TRAINING STRATEGY OF THE TAX ADMINISTRATION for the period 2012 - 2015
INTRODUCTION

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Introduction

Over the past few years, the Tax Administration has increased its attention to the significance of staff training and education. Increased emphasis on training and education capacities is not only the result of a number of internal reforms, mainly aimed at enhancing taxpayer services, but has also been necessitated in the context of Croatia’s preparations for EU accession.

Staff training and education is a central part of human resource management and its significance has been underlined by the overall strategy of the Tax Administration for the period 2011 to 2015. The need for properly and highly trained staff to meet the new challenges of the Tax Administration has been confirmed and recognized.

This medium-term training and education strategy is further evidence of the high-priority commitment of the Tax Administration to introduce a new and systematic approach to staff training and education to ensure high-quality standards.

The strategy reflects modern and state-of-the-art training philosophies where training is not only perceived as the mere transfer of knowledge but forms the basis for behavioral change, and it incorporates international best practice in staff training as applied by modern tax administrations. It spells out the mission, vision and values of the new approach, it describes and fully takes into account the current regulatory framework and practice, it defines the strategic objectives and it determines responsibilities for its implementation. Another important chapter of the strategy focuses on the establishment of the training implementation program on the basis of a Training Plan. This Training Plan lays down the scope of training and deals with the training curricula, training formats and tools, training locations and facilities, the recruitment of trainers and lecturers and the preparation and distribution of the training materials.

One of the main goals of this strategy is to introduce a framework within the Tax Administration to build a new learning culture. This new learning culture implies the introduction of the principle of continuous and lifelong learning where training is delivered not only through periodic and formal classroom teaching or distance learning tools, and the transformation of the Tax Administration into a learning organization where training is part of the officials’ daily activities and work tasks.

“An investment in knowledge always pays the best interest”
1. Key points of reference

1.1. Mission
Enhancement of the human resource management of the Tax Administration through systematic and continuous staff training on the basis of a training implementation program which takes into account the training needs of the tax officials with a view to improving their technical and social skills.

1.2. Vision
The Tax Administration enhances its leading position as a public service provider by developing into a learning organization through the introduction of systematic and continuous staff training and education on the basis of EU standards and best practices with a view to delivering high-quality services to taxpayers.

1.3. Values
In accordance with this strategy, the Tax Administration will promote the following values:

- **Equal treatment of taxpayers**
  Comprehensively applied high-quality training standards promote uniform interpretation and application of laws and regulations.

- **Taxpayer services**
  Highly trained tax officials enhance the image of the Tax Administration in their cooperation and communication with taxpayers (e.g. by providing information or in the course of performing tax audits).

- **Staff development**
  Through systematic and continuous staff training the Tax Administration enhances the technical knowledge, motivation, mobility, flexibility and adaptability of tax officials.

- **Learning culture**
  The Tax Administration practices the principle of continuous and lifelong learning and acts as a learning organization that works persistently to expand the capacity of their employees to create desired results and to nurture new and expansive patterns of thinking.
2. Current situation

2.1. Current legal and regulatory framework

The human resources area and the strategy for development of human resources through programs of professional training and further education within the Tax Administration are determined by a number of laws, by-laws and strategic document.

2.1.1. External framework

The external framework is determined by the following regulations and strategic documents:

- Civil servants law
- Regulation of forms, methods and conditions of education of civil servants
- Strategy for development of human resources in state bodies from 2010 to 2013

The Civil servants law (Federal Gazette, No. 92/05, 107/07, 27/08 and 49/11) regulates the principles of public administration bodies and establishes the legal framework for managing and developing human resources in public administration. According to Article 92 of the above mentioned law, professional training and further education of officials is a long-lasting obligation which obliges all civil servants to participate in training for their professional tasks as well as to improve their professional abilities and skills in organised education programs. Furthermore, Articles 93 to 95 of the above mentioned law foresee various categories of education programs and the obligation for civil servants to participate in such education programs, as well as the funding of financing of education.

