

Estonian Tax and Customs Board
STRATEGIC DEVELOPMENT
PLAN 2020

Tallinn 2020

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OVERVIEW

The purpose of Estonian Tax and Customs Board is to administer state revenues, implement national tax and customs policy and protect society and legitimate economic activities. The state has placed two main expectations on us: to collect national tax revenues and protect society from the threats of shadow economy.

In order to fulfil these two tasks, we have the vision to increase voluntary tax compliance in Estonian society, aiming at the residents' voluntary fulfilment of their civil duty to pay taxes so as to enable the functioning of the Estonian state. To ensure high tax compliance, we have set **four main strategic directions which help us define** our day-by-day operational activities and lead our organisation towards the desired vision:

- **Willingness to pay taxes:** we will increase the willingness to pay taxes in **Estonian society** by being a trustworthy cooperation partner to taxpayers.
- **Simple and convenient public services:** we offer **all taxpayers** streamlined means to perform their obligations. Services provided by Estonian Tax and Customs Board motivate people to comply with their tax and customs obligations in a correct manner.
- **Equal tax competition and protection of society:** surveillance over **problematic taxpayers** is efficient and systematic. Tax evasion and avoidance is complicated, cumbersome and expensive.
- **Pioneering organisation and developing people:** the **people of the Tax and Customs Board** are committed and professional, collaborating with each other in achieving the organisation's goals.

These **strategic directions** cover the operational objectives of our people and organisation, which are fulfilled through the performance of our day-by-day duties, and contribute to the achievement of the strategic goals of the Tax and Customs Board (TCB).

ESTONIAN TAX AND CUSTOMS BOARD IN 2020

The strength of the Tax and Customs Board lies in a capability to fulfil the tasks given by the state, to generate new ideas and successfully implement developments. Our activities are driven by challenges and opportunities emerged with rapid changes in the world as well as by our high ambition and clear principles of action. Therefore, we will ensure convenient and efficient tax collection and the protection of economic environment for the benefit of people, enterprises and Estonian state.

The Estonian state has imposed a number of obligations on people who live here as well as on enterprises that operate here, which ensures the functioning of the state. Public agencies (including the TCB) enable to fulfil these obligations and, where necessary, remind people the importance of complying them.

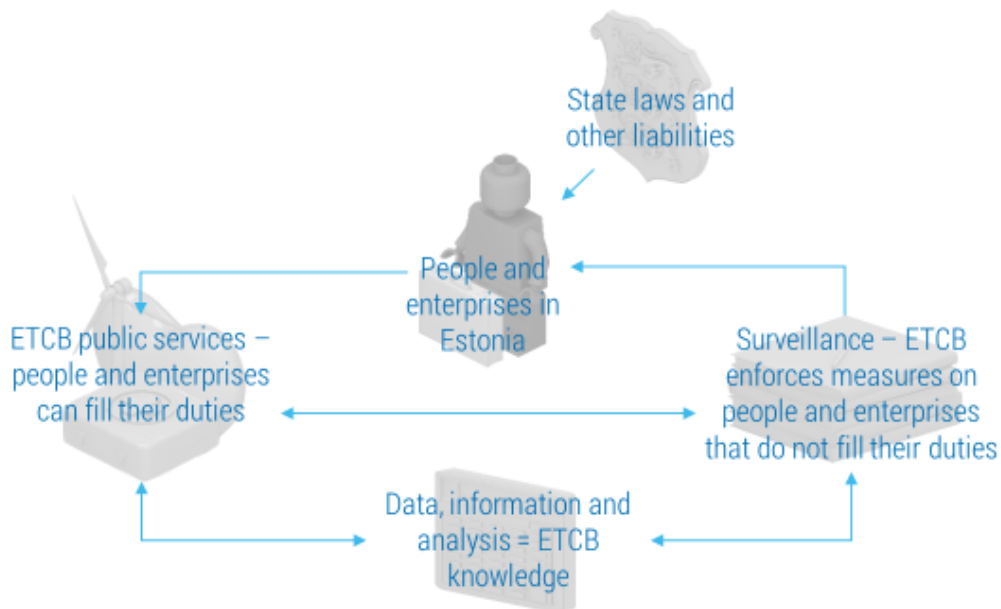


Figure: TCB's role in society

Implementing its tax and customs policy, the state has placed two main expectations on us: to collect annual state revenues and to ensure that our economic environment is as fair as possible by reducing the tax gap. The fulfilment of these two tasks ensures the receipt of state revenues so that the state can use taxpayers' money to offer public services.

