methodology implemented is the Gap Analysis. In this respect, instructors from the same unit that have undergone the Certification process are trained; they perform the Gap Analysis and based on the results, they structure the development program. An instructor is assigned to follow up 4 or 5 employees and alter six months, a new evaluation is performed to determine their certification.

### **Strong Points:**

- It is aimed at the employee's best performance on the job.

- The participant is given individualized development, which renders the teaching-learning process dynamic and allows for timely feedback between the instructor and participant.
- The instructor verifies as they move along, the skills and knowledge which the participant has been acquiring as a result of the continuous follow up given to the tasks assigned to him as part of the development process..

**Weak Points:**

- Instructors must balance their time to fulfill their functions as instructor and comply with the tasks assigned to them in their jobs.
- The capability for assigning an instructor to three or four participants may be limited by the human resources available.



## **Examples of Modalities: Distance, face-to-face and/or Mixed: face-to-face and Virtual Development Modalities**

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In late 2008, the tax agency implemented for new employees, an innovative process in development modalities based on a combined face-to-face and virtual methodology which uses:

- A classroom.
- On-the-job development.
- Self-development.
- E-learning tutoring.

The e-learning tutoring consists of conducting courses at the work sites: auditing, legal appeals, refunds. Each student has three tutors, one for each activity.

In the courses, students focus on improving knowledge of matters related to their working areas and to acquire a better "how to do it" in those activities where they are not directly involved.

The key figure in this process is the tutor, a specialist with technical and professional knowledge in any of the three activities. The virtual tutor will support the students' development process, preparing the case Studies, presenting the objectives of the course in one day of class and administering a blog in the course's computerized platform.

The tutor will use the blog to interact with the students through the publication of the case study and supporting them individually through explanations and reflections. The students may make their comments and discuss various issues, thus creating a virtual community that will render the learning process much more effective.

The learning process includes:

- Opening session.
- One day in the classroom to describe the objectives and learning process of the first case study to be analyzed.
- Analysis of the first case in the blog.
- Intermediate session: one day in the classroom to consider in depth aspects dealing with the first case study and preparation for the second one.
- Analysis of the second case study in the blog.
- Closing session: One day in the classroom to consider in depth aspects dealing with the second case study and for closing the process.

This process is carried out in a very innovative manner, by considering the use of new technologies, the development of new technologies, the blog, the development of staff competencies, without losing sight of the face-to-face approach. It contributes to the employees' development in a much more effective manner than in the traditional classroom, without affecting the work of the operational units.

**Results expected:**

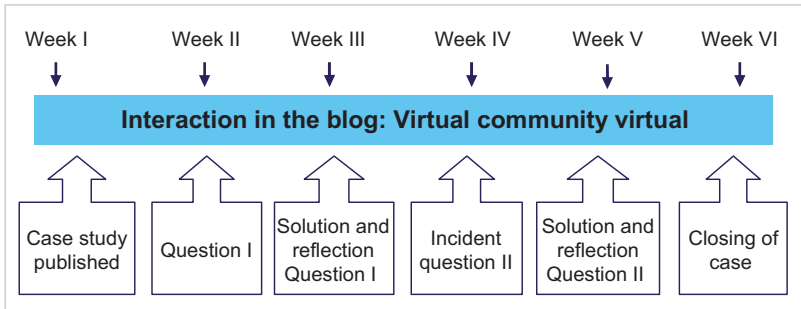
- Prompt incorporation to the job.
- Costs related to development.
- Development of innovative methods.
- Evaluation of human resources with high potential.

Key factors:

- Capability for using innovative tools.
- Alerting participants.
- Motivation.
- Technological preparation.

## Example of a case study process

### Example of a case study process



#### Strong Points:

- Lower cost and greater effectiveness than traditional development.
- Greater connection between development and job.

#### Weak Points:

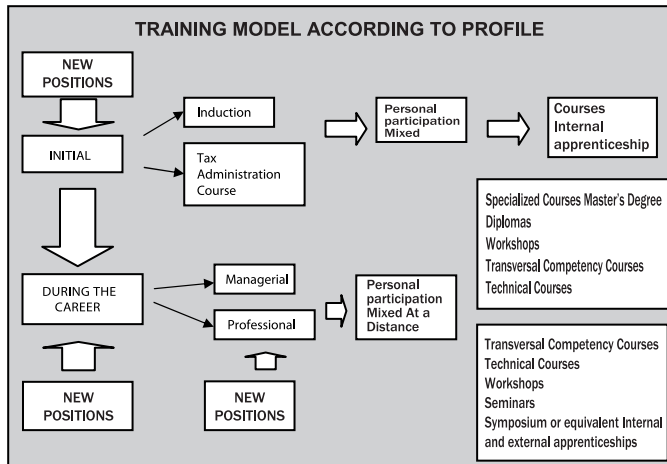
- High initial investment.



# The SUNAT Development Modality

TYPE OF TRAINING	MODALITY	ACADEMIC ACTIVITY
INITIAL	Face-to-face Mixed	Courses Internships
DURING THE CAREER	Face-to-face At a distance Mixed	Courses Seminars Internships (internal and external) Workshops Symposiums
NEW POSITIONS (Administration's Staff that takes over a higher level position).	Face-to-face At a distance Mixed	Programs Specialized Courses Workshops Internships
NEW POSITIONS (Staff which is assigned a new or different function or entering to perform new, specific or specialized functions).	Face-to-face At a distance Mixed	Courses Internships

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## Development Model

Development of the staff of the National Superintendency of Tax Administration (SUNAT) takes place through the Annual Development Plan. The plan is developed annually based on the Diagnosis of Development Needs, which takes into consideration various sources with the main ones being:

- The contribution of all offices at the national level which report their development needs thereby allowing for preparing a map of needs based on the alignment of the Institutional Strategic Objectives with the staff's specific training and development needs.
- Information from the worker's performance evaluation process, which is used in estimating the competencies gap.
- Historical information dealing with development t needs that have not been satisfied.

### **Elements** of the Model

- Development must be focused on:
- Interpersonal capabilities of the job's profile.
- Strategic objectives of the institution.
- Orientation toward the internal and external client.
- Process management.

The development model is structured in accordance with the following **elements**:

- Strategic planning based on strategic objectives and institutional projects.
- Annual Development Plan which comprises the Technical Development Plan and the Development Plans in Management aspects.
- Curricula Structure.

Finally, it is worthwhile mentioning that the objective of the Development Plan is to provide the institution's human team with the knowledge, skills and aptitudes that may allow them to efficiently perform in their current and future jobs, in such a way as to facilitate compliance with that established in SUNAT's Strategic Plans.



## **Development in the Management of Talents**

A **Managerial Skills Program**, with a 171-hour duration has been designed for managers and supervisors. Its main objective is to provide this Group of staff members strategic and interpersonal competencies. This investment is aimed at consolidating the professional development of both groups.

The program is open to the institution's staff at the national level and consists of two modalities: Face-to-face and Virtual.

### **Evaluation of Development**

The institution evaluates the development of its staff through a "Development Questionnaire" which measures the participant's satisfaction. It is filled out and sent upon conclusion of the event. It is important to note that this Questionnaire is applied depending on the number of hours and cost of the development course or event; therefore, it is not applied in all cases.

To determine the impact of on the job training, six months later the immediate supervisor is requested to fill out the form "**Evaluation of Development Effectiveness**" whereby it is determined whether the knowledge acquired resulted in an improvement of the workers productivity and efficiency.

Finally, it must be noted that in the case of the Development Subsystem, the Technical Quality Secretariat carries out an audit every six months, since the procedures have an ISO Certification.

### **Strong Points:**

- There are several development modalities that can be applied at the national level.
- Development in managerial skills is allowing the standardization of skills among managers.
- Measurement of development quality for CUSTOMS.
- The Annual Development Plan comprises the Technical Development Plans and the Plans for Development of Management aspects.

**Weak Points:**

- Evaluation of development is not timely.
- There are many courses outside the Plan and accordingly, are not aligned with the institutional strategy.
- Evaluation of development is only undertaken at Level 1, by means of a reaction survey.
- Learning is not evaluated, which could be done through the instructor, by considering an ex-ante and an ex-post situation.
- The impact of development should be considered through the presentation and execution of Improvement Plans.



# Country Experiences on Development Management

## Development





## Evaluation of the influence and Impact of the DIAN National Training and Development Plan, (NTDP) 1999 - 2003

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Summary of the main sections of the Final Report of the Undersecretariat of Human Development- Tax and Customs School Division of the National Directorate of Taxes and Customs of Colombia (DIAN), on the work carried out for evaluating the incidence and impact of the organization's Training and Development Plan (NTDP) for the 1999-2003<sup>1</sup> period.

### Background and conceptual framework

In the year 2000, the Tax and Customs School proposed in an internal document the **Follow-Up and Evaluation System (FUES)** of DIAN's 2000- 2005<sup>2</sup> National Training and Development Plan (NTDP) which includes the following levels or stages of evaluation of the:

- Design and composition of the NTDP and its programs.
- Preparation of the NTDP programs.
- Institutional training-development process.
- Results or incidence (or impact) of the training and development activities.
- Educational administration and training-development management.
- Dissemination of the evaluation results.

