



## **PARTNERSHIP WITH UNIVERSITIES AND PUBLIC INSTITUTIONS AND ITS IMPACT ON TRAINING AND PROFESSIONAL DEVELOPMENT**

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The current economic context reveal that higher education institutions should pay attention to the relation with their environment. The experience of many institutions indicates that dimension of service to society is an important part of universities' activities. The university should strengthen its connections with public institutions and local community. Modern, innovative and efficient public administrations are essential to sustaining growth potential. It can be stated that public administration needs a new synthesis, that react to today's challenges. The reseach highlights the economic and social benefits of partnership with universities and public institutions, when this activity may allow a successful achievement of public policy objectives. It is also very important that the university gives attention to public service needs. This relationship with their external environment is one of the dimensions of universities' mission that has been receiving increasing attention in recent years.

**Keywords:** Knowledge economy, Professional development, Public administration, University.

### **Introduction**

In the course of the past two decades universities have evolved from knowledge 'repositories' to knowledge centres with a strong commitment to implement innovations and therefore a potential to significantly affect the national economic and social development.

Despite the economic, social and institutional differences, universities and their academic personnel specifically focus on the abilities of universities to build an innovative environment, and thus contribute to the development of the national and regional knowledge-based economic development.

According to Marozau et al. (2016) the human capital generated by universities is the most important predictor of economic development at all stages, and the outcome of the entrepreneurial mission of universities is only positively related to gross domestic product in innovation-driven economies.

Many researchers have focused on changes in the relation between the society, education and knowledge. 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).

The experience of many institutions indicates that this dimension of service to society is an important part of universities' activities. The university should strengthen its connections with public institutions and local communities.

According to Guthrie and Dumay (2015), the public sector is one of the least addressed areas in terms of research in intellectual capital. In view of innovations, new technologies and knowledge-based economy increased importance of intellectual capital, ensuring adequate training and professional development level for business, public institutions and society. This briefly summarizes the importance of intellectual capital and its specific needs for professional development, identifying core competencies of employees.

The present paper discusses how higher education institutions can strengthen human capital development in the public sector. The public sector is different from the private sector in the focus of the former being placed upon public good and values, therefore researchers in social sciences should explore methods and ways to improve the services provided by public sector to its customers.

The aim of the present paper is to identify the level of satisfaction of the society by the public services provided by the Lithuanian Customs, and to determine the customs officers' needs for training and professional development.

### **Theoretical Background**

A number of researchers considered the changing role of education as part of an overall modernization of the public sector with an increased turn towards neo-liberal ideology (Hjort, 2002). In the wake of this ideology, movements such as New Public Management have emerged and emphasized the market value of knowledge (Lyotard, 1996; Klausen, 2001). According to Düppe (2013) fundamental role of education is to direct existential confusion of individuals and convert it into a creative intellectual power. This is one of the ways of strengthening the organization's intellectual capital.

Intellectual capital is implicated in recent economic, managerial, technological and sociological developments. Intellectual capital is important to society and can be a source of competitive advantage for organisations and business and stimulate innovation that leads to generation of wealth. Intellectual capital can encompass the skills and knowledge that a company has developed in producing its goods or providing the services.

One element of intellectual capital is human capital as knowledge and competencies residing within the employees of the organization. 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).

Magrassi (2002) defines human capital as the knowledge and competencies residing with the company's employees and defines organizational intellectual capital as the collective know-how, even beyond the capabilities of individual employees, that contributes to an organization.

According to Bontis (2002), Vaškeliėnė (2003) and Fitz-enz (2009), human capital is perceived as the entirety of knowledge, skills, education, experience, talent, innovativeness, competence, motivation, loyalty, creativity, ability to perform a task and deal with arising issues, leadership, business skills, management and ideas leading to new products of the staff of an enterprise.

Human capital also covers the value, culture and philosophy of an enterprise. It has been claimed that human capital is one of the core and most influential resources of the enterprise in competitive fight, as the ability of the enterprise to compete in the market depends on the knowledge and skills amassed by its staff, i.e. the efficiency of the human capital.

As claimed 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.

Some scientists have defined significant effect for providing experiential learning, i.e. a process of constructing knowledge involving four steps: having a concrete experience, reflecting upon it,

conceptualising it and actively experimenting with this new knowledge (Kolb and Kolb, 2005). Experiential learning is learning by experience with a very strong role of reflection upon it. It happens in a cycle because the knowledge acquired in the process is used in active experimentation which creates new experiences upon which one can again reflect. Experiential learning exercises help to understand how theoretical concepts work in practice and how skills and concepts learned in different courses correspond to one another. This integration of knowledge helps find better solution to solve experiential tasks and take better business decisions in the future (Kozloski Hart and Mrad, 2013).

