

MOTIVATIONAL ASPECTS OF INTELLECTUAL CAPITAL AND EU CUSTOMS COMPETENCY FRAMEWORK

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Abstract

With the processes of globalization skills and competences are therefore of a great importance, as they help to acquire and maintain competitive advantage. In view of innovations, new technologies and knowledge-based economy increased importance of intellectual capital, ensuring adequate training and professional development level. Competency management is a special approach to human resource management, which involves the tools and technologies that support and develop competencies. In customs, it is necessary to develop an integrated system for competency management in order to develop human resources. The EU Customs Competency Framework is the whole of skills, attitudes, insights and the application of knowledge that are required to perform successfully in a specific professional context. It is also the first step to achieve a common strategic performance development framework for the customs administrations of the European Union. The aim of this study was to find out, identify, to describe and evaluate motivation – all aspects of human resource in Lithuanian customs administration, to find out what motivates customs officers.

Key words: intellectual capital, professional development, customs, Customs Competency Framework

JEL Code: J21, J24, O15

Introduction

Intellectual capital is the foundation of the development of knowledge society, the strengthening of knowledge-based economy and the sustainable development of the country, a dynamic and competitive life of national economy, and social and economic well-being. The current economic context reveal that organizations should pay attention to the coherence between them and their environment, in order to answer to the quest of global competitiveness. The European Commission places great emphasis on competitiveness, given its importance in creating jobs and growth in Europe. It works to mainstream public-related

competitiveness concerns across all policy areas. In particular, for EU countries the focus is on ensuring that they benefit from simplified public administration and more broadly, a business-friendly environment, and have sufficient access to resources, including finance, raw materials, energy and suitably skilled labour. The quality of public administration is important for Europe's competitiveness. Modern, innovative and efficient public administrations is essential to sustaining the recovery and unlocking Europe's growth potential.

It could be said that a number of features important for competitiveness, so as to encourage improvements in government and public administrations. Each states' public administrations are as regards promoting growth and competitiveness. It can be stated that public administration needs a new synthesis, one that will coherently integrate past theories, conventions, principles and practices of enduring values with new ones that respond to today's challenges (Bourgon, 2011). Public services are faced with a range of significant challenges and considerable constraints, not least the possibility of a marked decline in public spending (Mori, 2010).

Competitiveness requires reducing costs and uncertainties for public and businesses when dealing with public administration. Increased efficiency in public administration leads to more fast-growing firms. Time-consuming and costly tax rules, corruption, and ineffective justice systems are the most detrimental to firms' growth. These tasks in public sector can be implemented by developing appropriate competency models, improving employees' skills, knowledge and transferring the latest technologies and management methods. Its can provide important benefits, which could arise from bringing innovation further into the mainstream of management thinking and practice, concerning technology, entrepreneurship, organizational behavior (Lombardi et al., 2014). Today we live in a complex world where understanding relations and identifying opportunities is a big challenge. Growing amount of knowledge and information makes it necessary to update skills and competencies of employees.

The aim of the study is to reveal the most important motivational aspects of customs human capital as employees of a public administration institution in order to identify the most important areas that motivate customs officials. Therefore, skills and competencies are very important as they help to gain and maintain a competitive advantage.

1 Literature review

Intellectual capital is important to society and can be a source of competitive advantage for organisations and business and stimulate innovation that leads to wealth generation. The

frameworks used for most of the intellectual capital reporting models have various similar characteristics, they are not fundamentally different, however, they do serve different purposes or use different approaches.

The intellectual capital reporting models take a managerial perspective by starting from the intellectual capital creating activities and processes. The models try to relate these activities and processes to the companies strategy and give information about intellectual capital creation compared with companies goals (Ticha, 2008). The models give a broad picture of the various intellectual capital components which are related to each other.

The rise of the “new economy”, one principally driven by information and knowledge, is attributed to the increased prominence of intellectual capital as a business and research topic. Intellectual capital is implicated in recent economic, managerial, technological and sociological developments in a manner previously unknown and largely unforeseen (Petty and Guthrie, 2000). Whether these developments are viewed through the filter of the information society, the knowledge-based economy, the network society, or innovation, there is much to support the assertion that intellectual capital is instrumental in the determination of enterprise value and national economic performance.