According to Article 93 paragraph 7 of the Civil servants law, the Regulation concerning the forms, methods and conditions for the education of civil servants was passed. This Regulation determines in detail the rules and directives to be respected by public administration bodies with regard to professional training and further education of officials.

According to the Regulation, the education program for state bodies is determined by the Croatian government for every calendar year within the Plan for the education of civil servants. On the basis of the adopted Plan for the education of civil servants, every state body is obliged to establish its own implementation plan for each year.

In addition to further education and training, the Civil Servants Law and the Regulation also determine the education of newly recruited employees and trainees and deal with adjustment education programs.
The strategic goals for professional training and further education for every state body are defined by the Croatian government in the strategic framework for the development of human resources in public administration from 2010 to 2013, which was established in December 2009. One of the aims of this strategy is the implementation of long-term education of civil servants. The strategy foresees that the Center for Professional Training and Improvement of Officials at the Ministry of Administration is obliged to develop and implement general education programs.

2.1.2. Internal framework

The internal framework is determined by the following regulations and strategic documents:

- Ordinance of professional training and further education of officials in the Ministry of Finance and Tax Administration
- Strategy of the Tax Administration for the period 2011 – 2015
- Human Resources Management Strategy

On the basis of the Regulation concerning the forms, methods and conditions for the education of civil servants, the Ministry of Finance has passed the above mentioned Ordinance. This Ordinance determines in detail the rules and directives to be respected by tax administration with regard to professional training and further education of tax officials.

According to the Ordinance, the Division for Development and Management of Human Resources within the Tax Administration delivers, by the end of each year, data about needs for conducting general programs of professional training and further education to the Ministry of Administration. Ministry of Administration develops general annual education plans for all public administration officials.

Based on Ordinance and Regulation Division for Development and Management of Human Resources, in cooperation with other organizational units of the Tax Administration, each year creates Implementation plan for specialized education programs that are delivered in-house.

The Ordinance determines that education programs for officials in the Tax Administration deal with general education, specialized education, foreign languages, IT skills and other areas.

The strategy of the Tax Administration for the period 2011 – 2015, which was published at the website of the Tax Administration in July 2011, is the basic framework for operative planning for the said period, including strategic planning for education and training. One of the strategic goals is the “Tax Administration Modernization through Human Resources, Organization, Procedures and Technology”. According to
the above Strategy, the education of officials is a highly important task of the Tax Administration for the coming years.

The Human Resources Management Strategy was developed within the framework of the World Bank Revenue Administration Modernization Project and adopted by the Tax Administration. With regard to staff training and education, the strategy attempts to remedy some major weaknesses inherent in current training and education.

Human Resources Management Strategy and Planning – Recommendations Report is a document prepared as a result of a World Bank project in the Tax Administration which gives three specific recommendations related to training and career development:

1. Education planning process should be oriented more towards real needs and possibilities, rather than expressing the wishes of individuals for certain types of education.
2. Model for required continuing education at various stages of career development should be precisely determined (Competency model)
3. Process of training and career development should be computerized to a greater extent, both in terms of conducting of education programs (introduction of e-learning opportunities), and in terms of planning and monitoring realization.

2.2. Current practice

The Tax Administration comprises the head office, 20 regional offices and 122 local offices and employs a number of approximately 4,400 officials. The Division for Development and Management of Human Resources is responsible for the training and education of Tax Administration employees. Such training and education take place within the Tax Administration, at the Ministry of Administration, other ministries and state institutions, higher education institutions and at private sector education institutions (e.g. training in foreign languages).

