

The impact of human resource formation on the modernization of tax administration: an analytical study by the National School of Taxation (NST)

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Abstract :

This research paper intends to highlight the significance of human resource development as a critical element in executing fundamental reforms for the modernization of the tax administration in Algeria. The theoretical framework employed the descriptive technique to examine the study problem and its several dimensions. Direct interviews with representatives of the National School of Taxes were done for the field study between September 15, 2024, and September 30, 2024. The results showed that, in spite of its obstacles, the National School of Taxes contributes significantly to improving public finance generally and tax modernization in particular.

Keywords: Formation of the human element, modernization of fiscal administration, public finance

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Introduction

The perception of human resources has to change from that of mere assets to that of valued capital that needs ongoing investment and development in the context of a knowledge-based economy that depends primarily on intellectual and human qualities. In order to stay up with administrative and technical improvements, tax administration must adjust its human resources to meet the growing demands and complexities of the field. As a result, finding efficient ways to improve staff members' expertise and skill sets is essential to maintaining operational effectiveness. Professional development and ongoing training are two of the most important administrative instruments that help achieve this objective.

Ordinance 06/03 states that training is both a right and a duty. Employees are entitled to training under Article 38 of the law, and public administration, which includes tax administration, is required by Article 104 of the same law to provide such training. In addition to reflecting legal compliance, this investment in human capital represents the state's dedication to raising revenue and boosting tax administration efficiency by upgrading tax performance and making tax procedures easier for individuals and enterprises.

The significance of human resource development in enhancing administrative performance has been emphasized in earlier research. Alm and McClellan (2012), for instance, discovered that tax efficiency significantly increases when the government invests in staff skill development. In a similar vein, Martinez and Piñón (2017) showed that ongoing training improves tax administration efficacy and helps the state meet its financial goals. Additionally, Ola and Adeyemo (2020) investigated how training and development initiatives affected Nigeria's tax administration performance, showing that raising staff skill levels raises the quality of services offered to the populace.

Research challenge: The research challenge can be stated as follows using the information above as a basis:

How far along is human resource development in terms of putting in place a tax system that satisfies the demands of contemporary tax administration?

The following follow-up inquiries are put forth to further investigate this matter:

- What does the term "tax modernization" mean?
- What motivates the growth of human resources in tax administration?
- How does the National School of Taxation contribute to the modernization of the tax code?

Research Conjectures: These theories can be put forth in light of the problem statement:

- Development of human resources improves tax efficiency.
- The National School of Taxation is a significant resource for training personnel and advancing the modernization of the tax system

study Methodology: As previously said, the dimensions of the study problem were conceptually described and analyzed using the descriptive technique. Direct interviews with representatives of the National School of Taxation were done for the field study. The study was carried out between September 15, 2024, and September 30, 2024.

I. Literature Review

I. 1. Pieces relating to the establishment and revitalization of the tax administration

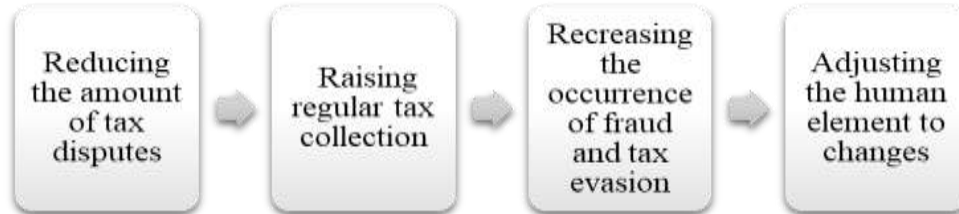
I.1.1. Making the tax system more modern

The Ministry of Finance (General Directorate of Taxes) has been pursuing a strategic goal for renewal and development since 2002, which is embodied in the tax administration modernization project. The project's two primary focuses were on legislative and legal reforms, which sought to close loopholes and gaps in the tax code, and structural reforms, which involved reorganizing the government and inspectorate to become a vertical system made up of the central government, regional directorates, the Directorate of Major Enterprises (DGE), tax centers (CDI), and neighborhood tax centers (CPI). thorough tax management. (Ahmed, 2023)

