Performance Management
- A SYSTEMATIC APPROACH

Reference Guide for Tax Administrations

Intra-European Organisation of Tax Administrations
www.iota-tax.org
Preface

Performance improvement has always been and will continue to be an important topic for the Tax Administrations. Like most organisations, nowadays Tax Administrations are required to become more effective and efficient, execute better business strategy, do more with fewer staff and implement innovative solutions that ensure real results and improved performance.

There are a variety of approaches to effective performance management, and many organizations have been continuously focusing on the development of competencies and behavioural performance measures. Today’s performance management practice is “results-oriented” performance management that uses cascading goals to align individual employee’s day-to-day efforts with organizational goals and strategies.

In their attempts to implement effective performance management systems, organisations have quickly realized that there are significant challenges associated with performance management, such as how to effectively define specific goals where some tasks are very fluid and ever changing or have rote performance requirements; how to ensure fairness when some managers set very hard target goals and others easy target goals, especially when goal accomplishment is linked to staff salary; and how to put achievements of goals on a scale so that employees who deliver different types of results could be systematically and fairly evaluated and properly rewarded.

This is the reason why IOTA, in the Area Group Human Resources Management, decided to create a Task Team in order to provide a reference guide to all members who want to further develop their approach to Performance Management.

The Guide offers a logical and concrete step by step process with important considerations and decisions at each step. The main purpose of this publication is to guide Tax Administrations in designing or reengineering, and just as importantly, implementing their performance management systems. The guide presents a down-to-earth, pragmatic approach that focuses on what Tax Administrations can do to gain the best value from performance management and make their processes work effectively.

The performance improvement practices are the result of ongoing efforts, and therefore the Guide provides insights into where Tax Administrations are today with performance management; what are the main factors driving their attempt to improve activities and increase productivity; how do they learn from their own and others’ experience; what added value does a system of performance management bring to the different stakeholders of tax administration; and how the performance management system could be evaluated. Particular emphasis is given to both strategic and tactical issues, with inspiring examples and experiences to guide every step along the way.

Practical advice and examples of IOTA members are provided throughout the Guide, translating their experiences, ideas, concepts and considerations into concrete and practical development and implementation steps that managers and human resources professionals can apply in their own work situations.

Hopefully, this guide will be relevant and useful to anyone apparently interested in designing and implementing or already involved in performance management system - executives, managers, and human resources professionals in IOTA member tax administrations.
We would like to thank all the participants who took part in completing the questionnaire, both for the time they gave to collect valuable information and for the openness with which they shared their performance management practice. We would also like to thank the Task Team, in particular, Mr. Torsten Burman from Sweden, Ms. Alix Perrignon de Troyes from France, Mr. Tibor Kovács from Hungary, Ms. Cinzia Castelli from Italy and Mr. José Ramón Crespo Sánchez from Spain, for their help, input and advice throughout the preparation of this Guide.

The views expressed in this Reference Guide are those of the authors and do not necessarily represent those of IOTA.

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1. Background and introduction

The economic turmoil we witness today has some of its roots in tax evasion and a low level of compliance - a phenomenon intimately linked to governmental performance and the level of trust in the public authorities’ ability to administer its tasks efficiently with uniform standards and equality for all citizens. It is therefore no surprise that tax administrations are expected to improve performance and become more effective and efficient\(^1\), to devise better strategies, do more with less staff and to implement innovative solutions that create more value and better results for the common good.

There may be various strategic reasons for the reforms and changes we see in governmental organisations, but very likely there are common denominators such as a demand for change in corporate culture and an urge to better manage and develop both behaviour and results. And all that is about Performance Management\(^2\).

During its work, the IOTA Area Group on Human Resources Management identified and prioritized areas of special interest to focus on and explore. As Performance Management was considered strategically important, a task team was formed in March 2011 consisting of the following members: Alix Perrignon de Troyes (France), Tibor Kovács (Hungary), Cinzia Castelli (Italy), José Ramón Crespo Sánchez (Spain) and Torsten Burman (Sweden).

In one way or another, every sound organisation tries to improve its performance. The task team found that there were a variety of approaches to performance management and numerous management consultancies who advocate their models and methods as “the way to do it”. As all tax administrations also have different internal and external prerequisites, it is believed that there is no such thing as a universally perfect system for performance management. As a consequence it would be pointless to deliver a report on international “best practice” in this area. However, the team has tried to identify a logical sequence of critical considerations at different phases of the process.

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\(^1\) The OECD Comparative Information Study 2010

\(^2\) The term was coined by Dr Aubrey C. Daniels, author to: *Performance Management: Changing Behaviour that Drives Organizational Effectiveness.*
The aim of the process is to sustainably optimise managerial and co-worker behaviour and results; and to align it with organisational goals and strategies. The phases in the process are:

In each phase we pinpoint critical considerations and questions important to discuss and reflect upon before moving forwards. The questions are generic, but - as indicated above - the answers and standpoints will vary from organisation to organisation as well as over time. Nevertheless, the main principle is changeless: Performance Management is inseparable from Management Performance.

The reader must decide what value they will get from this Reference Guide. At least it is hoped that it will inspire them to discuss the way they manage and improve behaviour and performance in their tax administration today.

The most significant and sustainable benefits will come from those executive level staff within the organisation who make systematic use of the questions posed and considerations addressed and who also take action based upon the answers.
2. Summary of Conclusions and Proposals for the Next Generation of Performance Management

This Reference Guide highlights the essence of performance management and how it is currently practiced in IOTA member tax administrations. All responding administrations have said that they use performance supporting elements, but in order to be fully effective; performance management has to be systematic and consistent.

All organisations want to benefit from the full potential and capability of their staff and by designing smart structures and processes optimise output. Regardless of how it is named within tax administrations, this is Performance Management. It requires a systematic and consistent approach otherwise it will not be sustainably effective. If not, it can create confusion and uncertainty about what is considered desirable and commendable behaviour. The paradox is that at the same time they have to be responsive, agile and always ready to adjust, improve and refine when results aren’t good enough. After all, today’s strategies and best practices can easily become tomorrow’s failures in a rapidly changing environment.

It could be said that many of the measures described in this Reference Guide are part of a larger and rather slower process: that of forming a culture that fully supports the organisation’s mission and vision. It is one thing to have a nicely defined corporate culture in an administration’s strategic document, but does this reflect the everyday heroes of the business who are improving services, meeting customer needs, building trust and creating the right results? Some administrations may say “we do not have any customers”. Well, what they are called is not a big problem - as long as everyone receiving our work (externally and internally) are treated as customers!

The question “Does management demonstrate leadership when it comes to norms and values, encouraging and coaching as well as confronting when necessary?” needs to be addressed. Individual employees may need different drivers or motivation to perform better. There is an old truth saying that “if you reward a particular behaviour, you get more of it and if you punish, you get less”. In the light of recent scientific research\(^3\) from incentive experiments, the axiom - “the higher the reward, the better performance” - doesn’t seem to follow anymore. Many typical motivation schemes within organisations have been built on that axiom, and the axiom is still valid as long as the task to be optimised is simple, straightforward and only requires mechanical skills. However, in cases where the task requires any kind of cognitive skills, larger rewards actually lead to a poorer performance!

Research also suggests that bonuses and rewards can be counterproductive for most tasks, yet a number of those tax administrations surveyed use these kinds of incentives. So, when once we talked about the good performance of an administration, instead of saying “thanks to”, we should probably be saying “in spite of” the bonus system. By applying the findings of modern behavioural research there is a huge potential to develop and adjust the Performance Management philosophy within tax administrations to reach far beyond their present levels.

\(^3\) Massachusetts Institute of Technology, University of Chicago and Carnegie Mellon, http://www.thersa.org/events/video/animate/rsa-animate-drive
But how can this be achieved? The answer to that is to do it our own way, by taking into consideration the fact that as long as salary levels are perceived to be reasonable, the factors which lead to better performance and at the same time bring a higher level of personal satisfaction are: Autonomy, Mastery and Purpose.

- **Autonomy** is showing trust, giving people the latitude to decide on how to solve their tasks and challenges - but still with full accountability and within a pre-defined framework. Reduce command and control and eliminate micro-management are ways to enhance autonomy. Management of staff performance should be based on values and a clear understanding about the required effects of a task. Why? Because self direction fosters engagement and energy. It generates far better, smarter solutions than those that are performed to order.

- **Mastery** is about awakening the urge in people to do what they do better and better, to refine and improve - simply because it is fun and self motivating. Mastery is put into play by inviting individuals to solve problems, in arousing their curiosity to learn and by encouraging and allowing them to try new ways of working.

- **Purpose** should be one of the best disciplines, as it is about having a greater motivation to help the common good. Tax administrations have this for free, thanks to their mission! By enhancing the awareness of this and stressing it when building their “employer brand”, they have a huge advantage over profit driven organisations.

Is it an unrealistic dream or illusion? No, in fact it just takes another type of management style than the traditional. Autonomy, Mastery and Purpose will not convince all managers, employees or potential employees, but it certainly will those who would like to build the administration of the future.
3. The Method

This Reference Guide is an analysis of experiences and empiric conclusions from tax administrations contributing to the questionnaire.

The members of the task team brought to the project an in-depth knowledge and experience of organisational and management challenges from complex public and private organisations in five different countries. With these skills it was decided to apply a pragmatic and intuitive approach to the subject, with no other objective than to create a practical and useful publication for IOTA members.

Based on this, the task team discussed some of the critical issues, questions and considerations likely to be addressed in any organisation if it was to successfully and sustainably manage and steer its behaviour and results. This resulted in a generic sequence of considerations as defined in figure A: Phases of Performance Management (see page 8 above). Further details of each phase can be found in the following Section.

To be able to give examples of answers, standpoints and associated practices, the team created an extensive questionnaire based on the most relevant issues and considerations and submitted it to all 45 IOTA members, from which 24 answers were received. These form the comprehensive material used for the team’s analysis and their conclusions. A number of interesting and inspiring examples from different IOTA members have also been identified.

This section explains the critical issues, questions and considerations contained in the Phases of Performance Management (PPM) which are necessary in order to systematically and sustainably manage and steer behaviour and results in an organisation. Each phase defines the relevant issues to be addressed at that stage of the process. Phases E, F and H are not relevant to the questionnaire issued by the Task Team, but are, nevertheless, necessary in order to build an effective performance management process.

**PHASE A: HOW DO WE DO TODAY TO MANAGE OUR PERFORMANCE?**

1. Which are the main driving components to increase productivity for the organisation, for managers and for the individual employee?
2. Does the organisation have defined values and how do they ensure that these actually influence performance standards today?
3. How do managers and employees know what’s expected from them and what’s desired / “right” performance?
4. How is “right” performance rewarded and endorsed? Who becomes a hero today? Is it good enough for tomorrow? What would be the consequences if someone didn’t perform within the desired framework?
5. What is the present method of managing performance in the organisation, especially with regard to:
   a) securing and communicating a link between strategies and desired performance;
   b) reaching an agreement between each individual manager and employee on expected performance;
   c) creating the right conditions to perform;
   d) driving and monitoring actual performance;
   e) evaluating/assessing actual performance and providing positive and negative feedback;
   f) remunerating and rewarding accordingly.

**PHASE B: HOW DO OTHERS DO?**

1. How do others do, and what are their experiences?
   Whatever an organisation is, it is likely that there are others like it and that others have experienced similar problems and challenges.
   Is there a specific function responsible for the identification, gathering and dissemination of good practices and knowledge?
   Are strategic management plans or performance measurement compared or benchmarked?
2. Does the organisation have any idea of how others approached the issues they are confronting?
3. What are the major learning points for our organisation?
PHASE C: STAKEHOLDERS AND VALUES

1. Who/what groups are the major stakeholders (including unions)?
   a. Are any surveys of stakeholders made to gauge their views and perception of how performance is managed within the tax administration?

2. If it is decided to develop an improved approach to performance management:
   a. What will be the main purpose of that from the stakeholder’s perspective?
   b. What are the expectations of the stakeholders?
   c. Is the mission, business plan or service delivery standards of the tax administration communicated among stakeholders, and how?
   d. What value does it add to:
      • Government?
      • Citizens?
      • Co-workers / employees?
      • First line managers / supervisors?
      • Organisation / image / employer brand?

PHASE D: DECISIONS AND CONSEQUENCES

1. Go / No go for a development project: an improved approach to performance management.

2. If “Go”:
   a. How will the project be positioned?
      • Would it be a good idea to give it a high profile and high priority? If so; can a well reputed project manager be assigned and a top level executive act as sponsor (and who should also chair the steering committee)?
   b. Can it be organised the same as other important development projects?
      • Define deliverables and critical decision points?
      • Demand planning and regular reports on status?
      • Establish a steering committee with decision-making powers?
   c. How can major stakeholders (including unions) be involved? It is no guarantee of a better solution, but it paves the way for organizational acceptance and smoother implementation (Organizational effect = Quality of solution x Acceptance within the organisation). Establish mixed reference group(s)?

3. Consequences of “No go”?
**PHASE E: DESIGN AND DEVELOP**

Areas to be addressed - given the purpose and desired values:

1. How can the process consistently:
   a. secure and communicate a link between organisational strategies and desired performance?
   b. agree on expected performance with each individual manager and employee?
   c. create the right conditions for employees and managers to perform?
   d. drive and monitor actual performance?
   e. evaluate and assess actual performance and give feedback?
   f. remunerate and reward accordingly?

It is necessary to specify and describe the “how’s” in each step of the process. They must be as simple and as pragmatic as possible - the more complicated a process, the harder it is to communicate and the greater danger there is of set-backs and failure. Challenges must be discussed, ideas tested and solutions found on a regular basis with the help of reference group(s)

2. To what extent should steps 1. a-f be implemented?

3. What management support is necessary for step 1. a-f?
   - Policies
   - Guidelines
   - IT-systems
   - Education and training

**PHASE F: IMPLEMENT**

1. What arguments and “selling points” are relevant for the different stakeholder groups? How can administrations communicate with them and what more can be done to help the stakeholders “buy-in” to the change?

2. What kind of managerial support will be necessary, especially for first-line managers, to help them implement and run the system?

3. How and when will changes be “rolled-out” and how can progress be monitored.

**PHASE G: EVALUATE**

1. How and when should any performance management changes be evaluated?

2. What and how shall be measured? (A suitable cause & effect chain connecting individual performance with corporate results may assist)

3. What expectations are realistic? (NB Change takes time and energy. The greater the change, the more time and perseverance.)

**PHASE H: NEXT STEPS**

If the administration is not fully satisfied with the outcome - how can they improve further? (Use applicable parts of the A-H phases again on an iterative basis).
The following section of the report reviews the findings of the Task Team based on responses to the questionnaire that was circulated and associates them with the relevant phases in the Phases of Performance Management model.
5. Phase A: HOW DO WE DO IT TODAY

(Logic and findings)

The overall logic is that if we do not know how we do things today, then we do not know what to change if the results aren’t good enough!

As expected, different tax administration’s approach the need for performance management in different ways and require different drivers for improvement and increased productivity. The major types of driver are dependent upon the levels at which the performance is measured:

**Organisation**

Yearly goals and targets are set in many tax administrations; that frequently include the alignment of individual, measurable goals. In some tax administrations a yearly directive or instruction from the ministry is converted into an annual dialogue on goals and objectives at different organizational levels, the output from which is a detailed annual report.

Some tax administrations try to optimize these processes by simplifying the system to improve effectiveness and cost efficiency. Qualitative indicators are considered as some of the main drivers to improve performance and to avoid accidental errors and mistakes by introducing easy-to-use systems for the end users.

Creating an organisational culture for continuous improvement and development, based on an in-depth understanding and respect for the customers’ needs (both citizens and business enterprises) is now the focus. Results of the survey suggested that some tax administrations have implemented special strategies to meet customer needs in different areas, the purpose being to build trust and make it easier for them to comply with their tax obligations.

Organizational development in order to improve overall performance requires a holistic approach with management and employer policies integrated to provide a sound working environment and a logical feedback and remuneration system.

Well functioning routines and systems for internal communication are considered essential for building a broad understanding of mission, vision and values and also for effective relationships and strong internal cohesion within the organization. Training and development as well as automation of business processes (especially large volume handling), are considered important drivers in reducing administrative costs.

The success of any system is dependent upon its capacity to provide detailed and informative performance data, ideally at both an organizational and individual level.

**Managers**

In most tax administrations managers at different levels are responsible for setting clear targets and delivering results. Some administrations use performance bonuses, while others prefer revising salaries annually in accordance with specific criterion linked to responsibility, performance and results of the individual manager.

Training programmes for improving management skills are considered important in all surveyed tax administrations as are intelligently used feedback and recognition processes.
Employees

A simple but powerful logic is that it should be beneficial to perform better - if this is to work then there must be a substantial difference between high and low performers. This logic is one of the traditional cornerstones in performance management. Consequently the main drivers for improving performance are individual evaluation and feedback that affect salary, career and/or development opportunities.

