

March 1990

IRS'
REORGANIZATION

IRS Senior Executives'
Views on the Impact of
the 1987
Reorganization



General Government Division

B-234512

March 8, 1990

The Honorable Fred T. Goldberg, Jr.
Commissioner, Internal Revenue Service

Dear Mr. Goldberg:

In the fall of 1988, the General Accounting Office and the Internal Revenue Service (IRS) completed a joint general management review of IRS. The resulting GAO report, Managing IRS: Actions Needed to Assure Quality Service in the Future (GAO/GGD-89-1, Oct. 14, 1988), recommended that the Commissioner assess the effectiveness of his 1987 reorganization of top-level positions. In his comments on the report, then Commissioner Gibbs asked us to participate in a follow-up joint assessment of the 1987 reorganization.

Background

The reorganization's principal goals were to improve managerial accountability, communications, and decisionmaking within IRS. Its primary changes included (1) abolishing the positions of Deputy Commissioner and Associate Commissioner; (2) creating the positions of Senior Deputy Commissioner, Deputy Commissioner (Operations), and Deputy Commissioner (Planning and Resources); and (3) having Regional Commissioners and all Assistant Commissioners, except the Assistant Commissioner (Inspection), report to the new Deputy Commissioners.

Objectives, Scope, and Methodology

GAO and IRS agreed to survey IRS senior executives' perceptions about the effectiveness of this reorganization. GAO and IRS developed a questionnaire, pretested it with several IRS executives, and judgmentally selected 168 of IRS' top executives to whom the questionnaire was sent. The primary recipients were the Acting Commissioner; the two Deputy Commissioners; and all incumbent Regional Commissioners, Assistant Commissioners, Service Center Directors, District Directors, Assistant Regional Commissioners, and Division Directors. Between April and June 1989, we received 139 responses—an 83-percent response rate. GAO maintained full control over the distribution of the questionnaire and the analysis of the results. We did our work from January to August 1989 in accordance with generally accepted government auditing standards.

Results in Brief

Overall, IRS senior executives viewed the reorganization's effect as positive but had mixed views about how well it achieved its stated goals.

They believed that it helped organizational communication and decision-making but had little impact on strengthening managerial accountability throughout IRS.

IRS executives believed that the reorganization improved organizational communication. For example, 76 percent of the executives responding said that the new Senior Deputy Commissioner position positively influenced the flow of information from the National Office to the field. Since 91 percent of IRS' employees are located in the field, the quality of such communication is extremely important.

The executives also said that the reorganization, in general, improved decisionmaking. For example, 79 percent of the respondents said that the new Senior Deputy Commissioner position had a positive effect on IRS' decisionmaking. Further, 77 percent of the respondents believed that the new Deputy Commissioner (Planning and Resources) position helped improve IRS' decisions related to its Strategic Business Plan, and 90 percent believed that it helped improve the timeliness of selecting executive personnel. However, 27 percent of the executives said that this position had a positive effect on financial management decision-making, and 18 percent said it had a negative effect.

IRS executives said that the impact of the reorganization on IRS' managerial accountability had been less effective. Fifty percent of the respondents said that the reorganization had strengthened managerial accountability to a small extent. Fewer than 25 percent believed that the reorganization improved IRS' ability to hold managers accountable for performance or to establish effective unit performance goals. In addition, over 50 percent of the respondents said that greater accountability was still needed in the critical area of information resources management.

Recent IRS Actions

In October 1989, IRS created three new positions—Chief Information Officer, Chief Financial Officer, and Controller—to further strengthen managerial accountability. The Chief Information Officer is responsible for strategic technology planning throughout IRS and will serve as a focal point for technology management. The new Chief Financial Officer is responsible for establishing Service-wide financial management standards and goals and, with the Controller, is responsible for an independent evaluation of the Assistant Commissioners' financial requests.

Agency Comments

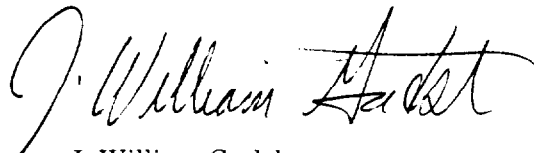
IRS provided informal, technical comments on our draft report, and we made the suggested changes.

Additional background on the reorganization is given in appendix I. Detailed analyses of answers to selected questionnaire items are provided in appendix II. A copy of the questionnaire, with annotations of the 139 responses received, is included in appendix III.

As arranged with the Subcommittee, we are sending a copy of this report to the Chairman, Subcommittee on Private Retirement Plans and Oversight of the Internal Revenue Service, Committee on Finance, United States Senate.

The major contributors to this report are listed in appendix IV. If you have any questions, please call me on 275-8387.

Sincerely yours,



J. William Gadsby
Director, Federal Management Issues

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Abbreviations

IRS Internal Revenue Service

Background on the 1987 Reorganization

The 1987 reorganization was designed to strengthen management accountability, enhance organizational communication, and improve management decisionmaking. To accomplish these goals, the reorganization created three new top management positions directly below the Commissioner: the Senior Deputy Commissioner, Deputy Commissioner (Operations), and Deputy Commissioner (Planning and Resources).

The Senior Deputy Commissioner serves as IRS' Chief Operating Officer and is the top career official in the agency. The Senior Deputy is responsible for all IRS operations and for assisting and acting for the Commissioner in planning, directing, and controlling IRS' policies, programs, and activities.

The two deputy commissioners have direct responsibility and accountability for carrying out major segments of IRS' mission. The Deputy Commissioner (Operations) is responsible for program policy development and execution matters affecting field operations. This includes supervising the Regional Commissioners and Assistant Commissioners who are responsible for enforcement, taxpayer service, employee plans and exempt organizations, and returns processing.

The Deputy Commissioner (Planning and Resources) also has substantial agencywide responsibilities, including IRS-wide planning and the management of human, financial, and information resources. The Deputy Commissioner (Planning and Resources) also supervises the Assistant Commissioners who are responsible for planning and resources activities.

IRS Senior Executives' Views on the Impact of the 1987 Reorganization

Overall, IRS senior executives viewed the reorganization's effect as positive but had mixed views about how well it achieved its specific goals. The executives believed that the reorganization improved organizational communication and decisionmaking but had little impact on strengthening management accountability, including accountability for the management of information resources.

