



## Treasury Inspector General for Tax Administration Office of Audit

### THE IMPACT OF THE FRONTLINE LEADER READINESS PROGRAM ON SUCCESSION PLANNING SHOULD BE DETERMINED

Issued on March 15, 2011

## Highlights

Highlights of Report Number: 2011-10-015 to the Internal Revenue Service Chief, Criminal Investigation, and the Internal Revenue Service Human Capital Officer.

### IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) created the Frontline Leader Readiness Program (the Program) to identify and develop highly skilled nonmanagers interested in assuming leadership responsibilities. However, it is currently not possible for the IRS to determine whether the Program provides a pool of qualified candidates ready for promotion or the overall impact of the Program on succession planning. Evaluating the success of the Program would enable IRS management to make informed decisions to ensure that upcoming leadership vacancies are filled in a timely manner with qualified leaders who can address the challenges of the future, which will help to preserve public confidence in the IRS's ability to fulfill its mission.

### WHY TIGTA DID THE AUDIT

This review was requested by the IRS Oversight Board and addresses the major management challenge of Human Capital. The overall objectives of this review were to determine whether the Program provided the IRS with a pool of qualified candidates ready for promotion into management positions and whether the IRS measured the impact of the Program.

### WHAT TIGTA FOUND

The IRS began the Program in Calendar Year 2000 to identify and develop high-potential, motivated employees for frontline manager positions. The Program takes nine months to complete and includes classroom training sessions, outside reading assignments, online training courses, a shadow manager assignment, and an acting assignment.

The IRS is taking action to obtain feedback from Program graduates and their managers. Overall, participants and managers generally believe the Program is beneficial in helping employees prepare for frontline management.

However, the IRS does not generally assess graduates' readiness for promotion upon completion of the Program or measure the impact the Program has on succession planning. If the IRS assessed the promotion potential of Program graduates and measured the impact of the Program, it could better determine its bench strength (the relationship between the number of employees ready for management and the number of critical management positions) at the frontline manager position and provide valuable feedback to graduates.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS Human Capital Officer require an assessment of readiness for promotion for Program graduates interested in management. In addition, the Chief, Criminal Investigation, and the IRS Human Capital Officer should analyze these assessments to determine whether changes are needed to the Program and develop goals and measures to determine the Program's impact on succession planning. The IRS Human Capital Officer also should develop a data collection process to capture all necessary information from the operating divisions/functional offices to accurately measure the impact of the Program.

In their response to the report, IRS officials agreed with our recommendations. IRS officials plan to require an assessment of readiness for management at the end of the Program for those Program graduates interested in a frontline manager position, and stated that they will develop plans of what measures are needed to determine the Program's impact on succession planning. In addition, IRS officials stated that they plan to establish a data collection process to capture all necessary information from the operating divisions/functional offices related to the number of their graduates and the number of promotions on a fiscal year basis to accurately measure the impact of the Program on frontline management.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2011reports/201110015fr.pdf>.