HUMAN RESOURCE MANAGEMENT FOR DEVELOPING THE SMART CUSTOMS MODEL IN VIETNAM

MA. Le Hanh Van*

Abstract: In the context of today’s complex and changing world, human resource management has become a major issue for any administration’s stable development. Vietnam is widely recognized as one of the most attractive, integrative and fastest growing economies in the world which also means the era of digital transformation will soon cover every aspect of the nation, includes the labour market. Besides a large number of significant opportunities, the digital transformation also creates a lot of challenges and new requirements to the local human resources in both of public sector and private sector. Therefore, the approaches of human resource management will be changing under the era of digital transformation in order to be more efficient to not only improving employees’ performance quality but also promoting the organizational sustainable development.

The main purpose of this research is to analyse the case study of General Department of Vietnam Customs (GDVC) to clarify the impacts of digital transformation on human resource management in the public sector of Vietnam and subsequently, to discuss several key elements in order to suggest a corresponding strategic human resource management system for developing the Smart Customs model. The research has covered theoretical backgrounds of human resource management, digital transformation, the Smart Customs model as well as a discussion of World Customs Organization’s (WCO) up to date guideline on human resource management and capacity building to provide recommendations for GDVC’ future innovation plans.

• Keywords: human resource management, digital transformation, smart customs, sustainability, public sector, customs.

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Tóm tắt: Trong bối cảnh thế giới đầy biến động và phức tạp hiện nay, quản trị nguồn nhân lực đã trở thành một vấn đề quan trọng đối với sự phát triển ổn định của bất kỳ nền hành chính nào. Việt Nam được công nhận rộng rãi là một trong những nền kinh tế phát triển, hội nhập và tăng trưởng nhanh nhất trên thế giới, điều đó cũng có nghĩa là kỹ nguyên chuyển đổi số sẽ sớm bao phủ mọi khía cạnh của quốc gia, bao gồm cả thị trường lao động. Bên cạnh nhiều cơ hội, thách thức và yêu cầu mới đối với nguồn nhân lực, việc phát triển và nâng cao chất lượng hiệu quả công việc của nhân viên mà còn thúc đẩy sự phát triển bền vững của tổ chức.

Mục đích chính của nghiên cứu này là phân tích chuyển đổi số của Tổng cục Hải quan Việt Nam để làm rõ tác động của chuyển đổi số đối với quản lý nguồn nhân lực trong khu vực công của Việt Nam và sau đó, thảo luận một số yếu tố chính nhằm đề xuất một chiến lược tương ứng về hệ thống quản lý nhân sự phục vụ phát triển mô hình Hải quan thông minh. Nghiên cứu đã đề cập đến các cơ sở lý luận về quản lý nguồn nhân lực, chuyển đổi số, mô hình Hải quan thông minh cũng như thảo luận về hướng dẫn cấp nhặt của Tổ chức Hải quan Thế giới (WCO) về quản lý nguồn nhân lực và nâng cao năng lực để đưa ra các khuyến nghị cho các kế hoạch đổi mới trong tương lai của Tổng cục Hải quan.

• Từ khóa: quản lý nguồn nhân lực, chuyển đổi số, hải quan thông minh, bền vững, khu vực công, hải quan.

* General Department of Vietnam Customs
I. Introduction

The Fourth Industrial Revolution is developing strongly all over the world which directly influences on the state management towards customs activities in Vietnam. Along with that, the trend of digitization and the movement of supply chain require the customs procedures need to be carried out harmoniously between human intelligence and artificial intelligence (AI) in order to ensure the highest level of automation across all customs activities as well as to allow stakeholders to interact and connect effectively. Subsequently, it is crucial to develop highly skilled human resources as well as to build up a high-technologies system at the same time in order to create a stable foundation for the national digital transformation, gradually move forwards to the digital economy and digital society in Vietnam.

