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# Training Strategy for National Tax Officials

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## I . Direction for training

### 1. Expertise and leadership

In the globalised economy of the 21 century, every economic activity is getting complicated and diversified. To properly execute tax administration, therefore, the National Tax Service of Korea (NTS) should have tax officials armed with expertise in their sectors.

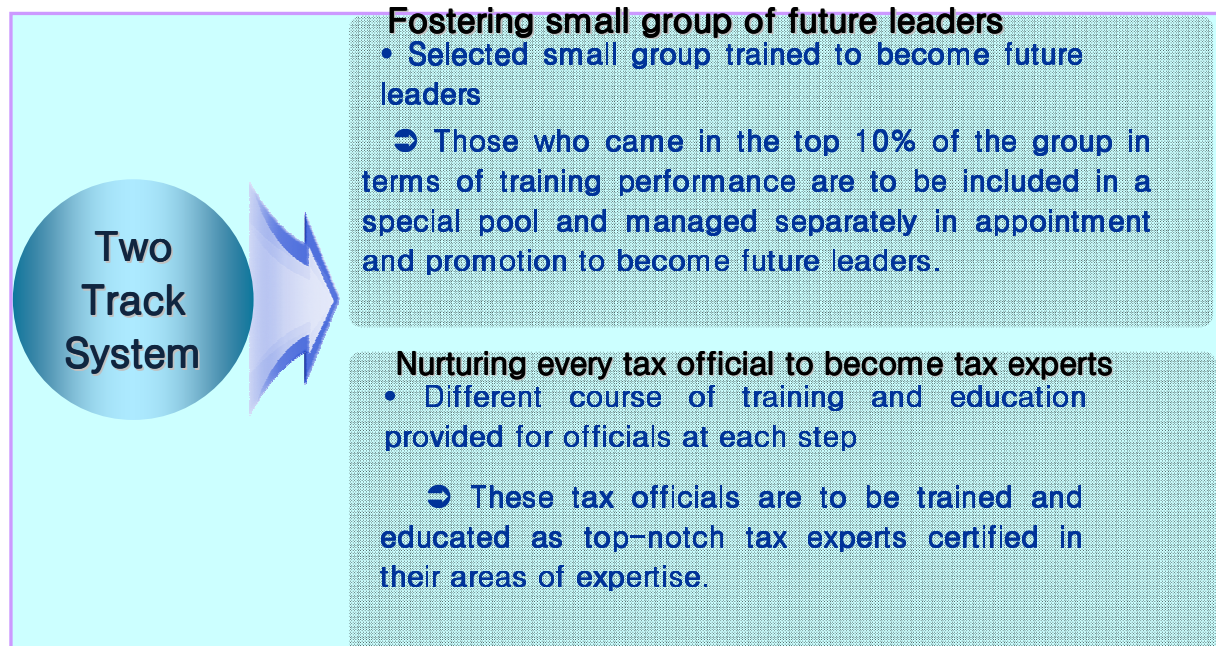
In other words, what we need to do is to nurture tax officials to become ones who are equipped with excellent knowledge in tax law and full understanding in various economic activities and each sector of the society and who can efficiently respond to the fast changing tax environment based on their expertise.

For this, continuous and systematic training should be provided to tax officials.

