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**Conference Paper**

## The post pandemic prospects of work from home in banks in the Republic North Macedonia

**Provided in Cooperation with:**

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*Suggested Citation:* Shterlieva, Maja Stevkova (2021) : The post pandemic prospects of work from home in banks in the Republic North Macedonia, University American College Skopje, Skopje, pp. 115-130,  
<https://doi.org/10.5281/zenodo.7288670>

This Version is available at:

<https://hdl.handle.net/10419/302821>

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## THE POST PANDEMIC PROSPECTS OF WORK FROM HOME IN BANKS IN THE REPUBLIC NORTH MACEDONIA

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**ABSTRACT:** The modern banking has never been exposed to event similar to the pandemic of Covid 19 and the massive disruption in different areas of operations due to this event. Until actual health crisis, within their regular activities the banks performed different stress test scenarios including continuity planning as a measure of providing normal operations. The human factor has never been under particular observation in terms of organizational changes that have to be done in case of potentially massive unavailability of working force, as well as its deployment in safe environment. In the attempt to contain the spread of the virus physical or social distancing recommendations were implemented, that resulted with temporary working from home or alternative working arrangements.

The aim of the paper is to discuss the challenges of introducing working from home, such as different aspects of telecommuting and the historical perspective of past attempts for this organizational model. Hence, the paper will elaborate the advantages and disadvantages of work from home, as well as post covid prospective. It focuses on the aspect of physical dimension of work, comparing banking with other sectors, operations that can be done remotely, physical presence dependable operations and factors influencing these segmentations. Relevant literature indicate that there are high expectations about accepting work from home or using the hybrid model in the post covid period.

A survey with bank management participants was carried out, using questionnaires as a method of data collection. The survey presents how telecommuting is perceived in terms of productivity, scale of absenteeism and reduction of cost, value added to the bank operations and other important aspects of telecommuting. It is exploring the potential and expectations of the banks in North Macedonia for potential introduction of post-pandemic work from home.

**KEYWORDS:** *pandemic, telecommuting, work from home, organisation, banks*

## INTRODUCTION

The impact of modern technology on employment in banking has been in the focus of numerous institutions researching the telecommuting in wider sense, as well as telework and how it can be implemented to improve the banks operations, shareholders value as well as wider social benefit.

The pandemic of Covid 19 has, for the first time, elevated the importance of the physical dimension of work, importance of massive introduction of remote work where ever it is possible and it intensified the researches about the future possibilities for all forms of telecommuting.

Based on that the Social Partners in Europe put effort in implementing telework and that led to a first Joint Declaration on IT Employability (2002, assessing research that started 1999).

The study Telework in the European Union (EUROFUND, 2010) was used by various European sectors in order to conclude agreements related to telework. In the recent years developments were also reflected with support of the European Social Partners at the ILO Global Dialogue Forum on “Challenges and Opportunities of Teleworking for Workers and Employers in the ICTS and Financial Service Sectors”, in Geneva, 24 – 26 October 2016 (referred to as ILO Global Dialogue Teleworking 2016).

Against this background, the Social Partners of the Banking Sector agree to issue Joint Declaration on Telework to reflect those effects of Digitalization in the Banking Sector that are specifically related to telework.

Covid 19 emphasised few different socioeconomic areas with uncertainty of future development, among which remote work and virtual interactions, digital transactions and deployment of

automatization. They surfaced as factors influencing the next organizational trends in banking.

This paper focus on the remote work as a huge potential for improving the performances and value added to the organizations, especially the banking. It covers the factors influencing the increasing potential of this trend, the banking as sector favourable for remote work in comparison to other sector, advantages and disadvantages of work from home in the banking and a necessary adjustments that have to be undertaken in order to make this kind of work feasible.

Prior to the Covid 19 pandemic Macedonian banks did not have significant share of work from home in the whole organization of activities. In spite of the fact that since the year 2000 most of the banking operations are computerized the issue of organized transfer of activities out of the bank's premises was not provided on organized basis.

Generally, the factors that favourably influenced the implementation of telecommuting are increased investments in digital technology and infrastructure, declining technology and telecommunication costs, increased use of computers in the workplace, organizational goals of the increasing productivity and other nontechnical factors. Most of these factors were present in the banking environment in North Macedonia as in the recent years most of the banks heavily invested in the digital technology and infrastructure. Beside the computerisation and technology, external infrastructure was provided with stable connections, proper IT security, channels of data exchange and distribution with most important infrastructure financial organizations such as The Clearing House, The Central Bank, The Securities Depositary, The Macedonian Stock Exchange, the payment card providers, SWIFT etc.