From our point of view, the ideal is a situation where all people and businesses in Estonia perform their tax and customs obligations voluntarily and there is no need to remind them thereof. For that purpose, Estonian Tax and Customs Board has developed a vision i.e. the desired future perspective according to which Estonia is a state with the highest tax compliance in Europe. In a state where tax compliance is high, residents perform their tax and customs obligations voluntarily, duly and correctly, because paying taxes is a social norm and everybody understands their duty to contribute to the availability of common benefits and the development of Estonia.

Aspiring to the position of a state with the highest tax compliance rate in Europe, we will approach Estonian society by segments of four target groups: Estonian society as a whole, all taxpayers, problematic taxpayers and the people of the TCB. In order to achieve the desired vision and play our role in society, we have worked out four strategic directions, each of which focuses on one of the four strategic target groups. With the help of these strategic directions we have defined our day-by-day operational activities.

The largest target group whose knowledge, attitudes and behaviour we wish to influence is **Estonian society**. We abide by the principle that taxes are paid, not collected. This presupposes that the members of society are ready to pay taxes voluntarily and understand the necessity of paying taxes. In the strategic direction **willingness to pay taxes**, on the one hand, we endeavour to increase the willingness to pay taxes so that people would perceive the importance of paying taxes and want to do so. On the other hand, we are working to build a cooperation based on trust, because good relationship between a tax authority and taxpayers is one of the most significant determinants of tax behaviour.

For all taxpayers, we are making the process of paying taxes as simple and convenient as possible, because favourable customer-experience is in close correlation with voluntary tax compliance. Paying taxes must be easier than tax avoidance and evasion, therefore one of our main directions is to **offer simple and convenient services** to all taxpayers, which is supported by modern technology, including automation. We are one of the most efficient tax collectors due to the digital solutions developed for this purpose. Our e-services enable us to simplify the performance of tax obligations whereas automation minimises the risk of errors, which supports the tax compliance of Estonian people.

For problematic taxpayers whose actions cause inequality in the economic environment, we have surveillance activities in place and our principal aim is to **guarantee equal tax competition and protection of society**. The main motivation of tax fraud, smuggling and other,

in many cases cross-border crimes, is financial gain. Therefore, when dealing with problematic taxpayers we hold the principle that unfair behaviour should be so costly and cumbersome that tax avoidance and breach of law would not pay off. Our strength is the use of wide spectrum of activities - from soft measures (consultations, contacts) to appropriate punishments. In order to achieve the best possible result, surveillance activities must be well targeted, as efficacious as possible and carried out systematically.

The fourth strategic direction of the TCB mostly focuses on **the organisation and its employees**. It is important that people working in Estonian Tax and Customs Board be committed and professional, capable of achieving the organisation's objectives in good collaboration. The strategic direction **“pioneering organisation and developing people”** covers, among other things, the constant development of the organisation and support to internal diversity and innovation. We guarantee the working environment where competent and dedicated people want to come and contribute to the development of Estonia by doing the work that is interesting for them.

OUR MISSION, VISION AND MANAGEMENT PRINCIPLES

The mission and vision of Estonian Tax and Customs Board determine the organisation's strategic orientation and objectives.

Mission formulates our role or, in other words, our purpose in Estonian society:

Convenient and efficient tax collection and protection of economic environment for the benefit of people, enterprises and the Estonian state

We measure the performance of our mission through the fulfilment of the state's expectations: collecting taxes and reducing the tax gap (see page 10).

Vision formulates our desired future prospective, which we wish to achieve through strategic activities:

Estonia is a country with the highest voluntary tax compliance in Europe

Tax compliance in our interpretation is the rate which expresses taxpayers' compliance with the taxation law and other tax and customs rules. Voluntary tax compliance presumes that taxpayers themselves understand the necessity of paying taxes and obeying rules, and so fulfil their civil duty without the state's interference. Voluntary tax compliance should be considered the ultimate goal of each tax administration, because in a state with high tax compliance there is a strong desire and willingness to pay taxes honestly and, by doing so, to contribute to the common benefits. The TCB's important role is to lead Estonia to the position of a state with the highest tax compliance. This challenge requires novel ways of thinking, innovative working methods and more efficient solutions.

