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Stakeholders Oriented Risk Identification and Classification in Iran Tax Administration Reform and Automation Programme: A Qualitative Approach

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ABSTRACT
Nowadays there is an increasing recognition that programme management provides a framework to bridge the gap between project deliverables and business strategies. In order to benefit from the advantages of programme management, such as efficiency in achieving dynamic and complex change objectives, it should be properly handled while minimizing its disadvantages. Even though there are some researches that consider programmes' failure, little attention has been paid to risk management in programmes. This study seeks to investigate the risks of "Iran Tax Administration Reform and Automation Programme" based on the stakeholders' view. To achieve the main goal of the research, a two-phase research strategy has been applied. In the first step, the literature of programme management and risk management were studied and a primary framework was developed for the interviews. In our case study, as the next step, semi-structured interviews were conducted in "Iran Tax Administration Reform and Automation Programme", in order to identify and classify risks in this Iranian national programme. Finally, based on the findings of the interviews and theme analysis, final framework was developed. The framework was built on four main programme stakeholders: sponsor, supervisor, contactor and programme management office. To the authors' knowledge, this research is one of the first researches that provide a framework for identifying and classifying programme risks. This study provides worthwhile guidelines for scholars and business managers in order to have a better performance in programme management.

Key words: Risk, programme management, tax, stakeholder, qualitative

INTRODUCTION
Several researches have been conducted on applying project management as a means of gaining competitive and business advantage (Evaristo and Fenema, 1999). But the issue is beyond the managing projects separately in isolation (Van Der Merwe, 1997; Payne, 1995; Platje and Seidel, 1993). However, although managing projects effectively is necessary but not necessarily adequate for success in complex business environments. Programme management is a systematic approach to managing multiple projects simultaneously which handles the difficulties that may arise due to distortions and lack of coordination (Pellegrinelli *et al.*, 2007). This perspective helps us to consider the projects as a whole and achieve benefits that can't be reached by managing projects independently (Lycett *et al.*, 2004). Hence, programme management is

defined as the integration and management of a group of related projects with the intent of achieving benefits that would not have been realized had the projects been managed independently (Reiss, 2003).

In order to apply programme management more efficiently and effectively, some considerations seem necessary. One of these considerations is the risks and challenges that may appear in the programme domain. Despite the importance of identifying and handling the programme risks and also ambiguities in programme nature and environment (Ferns, 1991; Pellegrinelli *et al.*, 2007), few researches have been conducted in this field.

The aim of this study is to develop a framework to categorize risks in programme environment. To achieve this, key issues that have been extracted from theoretical disciplines form the interview guidelines in order to generate the framework, with its own characteristics, under the real circumstances in which programme management principles are applied in practice.

The target case was "Iran Tax Administration Reform and Automation programme" which this research was conveyed upon. The goal of this programme is improving the existing tax administration processes, as well as implementing a fully integrated technology solution to manage taxpayer information and automate manual processes. Due to its special characteristics - such as being one of the most important Iranian national programmes and the participation of internationally famous consultants, it is a suitable case for this investigation.

To scrutinize this programme from various aspects, semi-structured interviews were conducted with managers and available documents were studied. These findings revealed the framework of our research which is formed based on different stakeholders of the programme.

Programme management: Although, project management is a concept that is clearly understood by both academics and practitioners, programme management seems to be a term that has not reached this maturity yet (Vereecke *et al.*, 2003). Most authors believe that this dissonance on the definition of programme management may be a symptom of the early stage in which the field of research is (Shehua and Akintoye, 2009). The plurality and diversity of definitions for programme management can be associated with its origin and lack of common understanding among stakeholders in this domain (Vereecke *et al.*, 2003). In the literature, many definitions of programme management have been stated, ranging from the management of a collection of projects to the management of change.