All of these reasons as well as some other blurry legal issues regarding the working contracts of the employees were reasons behind the absence of work from home or other form of remote work in the banks in North Macedonia.

The idea behind this paper is not just to present the findings of current situation in Macedonian banks regarding work from home as one of the pandemic consequences, but to explore the attitude of the managers for this new form of organization. Within the research part of the managers interviewed are members of the Management Boards as important decision makers than can influence on the future of this form of organization. The aim of the research is not just to see where are the banks in terms of implementation of this form of work, but also to find out what are the next steps to be undertaken for understanding how to accelerate the implementation. The ultimate goal should be providing necessary knowledge of the obstacles that may impede the process and activates needed to trace a path for rethinking and implementing telecommuting at larger scale.

## **CURRENT SITUATION FOR SOCIETY AND THE BANKING SECTOR**

As concluded by ILO Global Dialogue Teleworking 2016 (p. 15, Table 5) society can benefit from telework, because it is environmentally friendly (reduced pollution and stress on infrastructure), creates employment opportunities in remote areas and for persons with disabilities, and enhances global collaboration.

Sectors with high informational components, such as banking are most compatible to telework, especially having in mind the work-flow in this sector. This characteristic of the banking operations, in combination with life style and computer literacy across Europe made telework a widespread phenomenon in the European

Banking Sector and it is observed in many different forms of flexibility.

The European Social Partners in the Banking Sector understand Telework to be a form of organizing work where tasks are performed with the support and the use of secure ICT devices and ICT-infrastructure outside a locally fixed employer environment. Therefore, telework is a way of working using information and communication technologies that at least in part is performed from home or in satellite offices or any other fixed location on a continuous basis.

This can be considered as a step towards the provision of improving the possibility to combine work and social and family life; another contributing factor to a better work/life balance. Telework may create an opportunity to optimized use of resources.

Home-based work is regarded as a potential instrument for improving working conditions and the general quality of working life, as well as contributing to the sustainability of communities (Gurstein, 2001) Socially it has implications for community patterns, the transportation system, child care services, and a variety of work-related resources. If a significant portion of the population were encouraged to telework, it could have a major effect on the decentralization of corporations.

The literature regarding the attitude and acceptance of telework or telecommuting by the employers and employees shows that there is a large variety of different attitudes and depending on different factors it has different acceptance. The millennials are the most attracted group versus baby boomers that are more office oriented.

The parallel trends of workplace digitalization as well as increased demand of work and life balance can be considered

common drivers of telework across Europe. However their forces do not unfold evenly over all countries and sectors. Comparative studies on regulatory barriers to working time and workplace flexibility highlight a strong split across Europe. The Nordic countries, Sweden and Denmark in particular, are found to combine generous social security for parents and elderly with regulatory framework and working culture that allows for flexible coordination of paid work and private life. Southern and Eastern European countries, such as Greece, Italy, Portugal, Spain and Czech Republic, Hungary, Poland and Slovakia are categorized by a lower level of formal flexibility and an emphasis on presentism. Central European countries most prominently Germany, fall in-between those two poles (Chung et al.2007; Goudswaard et al 2013; Muffels and Lunjix 2008; Wilthagen and Tros 2004).

This form of organization is covered in terms of status of the related parties, both employees and employers in certain regulatory frames and it has already established status in EU, as well in some non EU countries.

In that regard, telework can be voluntary and reversible both for the employee and the employer. It can be part of the original job description, if it is not, the employee have the possibility to either accept or decline the offer of teleworking according to national law and collective bargaining practices. Employees should have the possibility to request the option of teleworking. Employers' and employees' representatives may agree in principle that the flexibility aspect of telework may be managed in collective and/or individual agreement within the context of what is deemed good practices in the framework of the applicable collective agreements at national and/or company level. (EBF, 2017)

In same context and regarding the employment conditions, teleworkers benefit

from the same rights, guaranteed by applicable legislation and collective agreements, as comparable workers at the employer's premises. This includes participating in and standing for elections to employees' representative bodies or providing worker representation apply to them. Employee teleworkers are allocated and included in calculations for determining thresholds for employees' representative bodies in accordance with European and national law, collective agreements or practices.

