

TAX ADMINISTRATION OF ARGES COUNTY – APPROACHES FROM THE PERSPECTIVE OF HUMAN RESOURCES

Carmen Mihaela MOGOIU¹, Mariana Luminița LINȚĂ²

¹ University of Craiova, Romania, mogoiucarmen@yahoo.com

² University of Craiova, Romania, linaluminita@yahoo.com

Abstract: *The implementation of the Romanian Tax Administration Modernization Project (RAMP) and the frequent legislative changes have influenced over the last years the activity and, implicitly, the performance of the National Agency for Fiscal Administration. The Romanian Tax Administration Modernization Project, funded under a loan agreement between Romania and IBRD, has had syncope in its implementation and has not generated the expected results to date. The present paper presents the perception of the Argeș County Public Administration's employees regarding the results of the fiscal administration reform process in Romania, by carrying out a case study of an X-ray of the human resources situation in the field.*

Keywords: Tax administration, Reform, Human resource.

JEL Classification Codes: E62, O15.

1. INTRODUCTION

It is important to study the human resource problem within the tax administration system because the satisfaction of employees in this sector contributes to voluntary compliance of taxpayers with their tax obligations (Gale and Holtzblatt, 2000).

The present study is based on the hypothesis that the results of the consultancy reports of the experts of the modernization project of the Romanian tax administration with the support of the World Bank (RAMP) are determined, among other things, by the reduced involvement of tax administration employees in decision making at the organizational and managerial level and their lack of information on future steps to be taken in the tax process. The study aims to answer the following questions:

1. How satisfied are the employees of the public institutions about the legislative initiatives for reforming the Romanian tax administration?
2. To what extent do these changes affect daily activity and communication with higher structures?

The most common approach to studying the working conditions of public employees is to formulate their views in this respect through a survey. Most OECD members carry out periodic internal surveys of their tax administrations to assess working conditions and staff satisfaction; only five - Belgium, Greece, Slovakia, Turkey and Spain - do not carry out such investigations. (Villar-Rubio et al., 2015).

The study aims at analyzing the results of applying a questionnaire at the level of the County Administration of Public Finances Argeș in order to assess the professional satisfaction of the employees and their working conditions and their opinion on the effects of implementing the measures implemented through the modernization project of the Romanian tax administration



This is an open-access article distributed under the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>).

. In order to carry out the research, quantitative methods were used: data analysis by frequency distribution and bivariate correlation.

It has been noticed that, in general, employees are pleased with the work conditions offered by the public institution (work schedule, endowment with materials, equipment, equipment, monthly remuneration, relationship and communication with the hierarchical leader / management team, improvement), with the exception of young staff with little experience in applying the tax system regulations. The employees did not favorably appreciate the effects of the measures implementing the modernization project of the RAMP fiscal administration in Romania, with an increased pressure on the committed human resources.

2. METHODOLOGY OF RESEARCH

For the research, the survey method was structured by direct and on-line contact with the interviewed subjects. The survey was conducted on the basis of a questionnaire addressed to the employees of the County Administration of Public Finances Argeș and subordinated territorial units. The questionnaire consists of 11 closed questions addressed to civil servants. The questions contained in the questionnaires reveal the main aspects influencing the activity of the public administration as well as general aspects of the tax administration staff (age, graduated studies) according to the methodology applied in the working practice of the National Institute of Statistics.

We mention that this study only revealed the significant correlations to the questions in the questionnaire filled in by the employees of the County Administration of Public Finances Argeș for the purpose proposed in this study.

We determined the size of the sample using Taro Yamane's (1967) equation:

$$S=N/(1+N*e^2),$$

where: - S is the size of the sample, N is the number of employees of the County Administration of Public Finances Argeș and territorial services and e is the acceptable error limit (precision level) (5.0%).

Thus, in the case of the 531 employees at the end of 2017 of the County Administration of Public Finances Argeș and the related territorial services, a number of 228 questionnaires were sent to them.

The number of questionnaires completed by the employees of the County Administration of Public Finances Argeș and the related territorial services was 230. The data were processed with SPSS. In order to be as accurate as possible, the questionnaires addressed to the employees of the tax administration were handed over both to the management and to the executives, ensuring the data anonymization and explanations regarding the purpose of completing these questionnaires.

