

## CREATING WORKING MOTIVATION FOR CIVIL SERVANTS AT THANH HOA TAX DEPARTMENT

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**Abstract:** *Creating motivation and long-term commitment of civil servants will increase operational efficiency of the organization, while saving time and costs due to the need to hire new staff. Creating work motivation is an issue that every agency, organization or business needs to pay attention. In this study, the authors assess the working motivation of Thanh Hoa Tax Department by collecting secondary and preliminary data from the Department. The study used questionnaire to survey 335 civil servants at Thanh Hoa Tax Department and used descriptive statistical methods to analyze the primary data. Survey results show that there is still a small part (about 15%) of civil servants not satisfied with the motivational methods applied at the Department. Based on the reality, the authors offer solutions and recommendations to increase working motivation for civil servants of Thanh Hoa Tax Department in the near future.*

**Keywords:** *Civil servants, working motivation, Thanh Hoa Tax Department.*

### 1. Introduction

Human resources are always considered as an important factor, which plays a decisive role in the success of any organization. In order to achieve the goals set out by each agency, the organization need to know how to use and maximize the current human resources. Working motivation plays an extremely important role in improving productivity and working efficiency of individuals and organizations. The most important purpose of motivation is the rational use of labor resources, the effective exploitation of human resources in order to continuously improve the operational efficiency of organizations. Increasing working motivation will encourage individuals to work hard and improving working efficiency. Thus, it can be said that using labor resources effectively and motivating employees is extremely necessary and brings practical meaning to agencies and units.

Being aware of the influence of creating motivation for the stability and sustainable development of the organization, Thanh Hoa Tax Department has paid more and more attention to activities to motivate civil servants and create conditions for civil servants to take the initiative in creativity and promote their forte. However, through practical work and evaluation of civil servants working in the Tax Department of Thanh Hoa province, it is realized that the motivational work still has certain shortcomings and limitations from which employees have not really tried with all their efforts for work, some civil servants also tend to be bored and frustrated with difficulties. Stemming from the above requirements, the authors

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choose the topic “*Creating motivation for civil servants in Thanh Hoa Tax Department*” to analyze the situation and propose solutions to improve working motivation at Thanh Hoa Tax Department in the near future.

## 2. Overview of Human Resources of Thanh Hoa Tax Department.

Thanh Hoa Tax Department was established under Decision No.314/ TC/ QD-TCCB of the Minister of Finance on August 21, 1990, the Tax Department of Thanh Hoa province was established on the basis of merging 03 organizations: Department of Industry and Trade Tax; State Revenue Department; Agriculture Tax Department.

The Department of Taxation performs its duties and powers in accordance with the Law on Tax Administration, the Tax Laws and other relevant laws.

According to the Ministry of Finance's current regulations, the Tax Department of Thanh Hoa province has 11 units, *offices* and 14 *District-level Tax Department* under the Tax Department, with a total of 1063 civil servants.

*Table 1. Labor situation at the Thanh Hoa Tax Department by gender and education from 2017 - 2019*

Norm	2017		2018		2019		2018/2017		2019/2018	
	Number (People)	Percent (%)	Number (People)	Percent (%)	Number (People)	Percent (%)	+/-	%	+/-	%
<b>1. By gender</b>										
Male	788	68,1	736	66	687	64,6	-51	-6,5	-49	-6,6
Female	369	31,9	378	34	376	35,4	9	2,4	- 2	-0,6
<b>2. By education</b>										
Post-graduate	93	8	112	10	128	12	19	20,4	16	14
Bachelor	838	72,4	825	74,1	787	74	-13	-1,6	-38	-4,7
College, Intermediate	222	19,1	174	15,6	145	13,6	-48	-21,6	-29	-17
Primary	4	0,5	3	0,3	3	0,4	-1	-25,0	0	0
<b>Total</b>	<b>1157</b>	<b>100</b>	<b>1114</b>	<b>100</b>	<b>1063</b>	<b>100</b>	<b>-43</b>	<b>-3,7</b>	<b>-51</b>	<b>-4,6</b>

*Source: Office of Organization and Personnel, Thanh Hoa Tax Department*

According to the statistics in Table 1, the number of human resources of Thanh Hoa Tax Department tends to decrease in the period 2017-2019 due to the large increase in the number of retired civil servants every year, meanwhile the annual quota of civil servant recruitment is very low. Human resources of Thanh Hoa Tax Department tend to decrease gradually; in 2019 it is 51 people lower than in 2018. The quality of human resources of the Department of Taxation has been improved considerably in terms of education, knowledge in both theory and expertise. The number of post-graduate civil servants in 2019 increased compared to 2018, the number of civil servants with university degrees decreased by 38 because civil servants with university degrees attended post-graduate courses and have been awarded a Master's degree.

