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CIS 410

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Problem

The Internal Revenue Service's (IRS) implementation of its new Automated Collection System (ACS) has caused a number of significant changes within the IRS, the main purpose of this Automated Collection System was to improve the quality and the productivity of the service to better assist customers' issues. Before, the implementation of the ACS IRS employees experienced a sense of achievement doing their job, because they would have to work together with their partners to retrieve all of the information needed to handle the customers issues. The employees also use to work on a project, and have it done within the time limit which made them feel accomplished, as they saw results. In order for an employee to do a task he/she must be able to clearly identify the problem and provide a solution, but when given task is not clear an employee would not be able to accomplish the task with a solution. When the Automated Collection System (ACS) was implemented a many change occurred within the IRS, even though many of the older experienced employees did not want the change, even though they were able to get their tasks done, they became less motivated as there was no interactions between each other's most of the cases were simply on the system. Cases were partially done by the same employee, and they never saw the result of the case as someone else had completed it.

Industry Competitive Analysis

The mission statement of the IRS is "To collect the proper amount of tax Revenue at the least cost to the public, and in a manner that warrants the highest degree of public confidence in our integrity, efficiency, and fairness." (Cash)

The IRS was created by the U.S government to collect money as stated in the Goal "the goal of every organization is to make money now and, in the future," (Goldratt). IRS purpose is to be a

monopoly for all the citizens, so no other can enter this market. Each corporation/citizen has one organization they are obligated to pay their taxes to. When reading IRS's competitive environment, it is beneficial to recall the five competitive forces defined through Harvard Business School professor Michael Porter.

Porter's Five Forces

New Entrants: The threat of new entrants is very low, because every U.S citizen must pay their taxes only to the IRS. Even though the IRS has many ways to collect taxes citizens must do it legally.

Substitutes: The threat of substitutes is very low, the IRS does not have any competitors, the IRS is like a monopoly, when you pay taxes, you will only need to pay them to the IRS.

Customers: Threat of customer is very low, customers cannot switch to a different company/agency, there are no other ways to go about this.

Suppliers: The threat of supplier power is high, they have the new Automated Collection System, the ACS must continue to work properly without issues, and if it were to crash or bugs to happen then some data will be entered incorrectly, and laws will be broken, and consequences will occur based on the issue.

Competitive Rivalry: The threat of competitive rivalry is low, IRS has no competition in collecting the U.S tax revenue, since it is a government operated organization.

Stakeholders

The stakeholders are IRS employees, Customers (Taxpayers), and the Management. Employees and Managers are the main purpose of this case, and the IRS does not want to lose

them, due to the new systematic change that has occurred, many employees have been affected by this change as the interactions between them has been cut off. "...governments create or permit what is seen as 'natural' monopolies, such as utility organizations" (Porter), Customers (Taxpayers) are also a main stakeholder, without them there will not be an IRS, taxpayers do have issues and when they do, they have to report to an IRS employee.

Alternatives and their effect on the Stakeholders

1. Do Nothing

The first alternative for the IRS is to do nothing, even though the Automatic Collection System, has helped on improving the work environment productivity but has also caused high turnover rate, employees work environment will also most likely to continue uncomfortable and hostile. "introduction of new technology will change the way employees perform their tasks" (Fried) System adaptation is not likely to occur the work that is done will get worse and employees will slowly start not to care about their tasks due to lack of employee interactions. Management will not be pleased with this decision because even though the productivity and quality has improved, their turnover rate is still high. When the turnover rate is high it means that the company will have to spend a lot of money on training new hires, instead of having loyal workers who will stay for long period of time. In this case management will not be happy with this as they are spending most of their time on this issue rather than getting other tasks done. Customers will be frustrated with the IRS and its employees since their case is not being solved in timely manner due to having multiple employees going through the same case every time.

2. Restructure the ACS's work into semi-autonomous groups

If the IRS decides to decide to restructure the ACS's work organization into semi-autonomous groups, then employees would most likely follow case completion, in order for this to happen an investment of \$1 million will be required in order to redesign the technology and obtain the capabilities." Many leaders struggle to fully motivate and engage their employees in the process." (Madsen) Employees may need to be trained again to learn to the team's system. This would also increase the employee's satisfaction and they would be able to talk with their colleagues. Managers would start monitoring teams instead of individual employees, the customer will be satisfied because their cases are solved within timely manner.

3. Change the way the system is managed and monitored

This alternative requires the IRS to change the system used by the managers when monitoring employees. This is beneficial to the employees as it makes them more comfortable at work and they would not feel that they are being spied on. This course of action can save the company money, as they do not have to change the system again, management will also be happy with this decision snice they will not spend most of their time monitoring their employees or having to worry about the employment turn overrate, instead they focus on task that could solve other issues that may occur. "Poor leadership results in high turnover of employees; the cost of recruitment and training becomes prohibitive, which can impact a business's ability to continue operations." (Deeb) This will also attempt to encourage the employees' feedback to the ACS. Employees will be happy with this decision as well because the work environment they work in will be improve and they will not feel like everything they do is being spied on or monitored which lets them feel comfortable and get more their tasks done. Customers (taxpayers),

they will not a negative impact by this since the IRS is not wasting taxpayers' money at the issues but instead it is trying to motivate its employees' morale at a lower cost and customers (taxpayers) will be satisfied with this action.

Best Course of Action

The best course of action for the IRS is to change the way the system is managed and monitored, Changes to the monitoring system will encourage the employee to improve and ease the negative side of the monitoring system. Managers will not be doing a lot of monitoring instead they will have more time on focusing on other required tasks instead. According to a Purdue article "When employees know they're being monitored, then tend to believe that the boss is more concerned about the quantity of work rather than quality." (Botan) this one of the reasons why turnover rate is so high at the IRS, because the pressure and because of that many employees leave, so by easing the monitoring system would definitely improve the moral rate, and the ability for managers to focus on better tasks. Restructuring the ACS's work into semi-autonomous group would mean that an investment of \$1 million will be required, and that is too much for the government to spend, changing the structure would also mean that some of the work efficiency could be lost in the current organizational structure. Lastly doing nothing is not great option "These systems are in widespread use for routinized office work with large volumes of standardized tasks that are performed repeatedly" (Cash). employees work environment will also most likely to continue uncomfortable and hostile. System adaptation is not likely to occur the work that is done will get worse and employees will slowly start not to care about their tasks due to lack of employee interactions.

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