How to Lead Governmental Executive Agencies towards Enhanced Adaptability

The Q-methodology conducted within the Dutch Tax Administration

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by

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Executive summary

In the contemporary era, governments and its executive organizations are confronted with quick and abrupt changes. Such changes may include technological advancements, emerging crisis situations and alterations in legislation. These sorts of changes can be disruptive if not adequately dealt with. In order to effectively cope with those abrupt changes, governmental executive agencies must be adaptable. They must possess the capacity to prepare, adjust and respond to challenges and changing circumstances in the political, administrative, operational and societal context. Whilst governmental organizations strive to enhance their adaptability, several challenges arise. This contribution focuses on the identification of challenges associated with adaptability within governmental executive agencies, and aims to propose coping mechanisms to address those challenges. The main research questions, guiding this study, are as follows:

1. *What are the main challenges associated with adaptability within governmental executive agencies?*
2. *What strategy can be employed by governmental executive agencies to cope with those challenges?*

These main research questions were divided into six sub-research questions. To answer these research questions, two research methods were utilized (see Figure 1). Firstly, a review of existing literature was conducted to gain knowledge about adaptability within organizations in

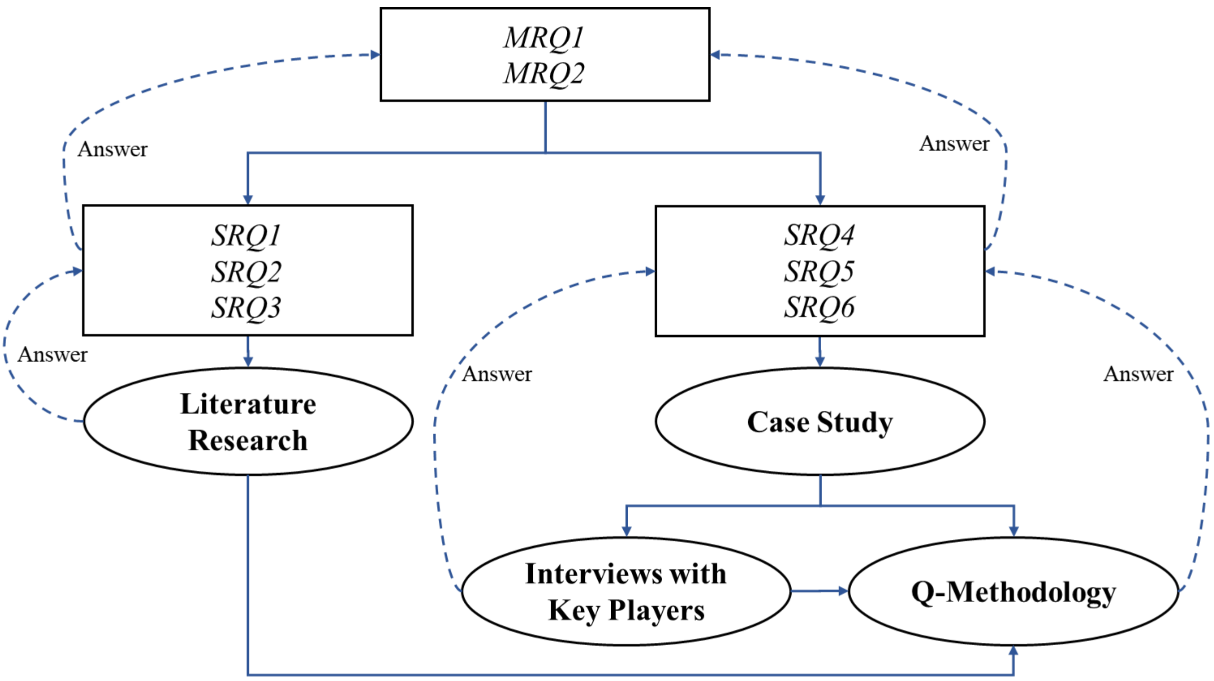

Figure 1: The employed research methods

general. Then, to narrow the scope of the research to governmental executive agencies, a research method capable of obtaining practical, comprehensive insights and contextual understanding was necessary. Hence, a case study was deemed suitable, with the Dutch Tax Administration as its subject. The Dutch Tax Administration serves as an appropriate example for governmental executive agencies due to its complex organizational structure, processing of significant tax revenue, and their expressed intention to transform into an adaptable organization.

The case study consisted of two main components. The first part involved qualitative research, specifically interviews with six key players from the Dutch Tax Administration. These key players hold high-ranking positions at the directorial level. The second part built upon the literature research and key player interviews, utilizing a mixed research method known as "Q-methodology".

As mentioned, this study started with literature research, which focused on three main themes: definitions, conditions and challenges of adaptability. The examination of existing literature resulted in the construction of a typology of adaptability. In summary, the presented typology consists of three aspects (see Figure 2). The first aspect, which is referred to as the organizational aspect of adaptability, is about how an agency is organized and about its way of coping with centralization, formalization and standardization. The market aspect of adaptability is about which and in what manner markets (or clients) are served. The technological aspect of adaptability is about technological resources, skills and competencies.

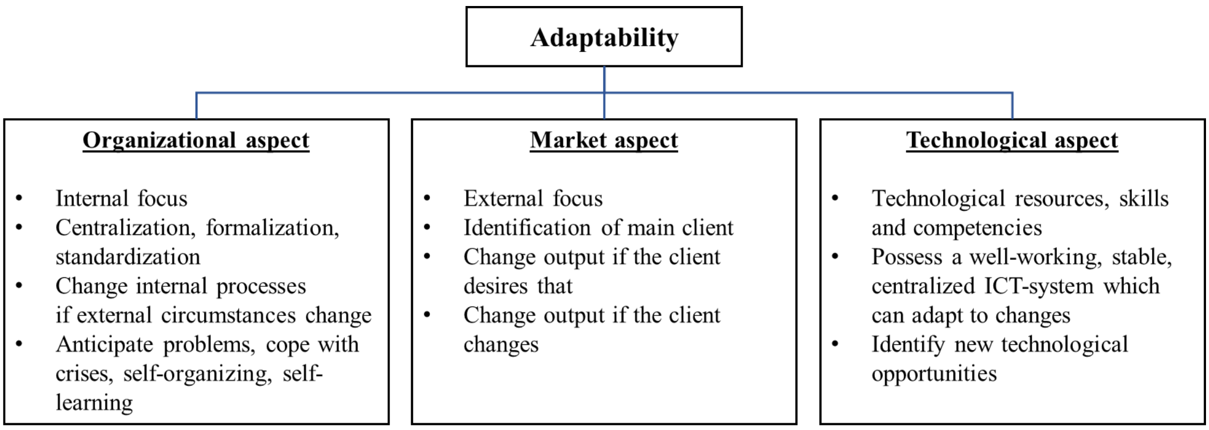

Figure 2: Typology of adaptability

The typology was then applied to the Dutch Tax Administration. Regarding the organizational aspect of adaptability, finding the right position regarding centralization, formalization and standardization is crucial. Concerning the market aspect, it is commonly agreed that the Dutch Tax Administration must serve society, comprising citizens and companies represented by politics. The question arises as to whether citizens and companies or politics should be considered the Tax Administration's main client. Regarding the technology aspect of adaptability, the question is how important ICT is for the Dutch Tax Administration. The insights gained from the literature study and the constructed typology were used to answer the first three sub-research questions, and as input for the Q-methodology.

The second part of this study involved conducting a case study, beginning with interviews of six key players from the Tax Administration. These interviews focused on the key players' perspectives on the meaning of adaptability, organizational levels of adaptability and challenges and trade-offs associated with adaptability. The insights derived from these interviews were used to answer the last three research questions, and as input for the Q-methodology.

Subsequently, the Q-study was conducted, which is a research methodology employed to examine the subjective perspectives of individuals pertaining to a specific topic. In this study, 24 employees of the Tax Administration were interviewed to gather their viewpoints. The analysis of these Q-interviews revealed three distinct profiles of perspectives among the employees within the Tax Administration (see Table 1).

	Profile 1: "Adaptability by Command"	**Profile 2:** "Embracing the Status Quo"	**Profile 3:** "Balancing Society's Expectations"
Typical respondents	Directors, strategic managers	-	Operational managers
Focus	Internal, strategy, formalism, centralization	Decentralization	External, operations, non-formalism, decentralization
Client-role ownership towards the Tax Administration	Politics	-	Citizens and companies
View on adaptability	Tax Administration is not yet adaptable	Tax Administration is not yet adaptable, and adaptability is not the right solution for the Tax Administration	-

Table 1: Summary of the profiles

The recommendations provided to the Tax Administration vary, depending on the specific profile being considered. If the Tax Administration holds the belief that adaptability should have an internal focus, focus must be on Profile 1 (see Table 1) and the implementation of strategies associated with the organizational aspect of adaptability (see Figure 2) must be taken into consideration. Accordingly, the strategic approach would involve determining the optimal degree of centralization, formalization and standardization, while also adjusting internal processes to be able to accommodate possible changes in external circumstances. Conversely, if the Tax Administration holds the perspective that adaptability must have an external focus, it is necessary to focus on Profile 3 (see Table 1) and prioritize the market aspect of adaptability (see Figure 2). The strategic emphasis would then revolve around identifying the appropriate client, aligning outputs with client preferences, and adjusting outputs if the client changes. In the event that the Tax Administration aims to address Profile 2 (see Table 1), it is advisable to conduct research to comprehend the underlying reasons for the lack of belief in adaptability within the organization. Additionally, exploring alternative proposals presented by respondents associated with this profile would be beneficial.

The literature research and the case study were employed to answer the two main research questions. The first research question (*What are the main challenges associated with adaptability within governmental executive agencies?*) can be addressed by categorizing the challenges into two groups: trade-offs and risks. The primary trade-offs that may arise encompass adaptiveness versus stability, efficiency versus innovation, and exploitation versus exploration. The most relevant risks are related to efficiency, internal control, external control, predictability of outcomes, transparency of working methods, and collaboration between departments. It is important to note that the relevance of these trade-offs and risks varies across organizations. The second research question (*What strategy can be employed by governmental executive agencies to cope with those challenges?*) is challenging to answer. The problem of a governmental executive agency pursuing enhanced organizational adaptability is complex, unstructured and challenging. Additionally, there is no clear consensus on how adaptability is measured or achieved. Consequently, there is no singular strategy that adequately addresses the challenges associated with organizational adaptability within governmental executive agencies. Therefore, the most suitable strategy for coping with the challenges depends on the specific context of each organization. Nonetheless, this study proposes a typology of adaptability that can be applied by governmental executive organizations, leading to several recommendations.

Governmental executive agencies that want to achieve organizational adaptability are recommended to first determine the agency’s specific understanding of “adaptability”. This entails examining whether the agency emphasizes (1) an internal, formalistic, centralized and/or political focus, or (2) an external, non-formalistic, decentralized and/or societal focus. In the former case (1), the agency must concentrate on the organizational aspect (see Figure 2). This entails ensuring that the agency possesses or acquires the capacity to effectively modify its internal processes in response to changes in external circumstances. Furthermore, the organizational structure must be capable of anticipating problems, coping with crises, self-organizing, and self-learning from past experiences. Additionally, the agency must determine the optimal level of centralization, formalization and standardization. In the latter case (2), the agency needs to focus on the market aspect (see Figure 2). This involves having the ability to identify the actual clients, and being able to serve them in the desired manner. The agency must also have the capacity to adjust according to the clients desires, and must be able to change its output if the main client of the agency changes over time. Additionally, if the agency recognizes the importance of ICT within the organization, the technological aspect (see Figure 2) has to be considered as well. This aspect relates to technological resources, skills and competencies.

Certain limitations of this study must be acknowledged. The Q-study would have benefitted from a larger number of respondents to ensure a more comprehensive representation of the Tax Administration. Furthermore, the Q-study involved 16 face-to-face interviews and 8 online interviews. In the experience of the researchers, less context and comments were received from respondents who were interviewed online. The research could have been more consistent if all interviews would have been conducted using the same method. Additionally, the three factors identified in the analysis account for 41% of the total variance, indicating that not all influential factors were considered in this study.

Future research could focus on the disparity between the expressed aspiration of the Dutch Tax Administration to be an adaptable organization, and the absence of such a desire among any of the identified profiles, as presented in Table 1. Another area for further investigation could revolve around the implications of implementing the proposed strategies outlined in this study on both citizens and companies, specifically regarding compliance.

Preface

This research has been conducted to fulfill the final graduation requirement of the Master of Science in Complex Systems Engineering and Management at Delft University of Technology.

It has been truly interesting and honorable to have the opportunity to contribute to a small portion of the policy of the Dutch National Government. I hope that my research proves beneficial to the Dutch Tax Administration, as well as to other governmental executive agencies.

I would like to express my sincere appreciation to my supervisors, Haiko van der Voort and Marijn Janssen, for their pleasant, knowledgeable and constructive feedback. Additionally, I extend my gratitude to Ellen Schwencke-Karlas and her colleagues for their valuable support.

I wish Haiko van der Voort, Marijn Janssen and Sibel Gökbekir continued success in the further execution of this project.

Tijn Verberne

Delft, June 2023

1 Introduction

This chapter provides the reader with an introduction of adaptability within governmental executive agencies. Following that, a scientific knowledge gap is identified and the emerging research questions are formulated. The chapter concludes by providing an overview of the report's structure going forward.

1.1 Adaptability within governmental executive agencies

In the contemporary era, governments and its executive organizations are confronted with quick and abrupt changes. Such changes may include technological advancements, emerging crisis situations and alterations in legislation. According to Janssen & Van der Voort (2016), these sorts of changes can be disruptive if not adequately dealt with.

The occurrence of these abrupt changes and the corresponding need to cope with those changes, highlight the criticality of adaptability within governmental executive agencies. In this context, adaptability refers to the capacity of these agencies to prepare, adjust and respond to challenges and evolving circumstances in the political, administrative, operational and societal context.

Whilst governmental organizations strive to enhance their adaptability, challenges arise. For instance, when agencies need to adapt to new legislation, these agencies must ensure their daily business, or in other words, these agencies must remain stable. This organizational trade-off between adaptability and stability within public organizations has been described in several academic articles (Boylan & Turner, 2017; Cannaerts et al., 2020; Janssen & Van der Voort, 2020; Stelzl et al., 2020). Given the broad nature of the concept of adaptability, governmental executive agencies may experience several other challenges associated with the pursuit of increased adaptability. This contribution focuses on identifying those challenges and proposing coping mechanisms to address them.

1.2 Knowledge gap

Sufficient scientific literature exists regarding adaptability within public and private organizations in general, including discussions of trade-offs associated with adaptability. However, governmental executive agencies represent a distinct area of study. Findings related to adaptability and trade-offs observed in commercial organizations or independent governmental organizations (such as the Dutch Authority for the Financial Markets and the Dutch Data Protection Authority) cannot be directly extrapolated to governmental executive agencies. This distinction arises from the differing organizational structures between commercial organizations and independent public organizations on one side, and governmental executive agencies on the other. While commercial organizations and independent governmental organizations possess decision-making autonomy, governmental executive agencies, accountable to society and politics, are bound to executing decisions made by political authorities. Consequently, the question emerges: how can governmental executive agencies adapt to challenges and changes when ultimate decision-making rests with politics? Limited research is available on this specific subject, and this study aims to contribute to address this knowledge gap.

1.3 Main research questions

Building upon the identified knowledge gap, the main research questions are defined as follows:

1. *What are the main challenges associated with adaptability within governmental executive agencies?*
2. *What strategy can be employed by governmental executive agencies to cope with those challenges?*

1.4 Sub-research questions

To address the two main research questions, six sub-questions have been formulated. The first three sub-questions are designed to explore and gather scientific information to organizational adaptability on a general scale. Subsequently, the remaining three sub-questions are specifically formulated to gather information within the context of a governmental executive agency, which will be answered by conducting a case study (explained in chapter 2.1 and 2.2). By consolidating the findings obtained from the first three and the last three sub-questions, a comprehensive response to the two main research questions can be formulated.

1. *What are the prevailing definitions of adaptability within organizations?*
2. *What are the necessary conditions for organizations to be adaptable?*
3. *What challenges are commonly associated with adaptability within organizations?*

4. *What challenges are specifically associated with adaptability within governmental executive agencies?*

5. *What is the prevailing definition of adaptability within governmental executive agencies?*

6. *What strategies can governmental executive agencies employ to cope with those challenges?*

1.5 Report structure

In the next chapter, the study will be further defined. The literature research in chapter 3 and the interviews with key players in chapter 4 form input for the Q-study in chapter 5. In chapter 6, the results of the conducted Q-study are explained and interpreted. Chapter 7 concludes the report by addressing the research questions and providing recommendations, while chapter 8 subsequently presents the discussion.

2 Research methods

In this chapter, the approach to addressing the main and sub-research questions is initially explained. Subsequently, the Dutch Tax Administration is introduced as the subject of a case study.

2.1 Research approach

In order to address the main and sub-research questions outlined in chapters 1.3 and 1.4, this study employs several research methods (see Figure 3). The initial set of three sub-research questions is addressed through an extensive literature review, presented in chapter 3, which aims to acquire general knowledge regarding adaptability within organizations.

To tackle the remaining three sub-research questions, it is necessary to conduct a research method that has the capacity to obtain practical, comprehensive insights and contextual understanding. In this regard, a case study is deemed suitable. The Dutch Tax Administration is selected as the subject of investigation. The rationale behind this selection, as well as a general overview of the organization, is provided in chapter 2.2.