We are measuring our movement towards our vision by means of two indicators:

- Achievement of the goal of being a state with the highest tax compliance depends on the relations between the tax authority and taxpayers. **By being a trustworthy collaboration partner**, we can ensure people's assurance on tax and customs matters. Today we are among the most trusted institutions in Estonia and we have set the goal of **maintaining this level**.
- If people fulfil their obligations voluntarily and correctly, the need for using additional resources in tax collection will decrease. That is why we have set the objective of collecting tax revenues **as efficiently as possible**. Today, we are one of the most

efficient tax collectors among the OECD countries: in 2018 our administrative cost per 100 euro of taxes collected was 31 cents.

The **management principles** agreed upon in the TCB reflect the organisation's main values and are expressed in the management of the organisation, so helping us to perform our mission and reach the desired vision:

Innovation. The capability to generate novel ideas, upgrade the existing situation and successfully implement the developments is one of the TCB's strengths. We believe that a good will and clear vision help us succeed in whatever we want to achieve.

People orientation creates a working atmosphere that is characterized by trust, employee-friendliness and supporting development. We reckon with employees' needs in every decision in the organisation.

Collaboration is revealed in our ability to unite people with different fields of knowledge, competences, experience and age, and make them work towards our common goals. We are convinced that together we are more efficacious.

Professionalism means responsibility as well as capability to create value with our work. The mission to serve the Estonian state, offering effective public services and contributing to the provision of fairer environment are all integrated in professionalism.

Growth-mindedness is important for us in performing our daily work and reaching new targets. Development is a constant process both for each of us and for the organisation - this means a constant aspiration to become a better version of oneself.

STATE'S EXPECTATIONS AND MAIN STRATEGIC DIRECTIONS

The strategic picture of 2020 consists of the state's expectations set for the Tax and Customs Board and four strategic directions.

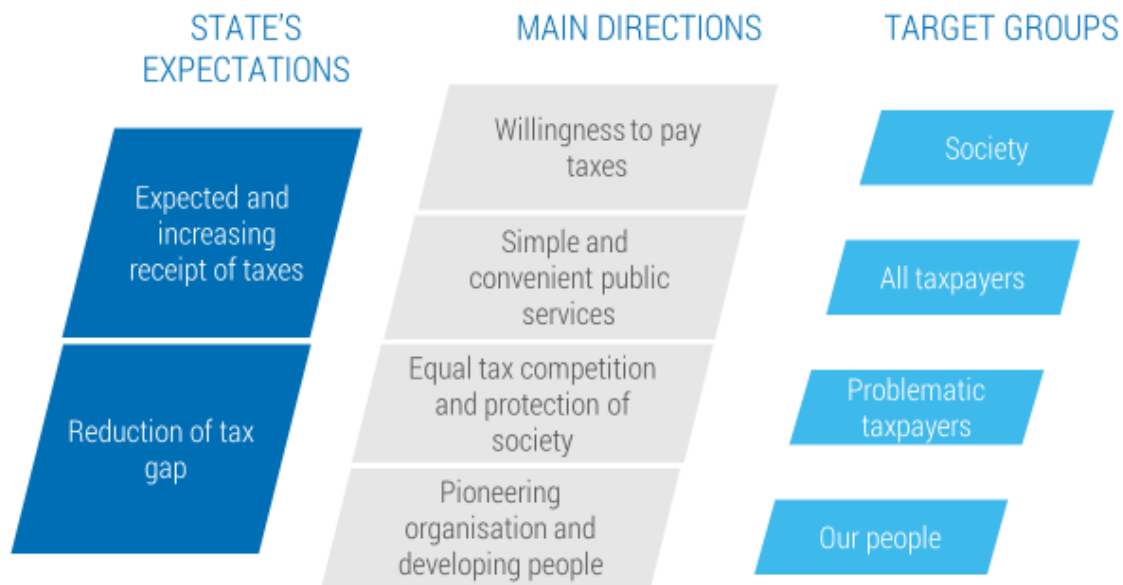


Figure: Strategic picture of the Tax and Customs Board: the state's expectations, main strategic directions and target groups

In Estonian society the Estonian Tax and Customs Board has **two principal tasks** arising from the state's expectations and the organisation's role in the implementation of national tax and customs policy: to collect tax revenues and reduce the tax cap.

