EU TAX HRM RAMM

EU Tax HRM Readiness & Agility Maturity Model

USER GUIDE

AUGUST 2020

Preface

As we approach the beginning of the third decade of the 21st century, world Tax Administrations encounter unprecedented changes in all internal and external aspects: emerging new technologies; micro and macro-economic permutations; merging structures; and the Covid-19 pandemic.

Due to these significant changes, Volatility, Uncertainty, Complexity and Ambiguity (VUCA) characterize the environment where organizations (*more specifically, Tax Administrations*) struggle to plan and perform.

At the OECD's Forum on Tax Administrations 11th Plenary meeting in Oslo in September 2017, Commissioners confirmed Human Resources (HR) policies and strategies as one of the top three concerns that kept them awake at night.

It is a truism to talk about HR as having a crucial role in every Tax Administration. In recent years, the HR Function has moved from a traditional, administrative role to a strategic one. Thus, achieving elevated levels of readiness and agility in managing change leads to high performing Tax Administrations.

The HRM Maturity Model is designed to guide EU Tax Administrations to assess their capacity by measuring their *Readiness and Agility in the main HR Functions.*

Combining the Tax Administration Diagnostic Assessment Tool (TADAT) concept and the EU Competency Framework for Taxation (TaxComp^{eu}), the model aims to act as a self-assessment tool helping HR managers and officers to identify their current level and more significantly the level they want to achieve.

Building this model was an exquisite voyage to knowledge, teamwork, cooperation and creativity!

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List of Abbreviations & Acronyms

EU TAX HRM-RAMM	European Union Tax Human Resources Management Readiness & Agility Maturity Model
VUCA	Volatility, Uncertainty, Complexity and Ambiguity
OECD	Organization for Economic Co-operation and Development
HR	Human Resources
HRM	Human Resources Management
EU	European Union
TADEUS	Tax Administrations European Union Summit
TAXUD	Taxation and Customs Union Directorate-General
TADAT	Tax Administration Diagnostic Assessment Tool
TaxComp^{eu}	EU Competency Framework for Taxation
DG	Directorate-General
POAs	Performance Outcome Areas
IS	Information Systems
PA	Performance Area
TA	Tax Administration
WF&SP	Workforce and Succession Planning
Re	Recruitment
PM	Performance Management
CD	Career Development
TrM	Training Management
ReM	Reward Management
HRAn	Human Resources Analytics
HRAb	HRAbility
RM	Risk Management
EU CFW	European Union Competency Framework
MLI	Maturity Level Index
I	Indicators
D	Dimensions
Q	Questions
I&E	Implementation and Effectiveness
HRStr	Human Resources Strategy
CM	Change Management
TM	Talent Management
CbA	Competency-based Approach
IT	Information Technology

Summary

The purpose of this User Guide is to present the **EU Tax HRM Readiness & Agility Maturity Model** designed to diagnose and assess the agility and readiness of European Tax Administrations in basic Human Resources Management (HRM) functions and to provide practical guidance on how to use the model.

During the 1st plenary meeting of the Tax Administrations EU Summit (TADEUS) in 2018, Greece proposed to undertake a project on "HR and Skills" to assist in supporting HRM effectiveness. A project group, composed of nineteen (19) representatives from thirteen (13) EU Member States (*Austria, Bulgaria, Estonia, Finland, Germany, Greece, Ireland, Italy, Lithuania, Poland, Romania, Spain and Sweden*), under the auspices of TADEUS, undertook the building of an assessment tool for Human Resources Management.

Based on the TADAT and the TaxComp^{eu}, eight (8) Performance Output Areas (POAs) – *Workforce and Succession Planning, Recruitment, Performance Management, Career Development, Training Management, Reward Management, HR Analytics,* HR*Ability* – were identified. A series of indicators were established across the performance output areas, as well as dimensions and questions in order to ensure a common approach to evaluation across all POAs.

The draft version of the model was revised for its practicality and applicability by the above thirteen (13) European Tax Administrations. Feedback was also sought from the DG Taxation and Customs Union during the development stage. The working group made the necessary amendments and tested the validity and usability of the model before its finalization.

The model may also be used as supplementary to the TaxComp^{eu} (which aims to assessing employee *competencies*) under the broader concept of EU Tax Capacity Building, helping Tax Administrations in assessing their HR ''*competencies*''.

The model intends primarily to be used by all European Tax Administrations and constitutes a useful tool that will help Tax Administrations across countries to pinpoint the level of their HRM effectiveness as well as to identify opportunities for improvement and develop the requisite HR interventions to leverage organisation performance.

Change is a permanent component of everyday work life. Accordingly, Tax Administrations must focus on keeping HRM systems updated, improving levels of readiness and agility and ensuring increased employee engagement.

1. Overview of EU TAX HRM-RAMM

1.1 EU Tax HRM Readiness & Agility Maturity Model

1.1.1 HR Challenges

HR as a strategic partner to the business can serve as a **change agent** to support **the development of a Tax Administration's agility and readiness. An engaged workforce is an** organization's biggest asset. Therefore, the most challenging HR endeavor is to enhance trust and promote an inclusive and appealing working culture in order to attract, motivate and retain the current and potential workforce.

Acknowledging the challenges that lie ahead such as aged workforce, digital era, budget limitations, structural changes etc., **the HR Function of a Tax Administration should update and redesign efficient and effective HR practices that can promote increased organizational agility and readiness.**

Provided that *People*, *Procedures* and *Technology* are the three components that define an organization's capability, many diagnostic and assessment tools have been developed to measure that capability.

For the Tax Administration specifically, there are a number of available tools. TADAT (Tax Administration Diagnostic Assessment Tool launched by the International Monetary Fund, World Bank and a number of their development partners) was developed to assess a country's system of Tax Administration capability, focusing on the core Tax Procedures and Technology. However, TADAT does not provide a framework to assess people-related capabilities of the Tax Administrations. The EU Tax HRM Readiness & Agility Maturity Model is designed to fill this gap.

1.1.2 Theoretical foundation of EU TAX HRM-RAMM

The theoretical foundation of the **EU TAX HRM-RAMM** is based on the **Maturity Models** that have been widely applied within the field of information systems (IS) and management science, as an approach for continuous improvement. Maturity models commonly embody theories that illustrate the way an organization's capabilities progress in a stage-by-stage manner along an anticipated, desired, or typical evolution path.

A **Maturity Model** consists of a frame of practices that define for each organizational function the level of formality, sophistication and embeddedness of practices from ad hoc to optimizing. It defines the criteria that need to be satisfied to reach the desired maturity level.

A **Maturity assessment tool** is the systematic use of a maturity assessment model to evaluate current practices of an organization against a maturity scale so as to identify a gap

which can then be closed by subsequent improvement actions. Questionnaires can support the utilization of maturity models. Results can show what improvement measures can be derived to achieve higher maturity levels.

HR Maturity assessment models have been in use over the last twenty years in organizational settings and they have been proved to help organizations:

- promote organizational learning and enable efficient and effective assessment of the HR practices of the organizations;
- contribute to creating robust performance management systems, processes and practices;
- provide guidance on the areas that could be improved and developed showing how this might be achieved;
- offer a standard on the expected outcome.

Main **EU Tax HRM Readiness & Agility Maturity Model definitions**:

- **Maturity** is the ability of HRM Function to respond to environmental changes in an appropriate manner through HRM practices.

- **Maturity Levels** is a 4-Level (A to D) process maturity continuum – where the uppermost 4th (D) Level is an ideal state where processes would be systematically managed by a combination of process optimization and continuous process improvement. This highest level represents a conception of total maturity. The bottom level (A Level) stands for an initial state that can, for instance, characterize a Tax Administration that has little capability in its HRM function. There is also an E option for some Tax Administrations where certain questions may not be relevant/applicable.

- **Readiness** is the ability of a Tax Administration's HRM to react to environmental changes in a timely and proactive way, aligning its strategy to organizational goals.

- **Agility** is the capability of the HR functions to respond quickly and effectively to changing employee expectations, workplace disruptions and business requirements.

1.2 Purpose of EU TAX HRM-RAMM

The aim of the **EU Tax HRM Readiness & Agility Maturity Model** is to provide a standardized means of diagnosing and assessing the agility and readiness of European Tax Administrations in basic Human Resources Management functions (also called "Performance Outcome Areas"). More specifically, through **EU TAX HRM-RAMM,** EU Tax Administrations can evaluate key components of HRM and their level of maturity within the context of best practice.

EU TAX HRM-RAMM assessment could be helpful in:

✓ **Determining** the strengths and weaknesses in current HRM functions of a Tax Administration and offering suggestions for further improvement;

✓ **Providing** a common perspective on the current condition of the Tax Administrations' HR System among all stakeholders;

✓ **Setting** the necessary process steps for each HR function to achieve the maximum performance.

1.3 Scope of EU TAX HRM-RAMM assessment

The **EU TAX HRM-RAMM** is a **Maturity Model** that can be used by **Tax Administrations of any EU member state** to assess the maturity level of their HRM system. It is a framework under which Human Resource functions in Tax Administrations can be monitored and tested for their effectiveness. The model is built around eight (8) Performance Output Areas (POAs). For each POA, the model specifies the questions that address Human Resources Management functions within a Tax Administration. For each question, the model presents the practices related to the four levels of maturity. A common set of indicators are used to ensure that all the questions are considered. These indicators reflect areas such as Implementation and Effectiveness, HR Strategy, Talent Management, Change Management and Competency-based Approach. A Tax Administration may exhibit different levels of maturity within a Performance Area (PA) or within the reaction to each question. The maturity level of the Tax Administration should be considered as the level that is the 'best fit', rather than the minimum, maximum or an average level of maturity displayed.

The appropriate maturity level for Tax Administrations is best determined by those responsible for governance. Performing at a leading level (Level D) (see Appendix 1) demands a number of processes that may be cost prohibitive for Tax Administrations with simpler structures. A Tax Administration may strive to be at Level D for some performance areas but be satisfied with being at a lower level for other areas.

By considering the current maturity level as assessed by the model, a Tax Administration can use the model's findings to identify specific human management performance outcome areas that could be improved.

Furthermore, EU TAX HRM-RAMM does not attempt to assign a single overall performance rating for the HRM but rather to provide an agreed standard for inter-country discussion about what makes an HRM system more effective and tailored to a Tax Administration.

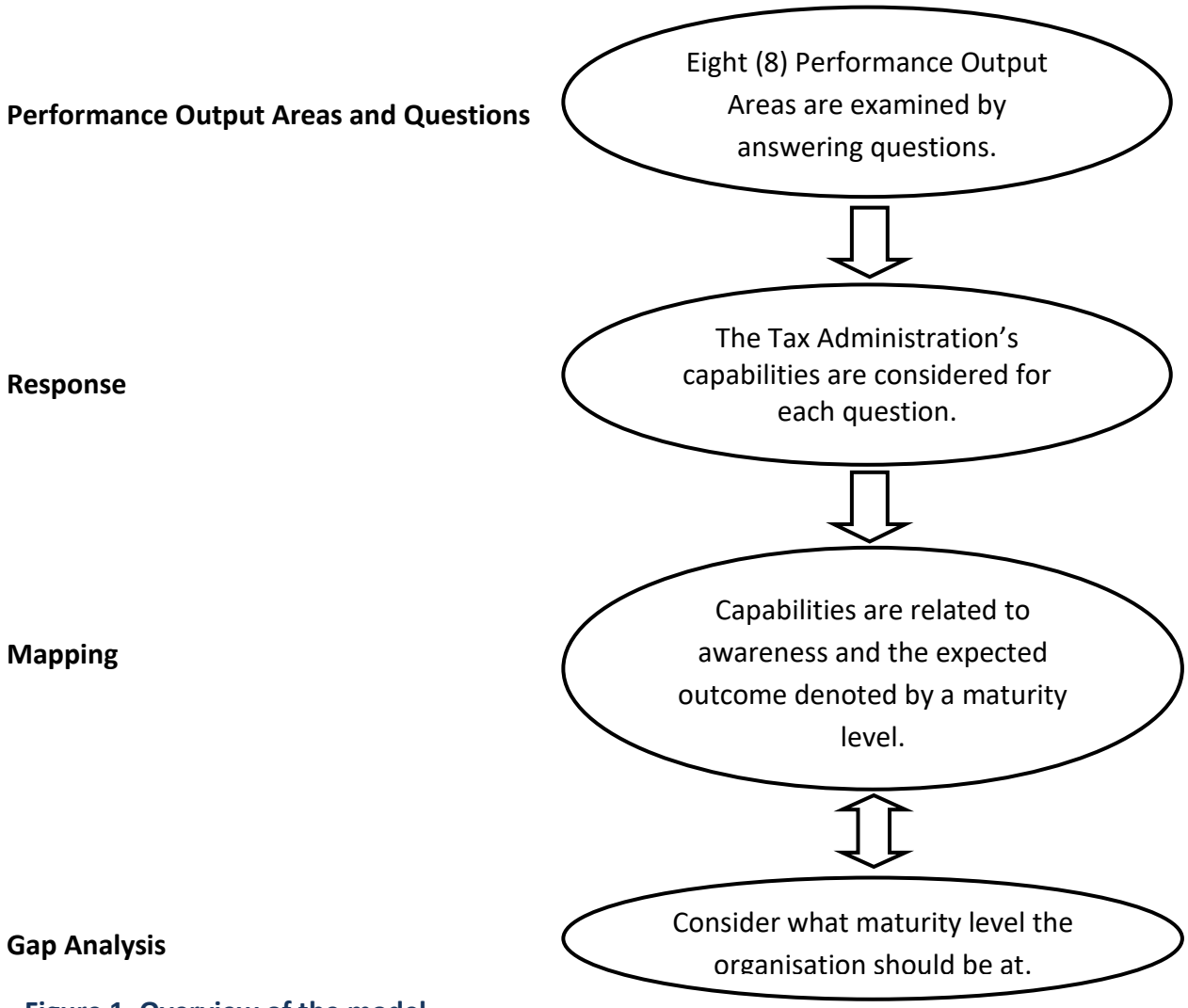


Figure 1. Overview of the model

2. Building the EU Tax HRM Readiness & Agility Maturity Model

2.1 Methodology of the development of EU TAX HRM-RAMM

In order to achieve the creation of a dynamic, reliable and valid *EU Tax HRM Readiness & Agility Maturity Model*, the methodology utilizes the following key success principles:

1. Based on a **bottom up approach**, placing special emphasis on the range of HR practices and tools currently used at a national level. Accessing this knowledge is pivotal in designing a tool that responds to diverging national needs. Member States were asked to contribute with their expertise throughout the process of developing the EU Tax HRM Readiness & Agility Maturity Model. A project group of national experts formed, facilitated**, tested and validated** the outputs of every step of the process.

2. A **step-by-step philosophy**, where each project output becomes the building block on which other outputs were based and designed. In this way, a validation mechanism was

ensured for building the EU Tax HRM Readiness & Agility Maturity Model. This is pivotal in ensuring a solid end-result, while respecting the time and commitment that Member State participants invest in the process.

3. A tool that assesses a Tax Administration's HRM capability should be based on the related available **HR metrics and analytics**. Consequently, all stages of the development of the project **based on the experience, tools and best practices from tax HR metrics and analytics** that member state Tax Administrations are using so far.

4. Eight (8) Performance Output Areas (POAs) were defined. These POAs are found largely at the heart of the EU Competency Framework (EU CFW) that has been developed by the EU DG TaxUd.

Figure 2. TaxCompeu Strategic HRM

5. A set of broad indicators were then established across the performance output areas to enable each European Tax Administration to gauge its readiness and agility level for a specific performance output area on particular indicators, e.g., Implementation and Effectiveness Indicator, and to ensure a common approach to evaluation across all PAs. Since there was a need for the model to be applied to every country, tailor-made questions were developed to

fit the context of every TA HRM environment. Special consideration was given to the wording of questions, basic definitions of POAs, indicators, and measurement levels to ensure that these parameters apply to any Tax Administration.

2.2 Validation of EU TAX HRM-RAMM

Working group meetings (*physical and virtual*) took place in order to develop the model. Feedback was also sought from the DG Taxation and Customs Union during the development stage. A testing stage of the maturity model was completed prior to the finalization of the model in order to ensure its validity for Tax Administrations. In this step HR Directors from thirteen (13) Tax Administrations were asked to complete the self-assessment tool for their organizations. The approach was to identify areas of strength and potential improvement. The feedback of the validation stage resulted in a moderate level of amendments which were considered necessary.

Working group members conducted further reviews of the draft version of the model and simulation scoring tests were also carried out before the finalization of the model.

2.3 Performance Outcome Areas

As mentioned above, the EU TAX HRM-RAMM assesses the performance of a Tax Administration's HRM functions across eight (8) outcome areas.

Figure 3. The EU TAX HRM-RAMM

More specifically, EU TAX HRM-RAMM assessment reflects the maturity level of a European Tax Administration's HRM in the context of best practice. Certain criteria have been created based on a four-point scale ranging from Level A="Basic" to Level D="Leading" for measuring and assessing a Tax Administration's Human Resources Management practices.

Figure 4. Levels of the EU TAX HRM-RAMM

A definition for each Performance Outcome Area is provided in the following table.

Table 1. Performance Outcome Areas and Definitions

Performance Outcome Area	Definitions
Workforce and Succession Planning	**Workforce and Succession Planning** is the process of coordinating workforce activities with current and future business needs. It ties the organization's workforce activities directly to its business strategy and objectives.
Recruitment	**Recruitment** is the process of attracting and acquiring new employees to achieve the business objectives of the organization in support of the workforce plan.
Performance Management	**Performance Management** is the process of identifying goals, assessing and developing the performance of employees in order to meet an organization's objectives in an effective and efficient manner.
Career Development	**Career Development** is the process of learning and improving performance to match an individual's needs, abilities and career goals with current and future opportunities in the organization.
Training Management	**Training Management** includes learning activities to acquire and apply the knowledge, skills, abilities and attitudes needed to reach the strategic goals of the organization.
Reward Management	**Reward Management** is a system of pay, other forms of monetary compensation and complementary benefits for employees to guarantee fair recognition for their contribution.
HR Analytics	**HR Analytics** enable an organization to understand and articulate important aspects of their workforce through the use of statistics, data and evidence.
HR*Ability*	**HR*Ability*** refers to the capability and capacity of HR function to act as an Organizational Success enabler.

Each POA is defined by up to five (5) high-level indicators which repeat across all POAs: Implementation and Effectiveness, HR strategy, Talent Management, Change Management, and Competency-based Approach. For a review of the basic definitions developed for each indicator please see Table 2. Each indicator has from 1 to 5 measurement dimensions, which determine indicator's final scoring. Table 3 presents the set of POAs, Indicators, Dimensions and Questions under the EU Tax HRM Readiness & Agility Maturity Model.

Table 2. Indicators and Definitions

Indicators	Definitions
1. Implementation & Effectiveness	Practical application of the performance area and its impact on strategic goals.
2. HR Strategy	A roadmap to align human capital with business objectives.
3. Talent Management	Commitment to attract, identify, develop and retain high-performing employees in the organization.
4. Change Management	A systematic approach and application of knowledge, tools and resources to deal with changes.
5. Competency-based Approach	Application of the competency framework for capability development to reach organizational goals.

Table 3. EU TAX HRM-RAMM's POAs, Indicators, Dimensions and Questions

PA	Indicators		Dimensions		Questions
Workforce & Succession Planning [WF&SP]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Workforce & Succession Planning (WF&SP)	1.1.1 What is the approach to Workforce and Succession Planning (WF&SP) in the organization?
			1.2	Level of digitalization of WF&SP	1.2.1 To what extent are the WF&SP practices digitalized?
			1.3	Communication of WF&SP	1.3.1 Is there a structured approach to communication in relation to WF&SP?
			1.4	Application of Risk Management principles and practices in managing WF&SP	1.4.1 Is there any application of Risk Management principles and practices in managing WF&SP?
	2	HR STRATEGY	2.1	Strategic importance of WF&SP in the organization	2.1.1 To what extent are WF&SP aligned with the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which the organization detects the knowledge and skills of the current and future personnel	3.1.1 To what extent does the organization detect talent of the current and future personnel?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in WF&SP issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to WF&SP issues?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Management is incorporated in WF&SP practices	5.1.1 At what scale is Competency Management incorporated in WF&SP practices?
Recruitment [Re]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Recruitment (Re)	1.1.1 What is the approach to Recruitment (Re) within the organization?
			1.2	Level of digitalization of Re	1.2.1 To what extent is the Re process digitalized?
			1.3	Communication of Re	1.3.1 To what extent does the organization implement a recruitment marketing strategy?
			1.4	Application of Risk Management principles and practices in managing Re	1.4.1 Is there any application of Risk Management principles and practices in managing Re?
	2	HR STRATEGY	2.1	Strategic importance of Re in the organization	2.1.1 To what extent is Re aligned with the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which Re supports Talent Management	3.1.1 To what extent do the Re procedures ensure ability to attract and select talent?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in Re issues	4.1.1 Is there a structured approach to cope with organizational changes in relation to Re issues?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Management is incorporated in Re practices	5.1.1 At what scale is Competency Management incorporated in Re practices?
Performance Management [PM]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Performance Management (PM)	1.1.1 What is the approach to Performance Management (PM) in the organization?
			1.2	Level of digitalization of PM in the organization	1.2.1 To what extent are the PM practices digitalized?
			1.3	Communication of PM	1.3.1 Is there a structured approach to communication in relation to PM?
			1.4	Application of Risk Management principles and practices in PM	1.4.1 Is there any application of Risk Management principles and practices in PM?
			1.5	The extent to which feedback is an integrated part of the PM process	1.5.1 To what extent is feedback used in PM practices?
	2	HR STRATEGY	2.1	Strategic importance of PM in the organization	2.1.1 To what extent is PM aligned with the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which PM supports Talent Management	3.1.1 To what extent is the PM system developed to identify and grow talent within the organization?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in PM issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to PM issues?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Management is incorporated in PM practices	5.1.1 At what scale is Competency Management incorporated in PM practices?