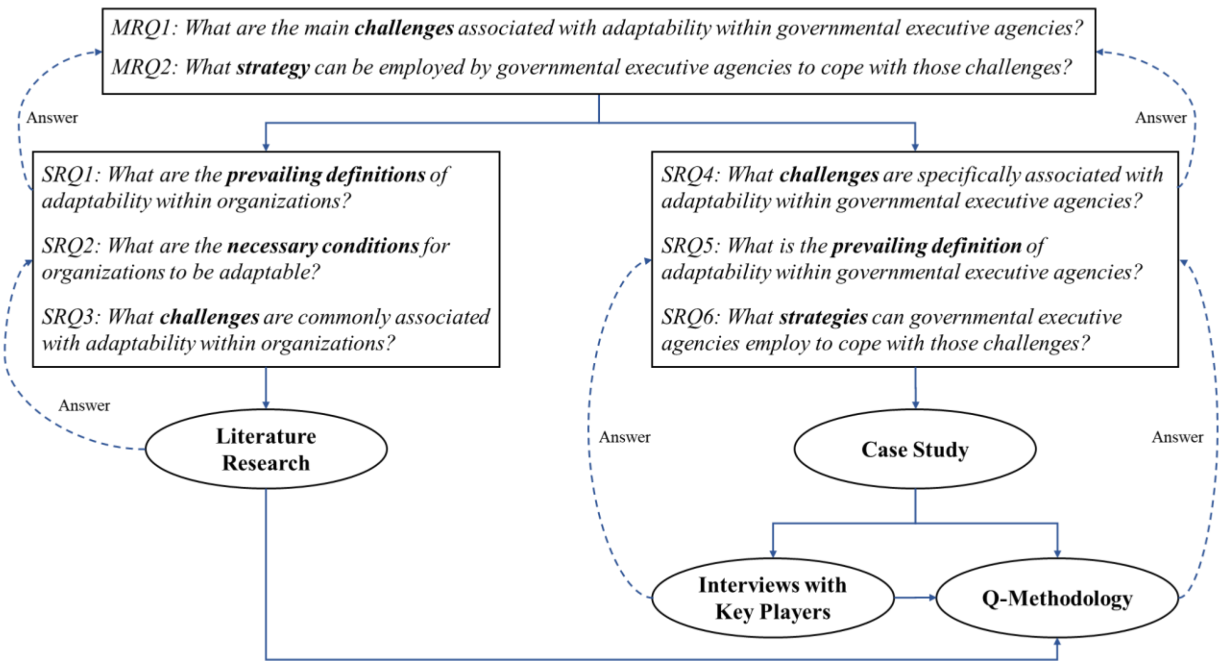

Figure 3: Overview of the employed research methods

The case study is structured into two main factors. The first part entails qualitative research involving interviews with key players from the Dutch Tax Administration. These key players are high-ranking officials at the directorial level. The second part of the case study builds upon the literature research in chapter 3 and the interviews conducted with key players in chapter 4. This involves employing a mixed research method, referred to as "Q-methodology". The Q-methodology is a research methodology that aims to investigate subjective perspectives of individuals within a particular organization, regarding a particular topic. A detailed explanation of the Q-methodology is provided in chapter 5.1, while the rationale behind application of the Q-methodology as a research method is elaborated upon in chapter 5.2.1.

2.2 Case study

In every country, there are several governmental executive organizations that vary in size and hold different responsibilities. This chapter first explains why the Dutch Tax Administration is appropriate to use as the subject of a case study for this research. Subsequently, a general overview of the Dutch Tax Administration is presented.

2.2.1 Why the Dutch Tax Administration is suitable as the subject of the case study

The selection of the Dutch Tax Administration as the subject of this case study is motivated by two primary reasons. Firstly, the agency serves as a representative example of governmental executive agencies in general. It encompasses a workforce of over 27.000 employees (Belastingdienst, 2022b), processes over 1 billion euros per day (Ministry of Finance, 2023), and includes a complex organizational structure (Belastingdienst, 2022c). Comparable governmental executive agencies such as the United States Tax Administration (Internal Revenue Service, 2023), the United Kingdom Department for Work and Pensions (Gov.uk, 2023) and the German Federal Employment Agency (Bundesagentur für Arbeit, 2023) exhibit similar scales of operations and similar organizational complexity.

Secondly, the Dutch Tax Administration has expressed its intention to transform into an adaptable organization. The Tax Administration' Annual Plan of 2023 (Belastingdienst, 2022b) mentions adaptability and future-proofness as key strategic goals. Additionally, the Departmental Multi-Year Information Plan (Belastingdienst, 2022d) highlights the Tax

Administration's aspiration for adaptability in its ICT systems, as well as the implementation of new work processes to respond to changing laws and regulation in a more adaptable way.

The combination of the Dutch Tax Administration's representation of governmental executive agencies and its internal commitment to becoming an adaptable organization, positions the agency as a suitable subject for this case study.

2.2.2 Overview of the Dutch Tax Administration

The Dutch Tax Administration, also referred to as the "Belastingdienst" in Dutch, serves as the governmental agency responsible for the administration and enforcement of tax-related matters in the Netherlands. It is the largest governmental executive agency in the country, employing 27.171 full-time equivalent (fte) personnel (Belastingdienst, 2022b), and processing over 1 billion euros of tax revenue per day (Ministry of Finance, 2023). The Tax Administration engages with a diverse group of actors, both internal and external. Examples of internal actors are tax inspectors, tax advisors, customs officers, legal advisors and ICT specialists. Examples of external actors are tax payers, customs agents, other governmental executive agencies, industry organizations and legal professionals. This diverse range of actors enables the Tax Administration to interact with virtually all segments of Dutch society.

The organizational structure of the Tax Administration can be characterized as a matrix organization (see Figure 4). Three categories of directorates can be distinguished: (1) Primary Process Directorates, which focus on the operational execution of the core business of the Tax Administration; (2) Concern Directorates, which focus on quality, frameworks and execution policy; and (3) Corporate Services and Shared Service Organizations, responsible for performing supportive tasks.

An essential characteristic of the Tax Administration is that its ICT infrastructure is of vital importance. Given the extensive diversity of taxes, processes and target groups, coupled with the fact that all taxes in the Netherlands are charged online, the Tax Administration relies heavily on functioning ICT for successful execution of its daily operations. Additionally, the ICT infrastructure necessitates regular maintenance, updates, and safeguards against potential malicious acts, making the ICT infrastructure a constant point of attention.

As discussed in the preceding chapter, the Tax Administration aspires to become an adaptable organization (Belastingdienst, 2022b; Belastingdienst, 2022d). However, this objective presents a complex, unstructured and challenging problem. Additionally, it involves many stakeholders and lacks a clear solution. Furthermore, there is no clear consensus on the precise definition of adaptability, as well as the means of measuring or achieving adaptability. Consequently, the Tax Administration's pursuit of increased adaptability can be classified as a "wicked problem".

Figure 4: Organizational structure of the Dutch Tax Administration (in Dutch)

3 Literature research: adaptability within organizations

This literature research is about adaptability within organizations in general. It was attempted to conduct this literature study about adaptability within governmental executive agencies, but that would make the scope of the literature research too narrow. The goal of this chapter is to answer the first three research questions, and to generate a typology of the concept of adaptability to obtain input for the Q-Methodology in chapter 5.

3.1 Literature research set-up

This literature research has been divided intro three parts: definitions of adaptability, characteristics that an adaptable organization must possess and challenges that organizations might experience while maintaining or integrating adaptability. Search engines that were used are Google Scholar, Scopus and Web of Science. It was attempted to use ChatGPT as a search engine. For example, the following prompt has been run in ChatGPT: "What academic articles contain a definition of adaptability, with a public organization as its case study?" For unknown reasons, most of the articles provided by ChatGPT could not be found through any academic search engines.

The chapter starts with an overview of **definitions** that literature provides on the concept of adaptability: what do people mean when they are talking about adaptability? Since the concepts of stability and adaptability may be considered opposites of each other, literature about stability is included as well. Examples of search terms that were used are "adaptability in public organization", "adaptable governmental organization", "definition stability organization", "adaptability framework in organizations" and "stable public agency". These search terms were also combined, to acquire a greater number of results. For every executed search term, the titles and/or abstracts of approximately the first 10 to 20 articles were read. The most important requirement for an article to be adopted into this literature research was the statement of a clear definition of adaptability. From the selected articles, useful literature sources that were mentioned in the text were also included ("snowballing").

An overview of **conditions** of an organization to be adaptable is stated next. The goal of that chapter is to provide the reader with a list of characteristics that an adaptable governmental executive agency must possess. Examples of used search terms are "adaptability conditions organization", "adaptability characteristics agency" and "adaptability factors case study".

Again, these search terms were also combined to acquire a greater number of results, and the titles and/or abstracts of the first 10 to 20 articles were read for every search term. Important requirements to be included into this research were clear conditions, characteristics, aspects or stages of adaptability, and if a case study was present, the case study had to be related to governmental executive agencies to some extent.

The last part of this literature research is about **challenges** concerning adaptability that already exist or that occur when organizations want to integrate adaptability into their organization. Sufficient information was available on the subject of challenges concerning adaptability within organizations in general, because of which the scope of this has been partly narrowed down to foreign tax administrations and other Dutch executive agencies. Examples of used search terms are "challenges adaptability organization", "adaptability challenges tax administrations" and "adaptability challenges Dutch executive agency". The search terms were combined as well, and were also executed in Dutch. Again, the titles and/or abstracts of the first 10 to 20 articles were read for every search term. Articles were included if they actually contained information about challenges concerning adaptability in organizations, and were especially selected if the case study was more related to governmental executive agencies.

3.2 Adaptability and stability

In scientific literature, many definitions of adaptability and stability can be found. A summary of definitions found in literature about adaptability and stability within a wide range of organizations is given below.

Regarding adaptability, Tuominen et al. (2004) mention many characteristics and definitions derived from different papers. They mention that adaptability can be defined as "a firm's ability to identify and capitalize emerging market and technology opportunities" (Chakravarthy, 1992) and that "adaptability emphasizes the degree to which a firm can use a variety of organizational capabilities" (Sanchez & Mahoney, 1996).

Patten et al. (2005) researched IT organizations and their need for flexibility in uncertain, changing environments. In their study, adaptability is defined as "the ability to change or be changed to fit changed circumstances". It is also stated that adaptability "is the capability of the organization to self-learn and self-organize based on previous experience". Organizational adaptability is defined as "a function of its ability to learn and to perform according to changing environmental contingencies" (Patten et al., 2005; Terreberry; 1968) and adaptability is defined as "the capacity to anticipate, trigger, and absorb change whether cyclical or structural" (Jaruzelski & Kumar, 2004; Patten et al., 2005).

Tejeiro Koller (2016) summarizes multiple definitions of adaptability, derived from diverse literature. In the article, adaptability is defined as "the organization's capacity to engage in internal change in response to external conditions" (Denison & Mishra, 1995), the ability to adjust to changes in the external environment in order to maintain organizational viability" (Child, 1972; Miles et al., 1978) and as "the ability to anticipate problems, to keep up with changes and consider new ways of doing things, the ability to adjust to changes quickly and the ability to cope with crises" (Angle & Perry's, 1981).

Concerning stability, according to Glassman (1995), the dominant mindset in the US is that the ideal bureaucratic, stable organization "exhibits six defining characteristics:

(1) High functional differentiation;
(2) Rigid hierarchical relationships;
(3) Bounded, specialized role responsibilities;
(4) Formal interactive rules and regulations;
(5) Predominantly downward communications;
(6) Centralized authority and decision-making" (Glassman, 1995).

This paradigm emerged at the beginning of the 20^{th} century, with the objective to lead expansion of the industry and the government in a controlled way. It is stated that organizations that are defined by those characteristics are incomparably efficient and will experience increased production. Jobs in these organizations are specialized, interactions are clearly defined and the organizations will be "efficient, predictable and stable" (Glassman, 1995).

In other research, constancy in personnel is described as being an important feature of stability in organizations (O'Toole Jr & Meier, 2003). In that study, other stated characteristics of stability are "standard operating procedures, regular structure, incremental decision making and fixed rules".

Adaptability and stability can be seen as conflicting concepts, but it is also plausible that an organization needs to be internally adaptable to be stable as an organization. To explain that, it is important to understand the well-known Law of Requisite Variety, also known as Ashby's Law (Ashby, 1956). In the article, a hypothetical game is described in which the variety in outcomes can only be decreased by a corresponding increase of possible states of the game. In other words, outcomes can only be stabilized if the system has enough internal possibilities to respond to changes. This law can be applied to governmental executive agencies by giving the internal system of governmental executive agencies enough internal, adaptable instruments. These internal instruments may respond to external changes, assuring a stable outcome. This law combines features of adaptability to assure a stable outcome. Another important statement of Ashby (1956) is that the distinction between 'constant' and 'varying' depends on what is being referred to. This is also true for the relation between stability and adaptability: the way these concepts are interpreted will define what they mean to organizations. In other words, the way certain people within organizations, such as employees of governmental executive agencies, interpret concepts such as stability and adaptability define what those concepts mean to those organizations.

3.3 Conditions of adaptability

Boylan & Turner (2017) state that adaptive leaders are important in the complex United States army environment. It is argued that adaptive leaders are one of the most pertinent needs for the organization to be adaptive. In order to be adaptive, leaders must be innovative, think critically, they must accept ambiguity and prudent risk, they must continuously assess the situation and they must remain agile to take advantage of emerging opportunities. In conclusion, Boylan & Turner (2017) make clear that adaptive individuals are an important characteristic for an organization to be adaptable. Uhl-Bien & Arena (2018) have written about how leadership can affect organizational adaptability as well and think likewise. They state that "leadership for adaptability requires leaders to embrace paradoxical thinking, and shift from managerial control mindsets to "managing by all"".

As mentioned in chapter 3.1, Tuominen et al. (2004) write about many characteristics and definitions regarding adaptability, derived from different papers. Concerning characteristics, they describe adaptability as being composed of three stages, the first being the "state of adaptation or a storage of organizational "slack", the second being a "process of adaptation, i.e., market information processing activities", and the third being "adaptive ability shaped by a firm's organizational capacity for market information processing activities." (Chakravarthy, 1992). Another separation Tuominen et al. (2004) make is a division into three aspects of adaptability: "technology mode, market focus and organizational design". Technology mode is about the technological aspect of adaptability: the use of resources, skills and competencies which affect organizational learning and deployed technologies. Together, this is called "technological adaptability" (Hambrick, 1983). Market focus concerns the external aspect of adaptability, which is about narrow and broad markets. In narrow markets, organizations focus on a small number of customers whereas in broad markets, organizations focus on a larger number of clients. Organizational design is about the internal aspect of adaptability, which concerns structural dimensions such as standardization, centralization and formalization (Lawrence & Lorsch, 1967) and nonstructural dimensions such as the form of the organization, the hierarchy of the organization and the structure of teams.

3.4 Challenges associated with adaptability

This chapter contains challenges associated with adaptability found in articles about foreign tax administrations, Dutch executive agencies and articles about challenges framed as trade-offs.

Job et al. (2007) researched three taxation administrations (being the national tax organizations of Australia, New Zealand and East Timor) that started to change their organizational cultures to make the move from a command-and-control style of regulation (which can be interpreted as more rigid) to a more persuasive and responsive style of regulation (which can be interpreted as more adaptable). The article focuses on taxation legislation and policy, and the implementation of legislation into these three national taxation administrations, which are stated to be three "fore-runners in moving away from the "traditional" command-and-control style". The article shows that adoption of responsive regulation within the tax administrations can be a success by allowing internal organizational subcultures to translate and shape new ideas about practices and procedures to their own discretion, to let the new ideas meet different needs. Job et al. (2007) describe that by following this strategy, the three taxation administrations shifted to organizations with a more responsive culture, leading the organizations to be more in line with what society expects from the administrations, and leading to higher compliance.

Overall, continuous improvement of tax administrations is of significant importance. According to Brondolo & Zhang (2016), China's tax-to-GDP ratio has doubled, partly because of improvement of the State Administration of Taxation (SAT), which is the official name of the Chinese tax agency. However, at this point in time the SAT is facing new difficulties: it is stated that the tax administration finds itself at a juncture. The article describes China's tax administration and challenges it faces this decade, along with strategies to cope with those challenges, formulated in a five-year modernization strategy (2016-2020). The five-year strategy plan of China's tax administration makes this contribution especially relevant since at this moment in time, the Dutch tax administration is constructing a future strategy plan with 2025 as its time horizon (employee of the Dutch Tax Administration, personal communication, 2022). The most relevant internal challenges the SAT faces are the large network of tax offices, the existence of both national and local tax services and the hybrid and fragmented organizational structure of the SAT, where staff is organized into units based on tax type, partly on type of taxpayer and partly on function of tax administration. Even though these three challenges could be interpreted as positive features, taking into account that the specialized and decentralized characteristics provide the SAT with the possibility to more easily adapt to changes, the current organizational structure is perceived as a challenge by the SAT. Other challenges connected to the Dutch Tax Administration are the SAT's weaknesses in ICT systems and the fact that the SAT's workforce has critical skill gaps at certain parts in the organization. To cope with the challenge of a too decentralized organization of the tax system, the researchers propose adoption of a more cross-provincial and national approach to tax administration. Therefore, three specific preconditions are described: "(1) a nationally standardized tax identification number, (2) a centralized database of taxpayer and third party information and (3) effective organizational arrangements for coordinating the cross-provincial (and overseas) administration of taxpayers". Implementing these three preconditions would help the SAT to operate on a national level. To cope with the challenge of weaknesses in the ICT systems, the VAT system software needs to automatically extract company information from internal accounting systems and electronic invoicing needs to be introduced. To cope with the challenge of the SAT's workforce having critical skill gaps at certain parts, sufficient staff must be allocated on different levels in the organization, with priority on increasing the size of the headquarters' staff, which is stated to be significantly undersized (800 officials on headquarters, 750.000 tax officers across the country). In addition to that, the SAT must identify and fill up actual knowledge gaps and ensure that sufficient personnel is on each administrative function (Brondolo & Zhang, 2016).