The Center for Professional Training and Improvement of Officials at the Ministry of Administration, which was established in 2005, is responsible for providing training and education to all public bodies. As regards Tax Administration employees, the Center has primarily been involved in the training of new employees and the provision of general education programs, even though the Center has not been in a position to satisfy all training and education needs of the Tax Administration due to its overall training responsibility for the complete public sector. Up to the end of 2010, training and education provided by the Center for Professional Training and Improvement of Officials was free of charge. However, in December 2010, a School for Public Administration was established which takes over some part of the training tasks of the Center for Professional Training and Improvement. Furthermore, the newly established School for Public Administration charges training fees for some programs.
The current implementation of staff training is based on a long-term strategic document which has been developed for the period 2008 to 2012 ("Strategy of Professional Training and Further Education of Officials of the Ministry of Finance/Tax Administration"). Even though the above mentioned strategic document has not been formally approved, the current practice of staff training and education is largely based on the outlines of the above informal strategy document. The document mentions the following strategic objectives:

- improve the working quality of officials
- ensure continuous learning for officials
- develop education programs
- improve the competence level of trainers and lecturers
- improve the competitiveness of the Tax Administration as an employer.

Furthermore, the document deals with general organizational and implementation issues such as responsibilities, scope of training, trainers and lecturers, key indicators of success and evaluation. In particular, the central part of the informal strategy document lists a wide range of training curricula to be implemented within the Tax Administration, subject to necessary adaptations on the basis of a needs assessment analysis. The foreseen training curricula are the following:

- Tax system of the Republic of Croatia.
- Accounting and Finances
- Specialised audit programs
- Enforcement, real estate, misdemeanour procedure
- Computer Science Programs
- Communication and psychosocial skills
- Combating corruption
- Trainee programs
- Adjusting programs
- Educations programs for leading positions
- Employee promotion programs
- Training of trainers
Division for Development and Management of Human Resources within the Head Office of Tax Administration creates and nominates annual Implementation plan for specialized education programs that is accepted and enacted by Director General of the Tax Administration. This plan determines programs of professional training and further education for specialized and general education.

As a result of the relatively large number of tax offices and the costs usually associated with classroom training (travelling and accommodation), the major part of in-house staff training should be decentralized and organized in the following 7 offices of the Tax Administration:

- Head Office of the Tax Administration
- Regional tax offices at Zagreb, Zadar, Dubrovnik, and Slavonski Brod
- Local tax offices at Rovinj and Split.

The above mentioned training locations have a maximum capacity for the training and education of 435 employees on a daily basis.

Due to cost reductions the CTA has tried to decentralise education so far. But due to the lack of own training facilities, rooms for purposes of education have to be rented.

As regards equipment, only the training facilities in the Head Office are equipped with basic audio-visual devices or IT infrastructure (conference room at the central office in Boškovićeva 5 and IT equipment at the dislocated office in Albrechtova 42), whereas the classrooms in the other training locations currently do not dispose of such equipment.

Based on the above and taking into account the implementation of staff training and education at its current stage, the Tax Administration is confronted with the following major problems:

- Relatively limited budget for staff training and education
- Time-consuming hierarchical procedures for approval of training
No strategic and systematic approach to staff training and education (no formally approved strategy but rather ad-hoc approach based on short-term training needs)

Out-house training is no longer completely free of charge and dependent on the capacities available at the Ministry of Administration.

Status of trainers and lecturers (even though provided for by law, due to budgetary constraints trainers and lecturers do not receive fees for performing training and lecturing).

Inefficient staff development (low staff motivation and relatively high staff fluctuation due to low salaries, lack of professional career options and prospects and no reward for exceptional or excellent performance).
3. **Strategic objectives**

The primary goal of this training strategy is to introduce systematic education of Tax Administration officials with a view to achieving the following general and specific strategic objectives:

**OBJECTIVE 1**

*Introduce systematic professional trainings and further education of human resources in order to increase the administrative capacity of the Tax Administration*

For a modern tax administration it is essential to undergo administrative reform and modernization processes. This also applies to staff training and education of tax officials where there is a particular necessity to apply efficient and up-to-date training methods, formats and tools. In view of Croatia’s nearing accession to the European Union, but also due to the rapid growth of cross-border transactions in a globalized and constantly changing economic environment, it is extremely important to have adequately trained staff that is in a position to deal with the new challenges.

