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CHANGES IN WORKING MODEL ACCORDING TRANSFORMED WORK CONDITIONS IN THE PANDEMIC

Abstract:

Covid-19 pandemic is affecting our everyday life in all possible ways. It is also affecting companies and their employees. Things have changed over the past 24 months as many workers have developed a taste for a more flexible working model. Some are facing the benefits of working from home, but for some it is not such a positive experience. Human resources management should adjust to the new needs. Those needs are new forces that are driving transformational changes across companies, industries and economies issuing new strategic platforms in companies. Digitalization is promising a new era for working life according to new cultural transformation. All of this raises the need for the companies to change strategies and models in a way to adjust working conditions according to alteration of their employees in each way. While many executives would certainly prefer to return to the old model, it is more than clear that they all need to adjust their models to the new working platform.

In this paper we would point out the benefits and risks of working from home. Also, we would analyze the legal frame in the Republic of North Macedonia, boundaries, and perspectives for modernization of Labor law.

According to the results from the questionnaire that we will provide, we will suggest models for human resources transformation in the companies that will be more effective for the management and employees affected by this transformed pandemic situation.

Keywords: covid-19, HRM, working model, remote work, hybrid working model.

1. INTRODUCTION

According to information of International Labor Organization, the United Nations agency for the world of work, it is estimate that during the second quarter of 2020, 557 million workers worked from home, accounting for 17.4 per cent of the world's employment. Prior to the COVID-19 pandemic, 7.9 per cent of the world's workforce, or approximately 260 million workers, were home-based workers, on a permanent basis. In 2021, 70% of US and EU companies announced that are shifting to hybrid working model (International Labor Organization, 2021).

Changes are made everywhere- at home, at work, in the economy, in the society. Management in the companies should be more open to those changes. This gives us a clear picture of need for changing working model to a hybrid one instead of traditional, in order to promote model that is going forward both for the employers and employees. The shift is in the mindset and the adoption of technology is helping in this new working arrangements. But not only the companies should be prepared for such changes, also employees should be educated what is essential in this model and what is expected from them. This has raised a need for some changes in the education. Theses changes should be made according this model, with all its characters, positive and negative effects.

2. DEFINITION OF HYBRID WORKING MODEL

Hybrid work model is a flexible model in which employees can work from both onsite and offsite locations (www.hivedesk.com, 2022). This model can be worked out between employer and employees depending on the work. The hybrid model means employees work partly on-site or in the office and partly remotely depending upon working requirement and productivity (www.livemint.com, 2022). It is essential to promote effectiveness and productivity of work. The hybrid working model is a location-flexible arrangement, allowing employees to combine onsite and offsite work as they and their employers see fit (www.hibob.com, 2022). This model considers employees' general feelings towards their workplaces, productivity and wellbeing during pandemic. Hybrid working is a "blended working" that's combining work on site or working remotely. Employees are allowed to split their time between working remotely or attending the workplace (Ince, 2022 p.164).

When pandemic hit in 2019, companies transitioned to remote working. Remote work has been growing in popularity due to greater digitalization of work roles, faster internet, and availability of cheaper equipment. Companies were forced to create processes, and IT infrastructure needed to support working from home. There are several positive sides for companies from such model:

- Helps to find best talented employees by looking beyond company's geographical region;
- Reduces the cost of office space;
- Ensures employee productivity and engagement;
- Ensures information security;
- It makes tracking employee performance easier.

Also we can address some pros and cons for the employees:

- Norms of social distancing makes the model safer option;
- An efficient work-life balance;
- Increased productivity;
- Risks of employee isolation;
- Difficult to separate work from personal life;
- Obstacles in building relations and establishing communication with employees

To maximize the benefits from hybrid working, management should have a plan that outlines clear responsibilities, addressing employee well-being and prioritizing meaningful work.