The role of customs is crucial to the economic development, especially the efficiency of customs clearance system is one of the key elements to maximize the values of an economy. Subsequently, in order to ensure these efficiency, Vietnam customs have to maintain a high-quality and adaptable human resource in the context of a changing world. Especially, under the pressure of the Government’s policy on restructuring the management system and reducing number of civil servants by 10% in 2021, Vietnam Customs has been facing a serious challenge. For such a long time, from 2013 to 2020, Vietnam Customs did not organize any civil servant examination for new recruitments and only relied on the limited sources of recruiting civil servants transferred from other state agencies. On the other hand, while the total import - export turnover rate of Vietnam has been increasing steadily from 325 billion USD in 2015 to estimated 700 billion USD in the end of 2022 (approximately increasing by 12% each year). The rapid growth of import - export turnover does not only show the national economic development but it also describes the increasing workload and responsibilities that Vietnam Customs in general and the officers have to carry out. In order to solve this problem and to ensure a sustainable development, Vietnam Customs is urgently required to not only apply modern technologies, digital transformation but also to enhance the officers’ working capacity in the era of fourth industrial revolution.

II. Literature review

1. Analysis of modern Human Resource Management (HRM) concept

The concept of HRM is introduced to serve the managerial requirements of several administrative procedures to maintain fair employment terms and conditions as well as manage personnel activities for individual employees within the organization. Besides, HRM performs these employment activities in a qualitatively distinctive approach which actively associates the personal career development with the organizational strategies to create long-term values and sustainable developments (Kazlauskaitė & Buciumiene, 2008). Hence, HRM is expected to not only maintain fair employment relations between employers and employees but more importantly, encourage their emotional attachment and working engagement with each other as well (Hudselid, 1995).

As the result of linking employees’ working interest with their organizational corporate strategy, this helps to increase their associations and improve employees’ enthusiasm, working capacity and performance quality as well as the organizational overall outcomes. Moreover, HRM is considered to be more proactive as one of its significant features is forecasting organizational needs along with continual adjustment and monitoring of personnel systems to meet any managerial changes and future requirements (Guest, 1997; Savaneviciene & Stankeviciute, 2013). This feature allows a more flexible and adaptable employment management approach which is extremely ideal for nowadays’ rapid economic development. In addition, HRM emphasizes more on developing employees as a part of the employing organizational distinctive culture and core competency so it is a holistic system related with total organizational interest while still recognizing the importance of individualism (Wright et al., 2003).

On the other hand, in the context of today’s social and economic rapid developments, employment management requires a more and more sophisticated approach which goes even beyond the regular HRM concept. In order to maximize employees’ individual working capacity and their performance quality, it is significant to critically assess their competency and have corresponding management strategy. Hence, the concept of competency based HRM has been introduced to standardize and integrate all HR activities based on competency that also helps to identify each position’s expectations. By adopting a competency based HRM system, an organization could be able to measure their employees’ suitability as well as provide a more corresponding personal career development plan. In general, the transition from regular HRM to competency-based HRM has been being occurred due to high demands and pressures of global changes for a more comprehensive long-term employment
management system to assist organizations gain sustained successes over time.

The function of a competency based HRM system is popularly acknowledged to add more incremental value into an organizational overall performance. In order to gain and sustain competitive strength and development in the context of today’s rapid changing globe, every organization has to continually enhance their employees’ working capacity and improve the efficiency of their HRM systems (Kazlauskaite, & Buciuniene, 2008). There are three main routes which have been largely accepted to emphasize that a strategic HRM system can improve organization performance by 1) improving employees’ working capacity; 2) encouraging positive attitudes and long-term engagement and 3) enlarging employees’ responsibilities to motivating their maximum use of skills and abilities (Patterson et al., 1997). Due to the fact that HRM system covers different areas of employment field so each of its functions contributes different values into the enhancement of organization performance.

Along with the objective of attracting, developing and retaining high-skilled people, a competency-based HRM’s advanced function is to match them to the organizational needs and strategies. Hence, this function helps to transform employees’ distinctive personal values and working strengths into the organizational core competency and competitive advantage. The core value of a competency-based HRM system is employee engagement which has an extremely impact on the improvement of organization performance. Employee engagement helps to enhance their behavioral and attitudinal involvements which will change the nature of working environment and relations within an organization from pure contractual basis to strong emotional attachment between employers and employees as well as between colleagues. Besides, a competency-based HRM system’s decentralized power distribution and flexible rules will lead to improved performance as well because they encourage and nature the flow of opened ideas, communications, personal career development needs and feedback throughout every HR activity in order to fulfill the gap between employees’ competencies and the organizational expectations (Guest, 1987).