PA	Indicators		Dimensions		Questions
Career Development [CD]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Career Development (CD)	1.1.1 What is the approach to Career Development (CD) in the organization?
			1.2	Level of digitalization of CD in the organization	1.2.1 To what extent are the CD procedures digitalized?
			1.3	Communication of CD	1.3.1 Is there a structured approach to communication in relation to CD?
			1.4	Application of Risk Management principles and practices in managing CD	1.4.1 Is there any application of Risk Management principles and practices in managing CD?
	2	HR STRATEGY	2.1	Strategic importance of the CD in the organization	2.1.1 To what extent is the CD aligned with the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	Impact of CD processes on Talent Management	3.1.1 What is the impact of CD processes on Talent Management?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in CD issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to CD?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Framework is incorporated in CD	5.1.1 At what scale is Competency Framework incorporated in CD procedures?
Training Management [TrM]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Training Management (TrM)	1.1.1 What is the approach to Training Management (TrM) within the organization?
			1.2	Level of digitalization of TrM in the organization	1.2.1 To what extent are TrM practices digitalized?
			1.3	Communication of TrM	1.3.1 Is there a structured approach to communication in relation to TrM?
			1.4	Application of Risk Management principles and practices in TrM	1.4.1 Is there any application of Risk Management principles and practices in TrM?
	2	HR STRATEGY	2.1	Strategic importance of the TrM to the organization	2.1.1 To what extent is TrM aligned to the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which TrM system supports Talent Management	3.1.1 To what extent does TrM support Talent Management process in the organization?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in TrM issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to TrM?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Management is incorporated in TrM practices	5.1.1 At what scale is Competency Management incorporated in TrM practices?
Reward Management [ReM]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of Reward Management (ReM)	1.1.1 What is the approach to Reward Management (ReM) in the organization?
			1.2	Design of ReM	1.2.1 To what extent has the ReM system been designed to be flexible?
			1.3	Level of digitalization of ReM in the organization	1.3.1 To what extent are the ReM practices digitalized?
			1.4	Communication of ReM	1.4.1 Is there a structured approach to communication in relation to ReM?
			1.5	Application of Risk Management principles and practices in ReM	1.5.1 Is there any application of Risk Management principles and practices in ReM?
	2	HR STRATEGY	2.1	Strategic importance of ReM in the organization	2.1.1 To what extent is ReM aligned with the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which ReM supports Talent Management	3.1.1 To what extent does the ReM System support the Talent Management process in the organization?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in ReM issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to ReM issues?
	5	COMPETENCY-BASED APPROACH	5.1	The scale at which Competency Framework interacts with ReM Schemes	5.1.1 At what scale is Competency Management connected with ReM practices?

PA	Indicators		Dimensions		Questions
HR Analytics [HRAn]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Implementation of HR Analytics (HRAn)	1.1.1 What is the approach to HR Analytics (HRAn) in the organization?
			1.2	Level of digitalization of HRAn in the organization	1.2.1 To what extent are the HRAn procedures digitalized?
			1.3	Communication of HRAn	1.3.1 Is there a structured approach to communication in relation to HRAn?
			1.4	Application of Risk Management principles and practices in managing HRAn	1.4.1 Is there any application of Risk Management principles and practices in managing HRAn?
	2	HR STRATEGY	2.1	Strategic importance of HRan in the organization	2.1.1 To what extent do HRAn support the achievement of the organization's mission, vision and goals?
	3	TALENT MANAGEMENT	3.1	The extent to which HRAn support Talent Management	3.1.1 To what extent do HRAn support the Talent Management process in the organization?
	4	CHANGE MANAGEMENT	4.1	Application of Change Management principles in HRAn issues	4.1.1 Is there a structured approach to deal with organizational changes in relation to HRAn?
	5	COMPETENCY-BASED APPROACH	5.1	Connectivity of HRAn and Competency-Based Management	5.1.1 At what scale is Competency Framework incorporated in HRAn?
HR *Ability* [HRAb]	1	IMPLEMENTATION & EFFECTIVENESS	1.1	Promoting working wellbeing	1.1.1 To what extent does HR function promote policies and practices (e.g., work-life balance, flexible working arrangements) that improve organizational culture, climate, trust, employee engagement, job satisfaction, etc.?
			1.2	Administrative vs. Innovative HR Traditional personnel management vs. innovative Human Resources Management	1.2.1 To what extent does HR act as an HR (innovative) expert as opposed to support (administrative) function?
	2	HR STRATEGY	2.1	HR as Strategic Partner Strategic integration of HR with the organization's strategy	2.1.1 To what extent is HR Strategy embedded within each aspect of the organization?
	3	CHANGE MANAGEMENT	3.1	HR agility and readiness to support organizational change by handling emergency situations	3.1.1 To what extend does HR act as change agent handling emergency situations?
	4	TALENT MANAGEMENT	4.1	The extent to which HR policies and procedures as well as HR professionals promote talent management culture	4.1.1 To what extent does HR function promote a talent management culture in the organization?

2.4 Scoring

For each PA of the model, the analysis is articulated in three different levels calculating a Maturity Level Index (MLI) for each level:

- **Indicators (I)**
- **Dimensions (D)**
- **Questions (Q)**

Each PA is first linked to five (5) high - level indicators (except for the "HR*Ability*" PA which is linked to four (4) Indicators). Each PA indicator is related to one to three dimensions and a total of eight to nine dimensions are evaluated per PA. Then each of the EU TAX HRM-RAMM's sixty three (63) measurement dimensions is assessed separately.

For each dimension one question has been created to measure the maturity level of Tax Administration HRM on the Performance Outcome Area that is being evaluated. These questions are scored on a four-point 'A=Basic; B=Progressive; C=Advanced; D=Leading' scale according to specific scoring criteria prescribed in this document. The interpretation of these scores is presented in Appendix 2.

The evaluation procedure of every PA follows a three-level assessment calculating a Maturity Level Index (MLI) for each level. Starting from the bottom:

- **Dimension assessment**: each dimension is assessed using the MLI of its respective question along with its associated weight.

For some organizations, certain questions may not be applicable: in this case an "E-Level" ("*Not relevant/Not applicable*") is available which, in effect, cancels out the question and, therefore, the respective dimension.

- **Indicator assessment**: each indicator is assessed by considering the scores of its dimensions in combination with their respective weights.
- **Performance Area assessment**: The same system is used to calculate the overall score for each Performance Area. The Performance Area's Maturity Level Index is calculated by weighting the score of each indicator related to that PA.

Table 4. MLI results matrix for PA "WF&SP" and Indicator "Implementation & Effectiveness"

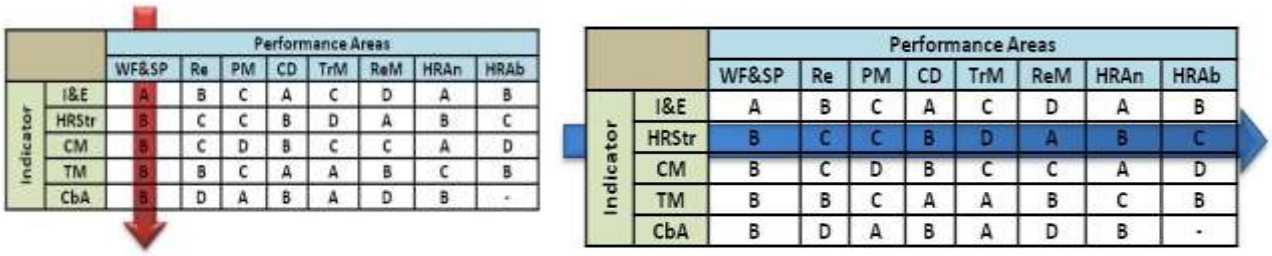
Performance Area ''Workforce & Succession Planning [WF&SP]'' Indicator 1 ''*Implementation & Effectiveness*''			
Dimension	Weight	Dim MLI	Indicator MLI
1.1 Implementation of Workforce & Succession Planning	40%	B	B
1.2 Level of digitalization of WF&SP	20%	C	
1.3 Communication of WF&SP	20%	B	
1.4 Application of Risk Management principles and practices in managing WF&SP	20%	B	

Since a weight is assigned to each item of the model (dimensions and indicator) in order to consider the relevance in calculating the overall scores, the system should be configured assigning the weights to each item before answering the questions. However, this "*setup phase*" can be skipped as a default weight value is already assigned to each item.

An overall analysis of an organisation's score against the MLI can be measured across all of the performance areas with a grid consisting of a total of forty (40) "maturity index" (five (5) Indicators x eight (8) Performance Areas) as demonstrated in the sample grid below (Table 5).

This grid provides a score relating to a Tax Administration's maturity level by indicator [by column] as well as across a particular performance area [by row].

Table 5. MLI results matrix for all PAs and Indicators



		Performance Areas							
		WF&SP	Re	PM	CD	TrM	ReM	HRAn	HRAb
Indicator	I&E	A	B	C	A	C	D	A	B
	HRStr	B	C	C	B	D	A	B	C
	CM	B	C	D	B	C	C	A	D
	TM	B	B	C	A	A	B	C	B
	CbA	B	D	A	B	A	D	B	-

Note: Each column represents the results of the respective PA across all Indicators and each row represents the results of the respective Indicator across all PAs

2.5 Questionnaire Completion Instructions

HR Director or a *delegated HR expert* (assessor) is assigned to conduct the assessment of the Tax Administration's HR maturity by using the electronic tools provided. Access to a computer is needed. General information on the measurement of each POA is given below (see sections 4 to 11).

Before completing the electronic form of the EU TAX HRM-RAMM, each Tax Administration's HR Director or the delegated HR expert (assessor) should ensure that he/she has the necessary documentation or other data, including administrative documents, business documents with policies, guidelines and processes for the organization, numerical data etc. that will provide reliable, valid and justified assessments regarding the Tax Administration's maturity.

Before assessing a Tax Administration's current level of HRM maturity, several sources of data should be considered. Information on the performance of the HRM functions within a Tax Administration can be gathered in a variety of ways; through interviewing not only upper-echelon members of the organization, but also lower-echelon ones; reviewing administrative documents and through observation of institutionalized processes adopted by the Tax Administration. The model should be used as guidance for the assessment conducted rather than as the basis of a tick-box exercise.

Key considerations for the assessor of a Tax Administration's Human Resources Management involve:

- The size of the organization and the complexity of the operations;
- The organization's culture;
- The external environment the organization operates in;
- The human resources management decisions available to the organization;
- The extent of autonomy with which the HR department operates.

While carrying out the evaluation of a Tax Administration's HRM, the assessor must also be aware of challenges and recent facts or events, including but not limited to strategic priorities, audits or structural changes within the HR section and legal status.

The specific circumstances of a Tax Administration dictate which maturity level is appropriate.

The aim is that:

- Evidence in criteria is relevant and meaningful;
- Evidence is mapped to the most appropriate maturity level;
- It is clear what needs to be satisfied to continuously improve.

The evidence in the criteria for each maturity level is based on the following:

- What happens in practice;
- The processes are in place;
- The impact of these processes;
- The application of standards;
- The beliefs and behaviors which indicate the organizational culture.

Repeat assessments over time will provide information on the extent to which a country's TAX HRM system is improving and maturing. At the same time, performance differentiations across countries can be considered as opportunities of adopting a common and effective approach to a HRM system across European countries.

Two options have been developed for the questionnaire completion and data processing. The first one is an MS Excel file and the other one is standalone application, developed using the Python language, providing analytic report on results.

Concerning the application, due to its size, it is saved on Web Cloud site (*Google Drive)* and HR Directors can install it, following the instructions below:

- Download the 'EU TAX HRM-RAMM Tool.exe' file from this link by clicking on '*Download*' and then '*Download anyway*'.
- After the download is completed, you can execute the file by double clicking it. A window will then popup to ask where you would like to install the program. You can click the '…' button to select a folder of choice or simply type the path you want in the field provided. Once you have selected the folder, click on the '*Extract*' button to initiate the process. Before the files can be accessed, you will have to enter the password (*TADEUS*) and click '*OK*'. *Please allow for a few minutes for the installation process to be completed*.
- Following the successful installation of the program, you will find a new sub-folder named '*EU TAX HRM-RAMM Tool*' in the folder designated in the previous step. Inside you will find another two sub-folders with program files and two files: the '*EU TAX HRM-RAMM Tool manual.pdf*', which is a manual with detailed instructions on how to use the various functions of the tool and the '*Run EU Tax HRM-RAMM Tool.bat*', which executes the main program and displays its main screen. Depending on your computer hardware, you will have to wait for a few seconds for the program to start, especially if it is the first time you're running it; its icon will appear at your task bar as soon as it's ready. Please note that, for the program to be properly displayed, a 1920x1080 pixel monitor is required.

3. The User Guide

3.1 Purpose of the User Guide

The purpose is to:

- ✓ Provide assessors with a standardized methodology and an established set of quality norms to carry out an objective evaluation of a country's tax HRM system;
- ✓ Ensure consistency of approach amongst assessors across countries.

3.2 Structure of the User Guide

This guide is structured around the eight POAs comprising the EU TAX HRM-RAMM. Separate sections are devoted to each POA—see sections 4 to 11—and include:

- ✓ A brief description of the desired performance outcome;
- ✓ A presentation of some widely applied HRM good practices;
- ✓ A summary of the indicators, dimensions, and scoring criteria used to assess the performance area (see Appendix 2);
- ✓ A detailed checklist of questions to guide EU TAX HRM-RAMM assessors. Assessors must have a strong understanding of the parameters of a particular performance indicator of his/her Tax Administration HRM system (see Appendix 2);
- ✓ Evidence to be collected by assessors during preparation, considering the evidence-based practice approach that EU TAX HRM-RAMM uses to measure the maturity levels across the Tax Administration's HRM POAs (see Appendix 2);
- ✓ A detailed performance measurement framework for each indicator and dimension, the criteria to be applied in determining a performance score (see Appendix 2).

Finally, appendixes to the user guide provide: (1) a brief definition of each HRM Maturity Level; (2) the EU Tax HRM Readiness & Agility Maturity Model; (3) the criteria used to determine the Maturity Level for each PA.

4. Performance Outcome Area 1: Workforce and Succession Planning

4.1 Desired Outcome

Aligning a Tax Administration's people with its business goals to achieve its mission; ensuring that the Tax Administration utilizes a continuous process that guides the current and future inflow of the right people with the right skills in the right job at the right time, optimizing the potential of existing staff.

4.2 Background and good practice

An effective and reactive **workforce and successful succession planning (WF&SP)** requires **detailed knowledge of the capabilities and talents of the current staff** of a Tax Administration. Through this process an organization inspects its workforce and decides on how it will make itself ready for future staffing needs. A workforce and succession planning procedure directs efforts at matching personnel needs, tailored around company objectives, with demand for impending capabilities. **Retirements** are not, of course, the only reason for Tax Administrations to implement WF&SP. **Layoffs** and **job cuts** constitute critical factors for implementing an effective WF&SP too. Furthermore, current and future workers may lack crucial skills to fill leadership roles.

So, during the process of workforce and succession planning (WF&SP) basic **steps** must be identified and followed. These steps when followed properly can **ensure the achievement of the desired outcome**:

- **Define the Tax Administration's strategic direction and scan the internal and external environment of the organization**. What are our strategic goals and objectives? Do we have skilful employees to achieve our current and future objectives?

- **Try to understand the current workforce;** identify internal and external factors that drive the current workforce competence requirements; **keep data inventories** with information regarding the employees' competencies and performance, the distribution of employees by position, and career development plans. **Demographic data** on gender, age, educational level, employees' skills, knowledge and competences, professional experience, performance evaluation and organizational tenure will help the **Tax Administration have a clearer understanding of the current staff**. Anticipated vacancies due to internal and external mobility, promotion, retirement or termination should also be recorded. Supervisory ratios and management/employee ratios and average annual staff turnover rate must be calculated. Using a **human resource information system** makes retrieval of information easily available for anticipating workforce needs;

- **Forecast future workforce and labor market outlook; assess future workforce needs**. How will technological breakthroughs, economic, political and social conditions bring about

changes in jobs and workload? What are the critical jobs and positions for a Tax Administration for gaining competitive advantage? How will divisions, work units, and jobs be designed? What type of competencies is required and which is the exact number of employees that we need in the future? What skills and behaviors are important to a Tax Administration? The current skills of incumbent employees will help Tax Administrations determine their capabilities and weaknesses. Which jobs are vulnerable to be replaced by technology? Where will we find new skilful employees (internal, external mobility, new hires)? What will be the competition for future skills?

- Evaluate how the demand for human resources and the supply of human resources identified interact**. A number of organizational factors, such as management practices, organizational culture, employee mobility rates, and the hiring and employee termination procedure** should be addressed here. Do we currently have the skills that we anticipate? Do future needs exceed current resources? Will the current supply meet the future needs? Are there qualified employees able to meet Tax Administration's objectives?

- **Establish plans to close the gaps, supervise their effectiveness and spend time reviewing and revising the content of these plans when needed**. Some issues must be considered: Do we have time to invest in employee development for upcoming vacancies or is external recruitment the only option we have? Do we have the appropriate resources (staff, money, technology, etc.) to implement the selected plans? Assuming we decide to invest in developing our employees, is there any possibility our current staff to display a lack of interest regarding the development of skills necessary to get promoted?

Table 6. A brief review of the Steps of a Workforce and Succession Planning Process

PA: Workforce and Succession Planning
Process Steps
• ***Understanding the strategic direction and the environment of the organization:*** Analyzing current and future organizational goals and the external and internal factors that affect the workforce and succession planning process; • ***Analyzing the current capacity and capability of the workforce:*** Evaluating workforce issues such as competency levels, staffing numbers and placement, retirement eligibility, emerging trends, turnover and retention rates; • ***Identifying future needs:*** Forecasting future workforce requirements in terms of skills, capability, capacity and critical roles to meet emerging technological, demographical, political, social and cultural trends and address their impact on the organization; • ***Identifying and addressing gaps:*** Comparison of current and future workforce requirements to identify gaps and establish plans for building and developing the future workforce; • ***Evaluate process:*** Assessing the effectiveness of the workforce and succession planning processes and measuring their impact on the organizational goals.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 1. It also sets out the criteria for scoring the indicators and dimensions of POA 1.

5. Performance Outcome Area 2: Recruitment

5.1 Desired Outcome

The Tax Administration is an **employer of choice** and **outperforms the competition** to attract, develop, and retain key employees. An organization becomes an employer of choice, therefore, when the best talent desires to work for the organization as a result of its practices, which are tailored to appeal to the target audience. Given the opportunity, **candidates will choose to work for the Tax Administration over others.**

5.2 Background and good practice

Recruitment is the process of identifying and attracting job seekers from outside and within the organization, while ***Selection*** is the procedure of selecting those applicants who have qualifications, skills, experience, expertise, attitude to fill jobs in the organization. So, during the Recruitment and Selection process basic **steps** must be identified and followed:

✓ Identifying **vacancies** and **resource gaps**, conducting **job analysis** for the vacant positions and defining required **competency profiles**. A thorough job description is crucial to engaging with candidates whose qualifications appeal to the organization;

✓ **Generating applicants by considering their cultural fit with the organization**, maintaining **the interest of applicants**, and influencing job seekers' decisions;

✓ Available **candidate pool.** Invest time in developing successful partnerships with universities that have career services offices and recruitment agencies. Enable current staff to actively join professional associations and participate in conferences where it is easy to spot potential talent. Online job boards may help a Tax Administration's recruiters scrutinize resumes of potential candidates even if they are not currently looking. Use internal posting. Post job openings on job boards and professional magazines, newspapers. Search for high potential employees on social media platforms such as LinkedIn. Encourage internal employees to refer friends and colleagues to the organization. Bring your best prospects in to meet them before you need them;

✓ Once individuals officially become applicants by applying for jobs, a Tax Administration should **assess applicant characteristics necessary for the job** (review applications, CVs) while still maintaining the interest of applicants. Information transmitted during this stage often occurs during employment interviews (phone or video interviews last around 15-20 minutes/initial screening) or site visits, where responses and information provided by a Tax Administration's representatives **signal the norms, values, culture and environment of the organization to applicants**. A Tax Administration's HR professionals should typically begin with questions that screen a candidate's background. Background questions allow organizations to verify that

candidates have the experience and qualifications to perform well in a job (e.g., What were your responsibilities in your last job? Why are you leaving your current position? How have your previous positions prepared you for this one? Are you still interested in this job? Why do you want this job?). Job applicants' questions must be anticipated and interviewers must be prepared to respond (e.g., What are the daily responsibilities and duties in this position? What are the next steps in the hiring process? When can I expect to hear back about next steps?);

✓ **Eliminating unsuitable candidates**, the remaining ones are asked to come in for face-to-face interviews. In this phase, **employment tests** may be used to supplement the information already collected. Among them are included the intelligence tests, the attainment tests, the aptitude tests, the interest tests, and the personality tests;

✓ Finally, **the selection process is only completed** when a job offer is created and provided to the selected candidate with an appointment letter. A Tax Administration has to convince the applicants to accept job offers and finish the recruitment process;

✓ The evaluation of the recruitment results is the final stage of the recruitment process. In this stage, a **Tax Administration should compare its recruitment objectives against the recruitment outcomes**. Were the recruitment methods used valid or not? Was the recruitment process itself effective or not?

