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# The IRS Organization

## Mission

The main objective of the IRS is to collect revenue for the US government. Its mission is to collect the proper amount of tax revenue at the least cost to the public in ways that warrant the highest levels of public confidence in their integrity, efficiency, and fairness (Thaens & Coman, 2018).

## Technology

Technology has made an enormous impact in organizations today, IRS being one of them. Mr. Brown stated that every aspect of the IRS mission had significantly been affected by technology. From the way the tax returns are processed to the way, IRS employees communicate and use office equipment. IT became the central role in the 1960s when a manual and computerized processing of tax returns were integrated to form a basic processing system design. The system was limited by design, although IRS regularly update it.

## Collection

The IRS had a central office in Washington DC, and 63 regional district offices. The collection was one of the six divisions in the district offices. It was responsible for handling cases where IRS had accounts receivable from service centers. The tax returns were processed, and bills for unpaid taxes or unfilled returns were given ("IRS under siege," 2014). When the situation occurred, the Integrated Data Retrieval System(IDRS) maintained all taxpayers' data generated a series of notices to the taxpayer. If the fourth notice was not taken care of, it was forwarded to the collection division for further action.

Until 1983-1984 the collection operation was handled in the Collection Office Function(COF) organized as office sites. The major problem of the COF was keeping ahead of the inventory of work. IRS decided to automate and reorganize the COF to reduce the amount of paperwork. The system's introduction reduced the collection sites from 63 to 20 offices, which served multiple districts. The number of employees was reduced from 5,000 to 2,500.

# The Collection Office Function(COF)

## Structure

COF was tasked with six functions, process review units, outgoing call units, office field units, incoming call units, a walk-in unit, and a research unit. When cases came in from service centers, they went to the process review unit for categorization, either individual or business accounts. The outgoing call units handled outgoing calls, but when the incoming call units were overloaded, they undertook some of the work. The office field unit handled cases under a certain dollar amount and could not be closed in COF (United States. Internal Revenue Service, 1982). These cases often required less trained personnel.

The incoming call unit handled the calls generated by the letters and levies. The walk-in unit staff served the taxpayers who appeared in person at the offices. The research unit handled more complicated cases and special projects. The cases involve a dispute with the IRS over the amount owed and required immediate resolution.

COF was filled with a lot of paperwork, and the system was not efficient in following up cases. Also, employees in the incoming call unit found it challenging to locate the accounts. The climate in the COF was very unstructured, which consisted of a big open area. Employees engaged in discussions to solve the cases.

## Control Systems

COF supervisors would track the trays in cycles of one week. They would then meet weekly to discuss the work status and later shift the employees to areas they felt suitable. Individual performance appraisal was very sporadic. Supervisors would take a case from the tray and check if they were dealt with correctly. Tracing faulty work among individuals was difficult.

# Transition to the new system(ACS)

The majority of people working in COF had been there at IRS for a long time. The offices were mostly staffed with "older ladies" who performed their work well and helped each other close cases. These employees never received the proposal to change to the new system with much enthusiasm. The majority of staff never transferred to ACS, which led to technical knowledge loss during the changeover. 50% of the people were hired outside the organization and trained to use the new system ("Changeover costs," 2012).

# The Automated Collection System (ACS)

## Technology

The ACS was a computerized inventory system comprising three computer components (United States. Internal Revenue Service, 1992). Integrated Data Retrieval System(IDRS), IBM, and Rockwell Automated Call Distributor(ACD).

IDRS was the master computer and was located in the service center. It linked all the ACS call sites. Taxpayers' information was keyed in this computer and was available to all the ACS call sites. The IBM system consisted of a mainframe with the ACS accounts database and controlled the terminals used by account representatives. ACD provided a cost-effective routing of outgoing calls and allowed incoming calls to be distributed to the available employees. They also allowed a large number of calls to be handled simultaneously.