I.1.2. . Goals of the project to modernize fiscal administration:

The following succinctly describes the primary goals of the modernization project that the fiscal administration hopes to accomplish:

Figure (1): Regarding the project's strategic goals of modernizing fiscal administration



Source: Created by researchers via (Ministry of Finance, 2024), (Sufyan, 2021)

The Algerian Tax Administration Modernization Project (2023) seeks to accomplish a number of strategic goals through the aforementioned plan, including enhancing administrative performance in this crucial area and increasing the effectiveness of the tax system. The administration's intention to implement cutting-edge regulatory measures that restrict these occurrences, which have a detrimental impact on state income, is reflected in the most conspicuous of these goals: lowering the incidence of fraud and tax evasion. The initiative also attempts to raise the tax collection of regular collections, which enhances the state's ability to collect higher revenues thanks to a more effective and transparent tax system.

I. 2. Ideal arrangement of the human component:

I.2.1 Concept OF Training:

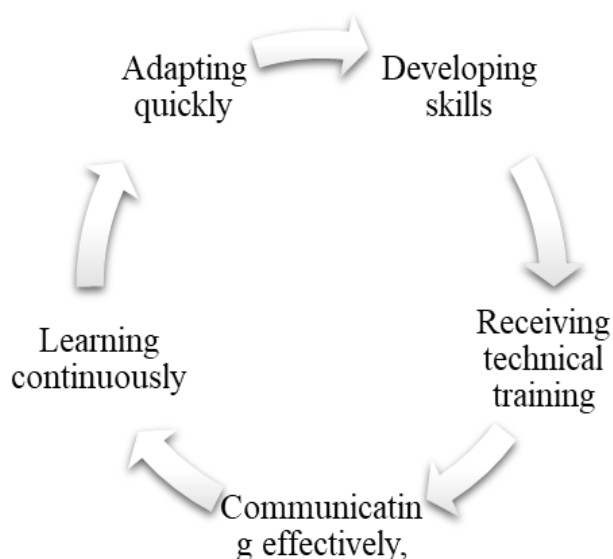
Training is viewed as a comprehensive process that tries to improve and develop knowledge, skills, and capacities at the individual and group levels in order to attain specific goals. It is believed that receiving training can help someone become more successful and perform better in both their personal and professional lives. (Huang & Liao, 2020), (Nishikawa & Murakami, 2021)

In a professional context, training is the process of providing employees with education, training, and guidance to enhance their skills and job performance. Any area deemed essential for achieving the company's goals, such as technical, leadership, and communication abilities, may be the focus of training. (Raymond A, 2017)

I. 2.2 Training goals: How education and training can help employees perform better in the field of collection:

As the subsequent picture illustrates, these are the primary goals of human formation:

Figure (1): The key goals of human formation



Source: Created by researchers via (Fahd, 2020), (Samir, 2019.), (Alas, 2020)

The outline's main ideas emphasize the significance of skill development for tax employees in order to guarantee a thorough comprehension of contemporary tax laws and regulations, indicating the institutions' dedication to raising efficiency and performance levels. By expediting workflows and enhancing performance accuracy, technical training for the use of new technology and instruments increases the efficacy of tax administration. Achieving institutional goals also requires improving understanding of tax laws and best practices.

The discussion of soft skills, which include problem-solving and effective communication, highlights the critical role that favorable interactions between tax employees and taxpayers have. The capacity to communicate properly and create trust are essential variables in strengthening tax relations, contributing to greater compliance and cooperation between both sides.

II. Study abroad program: National School of Taxation

II. 1. The National School of Taxation NST Definition

Under the direction of the Ministry of Finance (Directorate General of Taxation, DGI), the National School of Taxation (ENI) is regarded as an extension of the National School of Finance (ENF), a public administrative institution with a focus on training. Executive Decree No. 94-339 on October 25, 1994, established the school, which started operations in 1998. Situated 40 kilometers west of Algiers in the city of Kolea, Tipaza Province, the school has a 12-hectare plot of land. Under the motto "We provide the best training for finance workers," the school has devoted its energies from its founding to training the Ministry of Finance. There are 30 study halls at the National Tax School, with a combined capacity of about 800 seats, and a lecture auditorium that can accommodate 144 people. The school also has three automated media workshops with a capacity of 65 seats and five pedagogical workshops with 100 seats each. A center for research and development as well as an archive and documentation center are among its other amenities. More than 7,000 graduation notes as well as 7,150 books and references covering a wide range of subjects, such as computer science, management, public finance, accounting, insurance, and customs, are also available at the school's library. In terms of human resources, the school employs 143 people to run its administrative and educational activities successfully