Especially, another significant function of a competency-based HRM system is strategically managing and developing knowledge of employees based on their competency assessment. This function is strongly recognized as having an important role in determining how successful an organization could be nowadays. As the result of rapid technological changes and new knowledge introductions, both of employees and organizations are required to continually update their knowledge (Kazlauskaite, & Buciuniene, 2008). The competency-based HRM helps to design long-term learning strategies to enrich the skill base and improve competence levels in order to meet the demand of constant changes (Wright et al., 2003). Furthermore, it is also expected to motivate employees actively seek to learn and improve the skills and knowledge that support the organizational corporation goals (Guest, 1987).

The following table will summarize values of competency-based HRM linked with HRM processes:

<table>
<thead>
<tr>
<th>HRM processes</th>
<th>Values of competency-based HRM</th>
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<tbody>
<tr>
<td>To competency-based staffing process</td>
<td>- Match the right people to the right jobs at the right time.</td>
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<td></td>
<td>- Minimize the gap between employees’ competencies and the jobs’ requirements.</td>
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<td>- Provide a consistent staffing process to ensure fairness among people over time.</td>
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<td>- Lower the employee turnover rate.</td>
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<tr>
<td>To competency-based training management process</td>
<td>- Provide favorable environment and opportunities for employees to learn new knowledge and skills according to their competencies.</td>
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<td>- Save more time, financial and human resources to conduct trainings.</td>
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<td>- Improve communication between management and employees.</td>
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<td>- Motivate internal employee mobility and cross-training.</td>
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<td>To competency-based performance management process</td>
<td>- Set a clear vision of performance expectations for employees to allow them make better decisions and perform more effectively.</td>
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<td>- Standardize performance standards within the organization.</td>
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<td>- Up to date performance appraisals.</td>
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<td>- Facilitate to develop career plans.</td>
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<tr>
<td>To competency-based career management process</td>
<td>- Enhance the potential for job satisfaction.</td>
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<td></td>
<td>- Provide a clear vision for both management and employees on their individual professional development plans.</td>
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<td>- Provide employees insight of the organizational overall strategy to enhance their engagement to the jobs.</td>
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<td>- Design formal structured career development programs for every job position.</td>
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<td>- Prepare a good human resource when any changes occurred.</td>
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2. The implementation of Digital Customs and Smart Customs in Vietnam

In the current context, Vietnam is aiming for the goal of (1) building a modern Vietnam Customs, on par with the international standards for Customs authorities, leading in implementing Digital Government, with a smart Customs model and (2) enhancing service quality for businesses community and people in carrying out customs procedures, creating a transparent and fair import-export environment that help to maximize national
competitiveness, ensure social security and protect national interests and sovereignty. Therefore, in parallel with the implementation of work related to high technology services to perform Digital Customs, Vietnam Customs has developed a Smart Customs model, which is appraised as one of the most important objectives in the Customs development strategy in 2021-2030, following the direction of a professional, modern and compatible with the global liberalization trend; exploiting the achievements of the fourth industrial revolution for customs sector.

A Smart Customs model is mainly about high degree of automation, modern technological and scientific achievements, digital transformation and paperless platform which aims for a transparent, fair and efficient Customs authority. There are several basic feature of a Smart Customs model, such as: chain and digital ecosystem management; Smart border management; intelligent connection, provides optimal services as follows:

First of all, according to World Customs Organization (WCO), smart border management must contains the virtual customs model and the electronic border gate in order to minimize the direct involvement of customs officers, reducing waiting time at the border and simplify administrative procedures. Furthermore, this model also requires the implementation of modern inspection and technological solutions at border gate areas.

The second, main service is the digital ecosystem management which deploy an integrated supply chain management model following the guideline of WCO’s secure and Facilitate Global Trade (SAFE) framework. Besides, it manages the value chain of the production and business process to make sure that goods are used for the right purposes as their Customs declaration.

Thirdly, the model provides optimal services, through establishing a friendly, easy-to-access digital service environment, capable of using services anytime, anywhere and on any device as providing features to support businesses, organizations and people in carrying out administrative procedures.

Fourthly, smart connection and processing is the application of new technological achievements such as: Internet of Things (IoT), Blockchain, Artificial Intelligence (AI), Big Data, ICloud, Mobility to assist the Customs authority in automatically analyzing and processing information; promptly adapting to changes in the operating environment.