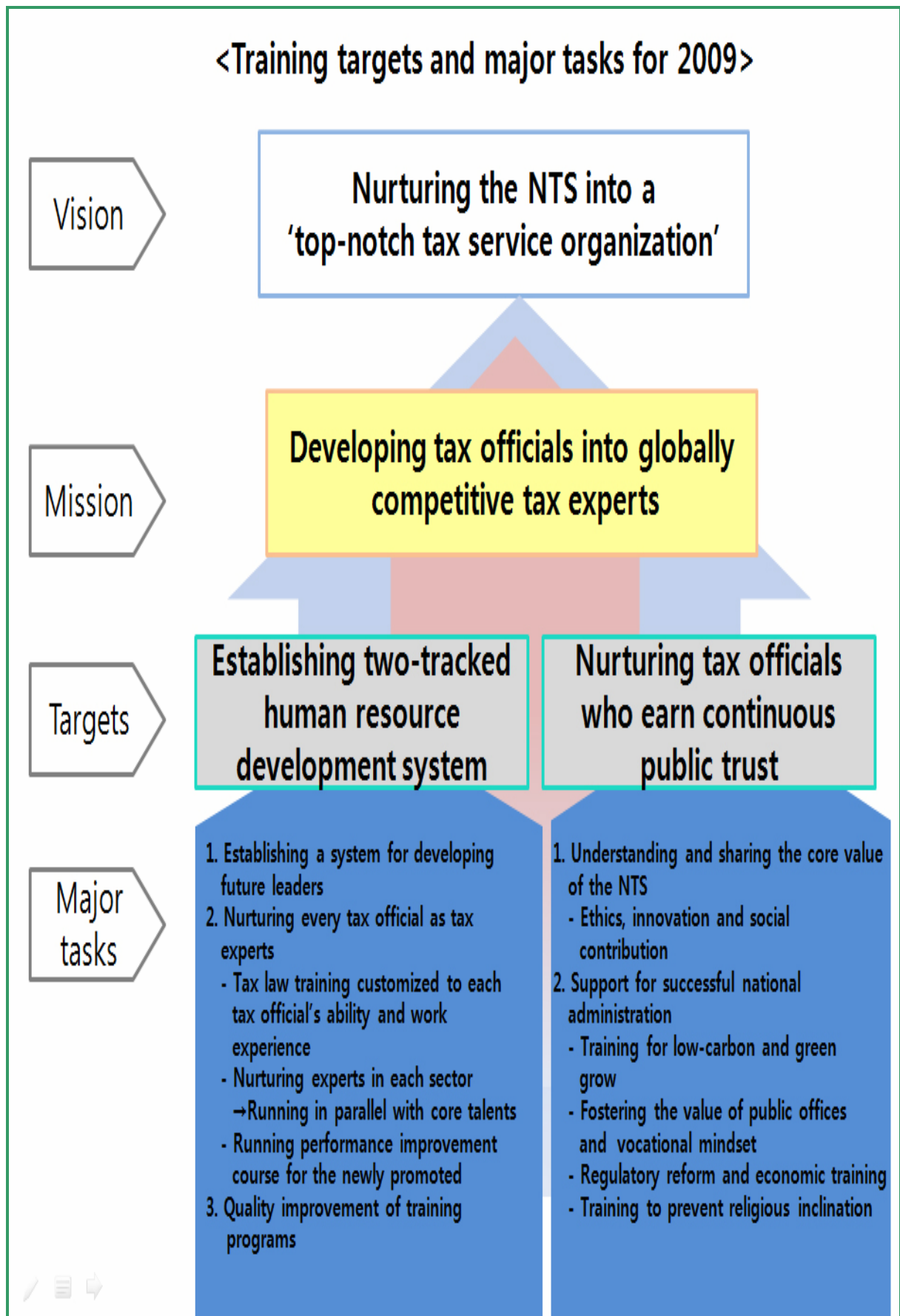
In this context, the NTS came up with and runs the 「Mid- and Long-term Action Plan」 to upgrade tax officials' expertise and ability to deal with changes in tax environment. The action plan provides tax officials with customized training in 6 phases according to their work experience and level of job knowledge. The 「Tax Expert Course」 is open to nurture sector-specific tax experts. In addition, the NTS selects a small group of exemplary tax officials with proven capacity and talent and develops them into future leaders in the tax field.(Two-Track system)

Further, to support each tax official's self-oriented learning for capacity development, various programs are available, including 「e-Learning」 and learning from private institutions. The NTS is planning to continuously develop and run new training programs.