5.1. STRATEGIC ALIGNMENT

In all surveyed tax administrations the workforce performance is aligned with organizational objectives by applying different methods, measures and indicators. Examples of documents where strategic alignment is found are: Strategic or Corporate Plans, Statement of Strategy, Annual Plans, Performance Management Programs, Accounting Regulations, Job descriptions, etc.

Mid-term planning of individual objectives (qualitative and quantitative) in combination with periodic individual feedback dialogue is another way to align workforce performance with organizational goals.

Managers and employees’ day-to-day actions are usually aligned with strategic business goals through direct dialogue with units and individuals. A number of tax administrations underline these aspects, particularly in the case of developing managerial skills, such as coaching, mentoring and dialogue training.

Several tax administrations have identified areas where alignment of performance management with strategic business goals is rather limited due to the fact that the process is still being developed.

Measures and indicators

Although there was very little information provided on the use of measures and indicators, the majority of surveyed tax administrations both monitor and measure performance at organisational level (business results, quantitative and qualitative indicators) on a regular basis, following the adopted business plans. A periodic management dialogue on goals and results is used in some countries to assure alignment with organisational goals and strategies.

Some tax administrations also use HR indicators (e.g. quality of leadership, personal integrity, diversity and mobility) for making comparative analysis between business indicators and results achieved to look for variances.

5.2. VALUES AND THEIR INFLUENCE ON PERFORMANCE STANDARDS

Most of the surveyed tax administrations have a statement/declaration of values as a part of their organizational culture, which influences performance standards.

The majority of tax administrations stress the importance of having a Code of Ethics or a Code of Conduct for all employees. These documents refer to transparency, honesty, consistency and quality service, etc. in performance of tax administration. The purpose is to increase the trust of society and therefore improve tax compliance.
5.3. AWARENESS OF LINKS BETWEEN INDIVIDUAL PERFORMANCE AND ORGANISATIONAL ACHIEVEMENTS

Even though managers and employees generally know what is expected from them in terms of "satisfactory performance", goals must be clearly and objectively formulated. Employees have to be made aware of how their performance affects achievement of the organizational, team and personal goals. This process is carried out mostly through periodical planning and development dialogues with the manager.

Once employees are involved in the planning of how to achieve the goals of their team, they also become more aware of what is expected of them as individuals. This awareness helps to build their perception of evaluation as a tool for performance development and improvement.

5.4. RECOGNITION & CONSEQUENCES OF ACTIONS AND BEHAVIOURS

Positive behaviour and good performance are rewarded in 18 of the responding tax administrations. Each has either an incentive system, bonuses at team or individual level, or they are rewarded with other incentives, e.g. the opportunity to take on challenging tasks, given promotion, offered personal development.

The achievement of additional tasks is often shared publicly. A number of tax administrations annually organise staff meetings where the performance results are presented and, if relevant, celebrated.

Consequences of bad performance could be disciplinary action involving penalties or sanctions, such as a written warning for an employee, reduced performance bonus or staff remuneration, etc. Bad performance can also have an effect on salaries, especially in countries with individual salaries.

5.5. COMPETENCY FRAMEWORK OR SKILLS CHECKLIST/INVENTORY

14 of the surveyed tax administrations have a competency framework or use a skills checklist. Besides the professional skills and expertise, the principal competencies in almost all administrations are teamwork, initiative, communication and problem solving and leadership skills. Good skills to interact with the taxpayers are also considered very important. Another recurrent skill in several tax administrations is: strategic thinking.

There is no big difference between competencies/skills required at central, regional or local level. However there is a indication that professional expertise specific for a particular branch is more important at business unit and team level.

It was difficult to make any ranking of competencies desired for the future. Language and communication skills along with social skills (emotional intelligence) are considered to be important future competencies. Additionally, such terms as innovation, customer orientation, professionalism, co-operation, managerial skills and detective skills were noted.
5.6. DRIVERS TO IMPROVE PERFORMANCE AND INCREASE PRODUCTIVITY (COUNTRY EXAMPLES)

**Organization**
- EFQM Excellence Model is used as reference (*Bulgaria*).
- Definition and monitoring of indicators represent the strategic axes of each mission (*France*); rate of tax information for local authorities; percentage of individuals filing their income tax returns on time; gross rate of individuals taxes collected; rate of late filing of annual business earnings returns; level of actual implementation of the program commitments "Making Your Taxes Easier"; percentage of audits to combat serious tax evasion; rate of income tax and residence tax appeals handled within one month; index anomalies-day recorded in the accounts of the State; rate of growth of automated payments in the local public sector; rate of building information issued within ten days; percentage of urgent retirement cases treated within two weeks.
- An important driver for the organization is also creating more compliance (*Netherlands and Czech Republic*); or the quantity and quality of services provided, the evaluation of internal control system to know the causes of failure of actions or projects not implemented or insufficient results (*Portugal*).

**Managers**
- Steering contracts specify how managers and employees have to make their contribution to the realization of objectives in a given year (*Netherlands*).
- Vision, values as well as co-worker policy are expressed in an annually updated written agreement which describes the mission of the managers (*Sweden*).

**Employees**
- Incentive scheme allows each agent to receive extra pay for the number of goals achieved (*France*);
- Ensuring the achievement of strategic targets as well as the planning enables to build capacity in key strategic areas such as audit, enforced collections and taxpayer services and ensure staff allocation “right employee on the right place” (*FYR of Macedonia*).

5.7. ALIGNMENT OF PERFORMANCE WITH STRATEGIC BUSINESS GOALS (COUNTRY EXAMPLES)

- Management organizes weekly meetings, within which are being discussed the achieved objectives, the way of achievement or the difficulties occurring in the process of achieving the objectives (*Moldova*).
- The processes to be carried out in pursuit of organisational objectives are subject to a rolling programme of review (*United Kingdom*).
- Managers are prepared to fulfil the above tasks, in particular educational programs to develop managerial skills and language skills in Moldova as well as in Italy or on-line training in planning in UK. In UK the performance management system and guidance on its use is documented on the intranet and available to all employees, including managers. Managers also receive help to develop their inter-personal skills in dealing with person-to-person issues arising from performance management.
• The contract plays a significant role with the use of a management report about the realization of targets (*Netherlands*). One example is the objection to a tax assessment. Over 95% (objective) of these objections have to be concluded (performance).

• Targets and goals are aligned with the overall organizational objectives; and the first line manager motivates employees and makes sure that the individual employee performs according to these goals. The subdivision of overall targets and objectives is carried through down to the lowest level of organizational unit, where the individual employee’s day-to-day actions meet the requirements of the overall target (*Denmark*).

• The management dialogue is used to align performance with the strategic business goals (*Sweden*). Besides the day-to-day coaching interaction, there are three different types of regular dialogues between manager and co-worker:
  1) First phase is a dialogue on planning, tasks, performance expectations and development needs. This results in a individual co-worker plan/contract;
  2) Second phase is follow-up dialogues on feedback and results with the purpose to help the co-worker to deliver on target. The frequency of this dialogue varies depending on tasks;
  3) Third phase is a dialogue on salary. If the first two phases are well managed, there should be no surprises when it comes to effects on the salary for the individual co-worker. For further details see Example 1 and Example 2 in the Appendix.

• Tax administration in *Finland* consider in advance how they would know if their corporate goal has been achieved. The performance evaluation is split into four areas:
  o results, efficiency and quality;
  o communication skills and interaction;
  o availability, all-round and special skills;
  o activity and development attitude.

**Indicators**

• A Management Information System is used to handle the goals and the indicators that measure performance against these goals (*Denmark*).

• Several indicators are used to measure performance and to facilitate the achievement of the high priority strategic tasks, budgetary act and conditions set by minister. Indicators are typically classified by professional blocks (e.g. revenue, tax and duties, audit, tax enforcement, second level legal authority activities, professional text indicators) (*Hungary*).

• Performance indicators for each process are set out in the business plan (*United Kingdom, Sweden*). Continual monitoring of the indicators compares performance with the plan. Good practice (over-performance) is shared across the organisation. The causes of shortfalls (under-performance) are identified and corrective actions are taken.

• Specialized indicators are used to measure the personnel performance (*Slovakia*). Technical, Legal Programs (*Switzerland*).

• Qualitative and quantitative targets are settled upon annually and thematic working groups at different levels discuss the best goals and indicators for the next year (*Spain, Moldova*).
5.8. VALUES AND THEIR INFLUENCE ON PERFORMANCE STANDARDS (COUNTRY EXAMPLES)

- Important principle as integrity, legality, impartiality and reliability are inside the Administration code (Bosnia and Herzegovina).
- Employee awareness of values encourages their commitment to honour the values including innovating and empowering effectiveness (Ireland).
- The code of ethics is effective in the organization and the Code is binding to all the employees of the organization. If the employee violates the requirements defined in the Code of Ethics, disciplinary case can be initiated and compliance of the employee’s behaviour to the rules of ethics of the organization is evaluated (Latvia).
- The code of ethics is submitted to every newcomer in organization (Bulgaria).
  - The values are:
    - Team work and corporate spirit
    - Honesty and trust
    - Motivation and development of people’s potential
    - Quality service
- Co-worker policy based on mission, vision and values: Proactive, Reliable and Helpful (Sweden). For further details see Example 1 in Appendix.
- The code of conduct is an important instrument in enhancing and ensuring professional state service. It describes the conduct standards for the employees and gives directions and guidelines on resolving ethical. (FYR of Macedonia).
- The code of conduct is the framework within which each employee’s individual performance agreement is constructed and measured. It sets out what everyone is expected to contribute to achieving the goals. It describes the way to do the job - professionally - and the behaviours and standard of conduct they must follow in doing their job. The Civil Service Code sets out a code of conduct and standard of behaviour for all government employees. The Civil Service Code sets out a code of conduct and standard of behaviour for all government employees (United Kingdom). For further details see Example 3 in Appendix.
- A statement or declaration is an “Agreement” between employees and administration. (Netherlands) Three main values are characteristic of the Tax Administration. The first is credibility inside and outside the administration. The second is responsibility. They call each other to account and let each other know when they do not understand each other's conduct or decisions. That makes them reliable, open and transparent to the environment. The third is care. They treat everyone with respect and we take everybody’s expectations, rights and interests into account.
- A declaration values help to improve the service level and collaboration with external and internal partners (Switzerland).
- A declaration values are inside the Business Plan or Annual goals (Denmark, Italy, Spain, and United Kingdom).
5.9. RAISING AWARENESS ABOUT HOW INDIVIDUAL PERFORMANCE LINKS TO THE ACHIEVEMENT OF ORGANISATIONAL GOALS (COUNTRY EXAMPLES)

- Effects on achievement organizational goals are communicated through meetings (Azerbaijan, Moldova).
- In Czech Rep every employee - thus also managers - has set his tasks and aims partly in employment agreement and more detailed in job description. During regular employee's assessment, the fulfilling of those goals is evaluated and their concretization for next period is made (Czech Republic).
- A formal Performance Management and Development System (PMDS) is applied to all staff. This provides clarity in relation to formulation of goals and expected standards of performance. PMDS Annual Role profile links personal goals to the team and the organization. Dialogue between manager and staff member happens informally as part of day-to-day workplace activities and formally at 2 review meetings held each year (Ireland). For further details see Example 4 in Appendix.
- Goals are formulated in co-worker plans and for managers in written agreements with their boss in Sweden and Netherlands, where the performance of employees is measured for every single objective. This is done by means of scores. Green, orange and red reflect the performance related to the single objectives (Sweden, Netherlands).
- The values and strategic goals are integral parts of the management dialogue, results contract and appraisal and development dialogue. The results contract for managers are reviewed twice yearly, and the employee appraisal is reviewed twice yearly (Norway).

5.10. RECOGNITION & CONSEQUENCES OF ACTIONS AND BEHAVIOURS (COUNTRY EXAMPLES)

Recognition of good performance:

- The better performances (the better mark) higher increase of basic salary. The unit’s funds are distributed between individuals according to the individual quarterly evaluation and job position held. The individual pay component can be maximum 48% of the basic salary (Bulgaria).
- Pay performance only for rewarding managers (retribution of results) and officers in charge of organizational positions (team leaders, experts). Awarding salary of the positions and the results are subject to a positive evaluation of the performance (Italy).
- Positive behaviours and actions are rewarded with certificates of distinction (Latvia).
- All employees whose achievement is significant get recognition of their work in of the Public Revenue Office of FYR of Macedonia (PRO). Awards are given to:
  - employees who continuously work in the PRO for 10 years;
  - employees who continuously work in the PRO for 20 years;
  - employees who continuously work in the PRO for 30 years;
  - retired employees in the current year;
  - associates persons / organizations that contribute to particular performance of work from the scope of PRO;
  - employees and organizational units (Regional Office and Department) in PRO for performed results, professionalism and efficiency within the scope of the PRO.

The results of performance indicators and recognition are also subject to regular internal publications (FYR of Macedonia).
The career development of officers of the Public Service (France) depends on both their seniority and their professional value. The annual rating assigned to them allows them to benefit "reductions of service" through a numerical score:
- Rating of 002 accelerates the careers of 1 month;
- Rating of 006 accelerates the careers of three months.

In-house and external training opportunities in (Malta and Portugal).

Challenging tasks, promotions, personal development (Norway).

Increasing salary scale and bonus. Positive behaviours and examples are mentioned in public. Extra holiday. Some employees’ pictures are posted on the wall of fame of the Main State Tax Inspectorate of the Ministry of Finance (Moldova).

Good performance is rewarded by special gratifications (Netherlands).

The Organization does not recognize the praiseworthy behaviours currently. There is a general budget for bonus for the whole Tax Agency, depending on it’s achievements the year before. This budget I split among all the units who have reached the goals in a particular scale (the biggest portions to the best units in the achievement of the goals). Another scale is made according to the responsibilities of the employees (Spain).

An employee's achievement of their objectives and display of appropriate behaviours in doing their job is recorded as a "good" performance rather than "satisfactory" in recognition of positive behaviours and actions. Overall performance throughout the year that significantly exceeds expectations is recorded as a "top" performance and is rewarded with an additional significant pay bonus. One-off excellent or meritorious pieces of work can be promptly recorded and rewarded in-year by managers through two reward schemes - the Recognition Bonus and Simply Thanks. Innovative and effective ideas for improving processes and service or for reducing the cost of a process can be recognised with a monetary reward and publicity. Teams will regularly record and discuss good performance and successes. Providing good consistent service to customers is considered most important and given particular recognition (United Kingdom).

Consequences of bad performance
- If the performance is not corrected in six months, a reaction is reduction of employee’s periodical increase of salary (Finland).
- Insufficient performance entails the disciplinary sanction from the minimum of verbal or written reprimand to the maximum fine amounting to 4 hours of pay for the employee. At the same time, it will make impossible to join any internal competition and change the economical progressions (Italy).
- Another reaction to under-performance is freezing someone's periodical salary increase (Netherlands).
- Disciplinary process could end up in dismissal (Spain, Moldavia, and Netherlands).
- Slower career (France).
- Coaching and/or training to improve. If that doesn’t help: poor result in salary revision and very limited career and development opportunities. If it is about inappropriate behaviour it is carefully investigated and decided in the Personnel Committee. It could lead to formal warning or dismissal (Sweden).
Inappropriate behaviour of HM Revenue & Customs’ code of conduct is investigated and may lead to a penalty ranging from a formal warning through downgrading to dismissal. In cases of poor performance, the first step is to withhold all performance bonuses. Thereafter, the employee and their manager agree an individual action plan to improve performance. If the employee fails to carry out the plan or improve their performance they will be subject to a range of actions including downgrading or dismissal (United Kingdom).

Celebration and reviews of achievement
- Hungary schedules recurrent celebrations/reviews of achievements at team/unit level. However, these celebrations/reviews are informal and differs from department to department (Hungary).
- In Italy the evaluator is also a coach that promotes initiatives and encourages staff to be reflective using a wide range of approaches and constructive feedback to develop others. The Italian Revenue Agency provides formal and informal feedback between employer and employee and follow-up discussion (Italy).
- Annual Reports on Performance; Quarterly reviews of achievement of Business Plans; Monthly reporting on all aspects of Revenue’s performance (Ireland).
- HM Revenue & Customs teams at all levels of the organisation use a quality management and continuous improvement process called PaceSetter. PaceSetter teams meet daily or weekly and record successful achievement of targets, delivery of good customer service, and achievement of significant milestones in projects. These are recorded as successes and are reported up to the next level of management (United Kingdom).

5.11. COMPETENCY FRAMEWORK OR SKILLS CHECKLIST/INVENTORY (COUNTRY EXAMPLES)
- Danish Ministry of Taxation tries to ensure mobility among the employees. It gives flexibility when jobs and tasks change, and enables better cooperation between different professions within the organization (Denmark).
- Analytical and Conceptual thinking, Managerial skills, Team working, Leadership and Developing People are some selected competences in the Irish and Italian Dictionary Framework. For further details see Example 4 & Example 5 in Appendix.
- Some competences are tailored for job description, specific needs for different subjects or typical roles, complexity of a single job position. Language skills and Social skills are considered important future competencies (Finland).
- Innovation, Customer orientation, Professionalism, Cooperation (Norway and Netherlands).
- The Behaviours, Skills and Abilities framework until recently was the competency framework for all employees, except the most senior officials. It remains the framework for our junior administrative employees (United Kingdom). For further details see Example 6 in Appendix.
- The Leadership Behaviours is the competency framework for all executive employees, except the most senior officials (United Kingdom). For further details see Example 7 in Appendix.
6. Phase B: KNOWLEDGE OF HOW OTHERS DO
(Logic and findings)

It appears to be logical that whenever we compare results, processes or sub processes which seem similar or more efficient than ours, it often leads us to identifying elements that we could do better in our own organisation.