Cases could be accessed in the ACS by keying in the taxpayer identification number or by pressing the "next case" key, and this displayed the highest priority case in the system.

## Structure

Each ACS call site had three functions, contact, investigation, and research. The contact function allowed contact representatives to sit at a computer terminal and press a key for the next process. A case with the highest priority appeared on the screen. After reviewing the information, they contacted the taxpayer. If there was no answer, the call was scheduled for another time. If the taxpayer was reached, the employee attempted to solve the case.

The investigation function staff attempted to find telephone numbers for taxpayers with nonavailable on the ACS system. The research function was established to handle more complicated cases and incoming calls.

ACS operations were isolated, and employees were no longer linked directly. Employees had their terminals and private cubicles. They were discouraged from discussing cases as they wasted time. ACS also reduced the movement in the offices as all resources could be accessed from every terminal. ACS increased the response time, and this is because of finding the cases quickly.

## Control systems

ACS was highly involved in performance monitoring. Computers provided timely information that was useful to supervisors to track the work status. There are three types of performance monitoring computer monitoring, telephone monitoring, and teach reviews at an individual level. Computer monitoring the computer provided information concerning the employees' details. They included average talk time, calls attempted, calls completed, and time spent away from the computer. Telephone monitoring required supervisors to monitor at least two completed calls to taxpayers or a minimum of one hour per employee ("Internal Revenue Service: Automated collection system - Case - Harvard business school," n.d.). Teach reviews were done weekly, involving the supervisor using a computer terminal or hard copy to display all the cases worked on by the employee overtime.

# Reaction to change

## Supervisors

The ACS helped rationalize supervisors' jobs as their work becomes less fragmented. They also considered themselves as glorified watchdogs as they can see all the activities performed by the employees. They spent a lot of time performing reviews others saw it as the best way of identifying weak and strong employees.

## Employees

Employees were the most affected by the changeover. They complained about the much supervision applied by the new system. It reduced the interaction time even though it made them perform their duties effectively. The evaluation criteria were also an issue as some supervisors misused the technology to catch on in a mistake.

# Ethical Dilemma

Mr. Brown had to learn from experience to automate services in the IRS. The reactions of both supervisors and employees suggested there was room for improvement. There are ways in which Mr. Brown considered improving the system. He first thought of considering restructuring the ACS employees into semi-autonomous teams. The teams could handle even complicated cases. The restructuring would cost $1 million, and employees would have uniform pay, raising the wage bill. In the second scenario, he envisioned all employees handling all cases from start to finish, and this would also increase the wage bill to compensate employees for additional skills. The final option was to work with the existing system the way it was but change the management. Based on the complaints by the employee regarding ACS, the supervision had to be changed.

# Solution

Change is inevitable. All parties in IRS should embrace modern technology to improve their service delivery to the US community (Heiskell, 2020). The system should incorporate some changes to include the employees and taxpayers' reviews. All this information should be used to make the system efficient. The structure needs to be changed a little bit for it to work correctly. The current ACS system works alright, but some changes need to be incorporated, reducing the tension between employees and supervisors.

# Other solution considered

Training all the employees to attend to all types of cases. Although it will be a costly experience, it may help significantly as everyone in the office can handle incoming calls (Plott & Hutchins, 2013). It will reduce the wait time when a specific type of employee is available. The increase in knowledge increases the rate of case resolution. The employees and supervisors should also be trained to use the new system and indicate the system's strength areas, which will help the employees understand the need for strict supervision. It will also reduce the tension between employees and supervisors.

# Conclusion

Any organization that deals with money should be as transparent as possible. IRS's new system helps achieve this by providing strict supervision to rectify and improve taxpayers' services. IRS should perform the required update on the system to make employees have confidence in the system. Accountability is also an aspect of the ACS system. All employees should be accountable for their actions. The ACS has reduced response time and reduced the amount of paperwork, and this should be used as a steppingstone to improved services.

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