Concerning individuals paying taxes: some individuals see paying taxes as contributing to the public good, while other people perceive taxpaying as a threatening experience, with influence on their freedom and wealth (Braithwaite et al., 2005). In this study, the Australian tax authority has been researched, and responsive regulation is described as a solution for the perceived threat. Responsive regulation is an approach of enforcing tax legislation, in which authorities actively adapt their regulatory strategies based on the behaviors and characteristics of taxpayers rather than using a one-fits-all strategy, with the goal of achieving current and future compliance of tax laws. Braithwaite et al. (2005) give the following example: “Automated letters from enforcement agencies do not have to be couched in legally dense and unfamiliar language, making them incomprehensible to ordinary people, nor do they have to be accusatory and offensive in tone.” Other examples could be educating programs for small business owners which helps to reduce the likelihood of unintentional non-compliance, or simplify compliance procedures by reducing the tax paying frequencies. Adapting regulatory strategies, which can be seen as an agile way of enforcing tax legislation, could help tax administrations to increase compliance rates.

Most articles that contain trade-offs include contradictions between the concepts. Cannaerts et al. (2020) write about the trade-off between innovation and efficiency in the public sector, which concepts are considerably connected to the concepts of adaptability and stability. They state that public organizations have to be efficient as well as innovative in order to conquer contemporary challenges, such as digitization and changes in demographics. It is important to note that Cannaerts et al. (2020) state that little information is available on how public organizations have to conquer challenges to be both efficient and innovative, or in other words, to balance those concepts. They conclude that public organizations “combine design and leadership conditions of both structural and contextual ambidexterity to balance simultaneously exploitation and exploration.” Boylan & Turner (2017) argue that leaders of armies must develop the organizations in such a way that these can easily adapt to change. Certainty, or stability, should not be expected or pursued: the organizations must be able to cope with uncertainty and disorder. Janssen & Van der Voort (2020) argue that multiple lessons can be learned from the COVID-19 pandemic, of which one is that adaptability is needed, but that stability must be ensured at the same time. It is stated that “stability is needed to be able to respond” and that changing structures or creating new solutions may be unwise when under time pressure. People are familiar with existing institutionalized mechanisms, which results in the mechanisms staying effective, even if they are not designed for the unexpected circumstances (Janssen & Van der Voort, 2020). Stelzl et al. (2020) write about the trade-off between exploration and exploitation, which can be compared to the trade-off between innovation and stability. In the same manner as Cannaerts et al. (2020), Stelzl et al. (2020) observe a gap of scientific information on how organizations can address the desire to become an ambidextrous organization. Their main contribution is a framework that helps with becoming ambidextrous (i.e. having the ability to simultaneously explore new opportunities and exploit existing ones), tackling organizational challenges.

The article of Lokin & Van Kempen (2019) is about Dutch executive organizations in general, with the Dutch Tax Administration, the Education Executive Service (Dutch: DUO), the Employee Insurance Agency (Dutch: UWV) and the Social Insurance Bank (Dutch: SVB) as its case study. Lokin & Van Kempen (2019) state that in decision-making, executive agencies aim for the highest possible percentage of “straight through processing”, meaning that as many decisions as possible must be made fully automated, without any human intervention. Besides, it is argued that executive agencies try to increase adaptivity to be adaptive to fast changing legislation and political desires. These organizations do so by applying new methods for system development, with “business rule management” (where “business rule” can be read as “organizational rule”) as an example. Business rule management entails coding and managing algorithms, which contain knowledge necessary to make decisions, within knowledge models instead of deep-coding the algorithms within the systems. Furthermore, organizational rules must be traceable to their legal sources. That way, it is simple to determine what organizational rules are affected when legislation changes, and thus it would be easy to determine where changes are required. In summary, this study argues that working with business rules and tracing them back to their legal sources provides executive agencies with the possibility to be adaptive. In the event of changing legislation, it becomes clear which business rules are affected and where adjustments are required.

3.5 Typology of adaptability within governmental executive agencies

This chapter provides a typology of adaptability specific to governmental executive agencies. The typology was developed for multiple reasons. Firstly, the literature described in this chapter reveals the existence of multiple definitions of adaptability, emphasizing the need to approach adaptability from different angles. Secondly, achieving adaptability in an organization requires meeting multiple conditions, implying that different aspects must be considered and addressed. Thirdly, integrating adaptability into an organization presents various challenges that need to be identified and addressed systematically.

For the typology of the concept “adaptability within governmental executive agencies”, the three aspects of adaptability introduced by Tuominen et al. (2004), being organizational design, market focus and technology mode, are used as a foundation. The article of Tuominen et al. (2004) focuses on businesses, especially on manufacturing firms. In the typology below, the described aspects of adaptability are applied on governmental executive agencies. The typology is based on earlier described literature. An overview of the typology is presented in Figure 5.

The **organizational aspect** of adaptability is about how an agency is organized and about its way of coping with centralization, formalization and standardization. An adaptable governmental executive agency has the capacity to change its internal processes effectively when external circumstances change. The organizational structure has the capacity to anticipate problems, to cope with crises, to self-organize and to self-learn from previous experiences. It is possible that an adaptable organizational structure conflicts with certain values of the agency, such as efficiency, predictability and stability.

The **market aspect** of adaptability is about which and in what manner markets (or clients) are served. A governmental executive agency exists with the recognition that it has to fulfill the tasks that are assigned to it. To be able to fulfill those tasks, it is important that the governmental executive agency has the ability to identify who its actual clients are, and that the agency is able to serve those identified clients in the right, desired way. The agency also has the capacity to change its output if the client desires that, and it is able to change its output if the main client of the agency happens to change over time.

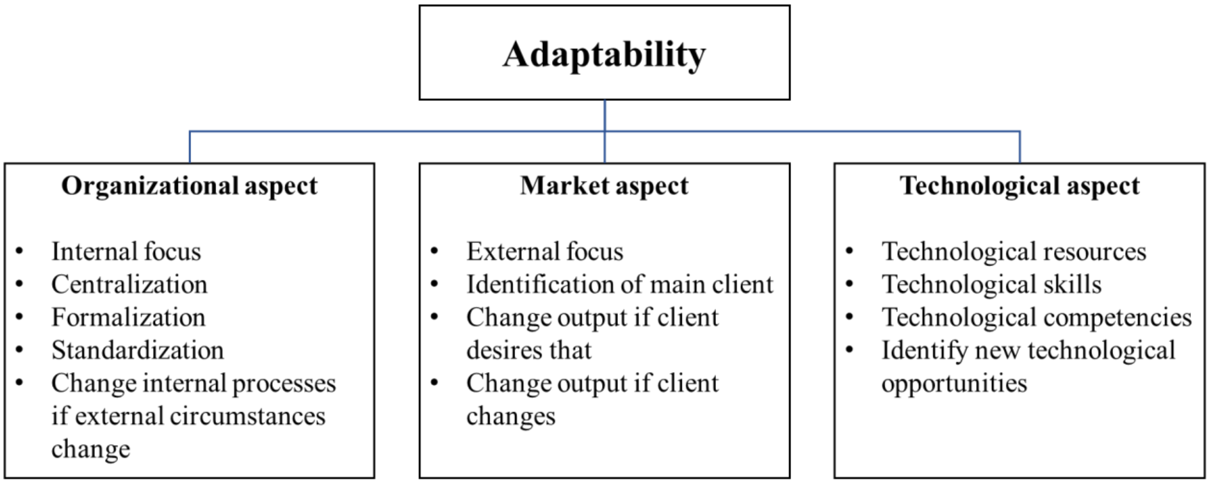

Figure 5: Overview of the typology of adaptability within governmental executive agencies, based on Tuominen et al. (2004)

The **technological aspect** of adaptability is about technological resources, skills and competencies. An adaptable agency possesses a well-functioning, stable, centralized ICT-system which can handle changes easily. Conversely, an agency that aspires to enhance its adaptability must focus on acquiring such an ICT-system. Furthermore, an adaptable governmental executive agency has the capacity to identify new technological opportunities, but does not lead the way in adapting new, emerging technologies.

3.6 Application of the typology to the Dutch Tax Administration

Adaptability within governmental executive agencies can be classified under the three aspects mentioned in chapter 3.4. However, if becoming more adaptable is the goal of any governmental executive agency, multiple challenges and questions arise from the typology. To reach the ultimate goal of constructing a strategy for governmental executive agencies to cope with challenges concerning adaptability, the typology has been applied on the Dutch Tax Administration.

Regarding the **organizational aspect** of adaptability, it is important that the Dutch Tax Administration finds the right position regarding centralization, formalization and standardization. By doing that, the Tax Administration could become the adaptable organization it desires to be. At the same time, the Tax Administration must remain stable, predictable, transparent and efficient. The question is: how to unite these conflicting concepts? For example, does the Tax Administration need to decentralize more to reach a good form of adaptability, or would that conflict with the value of transparency? Another organizational question is on which level the Tax Administration needs to enhance its adaptability: on the organizational level, team level, or individual level?

Concerning the **market aspect**, it is commonly agreed that society must be served by the Dutch Tax Administration. For the Tax Administration, society consists of citizens and companies, who are represented by politics. With that, a question arises: who is the client of the Tax Administration? The main clients are citizens and companies, but it is democratically decided that those groups are represented by the Parliament and Cabinet. So, to who may the Tax Administration listen? The desires of citizens and companies, who, for example, request a convenient and easy approach to filling tax returns and want more personal contact with the Tax Administration? Or, does the Tax Administration need to listen to politics, who request immediate change when new policy has been approved and who demand sufficient and suitable enforcement of taxation legislation?

Regarding the **technological aspect** of adaptability, the question is how important ICT is for the Dutch Tax Administration. Is an advanced, sophisticated ICT-system necessary to become an adaptable organization? Or is a simple, stable ICT-system sufficient, or maybe even better?

4 Qualitative research: interviews with key players of the Dutch Tax Administration

For this chapter, six key players of the Dutch Tax Administration, all around the level of director, have been interviewed. The goal of these interviews was to obtain a general overview of what Tax Administration key players' perspectives were regarding adaptability, to acquire input for the Q-study in chapter 5 and to answer the research questions.

In this chapter, the interview set-up is explained first. Then, four sub-chapters follow, containing perspectives and analyses the key players provided us with during the interviews. To assure anonymity of the key players, no more information about the interviewees is provided.

4.1 Interview procedure

The six interviewees have been selected and contacted by the Dutch Tax Administration, in agreement with the researchers of Delft University of Technology. Requirements of the interviewees were that they were high-functioning officials at the Dutch Tax Administration (or the Ministry of Finance, but in that case closely connected to the Tax Administration). The interviewees were required to have multiple years of experience within the Tax Administration, and preferably had experience within other governmental executive agencies.

Three to seven days before the interview took place, the interviewees received a document with an explanation of the research, along with an overview of questions the interviewees could expect at the interview. This afforded the interviewees the opportunity to prepare thoroughly for the interview. The questions were derived from literature research and from informal conversations with employees of the Dutch Tax Administration. A translated overview of the questions that the interviewees received, is provided below.

1. How do you define adaptability? Are there differences within the Tax Administration on what adaptability means?
2. We contrast adaptability with stability. Both values have a positive connotation, but can be in conflict. Do you recognize this conflict? Can you provide examples?

3. According to your perspective, which parts of the Tax Administration have already achieved a good balance between adaptability and stability? Where do you see challenges, at various levels:
    a. Political level (society, politics);
    b. Administrative level (Ministry of Finance, other ministries);
    c. Organizational level (departments);
    d. Individual level (persons, leadership).
4. You used to work for similar organizations. What are the differences and similarities between the Dutch Tax Administration and the organizations you have worked for? What could the Tax Administration learn from those organizations, and vice versa? (Both questions with a focus on adaptability and future-proofness.)

The interviews were conducted in an open format, with the questions shown above serving as a guideline for the interview. All six interviews were conducted online, using Microsoft Teams or Webex. At the start of every interview, the researchers made clear that the interview would be processed anonymously. The interviewees were then asked for their consent to record the interview for reporting purposes. All six interviewees agreed on this.

At all interviews, one junior researcher and one or more senior researchers of Delft University of Technology were present. The senior researcher(s) had the role of asking the main questions, while the junior researcher took care of reporting the interview, and had the possibility to follow up on questions. All interviews lasted between 30 to 60 minutes.

Three to ten days after the interviews were conducted, the interviewees were provided with an interview report and asked to review it and indicate their agreement with its contents. All respondents agreed with the contents of their respective interview reports.

4.2 Meaning of adaptability

During the series of interviews, a diverse range of opinions regarding the meaning of adaptability emerged. The first key player, labeled as (KP1) (see Appendix C), states that “when discussing adaptability, it is essential that the Tax Authority is capable of accommodating political-societal demands more effectively and swiftly in the long run”. In the interviewees opinion, being adaptable is democratically important as well. If there is a democratic desire to change a certain taxation law, it must not be the situation that altering that law could take up to

10 years. In contrast to (KP1), the second interviewee (KP2) challenged the notion of adaptability as a primary competence for the Tax Administration. Interviewee (KP2) stated that adaptability sounds as a “nice and trendy” concept, but that “upon closer examination, it becomes evident that adaptability should not be the primary competence of the Tax Administration”. The interviewee expressed the belief that the existence of the Tax Administration relies on the fact that the Tax Administration is a robust and reliable agency, which stands in contrast to adaptability. The interviewee argues that the Tax Administration must not at all desire to be adaptable, or that at least “adaptability” is not the right word. It is claimed, however, that the Tax Administration must listen better to citizens, companies and politics, and that the Tax Administration must respond better to what is asked from the agency. In (KP2)’s opinion, this would make the Tax Administration a serviceable or executing agency, not an adaptable agency. The third interviewee (KP3) highlighted the significance of having adaptable personnel within the Tax Administration. In (KP3)’s words, the Tax Administration “faces a challenge in terms of the personnel situation”. The interviewee expresses the belief that “there is a inadequate composition within the personnel structure” and that the “employee base exhibits a substantial aging demographic”. The interviewee (KP3) also states that it is important that the Tax Administration pays attention to the profiles of their employees and the exact knowledge that these employees possess, because tax inspectors that have extensive knowledge about, for example, corporation taxes, do normally not have any major knowledge about, for example, turnover taxes. If, due to internal or external circumstances, more tax inspectors are required on corporation taxes and less employees are required on turnover taxes, it is not easy to adapt to this: educating a professional tax inspector from one specialty to the other specialty could take up to five years. This could raise the question if tax inspectors and other employees need to undergo a specific or a more general education. Furthermore, it raises questions about whether employees and departments are capable of swiftly adapting to changing circumstances. According to the fourth interviewee (KP4), “adaptability entails the ability to rapidly interpret and adapt to changes occurring in the environment”. The fifth interviewee (KP5) mentioned that “adaptability refers to the capacity to align one’s vision, strategy and desired objectives”. In other words, how adaptable is the organization in order to achieve its objectives, and to keep achieving its objectives?

4.3 Organizational levels of adaptability

In the interviews, questions regarding the balance between adaptability and stability on the political, administrative, organizational and individual level were asked. One general main take-away was that the Tax Administration has multiple clients, and even though most key players agree on the assertion that the main client is an actor in politics, not all key players know or agree on what the exact main client of the Tax Administration is. According to first interviewee (KP1), “the clients of the Tax Authority essentially consist of all the government departments located in The Hague”. According to (KP1), two ministries are dominant: the Ministry of Finance, in particular the Directorate-General of Tax Affairs, and the Ministry of Social Affairs and Employment. Another interviewee (KP3) emphasizes that “our legislator, the Directorate-General for Tax Affairs, also serves as our client”. This interviewee believed that the Directorate-General of Tax Affairs needs to actively assess the necessary actions for the Tax Administration to remain a viable organization and to assure national tax income in the next 5 to 10 years. Another interviewee (KP2) reported that the Tax Administration needs to serve citizens and companies. The interviewee proposed three service levels: politics being the highest level, which means that the Tax Administration has a societal duty, followed by 8 or 9 clients on the second service level, such as the Ministry of Societal Affairs and Employment, the Ministry of Finance, and the National Road Traffic Service (RDW). The third level refers to the operational execution of assignments, exemplified by the Director-General of Fiscal Affairs. This interviewee also argued that adaptability is about the highest level of service, which is serving politics.

The viewpoints from the interviewees (KP1, KP2 and KP3) raise questions about who the actual client of the Dutch Tax Administration is. Is it politics, ministries, directorate-generals, or citizens and companies? Do any of these actors need to assume a more apparent client-role towards the Tax Administration? Do the actors, regardless of who the actual client is, expect the Tax Administration to be adaptable to their desires? And, in what way could the four levels of possible clients collaborate?

The third interviewee (KP3) also mentioned a past incident known as Vinkenslag, which occurred approximately 18 years ago. In Vinkenslag, which is a trailer park located near Maastricht, residents only paid 3% taxes on their profits, instead of the maximum rate of 52%, leading to social unrest. As a result of subsequent decisions and statements made by judges and politicians, contra legem agreements between the Tax Administration and citizens and companies were almost not allowed anymore. Nowadays, the ability of employees and departments of the Tax Administration to make personal arrangements, and to make decisions autonomously, could be seen as a form of adaptability. This leads to the question if employees of the Tax Administration need to have more autonomy in decision-making. Or, taking it one level higher, if departments within the Tax Administration need to have more autonomy in decision-making.