Finally, transparency, fairness and consistency in reforming administrative procedures in line with the WCO’s standards and recommendations. The management for import and export activities of goods, means of transport on entry and exit must be unified, concentrated, and minimizing the handling process, cutting unnecessary intermediate stages. Encouraging and creating conditions for people, businesses and related parties to cooperate with the Customs authority in law enforcement and supervision.

3. The HRM system of Vietnam Customs sector in the era of digital transformation

Along with the trend of international economic integration, the establishment of various new FTAs and the rising of digital transformation, customs management in general and HRM of the customs sector in particular are undergoing a lot of changes. The customs clearance procedures have had fundamental changes to meet new requirements. Therefore customs officers are also required to regularly learn and master new regulations, be proficient in handling customs new technologies as well as ensure fast clearance procedures without disrupting the global supply chain.

Currently, Vietnam is moving towards to the digital government and e-Government model. Hence, the customs sector is also developing a strategy to implement Digital Customs and Smart Customs in line with the development of national IT infrastructure, adapting to the digital environment and requirements of integration. The application of information technology in Customs management is now carried out nationwide. The development of telecommunications networks and information technology systems will contribute to the deployment of Customs software applications which will be favorable such as fast transmission speed, data security, smooth operation... This is a great favorable condition for Customs authorities as well as businesses to carry out fast and efficient customs clearances and at the same time, support the information collection and risk assessment process to promptly detect and handle smuggling and commercial fraud cases. The implementation of these digital management models and technologies requires innovations in managing customs’ human resources.

One of the significant contents of the Plan on Customs digital transformation to 2025, orientation to 2030 is about the implementation of the Smart Customs model. The Smart Customs model will be an important solution to continuously reform the administrative procedures towards transparency, simplicity and consistency which is in line with WCO’s standards and recommendations, such as: Convention on simplification and harmonization of
customs procedures; The standard framework for security and global trade facilitation… which ensures goods are released quickly and reduces costs for businesses. The development of Smart Customs model which helps to modernize Vietnam Customs in line with the international changes and standards as well as satisfies the requirements of smart administration such as, a high level of automation, scientific technologies, paperless procedures, transparency, fairness, effectiveness, predictability and adaptability. In addition, Smart Customs model ensures the connection of all stages throughout customs procedure process by fully automated operations: automated information analysis, risks identification, customs documents inspection, classification of inspection flows, tax determination…which are the core professional requirements of the system. Besides, the main objectives of Smart Customs model also includes: trade facilitation through providing customs services anytime, anywhere and on any devices; digitizing documents and records; be able to integrate, connect and share information with other ministries, sectors and businesses through the National Single Window as well as to exchange customs data with other countries. Moreover, Smart Customs model provides a secured and safe platform for the economy by improving the Customs sector’s management capacity, includes: high technologies, automated risk analysis system, smuggling prevention, trade fraud, illegal transshipment…

In order to implement the Smart Customs model successfully, a number of requirements need to be implemented into the HRM system:

Firstly, focusing on professionally trainings for Customs officers which provide up to date knowledge, high technology and customs specialized working skills. In order to meet the requirements of the Smart Customs model, training programs must be regularly revised and updated so Customs officers could approach new training methods that combine academic theories, real-work experiences and predicted customs management trends.

Secondly, planning on frequent job rotations in accordance with the actual conditions and needs of each customs department/unit is crucial to maximize human resources capacity that satisfy the Smart Customs model of the Vietnam Customs Development Strategy for the period of 2021-2030. By rotating job positions strategically, customs officers have more chances to learn new knowledge, create networking and be more capable to overcome unexpected changes during the organization reform and modernization process while implementing Digital Customs and Smart Customs models.

Finally, customs officers must be active in improving their qualifications continuously, especially using modern equipment to deliver jobs. The digital customs model is expected to establish a friendly, easy-to-access digital service environment, capable of meeting the needs of service use anytime, anywhere and on any devices to support businesses, organizations and people in carrying out administrative procedures. Along with that is the development of tools and utilities to measure, monitor and evaluate the effectiveness of state agencies’ management and public service quality. Within the working environment of the smart customs model, customs officers are all expected to have skills in analyzing information; operating supporting equipment and modern technologies for delivering customs procedures.