Overall Impact

Most of the executives responding believed that the reorganization helped them provide an overall strategic direction for IRS. As shown in table II.1, 78.7 percent (N = 136)¹ believed that the reorganization improved IRS' ability to set a strategic direction. (See app. III, question 32.) The executives also believed that the reorganization improved their ability to communicate their commitment, prepare the agency for the future, and solve problems.

Table II.1: Overall Impact of the Reorganization

	Improved/ greatly improved	About the same	Worsened/ greatly worsened	Do not know	Too early to judge
Communicating top management commitment	83.8%	14.7%	.7%	8%	0%
Preparing the agency for the future	74.3%	18.4%	2.9%	2.2%	2.2%
Problem solving	58.8%	33.8%	5.2%	2.2%	0%
Providing overall strategic direction to the agency	78.7%	19.1%	1.5%	.7%	0%

Note: N = 136.

Organizational Communication

To gather executives' perceptions of the reorganization's effect on organizational communication, we asked questions focusing on the new Senior Deputy Commissioner, Deputy Commissioner (Operations), and Deputy Commissioner (Planning and Resources) positions.

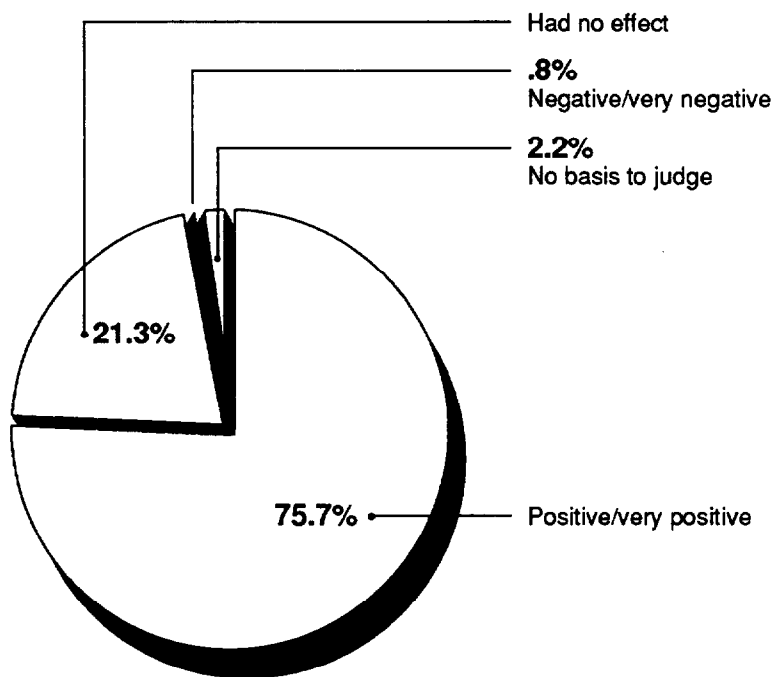
Senior Deputy Commissioner

Given the highly decentralized nature of IRS' operation (91 percent of its employees are located in the field), clear and timely communication between the headquarters and field is extremely important. As shown in figure II.1, 75.7 percent (N = 136) of the executives said that the flow of information from the National Office to the field was affected positively

¹The letter "N" represents the total number of respondents who answered a given question. This number varies depending on the question.

or very positively by the establishment of this position. (See app. III, question 1.)

Figure II.1: Impact of Senior Deputy
Commissioner Position on
Communication Flow to Field

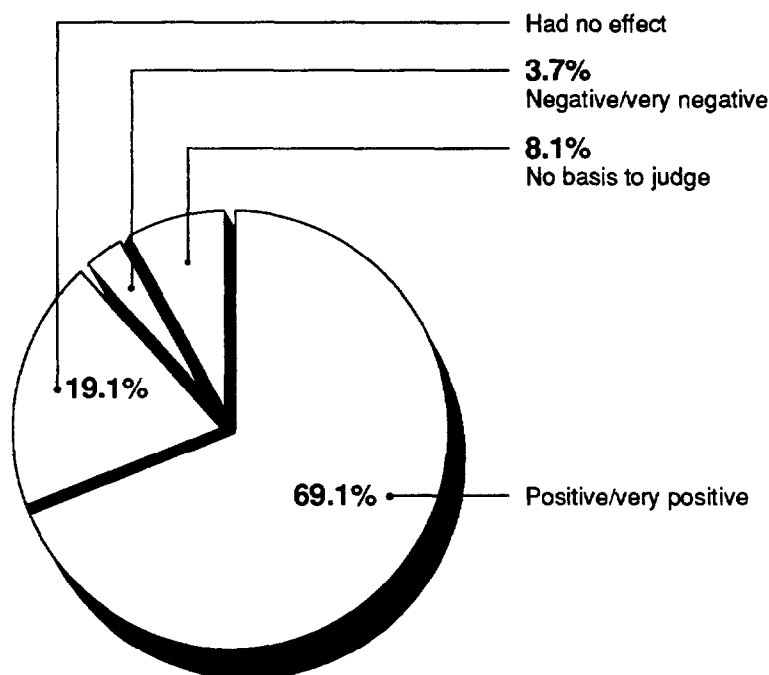


Note N = 136.

Deputy Commissioner (Operations)

To direct the activities of the Regional Commissioners and the rest of IRS' field operations effectively, the new Deputy Commissioner (Operations) must establish an effective flow of communication between headquarters and the field. As shown in figure II.2, 69.1 percent (N = 136) said that the position had a positive to very positive impact on the flow of communication from the National Office to the field. (See app. III, question 2.)

Figure II.2: Impact of Deputy
 Commissioner (Operations) Position on
 Communication Flow to Field



Note: N = 136.

One key communication-related activity involving the new Deputy Commissioner (Operations) is program coordination. This deputy has responsibility for several interrelated program areas, including examination and collection activities. A majority of the executives (52.9 percent, N = 138) believed that the Deputy Commissioner (Operations) position had a positive/very positive effect on coordination among compliance activities with potentially overlapping programs. (See app. III, question 4.) Among Regional Commissioners, the Deputy Commissioner (Operations) position was generally seen as having a positive effect on strengthening communication between themselves and the Assistant Commissioners responsible for examination, collection, and returns processing. Four of six Regional Commissioners said that the effect was positive/very positive. (See app. III, question 5.)