3. NORMATIVE FRAMEWORK IN REPUBLIC OF NORTH MACEDONIA

The foundation of the legal framework that regulates labor relations in the Republic of North Macedonia is established by the Law on Labor Relations. The legislator, normatively, in terms of the place of operating is familiar only with two models: primary, which is presumed to be working at the employer's headquarters and working from home. If the employment contract does not include a provision for the place of work, the legal assumption will apply that the worker works in the employer's headquarters. The second working model – working from home is established as of April 2003 when the Macedonian legislator regulates the option of working from home. According to the Law on Labor Relations working from home is considered as doing work by the worker in their home or in rooms they selected outside the business premises of the employer. According to the Employment contract for working from home between the employer and the worker, it can be agreed that the worker will perform work belonging to the business activity of the employer or necessary for realizing the employer's activity from home. The rights, obligations, and terms depending on the nature of the working from home, are regulated by the contract for working from home. Although the Law on Labor Relations does not contain provisions for the content of the employment contract, the employment contract for working from home, besides the mandatory elements that need to be included in every employment contract, would usually include provisions regulating the terms for working from home, the manner of supervising the work of the worker, using and applying means for work by the worker, the compensation for their use and other rights and obligations. (Беловски В., (2019), pg.147). The employer is obliged to send the employment contract for working from home to the labor inspector, within three days from the date of concluding the contract. According to the comparative law, for greater protection of the worker working from home, the Labor Law from the Republic of Croatia and the Labor Law from the Republic of Serbia stipulate that the salary of the worker working from home must not be established as lower than the salary of the worker working in the premises of the employer on similar or equal work tasks. The legislator in the Republic of Serbia stipulates that the labor relation for performing work outside of the employer's premises entails remote working and working from home.

According to the legal framework now, the Law on Labor Relations in RNM does not have a separate legal decision for working according to a hybrid model, i.e. a combination of working from the employer's headquarters or working from home. The legislator has established that the employer and the worker can choose between one of the two options. Still, it is not forbidden for the employer and the worker to regulate the mutual rights and relations in the employment contract by choosing a combination of these two models. According to the principle that the employment contract, i.e.

the collective agreement can determine the more favorable rights for the workers than those established by this Law, it is not excluded to stipulate such working terms if those are more favorable for the worker.

To decrease the spread of the Covid-19 virus, the Government of the Republic of North Macedonia, on the 13-th session, held on 20.10.2020, adopted a recommendation for organizing the work of the whole state and public administration, municipalities, and courts in shifts or online from home or reduced by a system of rotations depending on the characteristics of the working process of the institutions. The recommendation was expanded and referred also to private sector employers. The recommendation was widely accepted by the private sector too and there was an option to organize working from home or by a rotations system, in accordance with the working process and the employer's business activity.

Since there are no publicly published data about the number of employment contracts for working from home delivered to the labor inspector, the authors of the paper, on 26.02.2022 sent a request for access to public information to the State Labor Inspectorate regarding the number of delivered contracts in the last 5 years and whether some contracts referred to the hybrid model of work. The State Labor Inspectorate replied that it does not have a separate record of delivered contracts and that it only enters the contracts with a registration number. It also said that due to the limited resources it has, the State Labor Inspectorate is not able to provide the requested data.