Certain pattern of telework or mobile telework distribution is also recognizable across economic sectors: teleworks is relatively scarce in sectors which require the employee to work at a fixed workplace in order to perform work related tasks (for example: manufacturing), while sectors with high ICT dependence and more flexibility for working location show a larger incidence. Data for the Netherlands for instance, shows telework is most prevalent in information and communication (42%) financial and insurance activities (36%) as well as professional, scientific and technical activities 28%) (Messenger, 2019)

## **BANKING AND TELECOMMUTING IN PANDEMIC AND POST-PANDEMIC PERSPECTIVES**

The banking can be considered as one of the sectors that partially depend on physical proximity at work. It is the first time in the recent history that the importance of physical dimension of work is crucial for the operations, as it has been elevated by the pandemic of Covid 19.

In order to manage different types of risks banks perform different scenarios of interruptions in the daily operations, shocks in different economic and financial categories on the balance sheet in order to determine the resilience of the banks to different risk factors that may



influence on all kinds of performance, operational as well as financial.

Publishing the document “High Level of Principles for Business Continuity” in 2006, the Bank For International Settlement in Basel set the rules for organization of the operations in case of disruptions. “Major operational disruptions can result from a wide range of events, such as earthquakes, hurricanes and other weather related events, terrorist attacks and other intentional or accidental acts that cause widespread damage to the physical infrastructure. Other events, such as technology viruses, pandemics and other biological incidents may not cause widespread damage to the physical infrastructure but can nonetheless lead to major physical infrastructure in other ways. Events whose impact is most significant are referred to as “extreme events”. They involve one or more of the following: the destruction of, or severe damage to, physical infrastructure and facilities; the loss or inaccessibility of personnel; and, restricted access to the affected area. (Basel Committee on Banking Supervision, 2016)

Based on these document as a Guide for providing business continuity, most of the banks in the word easily and smoothly transferred their operations providing safe environment for their employees and continuing services to their clients. Never the less, it is a fact that remote work of such large scale has never been performed this way ever before. The reorganization done due to the pandemic and introducing remote work surfaced three groups of activities and trends that will gain in their importance in the near future: remote work and virtual interactions, e-commerce and digital transactions and deployment of automation and AI.

The use of digital transactions on a larger scale was one of the prerequisites for implementation of remote activities of

all kinds including different types of services offered to the clients in area of payment services, corporate banking, retail services, investment banking etc. Digitalization also contributed to interactions between co-workers, employees and managers, within the management teams etc. providing undisturbed organization of meetings, exchange of all kind of documents, information and data as well as efficient decision making. The use of digital platforms such as WebEx, Zoom, Microsoft Teams facilitate and support all kinds of virtual gathering, no matter whether it is a sole meeting, conference or other kind of intrapersonal interaction.

The focus of this document is mostly on the perspectives of telecommuting and work from home in the banking, with attention to the banking in the Republic of North Macedonia.

Analysing banks operations and different types of activities we can see that in the banking there are a lot of possibilities of reorganization of operations in terms of physical proximity as one of the most important factors influencing the telecommuting in time of pandemic. The sole nature of banking and interactions with clients impose certain degree of physical proximity. As the physical proximity may be factor influencing possibility for remote work with some types of activities it is important to have in mind what does it mean in terms of organization of different kind of work.

Physical proximity means that the subject giving the service and subject given the service are physically close enough to see, hear, communicate, and give whatever is needed to each other without reliance on an electronic device such as a telephone, computer, video camera, or facsimile machine. This is presented regarding the activities in the business, legal or banking but it is almost equal when it is regarding other sectors.

Most of the sectors have different physical proximity needed, but in the period of the pandemic of Covid 19 this surfaced to be of utmost importance in term of spread of the virus.

The research performed (McKinsey Global Institute 2020) based on the physical proximity score different sector are scored differently which make them favourable or not favourable for work remote work. The scoring is done based on physical closeness, frequency of interactions, exposure to strangers, indoor work and site dependant. The overall physical proximity score shows that out of ten different areas with rather wide definition of activities, the highest score have medical care, personal care, on site customer interactions (retail stores, banks), leisure and travel. Lesser score is given to home support, indoor production and warehouse, computer-based office work, classroom and training, transport of goods and outdoor production and maintenance. So, based on this the high score that banking gets related to the work with customers is mostly due to high frequency of interactions, exposure to strangers and indoor work. But in the same, time a part of the banking activities that go under computer based office work, offices and headquarters, has lower overall score, mainly due to the low physical closeness, low site-dependant work and relative low exposure to strangers.