In straightforward definitions, the common attributes of selection, planning and overall management of a portfolio of projects to achieve a set of business objectives is represented (Turner and Speiser, 1992; Artto *et al.*, 2009). Thus programme can be considered as a framework for grouping projects and for focusing all the activities required to achieve a set of major benefits. Pellegrinelli (1997) concluded that a programme is a number of projects that managed in a co-ordinated way, to achieve a common goal or to extract benefits which would otherwise not be realized if they were managed individually. Programmes may include elements of related work (e.g., ongoing operations) outside the scope of the discrete projects in a programme. In other words, programmes involve directing a portfolio of projects, one huge project (mega project) and managing a series of projects for the same client which benefit from an aggregated approach (Reiss, 2003). Although, a group of projects within a programme can have discrete benefits, they often also contribute to consolidated benefits as defined by the programme.

Some researches demonstrate a more comprehensive view. They argue that a programme is a temporary, flexible organization created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. In other words, programmes like projects are a means of achieving organizational goals and objectives, often in the context of a strategic plan. Thus, programme management is "the management of organizational change through projects that bring about change", rather than "the management of multiple projects".

The idea of a change process is stressed even more by Ribbers and Schoo (2002). They argue that programme management is "a controlling instance for a transformation process, i.e., the design, development and deployment of changes to the organization and IT, following a result path which in turn is governed by projects".

Programmes have other characteristics such as they are cyclic processes rather than linear processes. They consist of periods of stability and must have a learning and systems perspective. Regular assessment of benefits, evaluation of emergent opportunities and pacing of the process are resulted from its iterative nature (Thiry, 2004). In programmes, there is also an emphasis on the projects' interdependability which ensures strategic alignment.

The organizations using programmes have a greater visibility of projects to senior management and better prioritization of projects; they also use their resources more efficiently and appropriately. Explicit recognition and understanding of dependencies can be lead to better planning and coordination in programme environment (Pellegrinelli, 1997).

The programme is focused on benefits instead of deliverable and emphasis on the organization as a whole rather than individual team (Thiry, 2004).

Due to the programmes' environment complexity, there are multiple stakeholders with differing and often conflicting needs, emergent inputs are always affecting the process and ambiguity is high. Because of the fact that programmes are typically of a longer duration than projects, needs and expectations will evolve, intermediate results will affect the final output and interdependencies will further complicate matters (Thiry, 2004).

Risk management: There is an ambiguity in defining risk (OGC, 2002). It can be considered as a potential for undesirable or unexpected result for an activity. Uncertainty in defining the risk concept may affect the consequences of an action. Based on this, a risk has two characteristics (Zou *et al*., 2007). One defines the level of uncertainty, named probability of risk occurrence and the other is its unusual effect on usual stream of events. Risk has also been described as a "threat or challenge" in other point of views (Flanagan and Norman, 1993).

Risk management is handling risk efficiently and effectively to minimize its undesirable results that finally leads to having a better control on the actions to makes sure they go as planned. Different stages are mentioned in various studies for the risk management process but they are similar in their nature. A systematic process of risk management is typically divided into risk identification and classification, risk analysis and risk response, where risk response has been further divided into four actions: retention, reduction, transfer and avoidance.

According to literature, in the first step of risk management process, potential risks are identified. In general, in order to have a better understanding of risk, risks should be classified into different categories that are similar in one or more attributes. This classification can occur based on the aim of the research or on specific characteristics of the context. This may be done based on different sources of the risks such as funding issues, project organization, design and so on (Perry, 1986). In some other researches, risks are classified based on their impact on the planned constraints such as cost related risks, quality related risks and time related risks; and in some others, the safety and environmental issues may be taken into account (Zou *et al.*, 2007). Ghosh and Jintanapakanont (2004) introduced nine categories for risk which include financial, contractual, operational, physical, delay and etc. Since stakeholders are key elements in projects, categorizing risks based on them can be more practical. Key stakeholders may differ in different environment.