Another interviewee (KP4) stressed that “adaptability is essential [..] in order to effectively assist citizens and companies”. According to (KP4), the Tax Administration should be able to fulfill society’s expectations and needs, although (KP4) argued that “the direct client is within the Ministry, politics”. Furthermore, an interviewee (KP5) highlighted the importance of aligning the political level, administrative level, organizational level and the individual level, which is considered a significant challenge. The interviewee emphasizes the need for connection, transparency, and discussion on this matter. The interviewee mentions, in addition, that citizens and companies must be the focus groups: the Tax Administration needs to focus on those groups, not on the employees themselves. Lastly, one interviewee (KP6) mentioned that the Tax Administration has traditionally operated as a top-down organization driven by management dynamics. The interviewee argued for the implementation of an engineering culture that places professionals at the center of the agency, rather than the managers. Managers must assume a more facilitating role, instead of a decision-making role, allowing professionals to determine the preferred approach to solve problems. According to this interviewee, the goal must be to refocus on the core professional expertise, thereby becoming an attractive employer for new employees.

4.4 Challenges and trade-offs associated with adaptability

During the interviews, different perspectives on challenges and trade-offs that are associated with adaptability emerged. One interviewee (KP1) highlighted the inherent complexity of the Dutch taxation system, suggesting that this complexity could hinder the ability to be adaptable. The Tax Administration was described as an organization that was not designed complex, but that has grown in complexity over time, possibly impacting its adaptability. This raises the question of how low the adaptability of the Tax Administration is at this point in time, or in other words, how adaptable the Tax Administration is. The same interviewee (KP1) pointed out that certain departments within the Ministry of Finance may prioritize stability over adaptability. It was noted that companies in the Netherlands appreciate the predictability of the

Dutch business climate. According to that, stability and predictability could be seen as probable trade-offs of adaptability. Another interviewee (KP2) argued that adaptability is in contrast with reliability, and that adaptability is in contrast with the ability to be a robust, stable organization that inspires confidence. This last trade-off is stated to be impossible to balance: the interviewee believes that the Tax Administration could be adaptable on one side, or could be robust and stable on the other. These two interviewees (KP1 and KP2) both reported that they associate the word “adaptability” with fluid, small organizations, such as start-ups. This raised the question whether the Tax Administration, not perceived as a fluid or small organization, should even be associated with adaptability.

Addressing the challenges faced by the Tax Administration, another interviewee (KP3) emphasized the need for remedial actions. Employee shortages due to an aging workforce and the impact of attractive exit arrangements in 2015, technical lag in ICT-systems, and social unrest caused by multiple factors were cited as examples of these challenges. The interviewee argued that the accumulated workload of remedial actions and daily operational business, and decreased thinking ability due to the challenges could negatively impact the Tax Administration’s adaptability and its ability to become a future-proof organization. According to another interviewee (KP4), adaptability is in contrast with rigidity. The interviewee states the following: adaptability and stability are “somewhat less in opposition to each other. What I do find in opposition to each other, which is somewhat related to it, is a certain rigidity, working within boundaries, limited space, and a focus on structure”. In the interviewee’s perspective, adaptability and stability are not inherently incompatible, as the implementation of agile working methods within stable teams could make certain departments adaptable, while preserving team stability. Rigidity, on the other hand, is stated to be in contrast with adaptability, because rigidity entails working within frameworks, includes limited flexibility and has a focus on structure. The interviewee argues that issues that are not yet adequately resolved, could be the cause of this rigidity and that due to these unresolved issues, the desire for control increases in many forms. It is also stated that the number of frameworks and the desire for control have increased over time. The interviewee’s statements raise the question whether rigidity and the increased desire for control affect the agency’s ability to be adaptable, and whether increased adaptability would affect the increased desire for control. Another interviewee (KP5) offered a different perspective on stability. The interviewee stated the following: “I actually interpret stability in relation to the ongoing mission that we have. It means being able to fulfill that mission both in the present and in the future, while maintaining public support. Therefore, for me, stability is not synonymous with rigidity, inflexibility, steadfastness, but rather the ability to sustain oneself over time and continue providing the intended value for which one was established.” The interviewee also states that a stable organization probably needs adaptability, comparing it to a shock-resistant skyscraper that is very stable, because it has the ability to adapt to certain shocks. The interviewee states that rigidity or even autarky may be more suitable as a contrast to adaptability. The sixth interviewee (KP6) is also not sure if adaptability is in contrast with stability. This interviewee says to believe that “adaptability and stability can coexist effectively, provided that there is a solid underlying architecture. Therefore, having a robust service-oriented setup is a prerequisite for achieving that.”

4.5 Other perspectives and analyses of key players

During the conversations with the interviewees, various other perspectives regarding adaptability were discussed. One interviewee (KP2) shared their experience of working at another Dutch governmental executive agency during the COVID-19 pandemic. The interviewee emphasized that the other Dutch agency was extremely adaptable to circumstances, and that special COVID-19 political measures were implemented in a very short time-period. This raises the question whether the Tax Administration possesses a similar level of adaptability. Another interviewee (KP1) highlighted that employees of the Tax Administration use the term “impact” when referring to the introduction of new plans or legislation by politicians. An “impact” means that there is a “closed system and a plan, and there are various aspirations. However, an impact emerges from The Hague. They want something from me again” (KP1). This raised the question to which extent the Tax Administration needs to immediately adjust to what politics desire, and whether politics take the client-role towards the Tax Administration in an effective and clear manner.

A topic of discussion was the “governmental triad”, which divides stakeholders into owner, client and executor (Dutch: resp. eigenaar, opdrachtgever, opdrachtnemer). One interviewee (KP1) mentioned that a few years ago, internal structural changes were needed within the Tax Administration. The interviewee pointed out two important recommendations of the governmental report by the Borstlap-Joustra committee (Wiebes & Dijsselbloem, 2017). The first recommendation aimed to enhance the internal structure of the Tax Administration and ensure that everyone within the organization obtained knowledge about the structure of the line-organization of the Tax Administration. The second recommendation was that the Tax

Administration needs to integrate the model of owner, client and executor. According to the interviewee, this indicated that the Tax Administration had not been operating under that model at the time. Additionally, the recommendation implied that the Directorate-General for Taxation Affairs needed to expand its portfolio by taking on the client-role towards the Tax Administration, in addition to its existing legislative functions.

The third interviewee (KP3) stated that “investments are made in specific departments to innovate and streamline processes”. With that, the interviewee wants to nuance the notion that the Tax Administration as a whole is not future-proof or adaptable. Interviewee (KP5) expressed the belief that as a key player, the interviewee is not the most significant person within the department, but is rather a part of it. The interviewee emphasized the importance of minimizing hierarchical structures and ego-driven behavior. Instead, the focus must be on collaborative work, value addition, and making a difference, regardless of the team or department one belongs to.

5 Mixed research: the Q-methodology

In this chapter, the Q-methodology (or Q-study) is introduced and conducted as a research method, in order to eventually address the research questions. First, a short history and a general overview of the Q-methodology are presented, followed by an explanation of why the Q-methodology is a suitable method to answer the research questions. Subsequently, a description of the used method to acquire the right respondents of the Q-study is given, followed by the Q-set and its rationale. Subsequently, the procedure regarding sortation of the Q-set is explained. Lastly, the statistical analysis employed to evaluate the Q-matrix is outlined and the most important factors are specified, along with an explanation of the categorization of respondents within these factors.

5.1 Overview of the Q-methodology

The Q-methodology was first developed by British psychologist William Stephenson in the 1930s as a method to study human subjectivity. Initially, the Q-methodology was used to study individual subjectivity in fields such as psychology and sociology. Over time Q-methodology has been improved, and researchers began to use it in a variety of research areas. In the past decades, Q-methodology has been used in numerous academic articles regarding the public domain, politics and organizations (e.g. Durning & Osuna, 1994; Ellis et al., 2007; Popovich & Popovich, 2000).

Today, Q-methodology is known as a research methodology that aims to investigate subjective perspectives of individuals regarding a particular topic. The methodology consists of a framework for studying subjectivity by combining qualitative and quantitative techniques. The core of the Q-methodology involves the use of a structured sorting process of typically 20 to 60 carefully selected statements, known as the “Q-set”. The Q-set is sorted in one-on-one interviews, which is referred to as the “Q-interview”. In a typical Q-study, 20 to 100 respondents are interviewed. The interviewees (or respondents) individually rank the statements on a predefined grid, known as the “Q-sorting grid”, based on their subjective agreement or disagreement with the particular statements. The obtained numerical data from the sorting process is then subjected to a statistical analysis, typically a factor analysis, to identify certain clusters of viewpoints. During the Q-interview, the researcher is expected to ask the interviewee questions regarding certain choices and prioritizations that are made. By integrating the insights from the factor analysis, individual profiles and contextual information obtained in the interview, Q-methodology allows for identification of distinct perceptual profiles within the group of interviewees.

5.2 The Q-methodology applied to the Dutch Tax Administration

This chapter first explains why the Q-methodology is suitable as a research method to answer the research questions of this contribution. Subsequently, the selection of respondents, the Q-set and the interview procedure are described.

5.2.1 Why the Q-methodology is a suitable research method

The main research questions of this study are formulated as follows:

"What are the main challenges associated with adaptability within governmental executive agencies?" and *"What strategy can be employed by governmental executive agencies to cope with those challenges?"*

The Dutch Tax Administration has been selected as the case study for this contribution, making it necessary to acquire internal information coming from the Tax Administration regarding challenges and strategies employed to cope with those challenges. Considering that the Tax Administration has 27.171 full-time equivalent (fte) employees, distributed across more than 20 organizational chains and directorates, a diverse range of perspectives regarding adaptability may exist within the organization. This makes Q-study an appropriate methodology, as it enables the exploration of subjective viewpoints and perspectives within large organizations.

Furthermore, challenges and strategies related to adaptability within organizations could be considered complex, and solely quantifying the obtained viewpoints may overlook this complexity. A key advantage of employing a Q-study is the ability to gather qualitative contextual information, which contributes to a deeper understanding of the employees' viewpoints on adaptability. This contextual information offers valuable insights to ultimately answer the research questions.

5.2.2 Respondents

In the selection process of participants of the Q-study, specific criteria were considered. To start, a strict criterion was that the respondent must be employed at either the Dutch Tax

Administration or the Dutch Ministry of Finance, with the additional requirement that their daily work had to be affiliated with the Tax Administration in the latter case. Then, focus was on obtaining a respondent group that would represent the entire Tax Administration. Again, given that the Tax Administration has 27.171 (fte) employees, distributed across more than 20 organizational chains and directorates, achieving a comprehensive representation of the entire Tax Administration was perceived to be challenging. Subsequently, focus was on gathering respondents of diverse ages, backgrounds, job functions and years of experience within the Tax Administration, aiming to capture a broad spectrum of perspectives from the entire workforce. The availability of respondents was also taken into consideration. To ensure an adequate sample size, a total of 36 individuals were invited to participate in the Q-study, ultimately resulting in the participation of 24 respondents. Within the Dutch Tax Administration, 3 domains and 22 departments can be distinguished (see Figure 4). All three domains were represented in the Q-interviews, and of the 22 departments, 12 departments were represented (see Appendix B.4).

5.2.3 Q-set

In Table 2, the Q-set consisting of 25 statements is shown. The statements have been constructed carefully, ensuring that the group of statements entails a broad variety of subjects on adaptivity within the Dutch Tax Administration. In the table, the first column shows the statement number, the second column presents the English translation of the statement, the third column consists of the original Dutch statement which was used in the Q-interviews, and the fourth column provides a reference to the corresponding chapter, indicating the rationale behind the inclusion of each specific statement within the Q-set. All statements in the Q-set have been based on literature research (see chapter 3) and/or the interviews with the key players of the Dutch Tax Administration (see chapter 4).

Statement number	**Translated English statement**	**Original Dutch statement**	**Rationale behind statement**
1	For me, adaptability means adjusting to politics.	Voor mij betekent wendbaarheid: aanpassen aan de politiek.	Chapter 3.5 and 3.6 (market aspect), chapter 4.5 (KP1)

2	For me, adaptability means adjusting to citizens and businesses.	Voor mij betekent wendbaarheid: aanpassen aan burgers & bedrijven.	Chapter 3.5 and 3.6 (market aspect), chapter 4.3 (KP4)
3	For me, adaptability means the ability to quickly implement legislation.	Voor mij betekent wendbaarheid: snel kunnen implementeren van wetgeving.	Chapter 3.5 and 3.6 (organizational aspect)
4	For me, adaptability means being innovative and creative, having the ability to develop and implement new ideas.	Voor mij betekent wendbaarheid: innovatief en creatief kunnen zijn, het vermogen hebben om zelf nieuwe ideeën te ontwikkelen en te implementeren.	Chapter 3.5 and 3.6 (organizational aspect)
5	For me, adaptability means applying flexible working methods, such as using the 'agile' working method.	Voor mij betekent wendbaarheid: flexibele werkmethodes toepassen, zoals 'agile' werken.	Chapter 3.5 and 3.6 (organizational aspect), chapter 4.4 (KP4)
6	If the Tax Administration focuses more on adaptability, it comes at the expense of external control.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van externe controle.	Chapter 4.4 (KP4)
7	If the Tax Administration focuses more on adaptability, it comes at the expense of predictability of outcomes.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van voorspelbaarheid van uitkomsten.	Chapter 3.5 and 3.6 (organizational aspect)

8	If the Tax Administration focuses more on adaptability, it comes at the expense of transparency of working methods.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van transparantie van werkwijze.	Chapter 3.5 and 3.6 (organizational aspect)
9	If the Tax Administration focuses more on adaptability, it comes at the expense of efficiency.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van efficiëntie.	Chapter 3.5 and 3.6 (organizational aspect)
10	If the Tax Administration focuses more on adaptability, it comes at the expense of internal control.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van interne controle.	Chapter 4.4 (KP4)
11	If the Tax Administration focuses more on adaptability, it comes at the expense of collaboration between departments.	Indien de Belastingdienst inzet op meer wendbaarheid, gaat dat ten koste van samenwerking tussen afdelingen.	Chapter 3.5 and 3.6 (organizational aspect)
12	It is important that the Tax Administration is adaptable.	Het is belangrijk dat de Belastingdienst wendbaar is.	Chapter 4.2 (KP1)
13	The Tax Administration is already quite adaptable.	De Belastingdienst is al behoorlijk wendbaar.	Chapter 4.4 (KP1)
14	My department is capable of (having) a change implemented quickly and in the correct manner.	Mijn afdeling is in staat om een verandering snel en op een juiste manier te (laten) implementeren.	Chapter 4.2 (KP3)

15	The Tax Administration needs to become adaptable because society requires that.	De Belastingdienst moet wendbaar worden omdat de maatschappij dat nodig heeft.	Chapter 3.5 and 3.6 (market aspect), chapter 4.3 (KP1, KP2 and KP3)
16	The Tax Administration needs to become adaptable because politics expect that.	De Belastingdienst moet wendbaar worden omdat de politiek dat verwacht.	Chapter 3.5 and 3.6 (market aspect), chapter 4.3 (KP1, KP2 and KP3)
17	An adaptable Tax Administration is important because citizens and business expect that.	Een wendbare Belastingdienst is belangrijk omdat burgers en bedrijven dat verwachten.	Chapter 3.5 and 3.6 (market aspect), chapter 4.3 (KP1, KP2 and KP3)
18	Many employees within the Tax Administration are able to quickly switch to a different way of working.	Veel werknemers binnen de Belastingdienst zijn in staat snel op een andere manier te gaan werken.	Chapter 4.2 (KP3)
19	Adaptability requires politics to fulfill the client-role in a clearer way.	Wendbaarheid vergt duidelijker opdrachtgeverschap vanuit de politiek.	Chapter 4.3 (KP1, KP2 and KP3) and 4.5 (KP1)
20	Adaptability requires more autonomy from employees.	Wendbaarheid vergt meer autonomie van medewerkers.	Chapter 4.3 (KP3)
21	Adaptability requires more autonomy from departments.	Wendbaarheid vergt meer autonomie van afdelingen.	Chapter 4.3 (KP3)
22	Adaptability requires more centralization.	Wendbaarheid vergt meer centralisatie.	Chapter 3.5 and 3.6 (organizational aspect)
23	Adaptability requires employees with a more generalized education.	Wendbaarheid vergt generalistisch opgeleide medewerkers.	Chapter 4.2 (KP3)

24	Adaptability requires more advanced ICT.	Wendbaarheid vergt geavanceerdere ICT.	Chapter 3.5 and 3.6 (technological aspect)
25	Adaptability requires more intensive collaboration between owner, client and contractor.	Wendbaarheid vergt intensievere samenwerking tussen eigenaar, opdrachtgever en opdrachtnemer.	Chapter 4.3 (KP1, KP2 and KP3)

Table 2: The Q-set which was used in the Q-interviews

5.2.4 Interview procedure

All 24 interviews followed the same interview procedure, which is described below. Of the 24 interviews, 16 interviews have been conducted face-to-face, and 8 interviews have been conducted online. To allow the interviewees to sort the Q-set in the offline interviews, physical cards made of hard paper were utilized, with each card containing a single statement, while an A0-format hard paper was employed to display the Q-grid as depicted in Figure 6. To allow the interviewees to sort the Q-set in the online interviews, a digital collaboration platform called "Miro" has been used. Throughout the interview procedure, efforts were made to minimize differences in the interview circumstances. Any significant differences between the offline and online versions of the interview protocol are explicitly addressed below.