Based on these elements banking can be treated as sector with high potential for increasing telecommuting or hybrid organization of work where depending of the type of banking activities work from home can have larger share in the time frame of organization.

Virtual business meetings and digital co-operation among co-workers were new way of interacting and this was introduced as new norm in the time of pandemic in all the computer based office activities. These are mostly activities with lowest

requirements for onsite dependant work because the workers in it are mainly analysts, financial managers, accountants etc. and these areas of operation do not require special equipment, aside of computer infrastructure. In most cases in these kind of activities in the banking significant part of human interactions can be done virtually.

Some estimations done in the same research says that it is estimated that 70 percent of time could be spent working remotely without losing effectiveness. Taking into consideration these findings in combination with additional estimations done it is expected that about 20 to 25 percent of the workforce in the advanced economies could work from home three to five days per week. This data envisaged huge potential for different kinds of savings, in terms of cost reduction, as well as changes in the organisation of work for increasing productivity and improving employee's satisfaction.

All of the above stated can be achieved only if significant part of the environment is digitalized, speaking not just about the bank and other supporting institutions, but also majority of the bank's clients.

There are numerous advantages and disadvantages regarding the work from home, both from the employee's perspective as well as organization's perspective. Generally this form gives autonomy and flexibility over work schedule, eliminate or reduce unnecessary commute time, saves time and money spent on transportation, parking, working attire, provide higher morale and job satisfaction etc. But in the same time it may influence on the distinguishing the line between work time and home time, increase the isolation from workplace social network, it may rise the problem with technical support, influence on the feeling developed between workers and managers and co-workers due to lesser personal communication etc.

From the organization point of view the most important advantages refer to cost cutting, stimulation and motivation of the employees in nonmonetary sources, lower employee's absenteeism and improved employee productivity. The challenges that may be faced are mostly detected in the controlling area like difficulty in employee performance monitoring, problems in productivity measurement, difficulties in fostering team synergy, certain problems in employee's social networking and team building etc.

The hybrid form of organisation of work involving work from home can be implemented in areas and organizations that are committed to trust employees, empowering individuals to make decisions and measuring the results rather than valuing "face time".

There are differences between the positions and due to that not all of them are suitable for remote work. Activities in front office or sales will have difficulties in performances compared to analytical tasks, and there are plenty of such posts that need thorough examination before deciding for or against remote work. This is similar with the individuals with different personalities as not every individual is suitable to work remotely or to manage workers remotely. So, the adequate assessment of type of person and job-fit is a prerequisite for determining whether that person is suitable for remote work.

Having in mind the wide spectrum of advantages and challenges of introducing work from home, the decision making process to introduce it, to make hybrid form or not to consider it at all should covered all of the specifics in different areas that can be targeted for work from home. As it will certainly influence the relationships between co-workers gone viral, between employees in the office and the employees working from home, employees and managers and other or-

ganizational issues, prior to implementation it is important to consider how it will impact the dynamics of the organization in order to mitigate the resentment between different positions in terms in office and at home. In that manner adequate training is very important for introducing work from home.

In Belgium KBC bank provides another example of how telework company practices can have positive impact on work-life balance. The company introduces a new work organization plan in 2010, in which three possibilities are offered: working in a more decentralized manner by creating satellite offices in administrative buildings of the bank closer to employees homes: facilitating telework by providing laptops and mobile phones and introducing flex desks. The number of home-based teleworkers in the bank is increasing year by year. One of the conditions is to be at employer's premises for at least three days a week. Telework is not possible for those who work less than 70 % of a full time job. The result of an employee satisfaction survey show work-life balance has increased for 87% of teleworkers there. In addition, 83% said that they can work with greater concentration, 72 % feel less stress at work 68% are more motivated and 62% can better organize their work. (Messenger, 2019)

Our findings suggest that the future of work will be increasingly hybrid. And this present both challenges and opportunities: to reimagine the entire employee experience and to create conditions that allow employees to thrive in the workplace of the future – one that will be far less office centric. This means developing hybrid working models that enable employees to move seamlessly between onsite and remote work, as well as thinking about the appropriate physical space- both size and shape- for the hybrid office.

This crisis has presented once in a life time opportunity to reinvent the



workplace. Things that once have seemed impossible have proved surprisingly workable. With collaborative productivity essential to innovation, the changes that will enable companies to become more competitive and given employee desires for flexibility, the changes will also allow companies to recruit and retain the best talent.