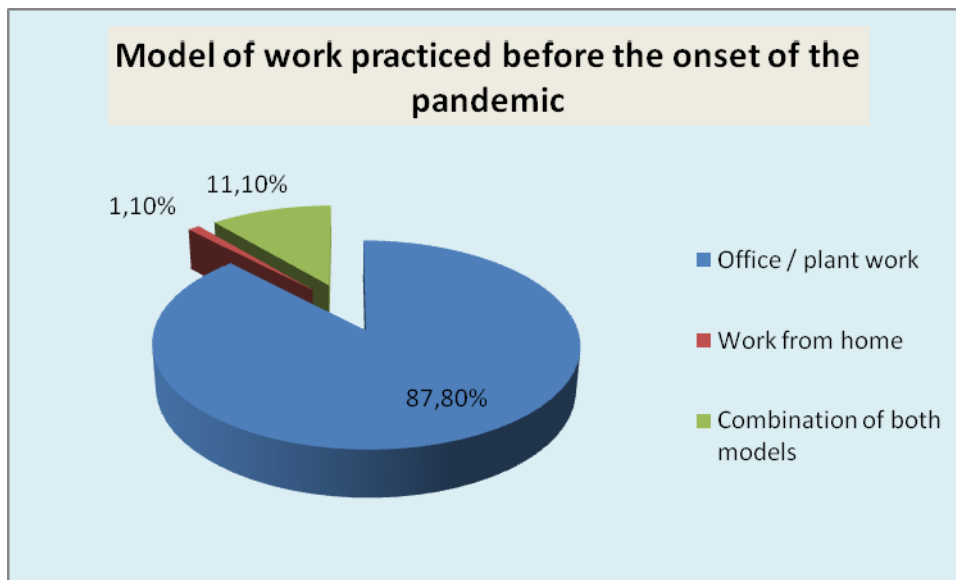
4. RESEARCH RESULTS

Due to a lack of such information, the authors conducted a survey to successfully realize the defined research purpose. With this survey we have obtained information and knowledge through statistical analysis and statistical conclusion of data regarding the modifications of the working model according to the modified working conditions during the pandemic. The questionnaire was structured in three parts: first part was about basic information for the employees and employers; second part was about advantages and disadvantages by the respondents according working model before and at the Covid-19 time; and third part searched information about respondents' opinion and decision about possible working models that would be more likely to perform after pandemic. The questionnaire was distributed on-line in the period between 27.01.2022 to 10.02.2022. We have reached 90 respondents (employees) and received their answers. This is a statistically significant sample. Answers were statistically processed by SPSS. Descriptive analysis is used for graphical and table data presentation. Also, in this statistical research, appropriate and significant evaluation is defined with reliability of the results for 5% risk or safety threshold of 95% in statistical conclusion. This means that suggested hypotheses were tested with nonparametric statistical tests: contingency tests (χ^2) that were realized within SPSS.

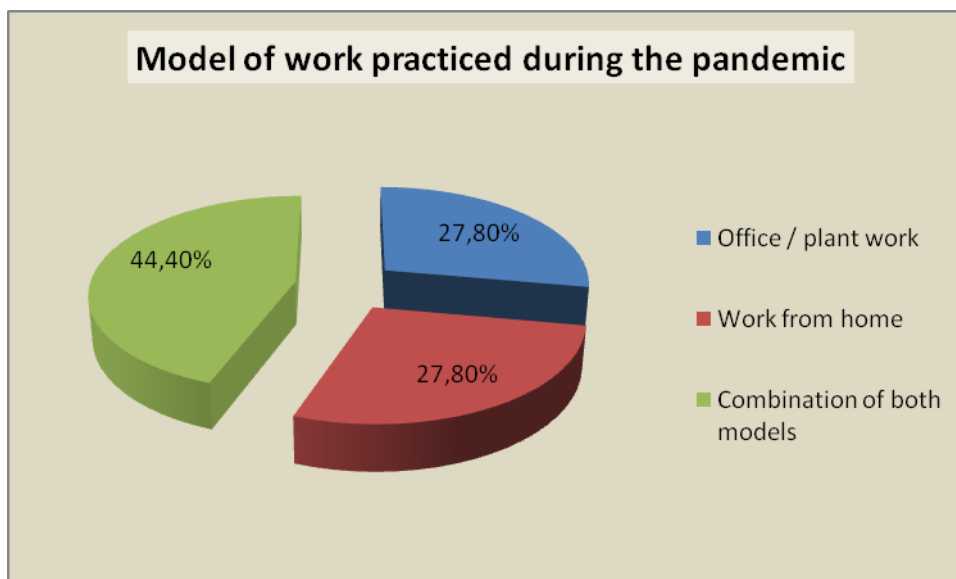
Table 1: Descriptive statistic for basic data