3. DATA ANALYSIS BY DISTRIBUTION OF FREQUENCIES

From the analysis of the data from these questionnaires, 10% were completed by the leading personnel (respectively 23) and 90% by the execution personnel (respectively 207 civil servants of execution). Considering that the percentage of maximum 12% of the total number of approved positions of the public management positions within each public authority or institution provided by Law no. 520/2013 regarding the organization and functioning of the National Agency for Fiscal Administration, we consider these representative percentages. The situation on activities specific to the tax administration is presented according to Fig. 1.

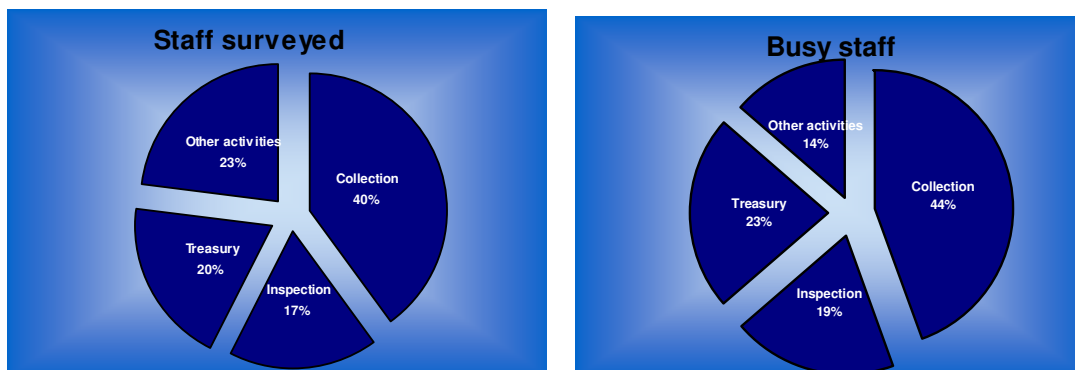


Figure 1. Number of staff surveyed / occupied at the level of the Arges Public Administration County Administration

Considering the method of research used and the fact that other activities include many different activities involving fieldwork (legal, tax information, communication and internal services, etc.), we consider these percentages to be satisfactory.

A significant percentage of questionnaire respondents are more than 10 years old in the tax area (91.3% of the total number of employees of the intergovernmental tax administration).

The situation by age category of the questioned and occupied personnel of the County Administration of Public Finances Arges on 31.12.2017 shows as in Figure 2.