## **OPPORTUNITIES FOR TELEWORK IN THE BANKING SECTOR IN NORTH MACEDONIA**

Having in mind other countries experiences, especially in the banking sector it is important to research the current experience of this form of organization in the Macedonian banks. This is also an opportunity to explore the future prospects of a telework in its sole form or as work from home as a hybrid form. The effort that banks put in reorganization in the past eighteen months gives credit to introducing this model in the future and to benefit from the advantages that it can offer for the banks in North Macedonia.

Prior to the Covid 19 pandemic Macedonian banks did not practice any kind of work from home as an option in the whole organization of activities. At least at the moment there are no resources confronting this statement. During the pandemic of Covid 19 in the process of preserving public health as well as health of the employees banks reorganize the banking activities introducing forms of work from home, supported by modern ITC practices.

The factors influencing the introduction and utilisation of remote work practices are almost the same as in any other countries, such as ITC development, regulatory framework, experiences and habits, both of the employers and employees and other relevant issues (human resources availability for that kind of work, fluctuations in workforce related to new generations, brain drain processes etc.)

The adequate ICT is as relevant for banks in the North Macedonia as in any other environment in spite of the fact that since the year 2000 most of the banking operations are computerized the issue of organized transfer of activities out of the bank's premises was not provided on organized basis. The banks were mainly focus on improving the level of information technology, use of the modern ICT solutions in day to day operations, introducing e-banking, mobile banking, improving the ICT literacy of the employees, providing IT security, etc.

In that regard in the banks we can find evidence that the banks had heavily invested in ICT in the past years strengthening their position and improving ICT capacity. This is not a research about the status of past investments in ICT by the banks and only one illustration will be used to support the statement. Without calculation of the investments in hardware and communication facilities according the data from the central bank (NBRNM, 2021) we can see that the investments in software in the ten year period expressed as a book value of the software shows significant increasing. The total value of software in the whole banking system as of Jun 2021 is 3.123 million denars which compared to Jun 2011 when it was 1.707 million denars represent 83% increase.

Beside the computerisation and technology, external infrastructure was provided with stable connections, proper IT security, channels of data exchange and distribution with most important infrastructure financial organizations such as The Clearing House, The Central Bank, The Securities Depository, The Macedonian Stock Exchange, payment card providers, SWIFT etc.

Additionally to the ICT investments and improvements in the banks, and the whole ICT environment in North Macedonia there are additional factors that can positively contribute to introducing

telework. The level of digitalisation of the customers experience is important factor than can support the level of services to the customers done digitally without need for physical presence. As a positive illustration we can use the data of credit transfers prior to the pandemic and as of Jun 2021. In the denar payment operations in the whole banking system, the participation of the paper based transfers prior pandemic was bigger than electronic transfers showing 56% versus 44%. This share is changed as of Jun 2021 with equal participation of both paper and electronic transfers. But the trend is in favour of electronic transfers showing that as of Jun 2021 on semi-annually basis the total number of electronic transfers increased for 29%, while paper based transfers remain the same as 2019.

The next factor influencing the options for introducing telework is a regulatory framework mostly referring to a legal ground for working contracts. The working contracts covering all the aspects of protection both for the employers and the employees, are of utmost importance for the benefit of involved parties. The Macedonian legal frame can be valued as poor regarding the coverage of the work from home options.

Within the Republic of North Macedonia's national legislation at present, the single relevant provision regulating this matter is provided within the existing Labour Relations Law, whereby Article 50 regulates a type of "work at home" arrangement by a "Home work employment contract". This form of arrangement of contractual employment means that the employee performs the work within his/her home or within premises of his/her choice that are outside the business premises of the employer. That is, this form of contractual arrangement of employment excludes the possibility of the employee performing his/her job within the employer's premises (head-office or subsidiaries).

As stated in the Labour Relations Law, The Home work employment contract are mentioned in Article 50 stating:

- (1) Home work shall mean work that the employee carries out in his/her home or in other premises of his/her choice, other than the workplace of the employer.
- (2) By virtue of the home work employment contract the employer and the employee may agree that the employee shall carry out the work within the scope of activities of the employer, or which is required to pursue the activity of the employer, at his home.
- (3) The employer shall submit the home work employment contract to the labour inspector within three days upon the date of entering into the contract.
- (4) The rights, obligations and conditions that are determined by the nature of the home work shall be agreed by the employer and the employee in the employment contract.
- (5) The employee shall be entitled to a reimbursement for the use of his own resources for home work. The amount of the reimbursement shall be defined by the employer and the employee in the employment contract.
- (6) The employer shall ensure the conditions for occupation safety and health in the case of home work

There is no provision in the General Collective Agreement for the private sector within the economy that regulates this legal practice.

