

SECTION 4 - YOUNG RESEARCHES' PAGE

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**HUMAN RESOURCE DEVELOPMENT IN CUSTOMS
BASED ON COMPETENCY MANAGEMENT**

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Abstract

This article considers possibilities of using the competency-based approach for Human Resource Development in the Russian Federal Customs Service in accordance with identified global and Russian trends in Human Resource Management.

Keywords: Human Resource Management, Human Resource Development, competency management, competency-based approach, competence, competency model, Customs, professionalization, educational and professional standards.

Introduction

Nowadays, Customs Administrations are facing big changes brought about by trends of globalization, integration, technological innovation, increasing demands for service quality, restructuring and workforce optimization. These and other factors, including trends related to Customs Professional Development and mentioned in the PICARD 2020 strategic document (WCO 2013, p. 2) give a high priority to Human Resource Development (further – HRD) in Customs.

As more and more Customs administrations face these challenges, they are looking for HRD tools and technologies. Competency-based approach can serve as a basis to improve the HRD system and make it as effective as possible. It also could help assessing HRD capacity and use it effectively by competency management tools.

Nowadays, human resource development is one of the actual issues in Customs. Customs performance directly depends on human resources. It is extremely important to organize an effective Human Resource Management (further – HRM) in Customs. The strategic role of HRM within Customs Administrations is highlighted in the World Customs Organization Capacity Building Development Compendium (WCO 2009, IX, p. 4). Also in the Strategy of the Russian Federal Customs Service special attention is paid to human resources development (RF Government Order of 28.12.2012 № 2575-r).

As it's rightly pointed out in the WCO Capacity Building Development Compendium, that "the way HRM is implemented and used by Customs administrations

can vary enormously, especially with regard to the importance of the role that HRM plays in the organization. Furthermore, there will be differences in the manner in which administrations use the various elements of HRM”.¹

In this regard, the following questions become relevant. What’s the role of HRD for Customs? What HRM trends are typical for Russian Customs? And what competency management tools could be used for HRD in Customs?

1. The strategic role of HRD

In recent years, changing market conditions is leading to the fact that effective HRM plays increasingly important role for organizations. In the post-industrial era the greatest value goes to a level of education, professionalism and competence of personnel. Human capital is the main intensive factor ensuring the development of post-industrial society.

According to the Concept of long-term socio-economic development of the Russian Federation until 2020 one of the global today challenges is the increasing role of human capital in economic development.² Human capital becomes the major factor in creating competitive advantage of the country, industry or organization.

During the latest HR events held in Moscow (HR&Training EXPO 2013,³ Top HR Trends 2013⁴) the increasing strategic role of human resource management has been noted time and again as a major HR trend.

Indeed for today human resource is rightly considered the key resource for the development of any organization. Especially it is typical for organizations providing services. Result of providing service largely depends on the personnel. The strategic role of human resource management is to enhance the quality of services through human resource development.

Customs authorities provide the public services ensuring an execution of state functions. In accordance with Strategy of the Russian Federal Customs Service's development until 2020 the foundation of the high-quality public services is human resource development and enhancing the professionalism in Customs.⁵ None of Customs strategic directions can be successfully realized without the investment in human resources.

All this allows us to consider human resources capacity as a key element of Customs capacity building, which is the foundation of the quality public services.

Thus, actually the strategic role of human resources management and development is increasing in Customs.

¹ World Customs Organization 2009, *Chapter IX of the Columbus programme phase 2 – Implementation tool “Human Resource Management & Leadership”*, p. 4, see also: http://wcoomdpublishings.org/downloadable/download/sample/sample_id/112/

² RF Government Order of 17.11.2008 № 1662-r “Concept of long-term socio-economic development of the Russian Federation until 2020”.

³ XIV Annual Conference and Exposition “HR&Training EXPO 2013”, see also: <http://expo.trainings.ru/>

⁴ Conference “Top HR Trends 2013”, see also: <http://www.themoscowtimes.com/conferences/eng/archive/event/486677.html>

⁵ RF Government Order of 28.12.2012 № 2575-r “On Strategy of the Russian Federal Customs Service's development until 2020”.

2. HRM trends in Customs

2.1 Enhancing demands for the competence

In modern conditions of Customs modernization requirements for the competence of Customs staff are constantly changing and increasing, that is connected with numerous changes of the legal framework, implementation of e-Customs, post-clearance audit, increasing demands for the quality public services.