< Mid- and Long-term Action Plan >



## 2. Training targets and major task



### 3. Training plan in details

- ◆ Running 「Core Talents Development Course」 to nurture future leaders in public offices
- ◆ Providing customized tax law training
  - ☞ Nurturing every NTS tax official as tax experts through systematic tax law training
- ◆ Developing a small group of top-notch tax specialists by operating 「Tax Expert Course」

#### 1) Core Talents Development Course

##### □ Establishment

- The course has been opened and running since 2007 with an aim to nurture a small group of creative and innovative tax officials who will lead the competitive world of the 21 century.
  - \* In 2007, 249 tax officials were trained, in 2009, 503 received the training course and in the first half of 2009, 46 were trained.
- For the course, top-notch tax officials in their positions are selected after strict screening for their quality, talent and so on.
- Action learning was strengthened and excellent research results were reflected in policies in order to give a motive to learn more.

##### □ After-the-fact management of a core talent pool

- After the course, the officials who come in the top 10% of the group in training performance are included in a core talent pool and managed separately in appointment and promotion and nurtured into future leaders.
- Those who are not included in the pool are also managed after the course.

#### 2) Phased and multi-leveled tax law training

##### □ Phased and multi-leveled training

- The training provides beginning, intermediate and advanced levels of tax law training systematically and in phases according to the level of trainees.

##### - Beginning level

- ▶ The beginning level course is provided to tax officials with less than 5 year experience. They are required to complete 4 courses – income tax, corporate income tax, VAT and property tax – within 5 years until they finish their circulation position.
- ▶ Considering that trainees are usually the newly hired and large in number, Blended Learning that combines 4 week e-learning and 1 week camp training is provided.

**- Intermediate level**

- ▶ The course is provided to tax officials who have experience between 5 year or more and less than 10 years. During the period, trainees should complete 2 or more courses and receive 2-week camp training.