### 3. Situation of working motivating for civil servants at Thanh Hoa Tax Department

#### 3.1. Creating motivation for civil servants in the Thanh Hoa Tax Department with material factors

##### 3.1.1. Motivation through wage tools

In the period of 2017 - 2019, Thanh Hoa Tax Department strictly implemented the payment of salaries for civil servants with the salary policy and specific regime of additional salary of the tax industry (coefficient 0.8) somewhat enough to cover daily essential activities, with a high average income compared to the common ground of the administrative and civil service bureaucracy.

**Table 2.** Average salary of civil servants working in the Tax Department of Thanh Hoa province

Calculation unit: VND

TT	Year	Average salary of civil servants/month
	2017	8.610.000
	2018	9.290.902
	2019	9.727.520

Source: Office of Organization and Personnel, Thanh Hoa Tax Department

Through the data table above, we observe that the basic salary of tax officials is in accordance with the provisions of the State. However, this salary only meets a part of daily necessities of civil servants. In general, the salary level of civil servants is still low, so the salary has not really motivated civil servants.

##### 3.1.2. Creating working motivation by bonuses

In order to encourage the motivation to work for civil servants, the Tax Department of Thanh Hoa province has made periodic rewards for civil servants as follows:

Bonuses are divided into 02 categories:

Regular bonuses: Based on the degree of completion of tasks and the results of quarterly emulation points. Regular bonuses are calculated according to the employee's salary coefficient and are paid every 6 months.

**Table 3.** Regular bonuses

Bonus content of the year	Reward level
Successfully completing the task	100% of the actual 1/2 month salary, wages, salary allowances.
Well completed the task	80% of the actual 1/2 month salary, wages, salary allowances.
Complete mission	60 % of the actual 1/2 month salary, wages, salary allowances.

Source: Office of Organization and Personnel, Thanh Hoa Tax Department

Irregular bonuses: Based on the results from the report of the Organization, individuals with outstanding achievements in completing the assigned tasks are rewarded with a maximum of 1,000,000 VND/ time/ person.

The timely rewards have encouraged the enthusiasm to work and continue to strive to better fulfill the tasks.

*3.1.3. Creating work motivation through allowance tools*

Currently, the tax industry is applying 7 types of position allowances for civil servants such as seniority allowances, positions, official duties, chief accountant, cashier and other allowances to ensure fairness in relative income in accordance with conditions and responsibilities to the job. The Department of Taxation has saved regular expenses in the budget allocated by the General Department of Taxation so that the public employees can pay maximum allowances in holidays to motivate employees.

**3.2. Situation of working motivation for civil servants at Thanh Hoa Tax Department through spiritual encouragement**

*3.2.1. Creating motivation to work through the environment and working conditions*

With the model of the office system under the tax reform and modernization program for the period of 2017 - 2019, the Tax Department of Thanh Hoa province achieved good results such as building, repairing and renovating working offices for a number of units. In order to create favorable conditions for accommodation and accommodation for remote officials and public servants, rotating from the province to the district and vice versa within the branch, at the Office of Tax Department and Sub-departments of Taxation arranged shared kitchen to serve breakfast and lunch for civil servants.

In addition, in order to create a more effective working environment, the tax industry is constantly interested in and creates favorable conditions for unions, Youth Union, Veteran, etc. such as actively and effectively participating in emulation movements of superior organizations as well as cultural and sports activities organized by the industry; always motivating civil servants and employees to contribute to the development of the industry.