III. Discussion

1. The general introduction of Vietnam Customs’ human resource

The following section will describe an overview of the human resource characteristics:

According to the diagram, it describes that Vietnam Customs has 10,179 officials and the number of male officials are also double the number of female officials (male: 65% and female: 35%). The officials are divided into three age groups which has the majority group is from 30 to 50 years old. In terms of the educational background, the majority of officials graduated Bachelor degrees - around 75.8%, 12.5% graduated Master degrees, 0.2% graduated PhD and 11.5% graduated College degrees or under.
2. The comprehensive analysis of Vietnam Customs’ HRM

2.1. The current state of HRM in Vietnam Customs

The majority age group is from 30 to 50 years old which is considered as a golden age group because people in this age group tend to have considerable experiences and knowledge as well as still in the productive working period. This is also valued as one of the core strengths of Vietnam Customs in the process of reform and modernization. In addition, with the majority of officials graduated Bachelor degrees and higher that share a similar considerable knowledge foundation to facilitate the administration in implementing trainings successfully. Besides, another strength of Vietnam Customs’ HRM system is the management’s willingness to reform and modernize the managerial activities so this also helps to motivates employees’ working engagement. The system is supported by several legislations and regulations which cover all aspects of human resource management in Vietnam Customs as well.

On the other hand, this legal framework also shows some disadvantages as it is either just short-term plans or too general. The human resource development strategy has just orientated generally for the whole organization instead of focusing on each officials group which has their distinctive needs and differences. Especially, in fact, the management and use of human resource in Vietnam Customs currently tend to be adopted in an administrative procedures manner rather a Strategic Human Resource Management (SHRM) approach. The current approach concentrates on primary managerial requirements such as, recruitment and selection, payroll, personnel record, performance management, redundancy and workplace rules application. There has not been much attention among management levels to distinguish the differences between these two management approaches and comprehend their pros and cons that might be one of the reasons impacts on the efficiency of developing officials’ working capacity. Therefore, there are still a number of limitations to efficiently manage human resource. Especially, due to the nature of the current management approach which is only focusing on monitoring daily basic employment activities so the system is lacking of the ability to forecast future employment trends and needs as well as design corresponding strategies. Subsequently, this problem is more likely to create obstructs for the administration to develop a long-term employment management vision in order to maximize the officials’ potential working capacity and engagement. Moreover, the lack of long-term employment management strategies also adds more challenges to enhance the success of future goals as employees are the core component to perform tasks.

As Vietnam Customs have a large number of officials who are at different age groups and educational levels working in a complex organizational structure with different layers of management, this creates several gaps among their perceptions, working motivation, experiences, skills and competencies. Especially, in the current context of frequent economic, social and political changes, it requires a more sophisticated HRM system with flexible approaches. Therefore, the current regular employment management system cannot be able to maximize officials’ individual potential competencies in order to meet the demand of a sustainable development for the organization which shows several limitations influencing on each individual HR activity.

2.2. Analysis of assessment operation

Since 2018, Vietnam Customs has been organizing competency assessment for officials from non-management positions of six major customs areas. There are several concerns that there should be a comprehensive assessment to evaluate the results’ applicability and reliability before using as a tool for further HRM activities. Although, the competency assessment has brought multiple positive changes in terms of raising awareness of both management lines and officials in constantly monitoring their working competency, there are still several limitations. As the assessment was done in the online questionnaires format test that helped to save a lot of time and effort to conduct but it could not comprehensively assess officials’ soft skills and emotional engagement which also play a key role in determining their potential competency.

The competency assessment results in Vietnam Customs are divided into four levels namely, level 0: fail (do not meet the requirement), level 1: pass (being able to perform tasks with frequent supervisions), level 2: intermediate (being able to perform tasks individually), level 3: expert (being able to perform task individually, guiding others and take part in policy development process). The tentative plan of Vietnam Customs will be mostly focusing on providing trainings for officials who achieve level 1 (1st priority) and level 2 (2nd priority) in order to improve their working competencies and minimize the gap among each level, especially when comparing to
level 3. In general, this tentative plan aims to provide the most favourable opportunities for those who lack of required competencies to improve and to meet the organizational demands. Besides, this also helps to motivate their engagements by making them feel as a part of the organizational development despite some of their limitations.