II.1.1 The National School of Taxation's primary goals

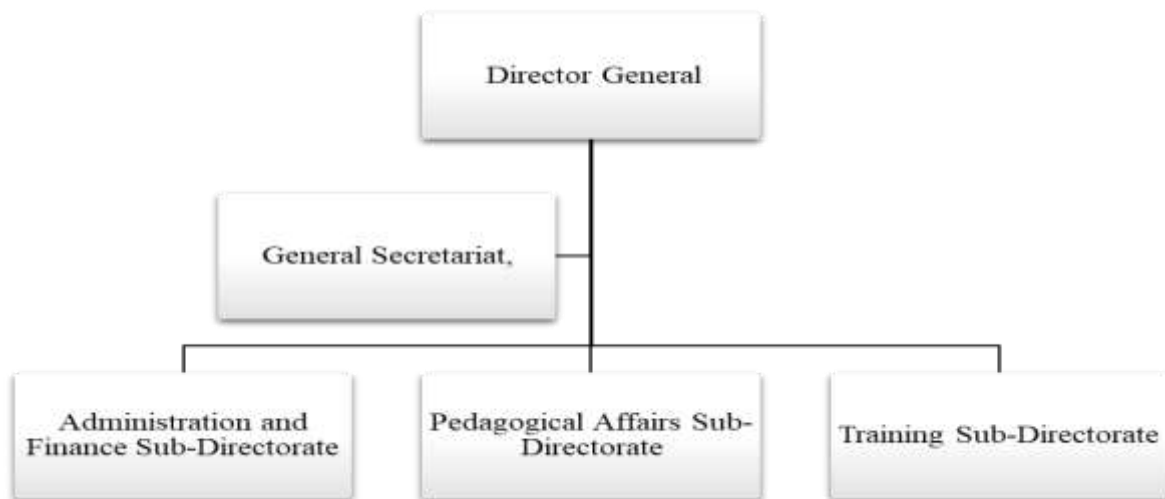
The National School of Taxation's primary goals are to:

- Ensure that tax administration users receive training; the school also aims to maintain personnel records and consistently raise professional standards.
- Research and study: The school is able to conduct studies, research, and consultations in the field of collection.
- Training program preparation: To improve proficiency and update knowledge, the school creates and delivers training courses.
- Creating pedagogical documents: The school creates all the paperwork required to guarantee its smooth operation.
- Putting studies and research into practice: The school conducts studies and research that helps to enhance the management and operation of the tax administration

II.1.2 Organization of the National School of Taxation ENI:

Organization of the National School of Taxation ENI:

Figure (3): The National School of Taxation's organizational structure



Source: Based on internal ENI documents and prepared by the researchers

The administrative organization of the National School of Taxation represents an integrated structure that contributes to improve effectiveness and efficiency in providing training and tax research. Three subdirectories make up the administration, allowing for a clear division of labor. While the Sub-Directorate for Training is in charge of setting up hands-on activities that improve trainee experience, the Sub-Directorate for Pedagogical Affairs is in charge of instruction and training. Efficient administrative and financial workflow is ensured by the Sub-Directorate of Administration and Finance. Three specialist deputies are employed by the administrative structure to ensure that the educational and financial components are the primary focus. The Director General is in charge of overseeing these directorates. This administration's composition shows the school's dedication to raising student achievement and attending to their needs while maintaining a high level of instruction. Additionally, the eight members of the Board of Directors, who represent a range of stakeholders, offer an inclusive decision-making process. Experts in public service and collection are among the members, guaranteeing a well-rounded viewpoint and practical advice in accordance with global norms and market demands. With 29 years of training and study experience, the National School of Taxation demonstrates its ability to adapt and evolve in the face of constant difficulties. Due to its international focus, which draws students from nations like Mali and the Comoros, the school also offers the chance to engage with people from a variety of backgrounds.