✓ An **Applicant Tracking System** will help to manage all recruitment needs by automating applicant tracking and by enabling the storing and processing volumes of data.

Table 7. A brief review of the Steps of a Recruitment ProcessPA: Recruitment

Process Steps
• ***Identifying Recruitment Needs***: Identifying vacancies and resource gaps, conducting job analysis for the vacant positions and defining required competency profiles; • ***Recruitment Planning***: Defining the timeline, target group, channels, recruitment message and roles in the recruitment project; • ***Searching***: Using strategies and structured methods for identifying, attracting and engaging talented candidates. Searching and sourcing candidates may involve methods such as recruitment advertising, head hunting, utilizing databases and networks, improving employer brand, using social media, enhance organization's portal, etc.; • ***Screening and Selection:*** Filtering and selecting the best-fit candidates using processes such as background checks, minimum requirements and compatibility with job profile, testing and interviewing; • ***Hiring:*** Offering positions and negotiating employment conditions with the selected candidates. This process also involves the issuing of feedback to all candidates; • ***Evaluation of recruitment process:*** This process identifies future improvements. Metrics such as time to fill the position, quality of hire, applicant volume, employee turnover rate, etc. can be used to assess the effectiveness of the recruitment process.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 2. It also sets out the criteria for scoring the indicators and dimensions of POA 2.

6. Performance Outcome Area 3: Performance Management

6.1 Desired Outcome

A Tax Administration achieves its targeted results. An ongoing process of performance enhancement ensures that clear and unambiguous **individual and team goals are aligned with the strategic goals of the Tax Administration**. Performance management refers to the processes of reviewing and assessing performance, ensuring employees transparent communication and collaboration with managers and colleagues, prioritizing employee recognition and reward, providing frequent and precise feedback and ensuring the training and development of knowledge, skills, and abilities.

6.2 Background and good practice

Performance management is a **strategic approach** to creating and sustaining improved employee performance, leading to an increase in the effectiveness of an organization. In other words, performance improvement is the principal goal of a performance management process, initially at the individual level and ultimately at the organizational level. Performance management serves as **an important tool** for communicating the most valued and rewarded behaviors and results. This, in turn, leads to an understanding of the organization's culture and its values.

- ✓ **Setting employee goals** based on and in support of the **strategic objectives** of the Tax Administration and business area is the first step for the performance agreement. This step outlines **what employees will be expected to accomplish**. All responsibilities and duties related to a job and key indicators of high-performing individuals and teams should be subject to negotiation in order to foster engagement. Although the goals of individuals and teams should support higher-level organizational objectives, the collective and individual needs of people for development can also be considered when establishing goals. **Incorporating personal or team goals into the objectives of a Tax Administration is likely to enhance engagement into goal attainment**;
- ✓ **Continuous monitoring and measurement of the performance**; a good performance management system allows for employees to evaluate progress at any time, and reach milestones on their way to higher level targets;
- ✓ **Providing ongoing feedback and coaching to improve performance**; feedback provides a lot of benefits to employees when it is given in a timely fashion. So,

share with employees exactly what is expected of them, coach employees to reach the maximum of their performance through actionable goals. Give them **constructive feedback** and provide them with tangible and intangible rewards for successful goal achievement. It is advisable for Tax Administrations to conduct constant micro-adjustments to employee performance and continuous dialogue on it instead of pushing big changes through once or twice a year;

- ✓ Each **employee's performance must be rated periodically** and then at the time of the performance appraisal. Tax Administrations can detect good (or bad) employee performance trends and capitalize on (or put an end to) them early on. **However, they should focus on a person's actual performance or the reasons he/she failed to perform his/her tasks, and not on personal characteristics**;

- ✓ A vital prerequisite for high performance and improvements in performance is identifying **employee training and development needs** so that inefficiencies in core competencies can be minimized and employees' strengths can be recognized. There are always areas for improvement regardless how experienced or competent employees are. Ongoing assessment of development needs is an integral component of a high-performance mind-set.

Table 8. A brief review of the Steps of a Performance Management Process

PA: Performance Management
Process Steps
• ***Goal-setting***: Set employee goals based on and in support of the strategic objectives of the organization and business area; • ***Monitoring performance***: Continuous monitoring and measurement of the performance and reviewing agreed objectives; • ***Feedback:*** Continuous developmental feedback; • ***Assessing and evaluating***: Employee performance is periodically assessed against agreed goals; • ***Development***: Identify training and skill development needs to improve and enable future performance; • ***Connections to other HR processes***: Career development, reward management, training management, workforce and succession planning, recruitment.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 3. It also sets out the criteria for scoring the indicators and dimensions of POA 3.

7. Performance Outcome Area 4: Career Development

7.1 Desired Outcome

Career progression in line with the expectations, ambitions and abilities of employees, resulting in increased employee flexibility and retention of talented employees.

7.2 Background and good practice

Individuals need to upgrade their skills throughout their professional career so as to get promoted and to reach a higher level in the organization. **Organizations,** likewise, **need to be proactive in planning and executing career development programs for their employees**. Tax Administrations should strive to create organizational cultures that foster continuous learning. Effective methods of employee development enhance job performance by continuous learning.

How can a Tax Administration's representatives support and develop employees' careers?

- ✓ Provide high quality feedback;
- ✓ Offer opportunities for employees to apply new skills and knowledge and inform them for development opportunities while at the same time providing access to these career development programs, practices, resources;
- ✓ Help employees identify their development needs;
- ✓ Be aware of the barriers that employees may encounter in developing their careers (e.g., work-life conflicts, lack of resources, organizational change) and consider ways of assisting employees in overcoming these obstacles;
- ✓ Provide rewards and recognition for career-related activities such as developing new skills, achieving goals, or taking on a challenging task at work.

A **Tax Administration's career path program** might include a variety of components such as *self-assessment tools* where individuals provide information about their skills, abilities, qualifications, experience, interests, work values, long and short term goals. These can then be used to match you with real career options. A Tax Administration's career path program might also include *career planning workshops* where individuals try to discover congruent career possibilities or to confirm the congruence of career options already proposed by the self-assessment, *individual career coaching* which help employees understand their personal goals and build action

plans, and *developmental programs* such as assessment centers, job rotation, tuition refund plans, internal and external training seminars, formal mentoring and reverse mentoring programs which can be used by a Tax Administration to develop its employees for future positions.

Table 9. A brief review of the Steps of a Career Development Process

PA: Career Development
Process Steps
• ***Increasing self-awareness:*** Through the use of coaching, feedback and assessing skills and competencies; • ***Understanding opportunities:*** Making career opportunities in the organization transparent and development methods visible; • ***Drawing an individual development plan:*** Keeping everyone in the organization learning and developing competences that are useful in the future; • ***Providing support, assistance and guidance in implementing the development plan:*** Ongoing support through 1:1's with manager, career coach or mentor; team development activities and support; • ***Assessing impact of the process:*** High levels of employee engagement, well defined career paths and sufficient number of talented employees in the organization.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 4. It also sets out the criteria for scoring the indicators and dimensions of POA 4.

8. Performance Outcome Area 5: Training Management

8.1 Desired Outcome

Each employee has the **right competencies** to perform their tasks and is **flexible** enough to tackle new challenges.

8.2 Background and good practice

Training is defined as the systematic preparation of workforce in terms of acquiring and developing the knowledge, skills, and attitudes that are necessary for employees to do a task or job effectively, skillfully and qualitatively or to improve performance in the job environment.

Training needs to be seen as a flexible, on-demand and continual process and not just as an infrequent and/or random event. **Effective training programs** give employees access to **regular** and **continual** training. However, in order for training methods to be effective, assessments of employee and organizational needs should be conducted.

- ✓ **Needs and requirements of the department and/or Tax Administration** will determine the exact training programs that need to be offered to employees. So, *training needs analysis* is considered a fundamental step for training management and involves employees, managers and the management team. Areas that require training can be identified via various methods like surveys, questionnaires, observations, etc. Internal audit can specify areas that need training interventions too. When properly implemented, it assures that business problems, task requirements of a work unit, the existing knowledge and skills of employees, and employees' performance level will be seriously considered when developing an effective training program;

- ✓ **Finalize the training plan for all employees** and determine the budget for the next fiscal year. Fund the organization before the fiscal year begins as this will affect the way a Tax Administration structures and runs its business during the fiscal year. Tailor-made training plans is the best way to make sure that each employee and manager receive the training that they need, the training is easy to keep track of and everyone is aware of the training that needs to be completed at all times;

- ✓ **Designing a training program is one of the steps of the training process—an effective implementation of that program guarantees its success and longevity**. For the evaluation of a successful training system measurable and reachable goals can be used. Confirm in some way employees' progression by reviewing and interpreting results. By doing so,

everyone—executives, managers, and employees—will understand the program better. Training methods are selected according to the types (on the job, off the job), needs and participants of training. A number of methods can be listed: employee orientation program, job instruction training, on the job training, internships, job rotation, coaching/mentoring, lectures, group discussions and tutorials, case studies, videos, role playing, simulations, games and laboratory training, eLearning courses, webinars, outdoor training;

- ✓ **The last step of a training process is an evaluation of the success of each program immediately after the program's completion**. Prepare evaluation forms for each program and ask participants (trainers and trainees) to complete them and make suggestions for further refinements. Analyze the comments to plan for further training. Deficiencies in employees' skills or objectives of training indicate that necessary adjustment should be made in the training planning step. Follow-up with supervisors during the year to gauge the continued effectiveness of the training programs.

Table 10. A brief review of the Steps of a Training Management Process

PA: Training Management
Process Steps
• ***Assess training needs:*** Identifying and prioritizing any current and future organizational and individual development needs to determine which can be best addressed through training activities; • ***Create training action plan:*** Creating a comprehensive action plan with clear objectives, content, timetable and budget; • ***Implement training initiatives:*** Implementation includes launching, promoting and conducting training activities and addressing any related logistical needs (facilities, equipment, etc.); • ***Evaluate process:*** Training process, including individual programs, learning methods and delivery should be continually monitored and evaluated to determine if it was successful and met training objectives.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 5. It also sets out the criteria for scoring the indicators and dimensions of POA 5.

9. Performance Outcome Area 6: Reward Management

9.1 Desired Outcome

High levels of employee engagement and organizational ability to recruit and retain talented employees.

9.2 Background and good practice

An understanding of how to motivate employees plays a crucial role in the designing of an effective **reward** or **compensation system**. Modern organizations must **align their reward system practices with their organizational strategy** in order to achieve higher levels of performance at both the individual and organizational levels. So, the creation and implementation of a strategy with the main objective of rewarding people equitably and consistently in accordance with their value to the organization is of great importance.

Reward Management consists of **analyzing and controlling employee remuneration, compensation** and **all of the other benefits for the employees**. **Intangibles incentives** like appreciation and praise, delegation of authority, participating in management, job enrichment, promotions, better working atmosphere, employee of the month/year, an outdoor day, gifts, holidays also play a vital role in the motivation of employees and enhance a sense of belonging, job and organizational engagement and commitment. **The advantages of adopting a total reward approach (i.e., tangibles and intangible incentives) are the greater impact, the enhancement of flexibility to meet individual needs, winning the war for talent, the creation of a healthy work environment, the increase of company's reputation.**

- ✓ The starting point of the reward system is the **business strategy** of the Tax Administration. Which are the main drivers of a Tax Administration high performance? Profitability, productivity, innovation, citizen service, quality, the need to satisfy stakeholders – government, employees? How can these **drivers** be supported by a Tax Administration's reward strategy and policy in order to achieve its goals?
    - **Align reward policies** with the **culture** of the Tax Administration and use them to reinforce that culture;
    - **Reward** people according to the added value they bring to the **Tax Administration**;
    - **Value people** according to their **knowledge, skills, abilities** and **contribution**;
    - Ensure that reward policies and practices operate in an equal and consistent manner;

- Aim at achieving a transparent reward process where no employee group is treated better than another;

- Provide **managers** with the **authority to use rewards to help achieve their goals** and equip them with the right skills to achieve a fair distribution of those rewards.

✓ **Job evaluation** ensures that the relative value or size of jobs is based on fair judgments, that equitable grade and pay structures are designed and maintained and that the right grading of jobs within a grade structure is achieved resulting in consistent decision-making in relation to job grading;

✓ Identify and define the factors, the **key elements of jobs** that are used to analyze and evaluate them in an analytical job evaluation scheme and then decide on the grade and pay structure;

- Factors that **identify pertinent and important differences between jobs** and determine the rank order of the jobs;

- Factors that measure all **significant job features**;

- Factors that **apply equally well to different types of work** including specialists and generalists, lower-level and higher-level jobs and **are not discriminatory in nature**;

- Factors with definitions that are clear and acceptable to all stakeholders within the organization.

✓ **Pay structures** define employee compensation for different jobs or groups of jobs based on their value to the business as determined by job evaluation, on external values as established through salary surveys and on negotiated rates for jobs;

✓ **Design and implementation of compensation plan**. Set the elements and objectives of the compensation plan, share information so employees can understand how they can influence their total compensation;

✓ **Evaluation and review.** The effectiveness of reward policies and practices should be monitored and evaluated against the requirements and set objectives of the Tax Administration. Are pay levels competitive and do they contribute to the attraction and retention of high-quality staff? Do they add value? Feedback from employees about whether they are satisfied with the rewards and whether their contributions are being matched by the rewards should be obtained;

✓ **An important element of a well-designed reward system is "Transparency".** Employees need to know how reward policies will affect them and how pay and grading decisions have been made. A reward system must be able to elicit trust among employees. Tax Administrations should inform employees and their representatives about the principles and policies that guide the reward system. Employees must be knowledgeable about the grade and pay

structure, how grading decisions are made, how they progress onto the upper pay range, the basis upon which contingent pay increases are determined and how policies on flexible benefit plans are designed.

Table 11. A brief review of the Steps of a Reward Management Process

PA: Reward Management
Process Steps
• ***Compensation policy***: Setting objectives for compensation matters and determining how these will be achieved in the organization (incl. main elements of the compensation, targeted levels, principles to make decisions about the compensation); • ***Job analysis and evaluation***: Assessing jobs based on relative value in order to identify appropriate benchmarks and decide on appropriate external and internal compensation; • ***Analysis of contingent factors***: Identifying and analyzing key jobs and competencies of the organization, market demand, talent management, value management, internal and national culture, compensation trends, individual expectations of the employees, and risks – that all potentially impact compensation expectations, requirements and decisions; • ***Design and implementation of compensation plan***: Setting the elements and objectives of the compensation plan, sharing information so employees can understand how they can influence their total compensation, deciding level of individualization and supporting systems; • ***Evaluation and review***: Evaluating the system against set objectives (e.g., being able to recruit and retain the best, rewarding for high results, etc.), and how well the risks have been managed and making development decisions accordingly.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 6. It also sets out the criteria for scoring the indicators and dimensions of POA 6.

10. Performance Outcome Area 7: HR Analytics

10.1 Desired Outcome

HR Analytics enable organizations to plan for the future and make informed decisions about the workforce that improve performance outcomes.

10.2 Background and good practice

HR Analytics is considered **a 'must have' capability for the HR profession** as it creates insights on how investments in human capital assets contribute to organizational effectiveness. It **uses descriptive, visual, and inferential statistics to interpret vast amounts of data related to HR processes, human capital, organizational performance and external economic benchmarks**.

HR analytics can help answer questions like:

- ✓ What are the time requirements in hiring employees?
- ✓ Which employees will potentially leave our organization within the next year and what are the reasons for this?
- ✓ Are learning and development programs having an effect on employee performance?

Collecting data: What data is worth collecting? Please consider data on: Performance/ high vs low performers, demographic data, compensation and benefits, promotion history, succession planning, on-boarding, learning management, engagement and retention, turnover, sick leaves or days off, wellbeing and wellness, etc.;

Measurement: At the measurement stage, HR metrics are used to help organizations track their human capital and measure how effective their HR initiatives are. Some common metrics tracked by HR analytics are: Revenue per employee, offer acceptance rate, training expenses per employee, training efficiency, voluntary turnover rate, involuntary turnover rate, total turnover rate, retention rate, retention rate per manager, time to fill, time to hire, cost per hire, new-hire turnover, absence rate, return on investment, promotion rate, percentage female at management level, cost of HR per employee, worker's compensation cost per employee, return of investment on HR Software, average employee age, and human capital risk;

Conduct Analysis of Key Data: Leveraging big data will require advanced statistical methodologies. Internal resources to interpret the data are needed. The goal of applying HR predictive models is the optimization of the organizational performance. HR Analytics, however, are not a panacea for all of the organization's HR decisions. HR end user critically interprets and adjusts the outcomes of the predictive models using his or her organizational experience and knowledge;

Action plan implementation evaluation. Evaluating the analytics against set objectives is the main objective here: Is the data provided relevant and impactful? Have the decisions made based on the analytics led to expected outcomes? What further developments or changes in the HR analytics cycle are needed to support better implementation of the organizational objectives?

What are the Benefits of HR Analytics?

- ✓ More accurate decision-making which reduces the need for Tax Administrations to use accumulated knowledge and intuition in the context of decision-making;
- ✓ A fairly deep knowledge of the reasons employees leave or stay with a Tax Administration can be accomplished;
- ✓ Analyzing data about employee behavior can ensure employee engagement;
- ✓ Recruitment and hiring process can be effective by analyzing and comparing the data of current and potential employees;
- ✓ Predictive analytics can help identifying patterns in HR data subsequently allowing Tax Administrations to be proactive in maintaining a productive workforce.

Table 12. A brief review of the Steps of a HR Analytics Process

PA: HR Analytics
Process Steps
• ***Identify strategic HR concern or objective for the future***: Identifying specific organization/workforce/people-related concerns or objectives and determining HR metrics which would best illustrate the status and development of that issue; • ***Define and plan the data sources/gathering***: Specifying the data-sources and types of analysis (data gathered in-house or externally, are any specific actions required or the data is available in the systems, feedback/tests/surveys, format of the data suitable for selected analysis, interrelations between different data types, etc.); • ***Data management***: Deciding where to store and manage the data (data warehouses, IT systems), how to ensure that the data is up-to-date, accessible, and protected; • ***Data analytics***: Performing statistical analysis depending on the data type, data visualization; • ***Data interpretation and communication*****:** Telling stories with the help of statistical data, providing clarity, comparisons and enabling informed decision making; • ***Action plan implementation evaluation***: Evaluating the analytics against set objectives: Is the data provided relevant and impactful? Have the decisions made based on the analytics led to expected outcomes? What further developments or changes in the HR analytics cycle are needed to support better implementation of the organizational objectives?

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 7. It also sets out the criteria for scoring the indicators and dimensions of POA 7.

11. Performance Outcome Area 8: HRAbility

11.1 Desired Outcome

The Tax Administration is **a great workplace** (high employee retention, high levels of taxpayer satisfaction, employee job satisfaction, employee engagement, trust in organization and work – life balance) showing **agility** and **readiness** in all its activities, as an **equal Business Strategic Partner**.

11.2 Background and good practice

HR*Ability* constitutes a neologism and refers to *the capability and the capacity of the HR function to act as an Organizational Success enabler*. The concept emerges as **a key factor** to the **Tax Administration's success** because it highlights the important role of HR function in formulating the Tax Administration's strategy.