This training strategy is in line with the mission, vision, values and the strategic goals of the overall strategy of the Tax Administration for the period 2011 to 2015. With regard to staff training and education and staff development, the overall strategy of the Tax Administration particularly emphasizes the following:

- High-priority commitment of the Tax Administration to safeguard high-quality staff training and education
- Specific focus on distance learning tools (e-learning)
- Equal opportunities for all employees in the areas of training and staff development
- Significance of adequately trained staff for purposes of combating tax fraud
- Strengthening of administrative capacities for large taxpayers on the basis of specifically trained staff for tax audit.

Adequately trained staff is a basic precondition for supporting and enhancing the core operational functions of the Tax Administration (registration of taxpayers, tax assessment, taxpayer services, tax audit, disputes resolution, enforced collection). Staff competence and staff training becomes even more important where such core functions are not automated or IT-supported. For instance, where tax audit is not based...
on automated risk analysis for case selection or is not carried out by the use of IT based support tools (electronic tax audit), the lack of IT support has to be compensated by the technical knowledge and expertise of staff. However, staff training is not be limited to the transfer of purely technical knowledge, but also includes a range of other skills which, depending on the employee’s function, are indispensable or highly desirable for performing his or her tasks (e.g. training in foreign languages, psychology, communication, etc.).

Croatia’s nearby EU accession will demand qualified and well-trained officials who are capable of performing the international obligations in the taxation area. These obligations include, for instance, the transposition and application of EU VAT legislation or administrative co-operation with all other EU Member States as regards exchange of information on VAT and direct taxes (income tax and corporation tax), recovery of tax claims, taxation of savings income, transfer pricing, etc. Although relevant Tax Administration staff has been trained in the course of various Twinning projects funded by the European Union, it should be borne in mind that further training will be necessary until and after the actual accession date. Such further training could be provided by additional EU Twinning projects in due time.

The improvement of the professional skills and qualifications of the Tax Administration staff through improved training and education will increase the efficiency of the Tax Administration and will lead to a higher degree of so-called indirect profitability, in particular with a view to improving tax compliance, taxpayer services and reducing costs, irrespective of the application of modern compliance risk management systems and IT technology.

OBJECTIVE 2

Improve human resource management and establish a learning organization

As stated in the Introduction above, staff training and education is a central part of human resource management. Under the World Bank Ramp Project “Human Resource Management Strategy and Planning”, an external Consultant (KPMG) has developed a human resources management strategy for the Tax Administration which has been approved by the Tax Administration. Furthermore, in the executive summary of the Tax Administration Diagnostics Report, the Consultant provides the results of its analysis which has covered the following areas:

- Administration
- Human resource selection process
- Human resource employment process
Performance management process
Compensation management
On-boarding
Training and career development (including planning and forecasting educational requirements).

Although with regard to training and career development the Diagnostics Report mentions that there exists a wide range of training programs (including introduction programs, specialized programs, personal development programs, professional development programs, management development programs and other programs), the Report also identified some major problems as regards the process of planning and forecasting educational requirements.

Staff training and education is also a fundamental building block of knowledge management, which is itself an essential tool for a modern tax administration. In a globalized world the increase in the amount of knowledge and the sharing of such knowledge is essential because knowledge management aims at knowledge sharing. Successful knowledge management can be seen as an integrated effort involving people and processes as well as technologies.

Portal technology is regarded as one of such technologies, which provides staff with integrated knowledge. But knowledge management is not only a technical issue, but also a social and individual one. The successful application of knowledge management in a tax administration such as the Tax Administration guarantees uniform standards at all levels: local, regional and central.