Basic data from employees and employers	Descriptive statistic
Working arrangements	All respondents are full time employed. (100%)
Industry where employees come from	50,00% are employed in education or some other industry that was not defined in the question. Least, or 16,7% respondents are employed in trading, banking or hospitality.
Employment of respondents by sector	61,1% of respondents are employed in the private sector and only 38,9% are employed in the public sector.
Age structure of respondents	67,7%, are between age 31 to 50; 17,8% are between age 20 to 30; and a 14,5% of respondents are older than 50.
Origin of the company	88,9% of companies are domestic legal entity and 11,1% of them are foreign legal entities.
Where is situated domestic legal entity	71,1% of respondents are employed in companies that are situated in Skopje and Prilep; 17,78% are employed in companies situated in Bitola, Stip and Ohrid; 11,11% of respondents are employed in companies that were not defined in this question.

Source: Authors' questionnaire results (2022)



Picture 1: Model of work that the respondents practiced before the beginning of the pandemic
Source: Authors' questionnaire results (2022)



Picture 2: Model of work that respondents practiced during the pandemic
Source: Authors' questionnaire results (2022)

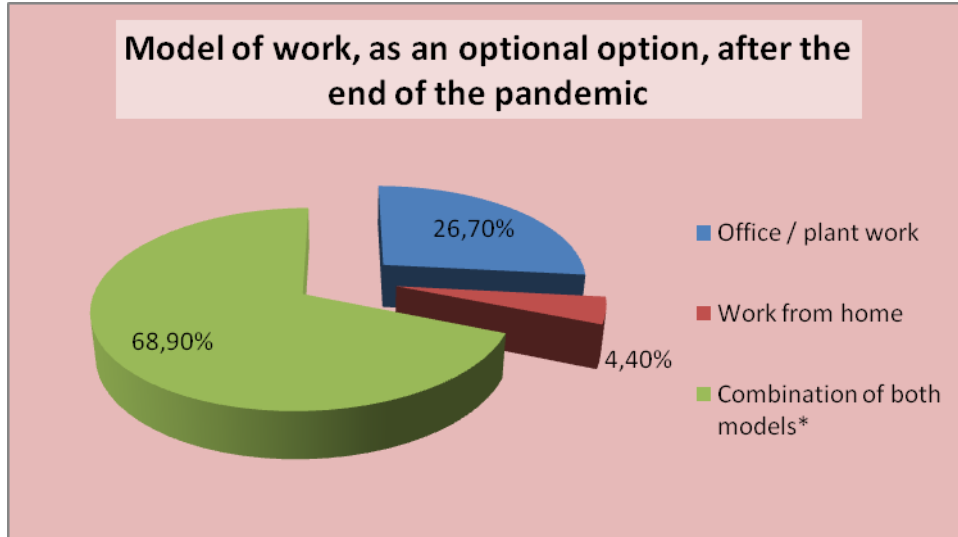
Table 2: Descriptive statistic for respondents' attitudes about working model they prefer after Covid-19

Descriptive statistic for respondents' attitudes about working model they prefer after the end of Covid-19	Descriptive statistic
Possible working model to choose after the end of COVID 19	30%, have chosen a combination of the two working models- 3 days work from home and 2 days from office; 26,7% have chosen to work 5 days from office; and 17,8% of respondents chose a combination of working models- 1 day from home and 4 days from office. (Picture 3)
Offered opportunities by management to choose combined working model	44%, of respondents would choose combined working model, offered by management with no consequences on salary; 36,7% would choose combined working model offered by the management, with condition employees' to be accessible for employer till the end of daily working hours; 18,9% would choose offered combined working model by the management with the condition employer to procure computer/equipment for work from home.

Possibilities for respondents to consent for lower salaries in order to choose combined working model

83,3%, of respondents answered that they would not give consent to work for lower salaries when choosing combined working model proposed by management; 13,3 % would give consent, when working combined working model, their salaries to be lowered, but not more than 5%; and only 3,4% would give consent, when working combined working model, their salaries to be lowered, but not more than 10%.

Source: Authors' questionnaire results (2022)



*Combination of both models: 1 day from home, 4 days from the office; 2 days from home, 3 days from the office; 3 days from home, 2 days from office and 4 days from home, 1 day from office.