We fulfil these tasks through **four main strategic directions**, which help us define our daily operational work. Operational objectives are the objectives set for the daily working tasks of our people and organisation, which contribute to the development of the TCB's strategic directions and so ensure successful fulfilment of our role.

Next, we will give a more detailed overview of the components of our strategic picture and explain how we are going to reach our objectives.

State's expectations

Estonian Tax and Customs Board implements national tax and customs policy, which aims to ensure the financing of public services. Proceeding from this role the state has imposed two main tasks on us:

- We ensure **expected receipt of tax to the state budget**, so that the state can perform its tasks and allocate financial means as planned. As illustrated in the table below, we successfully fulfilled this objective in the previous years. Similarly, we will make efforts to ensure expected and increasing receipt of taxes to the state budget in the following years.

Measure	Outcome			Target level
	2017	2018	2019	2020
State budget vs receipts	100,34%	100,4%	101,3%	100%

Table: Receipt of tax to the state budget according to the projections (aggregated spring/summer projections)

Our second important task is to ensure steady decline in the proportion of shadow economy. For this purpose we will **reduce the tax gap**, i.e. tax revenue not collected which impedes fair competition and decreases state revenue. The tax gap has been constantly diminishing in recent years and we are working every day to ensure that this trend continues. Our target is to keep the share of the tax gap in paid taxes below 5%.

Measure	Outcome			Target level
	2017	2018	2019	2020
Share of tax gap in paid taxes	5,43%	4,39%	4,5% (prognosis)	< 5%

Table: Trend and projection of the tax gap

In order to succeed in fulfilling these two tasks we have worked out four main strategic directions, which help us define our day-by-day operational activities and fulfil the expectations imposed on us in the best possible way.

Strategic direction 1: Willingness to pay taxes

What is the impact we wish to achieve? Taxpayers ensure the functioning of Estonian state so that public services can be offered for the sake of us all - be it in the field of education, security, safety, pensions or other. Our target is to increase people's inner motivation to pay taxes voluntarily, to influence their moral duty to behave correctly in their tax and customs matters. This enables the collection of taxes and reduction of the tax gap without using surveillance measures.

How will we achieve this? All the activities of our organisation have an effect on reliable cooperation with taxpayers and their motivation to pay taxes accurately and correctly. We have initiated a number of campaigns to influence people's knowledge, attitudes and planned behaviour as well as to shape social norms in relation to tax compliance. It is important for us to strengthen the belief that all Estonian residents pay taxes under the same conditions and tax avoidance is the conduct that is condemnable in society.

We abide these principles in each customer contact and they are essential in boosting the impact of strategically important activities through targeted communication. For us it is important that the Estonian people have sufficient knowledge of the state's taxation system. Such knowledge should include awareness of the necessity of paying taxes, noticing tax-related misbehaviour and information on how the money collected in taxes is used.

Risk perception plays a significant role in the attainment of tax compliance. We aim to spread the understanding that misbehaviour in respect of taxes is followed by a reaction from the Tax and Customs Board, whether in the form of a contact, fiscal control or another measure. More than ever, we wish to prove that it is not easy to avoid obligations: if there is the will to avoid taxes, there should also be a perceived risk of being caught.

What is our objective? The receipt of tax revenues and decrease of shadow economy is best supported by the Estonian people's tax compliance, which we are striving to increase. Tax compliance is the inner motivation of people to pay taxes correctly and act in a responsible way in the economic environment. To evaluate the desired change, we have elaborated an index of willingness to pay taxes, which measures tax behaviour by four determinants: knowledge, attitudes, social norms and perception of behaviour. The index combines these determinants into an integral and comprehensive indicator, which can be monitored in time and with the help of which we can evaluate the impact of our activities and external factors on people's tax behaviour.

Measure	Outcome			Target level
	2017	2018	2019	2020
Tax paying willingness index	-	65 (basic level)	66	> 66

Table: The index of willingness to pay taxes. The value of index is between 0 and 100, where the maximum indicates an ideal situation in which all Estonian residents express their willingness to pay taxes.

The first survey was carried out in 2018 and we have set a target to raise this level for the coming two years.

Strategic direction 2: Simple and convenient public services

What is the impact we wish to achieve? Our guiding principle in designing public services is to offer law-abiding clients streamlined means of performing their tax and customs obligations. If paying taxes is easier than tax evasion, people's willingness to pay taxes timely and correctly will increase, which in turn will also increase tax compliance.