For all 24 interviews, the following interview procedure has been followed:

1. **Start of the interview**
   The researcher introduces themselves and provides the interviewee with background about the research. The interview procedure is explained and the researcher asks the interviewee if preliminary questions need to be answered. This part takes approximately 5 minutes.
2. **Introduction of the interviewee**
   The researcher asks the interviewee additional questions regarding their function, experience and responsibilities. For this part, 10 minutes are scheduled.
3. **First distinction of the Q-set**
   The interviewee is asked to
   a. offline: take place behind the A0-format paper and the cards with statements.

b. online: make an account on Miro, which takes approximately two minutes. The researchers explains the basic controls of Miro, which also takes approximately two minutes.

Then, the Q-set is presented to the interviewee, who is asked to make a distinction of statements into three categories: agree, agree/disagree and disagree. Whilst the interviewee is sorting the statements, the interviewee is asked to talk about their considerations. The researchers asks additional questions about particular choices the interviewee makes. This part takes approximately 15 to 20 minutes.

4. **Assignment of the Q-set to the boxes in the Q-grid**

The interviewee is asked to use the first distinction of statements, made in the previous step, to put the cards in the boxes on the Q-grid. Again, the interviewee is asked to think out loud, and the researchers asks additional questions about choices the interviewee makes. For this part, approximately 15 minutes are scheduled.

5. **End of the interview**

The researcher asks if the interviewee agrees with the sortation of the statements, and stresses that it is still allowed to make changes. When the interviewee indicates that he/she agrees with the distinction of statements, the interview is over. The interviewee is thanked for their cooperation, and the researcher takes a

a. offline: photo of the sorted statements on the Q-grid
b. online: screenshot of the sorted statements on the Q-grid

and saves it.

Hereafter, the distribution of statements is processed in Excel and SPSS to conduct a statistical analysis, which is explained in chapter 5.3.

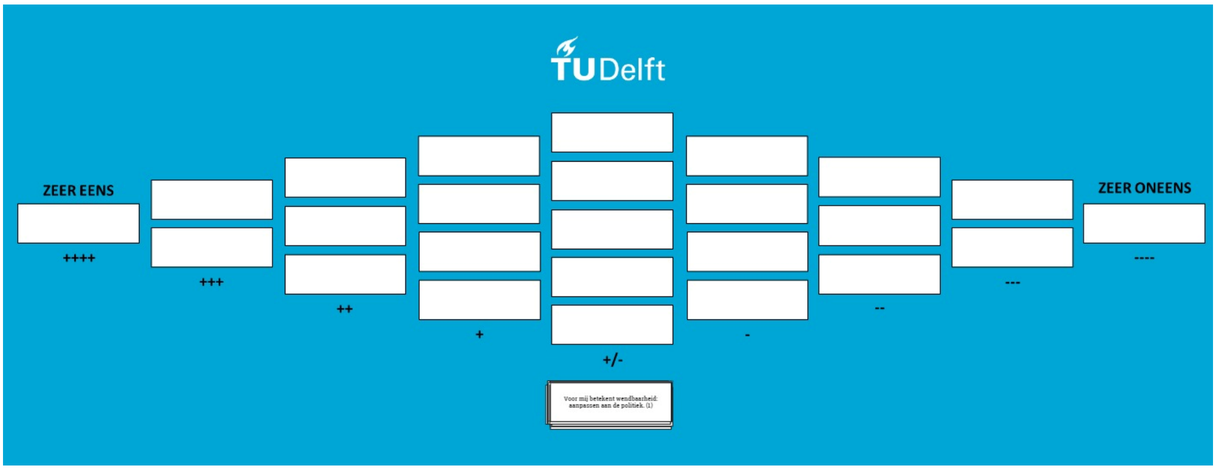

Figure 6: The Q-sorting grid which was used in the Q-interviews (in Dutch)

5.3 Statistical analysis of the Q-matrix

This chapter explains the statistical analysis performed on the collected quantitative data of the Q-study and describes the analytical choices that were made. The analysis generates several perceptual profiles, which are presented in chapter 6.

All raw quantitative Q-study data is presented in Appendix A.1 without any preprocessing. This Q-matrix comprises the scores assigned to each statement by each respondent. The coding scheme ranges from +4 to -4, where:

- +4 represents a response of “strongly agree”, aligning with the left side of Figure 6;
- 0 represents a response of “agree/disagree”, aligning with the center of Figure 6;
- -4 represents a response of “strongly disagree”, aligning with the right side of Figure 6.

The Q-matrix was analyzed using SPSS software. A factor analysis was conducted, employing the Principal Factors method. Appendix A.2 displays the resulting covariance matrix, presenting the variances of statements and covariances between statements. Subsequently, Appendix A.3 presents the standardized correlation matrix. Following that, Appendix A.4 contains a table showing all significant factors, along with their respective explained variances. The Eigenvalue (Kaiser-Guttman) criterion was utilized to determine the significance of factors, considering factors with an eigenvalue greater than 1 as significant. The loading of statements on factors is presented in the factor matrix shown in Appendix A.5. To improve interpretability and minimize cross-loadings, the factor matrix was rotated using the Varimax method. The rotated factor matrix with factors with an eigenvalue greater than 1, is presented in Appendix A.6. It displays the rotated loadings of statements on the factors. In order to obtain a clear overview, loadings with an absolute value below 0.3, which are considered to be weak, have been suppressed in the rotated factor matrix.

The tables in the appendices reveal ten relevant factors identified in this Q-study. However, as visible in Appendix A.6, factors 5 to 10 exhibit many cross-loadings with the first four factors. Moreover, specific factors consist of no more than three statements. Consequently, in order to address these issues, the four most important factors, which collectively explain 49% of the total variance (see Appendix A.4), are rotated again, while exclusively considering these four factors. This results in a new rotated factor matrix, shown in Appendix A.7. Upon analyzing this matrix, it becomes notable that most of the statements in the fourth factor include cross-loadings with other factors, lacking a distinct set of statements exclusive to itself. Therefore, the fourth factor is also eliminated, resulting in a further investigation of only the three most important factors, which together explain 41% of the total variance (see Appendix A.4). To facilitate the interpretation of these three primary factors, the factor matrix is once again rotated, focusing solely on the three key factors. The new rotated factor matrix is presented in Appendix A.8, with loadings with an absolute value below 0.30 suppressed to provide a clear overview.

5.4 Assigning respondents to the factors

Now that the three most important factors have been determined, respondents are assigned to these factors. Appendix B.1 displays all the loadings of respondents on the factors. The distribution of respondents to specific profiles is conducted using the Highest Factor Loading method, which assigns respondents to the factor that exhibits the strongest association with their responses. In Appendix B.2, the highest factor loading for each respondent is highlighted in grey, while the other loadings are suppressed. Respondent 2, 8, 11, 18, 20, 23 and 24 had a highest loading that was below 0.30. These loadings are also suppressed, as loadings below 0.30 indicate a weak, or even a negative association with the corresponding factor.

The three factors, along with their corresponding statements shown in Table 3, 4 and 5, are combined with the respondents who exhibit the highest loading on each factor, as presented in Appendix B.2. These combinations result in profiles that are further explained and interpreted in Chapter 6.

6 Results of the Q-methodology

This chapter describes three profiles, obtained from the statistical analysis of quantitative data acquired from the Q-study, which is explained in chapter 5.3 and 5.4. After explanation of the three profiles, the profiles are compared to each other. Lastly, recommendations for the Dutch Tax Administration emerging from the results of the Q-study are presented.

6.1 Profiles

The three profiles which were obtained in the Q-study are described in this chapter. The three distinct profiles are identified as follows:

Profile 1: Adaptability by Command;

Profile 2: Embracing the Status Quo;

Profile 3: Balancing Society's Expectations.

Table 3, 4 and 5 present the three most important factors along with the statements assigned to them. Additionally, the loadings of statements on each factor are shown. In these tables, statements loading positively on a factor are highlighted in green, while statements scoring negatively on a factor are highlighted in red. Statements are assigned to a factor if their absolute loading exceeds 0.30 (see Appendix A.8). Statement 12 and 15 do not have an absolute loading greater than 0.30 on any factor and, therefore, are not assigned to any factor. Within the texts explaining the profiles, references have been made to both the statements which exhibit specific loadings on factors, and the comments provided by the respondents during the interviews. Within these references, the utilization of the letter "S" followed by a number denotes the overall statement number, while the subsequent number represents the loading of the statement on the factor under consideration. Similarly, the letter "R" followed by a number denotes the specific respondent referred to, whereas the subsequent number represents the loading of the respondent on the respective factor. The conversation reports of the interviews with the respondents of the Q-study can be found in Appendix D.

6.1.1 Profile 1: Adaptability by Command

Nine respondents exhibit a rotated loading value exceeding 0.30 on this factor (see Appendix B.2), of which six respondents have been interviewed offline, and three respondents have been interviewed online (see Appendix D). Table 3 displays the statements that possess an absolute loading value higher than 0.30 on this factor.

Factor 1		
Statement number	**Statement**	**Loading**
11	If the Tax Administration focuses more on adaptability, it comes at the expense of collaboration between departments.	+0.72
24	Adaptability requires more advanced ICT.	+0.58
8	If the Tax Administration focuses more on adaptability, it comes at the expense of transparency of working methods.	+0.56
16	The Tax Administration needs to become adaptable because politics expects that.	+0.51
3	For me, adaptability means the ability to quickly implement legislation.	+0.50
22	Adaptability requires more centralization.	+0.50
2	For me, adaptability means adjusting to citizens and businesses.	-0.31
13	The Tax Administration is already quite adaptable.	-0.36
21	Adaptability requires more autonomy from departments.	-0.52
9	If the Tax Administration focuses more on adaptability, it comes at the expense of efficiency.	-0.55
4	For me, adaptability means being innovative and creative, having the ability to develop and implement new ideas.	-0.57
20	Adaptability requires more autonomy from employees.	-0.74

Table 3: The statements associated with factor 1

The first profile has a focus on centralization (S22, +0.50, see Table 3) hierarchy (S20, -0.74; S21, -0.52) and politics (S2, -0.31; S3, +0.50; S16, +0.51). Respondents that score high on this factor hold the belief that the Tax Administration currently lacks adaptability (S13; -0.36). According to their perspective, adaptability relates to swiftly implementing new legislation (S3, +0.50), rather than granting greater autonomy to employees lower in the organization (S20, -0.74; S21, -0.52), or encouraging individuals or departments to be innovative themselves (S4, -0.57). On average, they propose that enhanced adaptability can be achieved through increased centralization (S22, +0.50) and a greater focus on advanced ICT (S24, +0.58).

The respondents associated with this factor are typically employees that focus on the agency's strategy, specifically directors (R6, +1.13; R22, +1.34), see Appendix B.2 and Appendix D), managers (R12, +1.21; R17, +0.90; R19, +0.64), and employees providing advisory support to these positions (R1, +0.60). On average, employees that load high on this factor have been employed by the Tax Administration for a minimum of 10 years (R1, +0.60; R4, +0.90; R12, +1.21; R14, +1.86; R19, +0.64; R22, +1.34). These individuals focus on addressing the needs of the highest-ranking directors within the Tax Administration (R1, +0.60; R6, +1.13; R19, +0.64; R22, +1.34), and a part of these employees engages with politicians as part of their daily work (R6, +1.13; R22, +1.34). A minor trend can be observed concerning the specific domain (execution, policy-setting, support, see Figure 4) in which the respondents are employed (see Appendix B.4). Among the six respondents involved in policy-setting domain, four are associated with Factor 1. Additionally, three respondents are involved in execution, while two are employed at the Ministry of Finance. Consequently, a minor trend emerges, with the majority of respondents engaged in policy-setting being affiliated with Factor 1.

According to the viewpoints expressed by the respondents exhibiting a high loading on this factor, the agency works by order of politics (R4, +0.90; R6, +1.13; R12, +1.21; R19, +0.64). Respondents emphasize that the Tax Administration is an executive organization (R19, +0.64; R22, +1.34), that political decisions determine the tasks carried out by the Tax Administration (R4, +0.90; R14, +1.86; R19, +0.64), and that the Tax Administration is not an entity that generates ideas or formulates policies (R19, +0.64). In summary, these statements indicate that respondents associated with this factor demonstrate a formalistic perspective regarding the client-role dynamics between politics and the Tax Administration. They perceive the Tax Administration as an executive organization mandated to carry out assigned tasks.

6.1.2 Profile 2: Embracing the Status Quo

Four respondents possess a rotated loading of 0.30 or higher for this specific factor (see Appendix B.2), of which three respondents have been interviewed offline, and one respondent has been interviewed online (see Appendix D). Table 4 shows the statements that have an absolute loading value higher than 0.30 on this factor.

Factor 2		
Statement number	**Statement**	**Loading**
5	For me, adaptability means applying flexible working methods, such as using the 'agile' working method.	+0.68
10	If the Tax Administration focuses more on adaptability, it comes at the expense of internal control.	+0.68
6	If the Tax Administration focuses more on adaptability, it comes at the expense of external control.	+0.65
8	If the Tax Administration focuses more on adaptability, it comes at the expense of transparency of working methods.	+0.61
17	An adaptable Tax Administration is important because citizens and business expect that.	+0.33
3	For me, adaptability means the ability to quickly implement legislation.	-0.30
12	It is important that the Tax Administration is adaptable.	-0.31
13	The Tax Administration is already quite adaptable.	-0.42
22	Adaptability requires more centralization.	-0.43
18	Many employees within the Tax Administration are able to quickly switch to a different way of working.	-0.50
23	Adaptability requires employees with a more generalized education.	-0.63

Table 4: The statements associated with factor 2

Respondents exhibiting high scores on the second factor believe that the Tax Administration is not adaptable (S13, -0.42, see Table 4) nor do they consider adaptability as a necessity for the agency (S12, -0.31). According to these respondents, enhancing the Tax Administration's adaptability would compromise internal control (S10, +0.68), external control (S6, +0.65), and transparency (S8, +0.61). One dimension that the respondents loading high on this profile share, is the focus on decentralization. Agile working methods are mentioned as the most important mean to become an adaptable organization (S5, +0.68), it is stated that adaptability does not require more centralization (S22, -0.43) and respondents strongly disagree with the statement that adaptability requires employees to undergo a more generalized education (S23, -0.63).

Typically, the respondents associated with this factor hold positions as strategic advisors (R10, +0.77; R13, +2.65; R15, +1.54) and/or work at the Ministry of Finance (R13, +2.65; R15, +1.54), rather than directly within the Tax Administration. While one respondent has been working for the Tax Administration for less than 5 years (R5, +0.68), other respondents have been working for the Tax Administration for more than 30 years (R10, +0.77; R15, +1.54). A part of the respondents focus on consulting various departments on addressing significant issues and challenges such as the fraud signaling system (R15, +1.54) and the future of service provision (R13, +2.65), while the other respondents focus on facility services (R10, +0.77) and the internal company culture of the Tax Administration (R5, +0.68). Regarding the specific domain the respondents work in (see Figure 4), no trend can be observed. Of the four respondents affiliated with Profile 2, one works in the support area, one is employed in the policy-setting area, one works in the execution area and one has an overarching role (see Appendix B.4). These differences between respondents complicate the establishment of a specific profile for respondents exhibiting high loadings on this factor.

6.1.3 Profile 3: Balancing Society's Expectations

A total of four respondents exhibit a rotated loading value exceeding 0.30 on this factor (see Appendix B.2). Table 5 presents the statements that possess an absolute loading value higher than 0.30 on this factor.

Factor 3		
Statement number	**Statement**	**Loading**
7	If the Tax Administration focuses more on adaptability, it comes at the expense of predictability of outcomes.	+0.66
17	An adaptable Tax Administration is important because citizens and business expect that.	+0.63
2	For me, adaptability means adjusting to citizens and businesses.	+0.58
23	Adaptability requires employees with a more generalized education.	+0.52
10	If the Tax Administration focuses more on adaptability, it comes at the expense of internal control.	+0.36
4	For me, adaptability means being innovative and creative, having the ability to develop and implement new ideas.	+0.30
16	The Tax Administration needs to become adaptable because politics expect that.	-0.40
14	My department is capable of (having) a change implemented quickly and in the correct manner.	-0.47
25	Adaptability requires more intensive collaboration between owner, client and contractor.	-0.50
19	Adaptability requires politics to fulfill the client-role in a clearer way.	-0.64

Table 5: The statements associated with factor 3

The primary focus of this third factor is towards citizens and companies (S2, +0.58; S17, +0.63, see Table 5), rather than politics (S16, -0.40; S19, -0.64). In general, respondents scoring high on this factor do not hold a strong opinion as to whether the agency is already adaptable or if it needs to improve its adaptability (no absolute loadings greater than 0.30 of S12 and S13 on this factor). However, if the Tax Administration were to strive for increased adaptability, it needs to center its efforts around citizens and companies (S2, +0.58). If the focus is on enhanced adaptability, potential risks are associated with predictability of outcomes (S7, +0.66) and internal control (S10, +0.36).

Respondents within this profile typically assume roles that primarily focus on the agency's operations, specifically around citizens and companies (R9, +1.82; R16, +1.16; R21, +0.58, see Appendix B.2 and Appendix D). Some of these individuals work within departments that directly interact with society (R9, +1.82; R16, +1.16). Regarding the area these respondents work in, a trend can be observed (see Figure 4 and Appendix B.4). A notable three out of four respondents work in the execution area, while one respondent is employed at the Ministry of Finance. All respondents within this profile share the perception that the organization must function primarily as a service-providing agency, in which society is the central point of attention (R3, +2.13; R9, +1.82; R16, +1.16; R21, +0.58). Respondents who strongly load on this factor perceive politics as slow (R3, +2.13) or driven by short-term interests which follow a four-year cycle (R9, +1.82). They state that societal changes could be a reason to acquire an enhanced level of adaptability (R9, +1.82; R21, +0.58).

