

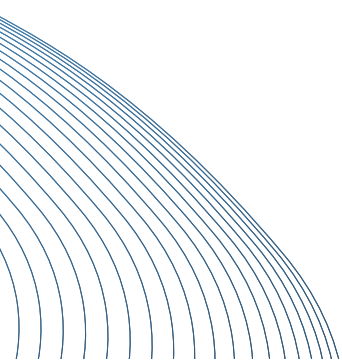


# The Future of Tax Talent

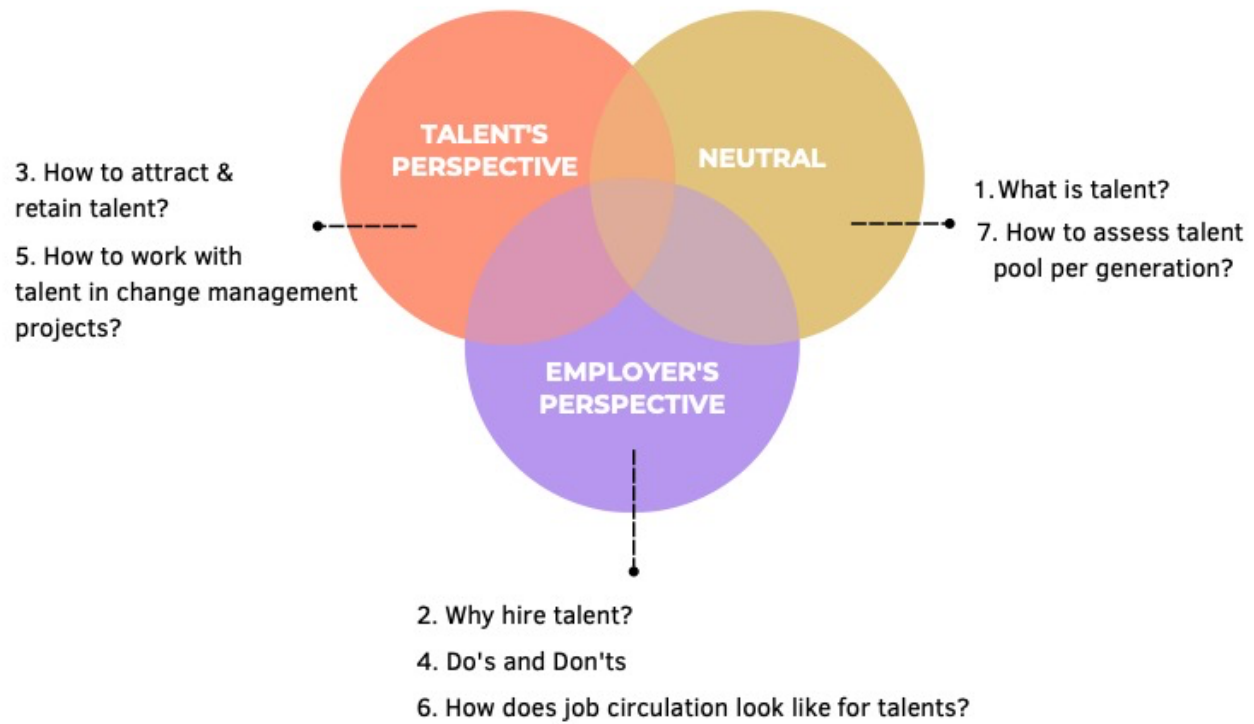
**Whitepaper**  
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The visual below shows you from which perspective each of the chapters has been written.



## 1. What is talent?

The term 'talent' refers to individuals who outperform in a certain task, or who make a significant impact on their organization or team's performance. For tax talent, that means they should possess the necessary knowledge and skills to drive the performance of in-house tax departments in the future.

To understand what these necessary knowledge and skills are, it's best to consider the traits of a 'knowledge worker', a term used for a worker who creates value through knowledge. Although these characteristics have evolved and been defined differently over the years, we can consider the 'modern' knowledge worker to have the following core competencies:

Core Competence	Extended Competence
	Tax, Technology and Finance Courses
Coding and data modeling	International Tax
Communication	VAT
Project management	Financial Model
Math and logical thinking	Accounting Standards
Learning to learn and being agile	Coding (DeepDive)
	Business model & VCA
	From RPA to AI
	Dashboards/ Data mining
	Presentation Skills
	Strategy on data

These core competencies represent skills for surviving the new standard that applies to all knowledge workers. In other words, they are the skills needed to stay relevant in the future. The same core competencies also apply to tax talent, meaning that future tax talents should have basic skills in coding and data modeling, communication, project management, math & logical thinking, and learning to learn and being agile. Beyond having mastered these core competencies, they can also proceed to add extended competencies. These cover tax, business, legal, finance, and IT skills – often referred to as 'tax, technology & finance' attributes, or in short, TTF.

For example, if an individual has these five core competencies and a faculty degree, they could further develop their skillset by adding extended competencies like – as an illustrative rather than exhaustive listing – International tax, VAT, Accounting Standards, Financial models, Coding (DeepDive), Business model & VCA, From RPA to AI, Dashboard & data mining, Presentation Skills, and Strategy on data.