How will we achieve it? We have set a target that our services offer an excellent customer experience. We guarantee that the public services of the TCB are upgraded taking into account the customer journey and user experience. Our services have a common user logic and look, they are multilingual and usable in different devices.

Our customers expect that they can use e-services everywhere at all times of day. This sets high expectations for the quality and performance of our services. This means that in addition to building up services that take into account our customers' life-style and habits, we have to manage these services in the way that the high quality and operability of services as well as our capability to promptly react to potential alerts is ensured.

Inside our organisation, we will guarantee that the provision of public services is effective and the development of services abides by the priorities agreed upon. This enables us to allocate available resources for the most important purposes.

What are our objectives? For the current period, we have set four objectives which help us to offer simple and convenient services.

Objective 1: raising client satisfaction. Simple and convenient services offered by the TCB form the actual customer experience, which, in turn, influences the income from taxes and shape

taxpayers' attitudes. Feedback from clients plays a significant role in the development of services, which enables us to find out taxpayers' needs and expectations and promptly react to these.

We measure client satisfaction using the promoter index method and we have set a target to maintain our clients' satisfaction with our services at the "excellent" level.

Measure	Outcome			Target level
	2017	2018	2019	2020
Promoter index	71%	61%	62%	60%

Table: Transaction-based promoter index of all the TCB services. We will expand the range of measured services gradually, which will provide us with a clearer picture of satisfaction with our services. The results of the promoter index are displayed as the interval from -100% to +100% (excellent level is from +100% to +60%).

Objective 2: we will improve the usability of services. When providing and developing the TCB services, we are guided by the principle that the use of the service is fast, convenient and user-friendly. The whole service process must be structured in such a way that taxpayers can meet their obligations and perform necessary actions independently or in a single contact. We assess the usability of the service by reducing customer contacts – incoming and repeated contacts – in our service channels.

Measure	Outcome	Target level
Decrease in the number of incoming contacts	2019	2020
	458 143 contacts	Decrease 5%
Decrease in the number of repeated contacts	45 580 contacts	Decrease 10%

Table: Measures of the objective „we will improve the usability of services“

Objective 3: e-services are available. We make it possible for our customers to use public services at the time that is most convenient for them, which means that we also have to ensure operational reliability. This will be achieved through a quality development process, technical

capacity building and professional service management. It is important for us to be informed, in good time, of service deficiencies and to find solutions in a way that minimises the impact on customer experience. Reliability is reflected in the Service Level Agreement (SLA) indicator.

Measure	Target level
SLA indicator	2020
	To be clarified

Table: Measure of the objective “e-services are available”. In 2019, we will conclude a SLA, after which a target level will be clarified.

Objective 4: services increase tax compliance. In order to achieve the desired effect, our goal is that the use of public services will result in the increase in the number of people fulfilling their obligations duly and correctly. With our new applications, compliance with tax obligations must be as simple as possible and at the minimum cost to fully support taxpayers’ voluntary tax compliance.

We assess the achievement of this objective on the basis of the timely payment of claims and the proportion of persons who comply with the reporting requirements.

Measure	Outcome			Target level
	2017	2018	2019	2020
Timely payment of claims	-	-	99,4%	<99,4%
Proportion of persons who comply with reporting requirement	-	-	97,6%	98%

Table: Measures of the objective „ Services increase tax compliance“

Strategic direction 3: Equal tax competition and protection of society

What is the impact we wish to achieve? Our essential tasks in the Estonian state is to reduce the deficit in tax revenue arising from tax avoidance and tax evasion, to ensure a fairer competition environment and to protect Estonian society from tax and customs fraud. To raise tax compliance among problematic taxpayers, we use surveillance measures at our disposal in the best possible way so that persons looking for unfair methods would understand that the state does not tolerate illegal activity and is ready to take preventive measures. As a result, there will be more people in Estonia who comply with their tax and customs obligations correctly.

How will we achieve it? The main motivation of tax fraud, smuggling and other similar crimes is financial gain. Therefore, when dealing with problematic taxpayers we hold the principle that unfair behaviour should be so costly and cumbersome that tax avoidance and breach of law would not pay off.

Our strength is the use of wide spectrum of activities - from soft measures to punishments, if necessary. This enables us to influence offenders as effectively as possible by means of measures based on risk assessment and having the most long-term impact. In order to achieve the best possible result, surveillance activities must be well targeted, as efficacious as possible and carried out systematically.