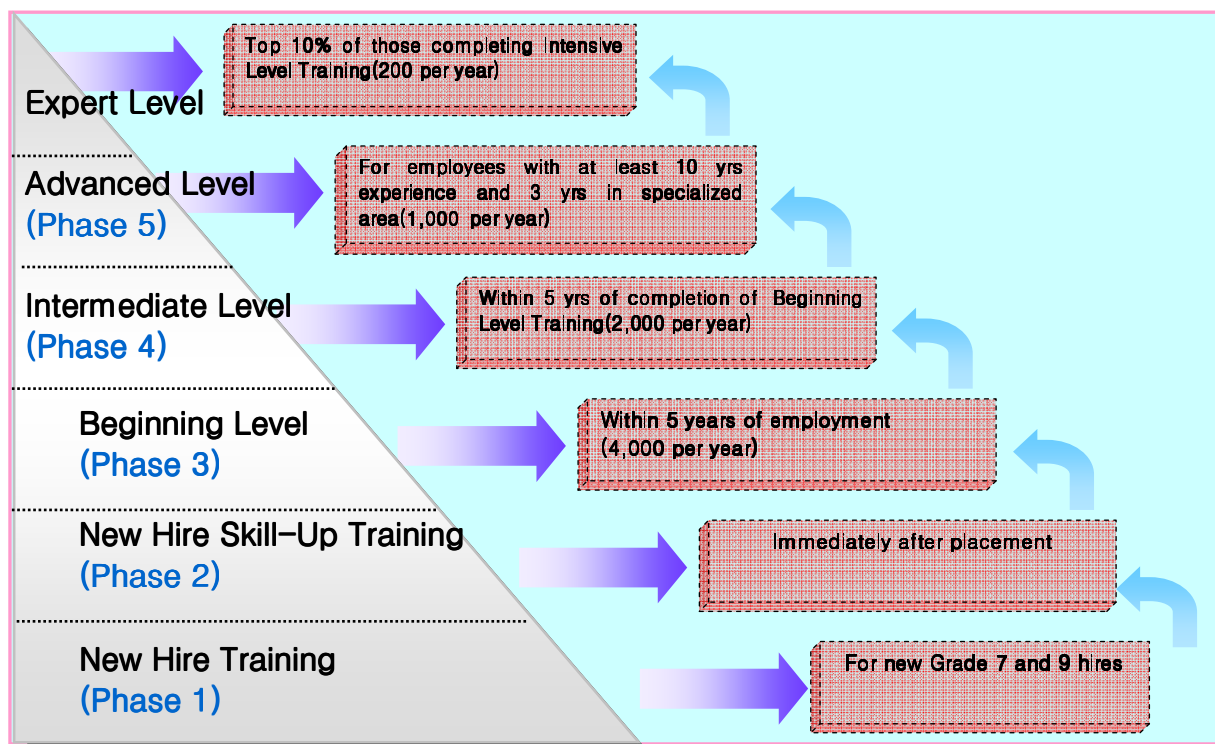
**- Advanced level**

- ▶ The course is provided to tax officials who have the work experience of 10 years or more in national tax and of 3 years or more in concerned field. Trainees receive knowledge in tax law through 3 week- camp training.

\* In the first half of this year, the beginning level course was provided to 697 tax officials two times, the intermediate course was provided to 232 tax officials once and the advanced course was provided to 204 tax officials twice.

□ **Target management**

- The training manages trainees to obtain necessary qualification certificates of accounting practice and tax audit within 5 years after appointment (Phase 3).
- The training also manages trainees to obtain at least 1 or 2 tax expert certificates when the trainees have more than 10 year experience (Phase 5).



### 3) Tax expert course

#### □ Nurturing tax experts in each sector

- Among the trainees who came in the top 10% of the advanced level course and the tax officials who get credit for their work, the course selects a few exemplary tax officials who are recommended by heads of organizations and trains and nurtures them into top tax experts.
- Under the course, there are six sub-courses in corporate income tax, international investigation, income tax, VAT, capital gains tax, gift and inheritance tax.
- The NTS plans to provide the course to 200 tax officials per year for the next 5 years until 2013 and aims to nurture 1,000 top tax experts, which accounts for 5% of the total member of the organization.
- Theory-based training is avoided, and the course focuses on Action Learning and case study and issue learning.
- Results of case studies and discussions are published as a research report that is uploaded to KMS and made available to all NTS staff.

#### □ Nurturing top tax experts along with core talents to lead the NTS

- The trainees who come in the top 10% of the course are trained as excellent NTS tax experts who receive credit from the inside and outside of the organization, given the title of 「Specialist」 (tentative name) to increase their pride and reputation.

### 4) Capacity improvement course

#### □ Course for the promoted to Grade 6 and 7

- The 「Capacity Improvement Course for the Promoted」 is provided to those who were promoted to Grade 6 and Grade 7 which play an important role within the organization with an aim to help them understand their new role and improve their capacity.
- The course focuses on improving the capacity of the newly promoted, including leadership necessary to do their job in their new position, and on fostering the value of public offices and vocational mindset.
- The course helps the newly promoted have new understanding and insight into their work and improve their pride and affection for the organization.
- \* Until July 2009, 510 tax officials who were newly promoted have received training in 13 separate courses.

#### □ Capability improvement course for middle managers

- The course provides deputy directors and senior deputy directors with various trainings that are needed to them as a middle manager.
- \* The course trained 992 middle managers in 20 separate courses from Sept. 2008 to Apr. 2009.

## **5) Helping new hires get acquainted**

### **□ Improving training offered to promotion candidates**

- Training has been extended from 6 weeks to 12 weeks to help candidates get accustomed to their new position (camp training)
  - Focus of training is on helping employees familiarize themselves with new tasks (e.g., how to use TIS)
  - Various programs developed to help employees gain a proper and healthy public-service mindset.
    - Group discussions, conversations with employees with many years of experience, camp trainings, etc.
    - Students also offer community service and free service to companies.
- \* 1,586 trainees in 2007, 2,448 trainees in 2008, 1,020 trainees planned in 2009

### **□ Skill-up training for new hires**

- 4,000 new hires joined the NTS in the past 2 years, but received only a 6-week short-term training, which is not sufficient to fully help them get acquainted to their new jobs.
  - Skill-up training, therefore, is provided to relatively new hires to help them improve the skills needed on the field.
    - Given than employee rotate, training will be focused on their next area of placement.
    - Classes focus on basic tax knowledge and practical knowledge.
- \* 517 students were trained across 10 programs in 1H 2009.