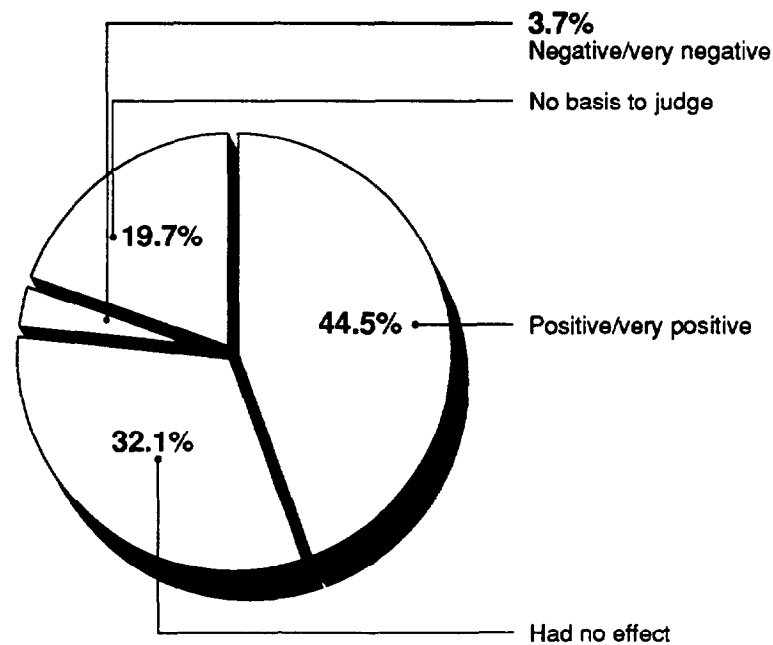
Deputy Commissioner
 (Planning and Resources)

The Deputy Commissioner (Planning and Resources) position also had important IRS-wide policy communication responsibilities in the areas of planning, budgeting, and information resources management. As figure

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IRS Senior Executives' Views on the Impact
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II.3 shows, 44.5 percent (N = 137) of the executives said that the position had a positive/very positive effect on the flow of communication from the National Office to the field. (See app. III, question 6.)

Figure II.3: Impact of Deputy Commissioner (Planning and Resources) Position on Communication Flow to Field



Note: N = 137

We also asked executives what effect establishing the Deputy Commissioner (Planning and Resources) position had on strengthening the communication of three key IRS-wide resource plans throughout IRS. Table II.2 shows the responses. (See app. III, question 9.)

Table II.2: Impact of the Deputy Commissioner (Planning and Resources) Position on Communication of Resource Plans

	Positive/ very positive	No effect	Negative/ very negative	No basis to judge
Strategic Business Plan	80.3%	9.5%	.0%	10.2%
Information systems plan	62.1%	21.9%	.7%	15.3%
Annual budget	48.9%	27%	11%	13.1%

Note: N = 137

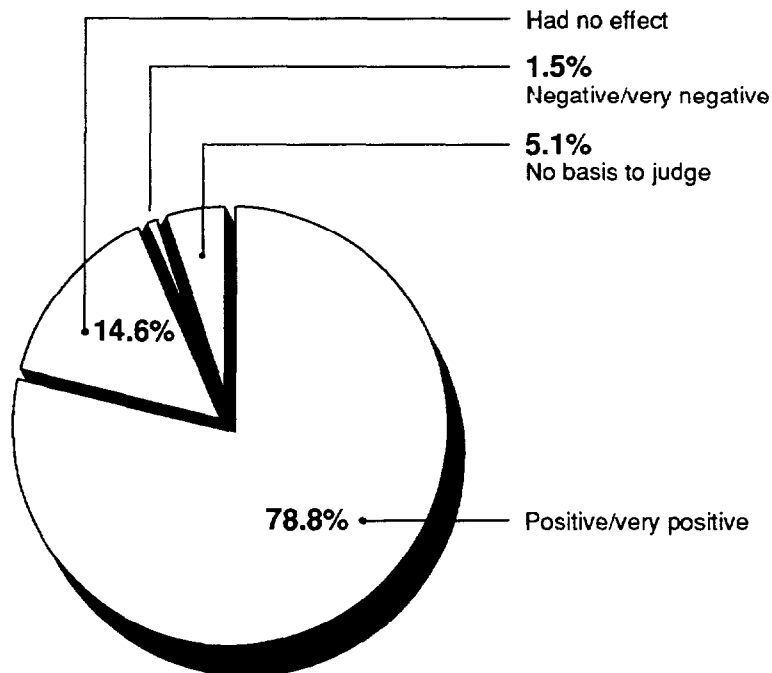
Management Decisionmaking

Similar to the area of organizational communication, the IRS executives recorded their perceptions of the reorganization's effect on management decisionmaking by answering questions that focused on the three new top management positions.

Senior Deputy Commissioner

According to the IRS executives, the Senior Deputy Commissioner position had a positive effect on the quality of the agency's decisionmaking. As shown in figure II.4, 78.8 percent (N = 137) of the respondents said that the effect had been positive/very positive. (See app. III, question 11.)

Figure II.4: Impact of Senior Deputy
Commissioner Position on Agency
Decisionmaking



Note: N = 137

Because of the highly decentralized nature of IRS' work, the selection of executive personnel for field operations must be made as efficiently as possible. Asked to what extent the timeliness of executive selection was improved by the reorganization, the respondents answered as follows: 90.2 percent (N = 134) said great/very great, 5.2 percent said moderate,

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3.8 percent said some/little/none, and .8 percent said no basis to judge. (See app. III, question 14.)

Deputy Commissioner
(Planning and Resources)

Table II.3 shows the executives' views on how the Deputy Commissioner (Planning and Resources) position affected IRS decisionmaking in certain key activities within this position's area of responsibility. (See app. III, question 12.)

Table II.3: Impact of the Deputy Commissioner (Planning and Resources) Position on Agency Decisionmaking

	Positive/ very positive	No effect	Negative/ very negative	No basis to judge
Strategic Business Plan development (N = 137)	77.3%	5.1%	1.5%	16.1%
Information systems planning (N = 137)	47.5%	16.8%	3.6%	32.1%
Financial management (N = 136)	26.5%	34.5%	18.4%	20.6%
Formulation of the 1989 budget (N = 137)	34.3%	27%	15.3%	23.4%

Deputy Commissioner
(Operations)

The Deputy Commissioner (Operations) plays an important role in decisions involving the allocation of resources among compliance activities and regions. This deputy also plays a major role in budget execution decisions. Table II.4 gives the executives' views on the effect of the Deputy Commissioner (Operations) position on agency decisionmaking in these key areas. (See app. III, question 13.)