What are our objectives? The tax gap in general shows a falling trend (see page 10), which means that our previous surveillance activities have had a good impact. Nevertheless, ensuring equal tax environment and making tax evasion and avoidance more complicated is still an important challenge for the TCB, which we aim to solve by means of three major objectives:

Objective 1: protection of society and increase in customs compliance. We will reduce safety risks to the society by preventing the spread of prohibited goods and black market. For this purpose, we are carrying out customs checks based on risk assessment inland as well as at the border crossing points of the eastern border, airport and seaport. We will implement surveillance measures aimed at increasing the customs compliance (prevention of offences and accurate compliance with customs regulations) while performing effectively as an organisation.

We monitor progress towards this objective with three metrics that characterise the customs sector as a whole: customs compliance of persons crossing the Estonian-Russian border, the volume of checks carried out at the Eastern border crossing points and the share of smuggled cigarettes on the Estonian market. These indicators will help us assess the effectiveness of the

selected control measures and the protection of borders. The proportion of smuggled cigarettes, measured on a regular basis in both the European Union and Estonia, characterises the protection of the country's external and internal borders and illustrates the impact of our action on the fight against the illicit market.

Measure	Outcome			Target level
	2017	2018	2019	2020
Customs compliance	-	-		95,2%
Customs checks 1h	-	-		1
Share of smuggled cigarettes	15,13%	7,9%	7,9% (prognosis)	-

Table: Measures of protection of society and customs compliance

Objective 2: fair tax competition and increase in tax compliance. Our task is to ensure a fair tax environment for businesses in Estonia through enforcing tax compliance. We will ensure a fair conditions for all businesses and the receipt of national taxes through the reduction of infringements and fraud related to income tax, VAT and excise duties. On a more systematic and prioritised basis, we are increasingly influencing tax debtors to meet their obligations.

In order to achieve the desired impact, we aim to have more honest taxpayers as a result of effective, systematic and targeted use of surveillance measures. We assess the achievement of this objective on the basis of an increase in the proportion of honest individuals, i.e. persons with no risk in the eyes of the TCB. The target is considered to be met, when the proportion of honest taxpayers is at least 85% of all taxpayers.

We will also monitor the volume of persons dealt with and the proportion of persons effectively checked and advised. Here our main focus is on achieving a long-term impact: the more offenders we can influence, the higher is the likelihood of improving their tax compliance and overall situation of the tax environment. We also monitor the tax debt-to-collection ratio in order to understand the situation of businesses as a whole and notice possible indications of payment difficulties, which in turn may put pressure on honest economic activity and increase the shadow economy.

Measure	Outcome			Target level
	2017	2018	2019	2020
Share of honest persons	81,88%	81,29%	81,4%	83%
Volume of persons dealt with	-	10%	29,95%	14%
Proportion of persons effectively checked and advised	74%	78%	79%	80%
Debt-to-collection ratio	3,97%	3,75%	3,51%	<3,51%

Table: Measures of fair tax competition and increase in tax compliance.

Objective 3: effective criminal proceedings. Our aim is to prevent the actions by people who have chosen to gain a competitive advantage in economic activity over honest business in a criminal way: by concealing their tax obligations, increasing their refund claims or handling smuggled goods. Fulfilling our role in combating tax and customs crime requires the annual mapping of criminal threats affecting the tax environment and social protection, as well as the development of our own activities and capabilities. We must ensure that at least 65% of all criminal proceedings initiated reach the prosecutor's office in order to complete pre-trial procedures. We will pay particular attention to the recovery of criminal proceeds and international cooperation.

Measure	Outcome			Target level
	2017	2018	2019	2020
Proportion of successfully completed criminal proceedings	-	81%	69%	65%

Table: Measure of effective criminal proceedings

Strategic direction 4: Pioneering organisation and developing people

What is the impact we wish to achieve? The fourth strategic direction of the Tax and Customs Board focuses on the development of the organisation and its people. We wish to ensure that the employees of the TCB are dedicated and qualified, collaborating with each other to fulfil the organisation's objectives. Our own people influence the tax compliance in Estonian society every day: succeeding in efficient tax collection and ensuring a fair economic environment and security of the society depends on the commitment, professionalism and competence of our people.

How will we achieve it? The aim of people policy is to support the implementation of the TCB strategy, which requires competent and motivated employees and organisational culture that supports development and performance.

