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IRS Case

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CIS 410-50

**Table of Contents**

1. Executive Summary……………………………………………………………….2
2. Problem…………………………………………………………………………….2-3
3. Five forces IC analysis……………………………………………………………3-4
4. Potential Alternative Solutions………………………………………………….4-5
5. Stakeholders……………………………………………………………………….5-6
6. Selected Option and Reason/ Recommendation for the case……………….6-7
7. References…………………………………………………………………………8

**Executive Summary:**

The IRS “Internal Revenue Service” primary function was to collect revenue for the US government.” Its mission was: to collect the proper amount of tax revenues at the least cost to the public. and in a manner that warrants the highest degree of public confidence in our integrity, efficiency, and fairness.” Management. Every year they collect about $935 billion dollars from more than 194 million tax returns. They work also with about 83 million taxpayers to make ensure that they have the information that they need to pay taxes.

The system let the employees accomplish the cases that they are working in form the beginning to the end. Some cases take so much time specially if they need to gather more information. In IRS they implement a new system called Automated Collection System which let the employee be more efficient and reduce the cost. But this system has some problems.

**Problem:**

As mentioned in the summary. IRS implement a new system that would help the employee with their work. Before it would take them so much time to finish a paper as they do it manually. It was taking the employee so much time to find the information that he is looking for. So, they decided to invest and have the new automated collection system (ACS) which will put all the taxpayer information in this one system. So, in this case it is so much easier for the employees to find the information that they are looking for.

The problem was how the employees are dealing with this system. And this will put them in monitoring as they deal with phone calls for the taxpayer.

Now with the new system there is less contact with the employees to each other. Before it did need couple if them to work on one paper as they need information from each other. But now with the new system they can find the information that they are looking for as everything is saved to the same database. Another issue it was the safety of the information because employees were monitored by the telephone and computer. Monitoring can be good as you can see the progress how it is going so managers knows how their employee are doing. So, they can provide feedback to them. Employees did not like working with this new system because they do not have freedom when they are working also there was no relationship between each other as they used to before. According to pros and cons of employee monitoring is that your employee will feel uncomfortable and this is will lead to a toxic work environment, diminished employee morale and higher employee turnover.

**Five forces IC analysis:**

* **Industry Rivalry**

It is low since they deal with the government and all the technology as well. So, there are no other companies who does that. It has been like this before and it will stay.

* **Threat of substitutes**

Is low because there are no other companies like them that the government deal with. Everyone will go through them to finish his taxes.

* **Barriers to Entry:**

Is low because all the users who live in US will use this system as it is the only one confirmed by the government. There is no risk of new companies creating new systems as the users will not use it.

* **Power of Suppliers:**

Is high because IRS need other systems to them complete what they want to. IRS started using the (ACS) which this system is a mix of three components: integrated data retrieval system (IDRS), Rockwell ACD (automated call distributer) and IBM. So, the power of supplier is high since IRS need those components.

* **Power of Buyer:**

Is low. There are no other options that the users can switch to. So, they had to use this specific system. No other companies can create a new system and enforce the users to use their system as IRS is the only one confirmed by the government.

**Potential Alternative Solutions:**

* **Do Nothing:**

This is will keep the ACS system and the employee will not be happy with this. Also, this is will affect the turnover rate and will keep it high. The high turnover rate will lead to let them spend more money trying to improve the motivation of the employees.

* **Restructure ACS’s work organization into semi-autonomous teams**

This is will be good for the employee as they will do the work as a team and will raise the employee satisfaction. But the problem that this is will cost the company one million as they will redesign the technology that they are using.

* **Retrain employees**

Retrain employees to finish cases from start to finish. This option will be good for the employees will give them chance to finish the case that they are working on from the beginning to the end. Also, this is will raise the pay scale because of the additional skills for the employee.

* **Change the current management system.**

This option will let the employees feel that they are not being monitored and will give them more freedom. Also, it will give time for the manager to do other things than monitoring the progress of the employee. According to Brian if you give your employee the equal freedom that they should have they will be willing to come to work every day to do their best. Which will benefit your company at the end.

**Stakeholders:**

* **IRS employees**

The employees are affected because they do not enjoy working with the new system and it might cause so many of them to leave their job. Some of them do not enjoy being monitored by the manger.

* **Customers**

They have a large power because they are who making IRS continue. If IRS changed it will affect every user as they need to find a new way to do their taxes. This is mean that million of customers will be affected.

* **Tim Brown**

Tim Brwon and the other managers are in charged of using the new system. They are the main responsible of the success of IRS.

* **The U.S. Government**

It has a large stake as they are the owner for the IRS. And anything happen in IRS will affect them as well.

* **Shareholders**

It will affect them as those who put money. And anything happen will affect them as well. They also need to know about anything that can affect their invest.

**Selected Option and Reason/ Recommendation for the case**

The option that I choose is to keep the system but change how it is managed. ACS system has been a good system for them to use. It helps them to raise financially by 33 percent every year. It helps them to finish and close all the cases that they are working on. Even though that the employees are not happy with this system, but this is what kept the turnover rate as they want. Also, all stakeholders seem that they will be benefits from this the most comparing to the other options. It also does not require spending money as the other alternatives.

Now for the employee as they are not happy with this system. Changing the management way will make them happy as they will not be monitored as before. This is will give them more privacy. This is will give them the motivated back and will let them do their job and they are confident and have their rights of freedom and making decisions when it is needed. It is the best options for the mangers to make as all sides will be happy with this decision and it will benefit them all. Also choosing this option will give the employee confident as they will feel that their confident is important to the mangers and it will increase their productivity.

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