



Treasury Inspector General for Tax Administration Office of Audit

AN AGENCY-WIDE RECRUITMENT STRATEGY AND EFFECTIVE PERFORMANCE MEASURES ARE NEEDED TO ADDRESS FUTURE RECRUITING CHALLENGES

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Highlights

Highlights of Report Number: 2009-10-025 to the Internal Revenue Service (IRS) Deputy Commissioner for Operations Support and Deputy Commissioner for Services and Enforcement.

IMPACT ON TAXPAYERS

The large number of retirements expected over the next several years presents the IRS with a major challenge and threatens workforce and leadership continuity. Different IRS functions have noted that they have not always been able to replace all of the mission critical employees they are losing through retirement and other forms of attrition. Effective recruiting increases the likelihood that the IRS can potentially hire the most qualified candidates to ensure that the best possible service is provided to taxpayers.

WHY TIGTA DID THE AUDIT

This audit was initiated as part of the TIGTA Fiscal Year 2008 Annual Audit Plan coverage under the major management challenge of Human Capital and is one of several audits planned to assess how the IRS is addressing the Human Capital management challenge. The overall objectives of this audit were to: 1) assess the efforts of the Human Capital Office in developing and overseeing a strategic recruitment process; and 2) determine the current recruitment processes and whether they have enabled the IRS to meet its hiring goals.

WHAT TIGTA FOUND

The IRS has taken many actions in its effort to recruit new employees. The IRS Human Capital Office and functional offices coordinate on recruiting activities and have attracted enough candidates to generally meet goals related to the number of employees hired. However, the IRS' recruitment activities are decentralized and focus on short-term hiring goals. While the IRS has taken steps to improve recruiting, it does not have an agency-wide recruitment strategy that includes a long-term plan for all functions

involved in recruiting or a system to measure the effectiveness of all recruiting efforts.

In addition, other factors indicate that the time is right for creating an agency-wide recruitment strategy with associated performance measures. For example, the pressure to recruit is increasing as the attrition rate for mission critical occupations within the IRS overall has increased by 6.8 percent over the last several years, and business units have noted that they have not always been able to replace all of the mission critical employees they are losing. In addition, the Small Business/Self-Employed Division found, as part of an assessment of the IRS recruitment process, that recruiters believed that their efforts were not always directed at the most productive activities and locations.

Without a comprehensive recruitment strategy, the IRS may not be able to meet future hiring goals, keep up with attrition, recruit sufficiently qualified personnel, make more efficient use of recruiting resources, measure the success of recruiting efforts, and provide taxpayers high-quality service.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Deputy Commissioner for Operations Support and the Deputy Commissioner for Services and Enforcement develop an agency-wide recruitment strategy that is tied to organizational objectives and desired outcomes, including long-term goals and measures of effectiveness. In addition, TIGTA recommended that the Deputy Commissioners develop an action plan for each initiative in the agency-wide recruitment strategy and establish centralized control over corporate recruiting to oversee agency-wide recruitment efforts. After the agency-wide recruitment strategy is developed, the IRS Chief Human Capital Officer should update the Internal Revenue Manual to reflect the current recruitment process.

In their response to the report, IRS officials agreed with these recommendations. IRS management plans to develop an agency-wide recruitment strategy with action plans for each initiative in the strategy. In addition, the IRS plans to establish a centralized recruiting organization and update Internal Revenue Manual procedures.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2009reports/200910025fr.pdf>