<sup>1</sup> The DIAN structure was modified on October 22, 2008.

<sup>2</sup> Evaluation and Follow-Up System (SISE) of the National Training and Development Plan (NTDP) DIAN 2002 - 2005. Working document, Customs and Tax School Division, Second Edition. DIAN, Bogota, October 2002.

**Objective:**

Observe the most significant effects in the areas and in the institution and the long-term impact in the development processes thereof. The purpose was to determine whether the development and training of the Tax and Customs School have been effective.

**Results indicators:**

The work endeavored to validate and consolidate the indicators that were developed on the basis of the academic information produced by the Tax and Customs School and the Undersecretariat of Human Development; as well as the relationships that may be established with the management reports of the areas, of the Undersecretariat of Planning and the Undersecretariat of Personnel of the entity.

In this respect, four main levels of indicators are covered:

- **Effectiveness:** Measures the acquisition and development of knowledge and skills and the development of attitudes achieved in the officials and in the working areas.
- **Efficiency:** Observes the level of transfer of what has been learned such as new behaviors on the job, work productivity and quality of the products before and after training and development.
- **Influence or impact of institutional training-development:** Analysis based on different components of Individual Performance Evaluation (IPE) of the officials, of the area management reports and follow-up by the Undersecretariat of Planning of the management and collection indicators.

Some area indicators were measured, such as staff turnover (transfers and retirements by dependency), team work, productivity and management improvements. Due to reasons of the very study, such aspects as working environment and attitudes, absenteeism and time savings, level and quality of internal communications, among others, could not be considered.

At the personal (individual) level and through evaluation of performance, an evaluation is also made of the level to which the various performance and achievement factors influence officials and the way in which the intervention of development and training programs may improve such performance.

- **Management of training area (School)**

At this level of School management, an analysis may be made of various indicators that account for development and efficiency of the programs. Some of them are:

- **Operational**

Cost of official per program / Cost per program / Average cost per official / Average cost per course / Hours not worked while providing training) / Administrative/logistic capacity of School.

- **Tactical**

Execution vs Budget by program / Coverage by program / Coverage by career subline / Duration per subject / Passed and failed.

- **Strategic**

Number of participants/total officials per program / Number of development hours - Number of working hours /Number of actions carried out - Number of actions anticipated / Number of persons trained by subline - Total officials /Compliance with School's strategic plan.



## Evaluation of Development During the Career

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Vocational training is a major stake for the accomplishment of change. It is also a factor of social advancement. Vocational training should be estimated, to appreciate its relevance and performance.

**Evaluation** is an operation the object of which is the production of a value judgment, before, during and as a conclusion of development, with a measurement of results according to pre-established criteria. This evaluation can be made at different times ("warm" or "cold") by different actors and at different levels (instructors, students, heads of department, finance officials.

Consists of measuring the discrepancy between the reality and effects expected or sought through a pedagogical device.

Every development is subjected to a "warm evaluation" which takes place at the end and the purpose is to evaluate development in general, from the material conditions (reception, facilities...) up to its contents, as well as the documents provided. All of DGFIP developments are subjected to a "warm" evaluation.

Following the "warm" evaluation, a "cold" evaluation takes place; that is, 6 months after development. The agent and his head of service must report on the quality of development, as regards the impact on the work carried out by the beneficiary of development. Approximately one third of developments are subject to "warm" evaluation.

**Strong points:**

- The "warm" evaluation is immediate and allows for promptly adjusting development if the pedagogical objective is not being achieved, as regards contents, duration or documents.
- The "warm" evaluation is very reliable, since it allows for determining whether the pedagogical objective was achieved and if development allowed the agent to advance in doing his job.

**Weak points:**

- The "warm" evaluation is not always very objective. The agent is at times prone to criticize the form rather than contents (had difficulties in finding the building, the room was cold, etc.).
- The "cold" evaluation is carried out 6 months after development, and thus the number of responses to the questionnaires is not as high when compared with the "warm" evaluation.





## Evaluation of Development during the Career

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Previously, development evaluations were limited to the participant's satisfaction in such aspects as logistics, food and objectives achieved during the event.

As of the analysis of performance with the **Human Performance Technology**<sup>1</sup> (HPT) the need has arisen for making evaluation a tool linked to the strengthening of performance. Therefore, at present, the evaluation is made as follows:

- Upon conclusion of the technical event, a participant's satisfaction evaluation is undertaken, with a view to improving comfort and logistics in order to promote a better learning environment.
- Also, at the end of the event, a knowledge test is conducted to determine the participant's post level of learning .
- A month later, a knowledge application questionnaire is used to determine the level of learning and application and transfer of knowledge. This is done by means of an interview with the immediate boss as well as with the participants in the event.

The appropriate tool is being developed for measuring the impact of training, based on the HTP methodology. The purpose is for bosses to be able to identify the causes of the problems in their working areas, indicating the strengths that do not require development and the potentials for improvement. The result must be aligned with the working needs and strategies in order to fulfill the objectives. Programs should be designed

<sup>1</sup> Human Development Technology (HDT)

according to the needs of the new processes, taking into account the incorporation of technology and improvement interventions in communication, group relationships, and application of leadership.

The HPT tool endeavors to incorporate in 2009, improvements for reducing the gaps existing among labor competencies required versus the labor competencies shown.

**Strong Points:**

Through the application of HTP we have been able to:

- Better orient and distribute investment in development.
- Achieve greater commitment through development of the head of the area as well as the subordinate.
- Achieve quality in designing courses for more specific and professional development.

**Weak Points:**

- Since development planning and evaluation was not applied in previous years, it was impossible to cover all real development needs in the 2008 Development Plan.



# Country Experiences on Development Management

## Career and Forms of Promotion





## Administrative Career/New rules on Functional Advancement

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The Brazilian Executive Body implemented through law No. 11.907 of February 3, 2009 as a solution to the administrative support sector of the tax administration, a "plan of finance positions" for officials of the Ministry of Finance, including those belonging to the RFB. This plan has been called Special Plan of Positions of the Ministry of Finance-PECFAZ.

This plan will consist of upper, intermediate and assistant level positions as may be seen in the following table:

### COMPOSITION OF THE ADMINISTRATIVE CAREER

Distribution by Classes and Patterns		
Various Positions	Classes	Levels
Superior Level	Special	I to III
	C	I to VI
	B	I to V
	A	I to V
Intermediate Level	Special	I to III
	C	I to VI
	B	I to V
	A	I to V
Assistant Level	Special	I to III

Also anticipated is the creation of new positions. Incorporation is only by means of public contests.

In terms of remuneration, there is a fixed and a variable one, related to achievement of the institutional and individual performance goals. These goals will be determined each year and will be adapted to the various areas of action. Performance evaluation will take place every six months.

There are two possibilities for career development: functional progression (advancement in scale due to seniority within a same class) or promotion (advancement of class by merit).

The knowledge test stage for the first and second contests of this new career was held in May 2009. The positions to be filled were Assistant and Technical Assistant of the Ministry of Finance, at the intermediate level. Candidates in this stage were 573,000 which hoped to fill 3,000 vacancies available, with the possibility of up to 4,000 candidates being approved.

**Strong Points:**

- Better attention to activities within medium term, rendering possible the availability of high level officials for managing strategic activities of the Ministry.

**Weak Points:**

- The number of candidates to be selected for the services is much greater than the offer, which will require significant efforts for obtaining, within short term, the expected results.

**New rules on functional advancement**

(forms of professional development within the ARFB career)

**COMPOSITION OF THE SRFB CAREERS**

**Distribution by Classes and Levels**

Positions (of the RFB)	Classes	Number (%)	Levels
Fiscal Auditor and Tax Analyst	Special	45	I to IV
	B	35	I to IV
	A	20	I to V

This series of measures on career promotion of the Secretariat of Federal Revenues of Brazil was approved through Law No. 11,890 of December 26, 2008. It is the same evaluation model that will be applied to eleven careers of the federal public service, but still depends on the regulations to be implemented.

## **Introduction on performance evaluation:**

The development of public officials in their respective positions will take place through a system of promotion and merit progression, with development requirements and possibilities for promotion being observed in accordance with the Career Development System - SIDEDEC.

### **Basic Concepts:**

- Functional progression: the transfer of an official to an immediately superior level, within the same class;
- Promotion: transfer of official from the last class to the initial level of the immediately superior class.

### **Requisites (Progression):**

- a) Individual performance results which will establish the rate of progression.
- b) Compliance with a minimum duration of 12 months in each level. The maximum duration in the level may be above 24 months.
- c) The individual's development is conditioned to the existence of budgetary availability.
- d) First progression conditioned to the passing of the test period.

### **Requisites (Promotion):**

- Structuring of the Career Development System - SIDEDEC, based on the accumulation of points, whose calculation method will be determined by the Executive Body.