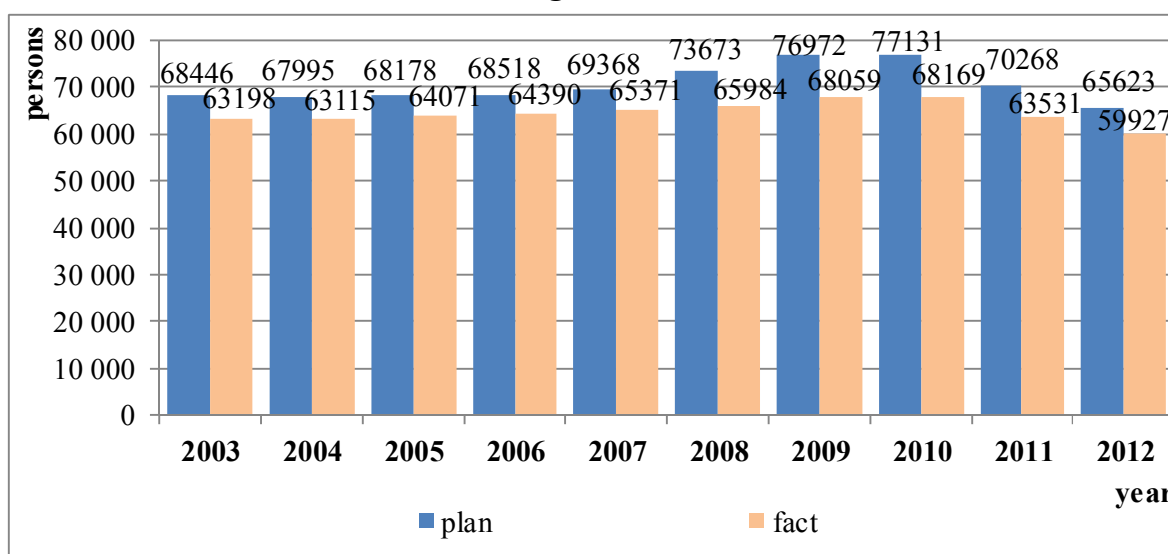
2.2 Workforce optimization in Customs

In times of fiscal austerity programmes there is workforce optimization in a number of the WCO Member.

In the Russian Federation it's going a phased reduction no less than 20% of the maximum number of federal civil servants and employees during 2011-2013 (RF Presidential Decree of 31 December 2010 № 1657 "On the optimal number of federal civil servants and employees of federal government agencies").

Therefore, the workforce of the Russian Federal Customs Service is characterized by downward trend at the present time, that's clearly shown in Figure 1.

Figure 1. The dynamics of incumbency the Russian Federal Customs Service during 2003-2012



Source: compiled by the author on the basis of statistics of the Russian Federal Customs Service

2.3 Using the modern personnel assessment tools

In the Russian Federal Customs Service personnel assessment is carried out by using methods consistent with federal laws and other normative legal acts of the Russian Federation, including personal interviews, questionnaires, group discussions, essay writing or testing.

The results of the poll of HR specialists in the Russian Federal Customs Service

reflect the usage of personnel assessment methods according to their goals in Table 1 in percentage (the total number of respondents is taken as 100%).

Table 1. Using personnel assessment methods in the Russian Federal Customs Service

personnel assessment methods	personal interview	questionnaire	group discussions	essay	testing	polygraph	none of the above
assessment goal							
recruitment	96%	54%	0%	0%	69%	35%	0%
identifying training needs	31%	35%	8%	0%	15%	0%	42%
personnel certification	73%	4%	12%	4%	65%	4%	12%
career paths development	73%	12%	15%	4%	31%	15%	23%

Source: materials of poll conducted by the author in 2012 among HR specialists in the Russian Federal Customs Service

It should be noted that these methods assess a person outside the organizational environment and do not allow fully identifying his competence and capacity. It's not always possible to ensure the objectivity and efficiency by traditional assessment methods.

The analysis of modern methods of competence assessment being used in some business companies and state bodies has shown that the application of these tools in Customs will significantly enhance the level of competence.

2.3 Competency-based approach to HRD

Analyzing the global trends in human resource management we can confidently identify successfully introduction of competency management in large companies. Currently, there is already a lot of experience of using competency-based approach to human resource development in large Russian and international companies.