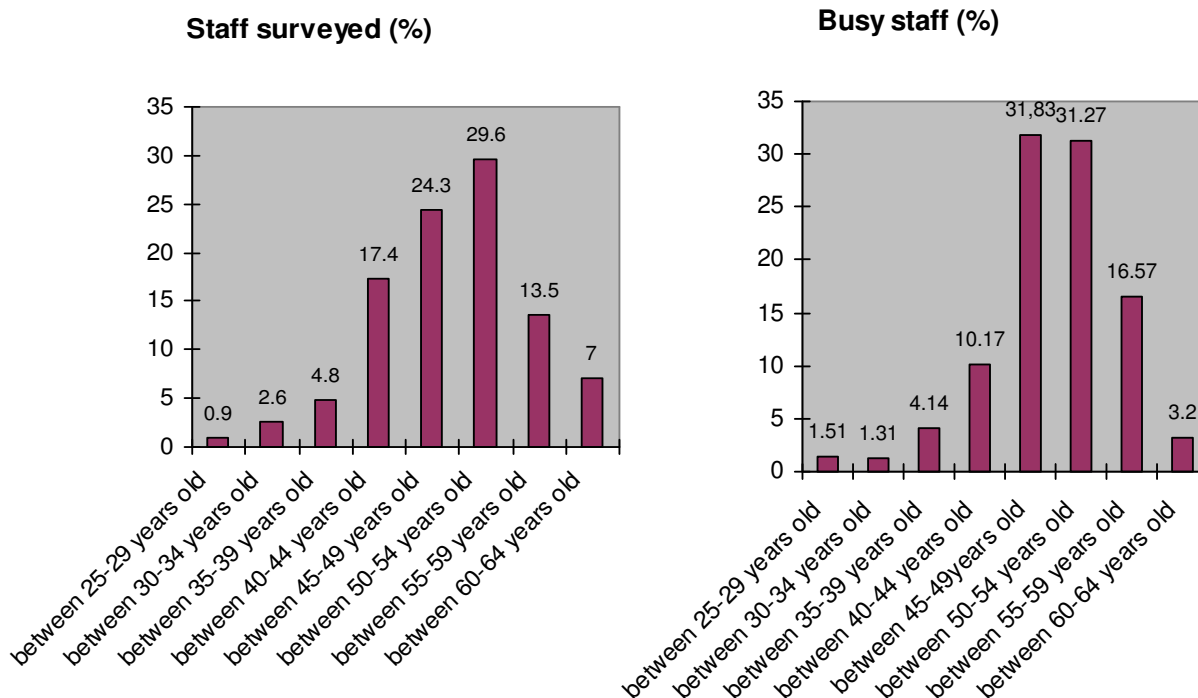


Figure 2. Personnel surveyed / occupied by age category at County Public Administration Arges (%)

The analysis of the answers to the question regarding the appreciation of the satisfaction of the employees of the Arges County Administration of Public Finances is also analyzed: work schedule, endowment of the work place with materials, equipment, equipment, monthly remuneration, the relationship and communication with the hierarchical leader / management team and the continuous training policy of the employees, the training performed, etc., as shown in Table 1. In this question, a three-step assessment scale was used: unsatisfactory, satisfactory and very satisfactory.

Table 1. The degree of satisfaction of the working conditions of the employees of the County Administration of Public Finances Arges

Satisfaction with:	Endowment		Remuneration		Work schedule		Relationship with leadership	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
unsatisfactory	115	50.0	13	5.7	16	7.0	10	4.3
satisfactorily	110	47.8	179	77.8	174	75.7	103	44.8
very satisfactory	5	2.2	38	16.5	40	17.4	117	50.9
Total	230	100.0	230	100.0	230	100.0	230	100.0

Source: Own data processing through the SPSS program.

From the analysis of the frequency of satisfaction with the working conditions (according to Table 1) the following aspects were found:

- 50% are not satisfied with the endowment of the work place with materials, equipment, equipment;
 - from the point of view of monthly remuneration, 77.8% of the respondents say they are satisfied with the current monthly salary level (subject to the entry into force of the new single payroll law);
 - from the point of view of the work program, 75.7% of the respondents are satisfied, with no overtime paid by the Arges County Public Administration Administration;
 - 95.7% of the interviewed employees were very satisfied and satisfied with the relationship and communication with the hierarchical leader / management team.
- It is noted the very high percentages of the employees who know their tasks, responsibilities and responsibilities in the job description (98.3%) and of the subordinated public servants who know the results expected by the management from them based on the performance indicators established in the evaluation process annually (93.5%).

Part of the questionnaire aimed to assess the employees' opinion on the effects of the implementation of the fiscal administration modernization project started in 2013. The results are presented in Table 2.

Table 2. The degree of appreciation of the reorganization of the tax administration by the employees of the County Administration of Public Finances Arges

Satisfaction with:	Reducing workload		Simplifying the relationship with the taxpayer		Improving IT Infrastructure		Optimize the organigram	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	17	7.4	53	23	22	9.6	40	17.4
No	203	88.3	167	72.6	198	86.1	180	78.3
Total	220	95.7	220	95.7	220	95.7	220	95.7
Missing	10	4.3	10	4.3	10	4.3	10	4.3

* for tax administration employees with a seniority in the tax system of over 5 years.

Source: Own data processing through the SPSS program.

When asked about the reorganization of the tax administration, it was considered appropriate that only employees over 5 years of age in the tax system should respond to them. The degree of appreciation of the reorganization of the tax administration by the employees of the Arges County Public Administration Administration did not lead to the reduction of the workload (88.3%), the simplification of the relationship with the taxpayer (72.6%), the improvement of the IT infrastructure (86.1%) and no optimization of the organigram (78.3%).