Table II.4: Impact of the Deputy Commissioner (Operations) Position on Agency Decisionmaking

	Positive/ very positive	No effect	Negative/ very negative	No basis to judge
Resource allocation problems among compliance activities	35%	26.3%	12.4%	26.3%
Resource allocation problems among regions	28.5%	27.7%	14.6%	29.2%
Budget execution problems	32.8%	27%	19%	21.2%

Note: N = 137.

Managerial
Accountability

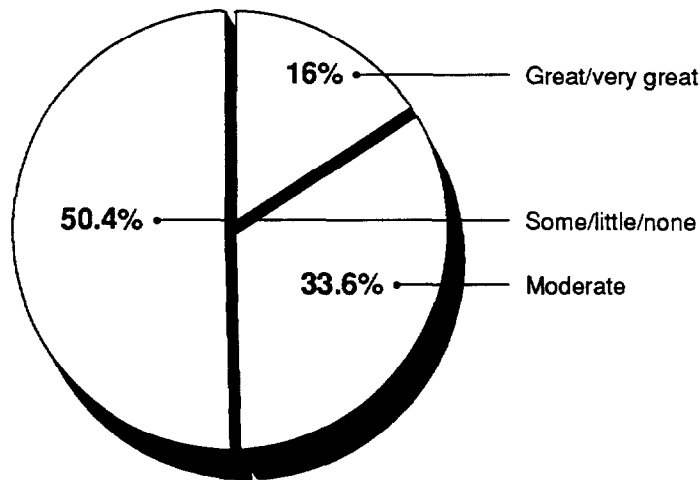
To ascertain the executives' perceptions of the reorganization's effect on managerial accountability, we focused our questions on overall accountability and on the positions of Deputy Commissioner (Operations) and

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Deputy Commissioner (Planning and Resources). We also asked about accountability as it relates to information resources management.

Asked to what extent IRS executives became more accountable for their management decisions as a result of the 1987 reorganization, 50.4 percent (N = 137) of the executives responded that such accountability was affected some, little, or none. (See app. III, question 15.)

Figure II.5: Extent to Which Executives Are More Accountable



Note: N = 137.

Table II.5 gives the executives' views on the reorganization's impact on other aspects of accountability. (See app. III, question 32.)

Table II.5: Impact of the Reorganization on Accountability-Related Issues

	Improved/ greatly improved	About the same	Worsened/ greatly worsened	Do not know	Too early to judge
Holding managers accountable for performance	20.6%	62.5%	12.5%	2.9%	1.5%
Providing effective feedback on unit performance	21.3%	62.5%	12.5%	3.7%	0%
Establishing effective unit performance goals	21.3%	63.2%	10.3%	5.2%	0%
Monitoring unit performance against goals	19.8%	64%	10.3%	5.2%	.7%

Note: N = 136

Deputy Commissioner
 (Operations)

An important change made by the 1987 reorganization was to make Regional Commissioners directly accountable to the Deputy Commissioner (Operations). Table II.6 presents the executives' perceptions on whether the Deputy Commissioner (Operations) position had strengthened Regional Commissioner accountability in two key areas. (See app. III, question 18.)

Table II.6: Impact of the Deputy Commissioner (Operations) Position on Regional Commissioner Accountability

	Positive/ very positive	No effect	Negative/ very negative	No basis to judge
Resource allocation	38%	29.9%	5.1%	27%
Budget execution	35.1%	25.5%	13.1%	26.3%

Note: N = 137.

Deputy Commissioner
 (Planning and Resources)

Table II.7 gives the executives' views on the impact of the Deputy Commissioner (Planning and Resources) position on Assistant Commissioner accountability in relation to four key activities within that position's area of responsibility. (See app. III, question 20.)

Table II.7: Impact of the Deputy Commissioner (Planning and Resources) Position on Assistant Commissioner Accountability

	Positive/ very positive	No effect	Negative/ very negative	No basis to judge
Strategic planning (N = 137)	59.9%	8%	.0%	32.1%
Information systems planning (N = 137)	46%	11.7%	2.2%	40.1%
Human resources management (N = 136)	25%	35.3%	4.4%	35.3%
Financial management (N = 136)	26.4%	26.5%	14%	33.1%

Information Resources
 Management

To ascertain whether the executives felt that accountability for the management of information technology needed to be strengthened in IRS, we asked questions relating to managerial accountability for key information resource management activities. As table II.8 shows, the general response of those who answered clearly showed that more accountability was needed. (See app. III, question 30.)

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IRS Senior Executives' Views on the Impact
of the 1987 Reorganization

**Table II.8. Extent to Which Accountability
for the Management of Technology
Needs to Be Strengthened**

	Great/very great	Moderate	Some/little/ none	No basis to judge
Information systems planning	51.5%	22.1%	15.4%	11%
Information systems development	55.2%	17.6%	16.2%	11%
Introducing new technology	55.9%	25%	11%	8.1%
Enhancing managers' technical expertise	60.3%	22.8%	10.3%	6.6%

Note: N = 136.

Survey Results



U.S. GENERAL ACCOUNTING OFFICE
SURVEY OF 1987 IRS REORGANIZATION

INTRODUCTION

The General Accounting Office and the Internal Revenue Service are conducting a joint assessment of the 1987 reorganization. This assessment was a recommendation of the joint IRS/GAO general management review. An important component of this assessment will be the views of IRS senior executives on the impact of the reorganization on communication, decisionmaking, and accountability within IRS. These organizational issues were the subject of a preliminary internal IRS study. The present effort will provide further focus to the broad issues raised in that study. Your responses will be treated confidentially. They will be combined with others and reported only in summary form. The questionnaire is numbered to aid us in our follow-up efforts and will not be used to identify you with your specific responses.

This questionnaire should take about 60 minutes to complete. If you have any questions, please call John Stahl on (202) 634-1953.

Please return the completed questionnaire in the enclosed, pre-addressed envelope within 5 days of receipt. In the event the envelope is misplaced, the return address is:

Mr. John Stahl
U.S. General Accounting Office
441 G Street, N.W., Room 3858
Washington, D.C. 20548

Thank you very much for taking the time to complete this questionnaire.

Please indicate your current position.
(CHECK ONE.)