*3.2.2. Motivation through training and development*

In the period of 2017 - 2019, Thanh Hoa Tax Department always paid attention to creating favorable conditions to encourage civil servants to study and improve their qualifications, such as payment of expenses, documents, articles and other conditions in study, besides arranging work in a reasonable time to ensure that civil servants can both participate in studying and working effectively. The total number of times attended training in the years from 2017 to 2019 were 3654, 1473 and 1325 respectively.

**Table 4. Contents of some annual training**

No.	Contents of training	Number of attendance			Total
		2017	2018	2019	
1	Post graduate	28	24	25	77
2	Bachelors	1			1
3	High-level political theory	3	3	4	10

4	Intermediate political theory		77	1	78
5	Main experts			7	7
6	Expert			5	5
7	Computer tax management applications	2185	1217	970	4372
8	Intermediate Tax Inspector		19	5	24
9	Tax Inspector	50	35	13	98
10	Tax Principal Examiner	4	1	1	6
11	Fostering leaders at department and branch levels.	92	38		130

Source: Office of Organization and Personnel, Thanh Hoa Tax Department

### 3.2.3. Creating work motivation through creating career advancement opportunities

*Creating motivation through planning:* the number of civil servants planned to be leaders of Thanh Hoa Tax Department is 510 people, accounting for 48% of the total number of civil servants present to date 12/31/2019. Planning work is done publicly, transparently, in accordance with that regulation, which is a great motivation for civil servants to strive to fulfill their assigned tasks and study hard, improving professional qualifications, practicing moral qualities, criteria for political theory to meet the conditions for appointment criteria when agencies have needs.

*Motivation to work through appointment:* the number of appointed civil servants of Thanh Hoa Tax Department is very limited compared to the number of planned civil servants. In 2017, 41 civil servants were appointed. In 2018, appointing 01 Director of the Department, and in 2019, not appointing a new civil servant to the leadership position, reasons: Following the guidance of the General Department of Taxation in Official Letter No.1394/ TCT-TCCB dated April 19/2018 about the orientation work for the tax sector in 2019 changed the organizational structure towards reducing the number of units at the Department of Taxation so to ensure the stability of organization and personnel at the units.

### 3.2.4. Creating work motivation through evaluation of work performance

In order to have a basis for assessing the results of the civil servant's annual work performance, Thanh Hoa Department of Taxation issued Decision No. 2398 / QD-CT dated July 19, 2017, issuing regulations on emulation scoring for individuals of each official and employee. Based on the stipulations, the tax departments and sub-departments quarterly perform emulation grading according to 4 levels: (1) Successfully fulfilling the tasks- rated A; (2) Complete the task well - Rank B; (3) Complete the tasks - rank C and (4) Do not complete the tasks of category D. However, when conducting the evaluation of the results of year-end civil servants classification, the Decree No. 56/2015/ ND-CP dated June 9, 2015 of the Government, which is divided into 4 levels: (1) Successfully completing the task; (2) Completing the task well; (3) Completing the task with limited capacity and (4) Not completing the task. Therefore, it is difficult to distinguish between task completion and task completion which is still limited in capacity causing inadequacies in determining the evaluation level.

According to the quarterly scorecard of the Tax Department, the organization used the same form to evaluate working efficiency for all civil servants (including both leaders and staff); the evaluation criterias remain so common and have not been classified for each target group, so the scoring is sometimes not close to reality.

3.2.5. *Motivation through emulation movements*

Recognizing the importance of the emulation movement to successfully accomplish the assigned tasks, this is also the motivation to motivate enthusiastic civil servant to strive to complete professional tasks. Right from the beginning of the year, the Tax Department has organized divisions, *District-level Tax Departments* to sign emulation covenants and register emulation contracts with the Provincial Tax Department. Based on the content of the annual emulation, the actual situation of each quarter, the Tax Department shall organize an emulation score for individual, on the basis of which is the result to consider the remainder of the salary increase. The launch of emulation and competition grading create a competitive atmosphere in the unit regularly and continuously in order to strive to fulfill the tasks every quarter, 6 months and every year.