Another question of the questionnaire was to assess the satisfaction of employees in relation to the superior structures of the National Agency for Fiscal Administration following the reorganization of the public institution. In this question, a three-step appreciation scale was used: unsatisfactory, satisfactory, and very satisfying. The results are presented in Table 3.

Table 3. The degree of satisfaction of the employees of the territorial public administration in relation to the superior structures of the National Agency for Fiscal Administration

Satisfaction with:	operative decision making process		the quality of the information provided		delegations of tasks	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
unsatisfactory	34	14.8	36	15.7	32	13.9
satisfactorily	167	72.6	165	71.7	175	76.1
very satisfactory	19	8.3	19	8.3	13	5.7
Total	220	95.7	220	95.7	220	95.7

* for tax administration employees with a seniority in the tax system of over 5 years.
Source: Own data processing through the SPSS program.

For employees with more than 5 years of activity in the fiscal activity, the degree of satisfaction with the superior structures of the National Agency for Fiscal Administration, following the reorganization of the fiscal system, is maintained at a satisfactory level, both in terms of operative decision making process (72.6%), the quality of the provided information (71.7%) and the delegation of tasks at the territorial level (76.1%). Regarding the existence of a clear, fair and transparent employee promotion system, employees estimate 65.7% of their existence, given that at the end of 2017 according to reports at the level of the Public Administration of Public Administration Argeş 92% of employees had the highest payroll rate.

As far as the provision of vocational training is concerned, only 50% of the respondents believe that all forms of vocational training that meet the real training needs (legislative changes) are assured in order to improve / update the knowledge. This may be due to the many legislative changes in the field of taxation.

4. DATA ANALYSIS BY BIVARIED CORRELATION

Correlation is a descriptive statistical method because it describes what is happening in a group of results ($r = (\Sigma (Z1 * Z2) / N)$). Correlation indicates the existence of a link between variables, which can be positive (when the scores the weak on the first variable is associated with low scores at the second variable, the mean scores at the first variable are associated with average scores at the second variable and the high scores at the first variable are associated with high scores at the second variable), negative (when the weak scores the first variable is associated with high scores on the second variable, average scores on the first variable are associated with average scores at the second variable, and the high scores on the first variable are associated with low scores on the second variable.) Of course, between variables it can no connection arises (Gherasim, 2015).

Correlation is a bivariate measure of the association (intensity, strength, power) of the relationship between two variables. This association can be calculated using a correlation coefficient that checks to what extent the two variables vary together. The distinction between cause and effect can be done using the Pearson coefficient that can take values between -1 and +1. The interpretation of the values of these indices can be as follows: the proximity to 0 demonstrates the poor correlation between the variables tested; the approximation of -1 shows an inverse correlation and the +1 approach shows a positive correlation. The SPSS program signals whether the correlation result is statistically significant by calculating the Sig coefficient representing the probability of error in rejecting the null hypothesis and accepting the research hypothesis. The correlation is significant if the significance threshold is below 0.05.

For a better understanding of the tax administration's perception of the effects of the RAMP project implementation and the situation of the local tax administration, a quantitative data analysis was attempted through the bivariate correlation method. Correlations between the function held variable and the degree of satisfaction variables regarding monthly remuneration, relationship with management, quality of information, assignment of tasks were identified. The correlations identified are significant because the Sig. is less than 0.05.

Table 4. The degree of satisfaction of the employees of the territorial public administration in the relationship with the superior structures of the National Agency for Fiscal Administration

		Grade satisfaction	Degree of management satisfaction	Satisfaction level of satisfaction	Degree of quality information satisfaction	Grade satisfaction delegation tasks
the function held	Pearson Correlation	-,206**	-,133*	-,140*	-,144*	-,133*
	Sig. (2-tailed)	,002	,045	,039	,033	,048
	N	230	230	220	220	220

Source: Own data processing through the SPSS program.