Therefore, HR function, by behaving in a strategically proactive manner, going beyond administrative expertise and contributing to organization design and change management can lead to significant increases in organizational effectiveness, can develop organizational cultures that foster innovation and flexibility and can create a more engaged, informed, satisfied and, crucially, productive workforce. By showing **agility and readiness in its activities**, Tax Administration HR function can also anticipate enhanced levels of organizational trust, taxpayer satisfaction and low levels of employee turnover. Taking the right steps and leveraging modern systems it can ensure that employees will feel valued and want to stay with the Tax Administration.

As a result, some **issues** that may be considered before evaluating **the HR*Ability* level of a Tax Administration's HRM System** are:

- Has HR gone beyond the traditional roles of "back office", "support", "cost centre" or even "internal consultants" and taken on roles that are more strategic in nature? Is it a **strategic partner**, a **change agent**, an **employee champion** and an **administrative expert**?
- Is HR function able to understand its talent pool and capabilities of its Tax Administration so as to uncover untapped business opportunities? Is Tax HRM an integral part of the business, where there are active attempts to integrate employee needs and business goals? Does HR understand the business and impact business results?
- Are HR professionals' capabilities aligned with what is required for the business partner role?

- Has HR function the capability to employ people who can reinvent themselves, and can therefore transform the wider business? Do all jobs, for example, directly support the mission and values of the organization, and do all employees understand how their performance supports these elements of the organizational culture?
- Which HR policies, practices, processes have been initiated in creating great employee experiences and exceeding expectations?

Following an agile approach in managing its operations means that the Tax Administration HR function is focused on short cycles, accountability, empowerment and a citizen-centric approach to solve challenging problems. It co-creates a stimulating work environment and gives people the support and trust they need to get the job done. It responds to individual needs and establishes encouraging methods of stimulating meaningful progress and growth. Finally, it is proactive, learns quickly, and improves constantly to deliver value.

Table 13. A brief review of the Steps of a HRAbility Process

PA: HR*Ability*
Process Steps
• ***Promote Working Wellbeing:*** Trying to identify those elements such as work-life balance, flexible working arrangements that improve organizational culture, climate, trust, employee engagement, job satisfaction, taxpayer satisfaction and the levels of employee turnover etc.; • ***Identify the role of HRM:*** Selecting that role of HRM that is more strategic in nature. What do we want? An Administrative or an Innovative HR? Traditional personnel management or innovative Human Resources Management? • ***Promote HR function as a Strategic Partner*****:** Strategic integration of HR with the organization's strategy. HR function plays a critical role in formulating the Tax Administration's strategy by making explicit the human capital that is required to support various strategies and strategic initiatives; • ***HR function and Organizational Change:*** Promote HRM agility and readiness to support organizational change by handling emergency situations; • ***Promote a talent management culture:*** HR policies and procedures as well as HR professionals are able to understand the Tax Administration's talent pool and its capabilities so as to uncover untapped business opportunities.

Appendix 2 provides a checklist of questions and examples of sources of evidence to guide the assessor while completing the POA 8. It also sets out the criteria for scoring the indicators and dimensions of POA 8.

Appendix 1 - HRM Maturity Levels

Level A Basic	Level B Progressive	Level C Advanced	Level D Leading
At the lowest level of maturity (Level A), the "compliance-driven HR" organization focuses primarily on fulfilling mandatory HR requirements. HR practices concentrate on the legal requirements concerning the necessary activities. The majority of HR functions are operated in ad hoc way.	At Level B, core HR services are standardized and efficient. The organization has an HR strategy focused on improving processes. It also has reactive HR structures for functions, trying to build effective HR functions adaptable to changing environment.	At Level C, a "strategic HR department" is defined by its approach to business partnership. The organization focuses on creating deep connections with the business goals, while maintaining an optimized HR department. The focus for this level is on integrating processes, data capturing and business orienting. Alignment with organizational strategic goals is critical to this level. A proactive approach is applied.	At the highest level of maturity (Level D), the "business-integrated" HR organization helps to drive the business through HRM strategy and practices. It focuses on optimizing its services to meet business needs and offering insights that will inform business goals and directions. The HR function is a strategic partner of the organization. HR systems are integrated and connected to business systems, enabling HR and business areas to reach the highest level of synchronization. Major initiatives at this level involve data analysis and trending, providing business guidance and continuous improvement of HR processes. A predictive approach is applied.

Appendix 2 - The EU Tax HRM Readiness & Agility Maturity Model

Performance Area		Definition: Workforce and Succession Planning is the process of coordinating workforce activities with current and future business needs. It ties the organization's workforce activities directly to its business strategy and objectives.					
Workforce & Succession Planning [WF&SP]		Desired Outcome: The right number of right people in the right place at the right time and optimizing the potential of existing staff.					
Indicators		**Dimensions**		**Questions**		**Criteria Grading: A = Basic level; B = Progressive; C = Advanced; D = Leading.**	
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Workforce & Succession Planning (WF&SP)	1.1.1	What is the approach to Workforce and Succession Planning (WF&SP) in the organization?		**Evidence:** Standardized processes of designing and evaluation procedures
						A	The workforce planning needs are managed in an **unstructured** manner. Procedures are not designed and the focus is on **meeting the operational requirements** of the organization in the short term e.g., once-off requests for staff members are submitted by functional domain areas **throughout** the year. There is a focus on adhering to the budgetary staff allocation and limited understanding of strategic workforce planning e.g., developing and deploying employees to maximize their potential is not considered.
						B	There is a **shared understanding** of the purpose of strategic WF&SP. A workforce plan contained descriptive workforce data e.g., size of workforce, age demographics is completed on an annual basis. There is no consultation, **no alignment with the strategic goals** and objectives and no action plan. Formal procedures are implemented in relation to meeting the staffing needs of the organization in the short term e.g., forecasting templates are circulated to functional domains on a regular basis.
						C	WF&SP **is integrated** with the strategic planning and activity-based budgeting processes. A WF&S plan is produced on a regular basis in consultation with senior management and functional domain representatives. A sequence of steps are undertaken to identify the gap between the current workforce and the future workforce required to ensure that the organization can meet the strategic goals in the medium-long term. These steps include completing a demand and supply analysis and formulating an action plan to address the gaps.
						D	An enterprise resourcing planning solution enables the availability of a range of core business process data as well as workforce data e.g., specialist skills which informs **a predictive approach** to strategic WF&SP. A range of potential scenarios are documented in the WF&S plan. Ongoing monitoring of the plan takes place to ensure that the action plan remains aligned with the strategic goals and that no significant knowledge gaps arises e.g., services automation, legislative changes. A senior level sponsor board may act as champions conducting periodic reviews of the process and resolving issues that may arise.

		1.2	Level of digitalization of WF&SP	1.2.1	To what extent are the WF&SP practices digitalized?	**Evidence:** processes; relative documents and files; analytic tools; automations
						A WF&S planning is an operational process and is focused **on basic numerical data** e.g., the number of staff. Procedures are characterized by **low levels of digitalization**. Basic tools for data collection and analysis are used. Unstructured data is saved in a local database with limited capacity for integration with other information sources. Significant manual intervention is required to produce basic analytical outputs. The quality and relevance of available information is poor.
						B WF&S planning procedures are **increasingly digitalized**. It is recognized that **standardized** and accurate data is vital for strategic workforce planning. Segregated information sources are in use but there is a focus on the future integration of databases. A static dashboard and/or a report containing workforce related information e.g., attrition rates, demographics is produced on a regular basis and this constitutes an administratively resource intensive commitment.
						C WF&S planning procedures are digitalized. A technology solution automates **the integration of HR data** as well as non-HR data enabling a detailed determination of input costs and resource usage, together with associated outputs, across functional domains and operational/strategic programmes. This data is available in an interactive dashboard and is available in a standardized form for research purposes.
						D **Automated** solutions enable the completion of a **strategic WF&S plan** that assists the organization in making critical decisions related to the workforce and ensures that the organization has the capability and capacity required to deliver on its strategic goals in the coming years. This **predictive approach** is facilitated by digital tools which involve completing a supply analysis and a demand analysis and documenting an action plan based on the gap analysis (i.e., the differences that arise from the comparison of the workforce supply with the workforce demand).
		1.3	Communication of WF&SP	1.3.1	Is there a structured approach to communication in relation to WF&SP?	**Evidence:** Information and feedback meetings between HRM unit(s) and line staff-members on HR and succession implementation procedures; relevant templates and data bases; internal circulars by HRM unit(s)
						A A structured communication plan is **not in place**. WF&S planning data is provided on request to management to confirm decisions. Workforce planning is an operational process and is focused on ensuring that the organization adheres to the budgetary staff allocation. There is a limited understanding of the strategic goals and the workforce planning forecasting process does not include communication and consultation with stakeholders outside the HR and Finance functional domains. Data is available on request.
						B A **structured** communication plan is in place and **regular** consultations are scheduled with functional domain representatives in relation to their operational workforce planning requirements in the short term e.g., the number of posts that will need be filled. Representatives are not consulted about the future workforce needs or the upward and downward pressure that may transpire in the medium term e.g., new or changed services. A descriptive workforce plan is available on the intranet and is produced without consultation.
						C A **culture of strategic WF&S planning** is promoted. Senior management is formally consulted in relation to the WF&S plan and provided with questions designed to provoke critical thinking in relation to the resourcing demands e.g., the impact of automation on citizen service area staffing. Functional domain representatives are consulted about their strategic workforce planning requirements on a regular basis, a network is established to disseminate best practice and for sharing experiences.
						D **Strategic** WF&S planning assists the organization in making critical decisions related to the workforce and ensures that it has the capability and capacity required to deliver on its strategic goals in the coming years. There is ongoing collaboration between functional domain representatives and workforce planning specialists in designing an iterative document that remains relevant and aligned with the organizational business needs. Managers understand the role of workforce planning as an enabler of performance and support the action plan.

		1.4	Application of Risk Management principles and practices in managing WF&SP	1.4.1	Is there any application of Risk Management principles and practices in managing WF&SP?		**Evidence:** ISO 31000; documented list of WF&SP risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing WF&SP risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes** or **consistent** actions for identifying and managing WF&SP risks. The most important WF&SP risks might be known but there are no mitigation plans and clear links between WF&SP risks and the achievement of WF&SP objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core WF&SP issues. Some RM processes** are documented and **some mitigation plans** have been developed for critical WF&SP risks. A framework for managing risks has been designed and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk management system** to identify, analyse, evaluate, treat and monitor WF&SP is present . Risk Management is an integral part of decision making contributing to the achievement of objectives of WF&SP and is tailored to the processes and practices of the WF&SP. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a fully integrated HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of WF&SP risks. All decisions on WF&SP issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is **on intelligent risk taking and excellence.**
2	**HR STRATEGY** **DEFINITION :** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of WF&SP in the organization	2.1.1	To what extent are WF&SP aligned with the organization's mission, vision and goals?		**Evidence:** HR strategy; Strategic WF&S plans; optimizing WF&S plan according organization's strategic objectives; competency based approach; use of diagnostic tools for needs and gaps; MIS for WF&S; review and update WF&S procedures; key metrics & analytics
						A	WF&SP **is not aligned** or there is **a limited connection** with the organization's goals. There is not sufficient awareness of the current or future workforce needs and gaps. There is a lack of articulated objectives and goals regarding the outputs of WF&SP. WF&S planning complies to legal requirements or emerges **reactively**.
						B	HR strategy progressively incorporates short term as well as long term WP&SP in order to align with organization's mission, vision and goals. **Standardized** data analysis and benchmarking are used **sporadically** for WF&SP.
						C	WF&SP is integrated into HR strategy and is aligned with the organization's strategic objectives. Workforce strategies are embedded in the heart of the HR strategy. There are clear links to business strategic plans and an articulate vision of the future workforce. Assessment of future needs lead to evidence based WF&SP strategy. Diagnostic IT tools are used **proactively** to support workforce practices.
						D	WF&S plans are **optimized** to the organization's goals. There are meaningful feedback loops in place, and focus on innovative solutions is present. Trend analysis integrated into WF&SP strategies and **predictive modeling** are in place. Influential WF&SP **culture,** which is aligned with the organizational strategy and leadership, drives positive organizational outcomes. **Sophisticated** scenarios based on **predictive** data analysis enable organization to forecast WF&SP trends. There is an **automated** respond to the changing environment.

3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which the organization detects the knowledge and skills of the current and future personnel	3.1.1	To what extent does the organization detect talent of the current and future personnel?		**Evidence:** Talent management policies and practices; WF&SP metrics & analytics; training; coaching and mentoring plans
						A	There is **not/limited** talent detection procedures within the organization and limited connection with training and development plans. **Limited** alignment with operational future needs.
						B	The organization's talent detection procedures in existing personnel are operated in a **standardized** way resulting in generic training and development plans. **Progressive** alignment with operational future needs.
						C	The organization's talent detection procedures in existing personnel are operated on an **individual and proactive basis** formulating **personalized** training and development plans. **Advanced** alignment with operational future needs.
						D	The organization detects **talented personnel** in a **fully integrated** way with the training and development programs, job mobility and promotion opportunities. **Optimized** alignment with operational future needs.
4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in WF&SP issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to WF&SP issues?		**Evidence:** Change management polices and practices; assessment tools to evaluate readiness and identify resistance; internal and external environment analysis; labor market trend analysis; communication and training plans regarding changes
						A	**Compliance driven** or **reactive Change Management** practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between change management and the achievement of WF&SP objectives.
						B	A **progressive** use of structured change management practices is applied to core WF&SP processes (evaluating workforce issues, identifying gaps and future needs etc.) only and the focus is on critical WF&SP emerging changes. There is a consensus about the importance of Change Management. Roles in change management process are clarified, tailor made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices **are integrated to** WF&SP, covering change preparation, communication and training to increase WF&SP practices effectiveness. Change Management practices are applied consistently to all WF&SP procedures. WF&SP practices are clearly focused **on adapting changes effectively.**
						D	Change Management processes are **fully integrated** with WF&SP and are informed by data-driven decisions. Sophisticated change management processes and **optimized** tools are applied. Change Management framework in WF&SP is mandated and aligned with other HR functions.
5	**COMPETENCY-BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Management is incorporated in WF&SP practices	5.1.1	At what scale is Competency Management incorporated in WF&SP practices?		**Evidence:** Competency Framework; competency management practices in WF&SP
						A	A Competency Framework is **not developed**. **No** or **limited** analysis of the necessary knowledge and skills requirements take place in the organization's WF&SP practices.
						B	Competencies **are defined** only for key jobs. WF&SP procedures use basic competency analysis but in a **non systematic** way.
						C	An **advanced** Competency Framework **is developed** and updated, supporting all WF&SP procedures in a **proactive** way. The organization **systematically analyzes** the competencies of all jobs that end up to a **Competency-based** WF&S Plans delivers tailor-made roadmaps meeting future organizational needs.
						D	HRM **fully integrates** a Competency Framework in all its functions, including WF&SP and it is updated in alignment with all business areas supporting them **predictively.**

Performance Area		Definition: Recruitment is the process of attracting and acquiring new employees to achieve the business objectives of the organization in support of the workforce plan.					
Recruitment [Re]		Desired Outcome: The organization is an employer of choice.					
Indicators		Dimensions		Questions		Grading: A = Basic level; B = Progressive; C = Advanced; D = Leading.	
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Recruitment (Re)	1.1.1	What is the approach to Recruitment (Re) within the organization?		**Evidence:** Processes; relative documents and files; analytic tools; automation; cloud-technologies; recruitment announcements/advertisements; internet website; official bulletin; placement agreements with schools/universities; quality assessment on recruitment process; strategic analysis; turnover rates
						A	**No standard procedures** apply to the stages of the recruitment cycle. Vacant positions are advertised with **limited** communication channels used such as newspapers and organization's website. Information booklets are not available to provide candidates with a description of the tasks attached to a role. An informal selection process operates e.g., no candidate screening process, unstructured and semi-structured job interviews are used to select successful candidates. **Compliance driven** or **reactive response** to legal requirements.
						B	Most of the recruitment **procedures are standardized.** Vacant positions are advertised through a variety of communication channels e.g., career fairs, email newsletters which aim to attract a wide selection of candidates. Digital solutions are in place for repetitive tasks e.g., evaluating application forms against essential criteria and **scheduling online assessment tests**. Some processes remain unstandardized e.g., a semi-structured approach is used for interviews, candidate's assessment.
						C	**A structured approach** applies to all recruitment procedures. A targeted communication approach is used to identify appropriate candidates to fill a vacant position. This approach includes building strong relationships with educational institutions and professional bodies. A competency framework that specifies desirable behaviors is used in the selection process. An applicant tracking system ensures an accessible process which can be adjusted to suit the specific requirements of the vacant position.
						D	**An optimized approach** meets the requirements of the vacant post e.g., simulated exercise, assessment centers. Digital solutions are in place to ensure that the candidate assessment process is automated e.g., pre-interview screening is completed by a software. Representatives from functional domains are consulted in relation to information booklets, candidate profiles etc.; to ensure that the right candidates with the right skills are being recruited that align with the organizational strategic priorities. **Limited turnover**.
						E	Not relevant/ not applicable.

		1.2	Level of digitalization of Re	1.2.1	To what extent is the Re process digitalized?		**Evidence:** IT applications; database; data analysis, candidate metrics and analytics
						A	The recruitment process is characterized by **low levels of digitalization**. All stages (i.e., posting an ad for a vacant post, the selection process and the offer stage) are reliant on manual work processes and repetitive tasks e.g., email and spreadsheets. A structured, integrated database is **not used** to store information about applicants.
						B	The recruitment process **is increasingly digitalized**. Several segregated information sources are in use but there is a focus on the future integration of databases. Some repetitive tasks have been automated due to use of software e.g., software screen out application forms if essential eligibility criteria are not met by candidates.
						C	Recruitment processes are **fully digitalized** and **automated.** An applicant tracking system is in place that provides end-to-end recruiting automation. Social media channels are used to promote the organization and to establish a wider pool of candidates for appropriate roles.
						D	A **predictive** recruitment process is in place providing a flexible candidate experience. The recruitment process is **agile** and can be tailored to the specific requirements of the post with **no administrative burden** e.g., technical interview, simulated work exercise, assessment centers. Automated solutions ensure that information can be accessed in real time on sanctioned devices.
						E	Not relevant/ not applicable.
		1.3	Communication of Re	1.3.1	To what extent does the organization implement a recruitment marketing strategy?		**Evidence:** Employer branding and communication plans; integrated IT; meetings; cooperation agreement with schools, universities; recruitment marketing initiatives
						A	**A recruitment marketing plan is not implemented** by the organization. Communication is **sporadic** and considered on an **ad hoc basis** as required e.g., legislative changes, agreement with trade union/work council or for the purposes of advertising role vacancies. There is no consideration given to targeted communication messages to specific groups. Vacancies are advertised through conventional channels e.g., newspapers, administration website.
						B	**A progressive** recruitment marketing strategy operates which aims to attract a wide pool of candidates. Conscious efforts are made to improve the available information about career opportunities e.g., job specifications, career events. There is a **formalized approach** to employer branding in some business areas directed towards specific functional domains e.g., internships, apprenticeships. The importance of social media as a recruiting tool is **increasingly** recognized.
						C	A **structured** recruitment marketing strategy operates which aims to target specialist skills that are **aligned with the business needs** e.g., transfer pricing. Multiple communication channels are used e.g., social media, professional bodies, internal and external networks. A dedicated employer branding team ensures that the organization is eminent in the labor market. An applicant tracking system means that the recruitment process is **automated** and accessible on an array of devices for candidates.
						D	**Innovative** measures associated with the recruitment marketing strategy include candidate referral incentives and university partnership schemes to build specialist talent pipelines. Information in relation to job profiles and the recruitment process e.g., assessment centers, technical interviews are available to candidates through a dedicated portal. Functional domain representatives assist in designing relevant targeted communications for specific groups ensuring that recruitment procedures are **aligned** with the strategic objectives and goals.
						E	Not relevant/ not applicable.