The situation with Covid-19 raised issues related to this practice.

The Government of the Republic of North Macedonia adopted a "Decision on Preventive Recommendations, Interim Measures, Succeeding Measures, Intended Protocols, Plans and Algorithms for

Action to Protect the Health of the Population from the Infectious Disease Covid-19 Caused by the SARS-CoV-2 Cases and Related Time Period of Their Application”, which was updated as a consolidated text on 04.11.2020 (“Official Gazette of RNM, No.263/20”), and in which, in Chapter II. General preventive recommendations, in Article 3, paragraph (1), item 14 prescribes:

“14. The course and the principle of the work and the work process is to be organized through work in shifts, teams, or remotely (at home), thereby reducing the flow of persons within the working premises, without disturbing the standard and current functioning of the work system”.

Based on the above stated it can be concluded that there is plenty of room for improvement of the regulatory framework and that might be limiting factor for further development of any form of work from home as long as it is not improved. Based on the findings and researches presented about this issue in the previous parts of this research we can see that in the international practice the legal ground for organising work from home is prescribed in details.

A new Labour Relations Law is in the process of being drafted, which, among other things, will need to regulate the issues related to this principle in more detail.

In addition, it will be necessary to distinguish two definitions/situations (possibly more) in relation to certain forms of this practice, such as:

- “Home work”, as now regulated by Article 50 - “Home work employment contract” within the existing Labour Relations Law, when the employee performs the work within his/her home or within premises of his/her choice that are outside the employer’s business premises, and-
- “Work from home”, which should

designate a broader form of contractual arrangement of employment and which would provide an employee with the opportunity to work within the employer’s business premises (head-office or subsidiaries), but, due to certain situations: the situation with the Covid-19 virus, certain activities by the employer, a designated section of IT employees, etc., could provide for the employee to perform work and work related tasks from home for a designated period of time. Namely, with this form of contractual arrangement of the “Work from home” employment relationship, the contracting parties will be able to regulate the mutual rights, obligations and responsibilities for performing work by the employee within the employer’s business premises, as well as the possibility for the employee to perform work from home, i.e. to perform work within his/her home or within premises of his/her choice that are outside of the employer’s business premises. Furthermore, the issues that would arise out of with this new form of contractual arrangement of employment would be the following: the equipment that the employer should provide, install and maintain, reimbursement to the employee of any other costs in relation to his/her performance of work related tasks; the manner of professional training of the employee; providing health and safety related working conditions, manner of cooperation and communication with other employees, access to information such as other employees, and other elements in relation to successful performance of this type of work. The issues that need to be regulated are the scheduling and redistribution of working hours, vacation time, issues related to the scope and deadlines for execution of work and work tasks, as well as issues related to the submission of work-related reports.

As pointed out, these issues are expected to be discussed and regulated in more

detail by the new Labour Relations Law, which is in the process of being drafted.

Another important factor influencing the introduction of telework in North Macedonia is related to the human resources in terms of expectations and affections of the new generations. North Macedonia is facing tremendous problem of constant outflow of students, graduates and young professionals. Brain drain is not avoiding the labour market in North Macedonia and we are witnessing worsening of the current situation at daily basis. Without discussing this problem and reason for it, we focus on the important improvements that have to be done in the future in order to alleviate the going concern.

Most of the young people we are discussing are members of the group called millennials and Z generation and in North Macedonia the characteristic of these generations are not different as in any other country in the world.

According some researches (Gallup, 2020) millennials don't see much distinction between their job and their life, they expect flexibility and work-life balance. For this generation it is easy to make decision for job change, as well as quickly bail on companies that don't meet their definition of life well-lived. Millennials are the least engaged age cohort, with highest rate of turnover and with lowest rates of wellbeing. The same research, shows that since the onset of the pandemic, the number of days spent working from home has doubled across the entire workforce. The majority of remote workers in the USA were millennials: 52%, 29% Gen. X and 17% baby boomers.

Macedonian millennials are no different than any others and their expectations have to be recognized, especially in scattered workforce environment, with trend of brain drain. In the banks in North Macedonia want to provide and keep workforce with high skills and good ed-

ucation it will inevitable forced to recruit it from the millennials and generation Z and to meet their expectations. Telework or work from home is one of the most wanted organizational forms for new generations that meet their definition of life well lived.

