Brandon Berney

Dr. Barker

CIS 410-01

31 March 2021

1980s IRS Workers Are as Miserable as 2021 Amazon Workers

The Internal Revenue Service (IRS) is a government agency with a mission of collecting tax revenues at an efficient cost to taxpayers. They do this by reviewing annual returns filed by taxpayers (individuals, businesses, churches, nonprofits, etc.) and either providing a tax refund or accepting payments; This depends on whether federal taxes were overpaid or underpaid by the taxpayer. Because this is a federal government agency, the IRS provides their services to every taxpayer in the United States. Technically, their generic strategy is cost leadership as they try to provide their services at the lowest cost possible.

Since the IRS is a federal government agency, and no other organization can collect taxes on the federal government's behalf, the IRS is an invincible organization. Customers have no bargaining power, as they are required by law to file their taxes with the IRS annually, or face penalties. The size of the federal government reduces suppliers bargaining power significantly. As mentioned earlier, there are no substitutes to the IRS and never will be. The IRS is the only agency legally permitted to collect federal tax revenue, so there will never be new entrants either. Because there are no substitutes or entrants, there is also no competition the IRS has to worry about.

As the IRS moved into the 1980s, paper recordkeeping was quickly piling up and customer cases could take months to be resolved. The company chose to move from its collective office function (COF) to a digitized system known as the automated collection system (ACS).

However, this presented a problem for the organization: **while management was happy with increased productivity, monitoring capabilities, and response times, users were unhappy with how dramatically their job had changed.** Cash mentions this by saying "[Employee monitoring systems] can have the effect of disconnecting the worker from the larger process, which in turn gives workers less opportunity to broaden their skill base" (Cash and Fried 209). With any possible solutions to this problem, there are three primary stakeholders.

The first stakeholder is the taxpayer. They are responsible for filing their taxes and making payments if they underpaid on their taxes for the year. Taxpayers want to have an easy experience when filing their taxes or talking to an IRS agent. Second are the agents. They answer calls from taxpayers, handle walk-ins, and investigate cases to ensure that the tax returns that have been filed are accurate. The final stakeholder is management within the IRS; They oversee the agents. Their main objective is to have high performance from the agents and accuracy when taxpayers file their taxes.

As the IRS was facing record turnover after the implementation of ACS, they realized changes needed to be made. The first option they've considered was to restructure ACS into semi-autonomous teams. The next option was to retrain ACS employees to be more versatile and increase their skill set. Another consideration was to change the way the system and agents were managed. Finally, the IRS could choose to do nothing.

The first option the IRS considered was to restructure teams to be semi-autonomous. This would give agents the ability to handle cases from start-to-finish as they did under the COF; a common complaint among agents was that they no longer handled cases start-to-finish when they moved to ACS. Additionally, teams would monitor their performance rather than management. Cash says that manufacturing organizations are solving the deskilling problem "by reexamining work flows and experimenting with job enlargement and self-managed teams," and that the service industry will soon follow (Cash and Fried 209). This implementation would remove most of management's work, as they typically spent 25 – 30 hours a week monitoring performance. Taxpayers may be impacted by agents being more motivated to do their jobs.

The second option was to retrain agents to be more versatile and, like the first option, handle cases start-to-finish. However, they would not be put in semi-autonomous teams and performance monitoring would still be left to management. This still resolves the common complaint among agents while still leaving work for managers to do. This option has a high impact on the taxpayer, as agents will still be more motivated, but management will continue monitoring conversations for quality assurance.

The third option is to change the way the system was managed. Agents would see no change in their responsibilities but would have a change in how they are monitored. In the past, hanging monitoring approaches have made a difference in effectiveness and agents' reactions to it. Management would have to be retrained. Taxpayers may or may not see a difference in the quality of service depending on how agents react to changes in management.

The last option is to do nothing. Agents will continue to be dissatisfied their job. Managers will continue to deal with high turnover rates and the costs associated with training. Taxpayers will not see a change in the level of service they receive. Of all the options presented, the IRS should choose the second option.

The second option strikes the best balance between what the agents want and what management wants. Cash says that "IT is leading to changes … in how we are *supervised and evaluated"* (Cash and Fried 205). Although agents may still be unhappy with the amount of monitoring performed by management, they still get the pleasure of having more decision making in their jobs. Although management will be unhappy with the added costs of additional training, they still will be able to monitor agents better than they could have under the COF system.

The biggest problem for IRS management was that after switching to the ACS system, agents became less satisfied with their job when their responsibilities became narrower. This in turn caused agents to no longer be motivated in their jobs, leading to high turnover. According to Christensen, “the powerful motivator in our lives isn’t money; it’s the opportunity to learn, grow in responsibilities, contribute to others, and be recognized for achievements” (Christensen). By increasing the scope of their responsibilities and giving agents more opportunities to develop their skills, they will be happier and more motivated to work with the IT system that has been implemented.

Similarly, management cannot be left behind either. This is important because Christensen says “Management is the most noble of professions if it’s practiced well. No other occupation offers as many ways to help others learn and grow, take responsibility and be recognized for achievement, and contribute to the success of a team” (Christensen). Just as the agents want to feel like they are making a valuable contribution to their team, management does too. They want to leave work feeling like they’ve played a significant role in the company’s success and that they’re recognized for their work too.

Motivation is important for both agents and management in the IRS. By providing additional training for the agents, they are able to better fulfill their feeling of accomplishment. By giving management the power to monitor and review agents, they are better positioned to help agents learn new things. Morgan says that “organizations often consume and exploit their employees, taking and using what they need while throwing the rest away” (Morgan 297). This choice ultimately makes the best balance of giving agents more of what they need to reduce turnover while also not making management feel unsatisfied to the point that they start seeing increased turnover.

Works Cited

Cash and Fried. "Building the Information Age." n.d.

Christensen, Clayton M. "How Will You Measure Your Life?" *Harvard Business Review* (2010).

Morgan, Gareth. *Images of Organization*. n.d.