In order to create the necessary capabilities for the organisation, we consider it important that managers and people have access to simple and convenient HR services within the organisation, which can be measured by the satisfaction of internal customers and which reduce the administrative burden of managers. At every point in time, but especially in today's labour market situation, it is important to ensure that we fill vacancy positions in a high-quality manner. We can evaluate the achievement of this measure by the proportion of high ratings given to new recruits at the end of probation period and continuation of their working life at Estonian Tax and Customs Board.

We consider it essential to create development opportunities for our people, to pass knowledge and generate new knowledge, to ensure succession planning for internal key positions and introduction of novel working methods. Development and training activities must be well-prepared and consistent to enable the achievement of necessary competence level in order to improve the quality of work.

The quality of leadership and culture (i.e. how we do things) influences the performance of organisation as a whole and the achievement of objectives. Today we are concentrating on the development of leadership competences of our managers at different levels as well as agreeing and modernising the principles of people processes.

In order to support the leaders of the organisation in their day-to-day concerns as well as on subjects related to longer-term planning, we will create an advising capacity for managers to provide competent support in matters related to the management of people and the drawing up and implementation of development plans.

What are our objectives? In this strategic direction there are five main objectives.

Objective 1: organisation aligned by objectives

Our purpose is to lead the organisation’s units and people towards fulfilling the common goals through knowledgeable planning and communication. To this end, it is important that the employees of the TCB are able to associate their work contribution with the organisation’s goals and feel that they are supporting the general strategy.

Measure	Outcome 2019	Target level 2020
Organisation aligned by clear vision and objectives	2019	2020
	3,8	4

Table: The indicator reflects the employees’ assessments to the statement „The whole organisation aligns by a clear vision and objectives“ in the employee engagement survey. Since 2019 we conduct the survey in a new format, which is why the results are not comparable to the indicators of the previous surveys.

Objective 2: we have dedicated and competent people working for the TCB

Keeping in mind the desired impact, one of our main objectives is to ensure the engagement of the people working in the Tax and Customs Board, which means the people’s positive emotional involvement with the organisation and its objectives. Dedicated people are interested in the achievement of excellent results and sustainable development of the organisation.

Measure	Outcome 2019		Target level 2020
Employee engagement (TRI*M index)	Spring	Autumn	>65
	59	62	

Table: Employee engagement in the TCB. The basic level of engagement was revealed in April 2019 by the survey of the TCB employee engagement. Earlier surveys focused only on the aspects of employee satisfaction; therefore the indicator is not comparable with the previous statistics. In the autumn of 2019 we carried out a shorter pulse survey to monitor developments during the year.

Objective 3: ability to retain our employees

The professionalism and commitment of employees provide a basis for the organisation’s ability to meet its objectives. Therefore, the ability of the organisation to keep its competent employees motivated is essential to success. We assess the achievement of this objective by the employees’ voluntary turnover indicator.

Measure	Outcome	Target level
	2019	2020
Voluntary turnover indicator	7,5%	6%

Table: Measure and target level of the objective „Ability to retain our employees“

Objective 4: ability to recruit from target groups that are important to us

For our people, working at the TCB is a mission to serve the Estonian state, influence many people, and create a fairer environment. We wish to fill the vacancy positions with hard-working people with similar values and suitable competences. We assess our success in achieving this objective by the proportion of successful competitions. The quality indicator for recruitment decisions is a successfully passed probation period (after 4 months).

Measure	Target level		
	2018	2019	2020
Proportion of successful competitions	88%	92%	>90%

Table: Measure and target level of the objective “Ability to recruit from target groups that are important to us“. In our case, a competition is considered successful if it has reached the result within 120 days.

Objective 5: high-quality leadership

The ability to move towards a clear and mutually agreed direction with the whole organisation, develop cooperation and create favourable conditions and environment for the fulfilment of objectives requires competent and high-quality leadership. In the current period, we aim to promote leadership quality in the TCB, which is reflected in our employees’ assessments of managers and leadership on the basis of the leadership competencies agreed in the organisation.

Measure	Outcome 2019	Target level
	2019	2020
Assessments of leadership (leadership index)	4,1	>4

Table: The leadership index is derived from the employee engagement survey. Since 2019 we are conducting the survey in a new format, assessing the leadership index based on the management principles of the TCB; therefore it is not entirely accurate to use one-to-one comparison with the ratings from the previous surveys.