Cultural aspects should not be underestimated. In some tax administrations there is a very deliberate development of a corporate culture where it is a natural part of the job to share with and learn from others. To go from finding better results and approaches somewhere else, to adopting and using them “at home” is sometimes a big step that requires an unpretentious and liberal mindset, a willingness to try doing things in other ways and to change behaviours. This is a matter of culture.

A success factor for sharing, learning and improvement seems to be not to settle purely for descriptions of WHAT we do, but more importantly HOW we do things, TO WHAT EXTENT we do it, and with what RESULTS/EFFECTS. As stated earlier, it is logical that if we do not know how we reached our results, then we couldn’t possibly know what to change if the results aren’t good enough!

Examples of improving by learning from others are shared by almost all surveyed tax administrations.

6.1. EXTERNAL KNOWLEDGE SHARING

Management and employees take part in international activities (e.g. OECD, Fiscalis, IOTA, etc.) exchanging information related to specific topics and areas of expertise.

Furthermore, bilateral co-operation is enhanced by means of participation in study visits, seminars, targeted project groups (e.g. cross-border activities) both at central and regional level. Several tax administrations reported on their involvement in governmental performance management advisory and working groups.

Sharing of knowledge and expertise can also be realised through specialised seminars and workshops with the participation of business representatives from a wide range of business areas and the involvement of HR-experts and specialists from other governmental bodies or agencies.

Benchmarking is a method used by a number of tax administrations - sometimes combined with a tool kit for making best use of external practices.

6.2. INTERNAL KNOWLEDGE SHARING

The very fact that different parts of an organisation do not do everything in exactly the same way offers a great potential for “in-house” benchmarking, learning and development. Hence many tax administrations have created forums or internal networks to facilitate sharing of practices, results and experiences in specific areas, the overall purpose being to improve efficiency with the same or better quality.

Structured workshops or seminars organised at local level are encouraging employees to analyse differences, exchange practices, methods and experiences and adapt them into the organisation’s own processes.
Measurement of the results on goals and objectives (quality and quantity), use of indicators and monitoring of quantitative and qualitative outcome of the performance management cycle is done in some tax administrations as a preliminary stage for a more in-depth analysis. It also forms a base for evaluation of the performance management approach.

6.3. LEARNING FROM OTHER EXPERIENCES (COUNTRY EXAMPLES)

**Participation in international programs and projects:** Fiscalis (Malta), IOTA (Cyprus, Czech Republic, Sweden), international meetings (Bulgaria), seminars, and study visits (Croatia, Hungary, Portugal, Republic of Srpska)

**Representation in Government working groups with business** (Ireland, Netherlands) or only with other governmental departments (United Kingdom)

**Sharing experiences and best practices** with other public organisations (Italy, Sweden) and tool kit making use of the best foreign practices (Hungary, Azerbaijan), seminars (Latvia, Malta)

**Benchmark and bilateral comparisons:** Systematic benchmarking within Nordic countries (Finland), International Benchmark Unit in charge of international studies in all areas of tax administration (study on ethics conducted in 2010) in France. Study visits and seminars (Croatia, Cyprus, Czech Republic, Moldavia, and Denmark)

6.4. LEARNING FROM OWN EXPERIENCES (COUNTRY EXAMPLES)

**Survey/Consultation of employees** (Slovakia, Sweden)

**Sharing of good practices** (Bulgaria), exchanging experience (Croatia), analysis (Hungary), internal seminars, shoulder by shoulder work seminars (Norway), theme days or knowledge groups (Netherlands)

**Measurement of strategic objectives** (Hungary)

**Use of indicators and statistics** (Spain)

**Follow up and comparison on regional practices** (Sweden)

**Meetings:** general meeting with managers on central level and regional level (Czech Republic)

**Training:** program or academy (in Macedonia a Regional Tax Academy enables to use and exchange experiences and knowledge from experts and qualified employees to other employees), training activities taking up the results of the previous year into consideration (Denmark)

**Monitoring qualitative outcome:** UK’s HM Revenue & Customs monitors the quantitative outcome of its performance management cycle. For example: Are all the employees covered? Is the spread of performance ratings as expected? Is the spread similar across the diversity of employees? Anomalies are investigated and the possible causes identified.

Also qualitative outcome of the performance management cycle is monitored. For example: How many performance assessments are challenged by the employee and why? How many challenges are upheld and on what grounds? How many questions about the process are raised by managers and employees? Common issues are identified and the possible causes identified. This information is reviewed. Stakeholders are consulted. Any necessary improvements to the policy, process and guidance for employees and managers are implemented.
7. Phase C: STAKEHOLDERS AND DESIRED VALUES (Logic and findings)

Performance Management requires communication and co-operation with internal and external stakeholders. A good understanding of stakeholder⁴ expectations and desired values is critically important in the strategy process and for designing / improving alignment of behaviour and results with strategies in different business segments.

As mentioned earlier, every organisation in one or another way tries to influence staff behaviour/performance and thus the results. Hence, if a Performance Management system can be designed in co-operation with the most influential internal stakeholders it will very likely get a high level of acceptance within the organisation and thus be more effective for its purpose.

7.1. INTERNAL STAKEHOLDERS AND THEIR EXPECTATIONS

Indeed, there are national differences, but for most of the surveyed tax administrations internal stakeholders are government, managers, employees and trade unions. From the tax administration’s perspective government can be considered as an internal or external stakeholder depending on organisational structure and level of independence.

**Government** expects effective and legally correct collection of revenues, by a modern administration (meeting the service standards) that has the capacity to measure the desired values and results. These demands are annually translated into a statement of objectives and resources (budget) to make it happen. They also want a holistic approach with a view to reducing the administrative burden and compliance costs (from the citizens’ perspective) as well as synergies between different state agencies.

**Managers** at a higher level are primarily seeking better performance results and efficiencies, whereas lower level managers focus on individual achievements and motivating staff.

**Employees** are interested in knowing what is expected of them and how they can affect their remuneration and their development opportunities. They want job satisfaction and fair recognition of work well done. They also expect good working conditions as well as opportunities to develop their competencies (stronger CV) and make a successful career. They want fair and objective rules of the game.

**Trade Unions** participate in development and monitoring of the performance management system in order to maximise the benefits for their members and minimise the adverse impacts. They also want transparency and a fair and equal treatment of their members by the system.

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⁴ A stakeholder is "any group or individual who can affect or is affected by the achievement of the organisation’s objectives" (Freeman, 1984)
7.2. EXTERNAL STAKEHOLDERS AND THEIR EXPECTATIONS

External stakeholders are mainly the taxpayers (individual citizens and enterprises) and other governmental authorities.

Individual taxpayers want fair taxes, better services (easier to comply), equitable and predictable application of tax laws, respectful treatment.

Enterprises have similar expectations with emphasis on easy to comply (reduce compliance costs), equity (for fair competition) and predictability (for stable and calculable terms and conditions).

Other governmental authorities are interested in possible synergies and cost efficient cooperation across organisational borders that add value to their own processes.

As tax administrations are responsible for the assessment and collection of taxes before Parliament and other governmental authorities, annual performance reports are also delivered as a tool of external use of performance results.

7.3. BUILDING TRUST AND RELATIONSHIPS WITH STAKEHOLDERS

With Performance Management a tax administration can develop more active partnerships with its stakeholders and build a positive image in society as well as creating a sound tax culture. Involvement of stakeholders in the development of performance management can ensure credibility of the process and strengthen acceptance of change.

Many tax administrations use internal “climate surveys” to follow up on and analyse job satisfaction. Employees’ opinions on management quality and organisational compliance to values and code of conduct are also measured.

Surveys aimed at external stakeholders are often - for objectivity reasons - provided by third parties. They normally focus on opinions about services, treatment and trust.

Some tax administrations consult the private sector for best practices and involve external stakeholders in preparatory work prior to changes in legislation, regulations or routines. In this process it is necessary to consider quality indicators connecting several stakeholders.

Respondents to the questionnaire also emphasised the importance of dialogue which can be facilitated by consultative committees/groups, panels, focus groups or meetings/seminars for taxpayers and professional bodies related to the topic in focus.

A number of tax administrations have individual customer relations managers or key-account managers dedicated to dialogue with large enterprises in order to facilitate tax compliance and resolve procedural problems or unintentional errors of the taxpayers.

An example from the Italian Tax Agency describes an approach to support and assist taxpayers in complying with tax obligations. For further details see Example 8 in the Appendix.
8. Phase D: DECISIONS AND CONSEQUENCES
(Logic and findings)

At this stage in the process of developing a Performance Management system, having completed Phases A-C, there should be sufficient input for making a well founded decision as to whether to proceed further or not, and how.

The questionnaire focused on three specific areas of interest:
1. Overall satisfaction with the present model /system of performance management in the tax administration;
2. Consequences of a decision either to improve/develop the performance management system in the respective organization or not; and
3. Success factors and pitfalls that have to be considered in connection to a developed approach, especially with regard to stakeholder involvement.

21 tax administrations answered these questions, and two thirds reported an overall satisfaction with the existing performance management system in the organisation.

In the case of the United Kingdom, the performance management system works well, as it is perceived as open and fair and helps everyone to understand what’s expected from them. The Italian Tax Agency describes changes in their national legislation which created a major breakthrough in developing performance management, as earlier there was no tradition of systematically measuring and appraising performance at an individual level in public administration.

Several tax administrations, e.g. FYR of Macedonia and France explained that their performance management systems support performance comparison between different organisational units with similar functions, thus creating opportunities to improve. France also underlined the fact that a balanced mix of results help to focus and progress indicators and avoid the classical trap where a performance management system becomes too formal and rigid.

The Dutch Tax and Customs Administration is of the opinion that control systems have to be complementary to the performance management system by facilitating monitoring of the processes and ensuring application of corrective measures.

One third of surveyed tax administrations have experienced special challenges regarding performance management, and many of them pointed out the necessity for a clear alignment of the system with the vision and strategic goals and targets of the organization. Three specific challenges are mentioned:
1. Setting clear targets on all organisational levels;
2. Consequently using the coaching dialogue between first line managers and employees;
3. Selecting indicators and using management information system to support assessment of resources and achievements.

The Spanish Tax Administration has developed a performance management system based on objective elements - mostly quantitative. However, if these elements are only measured at team or unit level, they don’t provide sufficient feedback or enticement for the individual employee.

In some tax administrations demands and expectations of individual skills and performance are only vaguely formulated and thus difficult to measure. It leads to a situation where the individual’s skills becomes a matter of judgment for the supervisory manager.
8.1. CONSEQUENCES OF IMPROVING/DEVELOPING THE PERFORMANCE MANAGEMENT SYSTEM

Many of the responding tax administrations consider that the principal outcome of improving performance management methods is an increased compliance with performance standards contributing to more effective processes and better results.

The development of performance management also enhances the knowledge of employees' present skills and development needs, and thereby allows training and development to be more targeted and cost efficient.

Failure to improve/develop the performance management system could bring the risk of an opposite effect, for instance, stagnation both in the organization and in the staff.

8.2. FACTORS AND RISKS TO BE ADDRESSED WHEN DISCUSSING AND PLANNING DEVELOPMENT/IMPROVEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

Many factors were underlined by the surveyed tax administrations. Some of them have already been covered in previous chapters of this Reference Guide. In this section only those factors not mentioned earlier in the text are highlighted.

- The role of front line management is critically important for performance management. With regard to this, it is equally important to ask ourselves:
  - How do we assure management performance?
  - What do we know and do about the work situation and conditions for managers at this level?
  - What is the optimal ratio of employees per first line manager, and what should be the maximum; given how this role is designed?
  - Do we monitor the ratio of employees per first line manager and how do we deal with deviations?
  - How do we select, train and prepare new first line managers for good management performance?
  - How do we support this managerial level?

- Build the system so it doesn’t result in an increase of bureaucracy, especially for first line managers.

- Secure links to individual development, training system and career planning.

- Building a sense of understanding through a good dialogue is not a burden but a powerful management lever to create a good environment for motivation, job satisfaction and improved results. Correct follow-up and feed-back take significant time, but must be considered as investments.

- Realize that there is no “automatic” or totally objective performance management system.
9. Phase G: EVALUATE (Logic and findings)

To perform well and deliver on changing requirements and expectations by customers and stakeholders, it is necessary for tax administrations to systematically evaluate how they manage, steer and develop both behaviour and results in the organisation - in other words the current Performance Management system. Basically, if we do not know how we manage performance today - how can we know what to change in the system if we are not satisfied with the results? So, what are the critical questions and considerations we should address?

The first question is whether the present performance management system is good enough? Does it deliver the desired results? If it doesn’t, there is obviously a need for analysis and improvement. This should be done in conjunction with the strategic planning process. Several of the surveyed tax administrations evaluate their organisation’s performance management system. However, performance management systems are still being developed in a number of tax administrations and, therefore, have not yet been subject to a systematic evaluation.

Where performance management systems have been evaluated, their processes and results are subject to review by management, internal audit, external organizations and/or government bodies.

Some administrations indicated that tax office efficiency was monitored and compared. Also a working assessment of employees is analyzed. One possible driver for improvement is to discuss such information on a regular basis at executive level. Establishing an internal review group with the possible involvement of internal stakeholders may also be a good way to evaluate the existing performance management system.

Other approaches to evaluating and improving performance management systems are: national surveys, analysis and evaluation as a part of the risk analysis process, use of the Balanced Scorecard, panels with negotiating parties (employer and unions), etc.

As a result of these evaluations, the majority of tax administrations make changes in their organisational structure, performance management procedures and methods.

Another advantage of undertaking an evaluation of performance management could be to introduce more consistency in the way the current salary system is applied, or to introduce new and more individual ways to recognise outstanding performance.

Some tax administrations use the following as drivers to evaluate existing performance management procedures:

- analyzing the results of appraisals and remarks indicated on performance management forms,
- enquiring of the clients of the organisation i.e. citizens and enterprises, as to their satisfaction of the organisations performance,
### 9.1. COUNTRY EXAMPLES OF THE EVALUATION APPROACHES

- Tax administration of *Bulgaria* has established a special department at Headquarters responsible for performance management. This department is responsible for organising and applying the performance management procedures and ensuring appropriate, lawful performance and behaviour according to the code of ethics.

- The salary system and whole performance management system would need methods for more systematic evaluation in *Finland*. There is a need for more consistency in the existing salary system and better performance management methods.

- Fulfilment of the standards and individual achievements is measured and expressed on cumulative quarterly level and in a separate annual report (*FYR of Macedonia*).

- There is a central institution in *Italy* responsible for evaluation, transparency and integrity of performance management methods and systems for all public administrations.

- Methods for managing performance are analysed and a step-by-step plan is being made to achieve improved monitoring (*Netherlands*).

- Organisation’s performance management system is evaluated every six months; Balance Scorecard is processed according to the Manual of Balance Scorecard (*Slovakia*).

- A systematic follow up and comparison on regional practices and applications is made every forth month. National surveys indicating opinion of stakeholders are carried by independent bodies. The existing approach is analysed and evaluated annually in connection with risk analysis (*Sweden*).

### 9.2. COUNTRY EXPERIENCES ON RESULTS FROM THE EVALUATION

- Evaluation of tax offices was introduced by Financial Directorates in *Czech Republic*. As a result, there were changes in organisational structure, performance management procedures and methods. At the same time annual working assessment of employees was carried out. The new concept of evaluation of tax offices is expected to increase productivity and effectiveness of tax administration and reduce the costs.

- *French* tax authority reports on results of performance management evaluation to the Parliament, to the Inter-ministerial Audit Committee of the budgetary program and to the independent court in charge of auditing and evaluation of public policy.

- As a result of the performance management evaluation in *FYR of Macedonia*, a new pilot project for a rewarding system is being introduced in the Directorate of Large Taxpayers.

- The Performance management and development system in *Irish* Civil Service is under review in order to simplify and streamline processes and ensure consistency and transparency across all government departments. Business goals and individual goals will be made clearer and will be aligned with each other. There will be more specialised training and support for managers.
• In Spain a growing proportion of employees is assessed to be top performers. This could be explained by feedback inflation that corrupts the system and makes it difficult to differentiate. Consequently, the system is being updated in the Spanish tax administration.

• Evaluation of performance management system evokes the competition and interest in tasks between employees in Slovakia.