1. Executive Committee Member
2. Regional Commissioner
3. Assistant Commissioner
4. Service Center Director
5. District Office Director
6. Assistant Regional Commissioner
7. Division Director
8. Other (Specify) _____

How long have you been in your present position?

_____ (YEARS) _____ (MONTHS)
(16-7) (16-9)

**Appendix III
Survey Results**

I. ASSESSMENT ON IMPACT OF ORGANIZATIONAL COMMUNICATION

Key changes enacted by the 1987 reorganization included the establishment of a Senior Deputy Commissioner, a Deputy Commissioner (Operations), and a Deputy Commissioner (Planning and Resources). We would like your views on how well the establishment of these offices has worked. This first set of questions seeks your opinions of the 1987 reorganization's impact on organizational communication.

1. In your opinion, how positive or negative an effect did the establishment of the Senior Deputy Commissioner position have on the flow of communication: a) from the National Office to the field, and b) among the various functions of the National Office? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Flow of communication from the National Office to the field	16.2%	59.5%	21.3%	.8%	0.0%	2.2%
b. Flow of communication among the various National Office functions	2.9%	33.1%	16.2%	0.0%	0.0%	47.8%

a. N = 136 No answer = 3 b. N = 136 No answer = 3

2. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on the flow of communication: a) from the National Office to the field, and b) among the various functions of the National Office? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Flow of communication from the National Office to the field	19.8%	49.3%	19.1%	3.7%	0.0%	8.1%
b. Flow of communication among the various National Office functions	6.6%	23.5%	11.8%	2.9%	0.0%	55.2%

a. N = 136 No answer = 3 b. N = 136 No answer = 3

3. To what extent, if at all, do you feel that you have the access that you need to the Deputy Commissioner (Operations)? (CHECK ONE.)

1. <input type="checkbox"/> To a very great extent	11.7%	
2. <input type="checkbox"/> To a great extent	8.0%	
3. <input type="checkbox"/> To a moderate extent	11.7%	
4. <input type="checkbox"/> To some extent	14.6%	
5. <input type="checkbox"/> To little or no extent	10.2%	
6. <input type="checkbox"/> Not applicable	43.8%	N = 137 No answer = 2

**Appendix III
Survey Results**

4. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on the level of coordination among the following IRS programs and operations? (ENTER NUMBER IN SPACE.)

RESPONSE CATEGORIES

- 1 = VERY POSITIVE
- 2 = POSITIVE
- 3 = HAD NO EFFECT
- 4 = NEGATIVE
- 5 = VERY NEGATIVE
- 6 = NO BASIS TO JUDGE

ENTER NUMBER
OF RESPONSE

- a. Coordination between returns processing and compliance activities during the filing season /
1 = 3.6% 2 = 33.3% 3 = 23.2% 4 = 0.0% 5 = 0.0% 6 = 39.9%
N = 138 No answer = 1
- b. Coordination among Service-wide compliance activities that have potentially overlapping programs, such as Collection and Examination /
1 = 9.4% 2 = 43.5% 3 = 23.9% 4 = 0.7% 5 = 0.0% 6 = 22.5%
N = 138 No answer = 1
- c. Coordination among compliance activities within individual regions /
1 = 2.2% 2 = 29.0% 3 = 39.1% 4 = 0.0% 5 = 0.0% 6 = 29.7%
N = 138 No answer = 1
- d. Coordination between service centers and district offices /
1 = 1.4% 2 = 25.4% 3 = 43.5% 4 = 0.0% 5 = 0.0% 6 = 29.7%
N = 138 No answer = 1

5. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on strengthening communication between Regional Commissioners and the Assistant Commissioner responsible for the following areas? (CHECK ONE BOX IN EACH ROW.)

COMMUNICATIONS BETWEEN REGIONAL COMMISSIONERS AND ...	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Assistant Commissioner responsible for Examination	6.5%	24.6%	12.3%	1.5%	0.0%	55.1%
b. Assistant Commissioner responsible for Collection	7.3%	24.6%	13.8%	1.4%	0.0%	52.9%
c. Assistant Commissioner responsible for Returns Processing	5.8%	24.6%	12.3%	1.5%	0.0%	55.8%

a., b., and c. N = 138 No answer = 3

**Appendix III
Survey Results**

6. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Planning and Resources) position have on the flow of communication: a) from the National Office to the field, and b) among the various functions of the National Office? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Flow of communication from the National Office to the field	5.1%	39.4%	32.1%	2.2%	1.5%	19.7%
b. Flow of communication among the various National Office functions	3.6%	21.2%	16.1%	2.2%	0.0%	56.9%

a. and b. N = 127 No answer = 2

7. To what extent, if at all, do you feel that you have the access that you need to the Deputy Commissioner (Planning and Resources)? (CHECK ONE.)

- 1. To a very great extent 11.0%
- 2. To a great extent 6.6%
- 3. To a moderate extent 13.9%
- 4. To some extent 13.1%
- 5. To little or no extent 15.3%
- 6. Not applicable 40.1%

N = 137 No answer = 2

8. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Planning and Resources) position have on the level of coordination among the following IRS programs and operations? (ENTER NUMBER IN SPACE.)

RESPONSE CATEGORIES

- 1 = VERY POSITIVE
- 2 = POSITIVE
- 3 = HAD NO EFFECT
- 4 = NEGATIVE
- 5 = VERY NEGATIVE
- 6 = NO BASIS TO JUDGE

ENTER NUMBER
OF RESPONSE

a. Coordination between the activities of the Assistant Commissioners for Computer Services and Information Systems Development to develop information systems /
 1 = 7.3% 2 = 25.5% 3 = 9.5% 4 = 1.5% 5 = 0.0% 6 = 56.2%
 N = 137 No answer = 2

b. Coordination between strategic business planning and information systems development activities /
 1 = 8.0% 2 = 40.9% 3 = 9.5% 4 = 0.0% 5 = 0.0% 6 = 41.6%
 N = 137 No answer = 2

c. Coordination between human resource management and compliance activities /
 1 = 0.7% 2 = 26.3% 3 = 28.5% 4 = 0.7% 5 = 0.7% 6 = 43.1%
 N = 137 No answer = 2

**Appendix III
Survey Results**

9. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Planning and Resources) position have on strengthening the communication of the following IRS-wide resource plans throughout IRS?
(CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. IRS-wide strategic business plan	18.3%	62.0%	9.5%	0.0%	0.0%	10.2%
b. IRS-wide information systems plan	8.8%	53.3%	21.9%	0.7%	0.0%	15.3%
c. IRS annual budget	8.0%	40.9%	27.0%	8.0%	3.0%	13.1%

a., b., and c. N = 137 No answer = 2

10. In your opinion, how positive or negative an effect did the implementation of the Executive Committee (the group composed of the Commissioner, Senior Deputy Commissioner, and the Deputy Commissioners for Operations and Planning and Resources) have on the flow of communication among senior executives? (CHECK ONE.)