		1.4	Application of Risk Management principles and practices in managing Re	1.4.1	Is there any application of Risk Management principles and practices in managing Re?		**Evidence:** ISO 31000; documented list of RE risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing RE risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes or consistent actions** for identifying and managing RE risks. The most important RE risks might be known but there are no mitigation plans and clear links between RE risks and the achievement of RE objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core RE issues. Some RM processes** are documented and **some mitigation plans** have been developed for critical RE risks. A framework for managing risks has been designed and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk management system** to identify, analyze, evaluate, treat and monitor RE risks is present. Risk Management is an integral part of decision making contributing to the achievement of objectives of RE and is tailored to the processes and practices of the RE. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a fully integrated HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of RE risks. All decisions on RE issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.
						E	Not relevant/ not applicable.
2	**HR STRATEGY** **DEFINITION:** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of Re in the organization	2.1.1	To what extent is Re aligned with the organization's mission, vision and goals?		**Evidence:** HR strategy; strategic recruitment plans; streamlining recruitment costs; setting a cycle of measuring quality of hire and improving recruitment procedures; optimizing recruitment plan according organization's strategic objectives; competency based approach; use of diagnostic tools for needs and gaps; MIS for recruiting; review and update recruitment procedures; key recruitment metrics such as time, quality results, costs
						A	**Low level** of alignment between recruitment procedures and organization's current and future needs. Recruitment is not recognized as a strategic tool by the organization. **No** or **limited recruitment plans** are developed. Only **ad hoc** recruitment decisions. Recruitment practices comply to legal requirements or emerge reactively.
						B	**Progressive efforts** to achieve alignment between recruitment procedures and organization's current and future needs take place. Recruitment needs and skills gaps are defined periodically in order to support Recruitment plan which informs HR strategy. **Standardized** recruitment processes and documents are developed.
						C	Recruitment is **integrated** into HR strategy and is **aligned** with the organization's strategic objectives. HR strategy aims to improve overall organization's performance by recruiting talents. **Structured** recruitment policies, practices, procedures and methods, assessment quality of procedures and results, feedback on recruitment efficiency.
						D	Recruitment plans are fully integrated into HR strategy and their interconnection is systematically reviewed and improved. Recruitment **is optimized** supporting the organization's goals. Organization becomes an employer of choice for talents and sustains a long term development. **Strategic recruitment plans** that interact with defined career paths from entry to senior level, advanced analytics to identify internal and external trends in competencies.

3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which Re supports Talent Management	3.1.1	To what extent do the Re procedures ensure ability to attract and select talent?		**Evidence:** Recruitment policies; contractual models; recruitment procedures/processes; strategy for talent attracting & acquition; recruiting and diagnostic tools; marketing scheme; data-based decisions; MIS; benchmarking and trend analysis; predictive models; risk and mitigation analysis; scenario planning; KPIs
						A	Talent management procedures **are not/partially** applied in recruitment processes. Job specifications/selection criteria are strictly indicated **by law** or internal instructions, and **processes are reactive**.
						B	Talent management procedures are applied **progressively** in recruitment for specific positions. **Standardized** procedures and methodologies for identifying, filtering and selecting the best-fit talented candidates are applied for key positions. **Benchmarking** analysis may also be used.
						C	Talent management procedures are applied **proactively** for all positions in recruitment**.** There is a sound **strategy for talent attracting and acquisition** and recruitment decisions are **data-based** and **aligned with business goals. Advanced** tools for sorting and selection, trend analysis and KPIs are extensively used.
						D	Talent management procedures operate **predictively. Optimized** analytic tools, **predictive marketing scheme** for attracting talents with a **relationship building orientation**, **self-improving procedures** that are **fully integrated** in all types and phases of recruitment processes are applied.
4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in Re issues	4.1.1	Is there a structured approach to cope with organizational changes in relation to Re issues?		**Evidence:** Change management polices and practice; assessment tools to evaluate readiness and to identify resistance; internal and external environment analysis; labor market trend analysis; communication and training plans regarding changes; recruitment plan
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between Change Management and the achievement of Re objectives.
						B	A **progressive use of structured change management practices** is applied to core Re processes (Recruitment Planning, Screening and Selection etc.) only and the focus is on critical Re emerging changes. There is a consensus about the importance of Change Management. Roles in Change Management process are clarified, tailor made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices **are integrated with** Re, covering change preparation, communication and training to increase the effectiveness of Re practices. Change Management practices are applied consistently to all Re procedures. Re practices are clearly focused **on adapting changes effectively.**
						D	Change Management processes **are fully integrated with** Re and are informed by data-driven decisions. Sophisticated Change Management processes and optimized tools are applied. Change Management Framework in Re is mandated and aligned with other HR functions.
5	**COMPETENCY-BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Management is incorporated in Re practices	5.1.1	At what scale is Competency Management incorporated in Re practices?		**Evidence:** Competency Framework; competency management practices/procedures in Re procedures
						A	A Competency Framework is **not developed** or competencies for key jobs are defined on an **ad hoc** basis in order to meet essential recruitment requirements.
						B	Competencies are **defined but** not systematically incorporated in all job descriptions. Competency assessment and gap analysis are applied in competency matching procedures.
						C	A Competency Framework is developed and updated **in a proactive way** for recruitment procedures which are **proactively** responding to current and future needs concerning competency demands.
						D	A Competency Framework is fully **integrated** with all HRM functions, including Re and is aligned with all business areas supporting them **predictively**.

Performance Area		Definition: Performance Management is the process of identifying goals, assessing and developing the performance of employees in order to meet an organization's objectives in an effective and efficient manner.				
Performance Management [PM]		**Desired Outcome: Organization achieves its targeted results.**				
Indicators		**Dimensions**		**Questions**		**Grading: A = basic level; B = Progressive; C = Advanced; D = Leading**
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Performance Management (PM)	1.1.1	What is the approach to Performance Management (PM) in the organization?	**Evidence:** PM procedures, documents, practices, processes; relative documents and file; analytic tools, automations
						A Performance Management is a **compliance-based** exercise which is implemented on an annual basis in order to comply with the legal and/or procedural framework. Written guidelines are available in relation to the stages of the performance management cycle e.g., performance appraisal, feedback review. **No training supports** are available to managers and staff members. The process is administratively burdensome and the quality of performance management data is poor and **unstructured**.
						B Performance Management is perceived as a valuable and insightful tool **in some business areas** in identifying goals, development actions and enabling improved employee performance and valued competencies. The process is **semi-automated** and the majority of processes can be completed by employees and managers through an e-platform; a range of training materials and sessions are available to support managers and staff in applying the performance management processes.
						C The Performance Management process is recognized by senior management as an **advanced instrument** in enabling the achievement of strategic business outcomes. The process is fully digitalized enabling a **joined up approach** across a range of HR functions e.g., training, reward management, workforce planning. Performance management data is **aligned** with business outcomes to support the strategic decision making process and additional salary payments are aligned to the performance management process.
						D The Performance Management process is implemented in a **systematic way** (phases, roles, inputs, outputs, feedback, reports, KPIs) and is based on a **well structured** system. There is a **holistic** approach to addressing performance gaps. These gaps are **systematically** and continuously reviewed. PM is a **must-have** process (tool) for decision making.

		1.2	Level of digitalization of PM in the organization	1.2.1	To what extent are the PM practices digitalized?		**Evidence:** Processes; relative documents and files; analytic tools; automations
						A	Performance management procedures are characterized by **low levels** of **digitalization**. **Basic tools** for data collection are used e.g., performance appraisals are completed through a paper based form which is then scanned into a local database with limited capacity for integration with other information sources. The performance management process is administratively burdensome and the quality of the data is poor and unstructured.
						B	Performance management procedures are **partially digitalized**. An e-platform is in place for standard processes e.g., goal setting, reward rating, appraisal form. Segregated information sources are in use but there is a focus on the future integration of databases. **Standardized** performance management data is available apart from compliance-driven statistics.
						C	Performance management procedures are **fully digitalized** and an interactive dashboard is available to managers. The PM is **integrated** with other HR functions which enables a joined up approach across a range of HR process e.g., performance management data **is aligned with training management** to support the strategic decision making process. Employees are able to access information through a **wide range of sources** which facilitates communication between employees and managers.
						D	**Automated** solutions ensure that performance management processes are accessible enabling active participation from the workforce who understand that it aligns workforce performance with organizational objectives. The technology based platform contributes to increased standardization of management processes and provides a searchable database for storing high-quality goals and performance elements subjected to analysis e.g., tracking correlations between performance, compensation and promotion.
		1.3	Communication of PM	1.3.1	Is there a structured approach to communication in relation to PM?		**Evidence:** Processes; relative documents and files; analytic tools; automation; cloud-technologies
						A	A structured communication policy **is not** in place. Performance Management data is provided on request to management to confirm decisions. Communications are **sporadic** and considered on an **ad hoc** basis as required by legislation or agreement with trade unions e.g., the performance appraisal document is available to the specified employee member on request.
						B	A **structured communication strategy** is in place but is focused on supporting the e-platform that is used for standard procedures e.g., the goal-setting form. Updates in relation to performance management cycle are circulated to the workforce on a regular basis through various communication channels e.g., email, intranet. Managers in some functional domains clearly define work expectations and keep employees informed about their progress towards the achievements of goals.
						C	A structured communication plan applies to all stages of the performance management process. Information is circulated on a **proactive basis** through range of communication channels e.g., self service platform, intranet, manager briefing sessions. Senior management communicate the importance of effective performance management in the achievement of business goals. Managers define work expectations and keep employees informed about their progress towards the achievements of goals and suggest corrective action.
						D	A **predictive** approach to performance management takes into account a range of factors in determining the **optimal** outputs. Communications are personalized according to the functional domain and grade of the employee to ensure that it is relevant to the recipient. Employees support the process, discussing their roles, the competencies required and defining objectives in conjunction with their managers. Senior management communicate the importance of performance management in the achievement of business goals.

		1.4	Application of Risk Management principles and practices in PM	1.4.1	Is there any application of Risk Management principles and practices in PM?		**Evidence:** ISO 31000; documented list of PM risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing PM risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes** or **consistent actions** for identifying and managing PM risks. The most important PM risks might be known but there are no mitigation plans and clear links between PM risks and the achievement of PM objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core PM issues. Some PM processes** are documented and **some mitigation plans** have been developed for critical PM risks. A framework for managing risks has been designed and PM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk management system** to identify, analyze, evaluate, treat and monitor **PM** risks is present. Risk Management is an integral part of decision making contributing to the achievement of objectives of PM and is tailored to the processes and practices of the PM. **Advanced communication, reporting and control mechanisms are present**. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a **fully integrated** HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of PM risks. All decisions on PM issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.
		1.5	The extent to which feedback is an integrated part of the PM process	1.5.1	To what extent is feedback used in PM practices?		**Evidence:** Processes; relative documents and files; analytic tools; automations
						A	There is **no systematic** process for using feedback at PM procedures. Feedback is not a clear component of PM practices.
						B	There is **a standardized** process for using feedback (usually by frontline managers). Feedback is taken into account **partially** and **sporadically** in PM practices.
						C	Feedback is used **systematically** in most PM procedures from all stakeholders. Feedback is promoted in all PM procedures. 360 degree reviews are encouraged.
						D	Feedback is an **integrated** part of PM in a **holistic** way (written procedures, documents, IT systems). PM practices are based on and are **redesigned** through feedback provision.

2	**HR STRATEGY** **DEFINITION:** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of PM in the organization	2.1.1	To what extent is PM aligned with the organization's mission, vision and goals?		**Evidence:** PM procedures, documents, practices, processes, relative documents and files; analytic tools; automations
						A	Performance Management **is not a part** of HR strategy. The usage of Performance Management in identifying and satisfying current and future needs of the organization is rare. Decision making is not based on Performance Management. Cooperation between line managers and Performance Management team happens on the basis of report requests and not on the accomplishment of the organizational goals.
						B	Performance Management plays a **progressive** role in the formation of HR strategy which takes into consideration performance appraisals results in order to set out suitable policies for ensuring employees performance excellence and achieving organizational goals.
						C	Performance Management is discussed regularly to provide leaders feedback and provide opportunity to adjust the leadership decisions. Performance Management is taken into account by all business areas in a **proactive way,** in order to enhance their efforts to accomplish their goals.
						D	Performance Management is **fully integrated** with HR Strategy. PM enables organization to identify, monitor and promote the most productive and engaged employees and supports future organizational development. Evidence-based Performance Management decisions contribute to HR strategy **in a predictive way.** PM practices and plans are revised and updated in partnership with all business areas in order to get excellence in employees performance and enhance current and future effectiveness.
3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which PM supports Talent Management	3.1.1	To what extent is the PM system developed to identify and grow talent within the organization?		**Evidence:** HR Strategy including Performance management issues linked with Talent Management; talent strategy; performance management processes/procedures; relative documents and files; competency framework; MIS; data-analysis; KPIs
						A	Performance system is formal and contributes to a **limited** extent to identifying and developing talent.
						B	The performance system **is based on standardized competency framework** that allows the identification of potential talents and skill gaps. Talent can demonstrate ability to provide high level performance through fulfilling and exceeding agreed objectives. **No calibration** between the assessments for different employees though.
						C	The implemented performance system **is integrated** with all the other HR systems and allows the alignment of talented employees' objectives with those of the organization. High grades in the performance assessment are calibrated in the organization, making it possible to identify talent in the same way across the organization. Performance management is tied up with training and development programs and uncoupled with reward and recognition systems.
						D	The implemented performance system **optimizes** the organization's capacity to transform into a solid talent factory. Talent is recognized as a role model, providing on regular basis high level results and promoting commitment and aspired culture in the organization. Sophisticated technologies are integrated with talent systems providing data for feedback and planning. Talents are highly empowered to drive their own personal development and growth.

4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in PM issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to PM issues?		**Evidence:** Change management policies and practices; assessment tools to evaluate readiness and to identify resistance; internal and external environment analysis; labor market trend analysis; communication and training plans regarding changes
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between change management and the achievement of PM objectives.
						B	A **progressive** use of structured change management practices is applied to core PM processes (goal setting, evaluation etc.) only and the focus is on critical PM emerging changes. There is a consensus about the importance of Change Management. Roles in change management process are clarified, tailor made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices **are integrated with** PM, covering change preparation, communication and training to increase PM practices effectiveness. Change management practices are applied consistently to all performance management procedures. PM practices are clearly focused **on adapting changes effectively.**
						D	Change Management processes are **fully integrated** with PM and are informed by data-driven decisions. Sophisticated change management processes and optimized tools are applied. Change Management Framework in PM is mandated and aligned with other HR functions.
5	**COMPETENCY-BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Management is incorporated in PM practices	5.1.1	At what scale is Competency Management incorporated in PM practices?		**Evidence:** Competency Management practices in PM procedures
						A	A Competency Framework **is not developed** or, key jobs or positions competencies are defined **on an ad hoc basis** in order to meet legal requirements for PM needs.
						B	Competencies **are defined** only for key jobs. PM procedures use basic competency analysis but in a non-systematic way.
						C	A Competency Framework **is developed** and updated, supporting all PM procedures **in a proactive manner**. The organization **systematically** analyzes the competencies of all jobs that results to a Competency based TM System. Delivering tailor-made training programmes supporting effectively future organizational needs.
						D	A Competency Framework is **fully integrated with** all HRM functions, including PM and is aligned with all business areas supporting competency development needs **predictively.**

Performance Area		Definition: Career Development is the process of learning and improving performance to match an individual's needs, abilities and career goals with current and future opportunities in the organization.					
Career Development [CD]		Desired outcome: Career in line with the expectations, ambitions and abilities of employees, resulting in increased employee flexibility and retention of talented ones.					
Indicators		**Dimensions**		**Questions**		**Grading: A = basic level; B = Progressive; C = Advanced; D = Leading**	
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION**: *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Career Development (CD)	1.1.1	What is the approach to Career Development (CD) in the organization?		**Evidence:** Strategy, policy and practices on CD; documented career development processes; individualized development and career path plans
						A	A structured Career Development strategy **is not in place.** Communications are issued on a **sporadic** basis, information relating to career development opportunities is available on request to the HR Department. There is no shared understanding in relation to career development and an informal approach is used to fill roles internally i.e., word of mouth recommendations.
						B	There is a **shared understanding** in relation to the purpose of a career development strategy and there is a recognition that a formal strategy should be implemented. Role descriptions, competency profiles and career paths have been documented for certain functional domains e.g., finance, data analytics and some support is in place for these groups only e.g., mentoring scheme.
						C	A Competency Framework defining the knowledge, skills and behaviors required in each role to perform the job effectively is in place. A career model documents the vertical and horizontal career paths across functional domains and provides a **structured** and **transparent approach** to staff regarding the abilities, training and experience required for career progression.
						D	A personalized development plan that includes, for example, career coaches and leadership programmes is in place for all employees. Plans refer to the competency framework as well as functional domains which set out the groups of activities within organization and are used to inform development actions associated with a chosen career path e.g., tax policy domain. A competency-based career development approach is **fully integrated with** organizational performance and the organization's overall strategic plan.

		1.2	Level of digitalization of CD in the organization	1.2.1	To what extent are the CD procedures digitalized?	**Evidence:** Examples of CD activities that may be subject to digitalization include job design; relationship networks i.e., peer support groups; mentoring and coaching supports; structured career pathways; managed learning interventions; counseling; performance feedback etc.
						A Career development procedures are characterized by **low levels** of **digitalization**. No formal career development strategy is in place. Unstructured data relating to activities e.g., peer support groups, is saved in internal systems and local databases with limited capacity for integration. The quality and relevance of available information is poor.
						B Career development procedures are **partially digitalized**. Electronic solutions are in place for standard processes e.g., mentoring and coaching programmes applications. An unstructured approach operates with some activities available to certain functional domains or at senior management level only. **There is a focus on improving** the digital infrastructure to support the implementation of a formal career development strategy.
						C Career development procedures are **digitalized**. A technology solution enables the workforce to access the competency framework and career model on a range of devices. These documents provide a **structured** and **transparent approach** to staff regarding the abilities, training and experience required for career progression in each functional domain. The system is integrated with other HR functions which enables a joined up approach in relation to talent management and training management.
						D **Automated solutions** ensure that staff can design a personalized career development plan based on the competency framework and career model. These tools inform development actions associated with a chosen career path and functional domain. Supports including career coaches etc. are available through digital platforms to staff members through a range of devices. The system enables **the integration** of the career development plan with available training interventions to address learning needs.
		1.3	Communication of CD	1.3.1	Is there a structured approach to communication in relation to CD?	**Evidence:** Practices of communicating career development in the organization; conducted communication events (articles, meetings, etc.); career coaching
						A A structured career development strategy **is not in place**. Communication is **fragmented** and considered on **an ad hoc basis** as required by legislation or agreement with trade unions e.g., internal career development opportunities such as secondment and job rotation schemes. Information relating to career development opportunities is available on request to the HR department by staff member.
						B A **structured** career development strategy is in place but the quality of the communication approach is varied and dependent on the individual business area. Conscious efforts are made to improve the available information relating to development paths for certain individual occupational groups available on the intranet e.g., training opportunities as well as case studies of employees who have successfully developed their career in both lateral and upward directions.
						C A **proactive** career development strategy is in place which is complemented by a strong focus on communications with active engagement with both internal and external platforms e.g., social media, regular bulletins. Serving and potential staff members are familiar with the career development opportunities specific to their occupational group as well as other opportunities e.g., leadership development programmes for executives, career coaching sessions.
						D A **predictive** career development strategy is in place with examples of innovative initiatives including a dedicated career development week. Career development opportunities are communicated in a transparent manner to all staff members via multiple communication channels. A strong talent management plan is in place with high potential staff members identified to participate in a specific career development programme which aims to develop a talent pipeline for future senior executives.

		1.4	Application of Risk Management principles and practices in managing CD	1.4.1	Is there any application of Risk Management principles and practices in managing CD?		**Evidence:** ISO 31000; documented list of CD risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing CD risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes** or **consistent** actions for identifying and managing CD risks. The most important CD risks might be known but there are no mitigation plans and clear links between CD risks and the achievement of CD objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core CD issues. Some RM processes** are documented and **some mitigation plans** are developed for critical CD risks. A framework for managing risks is designing and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk** management system to identify, analyze, evaluate, treat and monitor CD risks is present. Risk Management is an integral part of decision making contributing to the achievement of objectives of CD and is tailored to the processes and practices of the CD. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a fully integrated HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools** and **techniques** are applied in the identification, assessment and treatment of CD risks. All decisions on CD issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.
2	**HR STRATEGY** **DEFINITION:** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of the CD in the organization	2.1.1	To what extent is the CD aligned with the organization's mission, vision and goals?		**Evidence:** Process of personal development dialogues; individualized development and career progress plans; career paths; job analysis; feedback from employees and HR partners on the quality of the process
						A	Career Development **is not recognized as strategic tool.** CD is determined by **legal requirements only** or it concerns **spontaneous or ad hoc** practices
						B	The importance of CD for the organizational growth is **progressively** recognized by HR. **Defined practices** such as identification of employee career needs and folmulation of career paths are developed in order to bring employees career expectations into alignment with organization's needs.
						C	Career Development plays **an advanced** role to HR strategy for an effective management of human resources. HR strategy focuses onto career issues such as reducing employee attrition, developing high-potential candidates providing sound opportunities for personal and organizational growth.
						D	Career Development **is fully integrated with** organizational culture and people management, ensuring engagement and growth of the members of the organization. Personalized development and career progress plan, which is compiled in cooperation with every employee and his/her manager, supports ongoing job-based learning and personal growth. Regular monitoring provides well-informed decisions.