However, from a different point of view, this tentative plan raises some concerns as well. Although, officials who are able to achieve level 3 is the minority group, they are the core value to the success of the administration. In fact, it requires a lot of time, effort and financial resources to achieve the competencies of level 3 so the lack of training investments for officials who achieve level 3 might leads to major damages for the organization. In some extent, the tentative competency-based training scheme of Vietnam Customs should focus on those officials as the 1st priority group who need intensive trainings in order to quickly enhance the administration’s efficiency.

2.3. Analysis of staffing process

Although, the competency assessment has been implemented, its results are not yet used for staffing process. Thus, Vietnam Customs purely rely on the legal framework and the management’s decisions on proceeding HR activities instead of basing on qualitative and quantitative appraisals. As mentioned above, the recruitment source of Vietnam Customs is people transferred from other state agencies. This might help to decrease the urgency of lacking staff to carry out the increasing workload. However, Customs operations are complex that requires a set of distinctive skills and knowledge so people who are transferred from other state agencies tend to lack of those requirements. This also enlarges the gap among officials’ competency levels which creates more and more challenges on the HRM system.

Besides, in term of job rotations, without a formal competency assessment before each rotation which also raises a concern of the efficiency, suitability and fairness. Officials are now rotated to different job positions based on either management’s objective decisions or in some cases their proposals. Therefore, it will be more beneficial for both the administration and employees if the staffing process is carried out based on a more comprehensive evaluation such as: competency-based assessment.

2.4. Analysis of training management process

In the beginning of the 4th quarter every year, the HR Department of Vietnam Customs sends out a training needs form to every department to propose. Although, all of the trainings are designed based on the organizational overall objectives and development plan for the following year, it has not yet any formal assessment to estimate the distinctive needs and the targeted candidates of each department done by the HR Department. Therefore, the training scheme might have some gaps with the real needs that decreases its efficiency and applicability. Moreover, without a competency-based training management, it is a challenge for the HR Department to match trainings corresponding to the officials’ competencies and monitor their performance developments.

Training management is not only about giving people regular trainings they need but it needs to be monitored and assessed constantly. Therefore, the HR Department is suggested to take the advance of the competency assessment results to develop a more in-depth training needs assessment and subsequently a competency-based training management scheme.

2.5. Analysis of performance management and career management processes

Due to the fact of adopting an ordinary administrative procedures approach and the limited use of competency assessment, the HR Department currently focuses on managing the overall performance. Therefore, this consequently leads the lack of career plan development for each individual development. This situation creates difficulties and challenges for both the management and employees to monitor their career paths. Especially, without a realisable system to manage performance and career, officials are less motivated to improve their working capacities and commitments. It is significant to note that in order to aim for a sustainable long-term development, the HR Department should consider performance management and career management are two effective tools to closely monitor officials’ competency and improve their commitment.

3. The recommendations to develop competency-based human resource management for Vietnam Customs’ reform and modernization

In order to resolve the challenging issue of imbalance between the increasing workload and standards and the limited human resource which Vietnam Customs is facing, it is urgent to establish a strategic competency-based HRM system in order to enhance officials’ working capacity. It is a complex process to design and fully implement a competency-based HRM system which covers multiple stages and activities namely: competency assessment, competency-based staffing, competency-based training management,
competency-based performance management and competency-based career management. The following section will be discussing critically the process of developing competency based HRM with a detailed suggested work plan (Appendix 1).

3.1. Competency assessment operation

In order to increase the assessment’s efficiency and validity to facilitate the development of a strategic competency based HRM system, WCO’s guideline suggests that “if competency appraisal is a new practice for the Customs administration, then it is essential to deal with it as part of a communication and change management process in order to reduce the impact of resistance to change”. Along with the online questionnaire assessment test, Vietnam Customs should also consider to adopt individual interview assessment approach to increase interactions between managers and officials for better understandings, valuable exchanges to assess their personal perceptions, engagement levels and aspirations. Moreover, through interviews, it is a great chance to deliver the organizational visions and expectations so officials could be more aware of their responsibilities and more active in developing their own working competencies. In addition, WCO’s guideline suggests that in order to support the competency assessment process as well as to identify more insights of officials’ potential capacity, the assessment has to consist of four key criteria: autonomy, complexity, issues at stake and occurrence. “Autonomy” describes the official’s capacity to perform tasks efficiently with limited or no supervision. “Complexity” refers to the level of difficulty of the task and how complex the skills and knowledge should be employed to perform it. “Issues at stake” helps to assess the necessary of the competency required for the job. Occurrence evaluates the required competency level over a period of time. In order to deliver a successful competency-based training management process, it requires a serious consideration of identifying the core competencies which are the most beneficial to the administration