• In Swedish Tax Agency the performance management system is undergoing improvements which are focused on the coaching dialogue between manager and co-worker, on reducing the administrative burden on first line managers, on making them more safe and comfortable in their roles as employer representatives. The system is also subject to review due to recent updates in co-worker policy and in competence strategies.
10. APPENDIXES - Additional material containing country examples
EXAMPLE 1 - SWEDEN: CO-WORKER POLICY FOR SWEDISH TAX AGENCY

CO-WORKER POLICY FOR SWEDISH TAX AGENCY (2006)

BASIC VALUES FOR ALL PUBLIC ADMINISTRATION

- **Democracy**
  We execute our tasks in compliance with the decisions made by parliament and the government.

- **Legal security**
  We make materially correct decisions on the basis of valid legislation and other statutory instruments.

- **Efficiency**
  We supply the intended results and attain the objectives established by the government and parliament in a cost efficient manner.

**Our vision**
A society where everyone is willing to do their fair share.

**Our basic outlook**
We are here to serve the general public. We assume that everyone wants to do their fair share, and we view every meeting as an opportunity to further increase confidence in our activities. Everyone who has contact with us shall perceive us as **Proactive, Reliable and Helpful**.

We offer developing and stimulating tasks in a work environment characterized by transparency and respect. We have faith in the desire and ability of each other to develop and take responsibility. In our work situation, we have a balance between work and leisure.

AS EMPLOYEE OR SUPERVISOR IN SWEDISH TAX AGENCY YOU

1. work actively to prevent, simplify and clarify
2. take responsibility for your own learning and your own development and always share your knowledge and experience
3. are open to and actively contribute to the changes operations and the surrounding world require
4. work professionally and purposefully towards overall objectives as formulated
5. understand your role and cooperate with others for the overall purpose
6. stand for what you say and give and take both praise and constructive criticism
7. speak and write objectively and in a way that is easy to understand
8. are easy to get along with, can put yourself in the situation of others and behave in a helpful manner
9. contribute to the feeling of community and a good work environment

AS SUPERVISOR/MANAGER AND EMPLOYER YOU ARE ALSO EXPECTED TO

1. give direction for activities, systematically plan, set priorities and develop operations as well as follow up results
2. take responsibility for the availability of the right competence by recruiting, developing and phasing out
3. secure the diversity that enforces our competence and thereby confidence in us
4. demonstrate good self-knowledge, personal maturity and empathetic ability
5. actively support, inspire and create good conditions for your coworkers in their work and development
6. be a good role model
7. be clear, consistent and sensitive in communicating messages from management

\[ P = C \]

**Definitions for the English version of the documents**

With “Employee” we mean Co-workers with no managerial assignment
Both “Employee” and “Managers” are – from the Agencies perspective – Co-workers.
EXAMPLE 2 - SWEDEN: SALARY CRITERION BASED ON CO-WORKER POLICY

Introduction

This material provides guidance for the individual salary assessment and a basis for the manager-employee dialogue regarding salary. The aim is to make a concretization in each individual case. The material is based on the salary principals of the central collective salary agreements: "An employee's salary shall be fixed based on responsibility, level of difficulty of the assignments and other related requirements, as well as the employee's skill and results in relation to the operational goals". The material is based on the Swedish Tax Agency's Co-worker Policy (CWP), where behavioural and attitude expectations are formulated for everyone working in the agency. The material is also based on strategies which clarify requirements and expectations within the Agency.

The first column specifies grounds for the assessment of an employee's job description and lists the criteria to be evaluated in accordance with the employee policy. Column three contains examples which are intended to facilitate the assessment. These are to be seen as guiding examples and not an exhaustive description of the criterion with points to be ‘ticked off’ - adjustments must always be made. The assessment shall without exception be based on the individual employee's job description.

All assessments of the job description, results and skill shall be based on the assignments carried out by the employee. Therefore the highest priority criterion is: ‘works in a professional and result-orientated manner towards established goals’ and the other criteria will be balanced out to form a general assessment.

The Manager in charge of salary reviews shall communicate the assessment principals to the employees, to have a dialogue on the results and on improvement areas and activities.

Definitions

“Employee” - means Co-workers with no managerial assignment

Both “Employee” and “Managers"- from the Swedish Tax Agency's perspective - are Co-workers.
Salary criterion for all employees. Assessment is made by the manager/supervisor.

### Salary criterion: JOB DESCRIPTION

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The work assignments of the employee will form the basis of the assessment. It is the employee's individual job description that is to be assessed focusing on the levels of difficulty, complexity, competency and responsibility of the assignments.</td>
<td>The job description falls within the framework of the classification: Basic - Advanced</td>
<td>What knowledge and skills are required to carry out the assignments? Do any of the assignments entail special responsibility/competence? Are any of the assignments particularly complex? Does the employee have a particularly varied/broad job description? Are there any assignments which require special responsibility? Are any/all of the assignments of particular importance for the development or target achievement of the section? Are the assignments important for the office's results or the development and total target achievement of the Agency?</td>
</tr>
<tr>
<td>Has the employee's job description changed or developed?</td>
<td>The job description has:</td>
<td>Alterations to the job description which constitute development with regard to: difficulty, complexity, competency, responsibility or scope will be taken into consideration in the salary review.</td>
</tr>
<tr>
<td></td>
<td>• been reduced/Reduced in scope</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• remained unchanged</td>
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<tr>
<td></td>
<td>• been extended/Broadened</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• been greatly extended/broadened</td>
<td></td>
</tr>
</tbody>
</table>
### Salary criterion VALUE: PROACTIVE

<table>
<thead>
<tr>
<th>Criteria in CWP</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
</table>
| ▪ works actively to prevent, simplify and clarify | *On the basis of this criterion, the employee's performance is deemed to be:*
Unacceptable - Acceptable - Good - Exceptional | Ability and willingness to apply knowledge and skills in order to prevent, simplify and clarify. Is well acquainted with the assignments. Is able to constructively criticize work methods in order to facilitate target achievement. Implements measures to increase efficiency. Suggests appropriate simplifications. Collaborates in/contributes to development work. Follows, takes on board or suggests improvements of the preemptive/preventive work. Disseminates information and knowledge - both within and outside of - the Agency. Willingness, ability and initiative to inform. |
| ▪ takes responsibility for learning and developing and always shares knowledge and experience | *On the basis of this criterion, the employee's performance is deemed to be:*
Unacceptable - Acceptable - Good - Exceptional | Follows the development of the field of activity. Keeps colleagues up to date on this development. Supports colleagues in case management. Takes on supervisory or teaching assignments. Participates in meetings and training. Ability to absorb information. Ability to convey knowledge and messages. Improves conditions for legally secure action by contributing to the knowledge and expertise of others. |
| ▪ open and actively contributes to the changes required for the activities and the environment. | *On the basis of this criterion, the employee's performance is deemed to be:*
Unacceptable - Acceptable - Good - Exceptional | Contributes with knowledge of the requirements and needs of the environment (e.g., citizens, companies). Takes advantage of information which is beneficial to the assignments from within and outside of the organization. Is able to identify and analyze the requirements and expectations of the environment. Takes on new roles and duties. Initiates and implements changes. Is able to think and act in new ways. |
### Salary criterion VALUE: RELIABLE

<table>
<thead>
<tr>
<th>Criteria in CWP</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ works in a professional and result-orientated manner towards established goals</td>
<td><strong>On the basis of this criterion, the employee's performance is deemed to be:</strong> Unacceptable - Acceptable - Good - Exceptional</td>
<td>Knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Has the knowledge required to carry out assignments. Is familiar with current legislation and practice. Is able to seek out and appreciate relevant knowledge. Is able to absorb new knowledge. Is able to put knowledge in context.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Applies knowledge correctly in the administration of assignments. Independently carries out assignments. Is efficient and productive. Makes legally secure decisions. Is versatile and flexible in the professional execution. Is knowledgeable in and familiar with the assignments. Solves problems that arise? Expresses themselves in an objective manner?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ability to take action</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Works in accordance with established goals and fulfils the Performance Development Plan. Has the right focus and follows up on measures. Sticks to deadlines. Carries out and completes assignments. Is willing to take on the assignments required in order for the section/office/Swedish Tax Agency to fulfil its duty. Shows initiative with regard to developing operations in accordance with goals. Uses work time effectively.</td>
</tr>
<tr>
<td>▪ understands the individual role, and collaborates with others to promote the whole organisation</td>
<td><strong>On the basis of this criterion, the employee's performance is deemed to be:</strong> Unacceptable - Acceptable - Good - Exceptional</td>
<td>Maintains a dialogue with a superior regarding the workload. Uses resources responsibly. Has an ethical mindset. Treats co-workers and citizens equally and with respect. Shows respect for colleagues and citizens' differences. Sticks to and respects deadlines.</td>
</tr>
<tr>
<td>▪ reliable; gives and takes both praise and criticism</td>
<td><strong>On the basis of this criterion, the employee's performance is deemed to be:</strong> Unacceptable - Acceptable - Good - Exceptional</td>
<td>Listens to what colleagues have to say and assimilate their opinions. Actively seeks to learn from the knowledge and expertise of others. Understands and contributes to the organisational effort.</td>
</tr>
</tbody>
</table>
## Salary criterion VALUE: HELPFUL

<table>
<thead>
<tr>
<th>Criteria in CWP</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ speaks and writes objectively and in a way which is easy to understand</td>
<td><em>On the basis of this criterion, the employee's performance is deemed to be:</em></td>
<td>Transmits a message that is clear and objective. Communicates simply, purposefully and intelligibly. Is good at adapting the communication to the receiver, situation and context. Decisions and statements are objective (legally secure) and intelligible.</td>
</tr>
<tr>
<td></td>
<td>Unacceptable - Acceptable - Good - Exceptional</td>
<td></td>
</tr>
<tr>
<td>▪ is approachable, is able to empathize and acts in a helpful manner</td>
<td><em>On the basis of this criterion, the employee's performance is deemed to be:</em></td>
<td>Has a professional attitude. Is efficient and legally secure in the treatment of citizens and companies. Is open and available and respects differences within the working group and among citizens. Conveys knowledge and experience. Builds trust and good relations by listening and showing empathy and respect. Has an ethical mindset.</td>
</tr>
<tr>
<td></td>
<td>Unacceptable - Acceptable - Good - Exceptional</td>
<td></td>
</tr>
<tr>
<td>▪ contributes to team spirit and a sound working environment</td>
<td><em>On the basis of this criterion, the employee's performance is deemed to be:</em></td>
<td>Contributes to a good working climate. Inspires, stimulates, supports and encourages others.</td>
</tr>
<tr>
<td></td>
<td>Unacceptable - Acceptable - Good - Exceptional</td>
<td></td>
</tr>
</tbody>
</table>
SUMMARY GUIDANCE: EMPLOYEE ASSESSMENT

The employee carries out assignments in an **exceptional manner**.
- shows high productivity and is efficient (quality and quantity of results).
- independently carries out assignments and understands the processes involved, is able to apply them and understands how to generalize and draw parallels.
- otherwise fulfils all requirements and expectations as outlined in the CWP (Is willing to and capable of implementing these and influencing others in a positive direction).

The employee carries out assignments in a **good manner**.
- shows reasonably high productivity and efficiency (quality and quantity of results).
- knows and independently carries out their key duties, understands the processes involved and is able to apply them.
- fulfils most requirements and expectations as outlined in the CWP (Is willing and capable of implementing these).

The employee carries out assignments in an **acceptable manner**.
- knows and carries out the most important duties, to some degree independently.
- Room for improvement where productivity and efficiency are concerned (quality and quantity of results).
- does not fulfil all requirements of the CWP (does partly and shows willingness to develop).

The employee carries out assignments in an **unacceptable manner**.
- shows low productivity and is not particularly efficient (quality and quantity of results).
- carries out the most important duties, sometimes with support.
- shows little or no interest in complying with the CWP (unwilling/incapable to do so).
**Additional salary criterion for managers. Assessment is made by the next superior manager**

<table>
<thead>
<tr>
<th>Criteria in CWP</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
</table>
| states the direction of activities, systematically plan, prioritize and develop activities, and follow up on results. | **On the basis of this criterion, the manager's performance is deemed to be:**  
Unacceptable - Acceptable - Good - Exceptional | • Runs activities efficiently based on explicit goals, direction and strategy.  
• Sets clear goals and activities for the office/section through dialogue with other managers.  
• Prioritizes, organizes and coordinates resources. Takes clear and well thought-out decisions. Is able to affect reprioritizations and changes, as necessary within the area of responsibility.  
• Takes responsibility for the results of the office/section and contributes to good results on a larger scale by allowing employees to take on temporary assignments within other departments of the Swedish Tax Agency.  
• Strives towards and stimulates development and improvement.  
• Delegates.  
• Follows up on and evaluates plans and results. |
| takes responsibility for ensuring availability of the necessary expertise through recruiting, development and contract termination. | **On the basis of this criterion, the manager's performance is deemed to be:**  
Unacceptable - Acceptable - Good - Exceptional | • Acts as an employer.  
• Matches expertise with job description so that the Agency's competence maintenance is secured even in the long-term and applies the professional advice and methods available.  
• Expresses explicitly the requirements and expectations of the individual employee. Coaches employees to enable them to make informed decisions.  
• Organizes work so that employees can learn from one another. Encourages employees to take on new assignments that contribute to the Swedish Tax Agency's development and future requirements. |
| guarantees diversity resulting in the strengthening of competence and increased trust. | **On the basis of this criterion, the manager's performance is deemed to be:**  
Unacceptable - Acceptable - Good - Exceptional | • Is active, clear and consistent as a role model in the development of attitudes and behaviour in the workplace.  
• Notices and uses differences to our advantage.  
• Is responsive to, and confronts all forms of discrimination and lack of respect. |
<table>
<thead>
<tr>
<th>Criteria in CWP</th>
<th>Assessment</th>
<th>Guidance</th>
</tr>
</thead>
</table>
| shows good self-knowledge, personal maturity and empathic ability             | On the basis of this criterion, the manager's performance is deemed to be: | • Understands personal limitations and actively utilizes employees and colleagues in order to obtain knowledge, new ideas and to develop activities and working methods.  
• Understands and takes on allocated responsibilities, in times of success and adversity. Remains calm and objective.  
• Gives support to employees and colleagues when such is needed. Understanding and empathetic to the situation of others. |
| actively supports, inspires and creates good conditions for the work and development of their employees. | On the basis of this criterion, the manager's performance is deemed to be: | • Implements planning and follow-up dialogues with all employees.  
• Takes managerial responsibility for the working environment and working climate, and acts to resolve any conflicts that may arise in a satisfactory manner. Supports and encourages cooperation.  
• Makes employees feel that they are a part of, and are welcome to contribute to, the whole organisation. Coaches employees to enable them to see different possibilities and alternative actions as well as to take responsibility.  
• Gives feedback.  
• Views mistakes as an opportunity for learning and improving.  
• Creates conditions for balancing work and free time. |
| is a role model                                                               |                                                                           | • Is proactive, reliable and helpful.  
• Plans ahead and keeps to deadlines and agreements.  
• Treats employees and colleagues with respect. |
| is clear, consistent and responsive in communicating the management's message | On the basis of this criterion, the manager's performance is deemed to be: | • Works in accordance with established guidelines and decisions. Collaborates with other managers in order to ensure coherent action.  
• Ensures that all employees are kept up-to-date.  
• Inspires and promotes enthusiasm. Adapts all communication to the receiver, situation and context.  
• Ensures that all employees are headed in the same direction. |
**SUMMARY GUIDANCE: MANAGER ASSESSMENT**

The manager carries out assignments in an **exceptional manner**.
- shows high productivity and is efficient (quality and quantity of results)
- independently carries out assignments and understands the processes involved, is able to apply them and understands how to generalize and draw parallels.
- fulfils all other requirements and expectations as outlined in the CWP (is willing to and capable of implementing these and of influencing others in a positive direction).

The manager carries out assignments in a **good manner**.
- shows reasonably high productivity and efficiency (quality and quantity of results).
- independently carries out key managerial duties, understands the processes involved and is able to apply them.
- fulfils most requirements and expectations as outlined in the CWP (is willing and capable of implementing these)

The manager carries out assignments in an **acceptable manner**.
- carries out the most important duties, to some degree independently.
- Room for improvement where productivity and efficiency are concerned (quality and quantity of results).
- does not fulfil all requirements of the CWP (partly fulfils requirements and shows willingness to develop).

The manager carries out assignments in an **unacceptable manner**.
- shows low productivity and is not particularly efficient (quality and quantity of results).
- carries out the most important duties, sometimes with support.
- shows little or no interest in complying with the CWP (unwilling/incapable to do so).
Civil Service values

1. The statutory basis for the management of the Civil Service is set out in Part 1 of the Constitutional Reform and Governance Act 2010.

2. The Civil Service is an integral and key part of the government of the United Kingdom. It supports the Government of the day in developing and implementing its policies, and in delivering public services. Civil servants are accountable to Ministers, who in turn are accountable to Parliament.

3. As a civil servant, you are appointed on merit on the basis of fair and open competition and are expected to carry out your role with dedication and a commitment to the Civil Service and its core values: integrity, honesty, objectivity and impartiality. In this Code:
   • ‘integrity’ is putting the obligations of public service above your own personal interests;
   • ‘honesty’ is being truthful and open;
   • ‘objectivity’ is basing your advice and decisions on rigorous analysis of the evidence; and
   • ‘impartiality’ is acting solely according to the merits of the case and serving equally well Governments of different political persuasions.