## **6) Tax classes for taxpayers**

- Basic tax education classes are offered to taxpayers as part of our taxpayer services. Our target audience is small and mid-sized companies that have limited access to tax and accounting expertise.
  - Training is provided free of charge (however, taxpayers are asked to pay for their own textbooks and food) and free accommodation is provided to people coming from long distances.
- Classes focus on tax areas that companies have the most difficult time with.
- Tax classes are promoted and advertised using websites and published newsletters of the NTS and relevant external organizations, such as the Association of SME's and relevant commerce chambers.

- Highly specialized courses are offered by highly noted professors.
- \* In 2008, 13 taxpayer programs were offered to a total of 1,694 taxpayers. In the first half of 2009, 10 courses were offered to a total of 470 taxpayers.
- Eight more classes are scheduled for the second half of 2009 and the programs will continue to expand to offer training to more taxpayers.

#### **7) Training in public service**

- Training is also provided to help employees acquire the values appropriate for public officials (e.g., professionalism, moral values, respect for the state, etc.)
- Special lectures are also provided by former tax employees and noted social figures.

#### **8) Provision of training on behalf of regional tax offices**

##### **□ Programs to help employees obtain certification**

- Classes are offered to help employees receive certification on accounting and tax auditing. Computer and IT classes are also offered.

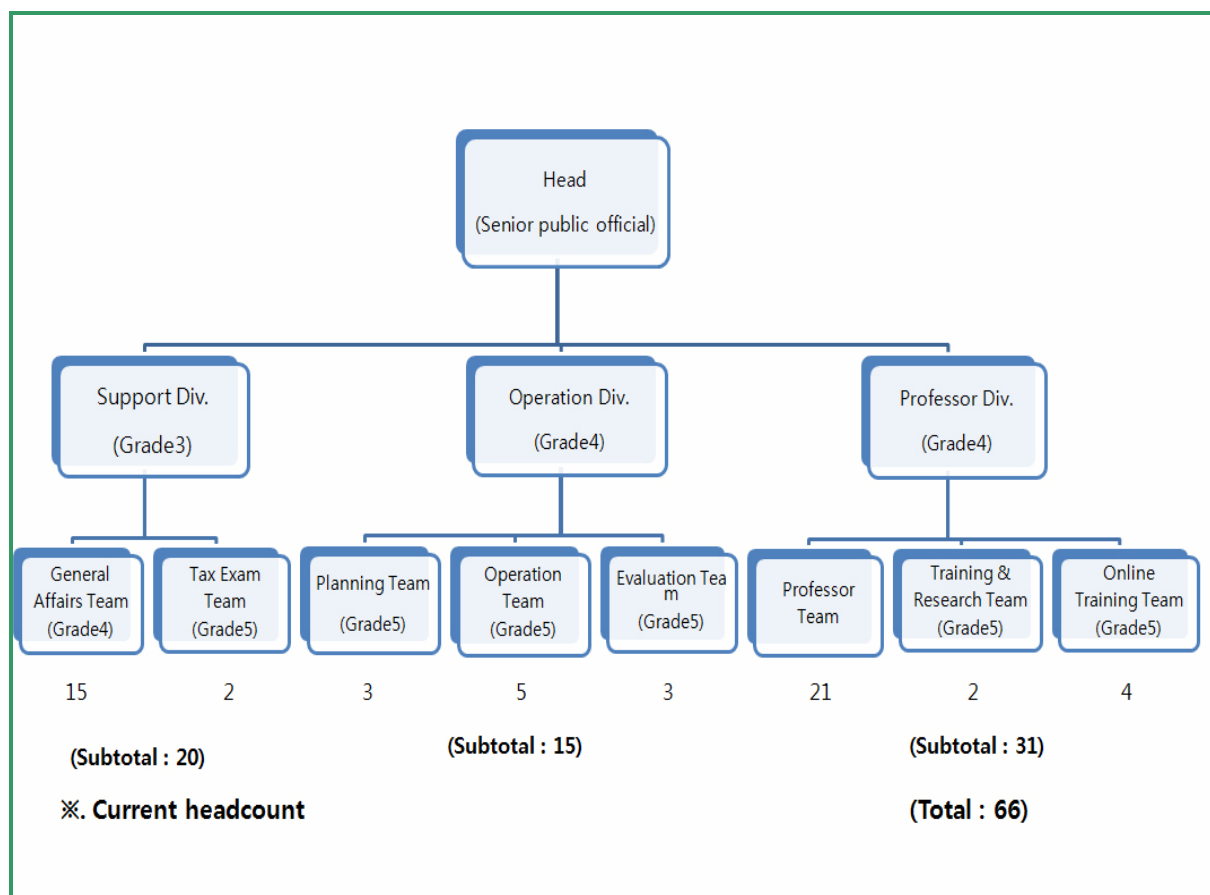
##### **□ Special lectures to help employees become more public service-oriented**