Correlations are inverse and of low intensity, which means:

- A certain category of function (management or execution) is not related to the financial satisfaction generated by the salary of the employees of the financial administration. Once the necessary conditions for promotion to the public position and the transition to a higher salary level have been met, the monthly remuneration of the employees must be increased accordingly. The low-negative negative correlation (-0,206) is explained by the high percentage of 92.09% of the employees who already had the highest salary level at the end of 2017 according to reports at the level of the County Administration of Public Finances Argeș. Of these, 77.8% of employees are satisfied with the monthly salary set by the single payroll law adopted by the authorities. The additional responsibilities of a management function, the limited number of management positions (maximum 12% of the total number of posts) and the high percentage of employees satisfied with the current monthly remuneration, make us consider that promotion to a public management position does not a purpose of civil servants of execution.

- The public (held or executed) function is not related to employee satisfaction with the management team. The negative weakness correlation (-0,133) can be explained by the fact that the lower responsibilities in the job descriptions of employees with inferior professional positions do not lead to a more strained relationship with the hierarchical boss. On the contrary, leadership functions experience greater pressure in communicating with the higher levels of senior credit officers. 95.7% of the surveyed employees said they were very satisfied and satisfied with the relationship and communication with the hierarchical leader / management team.

- A certain category of function (management or execution) is not related to the satisfaction with the superior structures in terms of the operability of the decision-making process, the quality of the information provided or the delegation of tasks at the territorial level. The weak correlations identified in our study are expected in the poor performance of the reorganization process of the fiscal apparatus. Regardless of the public function held, the employees of the public institution do not feel after the reorganization process of the tax administration an improvement of the operative efficiency of the decision-making process, the quality of the information provided or the delegation of tasks at the territorial level. On the contrary, once the regional directions have been set up, the necessary tax route is more lengthy and difficult, requiring more approvals and signatures in the elaboration of fiscal documents and increasing the pressure of the solution during the time stipulated by the law of the tasks stipulated in the job sheet.

Another category of correlations refers to the relationship between the age variable and the degree of satisfaction variables in relation to leadership and professional improvement (Table 5).

Table 5. Degree of satisfaction of the employees of the territorial public administration in the relation with the management and professional training according to the age.

		Degree of management satisfaction	Degree of improvement
Age	Pearson Correlation	,200**	,153*
	Sig. (2-tailed)	,002	,020
	N	230	230

Source: Own data processing through the SPSS program.

Correlations are positive and of low intensity, which means:

-There is a link between respondents' age and employee satisfaction with management. Half of the respondents up to 49 years of age are dissatisfied with the relationship with the public institution's leadership. It is noticed that the percentage of the unhappy decreases with the passing of the staff to a higher age category. Although in the literature there is talk of increasing the number of people dissatisfied with the relationship with leadership as they age, in the tax system this phenomenon does not happen. The explanation might be due to the experience gained over time in the exercise of the public office's attributions that lead to the responsible fulfillment of the duties to be performed by tax administration staff. Thus, officials are well aware of the tasks and responsibilities in the job description (98.3%) and the results expected by the management in the annual evaluation process of the civil servants (93.5%). Their knowledge leads to establishing a good relationship with the management of the institution.

The degree of satisfaction of the employees of the Arges County Administration of Public Finance in relation to the management of the institution revealed on three levels of scale (unsatisfactory, satisfactory, very satisfactory) in relation to the age is shown in Figure 3.

- There is a link between the age of the respondents and the satisfaction of the employees in ensuring all forms of improving knowledge through the process of professional training. A quarter of employees aged up to 44 are dissatisfied with the professional training organized by the tax administration, while in the 45-64 age segment only 11% of employees are unhappy.