4. These core values support good government and ensure the achievement of the highest possible standards in all that the Civil Service does. This in turn helps the Civil Service to gain and retain the respect of Ministers, Parliament, the public and its customers.

5. This Code sets out the standards of behaviour expected of you and other civil servants. These are based on the core values which are set out in legislation. Individual departments may also have their own separate mission and values statements based on the core values, including the standards of behaviour expected of you when you deal with your colleagues.

Standards of behaviour

Integrity

6. You must:
   • fulfil your duties and obligations responsibly;
   • always act in a way that is professional and that deserves and retains the confidence of all those with whom you have dealings;
   • carry out your fiduciary obligations responsibly (that is make sure public money and other resources are used properly and efficiently);
   • deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability;
   • keep accurate official records and handle information as openly as possible within the legal framework; and
   • comply with the law and uphold the administration of justice.

Honesty

7. You must not:
   • misuse your official position, for example by using information acquired in the course of your official duties to further your private interests or those of others;
   • accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity; or
   • disclose official information without authority. This duty continues to apply after you leave the Civil Service.

Objectivity

8. You must:
   • set out the facts and relevant issues truthfully, and correct any errors as soon as possible; and
   • use resources only for the authorised public purposes for which they are provided.

9. You must not:
   • deceive or knowingly mislead Ministers, Parliament or others; or
   • be influenced by improper pressures from others or the prospect of personal gain.

10. You must:
   • provide information and advice, including advice to Ministers, on the basis of the evidence, and accurately present the options and facts;
   • take decisions on the merits of the case; and
   • take due account of expert and professional advice.

11. You must not:
   • when providing advice or making decisions; or
   • ignore inconvenient facts or relevant considerations
   • frustrate the implementation of policies once
Impartiality

12. You must:
   • carry out your responsibilities in a way that is fair, just and equitable and reflects the Civil Service commitment to equality and diversity.

13. You must not:
   • act in a way that unjustifiably favours or discriminates against particular individuals or interests.

Political Impartiality

14. You must:
   • serve the Government, whatever its political persuasion, to the best of your ability in a way which maintains political impartiality and is in line with the requirements of this Code, no matter what your own political beliefs are;
   • act in a way which deserves and retains the confidence of Ministers, while at the same time ensuring that you will be able to establish the same relationship with those whom you may be required to serve in some future Government; and
   • comply with any restrictions that have been laid down on your political activities.

15. You must not:
   • act in a way that is determined by party political considerations, or use official resources for party political purposes; or
   • allow your personal political views to determine any advice you give or your actions.

Rights and responsibilities

16. Your department or agency has a duty to make you aware of this Code and its values. If you believe that you are being required to act in a way which conflicts with this Code, your department or agency must consider your concern, and make sure that you are not penalised for raising it.

17. If you have a concern, you should start by talking to your line manager or someone else in your line management chain. If for any reason you would find this difficult, you should raise the matter with your department’s nominated officers who have been appointed to advise staff on the Code.

18. If you become aware of actions by others which you believe conflict with this Code you should report this to your line manager or someone else in your line management chain; alternatively you may wish to seek advice from your nominated officer. You should report evidence of criminal or unlawful activity to the police or other appropriate regulatory authorities. This Code does not cover HR management issues.

19. If you have raised a matter covered in paragraphs 16 to 18, in accordance with the relevant procedures, and do not receive what you consider to be a reasonable response, you may report the matter to the Civil Service Commission. The Commission will also consider taking a complaint direct. Its address is:

3rd Floor, 35 Great Smith Street, London SW1P 3BQ
Tel: 020 7276 2613
email: info@civilservicecommission.org.uk

20. This Code is part of the contractual relationship between you and your employer. It sets out the high standards of behaviour expected of you which follow from your position in public and national life as a civil servant. You can take pride in living up to these values.

November 2010

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[8] The whistleblowing legislation (the Public Interest Disclosure Act 1998) may also apply in some circumstances. The Directory of Civil Service Guidance and the Civil Service Management Code give more information: www.cabinetoffice.gov.uk/conduct-ethics/civil-service.aspx


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Some civil servants are accountable to the office holder in charge of their organisation. This is made clear in terms and conditions of employment.
EXAMPLE 4 - IRELAND: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS)  

The Competency Framework

The Competency Framework describes the Knowledge, Skills, Behaviours and Attributes required to successfully accomplish a job. The focus is on what competencies the Jobholder needs to perform the job effectively.

It is important that the Jobholder and Manager discuss and agree the standard of proficiency for each competency selected. At this point consideration must be given to the behavioural competencies that the Jobholder needs to have, and to demonstrate, to be successful in the performance of the present role.

These competencies are specific to the role, not to the Jobholder, at a particular time.

At interim and annual review stages, the Manager and Jobholder will review performance. This will involve an appraisal of the Jobholder’s performance at individual and at team level and deciding whether agreed Goals have been achieved and what competencies have been demonstrated. Account should be taken of:

- **Weight:** do some Goals/competencies carry particular emphasis relative to others: are some regarded as more important to achieve.
- **Challenge:** how hard are the Goal/tasks to achieve relative to those for other jobs in the same grade; how do the competencies demonstrated represent a personal challenge.
- **Constraints:** are there particular factors restricting achievement either within or outside the control of the Jobholder.

Seventeen competencies have been identified as being important for the effective performance of the full range of work carried out by the Civil Service.

Each competency is accompanied by a number of descriptive statements that relate this competency to the job. The 17 competencies are divided into four clusters:

- **Personal Effectiveness:** These competencies determine how we manage ourselves.
- **Thinking Style & Problem Solving:** These competencies relate to effective analysis and problem solving.

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**Group & Interpersonal Effectiveness**  
These competencies determine how we effect desired responses in others and relate to those around us.  
These competencies relate to better management.

Each cluster identifies a number of individual behavioural competencies and these are set out below and reflected in Figure 1.

Since jobs and roles vary, so do the competencies. From a practical viewpoint, it is most effective to identify the 3-5 most important behavioural competencies required to do the job well and concentrate on developing and displaying those initially. These 3-5 competencies will be matched to your Goals.
Selecting Required Competencies

- From the lists on the following pages identify the 3-5 most important behavioural competencies to do your job well.
- For each of these, select the statement or combination of statements which best reflects what is expected of you in the job/role. This will help to clarify the standard of proficiency you require in your job. The selection of the statements should be agreed by the Jobholder and Manager.

When the required standard of proficiency for each of the 3-5 most important competencies have been determined, the Manager should discuss with the Jobholder or team whether, for each competency, the individual/team exceeds the required standard of proficiency, is at that standard, or falls short of it.

When there is a shortfall, the actions needed to bridge this gap (e.g. training, task assignment, learning and development) should be identified and agreed between the Jobholder and the Manager.

**Personal Effectiveness**

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement Drive/ Commitment</td>
<td>The need to meet and surpass high standards of performance</td>
</tr>
<tr>
<td></td>
<td>➢ Have a strong focus on results.</td>
</tr>
<tr>
<td></td>
<td>➢ Set new challenges and strive for improvement.</td>
</tr>
<tr>
<td></td>
<td>➢ Set challenging standards and goals for yourself and others.</td>
</tr>
<tr>
<td>Self Confidence</td>
<td>The need to show high levels of confidence in one’s own ability to complete a task and select effective approaches to solving problems</td>
</tr>
<tr>
<td></td>
<td>➢ Work confidently within agreed parameters.</td>
</tr>
<tr>
<td></td>
<td>➢ Take and stand by decisions.</td>
</tr>
<tr>
<td></td>
<td>➢ Deal confidently with difficult situations and setbacks.</td>
</tr>
<tr>
<td></td>
<td>➢ Present oneself with assurance.</td>
</tr>
<tr>
<td>Initiative</td>
<td>The need to act creatively and be forward thinking to anticipate problems and crises</td>
</tr>
<tr>
<td></td>
<td>➢ Anticipate what needs to be done, and do it.</td>
</tr>
<tr>
<td></td>
<td>➢ Anticipate what needs to be done, do it, and go beyond what’s expected.</td>
</tr>
<tr>
<td></td>
<td>➢ Make forward plans and be adaptable to changing circumstances.</td>
</tr>
<tr>
<td></td>
<td>➢ Be capable of new thinking and be creative in developing effective solutions.</td>
</tr>
<tr>
<td>Team Working</td>
<td>➢ Be a good team player, work well with others.</td>
</tr>
</tbody>
</table>
The ability to work well and cooperate with others, to be part of a team

- Encourage and support others.
- Seek to resolve team tensions.

**Communication**
The ability to communicate with others in a manner that conveys the key message(s) and is appropriate to the audience

- Be willing and able to communicate.
- Present factual information effectively, both orally and in written form.
- Have good writing skills.
- Be effective in oral presentation.
- Be a persuasive communicator.

**Thinking Style and Problem Solving**

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Analytical Thinking</strong></td>
<td>The ability to understand a complex problem or situation and approach it in a step-by-step way</td>
</tr>
<tr>
<td></td>
<td>➢ Breakdown my job into simple steps.</td>
</tr>
<tr>
<td></td>
<td>➢ Think through issues logically and set priorities.</td>
</tr>
<tr>
<td></td>
<td>➢ See relationships between issues and identify coherent solutions.</td>
</tr>
<tr>
<td><strong>Conceptual Thinking</strong></td>
<td>The ability to identify patterns or connections between situations that are not obviously related and to identify key or underlying issues in complex situations</td>
</tr>
<tr>
<td></td>
<td>➢ See patterns/trends in data.</td>
</tr>
<tr>
<td></td>
<td>➢ See the links between related information.</td>
</tr>
<tr>
<td></td>
<td>➢ Provide clear and useful explanations.</td>
</tr>
<tr>
<td></td>
<td>➢ Think creatively (“out-of-the-box”).</td>
</tr>
<tr>
<td></td>
<td>➢ Think strategically.</td>
</tr>
<tr>
<td><strong>Decision Making/ Judgement</strong></td>
<td>The ability to make informed decisions or judgements about situations or issues where a course of action is needed</td>
</tr>
<tr>
<td></td>
<td>➢ Weigh up pros and cons and make recommendations.</td>
</tr>
<tr>
<td></td>
<td>➢ Consult and seek advice when there is no precedent.</td>
</tr>
<tr>
<td></td>
<td>➢ Apply good judgement, especially where a degree of risk exists.</td>
</tr>
<tr>
<td></td>
<td>➢ Make decisions where there are conflicting issues.</td>
</tr>
</tbody>
</table>
Specialist Expertise
A command over the technical skills required within the Jobholder’s particular discipline, with particular reference to the way in which they fit into overall developments within the relevant service or policy area

- Offer specialised advice to others.
- Be accepted by colleagues as “expert”.
- Draw on innovations and best practice in devising solutions.

Managing for Results

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Budgets and Resources</td>
<td>The job requires me to ……?</td>
</tr>
<tr>
<td>The ability to manage budgets</td>
<td>Monitor income and/or expenditure.</td>
</tr>
<tr>
<td>whether through developing,</td>
<td>Present case for monies/funding.</td>
</tr>
<tr>
<td>monitoring, assessing, evaluating,</td>
<td>Address inappropriate use of monies and tackle</td>
</tr>
<tr>
<td>or adhering to them</td>
<td>irregularities.</td>
</tr>
<tr>
<td></td>
<td>Make resource allocation decisions and evaluate</td>
</tr>
<tr>
<td></td>
<td>them.</td>
</tr>
<tr>
<td>Information Seeking and</td>
<td>Collect information to assess the present state</td>
</tr>
<tr>
<td>Management</td>
<td>of a problem or situation.</td>
</tr>
<tr>
<td>The ability to ‘dig’ for</td>
<td>Find out the reasons why something happened.</td>
</tr>
<tr>
<td>information and use it</td>
<td>Develop and put in place information systems.</td>
</tr>
<tr>
<td>effectively.</td>
<td>Manage information effectively.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Concern for Clarity and Work</td>
<td>Be clear about what’s expected and ask for</td>
</tr>
<tr>
<td>Quality</td>
<td>help when unsure.</td>
</tr>
<tr>
<td>The ability to reduce uncertainty</td>
<td>Set standards for others.</td>
</tr>
<tr>
<td>by monitoring and checking work</td>
<td>Challenge existing standards.</td>
</tr>
<tr>
<td>or information and insisting on</td>
<td>Check the work of others.</td>
</tr>
<tr>
<td>clarity of roles and functions</td>
<td>Be accurate and organised.</td>
</tr>
</tbody>
</table>
## Group & Interpersonal Effectiveness

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Networking and Influencing</strong></td>
<td>The job requires me to .......?</td>
</tr>
</tbody>
</table>
| The ability to develop and maintain a network of contacts through a personalized approach and to use this to influence people and situations while recognizing the social and political currents | ➢ Appeal to people and win them over.  
➢ Make effective contacts.  
➢ Build behind-the-scenes supports.  
➢ Keep others well informed.  
➢ Develop key relationships. |
| **Interpersonal Understanding**    |                                                                             |
| The ability to accurately hear and understand both the spoken and unspoken or partly expressed thoughts, feelings and concerns of others | ➢ Understand explicit content.  
➢ Understand other underlying feelings and concerns.  
➢ Use this understanding to achieve agreement. |
| **Customer Service**               |                                                                             |
| A desire to help or serve customers it involves focusing your efforts on discovering and meeting the customer’s needs | ➢ Be helpful in dealing with customers.  
➢ Offer appropriate advice.  
➢ Anticipate customer needs and work to meet them.  
➢ Help organisations to respond effectively to customer needs. |
| **Managing and Developing People** |                                                                             |
| The ability to manage staff and develop their long term capabilities | ➢ Clarify roles and responsibilities.  
➢ Let people know what is needed.  
➢ Provide help, advice and support.  
➢ Check progress and offer useful feedback.  
➢ Coach people through an activity.  
➢ Offer assignments and development opportunities. |
| **Leadership**                     |                                                                             |
| The ability to take a role as a leader inspiring or guiding a team or other group. (This does not have to derive from position or rank) | ➢ Manage a group or team.  
➢ Keep people informed about developments.  
➢ Guide the performance of others.  
➢ Make choices and decisions, which take the organization forward in a changing environment.  
➢ Develop a vision for the future. |
EXAMPLE 5 - ITALY: COMPETENCY MODEL OF THE ITALIAN REVENUE AGENCY (SIRIO)  

The need to combine the evaluation of the effectiveness of production with the enhancement of behaviours, values and objectives has led the Italian revenue Agency to create in 2002 a new appraisal system for senior staff. This system called SIRIO (Integrated System Objectives Results & Indicators) wants to be an effective tool for managing and developing human resources for evaluation according to criteria of transparency, objectivity and fairness of the results and organizational skills of managers, a term which means the individual characteristics of a leader (knowledge, skills, values, motivations) which identify the style of direction.

A “competency framework” underlines a “set of organizational expectations” that is a range of behavioural types required to employees of the Revenue Agency for proficient workplace performance.

An explicit competency framework is a solid ground to develop an appraisal system based on the evaluation of different competencies necessary to perform a given set of activities instead of assessing school grades, seniority and scores selection.

This system takes into account:

- the evaluation of the results (achievement of the assigned targets 60%)
- the evaluation of the organizational competencies (individual qualities 40%)
- The evaluation of organizational competencies makes it possible to appraise the style of a manager.

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1 http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Agenzia/Qualita+dei+servizi/Valutazione+dei+dirigenti+SIRIO/
S.I.R.I.O - The Competency Dictionary for Leaders

Each competency has a definition plus five behaviour indicators, or specific behavioural ways of demonstrating the competency on the job. Each competency is illustrated by a typical example drawn from the interviews of high level performers.

**Indicators:**

A = Unsatisfactory performance  
B = Below expectations  
C = Satisfactory/Average performance  
D = Above average  
E = Outstanding/Excellent performance.

“Average behaviour” doesn’t imply to get a pass-mark but only to prove to be up to expectation.
Team Leadership Competency drawn from S.I.R.I.O

The wicked leader is he who the people despise; the good leader is he who the people revere; the great leader is he who the people say “We did it ourselves”

(*) Chinese philosopher V cent. B.C. – unknown name, dates and life vicissitudes – Lao Tzu is a nickname that means “old” (lao) “philosopher or child” (Tzu)

TEAM LEADERSHIP

Description

Leadership means cooperation in a group that is not only a set of individuals but an interactive and collective team. All members in despite of their different nature, cognitive styles and ways of thinking - without any legal and formal obligations - work for the accomplishment of a common task.

A lot has been written about the characteristics of the leadership but we can assert that “the leader” is he who rises the “hierarchy of needs” of all the team members and pulls them in achieving the aimed task of their professionalism and the success of the company.

Intellectual and moral authority is the substrate of the leadership. A leader is like a hard and demanding teacher, strict, although capable to be estimated by students for his teaching.