The factors considered for the accumulation of points are the following:

- I. Results of the evaluation of individual performance.
- II. Frequency and progress achieved in development activities.
- III. Official's academic performance.
- IV. Trustworthy functions and positions; participation in working groups.
- V. Time on the job.

- VI. Technical or academic productivity in the official's specific work area.
- VII. Performance in priority units.
- VIII. Participation as instructor in technical courses offered in the annual development plan.

**Strong Points:**

- This is a new way of evaluating performance without varying the official's monthly compensation.
- Evaluates transmission and receipt of knowledge through development programs carried out by the organization where the official works.
- Recognizes the official' academic performance.

**Weak Points:**

- There have been initial difficulties for structuring an evaluation, registration and follow-up system of the activities implicit in the evaluation model implemented.
- There are inevitable differences in the follow-up models due to the characteristics of the positions being followed up at various levels of the organization that are involved in the process.



## Forms of Professional Promotion

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The general form of promotion in the taxation area of the DGFIP (there being other specific processes for careers in information technology or cadaster) is based on the following model:

- **Automatic form**, which deals with the official's seniority, (level promotion). These scale promotions result in an evolution of remuneration (which is a form of internal professional promotion), without change of activity for the official, who continues to hold his same job.
- Through **internal contest or selection** which requires the official's voluntary participation in the preparation of the contest or interview: for every level, there are possibilities of internal promotion, either by examination or selection. In these cases, the change of level generates a change of employment.

### Strong Points:

- Offers real possibilities of career to all officials, either through examinations or selections, or otherwise, to remain in the same level although with scale advancements that allow for a small evolution in remuneration.

### Weak Points:

- The system is complex and calls for centralized management in order to ensure fairness in the different promotions.



that are provided for those that are not eligible. These options are aimed at achieving eligibility and strengthening on the job for future promotions.

### Scheme

	DIPLOMA	LEVEL	INTERNAL PROMOTION WITHOUT EXAMINATIONS OR SELECTION, WITHOUT CHANGE OF EMPLOYMENT, BUT WITH EVOLUTION IN REMUNERATION		PROMOTION BY EXAMINATIONS OR SELECTION
C A T E G O R Y  C	<b>"School diploma"</b>	<b>Administrative agent</b>	Advancement by scales (10 scales)	⇒	Internal examinations for « controller »
	Elementary school level		<b>Seniority in the level and</b>		Possibility of holding the position of « controller » through selection
			Main administrative agent 2nd class	⇒	
			Advancement by scales (10 scales)		
			<b>Seniority in the level</b>		
		Main administrative agent 1st class (3 scales)	⇒		
C A T E G O R Y  B	<b>High school</b> Level of studies	<b>2<sup>nd</sup> class Controller</b>	Advancement by scales (10 scales)	⇒	Internal examinations for inspector (requisite :4 years of public service)
				⇒	Internal professional examinations for main controller (requisite : 9 years of public service)
				⇒	1 <sup>st</sup> class Controller by selection (requisite :11 years of public service)
		<b>Main controller</b>	Advancement by scales (7 scales)	⇒	Inspector by selection (requisite: be over 40 years old)
		<b>1<sup>st</sup> class Controller</b>	Advancement by scales (8 scales)	⇒	Main controller by selection
C A T E G O R Y  A	<b>Bachelor's Degree</b> Advanced studies	<b>Inspector</b>	Advancement by scales	⇒	Internal examinations for main inspector ↓ In case of passing these examinations, possibility of being promoted by successive selections up to the level of Director



## Individual Promotion and Promotion linked to the Administrative Career

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SAT's **Administrative Career** path is focused on the development of human capital and achievement of institutional goals. It seeks to ensure equal opportunities for promotion and personal development, institutional and individual development. On the other hand, it links the achievement of results to development of individual and group competencies, aligns the personal aspirations and goals of officials and employees with the goals of the Institution and promotes identification with the Institution.

It comprises a series of maps with approved routes of transfers, advancements and promotions to which the staff may opt. It takes into account the development of knowledge and staff labor skills, the results of the performance evaluation process, and compliance with the working competencies and other requisites.

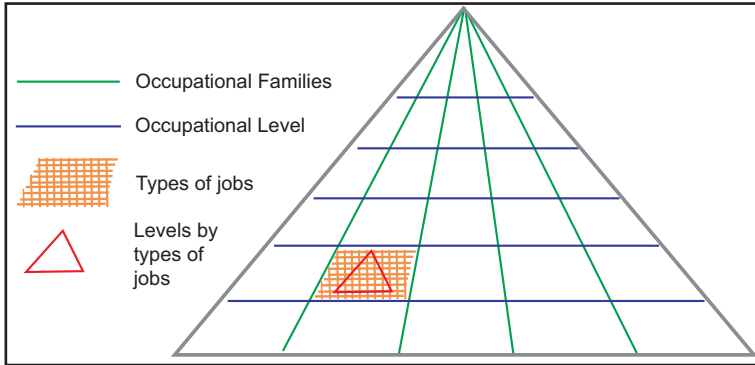
The structure of the administrative career path consists of routes of transfer, advancements and promotions which may be:

- Vertical, that show the competencies to be developed and reflect the advancement or promotions that may take place within a same occupational family.
- Horizontal, which shows the competencies to be developed and the options on positions to be occupied within other occupational families.
- Spiral, which constitutes a combination of the former two.

If the positions are less, as compared to the number of candidates for promotion, a competitive examination will take place, wherein candidates may participate without any preference or priority of any kind.

The following graph shows how the officials may visualize their administrative career at SAT.

The administrative career not only responds to promotions, but also to enrichment on the job.



### Strong Points:

- The promotion per se, or that not linked to a career, which is the one currently implemented, has allowed officials and employees to familiarize themselves with the announcements process, filing applications for them and appointments resulting from the best grades and the selection of vacancies for head positions from a list of five or three candidates to select the best ones for the vacant positions.
- Specific competition segments are defined and they are the basis for the promotion.
- Groups are classified according to organizational specialty. Allows the official, employees and the administration to better understand development.
- Promotion programs are managed according to organizational level and by specialty group, which allows for identifying the lines to be followed for promotion within the organization.

### Weak Points:

- Definition of routes is being concluded according to job descriptions and weights for the new salary scales.



## Individual Promotion and Promotion linked to the Administrative Career

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The promotion linked to the Administrative Career guarantees that the Human Resources Management system is fair, equitable and transparent.

For implementation to be successful, there is a need for a fluid **Organizational Structure** with managerial levels that optimize the level of authority of each manager and the quality of the work for strengthening work performance.

On the other hand, it is essential to have an equitable **Salary Scale** structured on the basis of a **Job Description and Grading Requirements** that reflect clear levels of complexity of the work, knowledge and competencies required and which may distinguish positions by managerial, professional, technical and operational-administrative groups.

Based on this infrastructure the DEI established the "**Certification of Competencies**" as mechanism for carrying out the promotions and as essential element of the Administrative Career, whereby every employee must undergo a certification process through internal contests in order to be evaluated on the job he/she is performing and/or for duly authorized promotions or transfers to vacancies.

The profile of the employee versus the profile of the job and the procedures described in the new **Recruitment and Selection Manual** are taken into account.

The Certification of Competencies indicates whether the employee has the technical qualifications, experience and merit to be reaffirmed and/or selected for promotions or for a horizontal mobility.

There are rules that regulate the process as regards those that qualify and are eligible and the different options

In sum, the classification criteria are applied to determine who are the best and most highly qualified according to the principles based on merits.

To validate the Certification of Competencies a pilot project was carried out in 2008 at the Information Technology Management Office to which the regulations and modalities were applied. The process may be improved and work is being done in the implementation of the necessary improvements.

**Strong Points:**

- Strengthens the professionalization of the human resources.
- Promotes the employee's satisfaction and productivity.
- Capitalizes on transparency and credibility.
- Encourages the employee to compete and seek for alternatives to be competitive.
- There is equal opportunities for all employees.



## Forms of Promotion and Advancement. The Working Career

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The **working career** is based on two actions:

- **Objective:** Fill upper level vacancies with staff from the Tax Administration having the profile and competencies for achieving adequate professional and institutional performance.

**Promotions:** deals with the advancement of the worker to an upper level and, accordingly, there is a remunerative adaptation according to the scale in force.

The Promotion Process of tax administration workers is carried out periodically and the technical analysis is assigned to the National Human Resources Intendance and its approval to Upper Management.

**Promotion Model** (change to a position of greater hierarchy) and **Advancement** (change of position at the same level but in support of the business)

Promotion is conceptualized as the progressive ascent of a worker to a higher level category, provided that the established guidelines and requisites are fulfilled and there is a duly budgeted vacant position.

The Promotion model comprises:

- **Horizontal Promotion (Systemic Approach)**

Defined as the act of taking over a different position, generally one of greater hierarchy, which implies new tasks and responsibilities by virtue of the knowledge and skills acquired by the worker during his working career in the Institution.

It does not necessarily imply the change of category of the worker, but an increase in the worker's remuneration.