Under the World Bank Ramp Project, the Tax Administration will implement an e-learning and knowledge management system which foresees the following major improvements:

- Easier and fast retrieval of information
- Easier monitoring of amendments to laws and regulations
- Continuous education and current knowledge-sharing
- Equal level of knowledge within the organization
- Reliable distribution of information to tax officials on site
- Posterior taking of already delivered trainings
- Distance meetings and consultations
- Better communication and cooperation between tax officials
The introduction of a knowledge management system tool will allow users to develop their own personal profile, including job description, expertise, education, interests, etc. User profiles will clearly identify if the person is a recognized expert in a certain area. The process of expert nomination and recognition should be supported by the system and subject to verification rather than free text entry in user profile section. On the basis of information about competences of the user profile, the system should enable virtual meetings, in which questions can be posed to the experts as well as other methods of controlled interaction with the nominated experts. The system will support users in introducing communications or practice networks for controlled exchange of resources, messages. Furthermore the system should support processes of evaluating and organizing the knowledge in one or more knowledge bases. Based on mandatory metadata, the system should utilize nominated experts to evaluate and approve new knowledge publication.

A public sector learning organization is built on its civil servants, their knowledge, know-how and their openness for innovation. Public officials should consequently be trained to embrace a new culture of learning and to see themselves as active agents of change. Furthermore, managerial competencies such as increased leadership skills, quality awareness, problem-solving tools and group process skills are especially important in a learning organization.

Lifelong and continuous learning in the public sector is an imperative in a constantly changing environment in which knowledge gradually loses its worth, traditional skills soon become obsolete, technical innovations are introduced in an ever-quicker succession, and more demands are being made on government bodies. Against such background, the knowledge and skills of civil servants need to be constantly revised and upgraded. Public officials need to be prepared for continuous learning.

Lifelong learning in public administration encompasses learning at all ages and subsumes formal, non-formal and informal learning. The benefits of lifelong learning to a tax administration include in particular greater motivation, improved innovation, better teamwork and exchange of information within the administration, higher participation, increased flexibility, and high quality relations with taxpayers.
Currently staff motivation within the Tax Administration is characterized by a relatively high degree of employee dissatisfaction. This is mainly due to the low average salaries and lack of professional career options and prospects. Linking training results to professional career development is a fundamental cornerstone of staff training and staff development. Furthermore, there is no reward for exceptional or excellent performance (except a limited number of additional holidays). Low staff motivation frequently results in staff fluctuation. Staff fluctuation is particularly high on higher education levels.

In addition to purely financial incentives, there are a number of other incentives which are essential for purposes of motivating employees to work more efficiently. One of the most important non-monetary incentives for staff motivation is professional career development through adequate training to give employees the opportunity to continue to grow and develop job and career enhancing skills.

Staff mobility, flexibility and adaptability have become increasingly necessary in the public sector, not only because of the fast changes in public tasks and to make the best possible use of the human resources of the public service, but also because of a number of other reasons, such as enhancement of motivation and career development or development of the full potential of civil servants.

Education, training, knowledge, experience and skills are basic prerequisites for enhancing staff mobility. Staff mobility policies of modern tax administrations should not be limited to stimulate or facilitate job changes within the public sector (intra-ministerial or inter-ministerial staff mobility) but should also promote mobility between the public and the private sector. Even though in practice the influx of staff from the private sector to the public sector has remained low due to the comparatively low salaries in the public sector, such influx could help introduce private-sector working practices and management tools to the public sector.

In some administrations mobility is a precondition for access to certain positions in the senior civil service, e.g. for appointment to managerial positions. Effective and flexible instruments for the purpose of encouraging staff mobility and flexibility, include for instance job rotation within the same ministry (e.g. across departments), secondments, job exchange schemes, temporary transfer of staff to other ministries, to other public sector bodies or to the private sector; or international civil servants exchange schemes.

Employer attractiveness has consistently figured among the top priorities of human resource decision-makers for the last few years, and is still becoming ever more relevant as a strategic competitive edge of modern...
administrations. Measuring employee engagement along the entire employee lifecycle helps internal benchmarking and analyzing why performers are leaving the Tax Administration. This allows the Tax Administration to set up an early-warning system to anticipate and manage human resource risks more proactively and effectively.

Employer attractiveness is defined as the envisioned benefits that a potential employee sees in working for a specific organization. Initial job choice decisions are often related to the image of the employing organization, and these perceptions are based upon the information about the organization which is available to job seekers. The following five factors (values) are essential and examine why an individual is attracted to an employer: interest value, social value, economic value, development value, and application value.