According to the perspectives expressed by respondents associated with this factor, the Tax Administration is entrusted with a societal mandate (R9, +1.82; R21, +0.58). The importance of public values is emphasized, with an emphasis on the agency's responsibility to ensure predictability, legal certainty, and equal treatment of similar cases (R16, +1.16). A respondent highlights the significance of the human dimension (R3, +2.13), while another respondent emphasizes the need for the agency to remain attentive to the individual needs of citizens and entrepreneurs. Moreover, this respondent points out that despite the importance of citizen and business needs, the political landscape fails to adequately reflect this (R9, +1.82). Additionally, a respondent states that the Tax Administration should be attentive to signals from society, which indicate the agency's performance, whether positive or negative, and respond appropriately (R21, +0.58).

In conclusion, respondents associated with this factor exhibit a non-formalistic approach regarding the client-role relationship between politics and the Tax Administration. They perceive the Tax Administration as an entity responsible for safeguarding the interests of individual citizens and entrepreneurs, as well as upholding public values.

6.2 Comparison of the profiles

To facilitate a comparison of the three profiles described in this chapter, five dimensions have been constructed. Table 6 presents a comparative overview of the profiles across these five dimensions.

Of all 24 interviews, 16 interviews were conducted offline, and 8 interviews were conducted online. No trends can be observed regarding the effect of conducting the interview offline or online on the specific profile the respondent is associated with (see introducing paragraphs of Chapter 6.1.1, 6.1.2 and 6.1.3).

	Profile 1	**Profile 2**	**Profile 3**
Focus is on strategy / operations	Strategy	-	Operations
Focus is formalistic / non-formalistic	Formalistic	-	Non-formalistic
Focus is on centralization / decentralization	Centralization	Decentralization	Decentralization
The Tax Administration is already adaptable / not yet adaptable	The Tax Administration is not yet adaptable	The Tax Administration is not yet adaptable	-
Adaptability is the right solution / not the right solution for the Tax Administration	-	Adaptability is not the right solution for the Tax Administration	-

Table 6: Comparison of the three profiles across five dimensions

In summary, Profile 1 and Profile 3 present contrasting views, whereas Profile 2 maintains a distinct perspective. An summary of the profiles is presented in Table 7.

Profile 1 reflects a formalistic view concerning the client-role of politics towards the Tax Administration. Individuals associated with this profile primarily consist of directors and managers who prioritize strategic considerations. The majority of these employees have been working within the Tax Administration for multiple decades. A part of this group is in direct contact with politics, leading to a political mindset regarding adaptability. This group perceives the Tax Administration as an executive organization mandated to fulfill assigned tasks. According to their viewpoint, adaptability requires a greater degree of centralization. They suggest that the Tax Administration lacks adaptability, although they remain uncertain about whether adaptability would be the appropriate solution for the agency.

Profile 2 presents an alternative perspective regarding adaptability. Demographic factors, job function, and years of experience do not display a discernible pattern among respondents who exhibit high scores on this factor. However, they are united in their viewpoint on decentralization. According to this group, centralization would not contribute to enhancing adaptability. Additionally, they hold the shared belief that the Tax Administration currently lacks adaptability, and they argue against the agency's pursuit of increased adaptability. In fact, they argue that focusing on adaptability would come at the expense of internal control, external control and transparency of the organization.

The respondents within this profile express a desire for the Tax Administration to possess organizational stability. However, according to Ashby (1956), organizations must be internally adaptable to be stable as an organization (see Chapter 3.2). It is possible that the interviewees within Profile 2 perceive that maintaining internal stability is essential for the Tax Administration to remain stable as an organization, yet this line of reasoning contradicts Ashby's perspective. Hence, it is conceivable that the respondents of this profile may have solely focused on the desired output of the Tax Administration (which they believe should be stable), without considering the internal requirement for adaptability. This possible communication-issue could be further investigated through extensively speaking with respondents loading high on this factor.

Profile 3 presents a contrasting perspective when compared to Profile 1. While Profile 1 reflects a formalistic viewpoint, Profile 3 assumes a non-formalistic stance concerning the client-role of politics in relation to the Tax Administration. This third profile places emphasis on decentralization. Respondents with high scores on this profile typically occupy positions that center around the operational aspects of the agency, particularly with regards to citizens and companies. Serving the interests of society is of utmost importance to individuals scoring high on this profile. They perceive the Tax Administration as an entity entrusted with the responsibility of protecting the rights of individual citizens and entrepreneurs, as well as upholding public values. This profile does not exhibit a clear opinion regarding whether the

Tax Administration is currently adaptable, nor does it present a definitive perspective on whether adaptability would be the appropriate solution for the agency.

	Profile 1	**Profile 2**	**Profile 3**
Typical respondents	Directors, strategic managers	-	Operational managers
Focus	Internal, strategy, formalism, centralization	Decentralization	External, operations, non-formalism, decentralization
Client-role ownership towards the Tax Administration	Politics	-	Citizens and companies
View on adaptability	Tax Administration is not yet adaptable	Tax Administration is not yet adaptable, and adaptability is not the right solution for the Tax Administration	-

Table 7: Summary of the profiles

Multiple respondents demonstrate loadings of 0.30 or higher on multiple profiles, as illustrated in Appendix B.3. Specifically, two respondents exhibit a loading of 0.30 or more on both Profile 1 and 2, four respondents display a loading of 0.30 or more on Profile 1 and 3, and three respondents have a loading of 0.30 or more on Profile 2 and 3 (see Appendix B.3). These instances of double-loadings suggests the presence of ambiguity or complexity in the respondents' perceptions. This can be attributed to various factors, including individual differences in the interpretations of Q-study statements and the inherent complexity and multidimensionality of the concept of "adaptability" itself.

Given that Profile 1 and 3 represent opposing perspectives, it becomes challenging to indicate how these perspectives can be combined. However, the perspectives presented in Profile 1 and 2, as well as Profile 2 and 3, could be combined by explaining that these respondents do not hold the opinion that the Tax Administration is adaptable or necessarily needs to be adaptable. However, these combined perspectives indicate that if the Tax Administration were to enhance its adaptability, the focus must either be on politics, strategy, formalism and centralization (in the case of Profile 1), or on citizens and companies, operations, non-formalism and decentralization (in the case of Profile 3).

6.3 Recommendations to the Dutch Tax Administration

This chapter presents recommendations for the key decision-makers within the Tax Administration. In the preceding chapter, the three identified profiles have been compared. These profiles exhibit substantial differences, leading to distinct sets of potential interpretations of “adaptability” and corresponding advise, based on the specific profile being considered. Subsequently, recommendations are delineated for each profile.

To effectively implement appropriate strategies, decision-makers must first recognize that the concept of “adaptability” encompasses multiple definitions and aspects. Therefore, decision-makers need to establish the Tax Administration’s specific understanding of “adaptability”. This can be achieved by comparing the aspects of adaptability discussed in chapter 3.5 and 3.6, as well as by examining the profile comparison presented in chapter 6.2. Do the key decision-makers of the Tax Administration believe that adaptability should have an internal or external focus? Moreover, should adaptability primarily center on implementing top-down rules and legislation to enable swift implementation of significant changes, or should adaptability focus on lower levels of the hierarchical structure of the organization, and does it relate to individual case-by-case problem-solving?

If the key decision-makers hold the opinion that adaptability must have an internal, formalistic, centralized and/or political focus, they must consider implementing the strategies associated with Profile 1 (see below). Conversely, if decision-makers believe adaptability must have an external, non-formalistic, decentralized and/or societal focus, they must consider implementing the strategies associated with Profile 3 (see below). The strategies associated with Profile 2 (see below) concentrate on the identification and mitigation of risks in general, as well as understanding the reasons behind respondent’s reluctance to become more adaptable. It is advisable to take the strategies of Profile 2 into account, regardless of whether the focus is on Profile 1 or 3.

The risks described in the profiles below were derived from statements that received high loadings in their respective profiles (see Table 3, 4 and 5). Given that individual interpretations of these statements may vary, it is crucial to ascertain the precise meaning of the risks within the profile being considered.

Profile 1 exhibits an internal focus, making it connected to the organizational aspect of adaptability (see Chapter 3.5 and 3.6). The organizational aspect centers on determining the appropriate level of centralization, formalization and standardization, as well as adapting internal processes when external circumstances change. These considerations are crucial for decision-makers who prioritize this profile. Additionally, this profile focuses on strategy and has a formalistic approach. Therefore, adaptability is deemed to originate from the top of the organizational hierarchy. Respondents within this profile contend that adaptability is about quickly and efficiently implementing desires of politics. They assert that more advanced ICT must be implemented, aligning with the technological aspect of adaptability (see Chapter 3.5 and 3.6). To incorporate this aspect, the strategy must focus on deploying the appropriate technological resources, skills and competencies. Additionally, the respondents state that enhancing adaptability within the Tax Administration necessitates increased centralization. Accordingly, decision-makers should prioritize reshaping the Tax Administration into a more centralized entity. Moreover, attention must be directed not only towards upgrading the existing foundational ICT infrastructure, but also towards advancing the ICT systems. By doing so, the agency can accelerate the swift implementation of new legislation. The principal risks associated with adaptability within this profile, are deterioration of interdepartmental collaboration, and the transparency of working methodologies. Consequently, if the decision-makers focus on this profile, efforts must be concentrated on clarifying and mitigating these two risks.

Profile 2 asserts that the Tax Administration lacks adaptability and must not strive to become adaptable. This group identifies internal control, external control and transparency as potential risks associated with adaptability. If decision-makers within the Tax Administration align their focus with this profile, it is advisable to investigate and address these risks. Additionally, this profile is the only profile that suggests that adaptability is not the appropriate solution for the Tax Administration. As a result, it is recommended to undertake research to understand the reasons behind this lack of belief in adaptability within the Tax Administration, as well as explore alternative proposals put forth by these respondents. It is plausible that respondents in this profile desire a stable output from the Tax Administration, unaware of the possible need to establish an internally adaptable organization to achieve such stability. Hence, if the key-decision makers prioritize this profile, it is crucial to engage in discussions to comprehend the respondents' interpretation of the statements associated with this profile.

Profile 3 exhibits an external focus, making it connected to the market aspect of adaptability (see Chapter 3.5 and 3.6). The market aspect emphasizes the identification of the right client, adapting output according to client desires, and adjusting output if the client changes. The respondents in this profile identify citizens and companies as the main clients of the Tax

Administration. Consequently, it is crucial to prioritize serving citizens and companies in the desired manner and adapt the Tax Administration's services accordingly when their preferences change. Additionally, this profile places emphasis on operational aspects and adopts a non-formalistic approach. Consequently, respondents associated with this profile assert that adaptability must originate from the lower levels of the organizational hierarchy. They emphasize that if the Tax Administration intends to enhance its adaptability, it must prioritize the needs of individual citizens and companies, as the agency carries a social mandate. Unlike profile 1, adaptability for this group is not focused on accommodating political desires. Instead, they argue that adaptability entails aligning with the emerging needs of citizens and companies. According to respondents within this profile, individualized solutions may pose risks to the efficiency, predictability of outcomes, and internal control of the Tax Administration. Therefore, decision-makers must focus on elucidating and mitigating these risks when implementing adaptability at the lower levels of the organization.

7 Conclusion

In this chapter, the sub-research questions are answered as a preliminary step towards answering the main research questions. Subsequently, the main research questions are examined and answered. The chapter concludes with recommendations to governmental executive agencies regarding improvement of their adaptability.

7.1 Answers to the sub-research questions

The sub-research questions, initially introduced in chapter 1.4, are shown below. The first three sub-research questions are addressed by drawing conclusions from the literature reviewed in Chapter 3. The subsequent three sub-research questions focus specifically on the Dutch Tax Administration and are answered through an analysis of interviews conducted with key players in Chapter 4, as well as an examination of the results of the Q-methodology discussed in Chapter 6.

1. ***What are the prevailing definitions of adaptability within organizations?***

Various definitions of adaptability are used within organizational contexts (see chapter 3.2). In summary, organizational adaptability refers to an organization's capacity to effectively anticipate, respond and adjust to evolving or changing environments and circumstances.

2. ***What are the necessary conditions for organizations to be adaptable?***

This contribution defines a typology of adaptability which is presented in Chapter 3.5. In essence, organizational adaptability needs the fulfillment of certain conditions across three distinct aspects: the organizational aspect, the market aspect and the technological aspect. Conditions within the organizational aspect encompass the organization's approach to handling centralization, formalization and standardization. The market aspect is about what clientele is served by the organization, and the technological aspect focuses on technological resources, skills and competencies.

3. ***What challenges are commonly associated with adaptability within organizations?***

In the context of adaptability within organizations in general, various challenges have been identified. These challenges include finding the appropriate balance between centralization and decentralization within the organization, determining the optimal composition of the organizational structure, addressing potential weaknesses in ICT systems and bridging potential skill gaps among personnel. Furthermore, several trade-offs that are related to adaptability have been identified, such as the tension between efficiency and innovation, exploitation and exploration, and adaptiveness and stability. It is important to note that while some of these challenges were mentioned in multiple articles, there is no universally prevalent set of challenges that all organizations face when striving for adaptability.

4. ***What challenges are specifically associated with adaptability within governmental executive agencies?***

Within the Dutch Tax Administration, several views on challenges of adaptability exist. In summary, the most important challenges associated with adaptability are related to stability, efficiency, internal control, external control, predictability of outcomes, transparency of working methods and collaboration between departments. It is important to note that different employee-profiles within the Tax Administration have different opinions about the relevance of these challenges. There is no clear consensus regarding the most predominant challenges.

5. ***What is the prevailing definition of adaptability within governmental executive agencies?***

Within the Dutch Tax Administration, there exist multiple perspectives on the definition of adaptability. In essence, the prevailing definition of adaptability relates to the agency's capacity to adequately respond and adjust to societal and/or political changes in an effective manner.

6. ***What strategies can governmental executive agencies employ to cope with those challenges?***

Within the context of this study, it is difficult to suggest strategies to cope with challenges associated with adaptability within governmental executive agencies, since there is no consensus on what the most relevant challenges are. In conclusion, there is no singular strategy that addresses all challenges associated with organizational adaptability within governmental executive agencies. The most suitable strategy for coping with these challenges varies depending on what is interpreted as the most relevant challenges of adaptability.

7.2 Answers to the main research questions

The main research questions of this study, initially presented in chapter 1.3, are shown below. The questions are examined utilizing the content of chapters 3, 4, 5, 6 and 7.1.

1. ***What are the main challenges associated with adaptability within governmental executive agencies?***

The main challenges associated with adaptability can be divided into two groups: trade-offs and risks.

When pursuing enhanced adaptability within governmental executive agencies, trade-offs that may appear are:

- Adaptiveness versus stability;
- Efficiency versus innovation;
- Exploitation versus exploration.

While the most relevant risks are related to:

- Efficiency;
- Internal control;
- External control;
- Predictability of outcomes;
- Transparency of working methods;
- Collaboration between departments.

It is important to note that the exact meaning and relevance of these trade-offs and risks differ per organization, depending on contextual factors such as the organization's size, work field and culture, the organizational structure and available resources.

2. ***What strategy can be employed by governmental executive agencies to cope with those challenges?***

The problem of a governmental executive agency pursuing enhanced organizational adaptability is complex, unstructured and challenging. Additionally, there is no clear consensus on how adaptability is measured or achieved. Consequently, there is no singular strategy that addresses challenges associated with organizational adaptability within governmental executive agencies. Again, the most suitable strategy for coping with these challenges varies, depending on contextual factors such as the organization's size, work field and culture, the organizational structure and available resources. Even though there is no singular strategy that can be used by all governmental executive agencies, this contribution proposes a typology of adaptability that could be used by these organizations. Chapter 7.3 elaborates on this matter.

7.3 Recommendations to governmental executive agencies

This study examines definitions and challenges associated with adaptability, both in organizations in general and specifically within the Dutch Tax Administration. Chapter 7.2 highlights the difficulty in providing general advise on how governmental executive agencies can become more adaptable due to variations in size, work field, culture and organizational structure across these agencies. However, this contribution proposes a typology of adaptability that may could help governmental executive agencies to become an adaptable organization. Consequently, in order to attain organizational adaptability, the following is recommended to governmental executive agencies.

First, it is crucial to determine the agency's specific understanding of "adaptability". This can be achieved by comparing the aspects of adaptability described in Chapter 3.5 and 3.6, as well as comparing Profile 1 and Profile 3 presented in Chapter 6.1 and 6.2. The primary question relates to whether the agency believes that adaptability must have an internal, formalistic, centralized and/or political focus, or if adaptability must have an external, non-formalistic, decentralized and/or societal focus. Additionally, the agency needs to assess whether ICT plays an important role in the organization.

If the agency deems that adaptability must have an internal, formalistic, centralized and/or political focus, it must concentrate on the **organizational aspect** of adaptability. This entails ensuring that the agency possesses or acquires the capacity to effectively modify its internal processes in response to changes in external circumstances. Furthermore, the organizational structure must be capable of anticipating problems, coping with crises, self-organizing, and self-learning from past experiences. Additionally, the agency must determine the optimal level of centralization, formalization and standardization.

If the agency holds the view that adaptability must have an external, non-formalistic, decentralized and/or societal focus, it must focus on the **market aspect** of adaptability. This involves having the ability to identify the actual clients, and being able to serve them in the desired manner. The agency must also have the capacity to adjust according to the clients desires, and must be able to change its output if the main client of the agency changes over time.