Some Customs administrations also use the various elements of competency management. A Dictionary of Competencies has been developed by the Dutch Tax & Customs Administration. This Dictionary is recommended to use for competence assessment of Customs officials and it is shown in the WCO Compendium (WCO 2009, IX, Annex 25, pp. 113-119).

In the Russian Customs using of modern competence assessment tools is fragmented. There is no systematic approach to competency management in Customs. So it does not allow using human resources the most effectively.

In whole, competency management involves the creation of the system implementing human resource capacity. Thus, a significant impact on the effectiveness

could result, only when the various functions, such as personnel selection, recruitment, assessment, motivation, career development, etc. are combined into a single system.

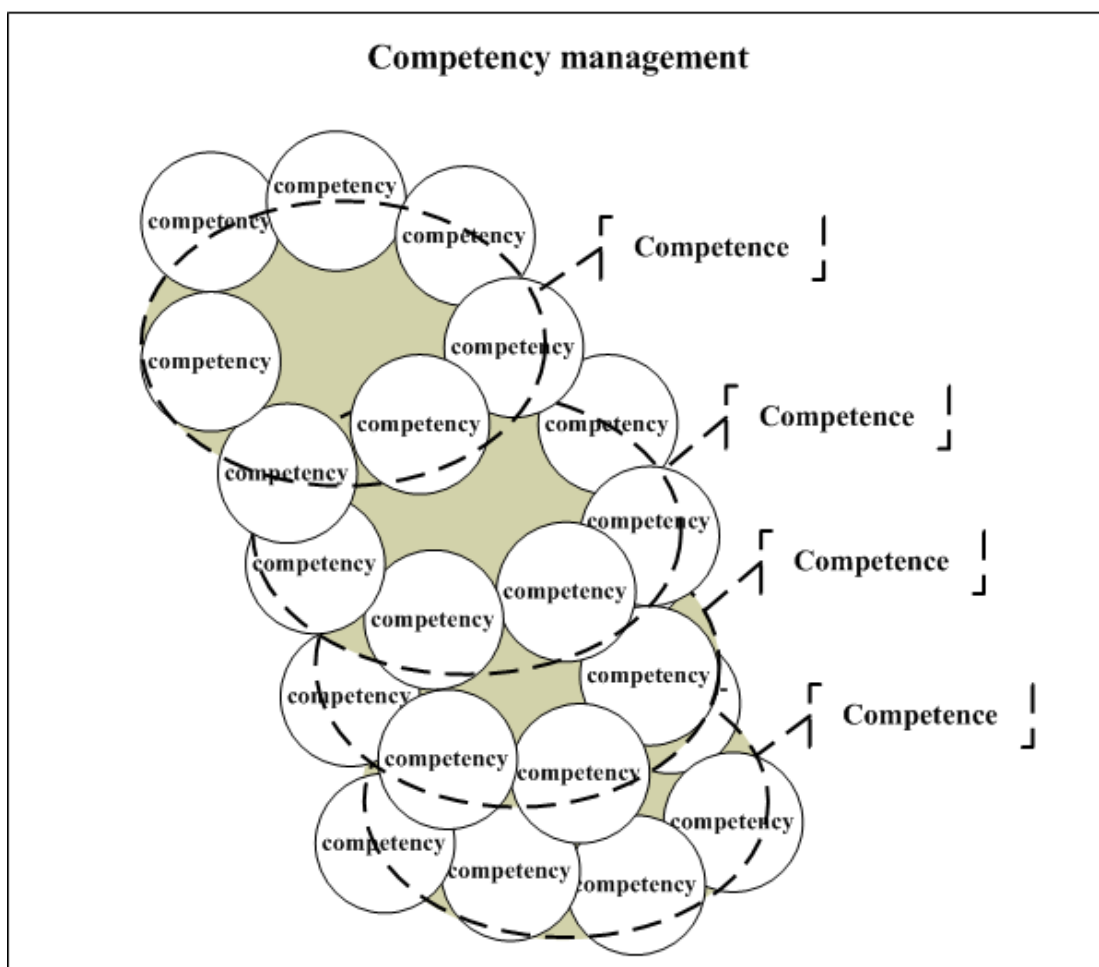
3. Competency Management System in Customs

Competency management is a special approach to human resource management, which involves the using of HR tools and technologies that support and develop competencies. In Customs it's necessary to develop an integrated system for competency management in order to develop human resources.