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The school's wish to gain access to worldwide knowledge and expertise in the field of fiscal administration is reflected in the cooperation agreements with the French National Center for Public Finance (CNFP). This will help to increase the efficiency of fiscal administration staff members and enhance the quality of services offered.

II. 2 Achievements of the National School of Taxation during the year 2022

Which are summarized in the following table:

Table (1): The year-over-year accomplishments of the National School of Taxation

Year	The body reaps the rewards of	Total number of those who	The training's goal
From 9/04/2022 to 25/05/2022	General Directorate of Taxes	46	Preparatory Training for the Position of Tax Inspector (Batch 2)
From 16/04/2022 to 5/5/2022	General Directorate of Taxes	15	WinDev Program Version 22
From 2/05/2022 to 3/05/2022	General Directorate of Taxes	46	New procedures related to investment law
11/05/2022	General Directorate of Taxes	100	Information System for Human Resource Management (Massari)
From 14/05/2022 to 18/05/2022	General Inspectorate of Finance (GIF)	129	Public finance
From 19/05/2022 to 20/05/2022	General Directorate of Taxes	11	The new system related to employee classification and evaluation
From 10/07/2022 to 10/09/2022	General Directorate of Taxes	15	Training of Trainers in the Tax System (Djibayatic)
From 24/09/2022 to 28/09/2022 From 2/10/2022 to 26/10/2022	Ministry of Mujahideen	70	Public Accounting and Public Contracts
From 5/11/2022 to 14/12/2022	General Directorate of Accounting	481	Accounting Documents and Records
From 26/11/2022 to 21/12/2022	General Directorate of Accounting	16	Accounting Information System for Expenditures and Revenues
From 17/12/2022 to 28/12/2022	National Fund for Social Insurance of Employees	200	Digitization of Subscriptions
From 24/12/2022 to 21/12/2022	Qasdi Merbah University	23	Human Resource Management + Public Contracts
2022	/	981	/

Source: Source: Prepared by the researchers based on internal documents of NST

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Remark:

The aforementioned table demonstrates how important the National School of Taxation is to accomplishing modernization objectives in the financial industry as a whole. In the fiscal year of 2022, the general directorate of accounting employed 981 people in total who benefited from the training programs run by the institution. In addition, the General Directorate of Taxation and the employees of the General Inspectorate of Finance (IGF) benefited from training given to trainers in the digital system "Djibaytic". In line with Law 15-247, the school also participated in its academic environment, providing training in public procurement and human resource management to 23 staff members of Qasdi Merbah University in Ouargla.

Concerning the planning and management of national contests in 2023:

- A competitive examination was conducted on September 25, 2023, to fill the post of Senior Tax Inspector in the Tax Directorate of Setif Province.
- An examination-based competition was held on November 6, 2023, to fill the post of Senior Tax Inspector at the Tax Directorate of the Province of Naama.
- A competitive examination was held on November 8, 2023, to fill the post of Senior Tax Inspector in the Tax Directorate of Blida Province.

The following posts will be filled through a national exam-based competition on November 26, 2023: Tax Controller, Tax Inspector, Inspector, Senior Tax Inspector, and Tax Central.

Table (2): About face-to-face instruction and skill development in the current year 2023:

Beneficiary Entity	Position	Number	Duration
General Directorate of Taxes (GDT)	Senior Tax Inspector	400	45 days

Source: Source: Prepared by the researchers based on internal documents of NST

The leaders of the budget operations offices at the General Directorate of Taxes attended training sessions on the "Massari" project, which is connected to the salary application, from September 15, 2023, to September 26, 2023, provided by the National School of Taxation.