3.2.6. *Creating motivation through cultural activities, arts and sports*

To take care of the spiritual life of civil servants better, Thanh Hoa Provincial Tax Department in collaboration with Union regularly pay attention to cultural activities, arts and sports to improve health and spirit for civil servants. At the Tax Department Office and District Tax Office, there are gymnasiums, volleyball courts, badminton, volleyball, table ball for civil servants to play after working hours, etc. Department of Taxation usually organizes sports tournaments, art festivals on holidays such as 30-4, 22-12, 20-10, 8-3.

Thus, we can see that Thanh Hoa Tax Department has been carrying out practical activities (both material and non-material) to motivate civil servants of the Tax industry. The following table summarizes the author's assessment of the satisfaction of civil servants with the motivational tools being applied at Thanh Hoa Tax Department. The author surveyed 335 out of 1063 officials of the Thanh Hoa Tax Department (based on a sample based on Slovin's formula) about their satisfaction with the motivational methods at Thanh Hoa Tax Department. The results are shown in the following table:

**Table 5.** *Survey results of public servants' satisfaction with the motivational methods at Thanh Hoa Tax Departmen*

<b>Creating motivation by material factors</b>		
<b>No.</b>		<b>MEAN</b>
<b>1</b>	Motivation through payroll tools	<b>3.61</b>
<b>2</b>	Motivation through bonus tools	<b>3.55</b>
<b>3</b>	Motivation to work through allowance tools	<b>3.63</b>
<b>Creating motivation through the spirit factors</b>		
<b>4</b>	Creating work motivation through the environment and working conditions	<b>3.754</b>
<b>5</b>	Motivation through training and development	<b>3.8</b>
<b>6</b>	Motivation through career advancement opportunities	<b>3.83</b>
<b>7</b>	Motivation through work performance evaluation	<b>3.794</b>
<b>8</b>	Motivation through emulation movement	<b>4.125</b>

*Source: Compiled from author's survey results*

From the survey results in Table 5, we can see that the level of satisfaction of civil servants at Thanh Hoa Tax Department is quite good, ranging from 3.5 to 3.8 (the maximum is 5.0). This may explain that the majority of Thanh Hoa Tax Department officials feel satisfied with the agency's motivation tools. And officials at the Thanh Hoa Tax Department feel more satisfied with non-material motivational factors than physical motivators, but the results also show that in most criteria, there are individuals (about 15%) who are not really satisfied with the motivation tools that the agency is applying. Thus, the Department of Taxation needs to have solutions to improve the satisfaction of civil servants, thereby increasing officers' motivation.

#### **4. Solutions to create work motivation for officials at Thanh Hoa Tax Department**

##### ***4.1. Solutions group about financial instruments***

In order for salary policy to become a working motivation for tax officials, it is necessary to focus on implementing the following measures:

Associated with the salary and the nature of the work, the degree of completion of the work, in order to get the results of the quarterly emulation score after each month of work, it should be evaluated and graded as a basis for the end of the review quarter, to avoid equalized statuses of increased wages.

The work of evaluating and classifying officials must be conducted in an objective and fair manner, on the basis of monthly evaluation and rating so that at the end of the quarter, payment of additional salaries and bonuses to tax officials will be fair.

Studying and promptly implementing the regulations on irregular rewards for collectives and individuals with achievements in the working fields.

For welfare expenses: Right from the beginning of the year when setting up the expenditure estimates, it is recommended to build at the maximum expense level to proactively fund the welfare expenses for the Holidays and New Year to motivate civil servants in practice.

Implement administrative savings (such as Electricity, Water, Telephone, Stationery, etc.) to create a budget to pay for periodic medical examinations for civil servants as prescribed by the General Department Tax.

##### ***4.2. Solutions group for non-financial instruments***

To motivate better working for civil servants in the Department of Taxation of Thanh Hoa province, the author offers some solutions on non-financial tools:

###### ***4.2.1. Attention to working environment and working conditions***

Carry out a review and physical inspection of facilities, working equipment of each Division, Sub-Department of Taxation, Tax Team. From there, perform renovation, repair, purchase additional computers and other physical equipment, etc. timely for the affiliated units.

Department of Taxation needs to research and deploy for self-assessment officials, re-statistics of the volume and frequency of work performed by civil servants every year. On that basis, in order to have a plan for assigning, re-arranging suitable human resources, ensuring the well-performing tasks.