Competencies are the essential tools of the competency-based approach, linking and ensuring the continuity of the educational and professional spheres. The implementing competency-based approach in education has been caused by the need to meet changing and increasing competence demands. Competency is one of the most valuable assets to keep pace with an ever-changing environment.

In its content the category "competency" is a component of the wider category "competence". The interrelation of the categories "competency", "competence" and "competency management" is illustrated in Figure 2.

Figure 2. The interrelation of the categories "competency", "competence" and "competency management"



As we can see, the category "competence" partly absorbs a set of various competencies because in its essence it represents an aggregate level of these competencies.

A competency model is a set of competencies needed to successfully perform a certain kind of work. The competency model includes not only knowledge and skills but also the ability to use them in practice, to solve new non-standard problems, the ability to develop, to adapt to changing environment, to acquire new competencies, etc.

The competency model is developed on the stage of staff planning and prediction. It's used for education, training and retraining. Recruitment and staff selection should be based on the competency model. Personnel assessment during certification and work with reserves includes a comparison of competencies with the competency model. In this way the competency model acts as a connecting element of competency management system.

An effective system of training and education is essential for human resource development. The most important goal of training and education is meeting Customs needs. Therefore system of Customs training and education should interact closely with Customs service. In our opinion, it is necessary to ensure continuity of educational and professional standards for Customs by putting to the base of standards a scientifically based set of competencies required for professional career.

Harmonization of the education systems and unification of educational and professional standards for Customs will enhance the level of professionalism. The competency model could be used as a tool for integration of the educational and professional spheres. Thus, the competency model for Customs managers can combine requirements of educational and professional standards as well as the recommendations of ISO International standards for top management (ISO 9004:2009, p. 8).

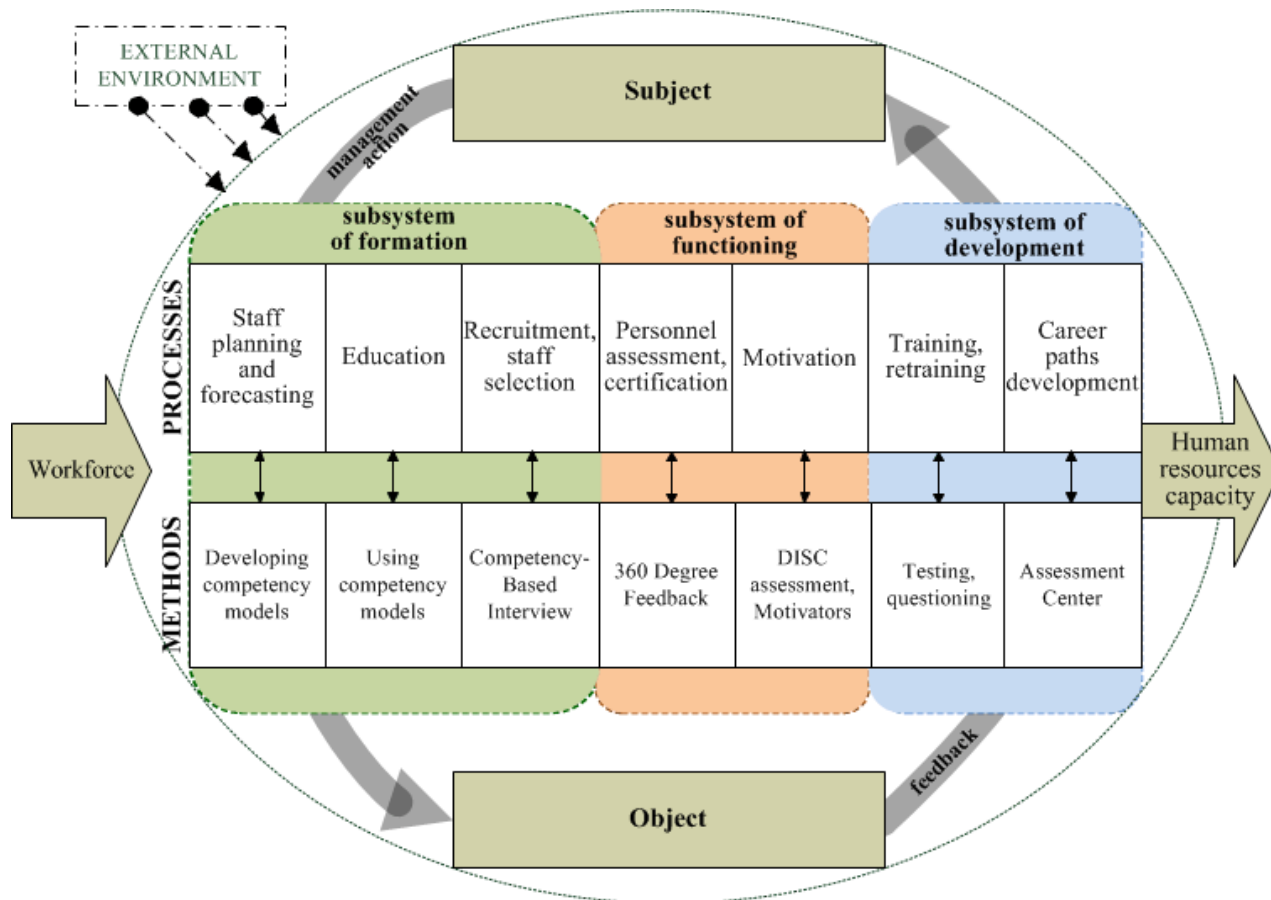
There are no professional standards developed specifically for Customs in Russia. Therefore, it's appropriate to apply and attain the WCO recognition of the Russian Customs Academy Curricula and use the WCO PICARD Professional Standards (WCO 2009, 48 p.) as a basis for development of the Russian Customs professional standards. This will not only increase the competitiveness of the Russian Customs Academy and its graduates, but also enhance professionalism in the Russian Federal Customs Service on the whole.