- 1. Very positive 18.2%
- 2. Positive 55.5%
- 3. Had no effect 16.1%
- 4. Negative 1.5%
- 5. Very negative 0.0%
- 6. No basis to judge 8.7%

N = 137 No answer = 2

**Appendix III
Survey Results**

II. ASSESSMENT OF IMPACT ON DECISIONMAKING

The next set of questions deals with the 1987 reorganization's impact on decisionmaking within IRS.

11. In your opinion, how positive or negative an effect did the establishment of the Senior Deputy Commissioner position have on the quality of IRS decisionmaking? (CHECK ONE.)

- | | | | | |
|-----------------------------|-------------------|-------|---------|---------------|
| 1. <input type="checkbox"/> | Very positive | 21.9% | | |
| 2. <input type="checkbox"/> | Positive | 56.9% | | |
| 3. <input type="checkbox"/> | Had no effect | 14.6% | | |
| 4. <input type="checkbox"/> | Negative | 1.5% | | |
| 5. <input type="checkbox"/> | Very negative | 0.0% | | |
| ----- | | | | |
| 6. <input type="checkbox"/> | No basis to judge | 5.1% | N = 137 | No answer = 2 |

12. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Planning and Resources) position have on the quality of IRS decisionmaking in the following areas? (ENTER NUMBER IN SPACE.)

RESPONSE CATEGORIES

- 1 = VERY POSITIVE
- 2 = POSITIVE
- 3 = HAD NO EFFECT
- 4 = NEGATIVE
- 5 = VERY NEGATIVE
- 6 = NO BASIS TO JUDGE

ENTER NUMBER
OF RESPONSE

- | | |
|---|---------|
| a. Strategic Business Plan development | _____ / |
| 1 = 15.3% 2 = 62.0% 3 = 5.1% 4 = 1.5% 5 = 0.0% 6 = 16.1% | |
| N = 137 No answer = 2 | |
| b. Formulation of the 1989 budget | _____ / |
| 1 = 3.6% 2 = 30.7% 3 = 27.0% 4 = 11.7% 5 = 3.6% 6 = 23.4% | |
| N = 137 No answer = 2 | |
| c. Information systems planning | _____ / |
| 1 = 8.8% 2 = 38.7% 3 = 16.8% 4 = 3.6% 5 = 0.0% 6 = 32.1% | |
| N = 137 No answer = 2 | |
| d. Information systems development | _____ / |
| 1 = 4.4% 2 = 40.2% 3 = 20.4% 4 = 2.9% 5 = 0.0% 6 = 32.1% | |
| N = 137 No answer = 2 | |
| e. Recruitment and retention of high quality staff,
Service-wide | _____ / |
| 1 = 0.0% 2 = 11.7% 3 = 65.7% 4 = 2.9% 5 = 0.7% 6 = 19.0% | |
| N = 137 No answer = 2 | |
| f. Financial management | _____ / |
| 1 = 2.9% 2 = 23.6% 3 = 34.5% 4 = 13.2% 5 = 5.2% 6 = 20.6% | |
| N = 136 No answer = 3 | |

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13. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on the quality of IRS decisionmaking in the following areas? (ENTER NUMBER IN SPACE.)

RESPONSE CATEGORIES

- 1 = VERY POSITIVE
- 2 = POSITIVE
- 3 = HAD NO EFFECT
- 4 = NEGATIVE
- 5 = VERY NEGATIVE
- 6 = NO BASIS TO JUDGE

ENTER NUMBER
OF RESPONSE

a. Resource allocation problems among compliance activities /_____/

1 = 3.6% 2 = 31.4% 3 = 26.3% 4 = 12.4% 5 = 0.0% 6 = 26.3%
N = 137 No answer = 2

b. Resource allocation problems among regions /_____/

1 = 2.2% 2 = 26.3% 3 = 27.7% 4 = 14.6% 5 = 0.0% 6 = 29.2%
N = 137 No answer = 2

c. Budget execution problems /_____/

1 = 5.8% 2 = 27.0% 3 = 27.0% 4 = 15.3% 5 = 3.7% 6 = 21.2%
N = 137 No answer = 2

d. Information systems planning problems /_____/

1 = 0.0% 2 = 17.5% 3 = 33.6% 4 = 2.2% 5 = 0.0% 6 = 46.7%
N = 137 No answer = 2

e. Information systems development problems /_____/

1 = 0.7% 2 = 14.6% 3 = 34.3% 4 = 2.9% 5 = 0.0% 6 = 47.5%
N = 137 No answer = 2

f. Coordination problems between returns processing and compliance activities /_____/

1 = 4.4% 2 = 26.2% 3 = 21.9% 4 = 1.5% 5 = 1.5% 6 = 44.5%
N = 137 No answer = 2

14. To what extent, if at all, has the timeliness of the selection of executive personnel been improved by the 1987 reorganization? (CHECK ONE.)

- 1. To a very great extent 61.9%
 - 2. To a great extent 28.3%
 - 3. To a moderate extent 5.2%
 - 4. To some extent 3.0%
 - 5. To little or no extent 0.8%
 - 6. Not applicable 0.8%
- N = 134 No answer = 5

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III. ASSESSMENT OF IMPACT ON ACCOUNTABILITY

The next set of questions deal with your opinion of the 1987 reorganization's impact on management accountability within IRS.

15. In your opinion, to what extent, if at all, has the 1987 reorganization made IRS executives more accountable for their management decisions? (CHECK ONE.)

- 1. To a very great extent 0.7%
 - 2. To a great extent 15.3%
 - 3. To a moderate extent 33.6%
 - 4. To some extent 16.8%
 - 5. To little or no extent 33.6%
- N = 137 No answer = 2

16. In your opinion, is the Senior Deputy Commissioner's scope of responsibility too wide to effectively manage, about right, or is it too restricted? (CHECK ONE.)