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, and, 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).

In order for the professions to improve professionalism they need to gain a greater power and control over an area of knowledge, which in turn points toward more abstract and theoretical knowledge (Staugaard, 2011).

## **Methodology**

Numerous sources have noted an ever-increasing demand in the modern economy to identify the intellectual capital within an organization. Intellectual capital is a collective knowledge of the individuals in an organization or society. When applying traditional approaches, an organization's intellectual capital is usually identified through carrying out interviews, surveys, workshops, etc.

The research context of this paper was the EU Customs Competency Framework (2014) is the first step to achieve a common strategy of performance development framework for the customs administrations of the European Union. This Competency Framework is the entirety of skills, attitudes, insights and the application of knowledge that are required to perform successfully in a specific professional context.

With a view to identifying the level of satisfaction of the public by the public services provided by the Lithuanian Customs, several targeted surveys were conducted in 2016 by way of questionnaires via the external website of the Lithuanian Customs.

Further, a public opinion poll was conducted as commissioned by the Lithuanian Customs which included an inquiry of more than 400 private individuals and business representatives that had dealt with the customs authority. The present paper represents an analysis of the results of such targeted surveys.

A study was carried out with a view to identifying the needs of the customs' auditors for training and professional development, which was considered the best way to collect the data. During the survey a written questionnaire was sent by e-mail to customs auditors at the Lithuanian Customs to collect the direct data required to carry out the study.

A comprehensive analysis of the scientific, practical and methodological literature was carried out as part of this research exercise, and included an analysis of research studies and papers of foreign as well as Lithuanian authors. Mathematical-statistical methods were used to substantiate the findings and processing of the research results.

### Analysis of EU Customs Competency Framework

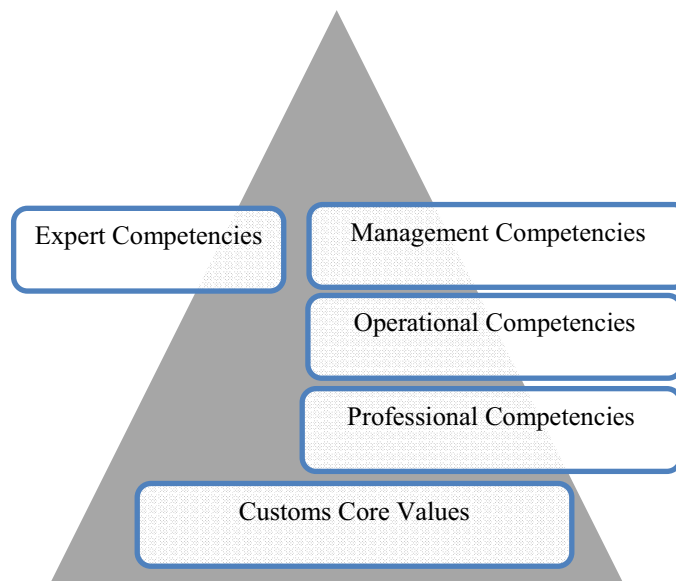
Today we live in a complex world where the intellectual capital of the organization and its training and professional development are of great importance. Growing amount of knowledge and information makes it necessary to regularly update skills and competencies of employees. This makes it crucial to focus on professional development, and constant need of staff members to gain new knowledge and abilities. Professional development is a process of improving and increasing capabilities of staff through access to education and training opportunities in the workplace through external organizations. Professional development helps to build and maintain morale of staff members, and is believed to be an efficient measure in attracting highly qualified staff to an organization. Professional development also requires strong leadership providing continuous support and motivating the staff.

Customer satisfaction is closely related to the quality of services provided, and has been within the focus of numerous researchers. In particular, knowing how customers perceive the quality of services and how those perceptions affect their purchasing decisions are among the important issues for public administrations, as well as for customs administrations.

The types of knowledge that would be relevant for intellectual capital at customs administrations are customs procedures, business processes, supply chain operations, business rules and procedures, duties and tax administration, specialized technical knowledge, etc.