- **Vertical Promotion**

This type of mobility is defined as the process of taking over a position of a higher level, complexity and responsibility, which leads to a change of Category.

It mainly takes place in positions with a high technical component and consideration is given to the knowledge and skills acquired during the employee's working career in the Institution, through specialization in a specific function and/or position.

It involves an advancement within the organization and therefore, there is an increase in remuneration.

**Career Path System Model (includes managerial positions)**

The Career Path System was in force from 2006 until December 31 2008 and comprised a Structure of Categories that involved Three Occupational Groups.

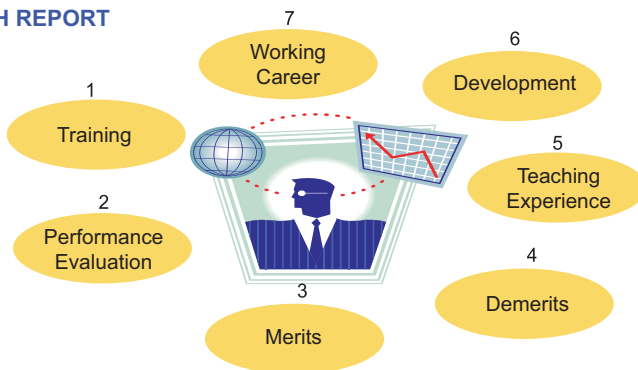
The Mobility Procedure within the Career Path System provides for holding Contests for purposes of having access to Promotions, vertical as well as horizontal (advancements).

The stages begin with the authorization for making the Announcement, continuing with the Dissemination of the Categories of the contest, Technical Examination, Competencies Report, Proposals for Promotions and finally, the High Level Management approval (National Deputy Superintendents of Internal Taxes or Customs, as appropriate).



The Human Resources Report, which deals with the worker's competencies, considers the following aspects:

**INRH REPORT**



**Strong Points:**

- The Institution's human capital is managed according to merit-based processes.
- Promotes competitiveness between workers, affording a clear option regarding the desired career path.
- Participation is promoted through transparent internal contests
- Work development through the working career is the worker's responsibility: Attitude and Aptitude, inasmuch as the Administration makes available all the procedures to be followed.



- The worker has within reach, tools for developing himself internally: Training, Scholarships, etc.

**Weak Points:**

- There is no human resources planning at the institutional level which would allow for better scheduling the working career processes.
- The positions that would be announced would not satisfy the workers' expectations.
- The managerial staff's career needs to be complemented
- It must be understood by the workers and therefore requires a previous training and dissemination campaign.
- Could cause some lack of motivation among those workers who are not chosen for the positions.
- The years in the institution are being taken into account, but not the years of experience on the job.
- There are occupational groups that are not being adequately considered, such as, for example, the Customs Contraband Guards.
- There is one category or support area staff that through studies intends to evolve to a business area, but that is not considered (from assistant or secretary to professional).



# Human and Social Relations Management

## Communication





## Areas devoted to Communication

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Communication in general takes place through an internal network (Intranet) system that is accessible to all officials. This network is called EOLE for the DGI and **MAGALLAN** for the DGCP. It will be merged shortly to take into account the merger of the DGI and DGCP for creating the DGFIP.

The EOLE tool involves 3 levels of access, according to the identification number of the person connected:

- EOLE DIRECTOR: this area includes strategic information. It is only accessible to superior level officials.
- EOLE STAFF: includes technical information and strategic orientations. It is open to the intermediate levels.
- EOLE: the general tool that is open to all officials.

Some pages of the INTERNAL NETWORK are accessible with limitations, according to the type of job. For example, some pages dealing with documents for professional development are only accessible to staff involved with professional development. Likewise, in the area of fiscal control, some information is only available to officials in an inspection job. They require specialized documents that need not be made available to every body.



## Communication Protocol of the Human Resources Management Office

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The Communication Protocol was implemented in 2008 and the initial design was presented by the Managers and deputy managers and channeled through the head offices. It is the intention of the Superintendency that it be applied in all intendances.

The Protocol comprises a series of mechanisms for practicing communication.

1. What is expected of communication?
  - Prompt, clear, concise and courteous answers.
  - A clear message of the idea being communicated.
  - Understand the needs of the person that is communicating.
  - Receive feedback on what is being asked.
  - Timely information response for decisionmaking.
2. **Rules** of communication. How will we communicate?
  - If we are in a meeting:
    - Ask for the floor, by raising the hand.
    - Respect the other person who is speaking, to understand the idea and determine whether it is complemented with ours.
    - Respect the other person's opinion
    - Answer with reciprocity and respect; it is expected that it be at least through the same means and as immediately or promptly as possible.

- **Priority attention**

It is established that priority will be given in hierarchical order; however, when there are two professionals of the same hierarchical level, the one who is present will have priority over the other one calling by telephone. Nevertheless, it is appropriate to give the one on the phone some explanation, or else, openly tell the one present, that said call was being awaited, so as not to create an unpleasant atmosphere.

Communication may be **classified** as:

Type	Need	Mechanism and tool (form)
A	<b>Timely and immediate information</b> , on specific cases. Personal emergencies.	<ul style="list-style-type: none"> <li>- If there is the opportunity to <b>visit</b>.</li> <li>- Cellular phone call, at any time.</li> <li>- If it is really a <b>personal emergency</b>, and outside the working schedule, exhaust cellular phone options and lastly one may resort to look for the home <b>phone number in the list</b>.</li> <li>- <b>If it is really an extreme emergency</b>, the one calling could do so at least twice by cellular, to alert the one being called that it is really an emergency.</li> </ul>
B	The information may require <b>extended exposure</b> and should be <b>considered by several at the same time</b> .	<b>Request for meeting, through Outlook</b> , summon meetings considering the time schedule of each of those involved or interested.
C	<b>Information may be compiled during the day</b> and may <b>not</b> need documentary support.	One may <b>visit, call</b> the direct extensions, without intervention of assistants and /or the cell phone number.
D	<b>Information or feedback, response to memos</b> , letters, and the response is required <b>in writing</b> .	Prior to sending a response, it is at least discussed by telephone, if there is no time to consider it otherwise and then it is <b>answered in writing</b> .
E	<b>The information may wait several days</b> , it is the follow-up of long term events, it is nothing immediately significant.	An <b>electronic mail may<sup>1</sup> be sent</b> , every electronic mail <b>must be answered</b> .

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<sup>1</sup> *E-mails sent must comply with the rules of courtesy, respect, objectivity, transparency and honesty. An e-mail with a blind copy to some head officials may be considered unfair, lack of transparency and lack of honesty.*

**Different instances** in the form of communication are considered.

- **Personal**, could be **by means of visits** to working places or address the person, before or after the normal meetings, committees, managerial committee, etc. One must treat the person with respect, generosity, humility and empathy, never criticize, certainly not before a third party and much less if said third party is unrelated to the team, regardless of the familiarity one may have.
- **Directly by telephone**, one may use the cell phone, pick up the phone and call directly to solve cases requiring **immediate responses**.
- If it is impossible to answer the cell phone, on identifying the lost call or **voice message**, the **response should be provided as soon as possible**, since it could be a type-A emergency.

3. Who are the **actors**?

Within the defined protocol it was established that **general management** will make a direct request to the **manager**, they will solve and **report back** on the cases. In case of absence of the manager, the information could be requested to any of the deputy managers, who shall responsibly respond and will be in charge of informing the manager about the information provided.

Managers are **responsible for the updated information** which should be sent to the deputy managers, in case of attending meetings where the participation of some subprocesses of the respective deputy management offices is required.

4. **Evident attitudes** in communication. How shall we communicate?

- Internal, with due respect and in the most immediate and timely manner, respond to communications which we may have internally requested.
- If there is talk about someone who is not present, remember the rules of respect and protocol which we have agreed together.

- External, we will set the example as the best communicated management office of SAT, by abiding by the communication protocol determined.

### **Strong points**

- It is a protocol developed by those involved in the issue of communication.
- Those who developed and are familiar with it, have abided by it. It is a theoretically based process easy to practice and abide by. Presents objective, specific and perceptible results

### **Weak points**

- As a result of the incorporation of new managers in the general management, its level of use has decreased.

### **Communication strategy of the SAT employee's Code of Ethics:**

The strategy was initially implemented through a campaign for making all SAT collaborators aware of the values. Some of the most important elements are:

- Posters and charts with anti-corruption messages.
- Decal-type posters (displays) placed in elevators.
- Mobile posters.
- Pamphlets with information intended to disseminate Ethics, Transparency and Integrity.
- Screen refresh to be placed in the employees' computers.



## Communication

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There are two modalities of communication: internal and external. The **internal** is aimed at generating a favorable opinion on fundamental issues related to the DEI's Management, focused on the changes that take place and which influence the staff. The **external** is under the responsibility of the **Public Relations** office and one of the tasks is to maintain adequate relationships with the communications media, in order to ensure the publication of notes and messages from the institution to the target public, so that the latter may be well informed. In that sense, it carries out actions, formulates, designs, supervises and evaluates all the advertising campaigns that are disseminated through the different media.

