

LEVEL 7 ASSESSMENT SPECIFICATION

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Lecturer:	Dr. Luk Chung Leung	Internal Verifier:	
Assignment Title:	In-class Presentation	Time Allowed:	25 minutes
Submission deadline:	14 August 2021	Return date of provisional marks & written feedback:	13 September 2021
Submission method:	Each students needs to present to the class a summary of the research proposal within 20 minutes. The presentation is designed to gauge the student's ability to communicate and present information related to research and academic matters. A soft copy of the PowerPoint slides used for the presentation should also be submitted via Turnitin before the presentation.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

University of Wales Trinity Saint David

Programme: HKBM7000

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Approaches to Research and Academic Communication

For Inclass presentation

Title: A review of the management of the Inland Revenue Department of Hong Kong (“IRD”) in respect of leadership, staff motivation and human resource management, strategic planning, marketing and technology utilisation under 3H framework analysis

Reasons for this title

1. Adam Smith proposed in his book “An Enquiry into the Nature and Causes of Wealth of Nations” (1776), which is commonly known as “The Wealth of Nations” that taxation should follow the 4 principles of (a) fairness, (b) certainty, (c) convenience and (d) efficiency. Sir Haddon-Cave, Financial Secretary of the colonial Hong Kong government during the 1970s did adopt these 4 principles as the 4 canons of taxation in Hong Kong. For the first 2 principles, fairness and certainty are matters of the legislature and judiciary, though to a certain extent, the responsibility of administration of the front-line collection arm of the government. For the last 2 principles, convenience and efficiency are management matters of the collection arm of a government, that is, the tax department. After a lapse of nearly 250 years, the 4 propositions of Adam Smith still hold true, though other taxation principles have been added, like affordability t

pay tax. Therefore, it is worth to examine whether the Inland Revenue Department of Hong Kong (“IRD”) has been managed efficiently.

2. After a lapse of more than 70 years since its establishment in 1947, the Hong Kong tax system was only reviewed three times in 1954, 1967 and 1976 respectively. It means the Hong Kong tax system including the management of the IRD has not been reviewed for a period of 45 after 1976. Obviously, 45 years from 1976 to 2021 is too long a period without a review.
3. Every government needs revenue to fulfil its promises to its people, support the operations of the government departments and maintain the running of all its functions internally and externally. Internal functions include provision of welfare to its people, like provision of education, health, housing and other social welfare services. External functions include national defence which of course is not the responsibility or necessity for the government of the Hong Kong SAR. Nevertheless, the government of the HKSAR has to maintain its international relationship with other nations and territories for international trade where Hong Kong people are carrying on businesses, as well as receiving overseas education and where the government has been maintaining its overseas offices thereat. Moneywise, IRD is responsible for collection of more than two third of the total revenue of the government of the HKSAR.
4. The crucial operations of the IRD on leadership, staff motivation and human resource management, strategic planning, organisation structuring, marketing and technology utilisation will be examined holistically. These areas cover the human aspects and operational functions of the IRD.
5. Good management is an art and science of getting things done effectively and efficiently through people and other required resources (Lecture notes of Yu E., June 2021). In this research paper, the 3H framework theory will be used to review the management of the IRD because the 3H framework is well known for its holistic approach in reviewing the success or otherwise of an organisation’s operational performance. Further, the 3H framework theory is built on the leading management theories developed in the past many years or even more than 100 years ago; and thus is based on well supporting management theories and should be a reliable theory to test whether management is carried out efficiently and effectively.

Areas to cover

This research paper will cover the areas of

- a. Leadership
- b. Staff motivation and human resource management
- c. Strategic planning
- d. Organisation structuring
- e. Marketing
- f. Technology utilisation

Research aims

To make enquiry into the management of the IRD to see whether and to what extent the IRD is managed efficiently and effectively under 3H framework analysis. Further, the research paper is to find out the reasons for successes and causes of failure in the management of the IRD so that the strength can be maintained and will continue and weaknesses can be corrected in the future.

Review period for research

The review period will cover 20 years from 2000/2001 to 2019/2021 for which the annual reports of the IRD are available from the internet

Research questions

1. The IRD was formed on 1 April 1947, which was more than one year after the return of peace in 1945 and has been in operation for more than 70 years. Yet, no much change has been made. As a result of the examination of the IRD for the past 20 years from 2000/2001 to 2019/2021, the annual reports of the IRD are available from the internet, hopefully, recommendations can be made to improve the efficiency and efficacy of the department in the areas of leadership, staff motivation and human resource management, strategic planning, marketing and technology utilisation. Research questions will be raised on why such procedures or schemes of working have been processed for so many years without much change and to see whether improvements can be made. The aim is to see to what extent those areas under examination can be enhanced so that the services to the public can be improved.

Significance of the issues

Leadership is important to a government department on the services to be provided to the public. For instance, whether IRD should be proactive or passive as to follow the existing procedures and practices, whether the taxpayers are satisfied with the services of the IRD? What improvement in the services to the taxpayer public could be offered in the future?

Internally, staff morale and human resource management should be the concern of the top management of the department since a staff team of good morale can reduce staff problems in the middle, senior management and frontline management and hence is able to improve the efficiency of the department. Human resource management concerns the Hand H3 domain of the IRD, which must deliver the functions and services efficiently so that the taxpayer public can be served properly.