Additionally, customs authorities must be able to respond fast to the changing situation and to remain in the vanguard of the rapidly changing character of business logistics processes. The EU Customs Competency Framework (2014) defines a strategic direction to address these requirements and to develop highly performing customs workforce. This will be achieved through the definition of a shared approach of the competencies currently required by efficient customs professionals.

The EU Customs Competency Framework (2014) is supported by a set of core values which should be demonstrated by any individual who works within the customs profession in the EU. The customs staff competencies are then divided into different levels of management, professional, and operational competencies (Fig. 1).



**Figure 1.** Components of EU Customs Competency Framework

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

Each competency can be assigned one of four proficiency levels, from Awareness (proficiency level 1) to Expert (proficiency level 4). There are no separate competencies for the Expert career. The difference is that the competencies required to be considered an Expert must be demonstrated by an individual with a proficiency level, i.e. at an Expert level.

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

The EU Customs Competency Framework (2014) is a key tool for modernising customs workforce through training and wider human resource development initiatives. It aims at making optimal use of staff competencies for the purpose of enhancing the performance of the entire organisation.

The broader objectives of the Competency framework are: (1) harmonization of skills – a clear common view on the different levels of skills and knowledge required to undertake customs role; (2) raising standards – through a common view of the levels of attainment required and providing the foundation for organisations to assess and ensure their staff meet those standards; (3) adaptability – the Competency Framework will be adaptable for use by individual EU Member States in the area of training, recruitment and performance management. It will also serve as a tool providing a basis underlying a further potential development of job profiles, review of workforce skills, and examination of individual performance.

### **The results of the study of the services provided by the Lithuanian Customs, customer satisfaction and needs of training and professional development for customs auditors**

Mori (2010) identified a number of factors that drive satisfaction with customer service across public services: delivery, timeliness, information provision, professionalism and staff attitude. In the course of the past several decades public administrations have started moving from the simple supply of service (production for the public sector) to a more customer-centred approach (Osborne et al., 2013).

Public sector institutions that work with customers as service recipients periodically organize customer satisfaction surveys. Nowadays frequently the performance of organisations is assessed employing complex methodologies and sophisticated parameters, nevertheless, when conducting a survey one of the key questions in all cases asked to the respondents and defining the customer satisfaction level and the quality of the institution's performance is the following: 'are you satisfied with the services provided to you'.

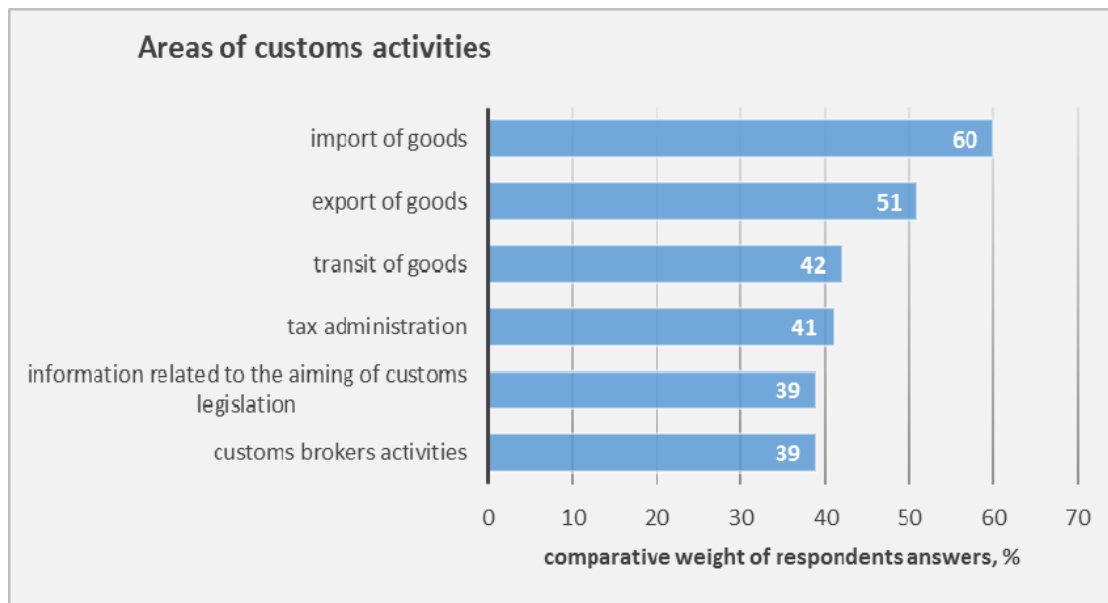
In 2016, a survey was conducted through the external website of the Lithuanian Customs on the assessment of the quality of the services provided by the Lithuanian Customs. The breakdown of the survey results when replying to the question 'What is your assessment of the quality of the services provided by the Lithuanian Customs' was the following: 57 per cent of the respondents assessed the quality of the services as very good, good or satisfactory, and 43 per cent of the respondents assessed the services as poor or very bad.