With respect to **internal communications**, it must be noted that with the experience acquired in the implementation of the Human Resources Reform, it is managed by the Human Resources Professionalization Management Office with the support of the Public Relations Unit. It is intended that the staff know, understand and commit itself to the objective of efficient management for achieving the institutional goals as well as maintaining a dynamic process for detecting concerns and guiding employees, with a view to timely disseminating and implementing communication strategies.

The existing mechanism is a **Communication Subcommittee** where all hierarchical levels are represented. It is the support infrastructure for approval of proposals and decisionmaking with respect to reforms by the Reform's Executive Committee (CER). This Subcommittee also supports general initiatives originating from the Human Resources Professionalization Management office. It provides



feedback and channels the risk factors and/or emerging problems identified which affect or could affect the sound execution of the Human Resources office's reform actions.

An important activity has been the meetings held with the staff of the different areas and regions at the national level, for the purpose of disseminating and creating awareness of the Human Resources reform processes, headed by the Executive Director with the support of the Professionalization Management Office, the Communications Subcommittee and the Public Relations Unit.

The **Communication** Plan provides for the dissemination of such messages in newsletters and information boards, trifoliate, messages by Intranet, written information, response bank, follow-up meetings and others which may indicate the advance of the reform.

**Strong Points:**

- Minimizes uncertainty
- Improves participation of officials and employees.

**Weak Points:**

- Information may be distorted if not developed clearly and precisely.



## Open door Policy

### P E R C

As part of an **internal opening and communications policy**, between October 2008 and January 2009, the National Superintendent of Tax Administration met with all employees who wished to talk with her. They were received as they arrived, and the topics discussed were varied, from labor problems, denunciations, social cases, up to suggestions for the better performance of functions.

The interviews could be either individual or by group. An average of 12 employees were received daily. In these meetings, the Superintendent was accompanied by one of her advisers or the National Human Resources Intendant.

On the other hand, the Superintendent also traveled to regions in the country's inland where she also met with the employees to learn about their problems.

A BLOG is currently under construction in order that there may also be virtual communication with the Superintendent.

#### **Strong Points:**

- Similar treatment to all employees, regardless of their position, function or development.
- Labor problems are directly known.
- It is also a means for communicating with union associations and their representatives.
- The staff becomes directly aware of Management's way of thinking and feeling.

**Weak Points:**

- Staff may take advantage to unduly denounce another employee.
- By avoiding the hierarchical levels, the staff may lose respect for their immediate supervisors and might wish to discuss all issues with the top level authorities.



# Country Experiences on Human and Social Relations Management

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## Social Relations Management





## Example of Social Dialogue at the SII

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### Social Dialogue

Social dialogue<sup>1</sup> is a form of participation and instrument for achieving objectives. It has varied functions, requisites and necessary conditions for fulfilling its objectives. On the one hand, it comprises an **exchange of information** regarding the visions, aspirations and proposals of those participating therein and with respect to the subject matters of this exchange. In turn, it may also comprise inquiries to the participants (voluntary or obligatory) regarding their opinion about what has been informed and the search for agreements and commitments through **negotiations** between the parties (coordinating dialogue).

In sum, there are three **basic components** in the social dialogue: information, consultation and negotiation. Each of them may have different manifestations: formal or informal; permanent or transitory; centralized or decentralized; institutionalized or not; monothematic or plurithematic; bipartite, tripartite or multipartite.

The **functionality** of the social dialogue is partly determined by the political, economic, social and labor purposes -interrelated and interactive - which precede the initiation and results of every dialogue experience. Outstanding among them are the functions of social dialogue in relation to democracy and its governability components and social peace; economic and technological changes in the current globalization processes and social development and its inclusion and participation purposes.

<sup>1</sup> *The concepts described were taken from Documento de Trabajo Taller Nacional "Diálogo Social en Chile. Diálogo Social y Políticas Públicas", Emilio Morgado Valenzuela. Santiago, November 2006.*

With respect to the **working sphere**, it is understood that decent work defines and orients development, in addition to being the objective and means of social dialogue. Decent work is that carried out under conditions of freedom, equity, security and human dignity. To promote decent and productive work, the ILO has set four strategic objectives: the promotion of rights on the job, employment, social protection and social dialogue. The latter is then considered as means and objective.

The social dialogue experiences described below correspond to initiatives undertaken at the Internal Revenue Service of Chile which have been developed or strengthened to facilitate the implementation of the change projects determined in the 2006-2010 Strategic Plan.

### **Experiences of Social Dialogue at the SII**

The social dialogue experiences at the SII are framed within the Policies of the Government of Chile. Some of them are an appropriate level response to the initiatives promoted by the Government, while others are self-generated conversation opportunities, but in both cases they are avant-garde in the public sector.

The most important initiatives are:

1. Working Tables
2. Human Resources Policies
3. Training Committees
4. Human Resources Consultants
5. Code of Good Work Practices
6. Excellence Award
7. Validation of Strategic Plan Elements

#### **1. Working Tables:**

Description: The "Working Tables" initiative corresponds to a formal instance of dialogue between the SII authorities and the board of directors of the Employees Union Associations of the Internal Revenue Service, AFIICH and ANEIIICH, which have a specific working program and a methodology for the periodic follow up and reporting of issues discussed.

This initiative is applied at the central as well as regional levels (1 National Working Table and 18 Regional Working Tables), which are devoted to considering strategic, operational issues and specific concerns arising from the different local realities of the Institution.

The centralized and regional operation of Tables, allows, on the one hand to extend learning regarding the dialogue and on the other, to consider the inclusion and collaborative solution of matters of specific interest for the officials of some region of the country, whose solution would take a longer time if processed at the centralized level.

**Mechanism used: Work Agenda** between the National Directorate and the National Board of Directors of Employee Associations. Monthly meetings between the managerial team of each Regional Directorate of the country and the regional board of directors of the Employees Associations.

Results: There are Working Tables throughout all the regions of the country, which meet monthly on a regular basis. The Tables have proven to be capable of considering and concluding issues of regional interest, even in times of public sector union negotiations.

The Tables have allowed for Human Resources modernization inasmuch as they have allowed the Service to:

- Identify issues related to the change processes currently being implemented at the SII. For example, they have been appropriate for making known, socializing and raising problems with respect to issues of great institutional importance, such as the SII-Bicentennial Plan and the Taxpayer Segmentation Plan, which involves a fundamental change in the Service's business model.
- Anticipate situations and contribute to the solution of local issues that could have an impact on the working environment and labor relations.

## **2. Human Resources Policies:**

Description: Within the context of modernization of human resources Management, promoted by the Government, the SII committed itself to formulate policies that would prevent and eradicate any type of direct and indirect discrimination, in addition to accounting for human resources management that would play a strategic role in the institution, allow the development of human capital and facilitate operational management for achieving the expected results within the context of a good working environment.

Mechanism used: The Human Resources Policies, once formulated through an internal participative procedure at the Deputy Directorate are formally delivered to the National Directorate of the Employees Associations, in order to receive feedback and include the suggestions that could facilitate their understanding or application.

Results: This procedure has been used for disseminating the following Policies:

- Policies for dealing with Sexual and/or Labor Harassment
- Policy for exercising managerial positions
- Employee Security Policy
- Staff admission Policy
- Staff Transfer Policy
- Development and Training Policy
- Quality of Work Life Policy
- Career Development and Internal Mobility Policy
- Performance Management Policy
- Risk Prevention and Occupational Health Policy

### **3. Regional Training Committees:**

Description: Regional Training Committees formally participate in the formulation of specific regional training plans, which must be aligned with the national training plan and aimed at developing competencies and skills that support a quality service for citizens. They must also ensure implementation of the principles of the Code of Good Practices on the subject matter, such as:

- Allow equal training opportunities without any type of discrimination.
- Ensures that participation in training activities will not prevent or restrict compliance with family responsibilities.

Likewise, the Regional Training Committees are bodies with consultative and resolute powers in relation Training at the Regional Directorate. It is formed by the Regional Director who chairs it, regional directors, two representatives from the Service's Officials Associations (one from ANEIIICH and another from AFIIICH), or those elected by the respective regional directorates and two staff representatives elected by the officials of the Regional Directorate.



Their **functions** are listed below and must be supported with Reports:

- Assist in the process of Detecting Training Needs, supervising adequate application of the methodologies being used.
- Ensure consistency of training actions with the SII's priority and permanent program, and reporting in writing to the Training and Development Department those situations that may affect such consistency.
- Promote activities that may contribute to the personal and general development of the Service's officials.
- Become familiar with and guarantee the dissemination of Training Programs prepared by the Training and Development Department.
- Facilitate annual scheduling of training, determine priorities and timely and adequate plan the activities.
- Validate the selection of participants with such criteria as timely, relevance, regional need and interest of the officials.
- Safeguard the rights of the officials: equal training opportunities and due safeguard of family obligations.
- Assist in evaluating the Training Program, by considering participants' satisfaction, learning, impact and proposal of aspects to be improved.

Mechanism: The Regional Training Committee must meet 6 times a year as a minimum, and in special sessions at the express request of the Regional Director or at least one third of the members, and recording in Minutes the agreements reached.

Staff representatives are chosen by means of elections. Candidates must registered in the Administrative Department of each Regional Office and in case there are no candidates, these positions may be filled with a representative from each of the SII's Officials Associations. Once elected, they will immediately hold their positions, familiarize themselves with all aspects related to the training activities of their Regional Directorate and attend the corresponding sessions with full rights. The duration in office of the Staff representatives is two years and they may be reelected.

Results: The SII's 18 Regional Directorates have Regional Training Committees that operate on a regular basis. The annual reports on the development of the annual Training Plan provide valuable feedback that contributes to improve management of training service suppliers in the case of transversal plans, as well as to identify local training opportunities for the specific needs of the Regional Directorates. In the past year, the Human Resources Deputy Directorate has requested the Regional Training Committees to focus on the relevance of the training conducted, urging at active action and timely feedback on this matter.

#### **4. Human Resources Consultants:**

Description: In 2007, the Human Resources Deputy Directorate established the position of Human Resources Consultant to facilitate the correct application of Human Resources policies and initiatives at the Regional Directorates, through in situ counseling. Modern human resources practices call for implementing practices to develop a social dialogue culture. Specifically, the role of these consultants in relation to this matter includes:

- Counseling the Regional Directorate in the establishment and development of formal and systematic opportunities for dialogue with the Officials Associations.
- Counseling managers with respect to labor relations with the officials and working teams under their responsibility, so that they may create an appropriate working environment through the introduction of good staff management practices.

In 2009, the SII has fourteen human resource consultants for the Service's 18 Regional Directorates. Human resource consultants play an advisory and consulting role for implementing each of the different human resource programs in the Service's Strategic Plan. They are in contact with the managers and working groups, to facilitate the incorporation of modern leadership styles in the managerial role and assisting the groups in developing collaborative working practices.

Mechanism: Human resource consultants provide counseling in representative participation to the Regional Director and his team, within the dialogue framework promoted at the Service. They also promote direct participation through counseling in relation to programs intended for managerial levels. Lastly, they are in direct contact with

the officials in participative gatherings such as meetings and workshops where they learn about and discuss their needs and expectations within the framework of the Human Resources Programs. From these three directions consultants facilitate representative participation, direct participation between the officials and their superiors and direct dialogue with the officials, discussion of technical and relational issues, contributing in this way to improve the goals and working environment in each Regional Directorate. These activities allow for timely solving regional internal issues with those directly involved and for providing timely feedback from a professional expert to the Service's central level, when the National Directorate is in charge of making decisions.

Results: Through the dialogue, human resources consultants generate individual, group and regional learning opportunities, although most of the learning is related to human resources strategic projects, such as the collaborative work promotion program. Nevertheless, there are other learning opportunities related to other specific needs such as interpersonal Communications Workshops. All these skill learning processes generate a virtuous circle for the direct participation of officials.

## **5. Code of Good Working Practices (CGWP):**

Description: It is an instrument promoted by the National Civil Service Directorate (NSCD), strategic body which coordinates the Government of Chile's Human Capital policies. It includes guidelines in relation to access to employment, compensation, promotion, development, working conditions, maternal and parental rights, conciliation of labor responsibilities with family obligations and prevention and sanctioning of sexual and labor harassment.

Mechanism used: Item 4, described below, reflects a mechanism for social dialogue.

- Self diagnosis of Services. Count on a baseline for developing triennial plans in the perspective of reducing gaps detected within a three (3) year period.
- Development of a Triennial Plan for implementing and complying with the CGWP, according to methodological guidelines for the preparation of triennial plans.

- Follow-up and Progress of Triennial Plans. The NSCD undertakes a strategic and operational follow-up of the Code's implementation. Based on these evaluations, it orients and provides feedback to the services in those aspects of their plans that show less development or, accordingly a lower level of compliance in the implementation of the Code.
- Recognition of public services that stand out for good labor practices. The NSCD has implemented an evaluation strategy to recognize and/or point out initiatives or measures found within the guidelines and elements of the CGWP.
- Actors intervening in the implementation of the CGWP and their responsibilities. The CGWP is implemented with the participation and daily actions of each of the public officials. Collaborative work between Officials Associations, Human Resources Departments, different levels and other actor is essential for the successful implementation of the CGWP.

Results: The SII has excelled in the implementation of the Code of Good Working Practices, within the context of Public Services in the country. Commitments acquired in the Triennial Plan have involved the incorporation of new working practices that reflect the values that serve them as basis. This called for convening the participation of the associations for establishing the Base Line for formulating the Triennial Plan, expressing their agreement with the commitments established in the Triennial Plan and subsequently validate with them the Triennial Plans Follow Up and Progress Reports, prior to be sent to the NSCD.



## The Different Parity Institutions at the DGFIP

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France established a series of joint organizations which are described below:

### 1. **JAC: Joint Administrative Committees (national or local) decree N° 82-451 of 05/28/1982**

Composition: There is an equal number of representatives from the administration and staff members. There are incumbents and an equal number of alternate members. The members of these joint administrative committees are appointed for a three-year period. Their terms in office may be renewed.

Functions: They analyze such issues as hiring, proposals or refusal for granting titles upon conclusion of courses, issues of an individual nature resulting from the application of the laws involving rights and obligations of the officials. They also have the authority to analyze decisions of the administration in relation to the benefit of some leaves or vacations. At the request of the interested official, they analyze the administration's decisions regarding the rejection of a part-time regime or authorization of a leave of absence for preparing a contest or participating in training.

Mode of Operation: In all matters that are the responsibility of the Joint Administrative Committees, the latter issue an opinion, adopted by means of a vote from each member (the Chairman does not have a preponderant vote). In case of a tie, the opinion must state as precisely as possible the totality of arguments presented by the different participants during the discussion that preceded the vote.

Lastly, when the administrative authority makes a decision not in keeping with the opinion or proposal issued by the committee, this authority must inform

the committee the reasons why it was not applied. Noncompliance with this formality does not influence the legality of the decision made by the administration.

## **2. JTC: the Joint Technical Committees (ministerial, departmental...)**

**Composition:** Includes an equal number of representatives from the administration and the staff. There are incumbents and an equal number of alternate representatives. The prevention physician also participates.

**Functions:** The joint technical committees deal with issues and draft texts relative to:

- General organization, establishment or service problems of the administrations.
- General operational conditions of the administrations and services.
- Programs dealing with the modernization of working methods and techniques and their incidence on the staff' situation.
- Statutory rules.
- Analysis of the orientations that should be given for carrying out the administration's tasks.
- Hygiene and security problems.
- Criteria for distribution of performance bonuses.
- Plans that set pluri-annual objectives for increasing access by women to high level positions.
- The evolution of templates and evaluations.

Mode of operation: Technical committees issue their opinion through a vote of the majority of members present. Committee members should be given all facilities for carrying out their activities as well as be provided all necessary documents for carrying out their functions, eight days before the date of the

session, at the latest. They are obliged to observe professional discretion in relation to the information provided them as members of the Committees or expert for these Committees.

### **3. The HSCs, Hygiene and Security Committees**

Apart from the competencies of the aforementioned Joint Technical Committees, the mission of the Hygiene and Security Committees is to contribute to protect the health and security of employees in their jobs. There is a Hygiene and Security Committee in every departmental or regional Joint Technical Committee.

They are responsible for such issues as:

- Observation of legislative and regulatory standards relative to hygiene and security;
- Working methods and techniques and selection of work equipment to the extent they may have a direct influence on the health of employees;
- Projects involving adaptations, construction and maintenance of buildings as regards hygiene, security and welfare standards on the job;
- Measures for adapting the work stations of disabled persons;
- Measures for adapting jobs to favor access of women to all positions, in particular of pregnant women.

On the other hand, the committees analyze the professional risks to which officials are exposed. In this respect, every year they discuss a report presented by their Chairman in relation to the evolution of professional risks.



## Country Experiences on the Promotion of Ethics in Human Resources Management

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## Transparency in Recruitment

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To guarantee transparency in the Recruitment processes, there are three elements that should be taken into account:

**1. Public contests are organized according to a strict legal framework.**

1.1 Conditions for entering the public function:

- Being of French or European nationality.
- Enjoyment of civil rights.
- Compatibility of functions to be carried out following the contest with statements in the candidate's criminal record.
- Physical aptitude required for carrying out the function.

1.2. Applicable principles to be abided by:

- The fundamental principle of equality of access to public employment;
- The principle of equal treatment of candidates.

1.3 The power of evaluation of the administration:

- The date on which conditions required for participating in the contest must be fulfilled.
- The date for verifying conditions required for participating in the contest.
- Evaluation of admissibility of candidates.

1.4 The conditions for granting titles: Are determined according to the corresponding level of the contest.

## **2. With an adapted organization.**

2.1. The participants: The Central Administration, the National Contest Management Center, the Contest Service of the Recruitment and Development Directorate, the provincial directorates of the fiscal services and the general treasuries.

Each of them has a specific role in the contests.

2.2. The contest is developed in 10 stages:

- Determination of the schedule.
- Opening of the contest.
- Appointment of members and Chairman of the jury.
- Election of topics.
- Treatment of candidates.
- Treatment of topics.
- Management of tests.
- Treatment of copies.
- Selection of candidates.
- Treatment of those who have passed.

## **3. With risk management.**

- With respect to equal access to the contests: This risk must be evaluated and managed when the contest services record the applications and subsequently when verifying the conditions for participating.
- With respect to equal treatment of the candidates, this is guaranteed by keeping the copies anonymous and by verifying compliance with respect to the use of materials during the tests (calculator, civil code, etc.).
- There are other more important risks that should be anticipated. For each contest, the organizing services must provide solutions to different difficulties that could result in the annulment of the tests. For example:
  - Insufficient number of topics proposed for the tests of the contest.

- Foreseeable delays of the candidates (announced transportation strike, meteorological problems, etc.).
- A disturbance during the development of the test.
  
- The loss of the copies.
  
- Some precautions must be taken by the services organizing the different phases of the contest's procedures:
  - Before the tests, verification of the list of candidates, establishment of a contest surveillance committee which meets prior to the tests in order to organize them.
  
  - On the day of the test, control of identities, reading of the instructions in the test room, distribution of topics, surveillance during the test, return of copies by the candidates, and signing at the margin of a list.
  
  - After the tests, control of copies, sending of copies to a service in charge of centralization (using safe sending through postal services), sending of copies to those who will correct them and ensuring their return.



## The Promotion of Ethics and the Struggle Against Corruption/ Transparency as Necessary Condition for the Recruitment Process

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SAT recognizes the promotion of Ethics and the struggle against corruption as central axis of its reform and modernization efforts.

To complement the signing of the **Integrity Pact** and the operation of the **Independent Inconformities Center**, SAT, within the framework of collaboration with Canada's Border Services Agency launched in March 2007, a new initiative for the promotion of Ethics.

As first phase of the initiative, a multi-disciplinary Group representing the employees undertook an analysis of SAT's current efforts to promote ethics and combat corruption. The analysis was based on the 10 elements of the Arusha Declaration (revised) of the WCO and includes, among others, leadership and commitment criteria, Human Resources Management, automation and relationship with the private sector.

Following the analysis, the **Ethics and Integrity Strategy of SA T** was developed. Its purpose is to present current achievements in ethics and to propose specific solutions and actions to promote it and fight against corruption in the institution.

The Strategy was disseminated at the operational level through awareness workshops and inquiries to the employees, officials and members of the Integrity Pact in the National Customs System. The SAT Superintendent approved the Ethics and Integrity Strategy as well as the **Ethics Annual Operational Plan**, which considers such issues as the publication of customs manuals and procedures, the design of the institutional ethics promotion campaign and integration of an ethics module in the training programs.

As part of the Strategy, SAT developed a **Code of Ethics** which responds to international standards and the recommendations of the WCO.

This new Code:

- Identifies and communicates the behaviors expected from SAT officials and employees.
- Presents the Institutional Values.
- Considers such topics as conflict of interests, illegal enrichment, bribes and gifts and the role of managers in the promotion of ethics.

### **Transparency as necessary condition for the recruitment process**

Recruitment of candidates for vacancies at SAT, takes place through the electronic employment exchange, this being the only means for initiating the process and the address is <http://reclutamiento.sat.gob.gt>.

It has been disseminated through publications in the country's newspapers, posters placed at universities, professional associations and job fairs.

Since the electronic portal is a public means, it facilitates access to any citizen and allows transparency. In addition, for those who have no access to Internet at the Human Resources Management Office, as well as in the human resources delegations at the regional level, computer equipment is available so that those interested may access the electronic employment exchange.

The requisites for creating an account to access the electronic employment exchange of candidates is to have a Tax Identification Number which may be obtained at any SAT tax office and an electronic mail address which may be opened under any of the modalities available at the world level.

**Strong points:**

- Data entry from the SAT web portal allows for transparency of the files since the data are entered by the candidate.
- The Recruitment and Selection process takes place through an electronic work flow, allowing for transparency in the process..
- It is difficult for a political recommendation to coincide with the selected files for a proposed appointment, since it is done on the basis of the criteria for selecting candidates for the positions.

**Weak points:**

- The candidates could enter false data in the data base, which must be confirmed during the selection process. According to the Human Resources policy implemented, records over six months with no updates or which may have been taken into account in some process are automatically eliminated.
- Selection criteria included in the system, may lend themselves to manipulation, as in any system.



## The promotion of Ethics in the Recruitment and Selection areas

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# H O N D U R A S

The promotion of ethics in Human Resources management is based on the principles of the recently developed "**Code of Ethical Behavior of the Tax and Customs Officials and Employees**". These principles govern the expected behavior which promotes the importance of integrity for maintaining and strengthening the trust of the institution's staff and accordingly, of the population in general.

Within the Human Resources Reform, new processes have been developed for strengthening transparency, equity and justice.

For example, in Recruitment and Selection

- A process based on merits has been determined.
- The Profiles of the jobs have been updated.
- Announcements are advertised.
- Panels are established with experts from different working and professional areas, with the specific technical knowledge according to the positions to be filled.
- Panels are established for correcting exams.
- There are internal and external observers.

A **Recruitment and Selection Manual** has been developed in accordance with the Human Resources Reform within Career.



## Annexes

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## Self-Assessment or Self-Diagnosis Guide

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### **The Human Resources Strategy**

1. Does your tax administration have a defined strategy for human resources management? Is it formalized in a specific Plan or by some other means?
2. Is it known or communicated? If the answer is yes, which mechanisms are used for such purpose?
3. How is the Human Resources strategy determined?
4. How do officials join or participate in the strategy design and implementation process?
5. Who is responsible for the design and implementation of the strategy?
6. What is the methodology for designing it?
7. Is the strategy developed through a human resources management model?
8. Which are the criteria for aligning it with the organization's Strategic Plan?
9. Is there a position and job profiles Manual in the Human Resources Management Strategic Plan?
10. Does the Human Resources Management Strategic Plan consider the influence or impact of external and internal factors?
11. How does the Human Resources Management Strategic Plan include the different categories of officials (employees, staff and directors) and how is their level of participation determined?
12. What type of communication is used in the organization to disseminate the Human Resources Management strategy?

### **The Human Resources Strategy and its Subsystems**

1. Does the organization have an institutionalized Human Resources Management model and which is its legal framework (law, regulation, internal administrative provision)?
2. What is its development and implementation status?

3. Does the Human Resources Management Model applied by your administration include the three levels indicated in the CIAT Model?
4. Are there subsystems and how do they operate?
5. Are the subsystems interconnected and through which mechanisms and/or procedures?

### **Incorporation**

1. Does your organization have a profile and job description Manual?
2. How is said Manual linked to Incorporation and mobility of officials?
3. Which are the transparency, equality and merit in access mechanisms found in each of the three incorporation processes?
4. Which are the organization's quality requisites for incorporation management?

### **Recruitment**

1. Which mechanisms are used to guarantee equality and merit in access?
2. Which advertising or dissemination means are used to publicize the announcement?
3. What types of recruitment are used in the tax administration and when are they used?
4. Which are the specific objectives for each type of recruitment?
5. Are steps and/or conditions for recruitment delimited?

### **Selection**

1. How is the Selection process linked to the job profiles Manual?
2. Which are the existing mechanisms to guarantee an efficient and transparent Selection process?
3. Which Selection procedures are applied?
4. How do selection processes work?
5. What are the objectives of the selection process?
6. How is the Selection process linked to the Human Resources Management process?
7. Is there some follow-up and evaluation mechanism that may allow for verifying if it corresponds or is aligned to the institutional strategic plan?
8. How does the follow-up of employees that have been selected provide feedback to the selection process?

## **Induction**

1. Is there an Induction Plan in the tax administration where you work?
2. Does said Plan answer the following questions?
  - who is the new employee?
  - what are his/her needs?
  - what should be his/her motivation?
  - what should he/she know about the new organization?
  - what will be his/her future work?
  - what are his/her knowledge and skills on beginning to work?
  - who will interact with the new employee within the organization?
  - what type of relationship do we wish to promote (hierarchical or cooperative)?
  - what could be his/her future development?
  - what could be his/her future career?
3. How does such Plan interact with Human Resources Management?

## **Mobility Management**

1. Is there functional mobility in the tax administration? Is it regulated?
2. Which are the devices implemented to evaluate the mobility policy?
3. What are the objectives of said policy; for the employee in relation to the career system, as well as for the organization, in relation to its strategic orientations?
4. Is there geographical mobility? Is it regulated?
5. Are there the intra and inter-institutional modalities? Are they regulated?
6. In which cases and under what conditions are the different mobility modalities applied? e.g. Need for the service, official's request, threats against physical integrity, etc.
7. Has there been a follow up or evaluation, and measurement of the greater or lesser impact in performance and in the achievement of institutional goals of officials that have been mobilized?

## **Performance Management**

1. Is there a performance evaluation system in your organization?
2. What type of evaluation is applied?
3. How or through which administrative or legal mechanism has the process been formalized?

4. What types of indicators are used to measure the performance of the officials: qualitative and/or quantitative?
5. What are the consequences anticipated by the organization in accordance with the results achieved by an official?
6. Which are the stages in performance management?
7. What are the objectives of each stage?
8. Is there a system for recording the performance of an official or group of officials during the evaluation period?
9. What type of feedback has been implemented by the organization to assess and adjust its Human Resources Strategic Plan in accordance with the results of the performance evaluation?

### **Development**

1. How is the development policy related to the organization's strategic plan and with other policies such as those dealing with performance, administrative career, compensation, etc.?
2. Is there a Development Plan, formalized in a document, resolution, etc.?
3. What is the procedure for the preparation of the Development Plan?
4. What actions are considered in the Development Plan?
5. How is the Development Plan evaluated?
6. What is the nature of the Development Plan: normative or administrative?
7. Is the Plan adjusted periodically? Through which mechanisms?

### **Types of Development**

1. Does your institution's Development Plan include all types of development described in this Manual?
2. In which cases and circumstances are the different types applied?
3. What are the objectives pursued with each type of development?
4. How are the different types of development accessed?

### **Development Modalities**

1. Which development modalities are used in your organization?
2. Under which criteria are these development modalities applied?
3. Which is the target group of the different modalities?

## **Evaluation of Development**

1. What type of evaluations are applied in your organization and which are the objectives pursued?
2. When are they applied?
3. Which criteria are used for their application?
4. What results have been achieved?
5. Is feedback given to the participants, tutors, officials responsible for the business and development areas, on the basis of results achieved?

## **Administrative Career and Promotion**

1. Is there a Career System in your organization? If so, how is it linked to the organization's strategy and the Human Resources Development Plan?
2. Does the Career System include other subsystems such as employment or performance?
3. Does the career system fulfill general conditions that allow for satisfying the employee's expectations as well as institutional needs?
4. Which are the general conditions for the application of the Career system?
5. Which are the benefits of the career system for the organization?
6. Is Promotion part of the Career System?
7. What forms of promotion are applied and in which cases?
8. Under which specific conditions and criteria are the seniority and merit criteria used?

## **Social Relations Management - Communication**

1. Which communication mechanisms are used in your organization?
2. Which criteria are taken into account for the use of these mechanisms?
3. Is there a Communication Plan in your institution? If so, what is the relationship with the organization's strategic plan and with the Human Resources Management plan?
4. Are there mechanisms to learn about the staff's opinion, concerns and suggestions?
5. Which are the criteria and objectives for determining the communication actions implemented and for selecting the corresponding tools?
6. Which are the mechanisms for evaluating and adjusting the Communication Plan?

## **Human Relations Management - Social Relations**

1. What mechanisms exist in your institution to avoid stress at work?
2. Is there a social relations plan? If so, is it related to the organization's strategic plan and the Human Resources Management plan?
3. Which are the objectives pursued by this social relations plan?
4. Does the plan include follow-up and evaluation mechanisms or instruments?
5. How is the Social Dialogue organized?
6. Which mechanisms have been implemented to prevent discrimination and harassment?

## **Promotion of Ethics in Human Resources Management**

1. Is there a strategy for the promotion of ethics in your tax administration? Is it aligned with your organization's strategic plan? How?
2. Which mechanisms that have been implemented do you consider contribute to the promotion of ethics?
3. Of the key aspects mentioned, which ones are clearly applied in your tax administration?
4. Is there a periodic assessment of the operation of the promotion mechanisms?
5. Are officials aware of the existence and use of said mechanisms?

## PROMOTION OF ETHICS IN HUMAN RESOURCES MANAGEMENT

In view of the importance of ethics in the tax administration, which is a fundamental and determining pillar for the viability of the organization, CIAT has developed a Self-Assessment Guide for the Tax Administrations.

As already mentioned, this guide is based on the 8 key aspects included in the Declaration for the promotion of ethics, approved by the CIAT member countries. One key aspect included therein is Human Resources Management. For an in-depth analysis of this issue in particular, it is recommended that you refer to the checklist of this Guide which fully covers each of the following aspects:

8. Human resources management practices.
  - Fair, equitable and transparent selection and promotion procedures;
  - Competitive level of remuneration;
  - An administrative career;
  - Regulations that may guarantee tax officials the exercise of their rights;
  - Timely correction mechanisms in case of inadmissible or inappropriate behaviors;
  - Deployment, rotation and relocation of tax officials when appropriate;
  - Adequate professional development and improvement programs;
  - Performance evaluation system; and
  - Work environment free from discrimination and harassment.







## Abbreviations and Acronyms Used in the Manual

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# A

## Abbreviations and Acronyms of Institutions and Organizations

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- TA: Tax Administrations. It is understood to include functions involving internal taxes, customs duties and social security contributions. For this reason, this Manual may be applied and adapted by any administration of a CIAT member country which may be in charge of any of the three functions.
- HRM: Human Resources Management
- HPT: Human Performance Technology
- TIN: Taxpayer Identification Number
- FIN: Fiscal Identification Number
- ROI: Return on Investment.
- HR: Human Resources

### Acronyms of institutions and organizations

- CARICOM: Caribbean Community
- CIAT: Inter-American Center of Tax Administrations
- DDF: Dipartimento delle Finanze-Department of Finances, Italy
- DEI: Executive Directorate of Revenues, Honduras
- DGFIP: General Directorate of Public Finances, France
- DIAN: National Directorate of Taxes and Customs, Colombia
- IRD: Inland Revenue Department, Barbados
- SAT: Superintendency of Tax Administration, Guatemala
- SII: Internal Revenue Service, Chile
- SRFB: Secretariat of Federal Revenues of Brazil
- SUNAT: National Superintendency of Tax Administration, Peru.





# Glossary of Terms used in the Manual







## Glossary

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**Administrative Career:** System which determines the forms, conditions and requisites which an official at the service of Public Administration should fulfill in order to enter and advance in his individual development within the organization, in accordance with the strategies, needs and objectives of the institution.

**Communication:** Means for disseminating institutional policies, knowledge, relevant information, as well as for becoming aware of the concerns, suggestions, comments of the officials, thereby allowing for creating an environment of trust and security in the organization, which may contribute to and facilitate, not only knowledge of what should be done and how to do it, but that it be done in a harmonious and efficient manner.

**Ethics:** Series of moral rules that govern the behavior of an individual in any sphere of life. Public ethics is defined as "moral principles" or "rules of conduct" that govern behavior in the public sphere. To be "ethical" is to do what is morally correct, fair and honorable.

**Development:** Process -continuous or not- and systematic whereby the official may increase his knowledge and skills to contribute to the rendering of efficient services and guaranteeing achievement of the goals of the institution.

In this Manual, the terms development and training are assimilated and, therefore, when the word development is used, it is understood to include training since it is the generic term that covers both concepts, although pedagogically there may be differences.

**Officials:** Employees of the internal taxes, customs duties and social security contribution Administrations, in the case of organizations under the single agency scheme.



**Development Management:** Human Resources Management (HRM) Subsystem which comprises policies and practices aimed at encouraging the professional growth of individuals, according to their capacity, promoting the necessary learning and determining career paths that may combine organizational needs with the different individual profiles.

**Performance Management:** Human Resources Management (HRM) Subsystem whose objective is to influence productivity of individuals at work, in order to align it with the priorities of the organization and maintain it at the highest possible level, with a view to arriving at sustained improvement of the employees' contribution for achieving the organizational objectives, as well as obtaining valuable information for making HRM decisions in different areas.

**Employment Management:** Human Resources Management (HRM) Subsystem which comprises the series of staff policies and practices intended to manage flows whereby individuals enter, are mobilized and leave the organization.

**Human and Social Relations Management:** Human Resources Management (HRM) Subsystem whose objective is to manage relationships established between the institution and the officials when there is a collective relationship with the latter.

**Indicator:** Measure used to compare a current situation with respect to a desired one, in the execution of a program or process.

**Induction:** Comprises policies and practices intended to adequately welcome individuals and follow them in their first steps in the job and its environment.

**Iride:** Rainbow

**Goal:** Value expected or hoped to be achieved as a result of performance.

**Mobility:** Transfer or movement of an official from his current area or working place to a different area or region, without this necessarily implying improvement in salary or functional level.

**Project:** Series of activities to be carried out within a specific term, which involves a combination of time and physical, human and financial

resources, intended to achieve a target formula or bring about a change in management of the tax administration.

**Promotion:** Transfer of an official to a position with a higher salary, responsibility, hierarchical level and/or opportunities for development within the organization.

**Recruitment:** Internal or external announcement made by the organization to fill a vacancy in a specific area.

**Selection:** Process whereby the person who will fill the vacancy is chosen from among a number of candidates that have fulfilled the stipulated conditions.