Interest value assesses the work environment and novel work practices (including training opportunities) where employees can make use of their creativity to produce high-quality, innovative products and services. Social value focuses on a working environment that provides good collegial relationships and a team atmosphere. Economic value deals with adequate salary, compensation package, job security and promotional opportunities. Development value assesses recognition, self-worth and confidence, coupled with a career-enhancing experience and a springboard to future employment. Finally, application value focuses on opportunities for employees to apply what they have learned and to teach others, in an environment that is both customer-orientated and humanitarian.

**OBJECTIVE 4**

*Develop training implementation programs on the basis of a Training Plan (implementation)*

The development of a training implementation program and a Training Plan is at the core of every staff training policy. Such Training Plan establishes the framework for training implementation and must consider all relevant aspects of staff training such as the scope of training, the status of trainers and lecturers, the necessary training locations, facilities and infrastructure, the training formats and tools, the training curricula and time schedules for the training courses, the training materials and the statistical documentation for purposes of training evaluation. Such Training Plan has been designed in detail in Chapter 5 of this Training Strategy.
4. Responsibilities

Division for Development and Management of Human Resources

The Division for Development and Management of Human Resources (Odjel za razvoj I upravljanje ljudskim potencijalima) at the head office of the Tax Administration has the following main responsibilities:

- Training needs analysis
- Preparation and implementation of the Training Plan in cooperation with the relevant internal and external stakeholders involved in the training implementation program (i.e. Training and Education Board, staff training co-ordinators, Ministry of Administration, etc.)
- Selection of trainers (as part of the Training Plan)
- Establishment and maintenance of the learning platform at the internal Intranet website of the Tax Administration for purposes of enhancing knowledge management
- Monitoring, evaluation and redesign of the training program.

Training and Education Board

For purposes of effective staff training implementation the Tax Administration will establish a Training and Education Board. This Board will be headed by the Director General of the Tax Administration and will furthermore comprise the heads of the departments (assistants to the Director General) of the Tax Administration head office. The Board will support and advise the Division for Development and Management of Human Resources with regard to the following:

- Training needs analysis
- Determination of priorities in the training implementation program
- Safeguarding a comprehensive range of training courses
- Selection of trainers and lecturers
- Monitoring, evaluation and redesign of the training program.
Regional staff training coordinators

Furthermore, for purposes of effective staff training implementation, the Division for Development and Management of Human Resources will also be assisted by staff training co-ordinators at the Regional Tax Offices. Their tasks will include in particular:

- Cooperation in training needs analysis
- Management of training locations and facilities
- Submission of evaluation results to the Division for Development and Management of Human Resources (see Chapter on Monitoring, Evaluation and Redesign).
- Cooperation in the distribution of training materials.
5. Training implementation program

5.1. Training Plan

Staff training implementation will be based on the Training Plan. A precondition for the preparation of the Training plan will be a systematic analysis of training needs taking into account existing training programs within the Tax Administration. Training planning needs to be based on clear deadlines for approval and/or rejection of training courses and training requests. In particular, the Training Plan will determine the approach for implementing staff training and education in line with the general strategic objectives of this training strategy and in accordance with the following key elements of the general framework for staff training implementation:

Scope of training

The scope of training comprises the following two main categories:

Initial training for new tax officials

Initial training for newly recruited employees will comprise two types of training: a theoretical component and a practical component (on-the-job-training). The theoretical training will provide the trainees with the basic knowledge on the general legislative, regulatory and institutional framework, while in the practical training the trainees will receive comprehensive training in basic practical operations and core operational functions of the Tax Administration (registration of taxpayers, tax assessment, taxpayer services, tax audit, disputes resolution, enforced collection).

Initial training for trainees will not exceed a period of 12 months. The successful conclusion of the initial training on the basis of a state examination will be a precondition for continuing to work within the Tax Administration.