3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	Impact of CD processes on Talent Management	3.1.1	What is the impact of CD processes on Talent Management?		**Evidence:** Relative documents and files; analytic tools; career management processes support talent management processes and vice versa; career development paths
						A	Career Development is not a systematic process, therefore its impact on Talent Management **is limited.** Career Development processes are **reactively** implemented, not directly based upon sound talent management practices.
						B	Career Development i**s progressively** considered an important tool to ensure key positions of the organization to be filled with most suitable talents. Career Development processes are **defined** and connected to specific talent management practices.
						C	Career Development processes **proactively** build career development paths for talents to sustain ongoing commitment within the organization. Career Development processes create growth opportunities and positive challenges for talents.
						D	Career Development and Talent Management are **fully integrated** processes with the talent segment, considering both interests of talents and organization development. Career Development and Talent management processes are implemented complementary. Career Development processes produce **optimized career development paths** for talents, aligning personal and organizational future needs.
4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in CD issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to CD?		**Evidence:** Change management polices and practices; assessment tools to evaluate readiness and identify resistance; internal and external environment analysis; labor market trend analysis; communication and training plans regarding changes
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between change management and the achievement of CD objectives.
						B	A **progressive** use of structured Change Management practices is applied to core CD processes (individual development plans etc.) only and the focus is on critical CD emerging changes. There is a consensus about the importance of Change Management. Roles in change management process are clarified, tailor-made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices are **integrated with** CD, covering change preparation, communication and training to increase CD practices effectiveness. Change management practices are applied consistently to all CD procedures. CD practices are clearly focused **on adapting changes effectively.**
						D	Change management processes are **fully integrated with** CD and are informed by data-driven decisions. Sophisticated change management processes and optimized tools are applied. Change management framework in CD is mandated and aligned with other HR functions.

5	**COMPETENCY -BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Framework is incorporated in CD	5.1.1	At what scale is Competency Framework incorporated in CD procedures?		**Evidence:** Competency Framework in place incorporated into CD procedures
						A	A Competency Framework is **not** developed. Job or position specific competencies may are defined on an **ad hoc basis**.
						B	Competencies **are defined** only for key jobs and/or positions. Career Development considers gaps in competency sets, which need to be closed with planned development activities.
						C	A Competency Framework is implemented in a proactive way upholding both managers and employees in the **regularly** taken personal development dialogues, supporting the organization to move towards expected performance.
						D	HRM fully **integrates** Competency Framework with all its functions, including CD and it is updated in alignment with all business areas supporting them **predictively.**

Performance Area		Definition: Training Management includes learning activities to acquire and apply the knowledge, skills, abilities and attitudes needed to reach the strategic goals of the organization.					
Training Management [TrM]		Desired Outcome: Each employee has the right competencies to perform their tasks and is flexible enough to tackle new challenges.					
Indicators		Dimensions		Questions and Criteria			Grading: A = Basic level; B = Progressive; C = Advanced; D = Leading
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Training Management (TrM)	1.1.1	What is the approach to Training Management (TrM) within the organization?		**Evidence:** Training needs; training objectives; training programs
						A	The approach to Training Management is **unstructured**. Training programmes are not aligned with the strategic priorities of the organization. Training needs analysis is not undertaken and there are no formal training interventions to minimize capability gaps. The majority of programmes are undertaken by external agencies, limited internal programmes are coordinated e.g., induction.
						B	Training procedures are semi-automated with a self service portal in place for **standard processes** e.g., course waitlists. There is a recognition that a training strategy aligned with the strategic priorities to support improved performance should be implemented. Conscious efforts are made to improve the range of training supports available to staff e.g., webinars, journal subscriptions. Customized interventions are available in some functional domains e.g., legislative drafting module in the tax policy domain.
						C	An **advanced** training strategy exists where the objectives are aligned with the organization's strategic priorities and apply to all functional domains. Regular updates relating to a number of measures e.g., training programme effectiveness, are provided to senior management. Training needs analysis is undertaken and are used to inform training, workforce planning and career development strategies. A Learning Management System enables the automation of training administration work procedures.
						D	An **optimized** training strategy exists which is regularly reviewed in consultation with functional domain representatives to ensure that the available framework continues to support successful outcomes and also addresses emerging skill needs e.g., international taxation. Innovative measures include an active CPD schedule and the use of virtual reality technology. A culture of continuous learning promotes a dynamic and adaptable organization. Training management is perceived as an enabler of organizational success.

		1.2	Level of digitalization of TrM in the organization	1.2.1	To what extent are TrM practices digitalized?		**Evidence:** E-learning platforms; multiple channels; learning management systems (LMS); virtual class; virtual reality; artificial technologies; gamification
						A	Training procedures are characterized by **low levels** of **digitalization**. Basic tools for data collection and data analysis such as spreadsheets and email are used. Unstructured data is saved in internal systems and local databases with limited capacity for integration exist. The quality and relevance of available information is poor.
						B	Training procedures are **partially digitalized**. Electronic solutions are in place for standard processes e.g., course waitlist applications. Some processes remain paper based e.g., course feedback. Limited digital records are available e.g., staff skills register. Conscious efforts are made to improve the range of training delivery channels e.g., webinars, e-learning modules which are available in certain functional domains only.
						C	Training procedures are **fully digitalized**. A learning management system and an online delivery platform e.g., Moodle, are responsible for the administration and reporting of training interventions and can also host the delivery of online training programmes. Delivery channels include lunch and learn sessions, classroom based training, micro learning. Online recorded courses can be accessed through sanctioned devices.
						D	**Automated solutions** ensure that employees are able to **integrate** their career development plan with available training interventions that will address their learning needs and capability gaps based on their work activities and career path and supporting improved organizational performance. Innovative technologies are incorporated into the training strategy e.g., virtual reality and artificial technologies to assist in customer service delivery interactions.
		1.3	Communication of TrM	1.3.1	Is there a structured approach to communication in relation to TrM?		**Evidence:** Communication policy/ strategy; communication channels
						A	A structured communication plan is **not in place**. Training data is provided on request to management to confirm decisions and for compliance purposes. Communications are sporadic and considered when required e.g., as required by legislation or agreement with trade unions. Training programmes are limited and generally undertaken by external agencies. Notices advertising financial sponsorship for study programmes may be circulated through email or on an online noticeboard.
						B	A **structured** communication plan is in place. Conscious efforts are made to improve the available information on the intranet which relates to training opportunities and resources designed for certain functional domains. Updates in relation to training supports and opportunities are circulated to staff in a timely manner. Employees within certain functional domains are familiar with the available learning and development opportunities e.g., tax collection staff are aware of a range of 'Dealing with Difficult Citizens' webinars.
						C	**Advanced** structured communication plan complements the training strategy. A learning management system ensures that training information can be accessed on a number of devices. Multiple communication channels are used e.g., intranet, internal blog. Communication messages are aligned with relevant functions e.g., training opportunities are promoted during the annual goal setting stage for performance management purposes. Relevant data is provided to senior management to inform decisions.
						D	Staff communication relating to training management is personalised to the employee's work activities, functional domain and identified capability gaps and suggest relevant learning and development activities to close these gaps. There is a **collaborative culture** between functional domain representatives and training managers with the shared expertise enabling a training framework that supports the strategic priorities of the organization. A culture of continuous learning is promoted by senior management.

		1.4	Application of Risk Management principles and practices in TrM	1.4.1	Is there any application of Risk Management principles and practices in TrM?		**Evidence:** ISO 31000; documented list of TrM risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing TrM risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; Risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes or consistent** actions for identifying and managing TrM risks. The most important TrM risks might be known but there are no mitigation plans and clear links between TrM risks and the achievement of TrM objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core TrM issues. Some RM processes** are documented and **some mitigation plans** have been developed for critical TrM risks. A framework for managing risks has been designed and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk management system** to identify, analyze, evaluate, treat and monitor TrM risks is present. Risk Management is an integral part of decision making contributing to the achievement of objectives of TrM and is tailored to the processes and practices of the TrM. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a fully integrated HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of TrM risks**.** All decisions on TrM issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimised approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.
2	**HR STRATEGY** **DEFINITION:** A roadmap to align human capital with business objectives	2.1	Strategic importance of the TrM to the organization	2.1.1	To what extent is TrM aligned to the organization's mission, vision and goals?		**Evidence:** HR strategy; key performance areas; decision making; training management metrics; standardized methodologies and IT tools are used to trace training needs; learning is assessed; feedback is used to improve and update training practices
						A	Organizational training needs are covered **ad hoc** and training management is not a part of HR strategy.
						B	Training management is included in **some performance areas** developed in the HR strategy. The training process has little impact on the decision-making process, it includes **standardized training procedures** in some performance areas which are considered as important by HR strategy. Measurable skill improvements are delivered and reported.
						C	Training management **is integrated** with HR strategy as a crucial tool for getting the best employee performance, covering organizational task needs and achieving strategic goals. Agreed and resourced training plans are in place and are connected clearly to career development. Training aims not only to professional but also to personal development. Performance change is measured and reported.
						D	Evidence-based training management contributes to HR strategy **in a predictive way** and it is revised and updated in partnership with all business areas in order to get excellence in employees performance and cover effectively both current and future organizational task needs. Training involves coaching and mentoring, talents are identified and developed, cooperation with scientific communities is established, and training trends are adopted effectively. Organizational change is measured.

3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which TrM system supports Talent Management	3.1.1	To what extent does TrM support Talent Management process in the organization?		**Evidence:** training processes/procedures; relative documents and files; analytic tools; automation; HR talent strategy, sophisticated tools for tracing training needs; personalized training plans; sophisticated techniques and methods; KPIs; LMS systems; Big Data Analytics; virtual classrooms; virtual reality systems
						A	Training process **has no/limited** focus on talent management. The training programs are the same for all employees, acting reactively for specific posts related to talent management issues. There is no provision for targeted training.
						B	The organization has **standardized** training management processes for talents. Training programs focused on talent management are available on request. Tools for tracing training needs of talents are emerging and the training programs are evaluated. Competencies and performance improvements of high-potential employees may be also measured. Feedback is an ongoing process.
						C	Training management processes are **proactively** focused on talent management, helping to assess and improve existing talent pools in the organization. There is a sound and targeted training plan for talented employees which is based on their needs and competencies in order to be selected for the right key positions. Training programs **are integrated** not only with the performance management process but also with career development plans. On-going coaching, mentoring, and feedback. Innovative techniques such as gamification and interactive methods are used. Social and collaborative learning.
						D	Training processes are designed to identify, develop and retain the talented personnel. There is a **predictive** and **personalized** training plan for talented staff to optimize organizational results, aligning personal with organizational future needs. Strong Learning Culture that boosts agility, innovation and sharing expertise. Automate response to the changing environment and to new training trends. Leading techniques that create a personalized, networked and stimulating talent experience. Intelligent Learning and agile LMS. Virtual reality systems are operating. Talented employees are engaged and highly empowered to drive their own personal development and growth.
4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in TrM issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to TrM?		**Evidence:** Training policy, procedures and practices; Change Management polices and practices; assessment tools to evaluate readiness and to identify resistance; internal and external environment analysis; labour market trend analysis; communication and training plans regarding changes
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between Change Management and the achievement of TrM objectives.
						B	A **progressive** use of structured Change Management practices is applied to core TrM processes (Define and plan the data sources, Training action plan etc.) only and the focus is on critical TrM emerging changes. There is a consensus about the importance of Change Management. Roles in Change Management process are clarified, tailor-made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices **are integrated with** TrM, covering change preparation, communication and training to increase TrM practices effectiveness. Change Management practices are applied consistently to all TrM procedures. TrM practices are clearly focused **on adapting changes effectively**.
						D	Change Management processes are **fully integrated with** TrM and are informed by data-driven decisions. Sophisticated change management processes and optimized tools are applied. Change management framework in TrM is mandated and aligned with other HR functions.

5	**COMPETENCY-BASED APPROACH DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Management is incorporated in TrM practices	5.1.1	At what scale is Competency Management incorporated in TrM practices?		**Evidence:** Competency Management practices in TrM procedures
						A	A Competency Framework is **not** developed or, key jobs or positions competencies are defined **on an ad hoc** basis in order to meet legal requirements and TrM does not take them into consideration.
						B	Competencies are **defined** for key jobs and there are competency profiles in use. They are **progressively** used in the training programs.
						C	A Competency Framework is developed and updated **in a proactive way** for TrM procedures. Recruitment procedures are **proactively** responding to current and future needs developing the corresponding competencies.
						D	HRM **fully integrates a** Competency Framework with all its functions, including TrM and it is revised and updated in alignment with all business areas in order to achieve **excellence** in employees' performance who are able to carry out the organization's vision, mission and **meet** its **expectations**.

Performance Area		Definition: Reward Management is a system of pay, other forms of monetary compensation and complementary benefits for employees to guarantee fair recognition for their contribution.					
Reward Management [ReM]		Desired Outcome: High levels of employee engagement and organizational ability to recruit and retain talented employees.					
Indicators		Dimensions		Questions		Grading: A = basic level; B = Progressive; C = Advanced; D = Leading	
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of Reward Management (ReM)	1.1.1	What is the approach to Reward Management (ReM) in the organization?		**Evidence:** Standardisation of procedures with international formal standards; controls to alert for data inconsistencies; payroll execution timelines; availability of real time reporting data on reward procedures; self service platform; personalised reward package
						A	Salary can be complemented with overtime payments if required for business reasons within budgetary constraints. Payroll and pension procedures are **basic**, self-service mechanisms are **nonexistent** i.e., employees are provided with hard copy payslips. No formal reward procedures are in place for other benefits e.g., flexible working arrangements agreed informally between a manager and an employee.
						B	Payroll and pension procedures are **standardized** and semi-automated. Basic self-service mechanisms are in place for employees e.g., online pay statements, travel and subsistence allowance claims. The organization is intending to improve the self-service portal. Formal procedures in relation to other reward strategies are being considered and some practices are available to some staff members or in specific business areas e.g., flexible working arrangements.
						C	**Advanced** payroll and pension procedures are automated and accredited e.g., ISO27001 certification with accurate and timely data available. A bonus system with clear, appraised performance criteria is in place. All information relevant to financial benefits is available through a self-service portal. Formal reward strategy procedures are in place e.g., flexible working arrangements, work life balance strategy, team morale events.
						D	Reward management practices are designed to address the **strategic** priorities of the organization e.g., team morale events aim to increase productivity, salary bonuses are linked to performance outcomes. All procedures are integrated within one system that enables alignment between the reward management strategy and business outputs. An advisory support service is available to staff in designing a personalized reward package suitable to their preferences and career development plans.
						E	Not relevant/ not applicable

		1.2	Design of ReM	1.2.1	To what extent has the ReM system been designed to be flexible?		**Evidence:** Payments in advance; benefits above the traditional ones (telemedicine options, formal mentoring programmes, emotional and behavioral health care, family-friendly and well-being benefits, financial wellness platform)
						A	An **inflexible** payroll schedule applies; transactional employee benefits such as health insurance and retirement plans are in place. The organization only collects data on the number of posts, entries and exits of employees.
						B	A **defined** reward management system operates that tries to align the benefits and payments with the strategic objectives. Some financial benefits exist such as payments in advance and non-financial benefits including flexible working arrangements are available to some staff members in certain conditions.
						C	A **proactive** reward management system that provides non-financial benefits such as formal mentoring programmes, work-life balance initiatives, family friendly policies are available to employees who can customize their preferred arrangement.
						D	A **predictive** reward management system applies; all reward benefits are fully personalized to the individual employee. An advisory service provides guidance to staff members in relation to their remuneration options. Full flexibility applies for all options.
						E	Not relevant/ not applicable
		1.3	Level of digitalization of ReM in the organization	1.3.1	To what extent are the ReM practices digitalized?		**Evidence:** Spreadsheets; data collection; analytical tools; self-service system etc.
						A	Reward management procedures are characterized by **low levels** of **digitalization**. The payroll system is inflexible and the quality and availability of data is poor. There is limited capacity for integration with other data sources. A formal reward management strategy is not in place and there is no structured approach in relation to other reward benefits e.g., flexible hours, bonus payments.
						B	Reward management procedures **are partially digitalized**. Electronic solutions are in place to enable a self- service platform for standard processes e.g., payroll and pension procedures- online payslips, overtime claims. An unstructured approach operates in relation to other reward benefits which are available on an informal basis in some functional areas e.g., remote working in the tax policy domain. There is a focus on improving the digital infrastructure to support the implementation of a formal reward management strategy.
						C	Reward management procedures are **digitalized**. There is a reward management strategy addressing reward benefits for all functional domains. A technology solution enables the workforce to access the relevant information on a range of devices and provides a **structured** and **transparent approach** regarding available reward benefits e.g., work-life balance strategy, bonus payment information. The system is integrated with other HR functions which enabled a joined up approach in relation to performance management and career development.
						D	An **optimized** reward management strategy is designed to promote **high level** of employee performance and to boast work outputs that are aligned with the strategic priorities of the organization. Automated solutions ensure that performance management measures, reward management strategy and work outputs can be synthesized and analyzed to support improved organizational performance.
						E	Not relevant/ not applicable

		1.4	Communication of ReM	1.4.1	Is there a structured approach to communication in relation to ReM?		**Evidence:** Intranet; newsletter; self-service portal; employee forums; recognition initiatives etc.
						A	A structured communication plan **is not in place**. Payroll and pension data is provided on request to management to confirm decisions and for compliance purposes. Communications are sporadic and considered when required e.g., as required by legislative changes, on agreements with trade unions, payroll deadlines. Information in relation to these events is frequently circulated on a retrospective basis. No communication procedures are in place in relation to other reward benefits.
						B	A **structured** communication strategy is in place but is focused on supporting the self-service platform that is used for standard procedures e.g., access user guides. Payroll and pension changes are circulated to the workforce on a regular basis. Information relating to informal reward benefits e.g., team morale event, health screening clinics are circulated in some functional domains. Formal procedures in relation to other reward strategies are being considered for application to all domains.
						C	A structured communication plan complements the reward management strategy. Information is circulated **on a proactive basis** through a range of communication channels and formats e.g., townhall events, intranet, data visualizations. Communication messages are aligned with relevant events e.g., materials relating to the bonus system procedures are aligned with the performance management appraisal stage. Workshops are used to promote the range of available reward benefits.
						D	The reward management strategy **is fully integrated** with the outputs of business systems enabling alignment of outputs and benefits. This means that information in relation to reward benefits relevant to a specific grade or functional domains is available in real time to the workforce. Innovative initiatives used to promote improved workforce performance and awareness of the rewards management strategy include instant recognition incentives i.e., whereby managers can choose to reward positive outputs and behaviors.
						E	Not relevant/ not applicable
		1.5	Application of Risk Management principles and practices in ReM	1.5.1	Is there any application of Risk Management principles and practices in ReM?		**Evidence:** ISO 31000; documented list of ReM risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing ReM risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; risk management training schemes
						A	**Typical legislative** or **reactive** RM procedures are mainly applied. There are **no formal processes or consistent** actions for identifying and managing ReM risks. The most important ReM risks might be known but there are no mitigation plans and clear links between ReM risks and the achievement of ReM objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core ReM issues**. **Some RM processes** are documented and **some mitigation plans** have been developed for critical ReM risks. A framework for managing risks has been designed and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. The organization is mainly focused on risk avoidance.
						C	An **advanced risk management system** to identify, analyze, evaluate, treat and monitor ReM risks is present. Risk Management is an integral part of decision making contributing to the achievement of ReM objectives and is tailored to the processes and practices of the ReM. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk Management processes are monitored and reviewed for **continuous improvement.**
						D	There is **a fully integrated** HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of ReM risks. All decisions on ReM issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.

2	**HR STRATEGY** **DEFINITION:** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of ReM in the organization	2.1.1	To what extent is ReM aligned with the organization's mission, vision and goals?		**Evidence:** Standardization of procedures with international formal standards; personalized reward package
						A	There is a **basic** Reward management system, which is **not** or **partially** aligned with the strategic objectives of the organization. Salary is the only formal reward scheme available to all staff members, strictly depended on qualifications and experience and not on performance.
						B	A Reward Management System is **progressively** aligned with the organizational needs. Defined ReM procedures are in place supporting partially business objectives. Employee rewards are informal arrangements and do not support the HR strategy.
						C	A **proactive** reward management system is in place that provides flexible remuneration benefits to employees. Non-financial benefits such as formal mentoring programmes, work-life balance initiatives, family friendly policies are available and represent a central component of the HR strategy which aims to support the achievement of strategic organizational objectives.
						D	A **predictive** Reward Management System is in place that provides optimized reward schemes to employees. The System is fully aligned and integrated with business objectives. Sophisticated Reward Management practices are used widely.
3	**TALENT MANAGEMENT** **DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which ReM supports Talent Management	3.1.1	To what extent does the ReM System support the Talent Management process in the organization?		**Evidence:** Personalized reward package that caters to the individual preferences of employees and aims to attract and retain talented employees
						A	The Reward System is inflexible with **no or limited** connection with the talent management process. There is no or too few rewards for the top-performers and the system gives little incentives for learning and development.
						B	The Reward System **is progressively** relates to individual performance. It is also linked to the business areas and skills of the staff member and specific incentives are available.
						C	The Reward System and the talent management process are **integrated.** The pay and non pay elements of the remuneration package available are well developed and informed by analyses undertaken by reward specialists and based on business priorities and outcomes as well as the top-talent needs. Advanced benefits above the traditional ones are available (e.g., formal mentoring and coaching programs, emotional/behavioral health care, family-friendly and well-being benefits, autonomy, space for experiment new ideas).
						D	A flexible and **fully integrated** reward system provides a personalized reward package to the talented employees in order to support the talent management process. The system does not only reward the outcomes but also the attitudes and behaviors in order to achieve compatibility with the organization's values and culture. Sophisticated Reward Management practices, leading benefits schemes and recognition programs are used widely. Automated response to talent changing needs. Influential caring organization culture.