Additionally, if the agency recognizes the importance of ICT within the organization, the **technological aspect** has to be considered as well. This aspect relates to technological resources, skills and competencies. The agency must ensure the presence of a well-functioning, stable, and centralized ICT-system that can handle changes easily. Furthermore, the organization must have the capacity to identify new technological opportunities.

It is important to note that considering and implementing the strategies related to one aspect of adaptability does not necessarily preclude the consideration of the other two aspects. It may be possible to implement strategies pertaining to two or three aspects simultaneously, however, it is crucial to be aware of potential contradictions that may arise.

8 Discussion

In this chapter, the conducted research is discussed by first describing the scientific contribution of this research, and then stating the limitations of the study. Subsequently, recommendations for future research are presented.

8.1 Scientific contribution

This research focuses on the identification of challenges associated with adaptability within governmental executive agencies and proposes strategies to address these challenges. Previous literature highlights several definitions, conditions, challenges and trade-offs associated with adaptability within organizations in general.

This contribution extends the existing literature by identifying specific risks associated with adaptability within governmental executive agencies specifically, and examining the actual relevance of those risks. The study reveals that the most significant risks encountered when striving for adaptability are related to efficiency, internal control, external control, predictability of outcomes, transparency of working methods, and collaboration between departments.

Moreover, this research incorporates a Q-study that presents three distinct profiles of adaptability within the Dutch Tax Administration. Notably, two of these profiles exhibit contradictory characteristics, including their approach to the identified risks. Consequently, it becomes apparent that both the perception of risks associated with adaptability, as well as the concept of adaptability itself are not uniformly perceived within a single organization. This finding emphasizes the potential variability in the interpretation of the concept of adaptability within organizations.

Furthermore, this study proposes a typology of adaptability within governmental executive organizations, encompassing three different aspects: the organizational aspect, market aspect and technological aspect. The typology offers a framework for comprehending the varying levels of adaptability present within an organization. Additionally, it serves as a tool for identifying and addressing the risks associated with pursuing adaptability in each of these specific aspects.

8.2 Study limitations

This contribution has several limitations that need to be acknowledged. Firstly, the Q-study would have benefitted from a larger number of respondents to ensure a more comprehensive representation of the Tax Administration. Several perspectives were captured in the present Q-study, but the Tax Administration has more than 27.000 employees. Consequently, interviewing 24 respondents does not represent the entire Tax Administration. Especially personnel on the executing level, such as tax inspectors and ICT-specialist, should be considered as respondents in a next Q-study since these two groups of personnel are not represented in the Q-study, but could potentially contribute to enhancing the agency's adaptability. Furthermore, the Q-study involved 16 face-to-face interviews, and 8 online interviews. In the experience of the researchers, less context and comments were received from respondents who were interviewed online, probably due to the additional necessary concentration for sorting the online Q-board. The research could have been more consistent if all interviews would have been conducted using the same method. Additionally, the three factors that were identified in the analysis account for 41% of the total variance, indicating that not all influential factors were considered in this study.

8.3 Recommendations for future research

Several recommendations for future research have emerged from this study.

To commence, the Tax Administration has expressed its aspiration to be an adaptable organization (Belastingdienst, 2022b; Belastingdienst, 2022d). However, this study identifies three distinct profiles of adaptability within the Dutch Tax Administration, and none of these profiles explicitly share the desire to become an adaptable organization. Profile 2, in particular, articulates the belief that the Tax Administration must not strive to be adaptable, while Profile 1 and Profile 3 remain neutral on the question of whether the Tax Administration should possess adaptability. It is crucial for the Dutch Tax Administration to delve into the reasons behind its initial aspiration to become an adaptable organization, considering that none of the employee profiles within the organization align with that perspective.

Moreover, during the interviews, a key player (KP2) challenged the notion of adaptability as a primary competence for the Tax Administration, suggesting instead that the Tax Administration should focus on being a serviceable or executing agency, rather than an adaptive agency. The

Tax Administration must address this discrepancy between the literature and internal opinions, as pursuing adaptability without it being the appropriate solution for the organization, could have unfavorable effects. This investigation necessitates an internal research effort. Key-decision makers within the Tax Administration must be able to answer the following questions:

- What is the meaning of adaptability in the context of the Tax Administration?
- Why is it important for the Tax Administration to become an adaptable organization?
- Are there alternative solutions that may be more suitable than adaptability?

If satisfactory answers to these questions do not emerge, it is crucial to reconsider the desire to become an adaptable organization. Subsequently, if better alternatives are identified, further research can be conducted to explore how to incorporate those specific solutions effectively.

Another area for further investigation could revolve around the implications of implementing the proposed strategies outlined in this study on both citizens and companies. Specifically, there has been limited exploration into the effects of implementing specific strategies, as suggested in this research, on the compliance of citizens and companies to taxation regulations. It is conceivable that the implementation of certain strategies could potentially undermine compliance. Job et al. (2007) describe that several national taxation agencies shifted to organizations with a more responsive culture, leading the organizations to be more in line with what society expects from the administrations, and leading to higher compliance. Consequently, it is possible that if organizations are led to deviate from societal expectations, it may lead to reduced compliance, which would be an undesirable consequence.

More specific, this study identifies three distinct profiles pertaining to adaptability. Among these profiles, Profile 1 asserts that the Tax Administration functions as a formalistic organization with politics as its main client. Respondents associated with this profile hold the believe that the Tax Administration has to prioritize the preferences of politics over those of citizens and companies. Considering Job et al.'s (2007) assertion that aligning the Tax Administration with societal expectation results in increased compliance, it is reasonable to assume that adopting the strategies associated with Profile 1, which neglect the desires of citizens and companies in favor of political desires, could lead to diminished compliance among citizens and companies.

To investigate this effects of this potential risk, it would be beneficial to conduct a comprehensive literature review on the impacts of the proposed strategies from Profile 1. Additionally, exploring grey literature sources such as governmental reports that analyze the effects of new taxation laws on compliance among citizens and companies could provide valuable insights. Furthermore, an alternative approach to conducting this research would involve administering extensive surveys and engaging in discussions with citizens and companies to gain a deeper understanding of their perspectives and behaviors in relation to compliance.

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Appendix A: Statistical analysis of the Q-study

This appendix consist of tables that are used in the statistical analysis of the Q-study. An overview of the contents of this Appendix is provided below.

Contents of Appendix A

A.1 Q-matrix

	Statement																								
Respondent	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**
1	-3	2	1	0	0	-1	-1	-1	-2	-2	-1	4	-2	2	3	-4	3	-3	1	0	0	1	0	2	1
2	-2	2	0	1	1	-2	-3	-2	-1	-1	-4	2	0	0	4	-1	3	1	0	2	3	-3	-1	0	1
3	0	3	2	0	0	-3	0	-4	-1	-2	-3	0	1	-2	2	-2	4	3	-1	1	-1	1	1	2	-1
4	0	1	2	0	0	-2	-2	-2	-3	-3	-1	0	-4	-1	2	3	0	-1	4	1	1	1	-1	2	3
5	0	0	2	1	1	-2	-3	-2	-1	-2	-1	3	-1	0	4	0	3	-1	0	1	1	-4	-3	2	2
6	1	1	4	2	0	-3	-2	-1	-2	-4	-2	3	-1	0	2	1	3	0	0	-1	1	-1	0	2	-3
7	0	1	2	0	0	-2	-1	-3	-3	-2	-2	3	-4	-1	4	1	2	-1	1	2	-1	0	0	3	1
8	-1	3	1	0	1	-1	-1	-3	-2	-2	-4	1	3	0	4	0	2	-3	2	1	0	-2	-1	0	2
9	-1	2	0	2	2	-2	1	-2	-1	1	-2	3	-4	-3	4	-1	3	-3	0	0	0	-1	0	1	1
10	-3	1	3	4	3	-2	-2	-1	-2	-1	-1	2	0	0	2	2	1	0	-4	1	1	-3	-1	0	0
11	-2	0	1	3	-1	-1	0	-3	-2	-2	-3	2	0	1	1	0	1	0	2	4	2	-4	-1	-1	3
12	-1	-1	1	0	2	-3	-1	-1	-2	-3	-2	0	-4	-2	3	2	4	0	1	0	1	1	0	2	3
13	-1	2	0	1	2	3	-2	-1	-1	3	-3	0	-4	0	-1	0	4	-2	1	2	0	-3	-2	1	1
14	1	1	4	-4	0	-2	-3	-2	-3	-2	0	2	-1	3	2	1	2	-1	1	-1	0	0	-1	3	0
15	-3	3	1	2	1	1	0	-1	0	-1	-2	0	-4	0	4	-2	3	-2	-1	2	1	-3	-1	0	2
16	3	4	2	1	1	-3	-1	-2	1	0	-2	2	-2	0	-1	-1	3	-3	-1	0	1	-4	0	0	2
17	-4	0	4	1	1	-1	-2	-1	-2	-3	-2	2	0	1	1	3	2	0	3	-3	0	0	-1	-1	2
18	-1	2	0	2	0	-1	-3	-4	-2	-2	-3	4	0	-1	1	-1	1	0	1	2	1	-2	0	3	3
19	2	2	1	1	0	0	-2	-1	-3	-1	-2	4	-4	-2	3	3	2	-3	1	0	0	-1	-1	0	1
20	-3	3	2	2	1	-1	-1	-3	-1	-1	-4	4	1	1	3	0	1	-2	2	0	-2	0	-2	0	0
21	0	4	-1	2	1	-2	-2	-3	1	-2	-4	3	-1	0	3	0	2	-3	-1	1	2	0	0	-1	1
22	1	4	1	0	0	-4	-1	0	-3	-1	-1	3	-3	1	3	2	2	-2	0	-2	-1	-2	0	1	2
23	1	2	2	3	-1	-3	-2	-4	0	-2	-3	4	-1	0	0	-2	0	0	1	3	2	-1	1	-1	1
24	0	0	-1	-3	1	-3	-4	-2	2	-2	-1	2	0	1	4	1	0	-2	3	1	0	-1	-1	2	3

Table 8: The Q-matrix, presenting scores per respondent on each statement.

A.2 Covariance matrix

Statement	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	3.10	0.57	0.03	-0.91	-0.58	-1.07	-0.36	-0.20	0.17	0.01	0.38	0.32	-0.84	-0.45	-0.57	0.45	0.00	-0.42	-0.15	-0.16	0.04	-0.12	0.48	0.55	-0.28
2	0.57	1.94	-0.50	0.40	-0.09	0.09	0.50	-0.23	0.47	0.77	-0.62	0.27	0.19	-0.02	-0.16	-0.99	0.21	-0.78	-0.83	-0.08	-0.26	-0.25	0.36	-0.54	-0.40
3	0.03	-0.50	1.99	-0.03	-0.20	-0.41	-0.01	0.24	-0.88	-0.81	0.61	0.00	0.37	0.51	-0.55	0.74	-0.01	0.77	-0.12	-0.96	-0.30	0.34	-0.03	0.17	-0.95
4	-0.91	0.40	-0.03	3.07	0.22	0.48	0.71	-0.22	0.17	0.36	-0.90	0.55	0.11	-0.75	-0.65	-0.50	-0.11	0.28	-1.22	0.92	0.72	-1.13	0.09	-1.36	-0.31
5	-0.58	-0.09	-0.20	0.22	0.93	0.29	0.01	0.42	0.30	0.59	0.01	-0.45	-0.16	-0.29	0.22	0.29	0.39	-0.28	-0.64	-0.28	-0.04	-0.28	-0.30	-0.12	0.01
6	-1.07	0.09	-0.41	0.48	0.29	2.23	0.12	0.23	-0.13	1.10	-0.41	-0.42	-0.58	0.07	-0.39	-0.29	0.35	-0.64	0.29	0.62	-0.09	-0.59	-0.70	-0.36	0.20
7	-0.36	0.50	-0.01	0.71	0.01	0.12	1.38	-0.03	-0.19	0.37	-0.26	-0.31	-0.54	-0.57	0.10	-0.61	0.51	-0.19	-0.38	0.08	-0.35	0.13	0.36	-0.36	-0.13
8	-0.20	-0.23	0.24	-0.22	0.42	0.23	-0.03	1.26	-0.36	0.24	0.69	-0.25	-1.11	0.26	0.19	0.79	0.44	-0.53	-0.23	-0.97	-0.11	-0.19	-0.29	0.00	-0.03
9	0.17	0.47	-0.88	0.17	0.30	-0.13	-0.19	-0.36	1.90	0.44	-0.43	-0.09	0.52	0.05	-0.16	-1.05	-0.04	-0.37	-0.39	0.54	0.41	-0.55	0.06	-0.60	0.20
10	0.01	0.77	-0.81	0.36	0.59	1.10	0.37	0.24	0.44	2.00	-0.25	-0.19	-0.87	-0.26	-0.53	-0.58	0.51	-0.83	-0.62	0.40	-0.24	-1.03	-0.31	-0.35	0.08
11	0.38	-0.62	0.61	-0.90	0.01	-0.41	-0.26	0.69	-0.43	-0.25	1.30	-0.04	-0.93	0.37	0.13	0.61	-0.10	-0.17	-0.03	-0.72	-0.24	0.20	-0.09	0.76	0.11
12	0.32	0.27	0.00	0.55	-0.45	-0.42	-0.31	-0.25	-0.09	-0.19	-0.04	2.00	0.36	0.32	0.18	-0.35	-0.59	-0.57	-0.06	-0.24	-0.11	0.02	0.14	-0.11	-0.37
13	-0.84	0.19	0.37	0.11	-0.16	-0.58	-0.54	-1.11	0.52	-0.87	-0.93	0.36	4.09	0.96	0.01	-0.64	-0.64	0.96	0.06	0.17	0.07	-0.36	-0.13	-0.61	-0.47
14	-0.45	-0.02	0.51	-0.75	-0.29	0.07	-0.57	0.26	0.05	-0.26	0.37	0.32	0.96	1.82	-0.27	-0.20	-0.42	-0.28	0.36	-0.37	-0.04	-0.24	-0.36	-0.14	-0.06
15	-0.57	-0.16	-0.55	-0.65	0.22	-0.39	0.10	0.19	-0.16	-0.53	0.13	0.18	0.01	-0.27	2.42	0.09	0.08	-0.41	0.00	-0.19	-0.28	0.51	-0.23	0.42	0.06
16	0.45	-0.99	0.74	-0.50	0.29	-0.29	-0.61	0.79	-1.05	-0.58	0.61	-0.35	-0.64	-0.20	0.09	3.22	-0.59	0.04	0.77	-1.15	-0.28	0.37	-0.47	0.02	0.33
17	0.00	0.21	-0.01	-0.11	0.39	0.35	0.51	0.44	-0.04	0.51	-0.10	-0.59	-0.64	-0.42	0.08	-0.59	1.51	0.11	-0.78	-0.40	-0.11	-0.09	0.04	0.27	-0.52
18	-0.42	-0.78	0.77	0.28	-0.28	-0.64	-0.19	-0.53	-0.37	-0.83	-0.17	-0.57	0.96	-0.28	-0.41	0.04	0.11	2.41	-0.28	0.43	0.35	0.25	0.33	0.33	-0.51
19	-0.15	-0.83	-0.12	-1.22	-0.64	0.29	-0.38	-0.23	-0.39	-0.62	-0.03	-0.06	0.06	0.36	0.00	0.77	-0.78	-0.28	2.75	-0.15	-0.35	0.99	-0.30	0.28	1.01
20	-0.16	-0.08	-0.96	0.92	-0.28	0.62	0.08	-0.97	0.54	0.40	-0.72	-0.24	0.17	-0.37	-0.19	-1.15	-0.40	0.43	-0.15	2.39	0.80	-0.96	-0.02	-0.24	0.52
21	0.04	-0.26	-0.30	0.72	-0.04	-0.09	-0.35	-0.11	0.41	-0.24	-0.24	-0.11	0.07	-0.04	-0.28	-0.28	-0.11	0.35	-0.35	0.80	1.30	-0.76	0.07	-0.52	0.33
22	-0.12	-0.25	0.34	-1.13	-0.28	-0.59	0.13	-0.19	-0.55	-1.03	0.20	0.02	-0.36	-0.24	0.51	0.37	-0.09	0.25	0.99	-0.96	-0.76	2.82	0.64	0.76	-0.48
23	0.48	0.36	-0.03	0.09	-0.30	-0.70	0.36	-0.29	0.06	-0.31	-0.09	0.14	-0.13	-0.36	-0.23	-0.47	0.04	0.33	-0.30	-0.02	0.07	0.64	0.85	0.08	-0.25
24	0.55	-0.54	0.17	-1.36	-0.12	-0.36	-0.36	0.00	-0.60	-0.35	0.76	-0.11	-0.61	-0.14	0.42	0.02	0.27	0.33	0.28	-0.24	-0.52	0.76	0.08	1.82	-0.15
25	-0.28	-0.40	-0.95	-0.31	0.01	0.20	-0.13	-0.03	0.20	0.08	0.11	-0.37	-0.47	-0.06	0.06	0.33	-0.52	-0.51	1.01	0.52	0.33	-0.48	-0.25	-0.15	2.04

Table 9: The covariance matrix, presenting covariances between statements. The variances are highlighted in grey.