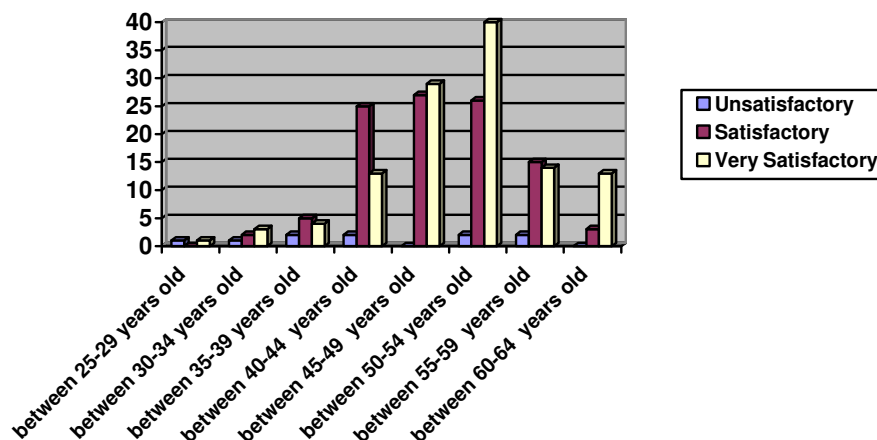


Figure 3. Employee satisfaction versus senior age management at Arges County Public Administration

Source: own processing of data from the questionnaires filled in by the employees of the public institution.

The many legislative changes in the tax area and the lack of experience gained by employees aged up to 40 could explain their dissatisfaction and the need to organize more professional training sessions. Under the law on the Civil Servants 'Statute and the continuous improvement of employees' policy, civil servants have both the right and the obligation to continuously improve their skills and professional training. In this respect, internal trainings are organized monthly within the public authority aiming to constantly renew the employees' knowledge. Also, courses are organized according to the training plans of the National Agency for Fiscal Administration and the School of Public Finance and Customs (both courses where physical presence and e-learning are required).

The degree of satisfaction of the employees of the Arges County Public Administration Administration revealed on three levels of scale (unsatisfactory, satisfactory, very satisfactory) regarding the vocational training in relation to the age is shown in Figure 4.

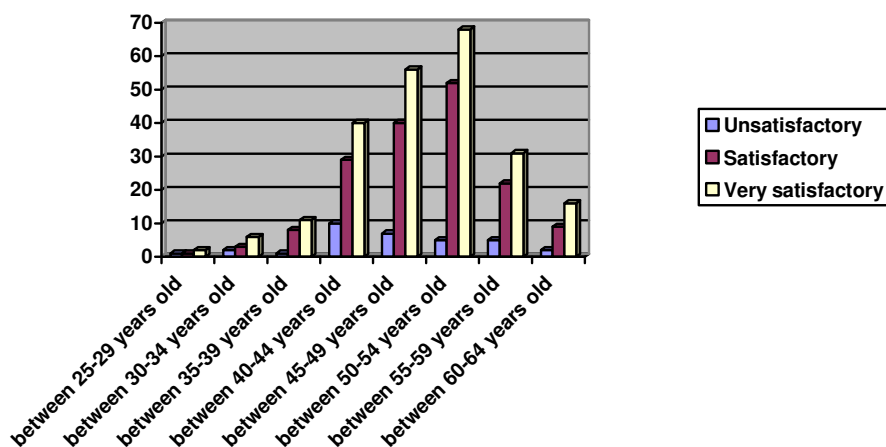


Figure 4. Degree of satisfaction regarding the professional training of the Arges County Public Administration's employees by age categories

Source: Own data processing of the questionnaires filled in by public institution employees.

5. CONCLUSIONS

For the proper functioning of the tax administration and better collection of state revenues, special attention should be paid to tax administration staff.

Reducing the number of personnel of the stage abolishing county administrations and establishing regional directorates in conjunction with civil servants who ceased employment relations law and locking procedure organizing recruitment competitions led in time to the emergence of a large number of vacancies.

The high percentage of employees to retire within the next 10 years (31.27% and 31.83% over the next 15 years) is a problem of the tax administration. Particular attention should be paid to the need for young staff to take on new tasks after leaving the system for those aged between 50-54 years and between 45-49 years of age, taking into account the time required to train an employee tax area of about 10 years.

Regarding human resources policy, as found by international experts (OECD, 2013 and 2015), the total staff of the National Agency for Fiscal Administration reported the number of taxpayers administered falls within the average tax administrations in other European countries. However, by blocking the vacancy procedure with the reorganization from 2013 until now, as well as the termination of the public administration employees in this period, there is an increase in the number of employees unoccupied posts: 29 at the end of 2017 and 48 at present. Thus, as can be seen from the interviews conducted within an evaluation study with the staff of the National Agency for Fiscal Administration, there can be noticed an increased pressure on the committed human resources.