4	**CHANGE MANAGEMENT** **DEFINITION:** *A systematic approach and application of knowledge, tools and resources to deal with changes*	4.1	Application of Change Management principles in ReM issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to ReM issues?		**Evidence:** Reward policies, personal reward packages, bonus, financial and non-financial benefits and promotion options; change management practices; assessment instruments to evaluate readiness; self-evaluation tools to identify resistance; internal and external environment analysis; labor market trend analysis; communication; coaching and training plans regarding changes
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between change management and the achievement of ReM objectives.
						B	A **progressive use** of structured Change Management practices is applied to core ReM processes (compensation policy, job analysis and evaluation etc.) only and the focus is on critical ReM emerging changes. There is a consensus about the importance of Change Management. Roles in change management process are clarified, tailor-made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices are **integrated** with ReM, covering change preparation, communication and training to increase ReM practices effectiveness. Change Management practices are applied consistently to all Reward Management procedures. ReM practices are clearly focused on adapting changes effectively.
						D	Change Management processes are **fully integrated** in ReM and are informed by data-driven decisions. Sophisticated Change Management processes and optimized tools are applied. Change Management Framework in ReM is mandated and aligned with other HR functions.
5	**COMPETENCY-BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	The scale at which Competency Framework interacts with ReM Schemes	5.1.1	At what scale is Competency Management connected with ReM practices?		**Evidence:** Competency Management practices in reward procedures
						A	A Competency framework is **not developed** or, key jobs or position specific competencies are defined on an **ad hoc basis,** therefore connection with ReM is limited.
						B	Competencies **are defined** for key jobs and competency profiles are in use. Competencies **partially** support ReM practices.
						C	A Competency Framework **is developed** and updated supporting all ReM procedures **in a proactive manner.** The organization **systematically** analyzes the competencies of all jobs that results to a Competency-based ReM system.
						D	HRM fully **integrates** a Competency Framework in all its functions, including ReM and it is updated in alignment with all business areas supporting them **predictively**, resulting to high levels of employee **engagement** and organizational **outcome.**

Performance Area	Definition: HR Analytics enable an organization to understand and articulate important aspects of their workforce through the use of statistics, data and evidence.
HR Analytics [HRAn]	Desired Outcome: Enables organizations to plan for the future and to make informed decisions about the workforce that improve performance outcomes.

Indicators		Dimensions		Questions		Grading: A = basic level; B = Progressive; C = Advanced; D = Leading	
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	Implementation of HR Analytics (HRAn)	1.1.1	What is the approach to HR Analytics (HRAn) in the organization?		**Evidence:** HR data; processes; relative documents and files; analytic tools; automation; cloud-technologies
						A	Available data sets are gathered through manual interventions from administrative processes e.g., frequency of unpaid leave instances. Descriptive data is available to provide a snapshot of the current workforce or to track a critical metric over time e.g., training feedback for a specific course, sick leave rates. **A compliance-based** focus characterizes this approach.
						B	Datasets from a range of HR activities are **progressively** aggregated to create multi-dimensional statistical analyses e.g., staff promotion and performance management data. Data dashboards are used which include key performance indicators of workforce data. There is a limited focus on diagnostic reporting for instance determining why something has happened e.g., a spike in employee turnover.
						C	HR Analytics provide **insightful** data that informs evidence based decisions in relation to particular issues e.g., poor customer satisfaction rates and the absence of formal training to staff members. Data is **fully integrated** and digitalized. The analytics team use statistical software which integrates environmental factors e.g., economic climate as well as data from across the organization to provide integrated, meaningful analyses on a regular basis to senior management and relevant persons.
						D	A **predictive approach** produces analyses which are used to inform policies and initiatives e.g., recruitment strategies, the diversity agenda. HR analytics measure all elements of organizational performance which is compared with the business strategy to predict potential future challenges and in identifying patterns e.g., team behaviors in high performance teams. Analytics demonstrate the impact that HR activities have on workforce performance and represent a critical factor in making decisions related to the workforce.

		1.2	Level of digitalization of HRAn in the organization	1.2.1	To what extent are the HRAn procedures digitalized?		**Evidence:** processes; relative documents and files; analytic tools; automation; cloud-technologies
						A	The approach to HR analytics is characterized by **low levels** of digitalization. There is no formal approach to HR analytics and basic tools used to collate data e.g., spreadsheets. **Unstructured data** is saved in different internal systems and local databases with **limited capacity of integration**. The quality and relevance of available information is poor.
						B	HR analytics procedures are **increasingly digitalized**. A number of segregated information sources are in use but there is a focus on the future integration of databases. Data dashboards which contain key performance indicators are produced on an informal basis and these are an administratively burdensome exercise involving extensive coding of unstructured data. There is a focus on improving the digital infrastructure to enable automated reports and more sophisticated analyses to be completed.
						C	HR Analytics procedures are **digitalized**. A **technology solution automates the integration of HR data** as well as non-HR data enabling a detailed determination of input costs and resource usage, together with associated outputs, across functional domains and operational/strategic programmes. The analytics team use statistical software which integrates environmental factors e.g., economic climate as well as internal data to provide integrated, meaningful analyses on a regular basis to senior management.
						D	Data science algorithms e.g., regression, decision trees and machine learning techniques are used to predict the probability of a specific event. This **predictive approach to HR analytics** enables valuable insights which are used to inform strategic decisions taken by senior management relating to the future shape and structure of the workforce e.g., the optimal number and type of intervention undertaken in the tax audit domain.
		1.3	Communication of HRAn	1.3.1	Is there a structured approach to communication in relation to HRAn?		**Evidence:** HR portal; intranet; internal blogs and infographics; internal discussion forums; internal and external social media; business communication tools
						A	Datasets provide descriptive data relating to HR activities e.g., absenteeism rates which is then placed in a tabular format or incorporated into a report. **Basic** data analysis is undertaken e.g., trend analysis and data is circulated through traditional channels e.g., email to a specific audience. No formal communications approach is implemented in relation to HR analytics.
						B	Datasets from different information sources relating to HR activities are combined to create **multi-dimensional** analytics e.g., absenteeism rates and employment engagement survey results. Data is presented in a tabular format or within a static workforce analytics dashboard and can be accessed on the intranet and HR portal.
						C	Workforce analytical data **is managed** by a specific team. The team possesses specialist capabilities and software, they produce circulate analyses to senior management and HR stakeholders on a regular basis to inform evidence based decisions. Real time data relating to HR activities and business outputs are available through an interactive dashboard. HR analytics are also used in other communication channels e.g., internal blogs and is available in a wide range of formats e.g., data visualizations, infographics.
						D	Real time data relating to HR activities and business outputs across operational/**strategic programmes** are synthesized into regular reports which are discussed at senior management meetings. A data driven culture is promoted by senior management who use data in spoken and written business communications e.g., townhall events, annual report.

		1.4	Application of Risk Management principles and practices in managing HRAn	1.4.1	Is there any application of Risk Management principles and practices in managing HRAn?		**Evidence:** ISO 31000; documented list of HRAn risks and methodology used for the identification, assessment and prioritization of risks; mitigation and treatment plans for managing HRAn risks; reports regarding the implementation and evaluation of HR Risk Management; internal audit functions; Risk management training schemes
						A	**Typical legislative or reactive** RM procedures are mainly applied. There are **no formal processes or consistent** actions for identifying and managing HRAn risks. The most important HRAn risks might be known but there are no mitigation plans and clear links between HRAn risks and the achievement of HRAn objectives.
						B	A **systematic, timely and structured** RM approach is **progressively** applied to **core HRAn issues. Some RM processes** are documented and **some mitigation plans** have been developed for critical HRAn risks. A framework for managing risks has been designed and RM principles are increasingly adopted. There are no assigned employees who have the accountability to manage risks. HRAn practices are mainly focused on risk avoidance.
						C	An advanced risk management system to identify, analyze, evaluate, treat and monitor HRAn risks is present. Risk Management is an integral part of decision making contributing to the achievement of objectives of HRAn and is tailored to the processes and practices of the HRAn. **Advanced communication, reporting and control mechanisms** are present. Functions, roles and responsibilities regarding managing risk are explicitly defined and accepted. Risk management processes are monitored and reviewed for **continuous improvement.**
						D	There is a **fully integrated** HR Risk Management System with the overall risk management system of the organization. **Sophisticated risk management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of HRAn risks. All decisions on HRAn issues are based on documented assessments of risks and opportunities supporting innovation. **Key risks indicators and predictive risk analytics** are used. An **optimized approach** to address uncertainty is applied and the organization's focus is on **intelligent risk taking and excellence**.
2	**HR STRATEGY** **DEFINITION :** *A roadmap to align human capital with business objectives*	2.1	Strategic importance of HRan in the organization	2.1.1	To what extent do HRAn support the achievement of the organization's mission, vision and goals?		**Evidence:** Analytics tools; Data mining; business analytics techniques; Change Management practices; assessment instruments to evaluate readiness; self-evaluation tools to identify resistance; internal and external environment analysis; labor market trend analysis; communication, coaching and training plans regarding changes
						A	HR analytics are **not aligned** with the strategic objectives of the organization. There is minimal alignment between decision making and workforce analytics. Data is provided only when requested or on the basis of fulfilling mandatory HR requirements. Descriptive data is only available.
						B	A **standardized** suite of data is available through a static workforce analytics dashboard. A multi-dimensional analytical approach which can investigate relationships between different HR activities is implemented. Analytical data demonstrate the impact of some HR activities on workforce performance and is increasingly used in the decision making process.
						C	HR analytics provide meaningful and timely data to inform evidence based guidance. HR staff completing analytics activities **integrates** the outputs with both the HR strategy and the business strategy. This approach allows HR management to design and implement activities and initiatives to solve a specific business issue in a strategic and planned matter.
						D	HR Analytics provide **predictive** approach whereby future workforce trends can be forecast. Fully alignment with organization's strategy. This in turn aligns to the overall business strategy in planning for future scenarios that will support organizational performance.

3	**TALENT MANAGEMENT DEFINITION:** *Commitment to attract, identify, develop and retain high-performing employees in the organization*	3.1	The extent to which HRAn support Talent Management	3.1.1	To what extent do HRAn support the Talent Management process in the organization?		**Evidence:** HR Strategy including HR Data issues linked with Talent Management; talent strategy; multi-dimensional and benchmarking analysis; predictive models; scenario planning and risk analysis
						A	HR Analytics have **no/limited** focus on talent management issues. Descriptive HR Analytics and static operational reports may be used but they require further interpretation in order to create insights of the "talent" of organization. The measures are mainly focused on the description of the current state (e.g., certification levels, performance ratios, training hours, average cost to hire, average time to hire).
						B	Dedicated analyses regarding talent are **progressively** available on request (e.g., about talent development, retention and career movements, etc). **Defined** reporting gives insights for track progress or trends (e.g., the increase of attrition rate of most talented people over the last years) or is used in benchmarking analysis. Measures focused on improvement and on the quantification of the impact of HR interventions on talent management.
						C	**Advanced** HR Analytics with talent focus are **proactively** prepared on an ongoing basis, helping to assess and follow existing talent processes in the organization. Focused statistical analysis on talent is applied to solve organization problems and deliver actionable solutions. HR analytics prioritize and segment crucial specific talent areas for the organizational goals. Measures are focused on the improvement of the organization.
						D	**Predictive** HR Analytics are designed to support attraction, development and retention of the talent. Development of prediction models and application of risk analysis and scenario planning in order to forecast future talent outcomes and deliver solutions (e.g., prediction of attrition risks over the next years or the probability of an employee leave the organization based on behavioral markers). Measures are focused on the future of organization.

4	**CHANGE MANAGEMENT** **DEFINITION:** *Capacity to address the impact of change to organizational goals*	4.1	Application of Change Management principles in HRAn issues	4.1.1	Is there a structured approach to deal with organizational changes in relation to HRAn?		**Evidence:** IT tools; automation; HR data bases; Data mining; Business analytics techniques; MIS Examples of change management actions include identifying target groups and creating a customized plan so that HR analytics can be developed and deployed for maximum effect i.e., absenteeism and attrition rates, productivity measures in a high pressure team
						A	**Compliance driven** or **reactive** Change Management practices are applied. There are no formal processes or consistent actions for identifying and managing change and often these practices are implemented without sufficient training. There are no clear links between change management and the achievement of HR Analytics objectives.
						B	A **progressive use** of structured Change Management practices is applied to core HR Analytics, processes (define and plan the data sources, data management etc.) only and the focus is on critical HR Analytics emerging changes. There is a consensus about the importance of Change Management. Roles in Change Management process are clarified, tailor-made communication and training plans are evolved in order to cope with change issues.
						C	Change Management practices are **integrated** with HR Analytics, covering change preparation, communication and training to increase HR Analytics practices effectiveness. Change Management practices are applied consistently to all HR Analytics procedures. HR Analytics practices are clearly focused on adapting changes effectively.
						D	Change Management processes are **fully integrated with** HR Analytics and are informed by data-driven decisions. Sophisticated change management processes and optimized tools are applied. Change Management Framework in HR Analytics is mandated and aligned with other HR functions.
5	**COMPETENCY-BASED APPROACH** **DEFINITION:** *Application of the competency framework for capability development to reach organizational goals*	5.1	Connectivity of HRAn and Competency-based Management	5.1.1	At what scale is Competency Framework incorporated in HRAn?		**Evidence:** Competency Framework in place incorporated into HR Analytics
						A	A Competency Framework **is not developed** or, key jobs or position specific competencies are defined on an **ad hoc basis** to cover organizational needs; HR analytics are not utilized
						B	Competencies **are defined** only for key jobs and/or positions and provide data to HR Analytics **progressively.**
						C	A Competency Framework relates to HR Analytics **in a proactive way, as it is integrated** with **HRM** supporting the organization to move towards expected direction.
						D	HRM **fully integrates** a Competency framework with all its functions including HRAn. HR analytics provide organization **predictive** information**.**

Performance Area	Definition: HR*Ability* refers to the capability and capacity of HR function to act as an Organizational Success enabler.					
HR*Ability* [HRAb]	**Desired Outcome: Due to HR function, the Organization is a great workplace (*high retention level, high level of taxpayer satisfaction, employee satisfaction, engagement, trust and work – life balance*) showing Agility and Readiness in all its activities and constitutes an equal Business Strategic Partner.**					
Indicators		**Dimensions**		**Questions**		**Grading: A = Basic level; B = Progressive; C = Advanced; D = Leading**
1	**IMPLEMENTATION & EFFECTIVENESS** **DEFINITION:** *Practical application of the performance area and its impact on strategic goals*	1.1	**Promoting working wellbeing**	1.1.1	To what extent does HR function promote policies and practices (e.g., work-life balance, flexible working arrangements) that improve organizational culture, climate, trust, employee engagement, job satisfaction, etc.?	**Evidence:** Policy/strategy; processes; documents; HR practices; surveys addressed to stakeholders (managers, employees, union representatives, human resource personnel); workforce health and wellbeing programs; employee assistance programs (EAPs) etc.
						A — **No real consideration** of the importance of HR initiatives as enablers to be applied in the organization. Implement controls and standards. **Reactive** response and limited autonomy innovation.
						B — There is **some understanding** of the importance of HR initiatives on supporting organizational goals. **Standardized** HR practices enable support to major organizational areas.
						C — HR has a clear and robust policy on managing HR enablers e.g., job enlargement. **Advanced** HR practices enable support to all organizational areas.
						D — The organizational context is entirely supportive of **optimized** HR policies and practices on managing HR enablers. **Fully integrated** HR practices provide support to all organizational areas. Managers and employees are fully supported in developing **aligned** behaviors, values and self-awareness. **Job enrichment.**
		1.2	**Administrative** vs. **Innovative** HR *Traditional personnel management vs. innovative Human Resources Management*	1.2.1	To what extent does HR act as an HR (innovative) expert as opposed to support (administrative) function?	**Evidence:** Policy/strategy; processes; relevant documents; HR practices
						A — Majority of HR efforts and results on **administrative** actions. Implement controls and standards. **Reactive** response and **limited** autonomy. HR has low credibility and is perceived as a back office service.
						B — **Structured** HR Services support organizational objectives. HR practices are more simple, transparent and adoptive to business needs.
						C — HR Services are **aligned** with organizational goals, facilitate and improve organizational agility. HR has **an increasing credibility** in all HR functions and contributes **decisively** to organization success.
						D — HR programs that create/promote adaptability, innovation, collaboration and speed. **Optimized** practices and policies support all business operation areas predictively.

2	**HR STRATEGY** **DEFINITION**: *A roadmap to align human capital with business objectives*	2.1	**HR as Strategic Partner** *Strategic integration of HR with the organization's strategy*	2.1.1	To what extent is HR Strategy embedded within each aspect of the organization?		**Evidence:** Policy/strategy; processes; documents; HR practices
						A	HR policy/practices/procedures are **not aligned**/connected with business goals. Organization doesn't have a clear understanding of how people can add value. HR contributes on a **response** basis to high level organizational strategy conversations.
						B	HR has **an icreasing credibility** in the organization and is considered capable of providing technical **expertise** in specific areas of HR. HR strategy is not clearly aligned with organization strategies.
						C	HR functions are **aligned** and **connected** with business areas. HR strategy **proactively** supports organization's strategy. Many HR initiatives provide business guidance, and continuous improvement.
						D	**Business-integrated** HR. HR leadership an **equal partner** in overall organization strategy formulation and execution. HR strategy is **fully integrated** and directionally consistent in supporting the organization's strategy.
3	**CHANGE MANAGEMENT** **DEFINITION:** *Capacity to address the impact of change to organizational goals*	3.1	**HR agility** and **readiness** *to support organizational change by handling emergency situations*	3.1.1	To what extend does HR act as change agent handling emergency situations?		**Evidence:** Policy/strategy; processes; relevant documents; HR practices
						A	There is an **ad hoc** response and there is **no plan** for handling emergency situations. Compliance driven or reactive Change Management practices are applied.
						B	A **progressive** use of structured emergency management practices focused on critical health and safety changes are applied.
						C	Emergency management practices are **integrated with** HRM, covering emergency management preparation, communication and training to increase overall organizational effectiveness. HR policy and practices are **clearly focused** on handling emergency situations effectively.
						D	Emergency management processes are **fully integrated** with HRM and contribute to data-driven decisions. **Sophisticated** emergency management processes and optimized analytical tools are applied. **Emergency management framework** in HRM is mandated and aligned with all business areas.
4	**TALENT MANAGEMENT** **DEFINITION:** Commitment to attract, identify, develop and retain high-performing employees in the organization	4.1	The extent to which HR policies and procedures as well as HR professionals **promote** talent management **culture**	4.1.1	To what extent does HR function promote a talent management culture in the organization?		**Evidence:** Policy/strategy; processes; relevant documents; HR practices
						A	**Individual** talent processes or silos. A compliance-based approach meeting the legal or operational requirements. **Local** focus on talent and **limited** diversity.
						B	Starting to connect talent process. **Standardized** processes, not integrated. There is a focus on improving initiatives for specific job families but no clear policy for the whole organization. A set of **talent-focused** metrics are in place.
						C	Talent management **strategies** are developed and implemented. Talent management is integrated with the organization's strategic planning. **Advanced** Talent Management processes with various technological resources. A **significant** number of talent and leadership development programs.
						D	Fully **integrated** talent management strategy. **Predictive** processes are in use with all technologies integrated. **Optimized** talent and leadership development programs **meet** both organizational and talent **demands.**

Appendix 3 - Maturity Levels for each PA and Recommendations

PA - Workforce and Succession Planning (WF&SP)			
			Level D Leading
		Level C Advanced	At this level of maturity, a **predictive approach** to strategic WF&SP is developed and **automated solutions** enable the completion of a strategic WF&S plan. A **strategic** WF&S planning assists the organization in making critical decisions related to the workforce. **Sophisticated Risk Management processes** and **intelligent tools and techniques** are applied in the identification, assessment and treatment of WF&SP risks. WF&S plans are **optimized** to the organization's goals. The organization detects **talented personnel** in a **fully integrated** way with the training and development programs, job mobility and promotion opportunities. Change management processes are **fully integrated with WF&SP** and are informed by data-driven decisions and HRM **fully integrates** a Competency Framework in all its functions, including WF&SP and it is updated in alignment with all business areas supporting them **predictively**.
	Level Progressive	At this level of maturity, WF&S plan is **produced on a regular basis** and a sequence of steps are undertaken to identify the gap between the current workforce and the future workforce required. **Technology solutions automate** the integration of HR data. **A culture** of strategic WF&SP is promoted. **An advanced risk management system** to identify, analyse, evaluate, treat and monitor WF&SP is present and **workforce strategies are embedded** in the heart of the **HR strategy**. The organization's talent detection procedures in existing personnel are operated in a standardized way and WF&SP practices are clearly focused on adapting changes effectively. An **advanced** Competency Framework is **developed** and updated		
Level A Basic	At this level of maturity, WF&SP procedures are managed in relation to **meeting the staffing needs in the short term**. Segregated information sources are in use but there is a **focus on the future integration of databases**. A **structured communication plan** is followed and regular consultations are scheduled in relation to operational workforce planning requirements. **Risk Management processes are documented** and some mitigation plans are developed for critical WF&SP risks. HR strategy progressively incorporates WP&SP **in order to align with organization's mission, vision, goals** and standardized ways are used in training and development plans. **Change Management** practices are applied to **core WF&SP processes** and **competencies** are defined only **for key jobs**.		
At this level of maturity, the organization's Workforce and Succession Planning needs are managed in an **unstructured manner**. All WF&SP practices are characterized by **low levels of digitalization**, and the workforce planning forecasting process **does not include communication and consultation with stakeholders**. There are no consistent actions for **identifying and managing WF&SP risks**. **WF&SP** is not aligned or there is **a limited connection with the organization's goals** and limited connection with training and development plans exists as well. No clear links between Change Management and the achievement of WF&SP objectives are present and a **Competency Framework** is **not** developed.			
Recommendation: Small steps towards WF&SP progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's WF&SP procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals / representatives should implement more radical changes and interventions for WF&SP to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage WF&SP to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve WF&SP performance through both incremental and innovative changes/improvements.