The extended competencies that talents focus on, of course, depend on their degree. For example, if you have a tax degree, you will not need international tax courses to be further trained. If you have an IT degree, perhaps there is no need for a deep dive into coding. Or if you studied finance, you would not need to follow an accounting course.<sup>1</sup>

Suppose you have a university or applied science degree alongside these core competencies, and you are interested in tax technology. Then the best path to follow would be to take the “Belt System courses” – tax technology certification courses that are based on theoretical training but add the necessary “flight hours” in, so you can have the adequate experience to become a tax talent certified in tax technology solutions - beginning as a Yellow or Orange belt.

Along those lines, to fully develop as a professional talent, you might consider:

- Obtaining a tax technology certificate;
- Running multi-disciplinary projects on “how to digitally transform tax workflows”;
- Coming up with the next generation of tax professional work spots;
- Creating “lean and mean” data architecture and management to satisfy both the taxpayers’ and tax authorities’ needs.

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<sup>1</sup> See Appendix

## 2. Why hire talent: The benefits

As the definition suggests, the most obvious benefit of hiring talent is adding high-performing individuals to your team. However, the high level of performance is driven by the following benefits:

- Ambitions to drive their career;
- Able to contribute to “fusion teams”;
- Agility to contribute to multiple workflows;
- Multidisciplinary interest & attitude;
- Ability to work with global & regional virtual teams;
- Certified professionals with in-depth skills in certified processes & software;
- Bring a holistic angle to complex progress on the crossroads between TTF;
- Communication skills;
- Multicultural skills.

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

### 3. How to retain talent?

By strategically managing and focusing on retaining talent, organizations can build strong in-house tax departments, cultivate a good work spot, and achieve their strategic objectives.

To retain talent, employers should consider the following things:

- Competitive salary for teams;
- Providing career coaching;
- Establishing the full picture, e.g., a 2025 tax vision;
- Explaining their (expected) contributions to solutions;
- Challenging talent, e.g., intellectual human interaction, complex project management, etc.;
- Offering flexible work spots, including a hybrid setup;
- Exposure to permanent education and learning on the job;
- Integrating their views into future strategies;
- Providing options for full job circulations on a 6-12 months cycle;
- Allowing flexible and freelance engagements;
- Giving honest feedback frequently;
- Providing challenging tasks.

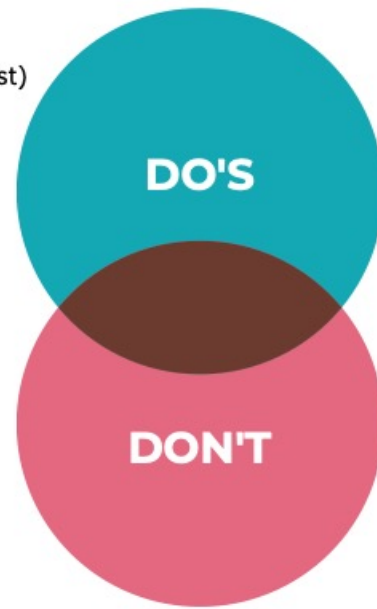
Most of these factors facilitate a good work spot for talent, create growth opportunities, and add value to the teams at large. Nonetheless, they are not automatically embedded in the working cultures of multinationals we work with.

## 4. Do's & Don'ts

On a more pragmatic level, the following do's and don'ts are key variables that determine whether talents step into such job offerings:

- 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
  - 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 that 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 based on an upfront agreed-upon standard or form
  - A **technology** which is delivering an upfront agreed-upon functionality that 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 change<sup>2</sup>
    - Going digital in a hybrid working model
    - AI and Technology for Human Advancement
    - Creating New Workflows with low-code and no-code apps<sup>3</sup>
    - Using voice technologies to enable a contactless workplace
    - Using workforce data to evaluate key talent metrics
  - Illustrating each transfer of workflows from professional to process/technology provides new opportunities for all.<sup>4</sup>
  - 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 spent in "fusion teams").

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

<sup>3</sup> By combining BPMN and DMN, you can create executable processes and page flow apps without programming

<sup>4</sup> The basis for workflow management are the related processes being created and documented in BPMN

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



Expected lifetime of each career - cycle is less than 3 years

The above picture paints a process of job and/or project circulations suitable for talents. Where in a traditional organization the job profile of talents 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 the next challenge.