Implement the rotation, mobilization and periodic change of positions for civil servants in accordance with the regulations of the Ministry of Finance and the Government.

#### *4.2.2. Improve development training*

Right from the beginning of the year when the training plan is formulated, an overall review should be conducted, all subjects and fields of work need to be focused on training to make a budget plan and report to the General Department of Taxation for approval.

For basic skills training in 4 main Tax Administration functions: The Tax Department proactively develops a self-training plan so that all civil servants can access and timely update new knowledge and work-solving methods.

Periodically every 6 months, check and review training funding sources provided by the General Department of Taxation with plans to adjust appropriate training programs. Limiting the return of funding while civil servants are not trained in necessary skills.

Annually organize the review and re-evaluation of the training needs and training results of the units, ensuring the completion of the training plan, meeting the needs and desires of civil servants.

#### *4.2.3. Complete the performance evaluation*

Study to complete the personal emulation scorecard with specific criteria, distinguishing each target group based on job characteristics to make the assessment closely with the results and nature of the job.

Agree on how to classify according to quarterly emulation points and evaluate the classification of civil servants at the end of the year: Completing tasks or completing tasks with limited capacity.

Research to develop job tracking software for each civil servant monthly or quarterly about the results and level of completion of the job so that it can be used as a basis for assessing the work on a quarterly and yearly basis.

Research and apply different evaluation methods. For civil servants doing administrative work, the office applies the internal evaluation method; For civil servants who regularly interact with taxpayers, they may seek comments and assessments of taxpayers' comments to give an objective and comprehensive view of such tax officials.

#### *4.2.4. Create opportunities for career development and promotion for civil servants*

Carry out a general review of the units that are still under-represented (Head of Division, Head of Department, Team Leader) and human resources planning to implement, implement the process of appointing civil servants to units currently missing.

For the planned human resources, it is necessary to consider, evaluate and discuss carefully to select outstanding personnel, best meet the task requirements.



#### *4.2.5. Build a sports, cultural and artistic movement for civil servants*

The Department should organize at least 01 sports tournament or mass festivals every year on the anniversary of the establishment of Vietnam's tax industry (10.9) or the founding date of Thanh Hoa Tax Department (1.10). Besides, the Board of Directors of the Department of Taxation; Heads and Sub-Departments of Taxation should pay attention to the life of civil servants, listen to their opinions, grasp their aspirations, and promptly encourage officials when well performing tasks or when facing difficulties, create close relationships for tax officials to always trust, unite and work together to build the increasingly developed Thanh Hoa Tax industry.

### **5. Some recommendations and proposals**

#### ***5.1. For the General Department of Taxation***

The General Department of Taxation should study and submit to the Ministry of Finance to propose to the Government for consideration and creation of conditions for the tax industry to enjoy seniority allowances to increase incomes and meet daily-life demands, especially is to be fair to other industries.

Assign autonomy and self-responsibility in recruiting civil servants to Tax Departments of provinces and cities under the supervision and management of the General Department of Taxation.

Develop and gradually apply modern human resource management methods through the development of standards of tax officials in each field of work and job position;

#### ***5.2. Recommendations to the Provincial People's Committee and relevant departments***

Regularly reward and timely encourage achievements of tax officials and tax branches to encourage tax officials to strive to successfully fulfill their assigned tasks.

People's Councils and Provincial People's Committees, when assigning targets to strive for annual State budget collection, should consider and assess objectively and closely with the socio-economic development situation in the whole province, creating favorable conditions for the tax sector to fulfill its tasks duty and does not put too much pressure on civil servants when assigned to perform the task.

### **6. Conclusion**

The study has assessed the status of working motivation for civil servants at Thanh Hoa Tax Department. Although Thanh Hoa Tax Department has been applied measures to increase working motivation, such as creating favourable working environment, increasing salary and bonus, providing opportunities for training and development, measure of working performance, extra activities, etc.; there were still limitations and a number of civil servants have not satisfied with those policies and measures. Therefore, the authors offer solutions and recommendations to motivate civil servants at Thanh Hoa Tax Department.

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