There are a few studies that investigate programme risks. One of the most comprehensive researches enumerates the challenges of programme and divides them to strategic focus, human and communication, financial factors, leadership and commitment, strategy and awareness and benefits understanding (Zayyana and Akintola, 2010).

In this study, according to the nature of our work and in order to represent a better understanding of the programme risks, key stakeholders are identified and the risks that were extracted from several sources are divided in terms of the specific stakeholders.

MATERIALS AND METHODS

The research was conducted at the Programme Management Office (PMO) of "Iran Tax Administration Reform and Automation" programme in Tehran.

The aim of this study is to develop a framework for introducing and categorizing programme risks. The first phase was commenced by studying literature about programme and risk management. Taking into account these studies and also inspecting in the programme documents, a basis for forming the framework was extracted and completed during the next phase.

As a second phase, the case study was conducted in TARA programme, one of the national programmes in Iran. This case was selected based on a non-random sampling in which a case that could potentially provide better characteristics, such as its size and also its accessibility for researchers, was chosen. As programme management area is still confusing and immature to somehow, the case study approach that used in this study seems to be the most suitable research strategy in this area.

The case study approach is the most commonly an in-depth interview is a direct personal interview in which a single respondent is probed by an interviewer to uncover underlying motivations, beliefs, attitudes and feelings on a topic. It has a low degree of structure, a high proportion of open questions and a focus on specific situations and action sequences in the interview process (King, 1994).

In depth interviews have been conducted with managers at different programme levels. All the interviews were recorded, with the interviewee's consent and later transcribed. The results that extracted from content analysis of interviews and also previous studies investigations were come together in order to develop the final framework for categorizing the programme risks based on different stakeholders.

RESULTS

Considering the qualitative research method and by applying content analysis, conducted interviews were recorded carefully and then transcribed. After conducting interviews with managers and senior experts of the TARA programme, risks of the programme were identified.

After coding the findings, a classification of identified risks based on the types of stakeholders in the programme was developed. This classification divided programme stakeholders into four basic groups of sponsor, supervisor, contactor and Programme Management Office (PMO):

- **First group: Risks related to contractors:** In this group factors created by the programme contractor are identified and listed. Lack of experience and information about programme management and different priorities of contractors and sponsor in objectives are among the most important risks. The other programme risks are difficulties in applying other projects deliverables due to privacy constraints that in most of interviewees have mentioned. This difficulty is in contradiction with the main aim of programme which is to create synergy. Unrealistic project timing and Weak cooperation among different sections of contractor are the other risks in this scope. And finally we should mention that human risk is one of the most important plan risks which most interviewees have pointed out its various dimensions, such as lack of experience in strategic management level or legal issues of employment. Lack of professional ethic and human resource risks have mentioned nearly in all interviewees
- **Second group: Risks related to supervisors:** Supervisors of programme impose this group of risks, such as: lack of adequate experience in the field of programme management, changes in supervising structures and ignoring the necessity of independence in supervision sections. Some issues such as change in managerial and professional levels and also weak supervision in quality and timing issues projects are among risks that damage programme quality. Finally we should mention moral risks which are very important in relationships among contractor, supervisor and sponsor in addition to make confidence among them
- **Third group: Risks related to the sponsor:** The third group of risks is related to programme management sponsor that involves the following issues. Risks such as weak bargaining power of sponsor, inadequate attention from upper levels and inaccurate identifying of stakeholders and their priorities have caused drowse of programme progress process and sometimes its cease. Weak relationship with stakeholders, managerial deficits in managing parallel projects and ignoring integrity among different projects in a programme may lead to programme failure. Furthermore, change in structure and management causes a shift in senior managers' priorities that by itself creates disorder in tasks; problems such as inadequate training and cultural issues in the field of programme management make these risks more severe
- **Fourth group: Risks related to programme management office (PMO):** Risks created by programme management are summed in this section according to the conducted interviews. We should mention that programme management risks are different kinds of risks that often exist because of the type and way of interaction with contractors. For example, delay in selecting supervisors and failure of programme office in selecting executive agents cause weakness in outputs and problems in programme managements. On the other hand, method and moral diversity of contractors because of their different standards for various projects have made supervising job more difficult. Also risk of wrong prioritizing because of lack of sufficient information sometimes causes disorder in work progress. Finally, we should mention ignoring crisis management importance may causes inaccurate actions in critical situations

Finally, we have classified a complete list of identified risks in interviews based on programme stakeholders in Table 1.