A.3 Correlation matrix

Statement	Statement	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	1	1.00	0.23	0.01	-0.30	-0.34	-0.41	-0.18	-0.10	0.07	0.01	0.19	0.13	-0.24	-0.19	-0.21	0.14	0.00	-0.15	-0.05	-0.06	0.02	-0.04	0.29	0.23	-0.11
	2	0.23	1.00	-0.26	0.17	-0.07	0.04	0.31	-0.15	0.24	0.39	-0.39	0.14	0.07	-0.01	-0.08	-0.40	0.12	-0.36	-0.36	-0.04	-0.16	-0.11	0.28	-0.29	-0.20
	3	0.01	-0.26	1.00	-0.01	-0.15	-0.19	-0.00	0.15	-0.45	-0.41	0.38	-0.00	0.13	0.27	-0.25	0.29	-0.01	0.35	-0.05	-0.44	-0.19	0.15	-0.03	0.09	-0.47
	4	-0.30	0.17	-0.01	1.00	0.13	0.18	0.34	-0.11	0.07	0.15	-0.45	0.22	0.03	-0.32	-0.24	-0.16	-0.05	0.10	-0.42	0.34	0.36	-0.38	0.06	-0.58	-0.12
	5	-0.34	-0.07	-0.15	0.13	1.00	0.20	0.01	0.39	0.23	0.44	0.01	-0.33	-0.08	-0.22	0.15	0.17	0.33	-0.18	-0.40	-0.19	-0.04	-0.17	-0.34	-0.09	0.01
	6	-0.41	0.04	-0.19	0.18	0.20	1.00	0.07	0.14	-0.06	0.52	-0.24	-0.20	-0.19	0.04	-0.17	-0.11	0.19	-0.28	0.12	0.27	-0.05	-0.24	-0.50	-0.18	0.10
	7	-0.18	0.31	-0.00	0.34	0.01	0.07	1.00	-0.02	-0.11	0.22	-0.19	-0.19	-0.23	-0.36	0.05	-0.29	0.35	-0.10	-0.19	0.05	-0.26	0.06	0.33	-0.22	-0.08
	8	-0.10	-0.15	0.15	-0.11	0.39	0.14	-0.02	1.00	-0.24	0.15	0.54	-0.16	-0.49	0.17	0.11	0.39	0.32	-0.30	-0.13	-0.56	-0.09	-0.10	-0.28	-0.00	-0.02
	9	0.07	0.24	-0.45	0.07	0.23	-0.06	-0.11	-0.24	1.00	0.23	-0.27	-0.05	0.19	0.03	-0.07	-0.43	-0.02	-0.17	-0.17	0.25	0.26	-0.24	0.05	-0.32	0.10
	10	0.01	0.39	-0.41	0.15	0.44	0.52	0.22	0.15	0.23	1.00	-0.15	-0.09	-0.30	-0.14	-0.24	-0.23	0.29	-0.38	-0.27	0.18	-0.15	-0.44	-0.24	-0.18	0.04
	11	0.19	-0.39	0.38	-0.45	0.01	-0.24	-0.19	0.54	-0.27	-0.15	1.00	-0.03	-0.40	0.24	0.07	0.30	-0.07	-0.09	-0.02	-0.41	-0.18	0.10	-0.09	0.50	0.07
	12	0.13	0.14	-0.00	0.22	-0.33	-0.20	-0.19	-0.16	-0.05	-0.09	-0.03	1.00	0.13	0.17	0.08	-0.14	-0.34	-0.26	-0.03	-0.11	-0.07	0.01	0.10	-0.06	-0.18
	13	-0.24	0.07	0.13	0.03	-0.08	-0.19	-0.23	-0.49	0.19	-0.30	-0.40	0.13	1.00	0.35	0.00	-0.18	-0.26	0.31	0.02	0.05	0.03	-0.11	-0.07	-0.22	-0.16
	14	-0.19	-0.01	0.27	-0.32	-0.22	0.04	-0.36	0.17	0.03	-0.14	0.24	0.17	0.35	1.00	-0.13	-0.08	-0.26	-0.13	0.16	-0.18	-0.03	-0.11	-0.29	-0.08	-0.03
	15	-0.21	-0.08	-0.25	-0.24	0.15	-0.17	0.05	0.11	-0.07	-0.24	0.07	0.08	0.00	-0.13	1.00	0.03	0.04	-0.17	0.00	-0.08	-0.16	0.19	-0.16	0.20	0.03
	16	0.14	-0.40	0.29	-0.16	0.17	-0.11	-0.29	0.39	-0.43	-0.23	0.30	-0.14	-0.18	-0.08	0.03	1.00	-0.27	0.01	0.26	-0.42	-0.14	0.12	-0.29	0.01	0.13
	17	0.00	0.12	-0.01	-0.05	0.33	0.19	0.35	0.32	-0.02	0.29	-0.07	-0.34	-0.26	-0.26	0.04	-0.27	1.00	0.06	-0.38	-0.21	-0.08	-0.05	0.03	0.16	-0.29
	18	-0.15	-0.36	0.35	0.10	-0.18	-0.28	-0.10	-0.30	-0.17	-0.38	-0.09	-0.26	0.31	-0.13	-0.17	0.01	0.06	1.00	-0.11	0.18	0.20	0.10	0.23	0.16	-0.23
	19	-0.05	-0.36	-0.05	-0.42	-0.40	0.12	-0.19	-0.13	-0.17	-0.27	-0.02	-0.03	0.02	0.16	0.00	0.26	-0.38	-0.11	1.00	-0.06	-0.18	0.35	-0.20	0.12	0.43
	20	-0.06	-0.04	-0.44	0.34	-0.19	0.27	0.05	-0.56	0.25	0.18	-0.41	-0.11	0.05	-0.18	-0.08	-0.42	-0.21	0.18	-0.06	1.00	0.46	-0.37	-0.01	-0.12	0.24
	21	0.02	-0.16	-0.19	0.36	-0.04	-0.05	-0.26	-0.09	0.26	-0.15	-0.18	-0.07	0.03	-0.03	-0.16	-0.14	-0.08	0.20	-0.18	0.46	1.00	-0.40	0.06	-0.34	0.20
	22	-0.04	-0.11	0.15	-0.38	-0.17	-0.24	0.06	-0.10	-0.24	-0.44	0.10	0.01	-0.11	-0.11	0.19	0.12	-0.05	0.10	0.35	-0.37	-0.40	1.00	0.41	0.33	-0.20
	23	0.29	0.28	-0.03	0.06	-0.34	-0.50	0.33	-0.28	0.05	-0.24	-0.09	0.10	-0.07	-0.29	-0.16	-0.29	0.03	0.23	-0.20	-0.01	0.06	0.41	1.00	0.06	-0.19
	24	0.23	-0.29	0.09	-0.58	-0.09	-0.18	-0.22	-0.00	-0.32	-0.18	0.50	-0.06	-0.22	-0.08	0.20	0.01	0.16	0.16	0.12	-0.12	-0.34	0.33	0.06	1.00	-0.08
	25	-0.11	-0.20	-0.47	-0.12	0.01	0.10	-0.08	-0.02	0.10	0.04	0.07	-0.18	-0.16	-0.03	0.03	0.13	-0.29	-0.23	0.43	0.24	0.20	-0.20	-0.19	-0.08	1.00

Table 10: The correlation matrix, presenting correlations between statements.

A.4 Total variance explained

		Eigenvalue	% of Variance Explained	% of Variance Explained Cumulative
Factor	**1**	4.19	16.75	16.75
	2	3.25	12.99	29.73
	3	2.73	10.91	40.64
	4	2.20	8.80	49.44
	5	1.99	7.98	57.41
	6	1.79	7.14	64.56
	7	1.57	6.26	70.82
	8	1.44	5.75	76.57
	9	1.14	4.58	81.15
	10	1.03	4.14	85.28
	11	0.75	2.99	88.27
	12	0.73	2.92	91.20
	13	0.50	1.98	93.18
	14	0.49	1.96	95.14
	15	0.32	1.27	96.40
	16	0.24	0.97	97.37
	17	0.18	0.72	98.09
	18	0.16	0.65	98.74
	19	0.15	0.60	99.34
	20	0.09	0.36	99.70
	21	0.06	0.24	99.94
	22	0.01	0.04	99.98
	23	0.01	0.02	100.00
	24	0.00	0.00	100.00
	25	0.00	0.00	100.00

Table 11: The identified factors including their eigenvalue and their explained variance.

A.5 Factor matrix

Statement	Factor									
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1	-0.17	-0.17	0.29	0.44	-0.16	0.63	-0.10	-0.16	-0.15	-0.30
2	0.49	-0.02	0.44	0.30	-0.49	-0.09	-0.04	-0.03	-0.17	-0.02
3	-0.54	-0.10	0.20	-0.64	-0.20	0.01	-0.18	-0.21	-0.04	0.02
4	0.64	-0.09	0.09	-0.47	0.02	0.04	-0.42	0.27	0.19	-0.05
5	0.21	0.67	-0.01	-0.24	0.09	0.00	0.36	0.32	-0.19	-0.19
6	0.38	0.49	-0.32	-0.06	0.05	-0.35	-0.20	-0.42	0.12	-0.08
7	0.32	0.16	0.56	0.01	0.20	-0.35	-0.34	0.05	0.00	0.32
8	-0.32	0.77	0.01	-0.18	-0.16	0.20	-0.07	0.16	0.02	0.27
9	0.53	-0.11	-0.12	0.23	-0.16	0.21	0.46	0.12	-0.31	0.13
10	0.57	0.58	0.06	0.19	-0.15	0.04	-0.04	-0.29	-0.02	-0.20
11	-0.69	0.32	-0.01	0.03	-0.08	0.38	0.04	-0.06	0.23	0.25
12	-0.02	-0.33	0.02	0.15	-0.57	-0.01	-0.22	0.26	0.49	-0.18
13	0.11	-0.55	-0.22	-0.33	-0.29	-0.32	0.40	0.04	-0.19	-0.13
14	-0.24	-0.08	-0.41	-0.15	-0.63	-0.10	0.19	-0.28	0.04	0.40
15	-0.18	0.13	0.01	0.23	0.13	-0.32	0.37	0.58	0.39	-0.03
16	-0.56	0.25	-0.26	-0.18	0.09	0.16	-0.33	0.30	-0.32	-0.36
17	0.15	0.48	0.54	-0.13	0.20	-0.02	0.30	-0.23	0.00	0.09
18	-0.13	-0.47	0.12	-0.56	0.48	0.05	0.18	-0.19	-0.04	-0.07
19	-0.39	-0.16	-0.51	0.37	0.15	-0.36	-0.27	-0.15	-0.22	0.04
20	0.61	-0.32	-0.29	0.11	0.40	0.10	-0.01	-0.22	0.30	-0.05
21	0.38	-0.26	-0.31	-0.23	0.22	0.55	0.04	0.14	0.07	0.26
22	-0.54	-0.20	0.33	0.23	0.19	-0.42	-0.02	0.12	-0.18	0.06
23	0.02	-0.49	0.65	0.20	0.13	0.15	-0.12	0.09	-0.13	0.27
24	-0.58	0.04	0.19	0.29	0.28	0.06	0.33	-0.31	0.34	-0.19
25	0.08	0.10	-0.60	0.41	0.32	0.09	-0.16	0.14	-0.13	0.27

Table 12: The factor matrix, presenting loadings of each statement on factors.

A.6 Rotated factor matrix with 10 factors

	Factor									
Statement	1	2	3	4	5	6	7	8	9	10
8	0.88									
11	0.72					0.46				
13	-0.67							-0.50		
6		0.89								
10		0.69	0.46							
23		-0.68					0.51			
9			0.75							
3			-0.70							
18	-0.44	-0.30	-0.58						0.36	
2			0.57				0.33			
19				-0.85						
25				-0.75	0.30					
17				0.53			0.33		0.48	
21					0.84					
20	-0.50				0.66					
22		-0.43			-0.59					
24						0.89				
4					0.38	-0.71				
7						-0.33	0.73	0.31		
16	0.35		-0.34				-0.69			
14								-0.93		
12									-0.90	
5				0.36			-0.34		0.46	0.37
15										0.85
1		-0.32				0.38				-0.62

Table 13: The rotated factor matrix of the 10 most relevant factors. Loadings with an absolute value of less than 0.30 are suppressed.

A.7 Rotated factor matrix with 4 factors

		Factor			
		1	2	3	4
Statement	4	-0.71		0.32	
	11	0.65			
	24	0.63			
	20	-0.60			0.42
	21	-0.57			
	22	0.52	-0.41		
	13	-0.51	-0.30		
	15				
	5		0.72		
	8	0.45	0.70		
	23		-0.65	0.51	
	6		0.58		0.34
	1	0.35	-0.41		
	12		-0.36		
	7			0.66	
	19			-0.64	
	2			0.62	0.32
	17		0.38	0.61	
	14			-0.48	
	16	0.35		-0.44	
	3				-0.85
	18	-0.32			-0.63
	25			-0.46	0.58
	10		0.51	0.41	0.52
	9	-0.36			0.46

Table 14: The rotated factor matrix of the 4 most relevant factors. Loadings with an absolute value of less than 0.30 are suppressed.

A.8 Rotated factor matrix with 3 factors

		Factor		
Statement		**1**	**2**	**3**
	20	-0.74		
	11	0.72		
	24	0.58		
	4	-0.57		0.30
	9	-0.55		
	21	-0.52		
	16	0.51		-0.40
	3	0.50	-0.30	
	22	0.50	-0.43	
	15			
	5		0.68	
	10		0.68	0.36
	6		0.65	
	23		-0.63	0.52
	8	0.56	0.61	
	18		-0.50	
	13	-0.36	-0.42	
	12		-0.31	
	1			
	7			0.66
	19			-0.64
	17		0.33	0.63
	2	-0.31		0.58
	25			-0.50
	14			-0.47

Table 15: The rotated factor matrix of the 3 most relevant factors. Loadings with an absolute value of less than 0.30 are suppressed.

Appendix B: Respondents

This appendix consists of tables that are used to assign respondents to the factors. An overview of the contents of this Appendix is provided below.

Contents of Appendix B

B.1 Factor loadings

		Factor		
Respondent		1	2	3
	1	0.60	-0.08	0.35
	2	-1.26	0.12	-0.25
	3	0.14	-1.87	2.13
	4	0.90	-0.26	-1.40
	5	0.12	0.68	-1.03
	6	1.13	-1.28	0.71
	7	0.84	-0.69	0.30
	8	-0.70	0.08	-0.32
	9	0.14	0.91	1.82
	10	-0.03	0.77	0.21
	11	-1.72	-0.31	-1.21
	12	1.21	0.32	0.20
	13	-0.53	2.65	0.34
	14	1.86	-0.60	-0.91
	15	-0.65	1.54	0.72
	16	-0.54	0.28	1.16
	17	0.90	0.17	-1.20
	18	-1.05	-0.95	-0.60
	19	0.64	0.60	0.11
	20	-0.41	-0.01	-0.16
	21	-1.34	-0.26	0.58
	22	1.34	0.13	0.60
	23	-1.65	-1.99	-0.07
	24	0.08	0.04	-2.09

Table 16: The loading of respondents on factors.

B.2 Highest factor loadings

		Factor		
Respondent		1	2	3
	1	0.60	-	-
	2	-	-	-
	3	-	-	2.13
	4	0.90	-	-
	5	-	0.68	-
	6	1.13	-	-
	7	0.84	-	-
	8	-	-	-
	9	-	-	1.82
	10	-	0.77	-
	11	-	-	-
	12	1.21	-	-
	13	-	2.65	-
	14	1.86	-	-
	15	-	1.54	-
	16	-	-	1.16
	17	0.90	-	-
	18	-	-	-
	19	0.64	-	-
	20	-	-	-
	21	-	-	0.58
	22	1.34	-	-
	23	-	-	-
	24	-	-	-

Table 17: The loading of respondents on factors. The highest factor loading per respondent is highlighted in grey, the other loadings are suppressed. Loadings of respondents with a highest loading that is less than 0.30 are suppressed as well.

B.3 Multiple high factor loadings

		Factor		
Respondent		1	2	3
	1	0.60		0.35
	2			
	3			
	4			
	5			
	6	1.13		0.71
	7	0.84		0.30
	8			
	9		0.91	1.82
	10			
	11			
	12	1.21	0.32	
	13		2.65	0.34
	14			
	15		1.54	0.72
	16			
	17			
	18			
	19	0.64	0.60	
	20			
	21			
	22	1.34		0.60
	23			
	24			

Table 18: The loading of respondents on factors. Only loadings of respondents that have a loading of 0.30 or higher on multiple profiles are displayed. The rest of the loadings are suppressed.

B.4 Confidential job functions of respondents

This appendix consists of Table 17, which states the job functions and corresponding information of the 24 respondents. The job functions of the respondents are treated as confidential and, consequently, are not included in the publicly available version of this thesis. This appendix is, however, in the possession of the Graduation Committee.

Appendix C: Confidential conversation reports of the key player interviews

This appendix consists of 6 conversation reports with key players of the Dutch Ministry of Finance and the Dutch Tax Administration. These conversation reports are treated as confidential and, consequently, are not included in the publicly available version of this thesis. The 6 reports are, however, in the possession of the Graduation Committee. An overview of the contents of this Appendix is provided below.

<u>Contents of Appendix C</u>

Appendix D: Confidential conversation reports of the Q-interviews

This appendix consists of 24 conversation reports with employees of the Dutch Ministry of Finance and the Dutch Tax Administration. These conversation reports are treated as confidential and, consequently, are not included in the publicly available version of this thesis. The 24 reports are, however, in the possession of the Graduation Committee. An overview of the contents of this Appendix is provided below.

<u>Contents of Appendix D</u>

Appendix D.21 Conversation report of the Q-interview with employee 21

Appendix D.22 Conversation report of the Q-interview with employee 22

Appendix D.23 Conversation report of the Q-interview with employee 23

Appendix D.24 Conversation report of the Q-interview with employee 24