Picture 3: Attitudes of the respondents about the possibility of choosing a model of work after the end of the pandemic

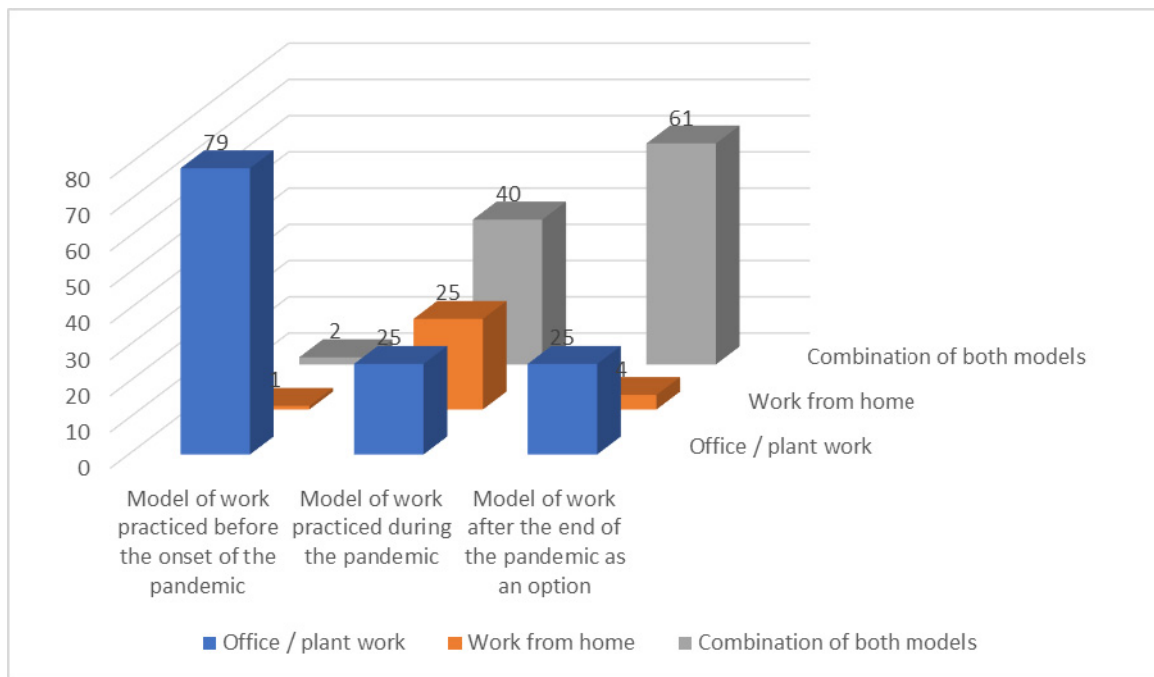
Source: Authors' questionnaire results (2022).

Additional data is conducted for respondents about their working model opinion in the period before, during and ending pandemic time. These results are shown in the tables below:

Table 3: Number of respondents that prefer different working model before, during and after pandemic time

	Office / plant work	Work from home	Combination of both models
Model of work practiced before the onset of the pandemic	79	1	10
Model of work practiced during the pandemic	25	25	40
Model of work after the end of the pandemic as an option	25	4	61

Source: Authors' questionnaire results (2022)



Picture 4: Number of respondents that prefer different working model before and during pandemic time, and attitudes of the respondents about the possibility of choosing a model of work after the end of the pandemic
Source: Authors' questionnaire results (2022)

From the chart in picture 4 we can see that there is a difference in respondents' attitude about preferred working model before and during pandemic time. According to this data, most respondents prefer the office working model, and only few respondents prefer the home working model before pandemic. During the pandemic most of them preferred a combined working model. Also, we can see that there is a difference in the number of respondents preferring the working model after pandemic time. According to this data, after ending the pandemic most of them preferred a combined working model, and few preferred working model from home.