By Adelman (2010) the term “intellectual capital” collectively refers to all resources that determine the value of an organization and the competitiveness of an enterprise. Understandably, the term “intellectual capital” from a human resources perspective is not easily translatable into financial terms. For all other assets of a company, there exist standard criteria for expressing their value. Perhaps, this term could more appropriately be called a “non-financial asset” (Adelman, 2010).

Nowadays, there is an increasing demand for the identification of an organization’s intellectual capital for decision support. In traditional approaches, identification of an organization’s intellectual capital is usually done through interviews, surveys, workshops, etc. Intellectual capital is collective knowledge of the individuals in an organization or society. This knowledge can be used to produce wealth, multiply output of physical assets, gain competitive advantage and to enhance value of other types of capital. Intellectual capital is now beginning to be classified as a true capital cost because investment in people tantamounts to investment in machines and plants, and expenses incurred in education and training are equivalent to depreciation costs of physical assets.

One element of intellectual capital is human capital as knowledge and competencies residing with the organizations employees. A key challenge today is that employees have tremendous knowledge about their job, the business processes, the data that supports their job

and those processes, as well as knowledge of how most effectively to make things happen (Adelmen, 2010).

By Maditinos et al. (2011), only by nurturing intellectual capital organizations will be able to remain competitive, fight against the domestic and foreign competition, and create sustainable competitive advantages. That is why organizations need to evaluate their intellectual capital and its components, and monitor their development and performance.

2 Methodology

During the study the first step was to conduct an analysis of the relevant literature and supporting documents. These include primary documents such as the EU Customs Competency Framework, as well as academic papers and commentaries published in academic journals or by relevant international and national organizations. During the research the analysis and systematization of the scientific literature and legal acts, the data analysis and the comparison were combined. In this paper the focus was made on the analysis of the literature of intellectual capital in customs administration and its motivation aspects.

The database required for the assessment of motivational aspects was obtained on the basis of a survey in the form of a questionnaire, to which Lithuanian customs officials responded in 2021 August–September. During the survey, a questionnaire consisting of 7 indicators was posted on the website of the Lithuanian Customs. Respondents answered the questionnaire anonymously, so it can be stated that the results of the study are valid and reliable. This study summarizes the importance of intellectual capital and its motivational aspects for professional development, as this may allow a successful achievement of public policy objectives.

3 EU Customs Competency Framework

Human resources professionals and managers have a major challenge to obtain and store information about core job knowledge of all employees, their experience, skill-sets and training. The successful implementation of new technologies, therefore, is dependent on many factors including the efficient management of human resources systems and processes. The opportunities for problem solving and interactive sharing are development of the Competency Framework.

Globalization, the resulting competitive pressure, the demographical change and the transition from industrial to service orientated society are associated with a continuous increase of the need of more knowledge, higher qualifications and a large number of skilled

junior employees (Enders and Musselin, 2008). Because of this development knowledge is regarded as an important production factor respectively as the main asset in a company. In this context skilled and experienced employees were defined as significant knowledge resource in companies (North, 2011). These skilled employees have to be recruited and to be retained to build up, increase and develop knowledge for the company (Alwert et al., 2005).

Against this lack of skilled employees, especially among the younger highly qualified employees, companies are asked to develop adequate recruiting and retention strategies of even better presenting the company as an attractive employer. New career concepts are called for to attract the best expert employees. Key factors in this context are the introduction of a good work-life-balance, of innovative working-time models, personnel developments and innovative career concepts (Holz and Da-Cruz, 2007).

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According to Guthrie and Dumay (2015), in which the authors found that the public sector is one of the least addressed areas of intellectual capital research. By Mori (2010) number of factors that drive satisfaction with customer service across public services can be identified: delivery, timeliness, information provision, professionalism and staff attitude. In the last decades public administrations have started to moving from the simple supply of service (production for the public sector) to a more customer centric approach (Osborne et al., 2013).

It is also very important to develop competitive, high knowledge, innovation based study-business and public institutions partnership management. The EU Customs Competency Framework (2014) is the first step to achieve a common strategic performance development framework for the customs administrations of the European Union. It describes the important definitions the inputs and decisions taken. A Competency Framework is the whole of skills, attitudes, insights and the application of knowledge that are required to perform successfully in a specific professional context.