In a letter to a newspaper an ex policeman, with simple and unaffected words, wrote of his captain. He succeeded to describe the real meaning of leadership: “He was able to kick you when out of the ranks but he talked to the father of the bad guy, a guy in the end, trying to avoid him jail. We had regard for him. We knew he wouldn’t have asked for something he was not able to manage himself and he was ready to help in what we were not able to do”.

Even with a neat identity leadership has different patterns and styles. Each style or pattern creates a particular synthesis involving severity and humanity. In this synthesis the nature of personality plays a particular role. It is possible to be patient and sympathetic but not weak (”loved” manager in corporate ladder) or a few words person and abrupt but not impolite (”dreadful” manager in corporate ladder).

In this variety it is necessary to pay attention because there is the borderline between the leaders who are able to assert a constructive vision and the ones who are basically narcissists.

For the latter’s “power and prestige” are more important than commitment and results. Their main problem is to maintain the position and its related relevance. They do not keep in consideration the company’s and people’s comfort.

Their confident behaviour, the arrogance and the disregard towards organization and final objects with their incapacity to accept a mutual share of ideas is an obstacle for the company’s task and it stops internal and external changes.¹

Vanity is a common fault. Nobody is free from it and the incapacity to resist to be dominant is for a leader – as Max Weber wrote – that sort of “sin against God” that can’t be forgiven.

Indicators

A. He is not an effective leader: He doesn’t give neither instructions nor directions when colleagues ask. He ignores the internal dynamics in the team and his behaviour generates (and he avoids the rising) competitions, whelplings, contrasts and discomforts. The working climate is weak and it effects the internal cooperation of the company.

He doesn’t cope in critical situations or discomforts in his office. He uses his power for personal advantages.

B. He is unwilling to be exposed to risk or uncertainty – doesn’t adapt quickly and flexibly to change. He can manage meetings - establishing the agenda, goals, timelines, tasks etc. He shares with co-workers ideas and information. Though colleagues are informed of the goal and the aimed results he is tied to outdated methods, he is not ready for changes and he accepts status quo and ordinary management. He might appear a “good man” that tries to manage problems overwhelming him. He faces as well challenges in a sterile way – confused and not balanced attitude - (he is like a captain that shouts orders to a crew on a ship out of control.)

In these two cases the former and the latter look for consent but there is the incapacity to create it. When the former falls under area of control he complains for uncooperative attitude of the team and the latter blames the colleagues for hostility and uncooperative attitudes (the complaining is a typical attitude of the mediocre leader). In both cases they charge co-workers for faults and failures.

A/B Scale: non-leadership or semi-leadership

An usual method for evaluating experience in the behaviours is the understanding the variety (often in contradiction) – e.g. expression of a covered reality born from the idea of the difference in human beings types.

Of course it is a method based on hypothesis but can help in certain way to understand the behaviours if we assume the capacity to synthesize the collected data in a unique organic and coherent result.

Pointing out that evaluating competencies means evaluating the “doing” and not the “being” we can try to study the behavioural aspects of the above defined leaders trying to extrapolate the “types” (or better the non-leadership and semi-leadership) very well known for those who co-work with chiefs or more in general for those who work in an office.

In the former class of indicators we might have a relation with the “invisible” leader – characterized by the low opinion the co-workers have about him.

The latter class of indicators matches with two different types of leader: The “good” man and the “in-out of humour” man.

The “invisible” tries to raise a sort of friendly understanding but related to a sympathetic attitude. The “in-out humour” generates in his co-workers different feelings: anger or the not constructive agreement.

In general overlooked by co-workers the mediocre leaders have something in common: They do not show “passion” – they do not create a way for people to accomplish a common task and they do not show strategy and common vision to lead teams to achieve established goals.
C. He is a team builder and works for the effectiveness of the group. He involves people in the team building group, he organizes and involves. He decides what has to be done with internal rules. He dedicates energy and commitment supporting the others and the outcomes (e.g. allocates works – decides who goes or comes in the team – coaches individuals to receive their best – gives and expects constructive feedbacks). He is visible and approachable. He is aware of the loyalty of his colleagues and acts with honesty and integrity towards them. He is aware of his own faults.

D. He is “the leader”: He has clear what need to be achieved. He lets employees strive to accomplish the goal and involves people for the achievement of the common task. He is a good model and acts with honesty and integrity. He gets to know individuals and their aspirations. Organises work to deliver on time. He establishes effective working relationship and uses a wide range of approaches to develop others, exercises duty of care in relation to others. He is able to balance the needs of his team. He takes personal responsibilities and cares the reputation of the team.

E. He is a winner: Charismatic he has clear ideas about the mission. He is a leader for his team. He has an overall performance that is not bureaucratic or pedantic. He is quite clever for the passion he shows. He is attached to reality and runs away from “outdated methods” and “slogans” He takes a clear and long term strategic view. It reflects his interest in key issues. Good listener has a based self-control. He reflects this attitude in the team and tied up the cohesion in the group, coaches individuals trying to maintain a cooperative team and not an assertive group. He knows individuals and their aspirations. Coaches individuals so they give of their best.

Note: What is the difference between “assertiveness” and “team leadership”?

Assertiveness is related to the formal power while the team leadership is related to the use of charismatic power (e.g. the influence on people for personal skills and not for settled role)

In a few words assertiveness is leadership for the capacity to oppose negative dynamics (individual or groups) that undermine the organization. Team leadership is the capacity to get to positive dynamics (individuals or group) encouraging cooperation.

Assertiveness is the capability to say “no” while the team leadership is the capability to say “yes”. Arrogance and williness are not accepted. More in general (like the fear for inefficient budget control) avoiding everything that stops the development of a company or in the final breaks up it.

Yes to everything that enforce the company. Using all the potential forces that any companies have. They are just waiting for someone that has clear the common task – someone who is able to involve people to contribute to making something happen.
EXAMPLE 6 - UNITED KINGDOM: BEHAVIOURS, SKILLS AND ABILITIES FRAMEWORK

The Behaviours, Skills and Abilities framework (BSA) groups positive and negative examples of behaviours under broad headings. Everyone brings their own personality and approach to their work and how they do this is reflected in the appraisal system through the comments in parts 2 and 3 of the PDE. BSA examples are provided to:

- give both managers and jobholders clear examples of correct and incorrect actions
- support understanding of how someone might demonstrate each of the eight categories of behaviour and are not the only way in which positive and negative behaviour are demonstrated.

Managing and leading behaviours
Managing and leading - leads people, manages their performance and the business in line with HMRC values, working to the Management Framework - behaviour examples are:

**Positive behaviours**

Seeks to positively involve staff in the change process and communicates the impact of that change effectively.

Takes personal responsibility for seeking continuous improvement from the individual and the team for the customer in performance, behaviours and outcomes.

Praises good work and progress and challenges low quality and outputs.

Leads by actively fostering motivation, understanding and participation.

Values ideas, views and opinions of others.

Consistently supports and coaches individual and team learning: actively develops talent and knowledge.

Consistently applies HMRC policies and role models HMRC values and behaviours.

Actively manages poor performance, attendance, conduct and behaviours.

**Negative behaviours**

Implements change without adequate planning time or the involvement of others.

Is unwilling to take responsibility and ignores, or does not recognise, customer needs (internal and external).

Does not convey HMRC priorities, aims and business objectives to team: fails to make clear what is expected of them.

Pays 'lip service' to learning and development objectives.

Fails to role-model HMRC values in dealings with team and ignores unacceptable behaviour in others.

Fails to manage personnel issues, avoiding conflict and difficult issues.

Makes insensitive or inappropriate comments and allows others to do this.

Focusing on customers
Focus on customers - demonstrates a conscientious approach to meeting internal and external customer needs and delivers quality service, understanding the impact of service on future compliance - behaviour examples are:

**Positive behaviours**

Positively manages customer relationships by providing quality guidance and support.

Recognises, understands and meets both internal and external customer needs.

Communicates with each customer professionally, understanding their perspective, and managing expectations.

Balances customer and business needs.

Seeks and evaluates customer feedback and inputs into strategic management planning.

**Negative behaviours**

Is unhelpful: does not provide guidance and support.

Lacks understanding of customer needs and fails to respond to requests/queries.

Fails to keep customer and business in perspective.

Focuses on targets or processes, fails to take an overview of the customer's needs.

Fails to include customers' feedback in business planning.
Work positively with change
Work positively with change - embraces new approaches and technology and is willing to adapt to differing work requirements - behaviour examples are:

**Positive behaviours**
Provides sustained commitment to planning and implementing change and continuous improvement.
Is flexible and open to new ideas.
Is willing to adapt to develop new skills.
Learns from own and others' experience.
Supports the introduction of and makes full use of new technology.
Helps others to accept change as a potential opportunity.

**Negative behaviours**
Is set in own ways. Blinkered and unquestioning.
Hangs on to old methods and attitudes.
Does not implement new ideas or ways of doing things.
Makes inadequate use of technology and other systems they have been trained to use.
Adopts a resistant and critical approach to agreed change.

Taking the initiative
Taking the initiative - creative; looks for new ways to improve working methods and procedures - behaviour examples are:

**Positive behaviours**
Seizes opportunities for development and improvement.
Understands and promotes HMRC business direction.
Actively contributes ideas and suggestions: values those of others.
Understands and values different perspectives.
Offers creative and workable solutions when things go wrong.

**Negative behaviours**
Takes little interest in the wider strategy of the HMRC.
Offers no suggestion to improve processes.
Ignores new ideas and waits for others to take the initiative.
Refuses to take responsibility for innovation and improvement.

Communicating effectively
Communicating effectively - listens well to others and conveys information clearly and accurately both orally and in writing - behaviour examples are:

**Positive behaviours**
Listens to others and takes account of diverse views.
Uses appropriate language: is clear, concise and easily understood.
Ensures relevant information is shared with others when appropriate.
Communicates corporate messages in a positive and convincing way.
Uses the appropriate communication style and medium: is aware of and understands the needs of the audience.
Is prepared to communicate difficult messages while displaying tact and sensitivity.

**Negative behaviours**
Communicates in an unstructured, confusing and uninformed way.
Passes on corporate messages negatively and without conviction, undermining decisions taken at a higher level.
Excludes or alienates part of the audience through style or language used.
Provides poorly timed information.
Uses inappropriate medium to communicate the message.
Understand and solve problems
Understand and solve problems - identifies key issues and uses relevant information and sound judgement to make justifiable decisions - behaviour examples are:

Positive behaviours
Collects and analyses all relevant information to an appropriate level.
Draws on others' expertise and ideas.
Identifies potential risks of own decisions.
Homes in on key issues and principles.
Identifies and evaluates all possible solutions
Takes a balanced view and uses sound judgement to make timely and considered decisions.
Looks beyond the obvious to generate realistic and practical solutions.
Consults with key players with a variety of views to negotiate and agree effective solutions.

Negative behaviours
Offers solutions that have not been properly thought through.
Looks for an easy answer based on assumptions and inadequate information.
Does not seek advice when necessary to inform decisions.
Addresses problems without first considering the key issues
Uses/applies inaccurate or inappropriate information.

Working with others
Working with others - interacts with others fairly and with respect, works well as part of a team - behaviour examples are:

Positive behaviours
Is approachable, listens and makes time for others.
Participates in team activities and discussions and acts collaboratively on the decisions made.
Willingly helps and supports other team members, other teams across streams and supports and helps colleagues with their workload.
Shares own ideas, skills knowledge and resources effectively to deliver outcomes, both with team members and across the streams.
Values the fact that people are different and treats them as individuals.
Respects different points of view and looks to understand issues from others' point of view actively seeking their contribution.
Works effectively with internal and external partners to ensure cross fertilisation of information and ideas.
Provides constructive criticism and feedback.
Identifies and handles conflict appropriately.
Prepared to consider compromise to reach constructive and appropriate solutions.

Negative behaviours
Is unaware of how own behaviour affects others.
Is unapproachable.
Appears uncomfortable around others and keeps self isolated.
Refuses to take on tasks to help others.
Undermines the morale of the team.
Acts on subjective opinions and stereotyping.
Refuses to alter own position to reach the best solution.
Does not accept feedback or act upon that of others.
Keeps information, work and resources to themselves.
Will not compromise, mediate or facilitate solutions.
Positively influencing

Positively influencing - is self-motivated and can operate without close supervision; provides clear direction to others and encourages colleagues to achieve business outcomes - behaviour examples are:

**Positive behaviours**

Shares understanding of the business direction.

Takes responsibility for outcomes in own work area.

Sets a positive example for others to follow inspiring them to achieve.

Treats everyone consistently and fairly, considering the needs of HMRC and the individual.

Provides constructive feedback to encourage better performance.

Seeks continuous improvement, looking across streams and outside HMRC where appropriate.

**Negative behaviours**

Demotivates or undermines others and focuses on the negative aspects of a situation.

Is reluctant to give praise even when due.

Leaves others unclear about what is required of them.

Delegates own tasks to others or assumes somebody else will do them.

Is not interested in the performance and concerns of others.

Excludes team from the decision making process.
EXAMPLE 7 – UNITED KINGDOM: LEADERSHIP BEHAVIOURS DEVELOPMENT GUIDE

The HMRC Leadership Behaviours have been designed to raise our performance and put our customer understanding at the heart of everything we do. They help us translate HMRC’s Vision, Purpose and Way into our day-to-day activities. This guide has been produced to make it easier to put our Leadership Behaviours into practice.

What is this guide for?
It gives examples of the kind of behaviour we all need to demonstrate in our day-to-day working environment.
It broadens out the 12 leadership statements providing essential performance indicators and underperformance examples. There are reflection points to help with self-analysis in your approach, understanding and how you see things.

Who is this guide for?
It is for everyone from Officer grade to SCS, whether you are a manager or not.

How do I use it practically?
You and your manager can use the guide during discussions about your performance, to identify development areas around the leadership behaviours that are important for your role.
It will not be unusual for people to find that they have good and not so good examples for each behaviour, especially when they consider these in detail for the first time. This will be an opportunity to recognise good behaviours, explore how to demonstrate them consistently, and work out how to counter negative behaviours.
Think about how you deliver your work/business and about the positive and negative impacts your behaviours have on effective performance, about the effect they have on your colleagues, team, manager, customers and on your own well being. You can do this throughout the year, reflecting on how well you are maintaining good behaviours, and working on areas where you are less strong.

How not to use it!
It’s not a tick box exercise!
There are no ‘box markings’ to award
The examples given are not prescriptive! They give a steer on what ‘good’ looks like so you will need to use your judgement on what is and is not acceptable drawing on the themes in the examples.

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8 Presentation “HMRC Leadership Behaviours and how to apply them”, version 2 201100808 (from www.statisticsauthority.gov.uk)
How to behave as an HMRC leader

1. **Understand your customers**
   Stand in their shoes: make sure we act in an even-handed, joined up way, so getting it right and complying becomes the easy option. Be passionate in helping those who need it, while relentlessly pursuing those who bend or break the rules. Don’t forget that most of our customers are honest and do treat everyone with respect.

2. **Think, align, and then act**
   Before making important moves, ask yourself how well your plans line up with HMRC’s Vision, Purpose, Strategy and Objectives – and only then decide whether or not you would be adding real value. Don’t do things just because you can.

3. **Make fact-based decisions**
   Know your business through and through: solve problems professionally – gather evidence, assess risks, decide between options and only then implement. Don’t jump straight into creating solutions - or fix only the bit in front of you and maybe make things worse overall.

4. **Lead from the front**
   Do your own job well, showing passion and pride in your work. Own key problems and opportunities: go & see for yourself so you can help your people get it right. Act on what you see and insist on results. Don’t act like an outsider looking in.

5. **Build your self-awareness**
   Acknowledge the impact of your behaviour on others and be the change you want to see. Seek regular feedback and be willing to learn to role model PaceSetter principles and behaviours. Don’t assume you needn’t change because you have reached a certain level of seniority.

6. **Keep people appropriately challenged**
   Create enough pace around work to engage people but not overload them. Work with the tension caused by difficulties: use it as an opportunity to encourage the search for innovative solutions and increasing operational excellence. Don’t avoid tough conversations or situations.

7. **Work in a disciplined way**
   There’s only one way to work here - Our Way, using PaceSetter tools and techniques. So plan ahead, ensuring a clear line of sight between HMRC and front line goals; assign accountabilities, tie actions into agreed results and measure only what matters. Don’t act like a maverick - and do more fire prevention than firefighting.

8. **Place work where it belongs**
   Learn when to delegate. Ensure the business context is understood but accept that the best solutions emerge when decisions are taken at the level closest to the problem. Equally, don’t be afraid to escalate fast when there are issues you can’t fix at your level. Don’t get seduced by the need to show you have all the answers.

9. **Drive continuous improvement in everything we do**
   Recognise that HMRC needs to change constantly. Have a vision of the future that inspires people to aim for higher performance standards. Reward the tackling of risks and issues: make it safe to admit failure, learn from it - then celebrate success. Don’t live with problems and don’t create a blame culture.