Initial training for newly recruited officials with working experience will consist of adapting to the requirements of the concrete job which includes familiarizing with the system of public administration, the organisational structure of the Ministry of Finances and of the Tax Administration, the tax system, specialised training programs for the concrete job of the official as well as with the requirements for improving IT-skills etc.
Initial training for newly recruited officials with working experience will not exceed a period of 3 months.

Further training for established tax officials

Further training and specialist training for established tax officials will be available for all tax officials from local, regional offices and the central office and at all levels, including senior and mid-level management.

As a result of the tax administration modernization process, the training of senior and mid-level management officials will become increasingly important in the near future. Such training will focus on the changing management culture and modern management principles for public administrations, emphasizing flexibility and performance and linking career development to performance and training.

Depending on the training needs and the financial budget, further training and specialist training will be compulsory or voluntary.

Trainers and lecturers

The recruitment of qualified Tax Administration trainers and lecturers for the delivery of the in-house training program is on a voluntary basis. In addition to possessing the technical expertise, knowledge and communication skills, recruited trainers and lecturers apply best suitable training techniques. Although under current regulations (Decision on fees for educating civil servants, Federal Gazette, No. 10/2007) Tax Administration trainers and lecturers would be entitled to receive additional remuneration for performing training and lecturing, such additional remuneration is currently not paid out. However, the Tax Administration will attempt to pay out additional remuneration in future or will provide non-monetary incentives for Tax Administration officials to act as volunteer trainers and lecturers (e.g. compensatory time off, increased career prospects, etc.).

Furthermore, where no Tax Administration trainers or lecturers are available for the delivery of specific training, external trainers or lecturers are available for the delivery of specific training, external trainers or lecturers will be recruited (e.g. university professors).

Training locations and facilities

Wherever possible, in-house training should have preference over outsourced/external training. Due to the absence of a centralized staff training institution (Tax Academy), the delivery of in-house staff training and education will be decentralized. Classroom training will take place in the following tax offices, which will supply the necessary training facilities and infrastructure (rooms, computers, etc.):
The day-to-day management of training locations and facilities for purposes of carrying out the training activities will be performed by the regional staff training coordinators.

Training formats and tools

Subject to needs and circumstances, a substantial part of staff training will be based on traditional face-to-face and classroom training (seminars, workshops, modules, on-the-job and workplace-based training, etc.).

However, in accordance with the overall strategy of the Tax Administration for the period 2011 to 2015, special attention will also be paid to e-learning system. Following the blended learning approach, the Tax Administration will use e-learning tools as a supplement to classroom training where appropriate. In such case e-learning will be either used in place of, or before, during and after classroom training. The Tax Administration will strive to provide all technological and human resources necessary to enable the development and implementation of such blended learning programs. Special attention will be given to the preparation and education of current and potential trainers/instructors to enable them to facilitate such blended learning programs in an efficient way and to address possible fears and uneasiness about the impact of on-line learning.

E-learning covers a wide range of training tools and applications, including web-based learning, computer-based learning, virtual classrooms and digital collaboration. Furthermore, e-learning includes the delivery of content via Internet, Intranet, audio-based and video-based, interactive TV, and CD-ROM.

Even though for the Tax Administration e-learning represents one of the important strategic points of reference for the improvement of the human resources management process, primarily because of limited availability of lecturers and learning facilities, it will carefully examine the use, efficiency and limitations of e-learning programs.

Training materials (preparation and distribution)

Support of the training program by adequate training materials is an essential element of the Training Plan. The training materials
will be prepared by the trainers responsible for the delivery of the training program,

will be available either electronically via the internal Intranet website of the Tax Administration or will be distributed to the staff training participants by the Regional staff training coordinators prior to the start of the training program (whenever possible), and

will be in line with the requirements of training program course (e.g. up-to-date and easy-to-use training materials).

Training curricula and time schedules

The training program will comprise the training curricula and the relevant timeframe for the training courses. With respect to the content of the training, the training curricula will include core training on the technical, operational and managerial functions. As regards tax law training, such training will not only focus on teaching the contents of tax laws but will particularly emphasize the interpretation and correct application of the laws.