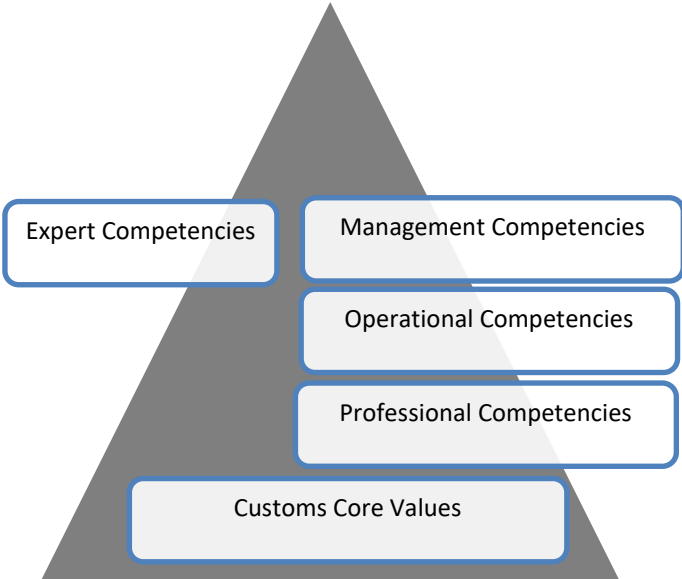
The EU Customs Competency Framework (2014) is the mechanism to deliver consistently high standards of service in all EU customs administrations. It will bring a harmonised approach and is the basis to set a common training and education framework to

support EU member states in delivering the skills and knowledge that the customs profession needs. This will enable customs administrations to deliver world-leading customs services throughout the European Union.

The EU Customs Competency Framework (2014) is underpinned by a set of core values which should be demonstrated by any individual who works within the customs profession in the EU. The competencies are then divided into different layers of Management, Professional, and Operational competencies (Fig. 1).

The Customs Core Values are the values that underpin the goals and beliefs of EU customs administrations. These fundamental values underlie the behaviours of customs professionals and match the personal beliefs of the people who work in EU customs administrations. The Customs Core Values are applicable to everyone who works in the EU customs administrations. They do not have an associated proficiency level as each individual should strive to achieve and demonstrate these values at all times, and are considered fundamental to someone’s approach to their profession.

Fig. 1: Components of EU Customs Competency Framework



Source: made by the author according EU Customs Competency Framework – Overview (2014).

The Professional Competencies are intended to be used in a more general, broader professional context and therefore do not necessarily apply to customs only. However, the competencies that were chosen for inclusion have been analysed and are deemed relevant in the customs profession. The competencies are based on existing national competency models.

In addition, they are strongly aligned with the Lominger's competency descriptions (Lombardo and Eichinger, 2004) and adapted to the EU customs context.

The Operational Competencies are intended to be used in roles that are more specific to customs administrations. They are more technical and should be applied in a more job-specific manner. The Operational Competencies are based on the Union Customs Code (2013). These documents were used as the key input to the discovery and definition of the operational competencies.

The Management Competencies are intended to be used specifically for customs professionals with management responsibilities. However, this does not imply that Professional and Operational Competencies are excluded from roles in management. The Management Competencies may apply to all levels depending on the specific contexts within member states.

The requirements for professional and management competencies in the Lithuanian Customs have been set quite high, therefore there is a constant shortage of staff in this service. What are the reasons for the shortage of officials has been sought in the survey.

4 Results

There are many factors that can influence the attitude of customs officers towards motivation and its approach towards the implementation of their knowledge and skills. The components of intellectual capital are measured differently and all types of tools are used in the scientific literature: non-financial, financial, qualitative and quantitative tools, various descriptions of activities and processes, and so on.

During the survey , 2100 employees worked in the Customs of the Republic of Lithuania. 668 employees answered the questionnaire, which accounted for almost 32 % of all employees. In order to determine the reasons for the shortage of customs staff and the main aspects of motivation, 7 indicators were selected for the research and analysis (table 1).