Table (3):

Beneficiary Entity	Position	Number	Duration
General Directorate of Taxes (GDT)	Senior Tax Inspector	400	45 days

Source: Source: Prepared by the researchers based on internal documents of NST

Entity	Training Duration	Number of Beneficiaries	Subject
Ministry of Mujahideen	15 days	46	Public Contracts, Public Finance, Organic Law 18-15, Budget Estimates
Ministry of Foreign Affairs	3 months	25	Court of Accounts
Court of Accounts	1 day	11	Study Day on INTOSAI Standards and Quality Management
General Directorate of Taxes (GDT)	August (1 month)	8	Training of Trainers on the Djebayatic Program (First Group)
General Directorate of Taxes (GDT)	From 07/09/2023 to 16/09/2023	16	Training of Trainers on the Djebayatic Program
General Directorate of Taxes (GDT)	From 02/10/2023 to 14/10/2023	12	Training of Trainers on the Djebayatic Program

Source: Source: Prepared by the researchers based on an interview with Mr. Bin Yahiya Saif Islam, official of the Internships Directorate at the level of the National School of Taxation (NST).

Given the lack of National School of Taxation branches in the various states of the nation and the goal of improving remote learning, the school started the first phase of its distance learning program with the help of the General Directorate of Taxes. In order to guarantee that every employee in the tax industry in every state benefits, this procedure attempts to generalize this approach to the majority of training programs in the future. In collaboration with the General Directorate of Taxation, the National School of Taxation arranged a remote training session on the subject of "Professional Ethics" for staff members of the Regional Directorate of Taxes in Oran on October 1, 2023.

The school also observed the organization of a similar training on the topic of "Professional Ethics" for the benefit of the staff members of the Regional Directorate of Béchar on October 22, 2023. All of the state tax directorates in Béchar, Tindouf, Naama, El Bayadh, Adrar, Sidi Bel Abbes, Timimoun, and Bordj Badji Mokhtar were included in this training. A live training session was arranged at the National Tax School on November 5, 2023, in accordance with the guidelines established by the General Directorate of Taxes. Under the direction of Professor Bashir Khalil, the course covered "Professional Ethics" and was intended for staff members of the Constantine Regional Tax Directorate, which includes the tax directorates in the states of Constantine, Mila, Batna, Khenchela, Ouled Jalal, and Biskra.

Conclusion

In a nutshell modernizing the tax administration has become essential given the difficulties Algeria's economy faces, especially the volatility of oil income. Training and education are two of the most important ways to accomplish this change. The National School of Taxation is essential to the qualification and training of human resources; the tax administration's dedication to the development of human capital is demonstrated by the training costs, which total over 380 million Algerian dinars. Nevertheless, this modernization approach has not produced all of the anticipated results.

- **Outcomes:**

- ✓ The tax administration has a two-pronged approach to human resource development, combining recycling and requalification programs with a nationwide hiring competition to promote employment.
- ✓ With over 29 years of expertise in creating tax, financial, accounting, and public procurement systems, the National School of Taxation is actively engaged in the modernization process.
- ✓ With 218 international students gaining from the school's training programs, it also has a global reach.
- ✓ The National School of Taxation is unable to broaden the scope of its instruction since it does not have branches around the nation.
- ✓ The school has a teacher shortage, which has an impact on training quality and restricts its

- **Testing Hypotheses:**

- ✓ "Training human resources enhances tax efficiency." is the first hypothesis. Ordinary tax revenues grew by 16% in 2023 as a result of the extensive training sessions and recruitment campaigns the school organized in 2022, proving the veracity of this idea.
- ✓ A second hypothesis is that "The National School of Taxation fulfills its role in training human resources effectively." This theory is disproved because the institution organizes national competitions for different administrations and skill enhancement courses mostly focused on requalification. But since 2011, it has stopped accepting students via the baccalaureate, and since 2017, it has stopped cooperating internationally. The school's inability to carry out its mandate as it should be hampered by a serious teacher shortage and a tight budget.

- **Suggestions:**

- ✓ To guarantee that workers in the tax field have greater access to training, the National School of Taxation should open new offices in the south, east, and west.

- ✓ Collaborate with the Ministry of Higher Education to create and carry out taxation education programs.
- ✓ To guarantee higher-quality instruction, the school should post job openings for the recruitment of new instructors.
- ✓ In order to gain from the advanced countries' tax experience, strengthen international cooperation arrangements.

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