10. **Build capability**
    Your success depends on your team’s: take pride in helping them succeed. Make expectations clear, understand and value their diversity, help them develop the skills and tools needed to do their jobs well. Be quick to address poor performance or attendance and even quicker to praise. Don’t assume it’s your team’s job to help you do yours: it’s the other way round. And remember, we’re all here to support the front line.

11. **Use the power of the collective**
    Reach solutions that stick by listening and being open to others’ ideas. Get valuable insight on current and future options by actively engaging your stakeholders and encouraging collaboration, not just within your team, but across and outside HMRC. Don’t try and solve most problems on your own; and don’t take all the credit either.

12. **Be professional and act with integrity**
    Honour your ‘deal’ with HMRC – do the job it needs you to do, not just what you want to do, and speak out positively on its behalf. Take our responsibilities seriously: recognise we have privileged access to information and must protect it. Don’t compromise on civil service values.
1. Understand your customers
Stand in their shoes: make sure we act in an even-handed, joined up way, so getting it right and complying becomes the easy option. Be passionate in helping those who need it, while relentlessly pursuing those who bend or break the rules.

Don’t forget that most of our customers are honest and do treat everyone with respect

<table>
<thead>
<tr>
<th>Essential performance examples</th>
<th>Outstanding performance examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Understand the HMRC Customer Centric Business Strategy</td>
<td>• Consistently apply HMRC’s Strategy in your work</td>
</tr>
<tr>
<td>• Recognise that there is a customer (internal or external) at the end of everything you do</td>
<td>• Balance HMRC’s strategic objectives against those of your customer</td>
</tr>
<tr>
<td>• Deliver the right messages according to your understanding of your customers’ needs and behaviours</td>
<td>• Act on customer feedback to improve your team’s ways of working</td>
</tr>
<tr>
<td>• Are always professional and courteous</td>
<td>• Understand how your current actions influence customer behaviours</td>
</tr>
</tbody>
</table>

**Underperformance examples**

| • Lack an awareness of the HMRC Customer Centric Business Strategy | • Do I know who my customers are? |
| • Lack an appreciation that there’s a customer at the end of everything we do | • Do I know what their needs and behaviours are? |
| • Lack an understanding on what customers’ needs and behaviours are | • Do I think about the effect on the customer when I make a decision? |
| • Focus purely on the internal needs of the individual or team; ‘what works for me/us’ | • Do I actively seek to reduce the risk of adverse effects on the customer? |
| • Apply decisions and processes in a way that doesn’t always achieve a sensible outcome for HMRC and the customer or fails to appreciate the risks | • Do I ever expect customers to understand something simply because I do? |
| • Focus purely on addressing current compliance without identifying the underlying behaviour | • Do I consider why customers act and react in different ways? |

**Reflection points**

| • Do I assume customers know what to do? | • Do I listen to feedback from customers and make changes to improve our processes? |
| • Am I determined in influencing future customer behaviours?
2. Think, align, and then act

Before making important moves, ask yourself how well your plans line up with HMRC’s Vision, Purpose, Strategy and Objectives – and only then decide whether or not you would be adding real value.

*Don’t do things just because you can*

### Essential performance examples

- Can articulate how own role contributes to strategic objectives
- Understands and can apply vision to own goals
- Still works to short time spans, but plans ahead a little
- Understands the value of integrating own thinking with the HMRC view

### Outstanding performance examples

- HMRC vision underpins all plans
- Understands the link between actions, risks and business performance
- Aware of end-to-end value process within HMRC and their role in it
- Differentiates business-as-usual and new work planning
- Knows exactly how work impacts Key Performance Indicators/targets
- Identifies and manages risks to performance, strategy and change

### Underperformance examples

- Takes a narrow view, looks at the local needs and solutions rather than the whole of the business
- Confuses business with effectiveness; doesn’t prioritise or plan
- Sees value in quick fire results; but ignores their wider impact, fails to identify and manage risks to performance
- Does not understand strategic objectives

### Reflection points

- Do I tend to suggest a solution that achieves quick results without assessing risks and thinking of the long term picture?
- Am I clear about how my role contributes to HMRC’s objectives?
- Do I take business needs and impacts into consideration when I produce a solution?
- Will my work add value in the longer term?
- Can I explain the benefits of HMRC’s Change Agenda?
- Do I take a wide view, aligning my plans not only to the needs of my own business unit, but to the overall HMRC Vision?
- Do I support and advise others on changing business to meet the department’s strategic direction?
3. Make fact-based decisions

Know your business through and through: solve problems professionally - gather evidence, assess risks, decide between options and only then implement.

*Don’t jump straight into creating solutions - or fix only the bit in front of you and maybe make things worse overall*

<table>
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<tr>
<td>• Prefers off-the-shelf solutions, but sometimes incorporates analysis / tools / other people’s thinking into decisions</td>
<td>• Knows when to apply analysis and risk mitigation and does so effectively in all decision-making</td>
</tr>
<tr>
<td>• Can identify specific evidence to support decisions</td>
<td>• Works closely with experts and stakeholders across the business to deliver change</td>
</tr>
<tr>
<td>• Looks for ways to resolve issues, but is not always successful</td>
<td>• Bases decisions on careful analysis of risks, benefits and outcomes</td>
</tr>
<tr>
<td>• Can still be drawn into rushed decisions</td>
<td>• Recognised in the business for quality of approach and data used</td>
</tr>
<tr>
<td>• Looks for evidence and information from team and colleagues only</td>
<td>• Known for making sustainable decisions</td>
</tr>
<tr>
<td>• Identifies the problem, analyses, finds options and decides outcome</td>
<td>• Will look outside of HMRC for supporting research</td>
</tr>
<tr>
<td>• Uses tools and experts to support decision-making</td>
<td>• Prefers off-the-shelf solutions, but sometimes incorporates analysis / tools / other people’s thinking into decisions</td>
</tr>
<tr>
<td>• Makes sound risk- and evidence-based decisions</td>
<td>• Can identify specific evidence to support decisions</td>
</tr>
<tr>
<td>• Is comfortable backing-up decisions</td>
<td>• Looks for ways to resolve issues, but is not always successful</td>
</tr>
<tr>
<td>• Reviews impact &amp; benefits realisation of decisions</td>
<td>• Can still be drawn into rushed decisions</td>
</tr>
<tr>
<td>• Seeks evidence within own directorate</td>
<td>• Looks for evidence and information from team and colleagues only</td>
</tr>
<tr>
<td>• Bases decisions on gut feel / habit / ‘I know best’ rather than on facts or proven experience</td>
<td>• Identifies the problem, analyses, finds options and decides outcome</td>
</tr>
<tr>
<td>• Can rush into decisions; known for ‘fire-fighting’</td>
<td>• Uses tools and experts to support decision-making</td>
</tr>
<tr>
<td>• When challenged, is unable to back-up decisions</td>
<td>• Makes sound risk- and evidence-based decisions</td>
</tr>
<tr>
<td>• Does not have business data to support decisions</td>
<td>• Is comfortable backing-up decisions</td>
</tr>
<tr>
<td>• Can be indecisive and puts off making a decision when not comfortable</td>
<td>• Reviews impact &amp; benefits realisation of decisions</td>
</tr>
<tr>
<td>• Makes decisions based on irrelevant / inappropriate criteria</td>
<td>• Seeks evidence within own directorate</td>
</tr>
<tr>
<td>• Fails to identify, assess and manage risks</td>
<td>• Bases decisions on gut feel / habit / ‘I know best’ rather than on facts or proven experience</td>
</tr>
</tbody>
</table>

**Underperformance examples**

- Bases decisions on gut feel / habit / ‘I know best’ rather than on facts or proven experience
- Can rush into decisions; known for ‘fire-fighting’
- When challenged, is unable to back-up decisions
- Does not have business data to support decisions
- Can be indecisive and puts off making a decision when not comfortable
- Makes decisions based on irrelevant / inappropriate criteria
- Fails to identify, assess and manage risks

**Reflection points**

- Do I think about the possible reasons for a problem before I consider a solution?
- Do I know how to get the information I need to reach a decision?
- Do I consider the impacts, risks and benefits when seeking to resolve an issue?
- Do I consult experts and stakeholders?
- Do I take into account the views and advice of experts and stakeholders?
- Am I comfortable about weighing up all the information available to me?
- Can I assess risks and take a view quickly without cutting corners?
- Do I look wider than my own work area for solutions?
## 4. Lead from the front

Do your own job well, showing passion and pride in your work. Own key problems and opportunities: go & see for yourself so you can help your people get it right. Act on what you see and insist on results.

*Don’t act like an outsider looking in*

<table>
<thead>
<tr>
<th>Essential performance examples</th>
<th>Outstanding performance examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Is able to manage teams around common issues and get results</td>
<td>• Leads from the front in the work that they do</td>
</tr>
<tr>
<td>• Interacts with others, including the broader team</td>
<td>• Non-hierarchical; makes the effort to gather the team around and motivate them to deliver (understands their own strengths and weaknesses)</td>
</tr>
<tr>
<td>• Takes some leadership on decisions, but still ‘bumps up’ more complex issues to others.</td>
<td>• Seen as capable in handling tasks.</td>
</tr>
<tr>
<td>• Understands the need to focus on results but isn’t comfortable with accountability</td>
<td>• Sets the tone for a focus on collective results delivers</td>
</tr>
<tr>
<td>• Is able to organise the team to deliver in most circumstances</td>
<td>• Identifies, assesses and manages risks to delivery and performance</td>
</tr>
<tr>
<td>• Is comfortable in taking a leadership role; honest, approachable, consistent and self-aware</td>
<td>• Demonstrates personal accountability and commitment.</td>
</tr>
<tr>
<td>• Delivers the results required</td>
<td>• Is a solid manager; gets the job done</td>
</tr>
<tr>
<td>• Manages barriers to delivery</td>
<td>• Is able to organise the team to deliver in most circumstances</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underperformance examples</th>
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</thead>
<tbody>
<tr>
<td>• Prefers not to put themselves forwards</td>
</tr>
<tr>
<td>• Uncomfortable interacting with others</td>
</tr>
<tr>
<td>• Manages for managing’s sake</td>
</tr>
<tr>
<td>• Has limited contact with the front line in their work-area</td>
</tr>
<tr>
<td>• Finds it difficult to communicate</td>
</tr>
<tr>
<td>• Isn’t results driven, manages by consensus; happier calling meetings than making decisions.</td>
</tr>
<tr>
<td>• Avoids accountability, commitment or ownership to objectives, tasks or problems</td>
</tr>
<tr>
<td>• Does not identify or understand risks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reflection points</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How do I show passion and pride in my work?</td>
</tr>
<tr>
<td>• Do I take responsibility for issues or decisions in my area?</td>
</tr>
<tr>
<td>• Do I set a clear direction for my team, explaining what is required of them?</td>
</tr>
<tr>
<td>• What do I do to find out the strengths and weaknesses of my team or colleagues?</td>
</tr>
<tr>
<td>• How do I take account of my team’s strengths and weaknesses while still delivering results?</td>
</tr>
<tr>
<td>• Do I explain to people the value of their team and individual contributions?</td>
</tr>
<tr>
<td>• Do I support people in resolving issues?</td>
</tr>
<tr>
<td>• Do I deliver the results that I say I will?</td>
</tr>
<tr>
<td>• How do I look to continuously improve results?</td>
</tr>
<tr>
<td>• Do I recognise and manage risks to delivery and performance?</td>
</tr>
</tbody>
</table>
5. Build your self-awareness

Acknowledge the impact of your behaviour on others and be the change you want to see. Seek regular feedback and be willing to learn to role model PaceSetter principles and behaviours.

*Don't assume you needn’t change because you have reached a certain level of seniority*

### Essential performance examples

- Has some awareness of their impact on their team and others
- Understands the need for feedback and seeks it when required
- Sees the need to make changes but finds it difficult to deliver
- Understands the PaceSetter principles and attempts to apply them

### Outstanding performance examples

- Is clear on their impact on others (including imperfections) and strives for better performance
- Willing to give and receive feedback – and act on it
- Considers wider implication on team / others before acting
- Applies PaceSetter principles in everything they do

### Underperformance examples

- Is unaware of how own actions impact others
- Sees feedback as a criticism; unable to give or receive constructive feedback
- Finds it difficult to change behaviours
- Focus is on own reputation with line management; less interested in peer and team perceptions
- Unclear of PaceSetter principles

### Reflection points

- Do I ask for feedback even when something has gone well?
- Do I include my team and/or peers when I seek feedback?
- Do I respond to feedback positively?
- Am I afraid to ask for feedback for fear of what people might say?
- How often do I reflect on how things have gone and what I could have done differently?
- Do I consider the impact my behaviour has on my team and stakeholders?
- Would I be prepared to seek support in changing or adapting my approach?
6. Keep people appropriately challenged

Create enough pace around work to engage people but not overload them. Work with the tension caused by difficulties: use it as an opportunity to encourage the search for innovative solutions and increasing operational excellence.

*Don’t avoid tough conversations or situations*

<table>
<thead>
<tr>
<th>Essential performance examples</th>
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<tbody>
<tr>
<td>• Sometimes open to ideas in their approach, but ‘reverts to type’ when in crisis</td>
<td>• Is proactive around task management</td>
</tr>
<tr>
<td>• Ensures team’s workload is more planned and more evenly paced</td>
<td>• Links people and business needs; develops opportunities to harness people’s skills</td>
</tr>
<tr>
<td>• Is willing to address conflict areas, but is prone to deflect rather than address issues</td>
<td>• Willingness to engage in healthy conflict</td>
</tr>
<tr>
<td>• Understands the needs of others</td>
<td>• Creates context and perspective in the team; is aware of the level of “stress” within their team and actively controls pressure</td>
</tr>
<tr>
<td>• Balances focus on tasks and their people</td>
<td>• Sets realistic and attainable goals</td>
</tr>
<tr>
<td>• Plans for the longer term, resulting in smoother, evenly paced workload and delivery</td>
<td>• Incorporates the bigger picture into their decisions</td>
</tr>
<tr>
<td>• Prepared to challenge old ways of thinking and address issues head on</td>
<td>• Appreciates the strengths of others and uses them to drive delivery</td>
</tr>
<tr>
<td>• Understands and works toward resolving team challenges</td>
<td>• Asks tough, probing questions in order to tease out people’s capabilities</td>
</tr>
<tr>
<td>• Addresses issues constructively</td>
<td>• Looks to harbour the skills of the collective, leading to innovative, high quality solutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>• Focus is on tasks rather than balanced with their people</td>
<td>• How do I encourage people to achieve their potential?</td>
</tr>
<tr>
<td>• Has an unstructured approach to management marked by frequent crises followed by periods of lower activity</td>
<td>• How do I identify and nurture talent?</td>
</tr>
<tr>
<td>• Tends to avoid conflict or difficult problems; wants to be liked</td>
<td>• Do I see a problem as an opportunity?</td>
</tr>
<tr>
<td>• Takes a limited interest in the needs of others</td>
<td>• How do I get people to look at things in a different way to find innovative solutions</td>
</tr>
<tr>
<td></td>
<td>• Do people feel they can approach me with new ideas?</td>
</tr>
<tr>
<td></td>
<td>• Do people have to tell me if there’s a problem?</td>
</tr>
<tr>
<td></td>
<td>• How do I challenge underperformance?</td>
</tr>
<tr>
<td></td>
<td>• Do I know what the signs of stress are?</td>
</tr>
</tbody>
</table>
7. Work in a disciplined way

There’s only one way to work here - Our Way, using PaceSetter tools and techniques. So plan ahead, ensuring a clear line of sight between HMRC and front line goals; assign accountabilities, tie actions into agreed results and measure only what matters.