With a view to identifying the level of satisfaction on the part of the society with the services provided by the Lithuanian Customs, in November-December 2016 UAB Spinter tyrimai, as commissioned by the Lithuanian Customs carried out a public opinion survey. The additional survey and the public opinion poll among more than 400 individual persons and business representatives showed that 84 per cent of business representatives and natural persons were satisfied with the public services provided by the Lithuanian Customs.

Business representatives indicated they best appreciated the service time (89 per cent), though slightly lower score, 79 per cent, was assigned to the initiative of the specialists working at the Customs. Natural persons best assessed the service time (91 per cent), while the initiative of the specialists working

at the customs was assessed at 81 per cent. Thus, it may be concluded that the level of satisfaction with the services provided by the customs is not sufficient. It is necessary to further explore ways and methods to improve the quality of the services provided by customs officers, as well promote their training and professional development.

The study included a targeted survey specifically covering the areas of the activities of the customs most relevant for business representatives; the results of the survey are shown in Fig. 2.



**Figure 2.** Areas of customs activities relevant to business representatives

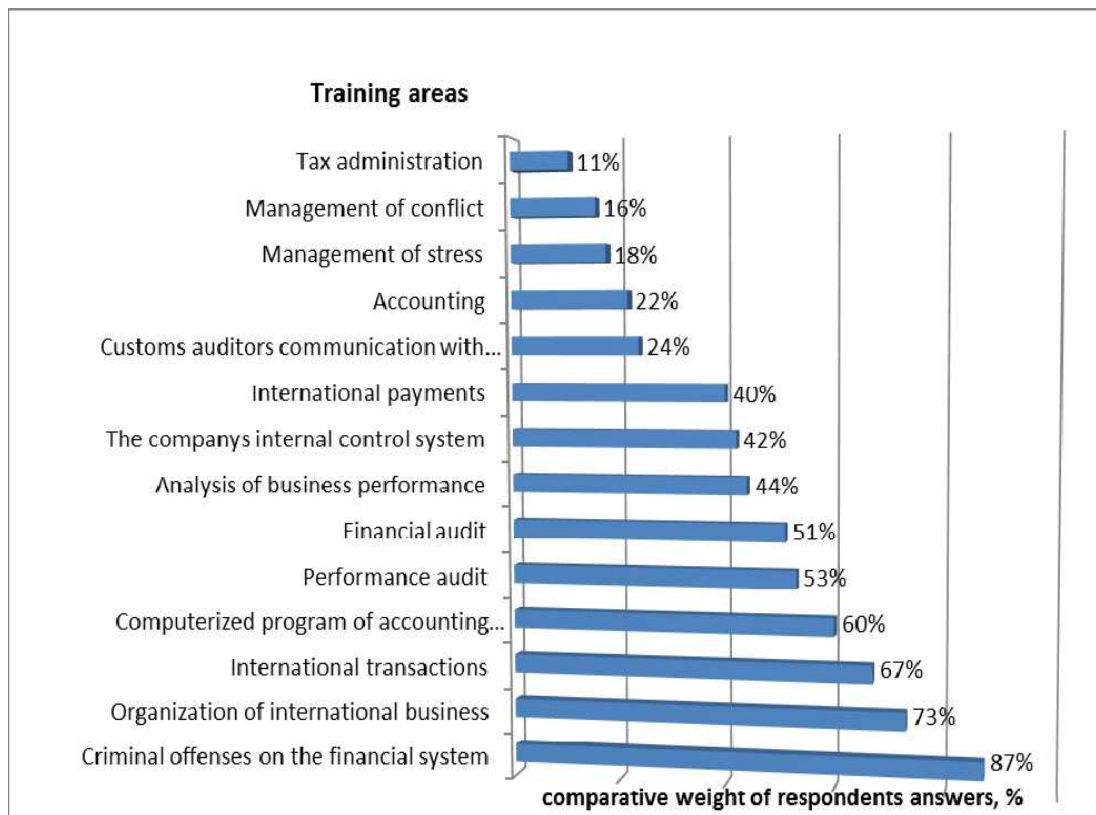
Source: compiled by the author.