Marketing is a concern over the communication between the department and the clients, that is, the taxpayers.

Technology utilisation could enhance the working efficiency of the department.

All the above issues are relevant to the efficiency and effective management of the IRD.

Some background information of the IRD

IRD is a government of the HKSAR for over 70 years since the end of the Second World War. All the functions and services of the IRD will be covered in the research paper under the 3H framework analysis. Currently, the IRD, according to the information on its own website, is divided into Commissioner's Unit, Headquarters' Unit for its internal human resource management, Unit 1 for profits tax administration, Unit 2 for salaries tax administration and Unit 3 for personal assessment, collection of taxes and stamp duty. IRD staff include professional staff and supporting non-professional staff. With this structure, IRD's organisation and structure and staff deployment will be reviewed under the 3H framework analysis.

Case body

Factual data and information of the working of the IRD are available on the website of the IRD. Further, the annual reports and the Departmental Interpretation and Practice Notes of the IRD of 20

years from 2000/2001 to 2019/2020 are also available on the government internet. These information and data should show the true position and operations of the IRD and forms the basis for discussion in the research paper. Literature review and management theories will also be used as the yardstick or measurement to review the operations of the IRD.

Initial assumptions or hypothesis.

For the facts of the IRD, it is assumed that the information from the department on the internet represents the true position of the department.

In respect of the 3H framework, it is assumed that the number of the staff and size of the department can provide sufficient foundations of the independent variables of H1 Heart domain, H2 Head domain and H3 Hand domain for examination and review.

Relevant management theories or models

3H framework theory will be relied upon in this research paper, alongside with the relevant management theories of leadership, motivation, strategic planning and marketing. 3H framework is a management theory on a holistic view of the organisation, company or even a nation. 3H framework considers the 3 aspects of Heart H1 domain, Head H2 domain and Hand H3 domain of an organisation to see whether the management of the staff and functions of an organisation as a whole is efficiently and effectively managed. Heart 1 domain covers the leadership and staff motivation of the organisation. Head H2 domain covers the strategic planning and the looking ahead in the future of the organisation. Hand H3 domain covers the functional operations of the organisation. The weight of H1 is heavier than H2. The weight of H2 is heavier than H3. The 3 domains must co-operate seamlessly in order to achieve a good operational performance. If the Heart H1 works well with Head H2 but without Hand H3, the operational performance is still poor because there is no proper execution of the plan even though the leader is enthusiastic with good strategic planning for the future. If Head H2 and Hand H3 work well but without a good leadership, the organisation will fail eventually because there is no long term motivation in the organisation. If Heart H1 and Hand H3 work well but without Head H2, the organisation cannot work on a long term basis because there is no long term plan for the future. In short all the three H domains must work together seamlessly for an organisation to achieve a good operational performance.

The 3H framework is similar to the running motion of a dragon boat. The 3 domains are represented by the boat drummer as Heart H1, the steersman is like the Head H2 and the paddlers are the Hand H3. The boat drummer as the leader must possess the motion and continuing enthusiasm of a leader. The steersman as the Head H2 steering the boat is to chart the future of the boat, like an organisation. The paddlers are like the Hand H3 providing functional performance of the organisation. All the 3 parties must co-operate seamlessly in order to chart the boat to a success.

Literatures on this research paper will include but not be limiting to the writings on leadership, motivation, strategic planning and marketing, such as Bass, B.M. on “Two decades of research and development in transformational leadership”, Barney, J.B. on “The resource-based theory of the firm”. Finally, 3H framework will be based on Visions for the future: theoretical perspectives on management, the lecture notes of HKBM7006, University of Wales – Trinity Saint David, 19 June 2021 by Dr. Yu. E.

Research design

Hypothesis is that IRD has been managed efficiently but with some areas to be improved.

The main part of this research paper is to find out whether the IRD is managed efficiently in some specified areas of leadership, staff motivation and human resource management, strategic planning, marketing and technology utilisation.

The method to test the hypothesis is by use of questionnaires which will be issued to the frequent users of the services of the IRD and who may be contacted, that is, the certified public accountants who are the tax representatives of the taxpayers. Questionnaires will be issued to these certified public accountants, the number of which may be 300 to 500, on assumption that 1/3 of them will return the answers. Then, the research will have about 100 samples to study.

IRD staff services are reflected by the services received by the certified public accountants. To find out how these users are satisfied with the IRD's services, the following questions may be raised:

On the issue of the tax return forms, from the last issue of the annual bulk return forms, IRD issued the tax return forms in the following manner

1. All our clients received the tax return.
2. About 5% of your clients did not receive the tax return
3. Between 2% and 5% of your clients did not receive the tax return
4. Only a few of clients did not receive the tax return

In this example, the variable is whether client received the tax return

Examples of other services to be reviewed include time period to issue assessment to demand tax by IRD after receipt of tax return by it, whether IRD staff comply with its own regulations to charge penalty when a tax return is submitted out of time etc.

Data collection and analyses and report

To take the efficiency of issue of tax return as an example. After the above questionnaires are received, the data of the answers will be used for analysis on the efficiency services performed by IRD staff. Then an analysis will be made.

It is expected that, for example, for issue of tax return, majority of the tax returns were issued properly.

Limitations: For example, the non-issue or receipt of the tax return may be owing to postal mistake, and not the service of the IRD.

Other services of IRD will be similarly reviewed. Conclusions will then be made.

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