## RESEARCH

In order to explore the experience of the banks and the potential for continuity in remote work, or work from home through the Macedonian Banking Association a Questionnaire was given to the group of managers, members of the relevant commissions within the Association. The interview (questionnaire) was conducted in written form with 54 managers from different managerial levels in the banks in the RNM, out of which 10 are members of the Management boards. They were asked to present their personal views on some basic questions regarding the work from home, having in mind that the pandemic period is the first time experience with this kind of organization in banking sector in the RNM. The starting point of the research was the period of the pandemic and the activities undertaken in that regard. The questions were focused on organizational issues while pandemic and expectation post-pandemic, especially potential for future developments in this area. Additional comments regarding the situation and how the banks managed to cope with new organisation are presented given the overall environment, continuity in business of the banks public reactions of the stakeholders to the bank's services.

As the first challenge in the pandemic period was how the work was performed, having in mind proximity needs, the managers were asked how they have organized the work in terms of fully work from home with branches open, combined office and work from home and



office only operations. Most of them or ninety five percent answered that they have combined working.

Asked about the problems that were faced in term of organization of the work, majority of the participants said that they had minimal problems; just three of them said that they had significant problems and nine said that they did not experienced problems at all.

Speaking about kind of problem that they had experienced, most of the participants said that the problems were of technical nature, mostly lack of the laptops, network approach, lines etc. Just four of them said that there were reactions of the employees, and nine of them said that there were no problems at all. Additional research showed that the main problem that banks faced was related to the lack of laptops on the market and long time of delivery by the vendors, as the banks have rigid policies regarding the use of private laptops for official use, as well as VPN lines and approach to the banking platforms and databases with high level of security.

Asked about additional technical purchases for supporting work from home, most of the participants or eighty nine percent said that there was additional purchasing of IT equipment for providing undisturbed and safe access to the banking network. In case that the manger answering the questionnaire is not familiar with technical issues they were asked to provide information about purchases of IT equipment from the appropriate organizational parts in their banks.

Next questions are related to the employees' reactions and performances during the pandemic and work from home as the further discussions with banks employees as well as employees in other financial institutions show that there is a big interest among them for work from home.

Around half of the interviewed managers or fifty four percent, said that according their knowledge the employees want to work from home. Forty one percent said that the employees do not make any difference where do they work, home or in the office. It is a very small share of the managers that said that their employees do not want to work from home.

Regarding the analysis of the employees wishes to work from home post pandemic ninety three percent of the managers answered that they did not do any kind of analysis.

Asked about their estimation of the productivity in time of pandemic forty four percent of the managers said that it is worsen, thirty three percent that it is improved, fifteen percent that it is unchanged and only seven percent did not answer at all.

On contrary to this statement sixty six percent of the managers consider work from home during pandemic to be fully one hundred percent successful it term of efficiency. Twenty eight percent consider it partially or 75% successful, just two managers consider that it was 50 % successful, and only one that it was less than 50% successful.

As the research was done in the period when significant number of employees was at work from home mode, managers were asked to assess the period of return to offices answering when do they expect that at least 50 percent of the employees to be back in the banks premises. A little bit less than a half of the mangers or forty six percent assessed that in the three month period the employees that were working from home will be back in the office, forty percent assessed that this will happen by the end of the year 2021 and only twelve percent expected in the next year. Two percent did not submit answer.

With the current situation having in mind the level of vaccination confirm the expectations of the majority of the participants that by the end of the year 2021 most of the employees will be back in the office.

Thinking about the future and the potential that work from home can offer the participants were asked to comment some important aspects of this opportunity, like its' potential for improving the business model and contributions that this way of organization of work can provide.

They were asked to give their view whether work from home can increase the potential and value added of the operations of the bank they work for. Most of the participants or fifty four percent gave negative answer not believing that this form of organization of work has potential for improving the business model. Forty six percent consider it value added and think that there is a potential for improving the business model.

In line with that, the participants were asked if they have considered the idea of introducing work from home as a model of organization the operations, so they had to answer the question if they thought over changing the working model to combine work from home with work in the office, even if they are not in a position to make such decision. The results were in favor of introducing work from home as hybrid model as seventy two percent of the participants answered that they thought of introducing work from home and only twenty two percent did not think at all.

Thinking of introducing hybrid model of work after Covid 19 and promoting new modern corporate culture the participants were asked about the number of days that should be mandatory for the employees for work in the office Most of the participants answered that they con-

sidered at least three days mandatory for office work. Twelve participants answered that the employees should be in the office all five days of the week which indicates that they do not think that work from home should be an option.

There are different reasons for introducing work from home and the main reason why banks in the Republic North Macedonia allowed work from home in the past eighteen months was health preservation. Asked about the reasons why did managers consider introducing work from home after Covid 19 most of the participants said that it is a combination of more factors like improving the corporate culture, better motivation of the employees and cost cutting. These answers were given by seventy six percent of the participants, only three of them said that the main reason is cost cutting and thirteen participants did not answer at all. The participants that did not answer the questions can be considered as ones that did not even consider introducing work from home as option.

In line with the previous question participants were asked whether they think that hybrid work organization as combination of work from home and office work can contribute to cost cutting The answers provided were very similar to the attitude of the participants expressed in previous questions, showing that the majority of the participants think that hybrid work can contribute to cost the cutting.

Out of 54 participants in the questionnaire ten participants or 18,5 % were Board of Directors members. In the whole banking system comprised of thirteen banks, there are thirty seven board members and ten of them participated in the questionnaire, which is a bit more than one quarter and can be considered as relevant for the board members view on the work from home perspectives.

Most of the board members said that they thought about changes in the model of

organization of work as introducing combination of work from home and work in the office whether they can or can't influence on the final decision. Positive answer was given by seventy percent of the board members asked. As a reason for introducing a hybrid form of work they said that a combination of few different factors would influence such as improving the corporate culture, new way of motivation of the employees and cost cutting.

They thought that the combination of days spent at home and days in the banks premises should be in favor of more days spent in the office. Most of the board members or forty percent think that at least four days should be spent in the office in combination with twenty percent that think that three days should be spent in the office. On the opposite side are thirty percent that do not consider work from home as an option and ten percent that consider only one day in the office as an option.

The sentiment regarding the influence of work from home to the value added of the operations is equally divided between participants. Half of the board members think that the work from home increases the potential and value added of the organization and half of the participants do not think that it does.

Regarding the savings contribution of the hybrid combination of work eighty percent of the board members said that they think that this option can contribute to office space reduction and cost cutting. The remaining twenty percent did not think about this question at all.

The assessment of the productivity during the pandemic period and work from home shows that most of the board members or sixty seven percent think that it is worsened, twenty two percent think that it is unchanged and only eleven percent think that it is improved.

According to the answers of the board members all of the banks did additional

investments in IT equipment and infrastructure in order to provide undisturbed work from home.

Most of the participants or fifty six percent think that their employees would like to work from home, thirty three percent think that the employees do not make any difference where do they work and eleven percent think that their employees would prefer to come in the office.

## CONCLUSIONS

It is a fact that this research covers fairly limited number of participants and do not cover a whole range of important questions and involved parties, but never the less it gives information about the awareness of the managers in the banks about the work from home, experiences during pandemic, expectations for the future and knowledge of the potential that this form can provide.

The first impression based on the research is that the managers were forced to implement this way of organization and that they were primarily focus on providing the continuity and preserve health of the employees. The attitude toward benefits of this form of work is mostly divided and the answers provided do not lead to conclusion about the awareness of the benefits.

Generally, the factors that favorably influenced the implementation of telecommuting are increased investments in digital technology and infrastructure, declining technology and telecommunication costs, increased use of computers in the workplace, organizational goals of the increasing productivity and other nontechnical factors. Most of these factors were present in the banking environment in North Macedonia as in the recent years most of the banks heavily invested in the digital technology and infrastructure.

The organization of work from home in the period of pandemic show that a lot of activities can be performed remotely without excessive risks and disturbances. Most of the managers are satisfied with the performances achieved though the pandemic period of work from home.

Still there is a room for improvement if the banks want to have the most of the benefits from the remote work or any kind of telecommuting.

The regulatory framework has to be re-written in order to properly cover all the aspects of telework or work from home with adequate regulation of working, rights and obligations of the stakeholders in the process.

Additional researches have to be done in order to get better understanding of the

expectations of the employees, employers and customers. This is of utmost importance because these parties in the Republic of North Macedonia are quite diversified in terms of digitalization, expectations and potential threats and advantages. The range can go from millennials with high level of digitalization, expectations and affinities for balance between work and life to the middle aged individuals with limited digitalization interests and habits against new processes.

Knowing the problems of brain drain in the Republic of North Macedonia, as well as problem with air pollution and infrastructure limitation improving environmental problems it can be concluded that aside of benefits that telework can offer specifically for banking it can provide bigger social and environmental impact.



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