Table 1: Programme risks based on stakeholders

Stakeholders	Corresponding risk factors
Contactors	Lack of experience and information about programme management
	Different priorities of contractors and sponsor in objectives
	Difficulties in applying other projects deliverables (due to privacy constraints)
	Research deficits
	Unrealistic project timing
	Lack of experience in strategic management level
	Ignoring mutual effects of projects
	Weak cooperation among different sections of contractor
	Lack of professional ethic
	Legal issues
	Financial issues
Supervisors	Change in supervising structures
	Time takes for supervisor to become familiar with projects
	Change in managerial and professional levels
	Lack of supervising experiences
	Ignoring supervision independence
	Weak supervision in quality and timing issues
	Lack of professional ethic
Sponsor	Weak bargaining power of sponsor
	Inadequate attention from upper levels
	Inaccurate identifying of stakeholders and their priorities
	Weak relationship with stakeholders
	Ignoring integrity among different projects in a programme
	Low priority for programme in resource allocation
	Weak strategic teams
	Recruiting issues
	Financial issues in recruiting
	Ignoring contractor needs
	Cutting supervision outsourcing
	Change in structure and management
	Inadequate attention to supervision importance
	Managerial deficits in managing parallel projects
	Political behaviors and obstruction
	Weak supervision methodology
	Inadequate training
	Cultural issues
PMO	Inaccurate selection of teams
	Weak informing processes
	Lack of control over team members
	Inaccurate human resource allocation in projects
	Management structure in PMO
	Passive and conservative management style
	Delay in selecting supervisors
	Different standards for different projects
	Incorrect prioritizing (as a result of insufficient information)
	Weak knowledge management
	Ignoring crisis management importance
	Weak integrity management of projects
	Weak procurement management
	Lack of strategies for maintaining individuals

DISCUSSION

In this research, we sought to identify programme management risks and design a framework to better categorize these risks. Even though studies (Perry, 1986; Zayyana and Akintola, 2010) have identified and classified programme management risks, they were mostly in construction programmes.

However, in this research, TARA risks-as a governmental and technological programme-were studied and categorized based on stakeholders. This would assist managers to pay special attention to every aspect of the programme i.e., programme Contractors, programme Supervisors, programme Sponsor and the programme management office; and seek a course of action for each.

Among the identified risks, it seems that the ones related to the Contractors are more important: risks such as the incompetency of contractors in terms of information, experience and inconsideration of bilateral effects of programmes on each other. However, this finding does not match the findings of existing researches because studies in this field is few and researches are done in countries that have a lasting background in programme management and contractors are active in a specialized field such as construction or banking. In Iran, however, programme management is rather new and thus, little experience exists.

The next priority is the Sponsor and factors such as Sponsor's disregard of programme projects' integrity considerations, employee's inability in advancing parallel projects, etc. which have been introduced in other studies (Zayyana and Akintola, 2010; Lycett *et al.*, 2004) as programme risks.

Regarding the risks related to the programme management office and Supervisors' weakness of knowledge management and constant changes in Supervision systems can be mentioned which usually have a human and talent causes and have been pointed out in studies such as Zayyana and Akintola (2010).

Finally, it can be said that, as a single case study which was conducted in only one programme, generalization is not possible. Therefore, it is recommended that risks identified in other programmes be studied and evaluated.

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