- 1. Much too wide to effectively manage 0.7%
 - 2. Somewhat too wide to effectively manage 19.0%
 - 3. At about the right level 63.5%
 - 4. Somewhat too restricted 2.9%
 - 5. Much too restricted 1.5%
 - 6. No basis to judge 12.4%
- N = 137 No answer = 2

17. In your opinion, is the Deputy Commissioner's (Operations) scope of responsibility too wide to effectively manage, about right, or is it too restricted? (CHECK ONE.)

- 1. Much too wide to effectively manage 17.5%
 - 2. Somewhat too wide to effectively manage 29.9%
 - 3. At about the right level 38.0%
 - 4. Somewhat too restricted 0.0%
 - 5. Much too restricted 0.0%
 - 6. No basis to judge 14.6%
- N = 137 No answer = 2

18. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on strengthening Regional Commissioner accountability in the following areas? (CHECK ONE BOX IN EACH ROW.)

AREAS	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Resource allocation	5.9%	32.1%	29.9%	5.1%	0.0%	27.0%
b. Recruiting and retaining quality staff	0.7%	16.1%	51.1%	2.2%	0.0%	29.9%
c. Budget execution	6.6%	28.5%	25.5%	11.7%	1.4%	26.3%
d. Functional program execution	5.1%	32.1%	29.2%	3.7%	0.0%	29.9%

a., b., c., and d. N = 137 No answer = 2

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19. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Operations) position have on strengthening Assistant Commissioner accountability in the following areas? (CHECK ONE BOX IN EACH ROW.)

AREAS	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Resource allocation	2.9%	25.6%	22.6%	5.9%	0.7%	42.3%
b. Budget formulation	2.2%	27.0%	19.7%	5.9%	0.7%	44.5%
c. Information systems development	0.0%	20.4%	22.6%	1.5%	0.7%	54.8%
d. Program planning	2.2%	31.4%	19.7%	1.5%	0.7%	44.5%
e. Recruiting and retaining quality staff	0.0%	12.4%	40.2%	2.2%	0.7%	44.5%

a., b., c., d. and e. N = 137 No answer = 2

20. In your opinion, how positive or negative an effect did the establishment of the Deputy Commissioner (Planning and Resources) position have on strengthening Assistant Commissioner accountability in the following programs/activities? (CHECK ONE BOX IN EACH ROW.)

PROGRAMS/ACTIVITIES	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Strategic planning	11.7%	48.2%	8.0%	0.0%	0.0%	32.1%
b. Information systems planning	8.0%	38.0%	11.7%	1.5%	0.7%	40.1%
c. Human resources management	0.7%	24.3%	35.3%	3.7%	0.7%	35.3%
d. Financial management	2.9%	23.5%	26.5%	12.5%	1.5%	33.1%
e. Information systems operation	2.2%	31.4%	14.6%	3.6%	0.7%	47.5%
f. Information systems development	2.9%	36.5%	12.4%	2.9%	0.7%	44.6%

a., b., e., and f. N = 137 No answer = 2 ; c. and d. N = 136 No answer = 3

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IV. INFORMATION RESOURCES MANAGEMENT

One important issue that was addressed in the IRS/GAO management review was the area of information resources management. The review determined that a further sharpening is needed in accountability for the management of technology. This section is to provide more focus to this issue.

21. To what extent, if at all, do you feel that the Deputy Commissioner's (Planning and Resources) scope of responsibility permits adequate attention to the introduction and management of technology at IRS? (CHECK ONE BOX IN EACH ROW.)

	VERY GREAT EXTENT (1)	GREAT EXTENT (2)	MODERATE EXTENT (3)	SOME EXTENT (4)	LITTLE OR NO EXTENT (5)	NO BASIS TO JUDGE (6)
a. Introduction of technology	3.7%	27.7%	19.0%	17.5%	9.5%	22.6%
b. Management of technology	1.5%	20.4%	24.1%	19.7%	11.7%	22.6%

a. and b. N = 137 No answer = 2

22. How clear or unclear is your understanding of the current role of the Assistant Commissioner for Information Systems Development? (CHECK ONE.)

- 1. Very clear 10.2%
 - 2. Clear 46.0%
 - 3. Neither clear nor unclear 19.7%
 - 4. Unclear 15.3%
 - 5. Very unclear 8.8%
- N = 137 No answer = 2

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23. According to the Information Systems Development Management Plan, the Assistant Commissioner for ISD works as a partner with other Assistant Commissioners to integrate information systems development efforts.

In your opinion, how positive or negative an effect has this approach had on the decisions made in the planning and coordination of the modernization of IRS' information technology? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Modernization planning	4.4%	51.8%	15.3%	2.9%	1.5%	24.1%
b. Modernization coordination	4.4%	44.5%	19.7%	4.4%	1.5%	25.5%

a. and b. N = 137 No answer = 2

24. In your opinion, how positive or negative an effect does the Information Systems Policy Board have on strengthening the management of technology at IRS? (CHECK ONE.)

- 1. Very positive 3.7%
- 2. Positive 39.0%
- 3. Had no effect 19.1%
- 4. Negative 3.7%
- 5. Very negative 0.0%

6. No basis to judge 34.5% N = 136 No answer = 3

25. The introduction of technology often requires non-technical as well as technical decisions.

To what extent, if at all, are substantive a) policy, b) management, and c) technical issues being raised to the Information Systems Policy Board for decision making? (CHECK ONE BOX IN EACH ROW.)

	VERY GREAT EXTENT (1)	GREAT EXTENT (2)	MODERATE EXTENT (3)	SOME EXTENT (4)	LITTLE OR NO EXTENT (5)	NO BASIS TO JUDGE (6)
a. Policy issues	1.5%	19.7%	8.8%	8.0%	4.4%	57.6%
b. Management issues	1.5%	11.0%	13.9%	10.9%	5.8%	56.9%
c. Technical issues	0.0%	11.7%	14.6%	10.9%	4.4%	58.4%

a., b., and c. N = 137 No answer = 2

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26. To what extent, if at all, do you feel that IRS' current information systems plan supports the Service's Strategic Business Plan objectives? (CHECK ONE.)