In our opinion, the requirements of professional standards included in the competency model should be used at each HRM phase in Customs. It's possible to assess the competence for compliance with the requirements of professional standards by using the modern tools of competency assessment in Customs.

HRM processes such as the formation of competence requirements, recruitment and employment, training, retraining, personnel certification, motivation and career paths development have the most significant influence on the human resources development. In this case, competence is considered as an object of competency management.

Competency management is represented as a system, which is based on the processes that transform "input" into "output". At "input" of the system that workforce is used, which is transformed into human resources capacity at "output". Competency management system is schematically illustrated in Figure 3.

Figure 3. Competency management system



The goals connected with competency management have been identified at each HRM phase in Customs. These goals include:

- formation of the competence requirements;
- developing competency models;
- determination of the real training needs;
- ensuring continuing Customs training;
- competence assessment;
- competence development, etc.

Objectivity and validity of the assessments will provide tools such as Assessment Center, 360 Degree Feedback, Competency-Based Interview, etc.

The research of modern assessment tools and experience of their implementation have shown that the most appropriate usage of them in Customs is as follows:

- Competency-Based Interview for the recruitment process;
- 360 Degree Feedback for personnel certification;
- DISC assessment, Motivators for motivation;
- Assessment Center for career paths development, as well as for the placement of the Russian Customs Academy graduates.

As we can see, competency management is closely linked to all elements of the HRM system. Being a part of this system, competency management contributes to strategic, flexible, interconnected and effective functioning of the HRM system. Therefore, to achieve identified goals it is necessary to develop competency management system in Customs. So, using the possibilities of competency-based approach for Customs administrations human resources development will contribute to enhancing professionalism of Customs personnel.

Summary and concluding remarks

Having analyzed all the abovementioned facts, we can draw the following conclusions about HRM trends specific for Customs sphere.

1. The strategic role of human resources management and development is increasing in Customs. HRD has the crucial importance for Capacity Building and Customs modernization.

2. In modern conditions of Customs modernization requirements for the competence of Customs staff are constantly changing and increasing.

3. Workforce optimization aggravates the need to maintain and develop human resources in Customs.

4. To ensure the objectivity and efficiency of personnel assessment in Customs it's necessary to use the modern competence management tools.

5. Competency-based approach to HRD became widespread. There is already a lot of successful experience of using competency management in large Russian and international companies as well as in Customs administrations.

In whole, competency management involves the creation of the system implementing human resource capacity. Development of the competency management system in Customs will enable to use human resources in the most effective way and to meet strategic goals of the Russian Federal Customs Service.

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