4.1. Hypothesis testing

According to the subject and goals of this research, we have concluded following hypothesis:

Hypothesis 1: There is no difference in the respondents' attitudes in different periods of the pandemic according to preferred working models.

From this general hypothesis we have drawn following hypothesis:

Hypothesis 1.1: There is no difference in the respondents' attitudes for the preferred working model before and during pandemic.

Hypothesis 1.2: There is no difference in the respondents' attitudes for the preferred working model before and after ending the pandemic.

Hypothesis 1.3: There is no difference in the respondents' attitudes for the preferred working model during and after ending the pandemic.

When using the test of independent variables such is contingency test (χ^2) for gathered data, we have concluded following information for the statistical conclusion. This information is presented in the table below:

Table 5. Data for statistical conclusion about the respondents' attitudes according to different working models in different periods in the pandemic.

Hypothesis	Degrees of Freedom	Alpha Error	Critical chi-square	Computed chi-square	p value	Conclusion
Hypothesis 1.1.	2	0,05	5,9915	68,1923	0,0001	Reject Hypothesis
Hypothesis 1.2.	2	0,05	5,9915	66,4723	0,0001	Reject Hypothesis
Hypothesis 1.3.	2	0,05	5,9915	19,5732	0,0000	Reject Hypothesis

Source: Authors' questionnaire results (2022)

From the results shown in the Table 5 we can see great statistical deviation between calculated and theoretical values of χ^2_{test} . Calculated statistics of the test (68,1923; 66,4723 and 19,5732) are greater than theoretical values of the test (5,9915). We have come with the same conclusions by comparing calculated p-values (0,0001; 0,0001 и 0,0000) with theoretical p-value (0,05). According to this conclusion, with threshold security of 0,95, all hypothesis mentioned above are rejected, so the conclusion is as follows:

- there is a difference in respondents' attitude about the working model before and during the pandemic,
- there is a difference in respondents' attitude about the working model before and after ending the pandemic and
- there is a difference in respondents' attitude about the working model during and after ending the pandemic.

According to this statistical conclusion, we can reject general hypothesis. Namely, we come with conclusion that there is difference in respondents' attitude according working model and different period in the pandemic.

5. CONCLUSION:

According to the obtained results from the research by the authors, it can be concluded that the pandemic has significantly changed the manner of work of many employers in the country, and the preferences of the workers for practicing a hybrid working model. As a forcibly imposed working model, the hybrid manner of work at a stage when the pandemic is losing its strength has become the preferred and desired model of work by workers.

Starting with number of approximately 88% of respondents who had worked from office before the pandemic, in time of almost 2 years the number of respondents who will want to work from office after the pandemic decrease to almost 27% respondents. Opposite the number of respondents who prefer hybrid working model after the pandemic is drastically increased to almost 69% of respondents. Also, it is very interesting that almost 18% of respondents are consented to do their jobs by hybrid working model, even if their salaries need to be lowered.

Considering ILO Centenary Declaration for the Future of Work, for further development of human-centered approach at work, the employers must direct their efforts in the following field: provide scope for achieving better work-life balance by enabling workers and employers to agree on solutions, including arrangements on working time and place, and consider their respective needs and benefits.

Also, there is no right answer for such hybrid work model. It all depends on industry, content of the team and of course, on company's willingness to experiment with a hybrid work model. A well-planned process, clearly outlining the policies will help effectively manage the workforce. It is crucial to change culture in the company in order to have successful hybrid model. Mentoring, coaching, and supporting employees in geographically diverse locations is part of building the hybrid work culture. It should enable personal growth and prioritization of quality work. It is crucial to understand that employees should be correctly motivated so they can perform creativity and innovation in their work. This can be all implemented in new culture that promotes hybrid working model.

When executed correctly, hybrid working models can allow companies to recruit better talent, achieve innovation and build a flexible, productive future. To make a successful transition to the hybrid model, companies must build a strong corporate and select a hybrid model that works best for their workforce. Key driver of all positive workplace changes is improved trust between employers and employees. This trust should allow both employees and employers to better manage their expectations and responsibilities.

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