



THE FUTURE OF TAX TALENT

TAX TECHNOLOGY CLASSICS

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The Future of the Tax Talent: Shaping the Future of an Industry

In the rapidly evolving landscape of tax, it has become imperative for organizations to adapt and change to stay relevant. Unlocking the potential of tax expertise and empowering professionals with the essential abilities to adapt in the digital age is crucial for achieving success. This article explores the future of tax talent and outlines the competencies required for professionals to succeed in the coming years.

Modern knowledge workers, including tax professionals, need to possess diverse core competencies, such as communication, project management, technology literacy, mathematical and logical skills, and the ability to learn and adapt quickly. These competencies form the foundation for professionals to excel in their respective fields and stay valuable in the future.

However, mastering these competencies alone is not sufficient. Tax professionals must also develop extended competencies containing tax, business, legal, finance, and IT domains. Referred to as "tax, technology & finance" attributes or TTF, these extended competencies equip professionals to address elaborate challenges and contribute to multidisciplinary projects. To guarantee efficient change management and optimize the capabilities of tax professionals, organizations can establish a certification procedure for experts, processes, and technologies.

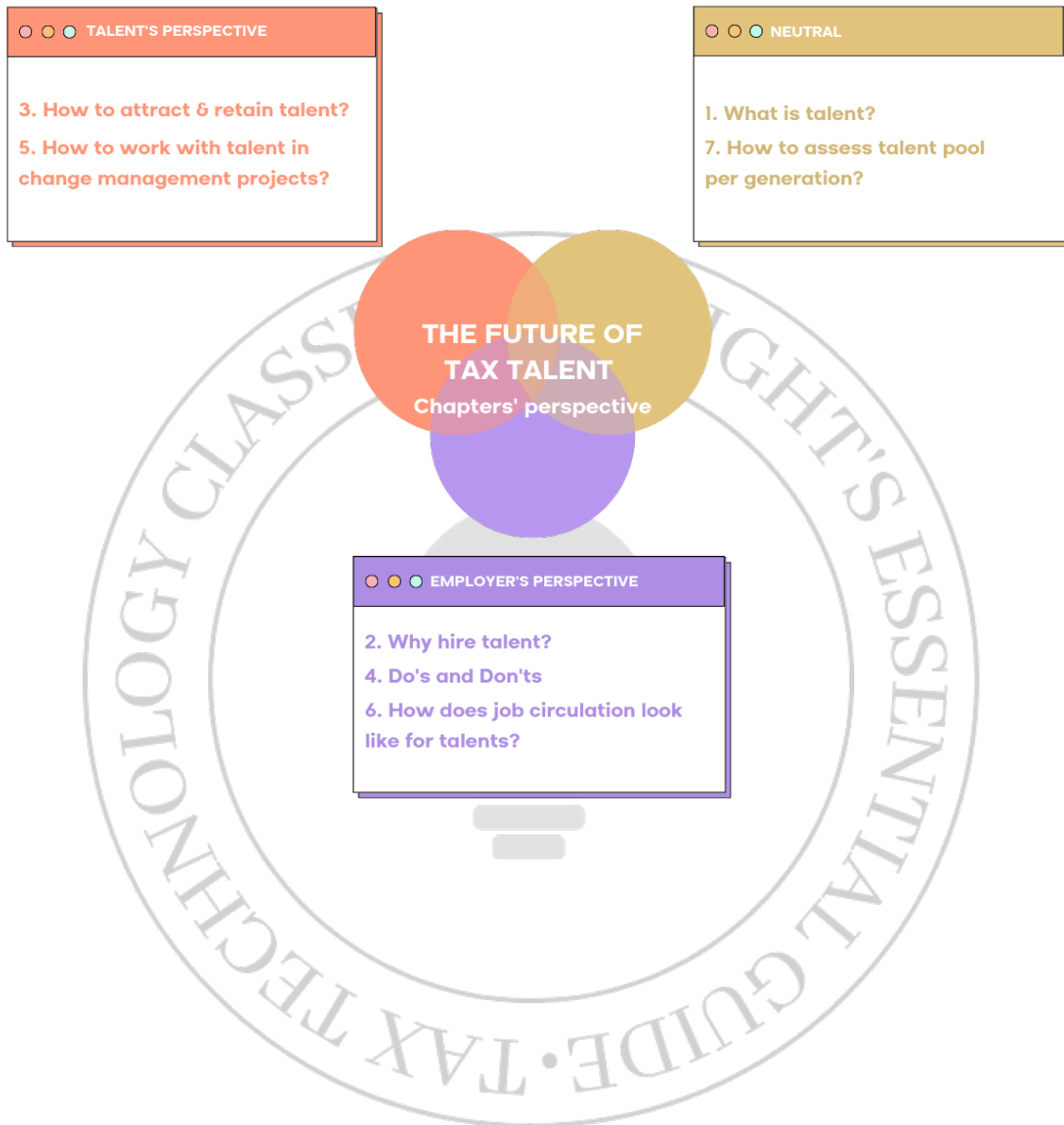
Hiring and retaining top tax talent offers numerous advantages for organizations. However, to retain this talent, employers must consider factors such as competitive salaries, career coaching, flexible work setups, continuous learning opportunities, and integration of talent views in future strategies.

This article explores the do's and don'ts of working with tax talent and how to assess and attract talent from different generations. Additionally, it emphasizes the importance of creating a workplace that aligns with the values and aspirations of younger generations, who prioritize purpose-driven work and societal impact.

In a future where the demand for modernized knowledge workers is on the rise, organizations must proactively adapt their recruitment strategies to target digital natives. Traditional in-house tax teams are being replaced by virtual talent pools, allowing for more flexibility and access to a wider talent pool.

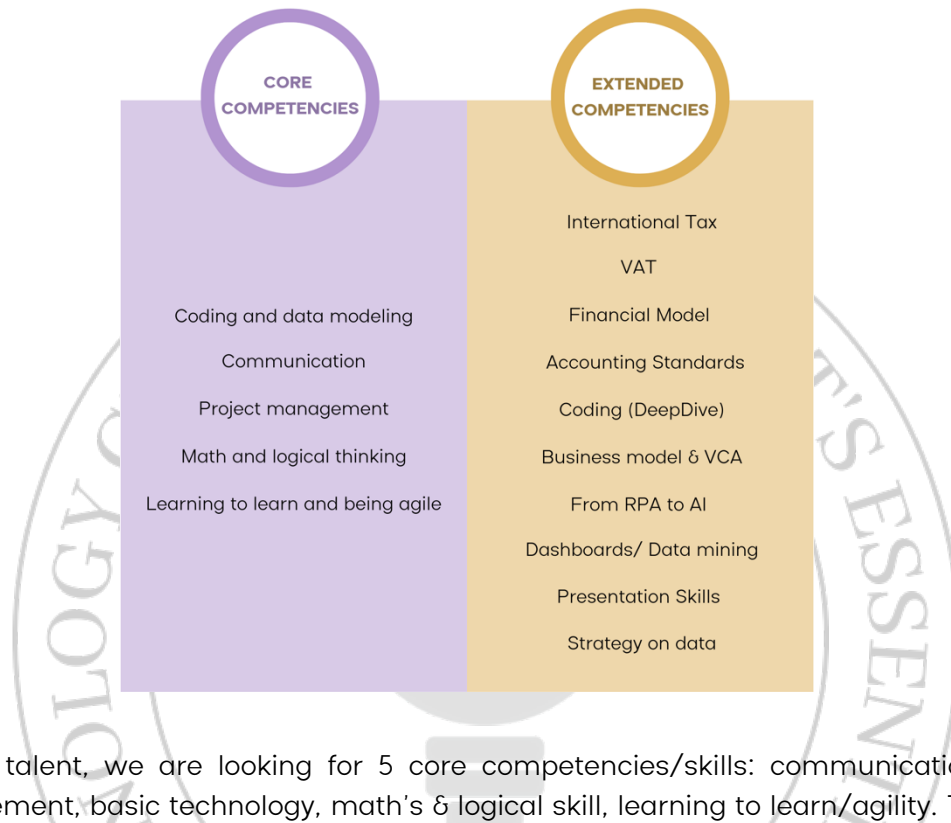
As organizations face the challenges of talent retention and recruitment, it becomes evident that a proactive approach to talent development and embracing change is crucial. By promoting tax talent, organizations can ensure a dynamic and innovative tax function that not only adapts to change, also drives it.

The visual below shows you from which perspective each of the chapters has been written.



1. What is talent?

Talent is the natural ability to outperform a certain task. A modern knowledge worker is defined by:



For tax talent, we are looking for 5 core competencies/skills: communication, project management, basic technology, math's & logical skill, learning to learn/agility. These core competencies of a knowledge worker represent skills for surviving the new standard that apply to 'all knowledge workers. In other words, they are the skills needed to stay relevant in the future. Beyond having mastered these core competencies, they can proceed to add extended competencies covering tax, business, legal, finance and IT, i.e., often referred to as 'tax, technology & finance' attributes in short TTF.

If I have five core competencies and a faculty degree, I need extended competencies like—as an illustrative rather than exhaustive listing—International tax, VAT, Accounting Standards, Financial model, Coding (DeepDive), Business model & VCA, From RPA to AI, Dashboard & data mining, Presentation Skills, Strategy on data.

According to those competencies, if you have a tax degree, you will not need international tax courses to be trained. If you have an IT degree, perhaps there is no need for a deep dive into coding. Considering the finance people, they would not need to get an accounting course.¹

Suppose you have a university or applied science degree alongside core competency skills, and you are interested in tax technology. So, you start to follow belt courses – which are based on your theoretical training but put the necessary flight hours in the mix to become

¹ See Appendix

a talent certified in tax technology solutions – beginning from the yellow belt and orange belt.

To fully utilize your own professional talent, you might consider to:

- Get a tax technology certificate.
- Run multi-disciplinary projects on “how to digitally transform tax workflows”.
- Come up with the next generation of tax professional work spots.
- Create a “lean and mean” data architecture and management to satisfy both taxpayers and tax authority’s needs.

2. Why hire talent: The benefits

Some of the benefits of hiring talent could include:

- a. Ambitions to drive their career.
- b. Able to contribute to “fusion teams.”
- c. Agility to contribute to multiple workflows.
- d. Multidisciplinary interest & attitude.
- e. Ability to work with global & regional virtual teams.
- f. Certified professionals with in-depth skills in certified process & software.
- g. Bring a holistic angle to complex progress on crossroad between TTF.
- h. Communication skills.
- i. Multicultural skills.

These benefits are mostly explored by hiring digital natives. This could immediately impact structure and ranking of the established in-house tax department.

3. How to retain talent?

To retain talent, employers should consider the following things:

- Competitive salary for teams.
- Coach their career.
- Provide them the full picture, e.g., your 2025 tax vision.
- Explain their (expected) contributions to solutions.
- Challenge them e.g., intellectually human interaction, complex project management etc.
- Offer flexible work spots, including hybrid setup.
- Exposure to permanent education and learning in the job.
- Integrate their views in future strategy.
- Provide options for full job circulations on 6-12 months cycle.
- Allow flexible and freelance engagements.
- Give honest feedback on a frequent base.

- Provide challenging tasks.

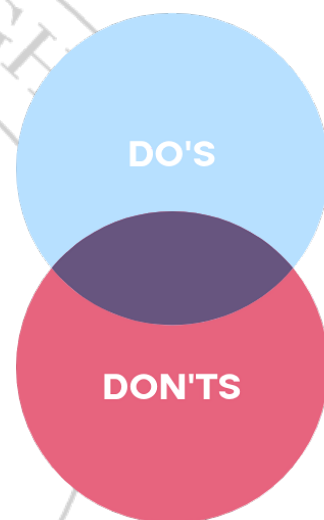
Most of these factors facilitating a good work spot for talent are not embedded in all multinationals we work with.

4. Do's & Don'ts

On a more pragmatic level the following do's and don'ts are key variables for a talent to step into such job offering.

- Start talent academy (belt system for tax technology specialist).
- Offer digital work spot.
- Run a (tax) data-driven workflows.
- Strive for a work/private-life balance DO'S Stimulate bottom-up feedback.
- Add a fun factor to working in teams.

-
- Run a top-down organization.
 - Plan a long-term career path.
 - Limit exposure to 1 role and/or 1 department Segment your organization.
 - Introduce a bonus per individual.



5. How to work with talent in change management projects?

- Introduce a certification process (for professionals, process, and technology)

The certification process supports talent on change management projects for professionals, processes, and technology. The word certification is defined as:

- A **professional** who has passed an exam which allows third parties to trust that they are dealing with a qualified professional.
 - A **service or a product** is being offered in a pre-defined manner, a protocol or process on the base of an upfront agreed-upon standard or form.
 - A **technology** which is delivering an upfront agreed upon functionality which can handle 'tax relevant data' to be collected, validated, reworked, and shared with the relevant stakeholders.
- Explain 'old & new' ways of working & address reasons for change²
 - Going digital in a hybrid working model.

² See more: <https://acuvate.com/blog/future-of-work-post-covid-19/>

- ii. AI and Technology for Human Advancement.
 - iii. Creating New Workflows with low-code and no-code apps³.
 - iv. Using voice technologies to enable a contactless workplace.
 - v. Using workforce data to evaluate key talent metrics.
- Illustrate each transfer of workflows from professional to process/technology provides new opportunities for all.⁴
 - Get your clients to like your digital transformation solutions (outside influencer and behavior management).
 - Synchronize cultural & other differences between professionals through using “fusion teams” (up to 25% of each professionals’ time to be spend in “fusion teams”).

6. How does job circulation look for talent? The reality of shorter career cycle



Expected lifetime of each career - Cycle is less than 3 years.

³ By combining BPMN and DMN, you can create executable processes and pageflow apps without programming.

⁴ The basis for workflow management are the related processes being created and documented in BPMN.

The above picture paints a process of job and/or project circulations suitable for talents. Where in a traditional organization the job profile of talent is fixed for 2 years or more, to make your tax team become an “agile” partner of business the above cycle requires a higher degree of circulation.

In the absence of this, after 2 years most talent will start looking around for another challenge.

7. How to assess the talent pool per generation?

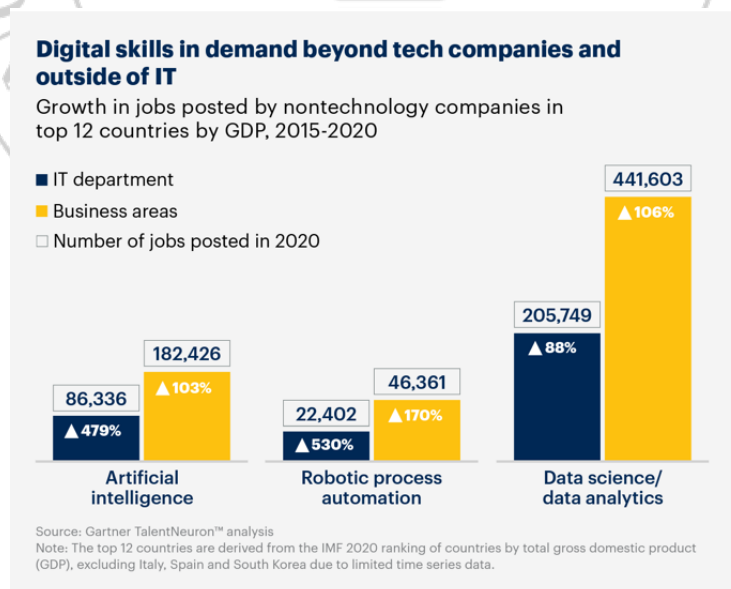
The following factors are key to converting your “plan to hire talent” into a strategic and operational winning team.

- Next generations

If you start recruiting talent, you should be aware that generations Y, Z and Alpha are the digital natives. These generations should be your focal point for recruitment of your talent.

- Talent⁵

The growth in demand for modernized knowledge workers is visualized in the picture below. This means all industries-engaged in a digital transformation are all targeting for the same “pool of talents”. A war on talent is often referred to as “Why should they join your team?”



⁵ See more: <https://www.gartner.com/en/human-resources/research/talentneuron/winning-the-new-war-for-talent>

The next picture offers you to create a virtual talent pool instantly instead of holding onto your traditional in-house tax teams on the ground (i.e., in an office).



How to retain talent: an employer's perspective

A few self-assessment queries you should consider addressing on a yearly basis include:

- Age analysis and diversity
 - I. Is the average age relevant for the retention of talents?
 - II. Assuming my talents expect a new offering within 2 years, how would this be achieved?
 - III. Do you have a plan B if all your talents indicate to leave you at the end of the 2-years?
 - IV. How to organize your training and knowledge management for talents?
 - V. Does a once-a-year assessment of talents going to be effective, or would a more regular assessment cycle enhance retention?
 - VI. How diverse is the in-house tax team to facilitate a diversity of new talents?
- Future proof

"Where do you see yourself in five years?", the candidate asked the recruiter. Yes, you read that right. The tables will flip soon, and here's why. More and more employers are struggling to attract talent into their organizations. Both in the USA and the EU, unemployment rates are steadily declining in spite of the current recession.⁶ The perspective of structural employee- shortage looms over many organizations, unable to offer any structural solution to their recruitment challenges.

The reasons for this lack of new colleagues are twofold. On one hand, it's about a structural shortage of available and educated personnel. Coming years, the number of people exiting

⁶ See more: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics#Youth_unemployment

the labor market (people retiring) will be booming.⁷ The number of people entering the labor market is a lot lower.⁸ With more demand for work and a shrinking supply, shortage is imminent.

But the second effect is much less known: The workforce is becoming younger. And we mean: a lot younger. While the number of people retiring is rising rapidly, the number of employees between the ages of 45 and 65 is shrinking, and the number of people aged 25 to 45 is increasing. So not only is the older group disappearing, but the middle-aged group is also shrinking as well. So much so that by 2030, Generation Y & Z will make up most of the working population.

And that's a different ballgame. Unsurprisingly, this is prompting organizations to engage in expensive recruitment campaigns aimed at younger generations. Here's the thing: a recent study found that almost half of Gen Z and millennials would rather be unemployed than unhappy in a job, compared to 25% for previous generations.⁹ The same study suggests that employers' desperate attempts to offer big bonuses and copious employment benefits won't necessarily cut it.

So here are a few pointers given by the large survey performed by future proof, an organization of 200 data analysts predicting the future based on data not on "guess work".

- Recruitment 101

Of course, these generations expect a decent salary: it's a hard precondition. It is not a satisfier, but especially a dissatisfier if it is not properly arranged. It is a precondition for living decently and leading a normal life. They want flexible working models and their performance to be evaluated on results rather than hours worked. However, they know that they are scarce and have plenty of job offers. A car or a 10% bonus may not sway young talent even towards the most generous employers. Instead, employers should offer a job that (in addition to being well-paid, obviously) contributes to a better world. Young people do not want to compromise their personal values when choosing an employer.¹⁰

- Work on change

Younger people have a deeper sense of purpose, and they want to bring it to the workplace. Their workplace is their battlefield for change. If you want them working with you, work on change. Work on your positive impact, your societal relevance, your organizational purpose. Without it, they will not even contact you. And, if you find yourself interviewing a talented person, ask them how climate change and a pandemic have affected their story. In return they will ask you: "Where do you see yourself in five years?". If you want to stand a chance

⁷ See more: <https://www.bls.gov/news.release/jolts.nr0.htm>

⁸ See more: https://ec.europa.eu/regional_policy/en/newsroom/panorama/2021/05/20-05-2021-eu-population-projections-reveal-growing-gaps-between-young-and-old

⁹ See more: <https://www.businessinsider.com/gen-z-millennials-prefer-unemployed-than-unhappy-2022-4?international=true&r=US&IR=T>

¹⁰ See more: <https://www.weforum.org/agenda/2022/01/6-world-of-work-trends-that-will-shape-2022/>

against other employers, you will have to explain how you are working on change, and really mean it.

How do we accelerate change? how can the organizational structures be broken through so that innovative ideas and solutions can be developed by the employees themselves. Existing hierarchies are a hindrance, flexible working methods such as working in agile teams with digital methods such as Scrums are required.

So, are you ready for tax talents?



8. Appendix

As an illustration on “tax, technology and finance” competencies, the following tables indicate (i) in table 1, the minimum competencies each of the tax technology black belts specialists need to master and (ii) in table 2, how to differentiate your extended competencies, depending on your own professional background.

Table 1

FUNCTION		TAXOLOGIST	TAX TECH ENGINEER	TAX DATA ANALYST	FORENSIC ACCOUNTING	ERP TAX DATA MODELER	TAX TECH BUSINESS/ FINANCE
TTF COURSES							
1	International Tax	■	■	■	■	■	○
2	VAT	■	■	■	■	■	■
3	Financial Model	○	○	■	○	■	○
4	Accounting Standards	■	■	■	○	○	■
5	Coding	○	■	■	○	○	■
6	Business model & VCA	■	○	○	○	■	■
7	From RPA to AI	○	■	○	○	■	○
8	Dashboards	○	○	■	○	■	○
9	Presentation skills	■	○	■	■	■	■
10	Strategy on data	■	■	○	○	■	■

*See chart legend

■ = Mandatory ○ = Optional

Table 2

TTF		TAX	TECHNOLOGY	FINANCE
TTF COURSES				
1	International Tax	○	■	○
2	VAT	○	■	○
3	Financial Model	○	○	○
4	Accounting Standards	○	○	○
5	Coding (DeepDive)	■	○	■
6	Business model & VCA	■	■	○
7	From RPA to AI	■	■	■
8	Dashboards/Data mining	■	○	■
9	Presentation Skills	○	○	○
10	Strategy on data	■	■	■

*See chart legend

■ = Mandatory ○ = Optional