- Noted lecturers are invited to give lectures on acquiring a healthy public service mindset.

#### **4. Budget**

- 2.2 billion KRW for 2008
  - New hire programs : 290 million KRW (58 mil.KRW×5)
  - Core talent programs : 220 million KRW (55 mil.KRW×4)
  - Expertise development programs : 45 million KRW (5 mil.KRW×9)

## II. Organizational Structure



## III. Evaluation of Training and Education Programs

### 1. Evaluation method

- Surveys are distributed to all trainees immediately upon completion of programs to evaluate their quality
  - Survey includes satisfaction rate on quality of lectures, professors, learning environment, program operation, etc.
- All trainees are tested on how much what they have learned is being applied in practice. This is conducted between 2 to 6 months after completion of the program.
  - Surveys and interviews are conducted to assess how much of what is learned is being applied in the field.

### 2. How the evaluation results are used

- The areas evaluated as being deficient (e.g., program operation, learning environment, etc.) are improved and complemented to establish an optimal learning environment.



- Results are distributed to professors so that they are able to see students' evaluation of their classes. It shows classes with a low satisfaction rating so improvements can be made.
- Programs can either be expanded or improved based on how much of what is being taught are actually used in the field.

## **IV. Student evaluation**

### **1. Evaluation method**

- Students are evaluated on all training they receive that are at least a week long (practical evaluation, multiple choice evaluation)
  - Credits are given for courses with a score of 60 points or higher and results are recorded on employee HR record.

### **2. How student evaluation results are used**

- New hires with the highest scores from the "New Hire Training Program" will be given priority in their choice of division/department when placements are made.
- Students with scores coming in within the top 5% of the expertise classes that are at least two weeks long will be given priority in their choice of job placements and opportunities for studies abroad.
- Employees selected as "core talents" will be given promotional benefits.

## **V. Professor Skills Enhancement**

### **1. Acquiring qualified professors**

- Job openings for professors at the training center are posted on the intranet for qualified employees to try out. This way, only the highly qualified professors are selected, and those selected are given sufficient time to prepare for class.

### **2. Continuous efforts towards improving quality of lectures**

- Classes are offered to professors all year round to help professors upgrade their teaching methods
  - Classes include: Improving lecture skills, class design, text design, using PowerPoint, sample lectures, etc.
- Some classes for professors are outsourced (to the Central Government Training Center) to provide highest quality training methods.
- Students are asked to evaluate professors, and professors with excellent evaluation are given incentives, such as promotions and bonuses.

## **VI. Challenges**

- Long-term in-class programs create an absence in the student's workplace, and therefore employees are sometimes discouraged from taking those classes.
- Demand for training is not fully met due to insufficient number of full-time professors. Heavy class loads are imposed on a limited number of full-time professors, leading to burnout.
- \* In 2008, a full-time professor taught an average of 332 hours of class.