PA-Recruitment (Re)			
Level A Basic	**Level B Progressive**	**Level C Advanced**	**Level D Leading**
At this level of maturity, **no standard procedures** apply to the stages of the recruitment cycle and the Re process is characterized by **low levels of digitalization.** Communication is **sporadic** and considered on an **ad hoc basis** as required e.g., legislative changes, agreement with trade union/ work council or for the purposes of advertising role vacancies. Typical legislative or **reactive Risk Management procedures** are mainly applied and **low level of alignment** between recruitment procedures and the organization's current and future needs exists as well. Talent Management procedures are **not/partially** applied in recruitment processes and Change Management practices are **compliance driven** or **reactive**. A Competency Framework is **not developed** or competencies for key jobs are defined **ad hoc**.	At this level of maturity, most of the recruitment procedures **are standardized.** The recruitment process is **increasingly digitalized** which means that several segregated information sources are in use but there is a focus on the future integration of databases. **A progressive** recruitment marketing strategy operates which aims to attract a wide pool of candidates. Some **Risk Management processes** are documented and **some mitigation plans** have been developed for critical Re risks. **Progressive efforts** to achieve alignment between recruitment procedures and the organization's current and future needs take place. **Standardized** procedures and methodologies for identifying, filtering and selecting the best-fit, talented candidates are applied for key positions. A progressive use of structured change management practices is applied to core Re processes only and **competencies are defined** but not systematically incorporated in all job descriptions.	At this level of maturity, **a structured approach** applies to all recruitment procedures. An **applicant tracking system** is in place that provides end-to-end recruiting automation. A **structured recruitment marketing strategy** operates which aims to target specialist skills that are aligned to the business needs, e.g., transfer pricing. An **advanced risk management system** to identify, analyze, evaluate, treat and monitor Re risks is present. Recruitment **is integrated into** HR strategy and **is aligned with** the organization's strategic objectives. Talent Management procedures are applied **proactively** for all positions and Change Management practices **are integrated with Re**, covering change preparation, communication and training to increase the effectiveness of Re practices. A Competency Framework is developed and updated **in a proactive way** for recruitment procedures.	At this level of maturity, an **optimized approach** meets the requirements of the vacant post e.g., simulated exercise, assessment centers. A **predictive recruitment process** is in place providing a flexible candidate experience. **Innovative measures** associated with the recruitment marketing strategy include, for example, candidate referral incentives and university partnership schemes to build specialist talent pipelines. **Sophisticated Risk Management processes** and **intelligent tools** and **techniques** are applied in the identification, assessment and treatment of Re risks. Recruitment **is optimized,** supporting the organization's goals and Talent Management procedures operate **predictively**. Change Management processes are **fully integrated** with Re and are informed by data-driven decisions. A Competency Framework is **fully integrated** with the HRM function of Re.
Recommendation: Small steps towards Re progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's Re procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals / representatives should implement more radical changes and interventions for Re to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage Re to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve Re performance through both incremental and innovative changes/improvements.

PA-Performance Management (PM)			
			Level D **Leading**
		Level C **Advanced**	At this level of maturity, the Performance Management process is implemented in a **systematic way** and is based on a **well structured** system. Technology based platforms contribute to increased **standardization** of management processes. Employees **support the process**, discussing their roles, the competencies required and defining objectives in conjunction with their managers. There is a **fully integrated** HR Risk Management system with the overall risk management system of the organization. PM practices are based on and are **redesigned** through feedback provision. Evidence-based Performance Management decisions contribute to HR strategy **in a predictive way** and the implemented performance system **optimizes** the organization's capacity to transform into a solid talent factory. Change Management Framework in PM is mandated and aligned with other HR functions. A Competency Framework is **fully integrated** with PM.
	Level B **Progressive**	At this level of maturity, the Performance Management process is recognized as an **advanced instrument** in enabling the achievement of strategic business outcomes. Employees are able to access information through a **wide range of digitalized sources**. A **structured** communication plan applies to all stages of the PM process. Risk Management is an **integral part of decision making,** contributing to the achievement of objectives of PM. **Feedback** is promoted in all PM procedures. PM is taken into account by all business areas in a **proactive way**. The performance system allows the alignment of talented employees' objectives with those of the organization. Change Management practices that cover change preparation, communication and training are **integrated** into PM and a Competency Framework is **developed** and **updated**, supporting all PM procedures in a **proactive manner**.		
Level A **Basic**	At this level of maturity, PM is perceived as a valuable and insightful tool **in some business areas** in identifying goals, development actions and enabling improved employee performance and valued competencies. Performance Management procedures are **partially** digitalized. **Updates** in relation to **performance management cycle** are circulated to the workforce on a regular basis through various communication channels, e.g., email, intranet. A **systematic, timely and structured** RM approach is **progressively** applied to **core PM issues**. There is **a standardized** process for using feedback. PM plays a **progressive** role in the formation of HR strategy and a **standardized competency framework** allows the identification of potential talents and skill gaps. A **progressive** use of structured change management practices is applied to core PM processes (goal setting, evaluation, etc.) only, while competencies **are defined** only for key jobs.		
At this level of maturity, Performance Management is a **compliance-based** exercise which is implemented on an annual basis in order to comply with the legal and/or procedural framework, while its procedures are characterized by **low levels** of digitalization. Communications are **sporadic** and considered on an **ad hoc basis** as required by legislation or agreement with trade unions. Typical **legislative** or **reactive** Risk Management procedures are mainly applied. There is **no systematic** process for using feedback at PM procedures. Organization's strategic decision-making is not based on PM. Performance system is formal and contributes to a **limited extent** to identifying and developing talent. **Compliance driven** or **reactive** Change Management practices are applied, while a Competency Framework **is not developed**.			
Recommendation: Small steps towards PM progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's PM procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals / representatives should implement more radical changes and interventions for PM to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage PM to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve PM performance through both incremental and innovative changes/improvements.

PA-Career Development (CD)			
			Level D **Leading**
		Level C **Advanced**	At this level of maturity, a Competency-based Career Development Approach is **fully integrated with** organizational performance and the organization's overall strategic plan. **Automated solutions** ensure that staff can design a personalized career development plan based on the Competency Framework and career model. Career development opportunities are **communicated** in a transparent manner to all staff members via multiple communication channels. All decisions on CD issues are based on **documented assessments of risks** and opportunities supporting innovation. CD **is fully integrated** with organizational culture and people management, ensuring engagement and growth of the members of the organization. CD processes produce **optimized** career development paths for talents. **Sophisticated change management processes** and optimized tools are applied and HRM **fully integrates** the Competency Framework with CD.
	Level B **Progressive**	At this level of maturity, **a Competency Framework** defining the knowledge, skills and behaviors required in each role to perform the job effectively is in place and is implemented in a **proactive way**. A **technology solution** enables the workforce to access the Competency Framework and career model on a range of devices. A **proactive** career development strategy is complemented by a strong focus on communications with active engagement with both internal and external platforms e.g., social media, regular bulletins. Risk Management is an **integral part of decision making** in relation to CD. CD plays an **advanced** role to HR strategy for an effective management of human resources and CD processes proactively build career development paths for talents. CD practices are clearly focused on **adapting changes effectively**.	
Level A **Basic**	At this level of maturity, there is a **shared understanding** in relation to the purpose of a career development strategy and there is recognition that a formal strategy should be implemented. Procedures of CD are **partially digitalized**. A **structured** career development strategy is in place but the quality of the **communication** approach is **varied** and dependent on the individual business area. **Some Risk Management processes** are documented and some **mitigation plans** are developed for critical CD risks. The importance of CD for organizational growth is **progressively** recognized by HR. CD processes are **defined** and **connected** to specific talent management practices. A **progressive** use of structured change management practices is applied to core CD processes (individual development plans, etc.) only and competency profiles are defined only for key jobs and/or positions.		
At this level of maturity, a structured Career Development strategy **is not in place**. **Unstructured data** is saved in **internal systems and local databases** with limited capacity for integration. Communication is **fragmented** and considered on **an ad hoc basis** as required by legislation or agreement with trade unions. **No formal processes or consistent** actions for identifying and managing CD risks exist and CD is **not recognized as strategic tool**. CD impact on Talent Management is **limited** and compliance driven and reactive Change Management practices are also applied. A Competency Framework is **not developed**.			
Recommendation: Small steps towards CD progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's CD procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals / representatives should implement more radical changes and interventions for CD to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage CD to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve CD performance through both incremental and innovative changes/improvements.

PA-Training Management (TrM)			
			Level D Leading
		Level C Advanced	At this level of maturity, **an optimized** training strategy exists which is regularly reviewed in consultation with functional domain representatives. **Innovative technologies** are incorporated into the training strategy. There is a **collaborative culture** between functional domain representatives and training managers enabling a training framework that supports the strategic priorities of the organization. **Sophisticated risk management processes** and **intelligent tools** and **techniques** are applied in the identification, assessment and treatment of TrM risks. Evidence-based Training Management contributes to HR strategy **in a predictive way**. There is a **predictive** and **personalized training plan** for talented staff to optimize organizational results, aligning personal with organizational future needs. Change Management processes are **fully integrated** with TrM and are informed by data-driven decisions. HRM **integrates a Competency Framework** with all TrM functions.
	Level B Progressive	At this level of maturity, **an advanced training strategy** exists where the objectives are aligned to the organization's strategic priorities and apply to all functional domains. Training procedures are **fully digitalized**. **Advanced** structured communication plan complements the training strategy. An **advanced risk management system** to identify, analyze, evaluate, treat and monitor TrM risks is present. Training Management is integrated into HR strategy as a crucial tool for getting the best employee performance, covering organizational task needs and achieving strategic goals. Training Management processes are **proactively** focused on talent management, helping to assess and improve existing talent pools in the organization. TrM practices are clearly focused on **adapting changes effectively** and a Competency Framework is developed and updated **in a proactive way** for TrM procedures.	
Level A Basic	At this level of maturity, training procedures are semi-automated with a self service portal in place for **standard processes**. A **structured** communication plan is in place and conscious efforts are made to improve the available information on the intranet which relates to training opportunities. A **systematic, timely and structured** Risk Management approach is progressively applied to core TrM issues. The training process has little impact on the decision-making process at the strategic level. The organization has **standardized** Training Management processes for talents. Tailor-made communication and training plans **are evolved** in order to cope with **change issues**. Competencies are **defined** for key jobs and there are competency profiles in use.		
At this level of maturity, the approach to Training Management is **unstructured**. **Unstructured data** is saved in **internal systems** and **local databases** with limited capacity for integration exist. Communications are **sporadic** and considered when required, e.g., as required by legislation or agreement with trade unions. There are **no formal processes** or **consistent** actions for identifying and managing TrM risks. Training Management is **not a part** of HR strategy and the training process has **no/limited focus** on talent management. There are **no formal processes** or consistent actions for identifying and managing change and key jobs or positions. **Competencies** are defined on an **ad hoc basis.**			
Recommendation: Small steps towards TrM progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's TrM procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals/representatives should implement more radical changes and interventions for TrM to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage TrM to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve TrM performance through both incremental and innovative changes/improvements.

PA-Reward Management (ReM)			
Level A Basic	**Level B Progressive**	**Level C Advanced**	**Level D Leading**
At this level of maturity, payroll and pension procedures are **basic** and self service mechanisms are nonexistent. The organization only collects data on the number of posts, entries and exits of employees. Reward Management procedures are characterized by **low levels** of digitalization. **Communications** are **sporadic** and considered when required, e.g., as required by legislative changes, on agreements with trade unions, payroll deadlines. **Typical legislative** or **reactive** Risk Management procedures are mainly applied. ReM system is not or only partially aligned with the strategic objectives of the organization. The Reward System is **inflexible** with **no/limited** connection with the talent management process. **Compliance driven** or **reactive** Change Management practices are applied and a Competency Framework is **not developed**.	At this level of maturity, payroll and pension procedures are **standardized** and **semi-automated** and a **defined** Reward Management system operates that tries to align the benefits and payments with the strategic objectives. **Electronic solutions** are in place to enable a self-service platform for standard processes. Payroll and pension changes **are circulated** to the workforce on a regular basis. A **systematic, timely and structured** Risk Management approach is progressively applied to core ReM issues. A Reward Management System is **progressively** aligned with the organizational needs and relates to individual performance. A **progressive use** of structured Change Management practices is applied to core ReM processes (compensation policy, job analysis and evaluation, etc.) only and the focus is on critical ReM emerging changes. Competencies **partially** support ReM practices.	At this level of maturity, **advanced** payroll and pension procedures are automated and accredited, e.g., ISO27001 certification, with accurate and timely data available. A **proactive** Reward Management system that provides non-financial benefits such as formal mentoring programmes, work-life balance initiatives, family friendly policies are available to employees who can customize their preferred arrangement. All ReM procedures are **digitalized**. Information is circulated **on a proactive basis** through a range of communication channels and formats. **Risk Management** is an **integral part of decision making**, contributing to the achievement of ReM objectives. A **proactive** Reward Management system is in place that provides flexible remuneration benefits to employees. This system and the Talent Management process are **integrated**. Change Management practices are **applied consistently** to all Reward Management procedures and a Competency Framework is **developed** and **updated,** supporting the same procedures in a **proactive manner**.	At this level of maturity, Reward Management practices are designed to address the **strategic** priorities of the organization. All reward benefits are **fully personalized** to the individual employee. **Automated solutions** ensure that Performance Management measures, Reward Management strategy and work outputs can be synthesized and analyzed to support improved organizational performance. The reward management strategy **is fully integrated** with the outputs of business systems, enabling alignment of outputs and benefits. All decisions on ReM issues are based on documented assessments of **risks** and **opportunities** supporting innovation. The ReM system is **fully aligned and integrated with** business objectives. There is also an automated response to **talent changing needs** and sophisticated change management processes and optimized tools are applied. HRM fully **integrates a** Competency Framework in all its functions, including ReM.
Recommendation: Small steps towards ReM progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's ReM procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals/representatives should implement more radical changes and interventions for ReM to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage ReM to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve ReM performance through both incremental and innovative changes/improvements.

PA-HR Analytics (HRAn)			
			Level D **Leading**
		Level C **Advanced**	At this level of maturity, analytics demonstrate the impact that HR activities have on workforce performance and represent a critical factor in making decisions related to the workforce. **Data science algorithms** are used to predict the probability of a specific event. Real time data relating to HR activities and business outputs across operational/**strategic programmes** are synthesized into regular reports which are discussed at senior management meetings. **Sophisticated risk management processes** and **intelligent tools** and **techniques** are applied in the identification, assessment and treatment of HRAn risks. HR Analytics provide **predictive** approach whereby future workforce trends can be forecast and are designed to support attraction, development and retention of the talent. Change Management processes are **fully integrated** with HR Analytics and are informed by data-driven decisions. HRM **fully integrates** a Competency Framework in all its functions including HRAn.
	Level B **Progressive**	At this level of maturity, data is **fully integrated** and digitalized. Real time data relating to HR activities and business outputs are available through an interactive dashboard. An **advanced risk management system** to identify, analyze, evaluate, treat and monitor HRAn risks is present. HR staff completing analytics activities **integrates** the outputs with both the HR strategy and the business strategy. **Advanced** HR Analytics with talent focus are proactively prepared on an ongoing basis, helping to assess and follow existing talent processes in the organization. Change Management practices are applied consistently to all HR Analytics procedures. A Competency Framework relates to HR Analytics in **a proactive way**, supporting the organization to move towards expected direction.	
Level A **Basic**	At this level of maturity, datasets from a range of HR activities are **progressively** aggregated to create multi-dimensional statistical analyses. A number of segregated information sources are in use but there is a focus on the future integration of databases. **Some Risk Management** processes are documented and **some mitigation plans** have been developed for critical HRAn risks. A **standardized** suite of data is available through a static workforce analytics dashboard. Dedicated analyses regarding talent are **progressively** available on request (e.g., about talent development, retention and career movements, etc.). Roles in Change Management process are clarified, tailor-made communication and training plans are evolved in order to cope with change issues. Competency profiles **are defined** only for key jobs and/or positions and provide data to HR Analytics progressively.		
At this level of maturity, available data sets are gathered through **manual interventions** from administrative processes. There is no formal approach to HR analytics and **basic tools used to collate data,** e.g. spreadsheets. **No formal communications** approach is implemented in relation to HR analytics. Furthermore, there **are no formal processes or consistent actions** for identifying and managing HRAn risks. HR analytics **are not aligned** with the strategic objectives of the organization and there is **no/limited** focus on talent management issues. **Compliance driven** or **reactive** Change Management practices are applied. Key jobs or position specific competencies are defined on an **ad hoc basis** to cover organizational needs; HRAn are not utilized.			
Recommendation: Small steps towards HRAn progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's HRAn procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals/representatives should implement more radical changes and interventions for HRAn to reach the maximum of their performance.	**Recommendation:** Tax Administration's HR function should strive to leverage HRAn to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve HRAn performance through both incremental and innovative changes/improvements.

PA-HR*Ability* (HRAb)			
			Level D **Leading**
		Level C **Advanced**	At this level of maturity, the organizational context is entirely supportive of **optimized** HR policies and practices on managing HR enablers. **Optimized practices** and **policies** support all business operation areas predictively. HR function is an **equal partner** in overall organization strategy formulation and execution. Emergency management processes are **fully integrated** with HRM and contribute to data-driven decisions. **Optimized** talent and leadership development programs **meet** both organizational and talent **demands**.
	Level B **Progressive**	At this level of maturity, **advanced** HR practices enable support to all organizational areas. HR services are **aligned** with organizational goals, facilitate and improve organizational agility. HR strategy **proactively** supports the organization's strategy. Emergency management practices are **integrated** with HRM, covering emergency management preparation, communication and training to increase overall organizational effectiveness. Talent Management **strategies** are developed and implemented.	
Level A **Basic**	At this level of maturity, there is **some understanding** of the importance of HR initiatives in supporting organizational goals. **Structured** HR services support organizational objectives. HR has an **increasing credibility** in the organization and is considered capable of providing technical expertise in specific areas of HR. **Structured emergency management practices** focused on critical health and safety changes are applied. There is a focus on **improving initiatives** for specific job families, but no clear policy for the whole organization exists.		
At this level of maturity, there is **no real consideration** of the importance of HR initiatives as enablers to be applied in the organization. HR has low credibility and is perceived as a back office service. Organization doesn't have a clear understanding of how people can add value. There is an **ad hoc** response and there is **no plan** for handling emergency situations. **Local** focus on talent and **limited** diversity is provided.			
Recommendation: Small steps towards HRAb progression as a standard HR process that is refined and adapted should be taken by introducing evidence–based best practices and taking consideration of the Tax Administration's readiness in relation to innovative initiatives.	**Recommendation:** Tax Administration's HRAb procedures and practices should be quantitatively managed in accordance with agreed metrics. HR professionals/representatives should implement more radical changes and interventions for HRAb to reach the maximum of its performance.	**Recommendation:** Tax Administration's HR function should strive to leverage HRAb to achieve deliberate process optimization/improvement.	**Recommendation:** HR professionals/ representatives should continually improve HRAb performance through both incremental and innovative changes/improvements.