

## Exploration of some of the 7 concepts identified as constituting a “circular” HRM

### Business case: Next Sense (North Macedonia)

Next Sense is an IT company, and its main sector of work is software development solutions for the government, telecom and the finance sectors.

The company exists over 19 years - next year it will celebrate 20 years of its existence. It is one of the few Macedonian IT companies with two decades of steady and stable growth.

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Date of interview: 13 May 2020

### Context:

Next Sense is an example of a **company already practicing circular HRM practices** in all 8 conceptual designs of the Circular HRM model. It is only a Macedonian company, meaning it doesn't have any foreign branches or subsidiaries, and as such it is one of the few companies that survived in the Macedonian market for so long. In Next Sense there are 90 employees which constantly fluctuate around that number.

### Concept 1

**The design of ‘work practices’ and ‘work spaces’, emphasising maximum positive impact on a worker during his/her employed experience are considered a core component of Circular HRM practices.**

The design of work practices and work spaces is a result of the dynamic nature of the IT industry, which means the employees are constantly learning and improving upon their skill sets. Because of the high-paced environment most of the employees tend to rely on self-learning that is done online. The company also invests in platforms like Plurasight and Udemy that provide online courses in the IT field. The company tends to practice knowledge sharing, especially when it comes to new technologies, and those “sharing sessions” are open to all the employees. When it comes to the employees’ wellbeing, the company provides health insurance, covers the fees for gym and pool memberships. The company also does a “fruit of the week” giveaway, participates in sporting events and hosts two team-building events per year.

The company doesn't practice flexible working hours due to the clientele they do business with, which includes the Government, ministries and other institutions, however, during the COVID-19 pandemic, Next Sense's employees did work from the comfort of their homes.

As for the work spaces, the company has a section of classic offices, and a section of open-floor ocean like spaces. Although, it seems the employees tend to stick to their unofficially determined sitting areas, even when they work in the open space.

### Concept 2

**Processes of understanding and responding to the needs of workers to optimise redeployment within the same company**

Next Sense has a determined evaluation process consisting of specific competencies for every job position that need to be mastered so that the employee can do satisfactory work. If an employee happens to be unhappy in their current position on a creative team, for whatever reason, the company will reassign him to a different team, so as to keep their knowledge and skill set.

The Human Resources department does not function within a strict hierarchy, but it does organise trainings, workshops and seminars. Next Sense is also fully supportive of the employees upgrading their knowledge via external sources.

### Concept 3

**Supporting the reintegration of a worker so he/she, following a period of leave (short/long term) can continue to be employed in his/her original function or in a new role within the same company**

The most common leave of absence that occurs within the company is the maternity leave, during which the employees are not required to work, but they are being kept up to date and in the loop about all the projects the team is working on. The team leaders are required to hire a replacement for the duration of the 9 months of maternity leave, and once the absentee returns, the substitute employee is reassigned to a different position. Mothers who return to work after their maternity leave get a period of 3 months to adjust during which they are not required to return to the standard work day immediately. Next Sense does not have a process for reintegration that includes for physical adaptation of a workspace, an adjustment to workstations or sensitivity training for colleagues, but the company is more than confident that, should the situation arise, everything necessary for a smooth reintegration in the office would be provided.

### Concept 4

**The mentorship of a worker who is considering leaving the company (e.g. due to retirement, or the completion of a project) to apply their skill-set in a different role within the company (e.g. proactive use of skill set prior to retirement, or re-orient skill set to a new project)**

Upon the hiring of a new employee, the company provides a mandatory 3 month mentorship for them. The mentorship can be done by a team member, or another more experienced employee, and even though the official membership process ends

after 3 months, the relationship remains for the entirety of their employment. After this mentorship process, the company helps these new employees choose the direction they want to move to. The mentorship method doesn't extend only to new employees. Considering their knowledge and skills, Next Sense doesn't let these employees leave without first transferring their whole knowledge to someone else or to a few employees. This way, the team won't panic because their team leader or member is leaving, and would be able to find a substitute to take over that part and tune down the turbulences.

Next Sense began conducting teamwork trainings, but also sending inside circular newsletters to the employees that state which team has done what, giving them the ability to use some of the practices or skills other teams have previously used/done, and adapt them to their needs.

The company is always open to reorientation of an employee: "It's important to us for that knowledge to stay in the company, so that is why we are open when the employee wants to work something else, transfer to a different project or to work with new technology. The key role here is the team leader because he/she is constantly following the employee and can see in which direction the employee wants to move." added Alampioska Andreevska

### **Concept 5**

#### **Categorising the skill set of workers with a view to planning and implementation of worker-centred strategies that optimise the categorized skills sets within a company ecosystem**

Next Sense uses a matrix of competences divided into categories according to what position one holds, what skills need to be mastered, to what degree etc. The evaluation process is conducted through the matrix. First the employee evaluates themselves, followed by an evaluation from a superior or the team leader. After this, the employee, along with the team leader/superior and Alampioska Andreevska discuss it. To be more specific, they discuss the big discrepancies in the evaluations. Naturally, competences and skills must be updated regularly, especially in the sector this company operates. In addition, Next Sense has a 'champion' in every competence - a person that knows that competence best and can help others with it.

When it comes to recruiting new staff, Alampioska Andreevska said they mostly take part in career fairs. The crucial part is that a few employees take part in them, meaning they present the company to interested persons. "It's not only me there, but there are always people that are already employed at some working positions because I think that it is important to hear some experience from somebody that is already working on that position in the company. That is because someone from HR or someone who is a recruiter can tell you many things, but they will mean less to you than when they are told by somebody that is working that same job." Furthermore, occasionally it happens that a person leaves a strong impression, so Alampioska Andreevska contacts them directly and schedules a meeting. Other ways of recruitment are through LinkedIn or direct headhunting.

## **Concept 6**

### **The prioritisation of human centred optimization over contractual obligation**

Considering the Macedonian law and the nature of the company, Next Sense does not use temporary contracts. In addition, the projects the company works on are mostly long-term, and one team doesn't work on just one project, but on few. Thus, when ending one, they can transfer to the next.

Because of the pandemic, like many other companies, Next Sense was also forced to find a way to work from home. They have developed some guidelines that could help the employees work remotely. "We decided, considering the communication, that Microsoft Team will be the tool that we use for communication, we defined all communicational channels that we would have there, which information would be distributed where, that we would respect the working hours from 9h to 17h so that everyone can work in the same time." said Alampioska Andreevska Moreover, the employees constantly get advice about working from home, and guidelines that could help and give them the flexibility needed to survive this period.

## **Concept 7**

### **Supporting the transition of a worker into the external job market where a worker is no longer meeting the requirements of their current contractual obligations**

The IT company has a notice period of 3 months, which may be lengthy, but is necessary, because that is the required period for the employee who is leaving to transfer the knowledge. In addition, the company provides 4 hours a day for the employee to go to interviews, and look for a job. All of this applies to employees that are fired and those that resign by choice. If the employee needs it, a recommendation or other documents can be issued to them. "There are cases when the employee goes to a different company for 3-6 months and maybe he/she won't like it so he/she will return to us and that is why it is important for us to maintain a good relationship with the employee - in the dismissal period and further on."

When talking about the career management processes this company has, aside from the personal development plan that was mentioned, they also encourage their employees to be proactive themselves, and not just wait for their team leader or HR to assign them a new project or tell them what to do. Having the employees share ideas, makes the atmosphere in the company more dynamic and interesting, and it makes the employees feel more useful, especially when an idea they've pitched gets realized.

## **Concluding remarks**

A challenge for the future for Next Sense are situations when they can't provide the position an employee has a skill set for. In some cases, an employee can show aspirations and skills for a position that the company currently has no need of, does not



have that kind of position or a project that requires those skills. Alampioska Andreevska mentioned that they are working on detecting these aspirations in the employees early in their development and finding the right job for them in Next Sense. In her closing remarks, Alampioska Andreevska brought into the open a very interesting comparison: “Here you have mentioned that you first started in the eco industry... I want to say that it would be a challenge for you in the project to apply this concept in different industries because sometimes... in some it is easier to do requalification or additional qualification within the company, while in other industries, I think would be harder to do so. Specifically for IT, I know some experience from other IT companies where they let the employees have a full requalification and transfer to a different work position. However, the company needs to be ready from every aspect -financial and resources - to replace the initial work position of the employee, to give him a certain period - 6 months or a year - for him to acquire skills for the new position and start working there. I think this is a challenge.”