Each training curriculum will consist of the following:

- title of the training course,
- description of the objectives,
- description of the competences to be reached,
- content,
- methodology and didactic principles applied,
- training materials to be used,
- locations and facilities,
- number of training participants and
- duration of the training course.

Statistical documentation

The preparation of comprehensive statistical documentation for purposes of monitoring, evaluation and redesign is essential. Basic statistical data for a calendar year will include:
5.2. Success factors for strategy implementation

The following factors are critical for the successful implementation of the Tax Administration Training Strategy:

Training needs assessment

Training needs assessment is critical to developing an effective training program. Assessment of individual or team job performance will enable the Tax Administration to understand areas for improving individual or team competency levels.

For purposes of training needs assessment, the superiors will determine those employees who will undergo staff training and education and will report the relevant training requests to the Division for Development and Management of Human Resources. The superiors will also be responsible for the preparation of the career learning plans of their subordinates.

Budget

It is the task of the Ministry of Finance to provide the necessary financial means for the best possible implementation of this training strategy for purposes of strengthening the training capacity of the Tax Administration with a view to establishing and securing sustainability of training activities. The Tax Administration commits itself to use the financial means provided by Ministry of Finance for purposes of staff training by adhering to the principles of thrift and efficiency.
Senior management commitment

Since the commitment and support of the senior management of the Tax Administration for the implementation of the training strategy is crucial, the senior management will provide for the necessary conditions for successful strategy implementation.

Staff involvement

Staff involvement and participation in the training and education program is essential for establishing a learning organization and for creating a proper learning environment. Staff involvement not only implies the motivation of employees to undergo staff training on the one hand, or to act as trainers or lecturers on the other hand. Staff requests and needs, staff opinion and staff feedback are as important for the establishment of the Training Plan as they are for the process of monitoring, evaluating or redesigning the training program.

Strategy management

The Division for Development and Management of Human Resources at the central office of the Tax Administration, in cooperation with the Training and Education Board and the Regional Staff Training Coordinators, is responsible for the management and implementation of the training strategy. This responsibility includes:

- efficient establishment and implementation of the training program with all relevant stakeholders inside and outside the Tax Administration,
- monitoring the proper management and timely implementation of the training strategy, and
- verifying the achievement of the strategic objectives.
6. Monitoring, evaluation and redesign

The Division for Development and Management of Human Resources (Odjel za razvoj i upravljanje ljudskim potencijalima) at the head office of the Tax Administration, in cooperation with the Training and Education Board, will be responsible for annual reporting on the implementation of the training strategy and regular monitoring and evaluation of the training activities and the overall results of the staff training and staff education in line with the Training Plan. Where such evaluation of the Training Plan suggests improvements, the Division for Development and Management of Human Resources will take the necessary actions to develop proposals and recommend changes for the redesign of the Training Plan.

Evaluation necessitates the collection, understanding and use of statistical information. Furthermore, evaluation shall be based on adequate evaluation methodologies (Key Performance Indicators). Depending on the training content, different evaluation methods will have to be applied to verify whether the objectives of the training measures have been reached. Traditional evaluation methods include:

- Preparing questionnaires for the evaluation
- Ongoing evaluation of each individual training course subsequent to the conclusion of the course. The evaluation shall relate to the results of the training course and the performance of the trainer(s).
- Global qualitative and quantitative evaluation of the implementation of the Training Plan at regular intervals
- Preparing overall Evaluation Report with recommendations for redesigning the Training Plan.

For purposes of qualitative and quantitative evaluation, the following key performance indicators can be used:

- Total number of employees trained during the calendar year
- Total number of training courses (training hours) delivered during the calendar year.

Redesign will not only be based on the monitoring and evaluation results of the staff training program but will also take into account the promotion and integration of modern and up-to-date learning and teaching methods on the basis of best practices (e.g. other tax administrations and external educational and training institutions).