- 1. To a very great extent 4.4%
 - 2. To a great extent 25.5%
 - 3. To a moderate extent 29.2%
 - 4. To some extent 7.3%
 - 5. To little or no extent 4.4%
 - 6. No opinion 29.2%
- N = 137 No answer = 2

27. In your opinion, how positive or negative an effect has the 1987 reorganization had on IRS' ability to enhance the knowledge and skills that senior executives and senior and mid-level managers in the field need to manage advanced information technology? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Senior executives	0.0%	29.9%	62.1%	2.9%	0.0%	5.1%
b. Senior and mid-level managers in the field	0.0%	21.9%	69.3%	2.9%	0.0%	5.9%

a. and b. N = 137 No answer = 2

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28. In your opinion, how positive or negative an effect has the 1987 reorganization had on IRS' ability to enhance the knowledge and skills that senior executives and senior and mid-level managers in the field need to apply advanced information technology? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Senior executives	0.0%	24.3%	66.9%	2.9%	0.0%	5.9%
b. Senior and mid-level managers in the field	0.0%	19.9%	71.3%	2.9%	0.0%	5.9%

a. and b. N = 137 No answer = 2

29. In your opinion, how positive or negative an effect has the 1987 reorganization had on IRS' ability to enhance your knowledge and skill in managing and applying advanced information technology? (CHECK ONE BOX IN EACH ROW.)

	VERY POSITIVE (1)	POSITIVE (2)	HAD NO EFFECT (3)	NEGATIVE (4)	VERY NEGATIVE (5)	NO BASIS TO JUDGE (6)
a. Your knowledge and skill in managing technology	0.0%	29.4%	64.0%	3.7%	0.0%	2.9%
b. Your knowledge and skill in applying technology	0.0%	25.0%	68.4%	3.7%	0.0%	2.9%

a. and b. N = 137 No answer = 2

30. To what extent, if at all, do you feel that IRS' accountability for the management of technology needs to be strengthened in the following areas? (CHECK ONE BOX IN EACH ROW.)

	VERY GREAT EXTENT (1)	GREAT EXTENT (2)	MODERATE EXTENT (3)	SOME EXTENT (4)	LITTLE OR NO EXTENT (5)	NO BASIS TO JUDGE (6)
a. Information systems <u>planning</u>	15.5%	36.0%	22.1%	13.2%	2.2%	11.0%
b. Information systems <u>development</u>	14.0%	41.2%	17.6%	14.0%	2.2%	11.0%
c. Introduction of new <u>technology</u>	16.2%	39.7%	25.0%	11.0%	0.0%	8.1%
d. Enhancement of managers' <u>technical expertise</u>	18.4%	41.9%	22.8%	9.5%	0.8%	6.6%
e. Coordination outside IRS (e.g., Treasury, National Bureau of Standards)	14.7%	23.5%	17.7%	5.9%	5.1%	33.1%

a., b., c., d. and e. N = 136 No answer = 3

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31. The GAO/IRS Management Review recommended that IRS consider establishing a Deputy Commissioner for Information Technology. In your opinion, do you feel that such a position, if implemented, would enhance accountability for the management of technology in the following areas? (CHECK ONE BOX IN EACH ROW.)

	DEFINITELY YES (1)	PROBABLY YES (2)	PROBABLY NO (3)	DEFINITELY NO (4)	NO BASIS TO JUDGE (5)
a. Information systems planning	21.2%	29.2%	28.5%	7.3%	13.8%
b. Information systems development	21.9%	27.0%	29.2%	8.0%	13.9%
c. Introduction of new technology	19.9%	31.6%	26.5%	8.1%	13.9%
d. Enhancement of managers' technical expertise	14.6%	29.2%	34.3%	6.6%	15.3%
e. Coordination outside IRS (e.g., Treasury, National Bureau of Standards)	18.5%	34.1%	23.0%	4.4%	20.0%

a., b. and d. N = 136 No answer = 3
c. N = 135 No answer = 4 e. N = 134 No answer = 3

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V. OVERALL IMPACT

32. In your opinion, since the 1987 reorganization, have the following improved, stayed about the same, or have they worsened? (ENTER NUMBER IN SPACE.)

RESPONSE CATEGORIES

- 1 = GREATLY IMPROVED
- 2 = IMPROVED
- 3 = STAYED ABOUT THE SAME
- 4 = WORSENE
- 5 = GREATLY WORSENE
- 6 = DON'T KNOW
- 7 = TOO EARLY TO JUDGE

ENTER NUMBER
OF RESPONSE

- a. Communicating top management commitment / _____ /
1 = 35.3% 2 = 48.5% 3 = 14.7% 4 = 0.7% 5 = 0.0% 6 = 0.8% 7 = 0.0%
N = 136 No answer = 3
- b. Providing overall strategic direction to the agency / _____ /
1 = 22.8% 2 = 55.9% 3 = 19.1% 4 = 1.5% 5 = 0.0% 6 = 0.7% 7 = 0.0%
N = 136 No answer = 3
- c. Providing effective feedback on unit performance / _____ /
1 = 3.7% 2 = 17.6% 3 = 62.5% 4 = 11.0% 5 = 1.5% 6 = 3.7% 7 = 0.0%
N = 136 No answer = 3
- d. Establishing effective unit performance goals / _____ /
1 = 2.9% 2 = 18.4% 3 = 63.2% 4 = 8.8% 5 = 1.5% 6 = 5.2% 7 = 0.0%
N = 136 No answer = 3
- e. Monitoring unit performance against goals / _____ /
1 = 2.9% 2 = 16.9% 3 = 64.0% 4 = 8.1% 5 = 2.2% 6 = 5.2% 7 = 0.7%
N = 136 No answer = 3
- f. Holding managers accountable for performance / _____ /
1 = 3.7% 2 = 16.9% 3 = 62.5% 4 = 9.6% 5 = 2.9% 6 = 2.9% 7 = 1.5%
N = 136 No answer = 3
- g. Problem solving / _____ /
1 = 9.6% 2 = 49.2% 3 = 33.8% 4 = 3.7% 5 = 1.5% 6 = 2.2% 7 = 0.0%
N = 136 No answer = 3
- h. Preparing the agency for the future / _____ /
1 = 19.1% 2 = 55.2% 3 = 18.4% 4 = 2.2% 5 = 0.7% 6 = 2.2% 7 = 2.2%
N = 136 No answer = 3

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33. If you have any comments on any question in this questionnaire or general comments on the 1987 reorganization, please use the space below. If necessary you may attach additional sheets.

THANK YOU FOR YOUR ASSISTANCE.

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