A proactive human resources policy aimed at retaining well-qualified staff in the system and retraining staff according to the evolution of business processes is what the National Agency for Fiscal Administration should pursue as a matter of priority. A recent study by the International Secretariat of the Romanian Government, conducted by internal and external experts (by International Consulting Expertise SRL in association with CC SAS SRL, 2016) shows that a development strategy has yet to be identified at the level of the National Administration of Fiscal Administration and human resource management. Not knowing the real situation of overloading the labor force inevitably leads to a decrease in the quality of the public service by concentrating the personnel only on certain activities in the process and / or "jumping" on procedural steps or their "formal" execution.

The analysis of the load of human resources must be carried out within an integrated human resources management strategy at the level of the National Agency for Fiscal Administration and the subordinated structures. The importance of identifying and adopting measures to avoid labor overload is to avoid the causes that inevitably lead to a reduction in the quality of public service, including the vulnerabilities and the risks to corruption identified by the internal risk analysis of corruption conducted by the National Agency for Fiscal Administration.

Employees of the tax administration are not satisfied with the current state of the reform of the tax system. The degree of satisfaction with the superior structures of the National Agency for Fiscal Administration, following the reorganization of the fiscal system, is maintained at a satisfactory level both in terms of the operability of the decision-making process, the quality of the information provided and the delegation of tasks at the territorial level, not identifying an improvement in the daily work of tax system employees. Even if a large number of employees have more than 10 years experience in the tax administration (about 90% of the total tax administration employees), in the absence of major investments in endowing with an efficient information system and reducing bureaucracy, remaining in the system. The IT infrastructure was not improved by the reorganization of the tax administration, which did not lead to a reduction in the workload.

The study is based on a quantitative research based on the structured survey. It can serve as a source of information for decision-makers at the central and regional public finance departments to improve the quality of public management and to establish and substantiate a good relationship between taxpayers and tax administration employees.

REFERENCES

1. Government Decision no. 520 of July 24, 2013 on the organization and functioning of the National Agency for Fiscal Administration published in the Official Gazette of Romania, Part I, no. 473 of July 30, 2013, with subsequent amendments and completions.
2. Gale W.G., Holtzblatt J., The role of administrative issues in tax reform: simplicity, compliance, and administration. In: Zodrow GR, Mieszkowski P (eds) United States tax reform in the twenty-first century. Cambridge University Press, Cambridge, pp 179 – 214, 2000.
3. Gherasim L.R., Computerized Data Analysis, University of Al. I. Cuza Iasi, 2015.
4. International Consulting Expertise SRL in association with CC SAS SRL, Evaluation study within the project "Enhancing Integrity in the National Agency for Fiscal Administration through Institutional Co-operation and Capacity Building" funded by the Norwegian Mechanism, 2016.
5. Framework Law no. 153/2017 of June 28, 2017 regarding the salary of the personnel paid from public funds, published in the Official Gazette of Romania, Part I, no. 492 of 28 June 2017.
6. Law no. 188 of 8 December 1999 on the Civil Servants' Statute, published in the Official Gazette of Romania, part I, no. 600 of 8 December 1999 with subsequent amendments and additions.
7. Law no. 226/2009 on the organization and functioning of official statistics in Romania, with subsequent amendments and completions.
8. Organization for Economic Cooperation and Development (OECD), *Tax Administration 2013. Comparative Information on OECD and Other Advanced and Emerging Economies*, Paris, 2013 & 2015.
9. Villar-Rubio E., Delgado-Alaminos J., Barrilao-González P., *Job satisfaction among Spanish tax administration employees: a logistic regression analysis*, Springer Science Business Media New York, pp.210-223, 2015.
10. [Yamane](#) T., *Statistics: An Introductory Analysis*, Editura Harper & Row, 1967.
11. https://www.anaf.ro/anaf/internet/ANAF/info_anaf/relatii_internationale/banca_mondiala/ramp.