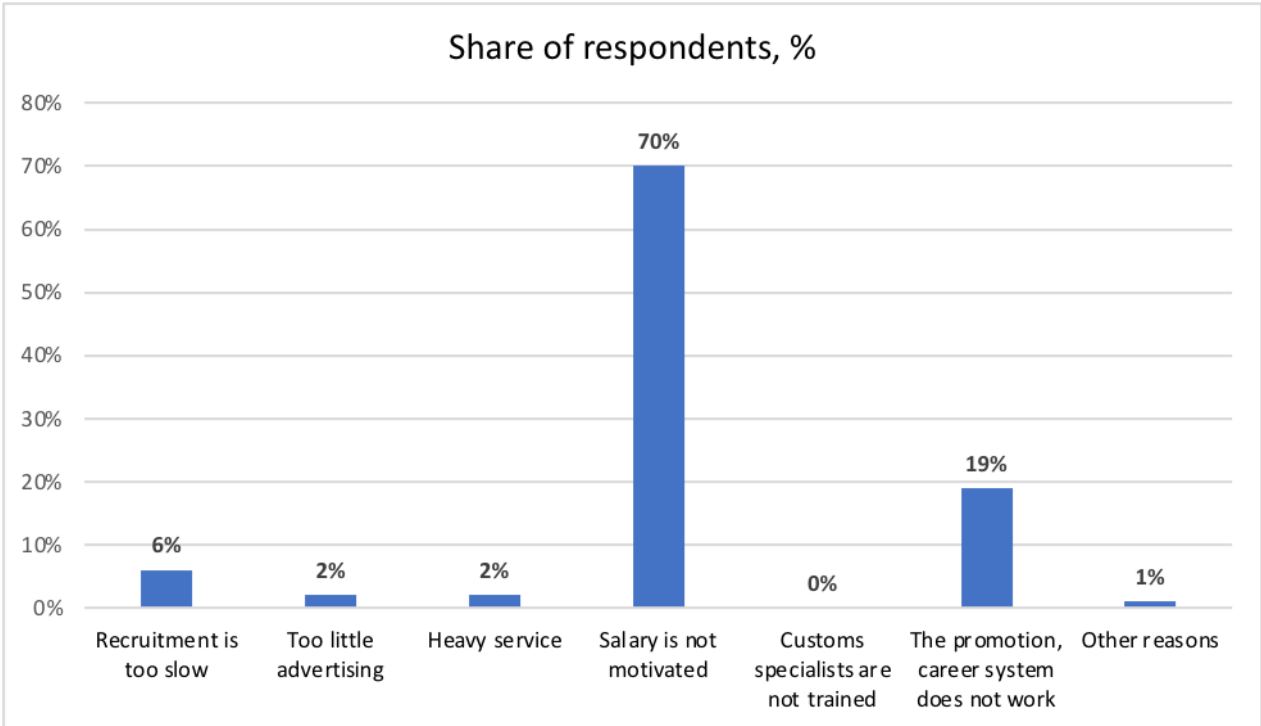
Tab. 1: Survey indicators

1.	Recruitment is too slow
2.	Too little advertising
3.	Heavy service
4.	Salary is not motivated
5.	Customs specialists are not trained
6.	The promotion, career system does not work
7.	Other reasons

Source: made by the author

The results of the study are shown in Figure 2. According to the respondents' answers, the main reason is the unmotivated salary. This reason was cited as the main reason by 70 % of respondents. Research has shown that remuneration issues play a critical role in organization.

Fig. 2: Reasons for the shortage of customs staff



Source: made by the author

If an employee feels that his or her efforts are not recognized or appreciated, and that the work done is not properly remunerated, employees will soon run out of energy and

dedication. The consequence may be that workers leave the customs service in search of another, better-paid job.

However, often money is only one part of an employee's motivation. Most people want to have clear career goals to feel advanced in their organization. Another important reason 19 % respondents cited was the lack of the promotion and career system. A career vision can be a useful process in setting clear, long-term goals for an employee so that they can actively pursue the intended results.

Research has shown that remuneration issues play a critical role in organization. How an employee's actions are rewarded determines the employee's efforts and results. Remuneration is therefore a powerful lever that influences external motivation.

5 Conclusion

Fostering intellectual capital enables an organization to remain competitive, successfully compete with domestic and foreign competition, and create sustainable competitive advantages, so organizations need to evaluate their intellectual capital and monitor their development.

The EU Customs Competency Framework is the first step to achieve a common strategic performance development framework for the customs administrations of the European Union. A Competency Framework is the whole of skills, attitudes, insights and the application of knowledge that are required to perform successfully in a specific professional context.

The remuneration issues play a critical role in organization. How an employee's actions are rewarded, determines the employee's efforts and results. Remuneration is therefore a powerful lever that influences external motivation.

Regular training and development opportunities can help increase employee motivation. Most employees will appreciate the ongoing learning potential and opportunities for them to improve their skills and knowledge. It is important to receive regular feedback on the motivating factors of employees in order to prevent staff changes in the organization.

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