The results of the survey showed that the main areas of interest for business representatives were imports of goods, also export and transit of goods (respectively, 60, 51 and 42 per cent), also tax administration issues (41 per cent), information related to the application of customs duty legislation (39 per cent) and the customs intermediary activities (39 per cent).

Another part of the study covered the field of activity of customs auditors and the needs for their professional development. Professional development for customs auditors refers to the acquisition of skills and knowledge, both for personal development and for career advancement. Based on the requirements of the EU Customs Competency Framework (2014), customs officers must have a wealth of knowledge. The management of institutions should determine the minimum level of knowledge required for auditors and ensure that auditors are provided regular education and offered professional development facilities.

The survey was conducted by circulating by e-mail anonymous questionnaires to customs auditors in the Lithuanian Customs. The analysis of the survey results noted that a significant part of the respondents (48.9 per cent) had experience in customs audit area for more than 10 years. This suggests that respondents had sufficient work experience and answers to the questionnaire questions were submitted by competent customs officials working in the field of auditing.

The answers of respondents regarding the needs for education and professional development distributed as follows (Fig. 3).



**Figure 3.** Training needs for customs auditors by training areas  
 Source: compiled by the author.

An analysis of the study results concluded that majority of the respondents (87 per cent) confirmed the importance of the “Criminal deed to the financial system”. Also, most of respondents noted a significant need for professional development in the following areas: ‘Organization of international business’ (73 per cent), ‘International commercial transactions’ (67 per cent), ‘Computerized accounting management programme’ (60 per cent), etc.

The second step was the development of the training programme, based on the identified needs for education and professional development. Professional development programme should provide equal opportunities for the employees to gain and improve the knowledge and skills important to their professional positions and performance.

The power of self-confidence within an individual is essential in attaining a high level of engagement and communication with the community, which inevitably highlights the importance of the context in which training is conducted. Customs auditors ordinarily operate in an individual capacity when making decisions.

The ability to carry out a customs audit is developed through continuous training, studying and professional enhancement. While many different skill sets are essential to an effective performance of the customs service, decision-making are at the centre of these core skills whose development may be assisted through training programmes.

The academic potential at universities training specialists in social sciences, law and humanities meeting the highest professional requirements, should be prepared to fulfil the needs of the society. Public institutions can use the academic potential for organizing training of their staff. The cooperation between academic institutions and public institutions is mutually beneficial: academic staff gain practical knowledge, deepen their experience and establish new contacts outside the university. The experience of

many institutions indicates that this dimension of service to society is an important part of their activities. Universities should strengthen their connections with public institutions and local communities.

## Conclusions

In view of the growing amount of knowledge and information flows there is an increasing need for continuous professional development, enhancement of and acquiring new competences by employees and specialists.

Professional development helps to build and maintain morale of staff members, and is considered an efficient measure in attracting higher quality staff to an organization. Professional development involves strong leadership required to provide continuous professional support and motivate the staff.

The types of knowledge that would be relevant for intellectual capital at customs administrations are customs procedures, business processes, supply chain operations, business rules and procedures, duties and tax administration, specialized technical knowledge, etc. Additionally, customs must be able to respond fast to changing situations and to remain in the vanguard of the rapidly changing character of business logistics processes. The EU Customs Competency Framework (2014) constitutes a legal basis for defining the strategic direction to address these requirements and to develop high performing customs workforces. The EU Customs Competency Framework (2014) is a key tool for modernising customs workforce through training and wider human resource development initiatives. It aims at making optimal use of staff competencies to increase the performance of an entire organisation.

Thus, based on the surveys conducted as commissioned by the Lithuanian Customs it may be concluded that the level of satisfaction with the services provided by the customs is not sufficient. It is necessary to further explore ways and methods to improve the quality of the services provided by customs officers, as well to promote their training and professional development.

Professional development for customs auditors refers to the acquisition of skills and knowledge, both for personal development and for career advancement. Based on the requirements of the EU Customs Competency Framework (2014), customs officers must have considerable knowledge. Management should determine the minimum level of knowledge required for auditors and ensure their regular and consistent education and training.

The academic potential at universities training specialists of social sciences, law and humanities meeting highest professional requirements, should be prepared to meet the needs for society. Public institutions can use the academic potential for organizing training of their staff. The cooperation between academic institutions and public institutions is mutually beneficial: academic staff gain practical knowledge, deepen their experience and establish new contacts outside the university.

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