Don't act like a maverick - and do more fire prevention than fire fighting

<table>
<thead>
<tr>
<th>Essential performance examples</th>
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<tbody>
<tr>
<td>• Looks to take the lead and drive business delivery through effectively using HMRC processes</td>
<td>• Is able to lead a team effectively: drives delivery and creates the right mix of challenge and direction</td>
</tr>
<tr>
<td>• Regularly monitors and evaluates milestones and achievements</td>
<td>• Understands the HMRC Vision and strategy and is able to deliver against key business objectives</td>
</tr>
<tr>
<td>• Has a general understanding of the HMRC goals and looks to include them in their thinking</td>
<td>• Uses PaceSetter tools and techniques to drive performance</td>
</tr>
<tr>
<td>• Structures, plans and sets challenging delivery targets</td>
<td>• Delivers to a high standard in most circumstances</td>
</tr>
<tr>
<td>• Clearly defines roles and responsibilities (including their own)</td>
<td>• Recognise significant risks and manage them to prevent issues arising</td>
</tr>
<tr>
<td>• Is able to apply thinking flexibly to ensure results</td>
<td>• Is a role model within HMRC for the PaceSetter tools and techniques</td>
</tr>
<tr>
<td>• Understands HMRC Vision and strategy and articulates these to the team</td>
<td>• Has a clear view of where the business is going and their role as a leader in getting there</td>
</tr>
<tr>
<td>• Understands their role in the business and in driving performance</td>
<td>• Highly capable in managing broad business teams</td>
</tr>
<tr>
<td>• Understands potential blockers to delivery and performance</td>
<td>• Is able to deliver in all circumstances</td>
</tr>
<tr>
<td>• Is able to lead a team effectively: drives delivery and creates the right mix of challenge and direction</td>
<td>• Applies Our Way and the PaceSetter tools and techniques across the range of compliant / non-compliant behaviour</td>
</tr>
<tr>
<td>• Clearly defines roles and responsibilities (including their own)</td>
<td>• Challenges people to improve</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underperformance examples</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Lacks flexibility in the way that they deliver</td>
<td>• How well am I prepared for achieving business goals?</td>
</tr>
<tr>
<td>• Doesn’t understand their role in delivering strategic outcomes</td>
<td>• Am I clear about the objectives I need to deliver on and the value these bring to HMRC?</td>
</tr>
<tr>
<td>• Is highly bureaucratic</td>
<td>• How do I support my team in achieving goals?</td>
</tr>
<tr>
<td>• Uses the system as a ‘crutch’ to support poor performance</td>
<td>• Do I change things that aren’t working as well as they could be?</td>
</tr>
<tr>
<td>• Only applies the rules and when it supports their thinking</td>
<td>• Do I review procedures to achieve a better result?</td>
</tr>
<tr>
<td>• Overcomplicates matters and so misses the critical point/goal</td>
<td>• Do I keep people informed about what I’m doing?</td>
</tr>
<tr>
<td>• Does not anticipate potential problems</td>
<td>• Do I understand and apply PaceSetter tools and techniques that are appropriate to my work?</td>
</tr>
<tr>
<td></td>
<td>• Do I take time to really understand what essentially needs to be done or do I pitch in straight away?</td>
</tr>
<tr>
<td></td>
<td>• Do I assess risks and mitigate impacts?</td>
</tr>
</tbody>
</table>
8. Place work where it belongs

Learn when to delegate. Ensure the business context is understood but accept that the best solutions emerge when decisions are taken at the level closest to the problem. Equally, don’t be afraid to escalate fast when there are issues you can’t fix at your level.

*Don’t get seduced by the need to show you have all the answers*

<table>
<thead>
<tr>
<th>Essential performance examples</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Understands the need for effective delegation</td>
<td>• Able to take the lead, put the work into context and then apply the right team resources</td>
</tr>
<tr>
<td>• Seeks opportunities to involve others in delivery (particularly in own team)</td>
<td>• Understands that they don’t have all the answers</td>
</tr>
<tr>
<td>• Willing to listen and consult before deciding on a course of action</td>
<td>• Looks to use input from all levels (including outside the department)</td>
</tr>
<tr>
<td>• Understands the scale of the issues; delegating or escalating as needed</td>
<td>• Gives team the right amount of information</td>
</tr>
<tr>
<td>• Looks to involve all levels of the business, to consult and develop solutions</td>
<td>• Uses a coaching style to ensure work is understood and completed by the right people</td>
</tr>
<tr>
<td>• Some awareness of their own limitations</td>
<td>• Links solutions seamlessly into delivery both within and beyond their team</td>
</tr>
<tr>
<td>• Seen as someone who listens and communicates clearly</td>
<td>• Seen as a role-model for using resources at the right levels within the business to drive effective, sustainable long-term solutions</td>
</tr>
</tbody>
</table>

**Underperformance examples**

- Has a tendency to place excessive demands on self or others
- Has a fragmented approach to decision-making
- Task assignments do not reflect skill levels, role or experience
- Believes that they have all the answers / the ‘right’ way
- Spends time checking every detail rather than the essential points
- Limited involvement of others in decision-making

**Reflection points**

- Do my team understand what’s expected of them?
- Do I recognise the efforts of my team?
- Do I help my team to anticipate problems and develop solutions?
- To what extent do I involve my team in producing solutions?
- How do I support my team in seeking solutions?
- Do my team have sufficient background to an issue to resolve it effectively?
- Are my team motivated to address problems?
- Do I tend to hold on to the work that I like doing?
- Do I recognise when it works best to seek help from elsewhere?
- Have changes made a real difference?
9. Drive continuous improvement in everything we do

Recognise that HMRC needs to change constantly. Have a vision of the future that inspires people to aim for higher performance standards. Reward the tackling of risks and issues: make it safe to admit failure, learn from it - then celebrate success.

Don’t live with problems and don’t create a blame culture

**Essential performance examples**
- Understands the need to drive improvement
- Has the stamina to deliver change, but rarely the drive to initiate it
- Can cope with rapid changes in the business, but needs significant help making change happen
- Stays ‘safe’ and looks to be told what needs to change

**Outstanding performance examples**
- Promotes a continuous improvement culture, embedding change in the business
- Understands clearly the future of the business and can articulate to their team
- Willing to take risks and tries to draw others in – taking them through the emotional cycle of change
- Demonstrates an innovative approach to tackling issues

**Underperformance examples**
- Only really comfortable with the status quo (doesn’t like challenge)
- Rapid change makes them uncomfortable / leaves them feeling helpless
- Reverts to type at the first set back
- Unwilling to take risks or make mistakes,
- Not happy in changing ways of working - always does the expected
- Does not learn from past experience

**Reflection points**
- Do I see change as an opportunity?
- What do I do to help my team understand the need for change?
- How do I motivate my team to look for areas that would benefit improvement?
- Do I spot risks before they become issues?
- How do I tackle risks to prevent them becoming issues?
- Do I ever consider improving something that seems to work well?
- To what extent do I take account of previous experience, my own and/or my team’s?
- How do I encourage others to take a fresh look at their work?
10. Build capability

Your success depends on your team’s: take pride in helping them succeed. Make expectations clear, understand and value their diversity, help them develop the skills and tools needed to do their jobs well. Be quick to address poor performance or attendance and even quicker to praise.  

*Don’t assume it’s your team’s job to help you do yours: it’s the other way round. And remember, we’re all here to support the front line*

<table>
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</tr>
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<tbody>
<tr>
<td>• Is able to establish a team and create team identity</td>
<td>• Sees development as a core part of their role and dedicates time to its delivery</td>
</tr>
<tr>
<td>• Has some broader conversations around personal and team development; tries to balance these two elements</td>
<td>• Always gets the best out of learning opportunities</td>
</tr>
<tr>
<td>• Still focuses predominately on action-oriented conversations</td>
<td>• Looks for opportunities to challenge team</td>
</tr>
<tr>
<td>• Willing to use some coaching and feedback</td>
<td>• Invests time in developing teams in order to drive overall performance</td>
</tr>
<tr>
<td>• Applies performance procedures but rarely deals with difficult issues around poor performance</td>
<td>• Sets clear team objectives</td>
</tr>
<tr>
<td></td>
<td>• Incorporates coaching into overall management process</td>
</tr>
<tr>
<td></td>
<td>• Acts as a role model, focused/concerned about the development and growth of people</td>
</tr>
<tr>
<td></td>
<td>• Incorporates people-development at each stage of business planning</td>
</tr>
<tr>
<td></td>
<td>• Believes in the full potential of others and is willing to nurture and develop them using a coaching approach</td>
</tr>
<tr>
<td></td>
<td>• Uses the power of the team to deliver exceptional work</td>
</tr>
<tr>
<td></td>
<td>• Uses full range of development tools to create capability</td>
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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>• Has a limited ability to create relationships</td>
<td>• How do I encourage others to build on their capabilities?</td>
</tr>
<tr>
<td>• Misses opportunities to understand the needs of others or to drive performance</td>
<td>• What support do I provide when my team ask for development?</td>
</tr>
<tr>
<td>• Focuses only on doing rather than on developing</td>
<td>• How do I make time for development?</td>
</tr>
<tr>
<td>• Does not delegate or empower their team</td>
<td>• What value does learning bring, both on a personal and business level?</td>
</tr>
<tr>
<td>• People only trusted to deliver within narrow bounds</td>
<td>• When did I last introduce my team to new techniques?</td>
</tr>
<tr>
<td>• Unwilling to coach their team</td>
<td>• Do I consider my team members as individuals with individual skills, capabilities and needs?</td>
</tr>
<tr>
<td>• Focuses only on own development</td>
<td>• Can I get people to work as a team, pooling capability so that the collective delivery is greater than individual delivery?</td>
</tr>
<tr>
<td>• Allows poor performance to continue or low quality deliverables to be produced</td>
<td>• Do I explore alternative development options?</td>
</tr>
<tr>
<td></td>
<td>• Do I adopt a coaching style with my team members?</td>
</tr>
</tbody>
</table>
11. Use the power of the collective

Reach solutions that stick by listening and being open to others’ ideas. Get valuable insight on current and future options by actively engaging your stakeholders and encouraging collaboration, not just within your team, but across and outside HMRC.

*Don’t try and solve most problems on your own; and don’t take all the credit either*

<table>
<thead>
<tr>
<th>Essential performance examples</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Uses the collective power of the team within the bounds of their day-to-day role</td>
<td>• Looks to draw on the collective power of the team (and beyond) to drive performance</td>
</tr>
<tr>
<td>• Develops relationships and tries to develop a common understanding</td>
<td>• Values the insight of others</td>
</tr>
<tr>
<td>• Gets involved with the team; takes accountability for their – and their team’s – actions</td>
<td>• Is seen to value relationships and the input of others</td>
</tr>
<tr>
<td>• Shows selective willingness to consult/ listen to others outside the team for the broader stakeholder involvement</td>
<td>• Cultivates strong interpersonal skills</td>
</tr>
<tr>
<td>• Balances personal power and group input</td>
<td>• Is willing to debate issues with others, listens and is open to alternative ideas</td>
</tr>
<tr>
<td>• Values input from others, promotes the sense of team and looks to create consensus</td>
<td>• Encourages input from the team in identifying barriers and finding solutions</td>
</tr>
</tbody>
</table>

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>• Has a high need for personal power (likes to take the glory) and being right</td>
<td>• Do I give true recognition to my team’s achievements?</td>
</tr>
<tr>
<td>• Has a tendency to dictate</td>
<td>• Am I open to challenge?</td>
</tr>
<tr>
<td>• Sees their way as the ‘right’ way and undervalues others with different opinions</td>
<td>• Do I listen to others and value their input?</td>
</tr>
<tr>
<td>• Has poor interpersonal skills; unwilling to listen</td>
<td>• If I disagree, do I explain why?</td>
</tr>
<tr>
<td>• Avoids group activities, preferring to develop solutions on their own</td>
<td>• Do I network with people in areas that have a connection with my work?</td>
</tr>
<tr>
<td>• If uncomfortable can avoid taking a clear position in a team</td>
<td>• How do I find out what my stakeholders need or want?</td>
</tr>
<tr>
<td>• Prefers to go with ‘in-house’ solution</td>
<td>• How do I work together with my stakeholders?</td>
</tr>
<tr>
<td></td>
<td>• Do I understand the dependencies within stakeholder relationships?</td>
</tr>
</tbody>
</table>
### 12. Be professional and act with integrity

Honour your ‘deal’ with HMRC – do the job it needs you to do, not just what you want to do, and speak out positively on its behalf. Take our responsibilities seriously: recognise we have privileged access to information and must protect it.

**Don’t compromise on civil service values**

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<tbody>
<tr>
<td>• Is willing to do the basics in order to deliver in their job</td>
<td>• Begins to step beyond the pure job role, engaging with broader HMRC issues in order to enhance the service offered</td>
</tr>
<tr>
<td>• In certain circumstances willing to put themselves forward for additional work if it appeals</td>
<td>• Is willing to go above and beyond what is required to deliver excellent service</td>
</tr>
<tr>
<td>• Understands the value of people in the business</td>
<td>• Is seen as a role model in how they act and deliver</td>
</tr>
<tr>
<td>• Starts to think beyond the immediate team and model some of the HMRC behaviours and values</td>
<td>• Consistently champions and demonstrates HMRC behaviours</td>
</tr>
<tr>
<td>• Recognises the impact of decisions on self but not on others</td>
<td>• Articulates clearly what HMRC stands for</td>
</tr>
<tr>
<td>• Doesn’t personally talk negatively about HMRC but is unwilling to challenge those on team/peers who do</td>
<td>• Recognises the impact on self, colleagues, customers and HMRC</td>
</tr>
<tr>
<td>• Does all the job entails well, driving effective delivery in what they are asked to do</td>
<td>• Is an excellent ambassador for HMRC at all times</td>
</tr>
<tr>
<td>• Willing to put themselves forward for additional work</td>
<td>• Demonstrates integrity and talks positively on HMRC’s behalf</td>
</tr>
<tr>
<td>• Applies the HMRC behaviours and values in most of what they do</td>
<td>• Takes personal responsibility by applying HMRC behaviours values in all that they do</td>
</tr>
<tr>
<td>• Recognises the impact of behaviour on self, others and the business unit</td>
<td>• Demonstrates integrity and talks positively on HMRC’s behalf</td>
</tr>
<tr>
<td>• Is a good role model and develops within the team an understanding of the ‘deal’ with HMRC; willing to challenge negative behaviour</td>
<td>• Is willing to go above and beyond what is required to deliver excellent service</td>
</tr>
</tbody>
</table>

### Underperformance examples

- Only willing to do the minimum
- Is unwilling to put themselves forward for additional work
- Prioritises what is important to them personally
- Does not show commitment to HMRC behaviours and values
- Does not challenge constructively; undermines the efforts of others
- Doesn’t recognise the impact of decisions on self or others

### Reflection points

- Do I always promote the work of HMRC positively?
- How is the HMRC Purpose, Vision and Way reflected in the work I do?
- How do I deal with others’ negative behaviour?
- Do I actively seek opportunities to enhance the service I provide?
- Do I push myself forward for additional work?
- Do my staff demonstrate the core values of integrity, honesty, objectivity and impartiality?
- Do I demonstrate pride in working for HMRC?
EXAMPLE 8 - ITALY: TAXPAYER SUPPORT AND ASSISTANCE IN COMPLYING WITH TAX OBLIGATIONS

CAF - (Centri di assistenza fiscale) - TAX ASSISTANCE CENTRES

In 1997 Italy introduced the obligation to submit tax returns only electronically (Legislative Decree n. 241 of 1997); the obligation, initially limited to taxpayers of significant size, has been gradually expanded and now affects all taxpayers, with certain exemptions. The taxpayer complies directly, using the instruments available for these purposes on the website of the Revenue Agency (www.agenziaentrate.it), or by contacting (fee) with authorized intermediaries (accountants and other professionals). A third possibility is offered by the Centri di Assistenza Fiscale (CAF) so called Tax Assistance Centres.

The CAF can also fill out directly the tax declaration, based on the documentation submitted by the taxpayer but in this case, however, CAF requires a fee, which shall be determined independently of the entity (such fee is in addition to what is paid by the Revenue Agency or send the statement).

The current framework of the CAF was established with the "electronic tax" (Legislative Decree n. 490 of 1998). The CAF are mostly made by the unions (or withholding agent with more than 50,000 employees)\(^9\).

Every year about 20 million people address to CAF for preparing and submission of their tax return (simplified model 730).

The CAF must be established as limited liability companies (spa, Ltd., sapa) and to carry out their activities they must be authorized by Italian tax administration.

The employee or retiree who has already filled out the model 730 doesn’t pay anything to the CAF. The CAF, before sending the tax return to the Revenue Agency, must check the formal correctness of the data and the documentation produced by the taxpayer to demonstrate the declared income and deductions required. The CAF then performs the calculation of tax due and shall report to the employer, making any refund or retain from the salary the additional tax liability.

For each tax declaration sent to the Revenue Agency, CAF receives compensation from the tax administration which currently amounts to € 14.00 (€ 26.00 if the model contains also the declaration of a spouse). Rewards are gradually updated for the inflation index (ISTAT).

In view of the compensation paid to CAF, the Revenue Agency has the advantage to have in real-time tax returns error-free and already just checked. Thanks also to the subsequent operation of the withholding agent, the Revenue Agency has also the guarantee that taxes due are paid regularly and promptly. This reduces the workload of the Agency’s offices, allowing them to concentrate on more complex cases. At the same time the use of the CAF is a benefit for the taxpayer, which can fulfil the requirement of electronic filing of the declaration (and the subsequent payment of

\(^7\) Assistance provided to employees and pensioners (CAF employees). CAF is usually established as association between businesses providing tax assistance to member companies and their shareholders (CAF companies)
taxes due) without incurring any cost and without having to make difficult calculations accounting (as mentioned, the calculation of tax due is made by CAF, which then issues a statement showing the calculations carried out). In addition, the employee or pensioner receives in a very short time any tax refund due, as it is advanced directly from the withholding agent (the then compensates for the amount advanced to him with those due to taxes).

The CAF can also fill out directly the tax declaration, based on the documentation submitted by the taxpayer but in this case, however, CAF requires a fee, which shall be determined independently of the entity (such fee is in addition to what is paid by the Revenue Agency o send the statement).

The CAF can finally play other activities in the tax and social security. Some of these activities can be assigned to it by law; in this case they are made to citizens free of charge, in other cases tax assistance is paid by the citizen who requests it.