3.2. Competency-based staffing process

Staffing process includes a set of HR activities: planning, recruitment, induction and integration which aims to estimate and develop the required human resource to satisfy the organizational needs. This process has a lot of influences on how capable the human resource could meet the organizational expectations and consequently, the organizational overall performance. Although, in Vietnam Customs, there is a distinctive system with several regulations, policies and legislations cover every aspect of staffing process, this system tends to assess people based on their qualifications, years of experience and family background rather than assessing comprehensively their competencies and suitability. If the staffing process is done based on the assessment of qualifications, years of experiences and family backgrounds that might help to assess people’s suitability at that certain time only but it will not be able to provide the organization a predicted assessment of their potential working capacity.

Hence, according to the WCO’s best practices, Customs administrations must develop a strategy for establishing a system of job, workforce and competency planning. Furthermore, an effective staffing process must satisfy three major requirement are: 1) to helping Customs administration to create steward mechanisms that develop a code of conduct which will enhance the HRM department’s efficiency and its role as a strategic partner; 2) to allow the Customs administration to achieve a balance between the availability of employees and the staffing requirements in all HR activities and to select the best qualified personnel for the achievement of the organization’s development; 3) to enable Customs administration to produce corresponding strategies that will make it easier to integrate and retain employees’ commitment.

In order to achieve this suggested staffing process, Vietnam Customs should consider to implement an overall reform plan. Firstly, in regard to the HR planning process, an in-depth analysis of the organizational objectives and operational environment should be done to identify all existing opportunities and challenges. After competency assessment is conducted, it requires an analysis to assess the result to clarify competency gaps. Subsequently, the analysis will be a foundation to produce and introduce plans, strategies and trend measurement for future HRM implementation. Secondly, the HR planning will be a guideline to establish job descriptions and competency dictionary which facilitate the competency-based recruitment process. It is important to note that the organizational vision, tasks and strategy will be used as the core values to monitor the whole process. Finally, the induction and integration process will not be conducted only after the recruitment process completes but it requires frequent monitoring and assessment to promote and retain employees’ engagement.

3.3. Competency-based training management process

Training and human resource’s capacity building are two major factors to ensure the maintenance and
re-innovation of competency capital. Nowadays, Customs administrations have to deal with constant internal as well as external changes which create pressure on the organization to provide more relevant and effective trainings. Hence, this helps to enhance employees’ flexibility and adaptability in a changing working environment. According to WCO’s comment, the development of competency capital would be affected by two factors that are constantly interacting each other namely: law of obsolescence and competency inflation (or principle of increasing jobs complexity). Under the influence of these two factors, the Customs administration’s competency will gradually decrease over time until it becomes outdated.

The orientation on training management is a tool to help Customs administrations overcome strategic challenges. In order to improve the efficiency and suitability of trainings which are given to officials, it is necessary to develop a competency-based training system to fulfill their individual needs for further career development and the organization’s vision as well. Besides, to maximize the added values of each training activity, it is necessary to clarify the nature and goals of training so it could motivate employees to change their regular work rhythms and to contribute into the maintenance of competency development. Training activities must be considered as a part of development rationale which allows every official, despite their position, category, gender and duty nature to have all the required competencies for their position, preparations to adapt with changes, chances for professional advancement in line with the career management and contribution to the development of their own performance as well as the organizational achievements. A competency-based training process includes four stages: 1) gathering and analysing the training needs, 2) designing and planning corresponding training activities, 3) trainings delivery and 4) post-training evaluation. This process needs to be done constantly to ensure continuous improvement and to maximize officials’ competency over time.

3.4. Competency-based performance management process

According to WCO’s discussion, among all HRM activities, competency-based performance management seems to have the greatest gap between plans and reality which also requires to be taken ethically and objectively. The concept of performance management describes a process of assessing employees’ working ability, managing the quality of their performances and planning their personnel developments. In order to add more values to the management process, competency-based performance management has been introduced to provide assessments not only on “what has been achieved” but furthermore, “how the performance has been taken”. There are four main components of a competency-based performance management system: operational objectives, competencies, individual development and appraisal process. Among these components, the performance appraisal plays a significant role in the success of the whole performance management process as it provides information resources to directly assess employees’ contribution and to determine accurate managerial strategies.