## 7. How to assess the talent pool per generation?

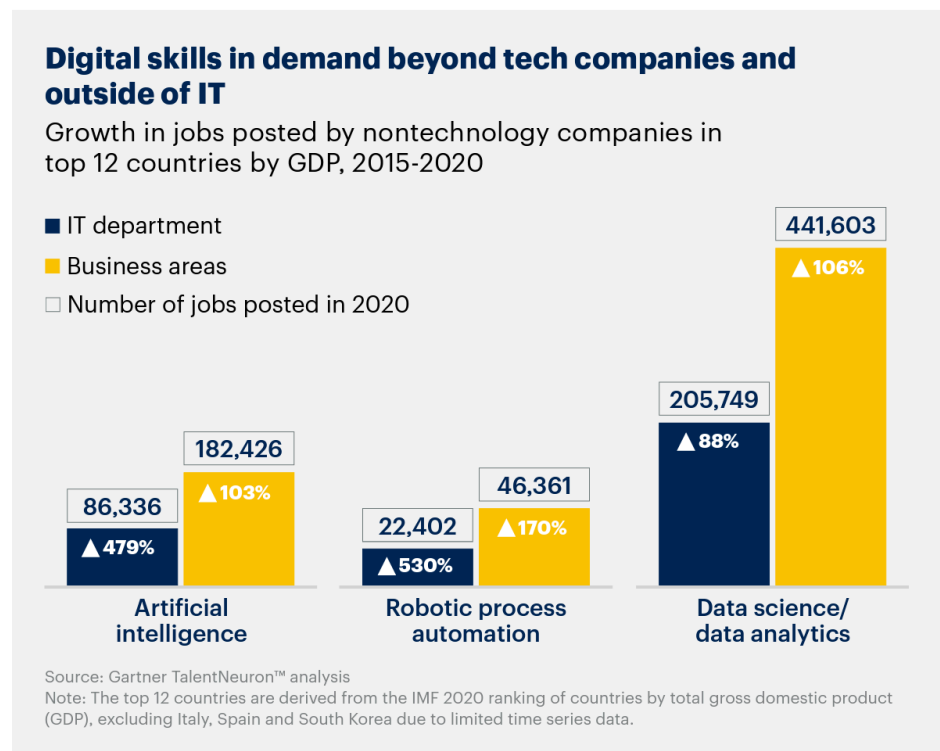
The following factors are key to converting your “plan to hire talent” into a strategic and operational winning team.

- Next generations

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

- Talent<sup>5</sup>

The growth in the demand for modernized knowledge workers is visualized in the picture below. What it means is that all industries engaged in a digital transformation are targeting the same “pool of talent”. This so-called “war on talent” then raises the question of “Why should they join your team?”



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

The visual below illustrates how organizations can create a virtual talent pool instantly instead of holding onto their traditional in-house tax teams on the ground (i.e., in an office).

Top-of-mind thoughts from your HR peers and leaders:



**Dynamic planning assumptions**

"COVID-19 has pushed us to further accelerate the impact of strategic workforce planning. Where do we start?"



**Talent anywhere**

"I guess we don't have to recruit only in Nebraska anymore."



**Compensation flexibility**

"Why am I paying New York prices when I can now hire the same talent in Poland?"



**Skill clusters determine capability**

"We need to deconstruct roles into something we can plan around."



**Digital imperatives**

"Our CEO has charged us to immediately determine how we are going to move to a fully distributed workforce model — permanently."

## 8. How to retain talent: an employer's perspective

A few self-assessment queries you should consider addressing every year include:

- Age analysis and diversity
  - Is the average age relevant for the retention of talents?
  - Assuming my talents expect a new offering within 2 years, how would this be achieved?
  - Do you have a plan B if all your talents indicate to leave you at the end of the 2-years?
  - How to organize your training and knowledge management for talents?
  - Does a once-a-year assessment of talents going to be effective, or would a more regular assessment cycle enhance retention?
  - 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 despite the current recession.<sup>6</sup> 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. In the coming years, the number of people exiting the labor market (people retiring) will be booming.<sup>7</sup> The number of people entering the labor market is a lot lower.<sup>8</sup> With more demand for work and a shrinking supply, the 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, the middle-aged group is shrinking as well. So much so that by 2030, Generation Y & Z will make up the majority of the working population.

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<sup>6</sup> See more: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment\\_statistics#Youth\\_unemployment](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics#Youth_unemployment)

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

<sup>8</sup> 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](https://ec.europa.eu/regional_policy/en/newsroom/panorama/2021/05/20-05-2021-eu-population-projections-reveal-growing-gaps-between-young-and-old)

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.<sup>9</sup> The same study suggests that employers' desperate attempts to offer big bonuses and copious employment benefits won't necessarily cut it.

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

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 "guesswork".

- 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 values when choosing an employer.<sup>10</sup>

- 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, and 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 against other employers, you will have to explain how you are working on change, and 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 talent?

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

## 9. Appendix

As an illustration of "tax, technology, and finance" competencies, the following tables indicate:

- in Table 1, the minimum competencies each of the tax technology black belts specialists need to master; and
- in Table 2, how to differentiate your extended competencies, depending on professional background.

Table 1

		Black Belt-specialization						Target TTF certification
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		
TTF COURSES		TAX	TECHNOLOGY	FINANCE
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



Thank you for taking the time to read this whitepaper.

For any inquiries, please contact us via e-mail at:

Steef Huibregtse  
CEO, TPA Global  
s.huibregtse@tpa-global.com

Valentina Aguer  
Marketing Technology  
Associate, e-Bright  
v.aguer@e-bright.com

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