The performance management process is considered as a continuous proactive measure which has three stages: 1) planning and performance agreement, 2) mid-term appraisal or review objectives, and 3) performance assessment. Management tends to assume that employees are aware of what is expected of them but this is not always the case. Therefore, the first stage is extremely important to review and discuss the principle work objectives, the relevant competencies, individual development plans and the implementation plan. In the second stage, a set of activities needs to be carried out continuously throughout the whole period in order to review employees’ individual performance timely. These activities are to supervise the process towards achieving work objectives, to give feedback and constantly maintain communication between the management and officials. Finally, although, the management is mainly responsible for the performance assessment stage, it requires employees’ cooperation to achieve more reliable results. It is crucial to note that an effective performance appraisal is a combined understanding of the quality, the scale and the competencies of performance. Besides, officials’ self-appraisal should also be considered as a referenced information source to appraise their performance even sometimes they might be inaccurate.

The implementation of competency-based performance management could be varied among Customs administrations due to the differences of organizational culture and operational context. However, according to WCO’s suggestion, in order to develop a successful competency-based performance management process, there are several conditions must be satisfied. The process must be aligned with the administration’s strategy to make sure that the practice will always concentrate on key competencies and closely link to the changes of officials’ performances. In addition, the competency measure must transform
the culture of the work to a new efficient paradigm. Furthermore, throughout the whole process, it must integrate all customs stakeholders to achieve a participatory approach based on the management of changes and strategic communication.

3.5. Competency-based career management process

In the traditional model of career management, this activity is adopted as a HR tool to help the organization takes control over the employees’ commitment and loyalty towards delivering its objectives. However, in order to maximize the efficiency and to achieve a long-term commitment, it is suggested that a career management process should balance the needs of management and employees. Therefore, a competency-based career management process does not only allow employees to actively maintain and improve their competencies adjusting with changes in their career paths but also the administration to exploit and foster the core competencies for a further sustainable development. From this perspective, the career planning process should include career information (provided by the administration), information on employees, negotiations and support measures. There are numerous career management tools which are encouraged to adopted flexibly such as, information on career flow, self-appraisals, supervisor appraisals, tailored personal development plans, a form which validates employees’ competencies, catalogues of educational resources organized by competency, collaborative learning, formal development programmes, professional resource centres, mentoring and training.

The first stage of the process is to identify an inventory of positions and the required competencies which could be referenced from the job descriptions. Besides, during the exercise, it is also crucial to analyse the changes of circumstances, operational plans, employee turnover and critical jobs. These analyses also help to promote internal mobility and competencies’ development by identifying the similarities among different positions.

IV. Conclusion

To sum up, due to the rapid global changes, digital transformation as well as the national and international demands for high-quality customs services, every administration is required to invest more effort in improving the efficiency of their employment management approach. Besides, nowadays, customs officials are not only expected to perform usual daily working tasks but more importantly, to advance their working capacities to become the administration’s core competency for a long-term development in the context of constant changing world and scientific technology innovations. Therefore, the implementation of a competency-based HRM system has been occurred to satisfy the needs and demand for a better employment management system which meets the requirement of Smart Customs and Digital Customs models.

In order to solve the problematic issue of the imbalance between increasing workload, rapid and constant changes of high technologies implementations in public services management and decreasing number of staff as well as to ensure a sustainable development, Vietnam Customs is urgently required to enhance the officials’ competencies. Firstly, it is crucial for the management of Vietnam Customs to transform from the traditional regular employment management to a more sophisticated and updated HRM system in order to advance the management to a higher standard. Besides, a comprehensive assessment of the current human resource management to clarify both strengths and weaknesses that will be beneficial for developing a new innovation plan. In addition, Vietnam Customs is also suggested to adopt WCO’s guideline on implementing a competency-based HRM system to not only improve the organizational performance but also to benefit the officials’ career development plans. A comprehensive competency-based HRM system covers multiple stages and activities namely: competency assessment, competency-based staffing, competency-based training management, competency-based performance management and competency-based career management.

References:


