

NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA



**HUMAN RESOURCES MANAGEMENT POLICY
IN THE NATIONAL BANK OF
THE REPUBLIC OF NORTH MACEDONIA**

October 2020

Pursuant to Article 47 paragraph 1 item 9 of the Law on the National Bank of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15, 6/16 and 83/18), the National Bank of the Republic of North Macedonia Council adopted the following

Human Resources Management Policy in the National Bank of the Republic of North Macedonia

GENERAL PROVISIONS

1. The Human Resources Management Policy (hereinafter referred to as: the Policy), in the National Bank of the Republic of North Macedonia (hereinafter referred to as: the National Bank) shall set forth the primary goal, the basic postulates, the primary functional activities for human resources management in the National Bank, and the roles of the parties interested in the implementation of the Policy.

2. The Policy shall establish a systemic approach to the human resources management, which clearly defines the role of the Human Resources Department (hereinafter referred to as: the HR Department) in the cooperation and the support in the human resources management at every level, and in order to achieve the goals and tasks set at an individual level and at the level of the organization.

II. MAIN GOAL

3. The goal of the human resources management shall be to contribute to an effective management of the human capital. More specifically, it is a question of management of the employees' potential, knowledge, skills and capabilities (competencies) and their behavior, as well as providing of a high level of engagement of each employee and of the team in the workplace, in order to achieve successful results and value added in the work.

4. This goal shall be achieved through the implementation of the set strategic goals for human resources management, and the introduction of modern processes and good practices in the appropriate domain, along with the daily cooperation of the HR Department with the employees and the managers at every level.

III. VISION AND MISSION

5. The Policy shall be derived from the vision, the mission and the postulates which support the guiding of the employees and their mutual internal cooperation, with the application of the professional standards for management, behavior and communication.

6. The vision of the human resources management shall be to strengthen the support of the HR Department in the management and the governance of the human capital and in the creation of a positive work environment, in order to meet the individual goals, the objectives and the tasks of the organizational unit and the National Bank, in general.

7. The mission shall be carried out through the current operational cooperation with all the organizational units and management levels, providing high-quality and competent personnel and by simultaneous motivation of the employees, development and retention of a highly productive workforce with sufficient potential.

8. The vision, the mission and the postulates underlying the human resources management shall refer to the keeping of the position of the National Bank as a modern employer, by building an organizational culture which includes modern leadership, support in the development of the individual potential, strengthening of the organizational capacity, mutual respect and personal responsibility.

IV. BASIC POSTULATES FOR HUMAN RESOURCES MANAGEMENT

9. The basic postulates shall be the starting point in achieving the vision and mission of human resources management and they aid the incorporation of values, in order to maintain and increase the professionalism in human resources management.

The postulates contribute to the building of the organizational and individual awareness of:

- *Respect towards others:* cooperation and communication, at every level, in a manner which ensures justness, respect, honesty and trust;
- *Acceptance of diversities:* creating an environment where diversity among employees is accepted, along with their attitudes, characteristics and ideas, while encouraging their inclusiveness;
- *Transparency:* encouragement of open communication and information at every level;
- *Readiness for changes and innovations:* support and promotion of openness to new opportunities, continuous learning, encouraging creativity, and undertaking support activities to constantly improve the performance and results.
- *Just treatment:* establishment of a correct and just behavior by advocating equal treatment in employees' management. Specifically, providing equal opportunities for employees in terms of career promotion, access to all types of vocational training, working conditions and all employment rights and obligations ;
- *Raising awareness* for taking personal work responsibility, motivation and self-motivation for greater contribution, active engagement and retention of qualified personnel;
- *Awareness* of the responsibility for non-compliance of the order, discipline and contractual obligations.

V. HUMAN RESOURCES MANAGEMENT MODEL

10. The human resources management model shall represent the human capital management system in the National Bank.

11. The model shows the manner of achieving the final, desired results arising from human resources management, by linking the strategic commitments of the National Bank with the basic functional activities of human resources management and their inherent processes, procedures and practices (Policy and strategic goals of human resources management), as well as their active communication with the management and organizational units, i.e. employees and managers at each level.

Figure 1: Human Resources Management Model in the National Bank



In order to achieve the strategic objectives of the National Bank, the human resources management shall be an integral part of the strategic planning and shall be achieved through the Policy, i.e. the basic functional activities of the human resources management.

The functional activities shall be further elaborated into effective work tasks and activities (processes), rules and steps of work processes (procedures) and implementation of processes and procedures (practices) of human resources management.

The internal communication in human resources management shall be performed through the active role, i.e. open dialogue aimed at providing a solution and cooperation among all stakeholders in the implementation of the Policy.

The output results shall refer to the successful and effective management of human and organizational resources, as well as the achievement of the strategic goals of human resources management, namely:

- support in achieving the goals and tasks of each organizational unit and the strategic determinations of the National Bank, in general;
- effective organizational structure of the National Bank;
- development of a positive organizational culture and working environment;
- establishment of healthy relations in the workplace by stimulating a sense of team spirit and inter-organizational cooperation;
- well-trained employees and teams;
- successful individual / team results and value added in the work;
- satisfaction, by identifying and meeting the needs and goals (professional and personal) of employees;
- achieving and maintaining high morale among employees,

- striving to improve the qualitative capabilities, knowledge and skills (competencies) of employees to perform current and future work, etc.

VI. MAIN FUNCTIONAL HUMAN RESOURCES MANAGEMENT ACTIVITIES

12. The main functional activities for human resources management are general guidelines and preconditions for successful realization of the processes, procedures and practices for the employees' management in the National Bank.

The functional activities shall be accomplished with the support of: the legal framework (the relevant laws and the Labor Agreement), the observance of the Code of Ethics of the National Bank, the system for internal communication and IT-support.

The main functional human resources management activities consist of:

- Employment planning;
- Employment and internal mobility;
- Regulation of the employment rights and responsibilities;
- Establishment of the organizational and systematization structure;
- Evaluation of the work success and career progress;
- Rewarding (work success);
- Learning and development (vocational training and mentorship);
- Development of management positions (managers);
- Talent development and management;
- Absences management, etc.

Employment planning

12.1. The personnel planning shall take place along with the process of strategic planning, within the internal environment analysis, whereby, as a result of the replacement of personnel due to retirement or on other grounds, the organizational units plan the new employments, the number and the qualifications of the required personnel in cooperation with the HR Department, as well as the activities related to structural and organizational changes.

Additionally, the employment planning is also related to the results from the estimation of the operational risks process, the human factor, as one of the significant potential sources of risk for the work processes.

The planning process shall provide information on the need for human capital, necessary to ensure the current and future performance of work tasks and activities, of the organizational units and the National Bank, in general.

Employment and internal mobility

12.2. The primary purpose of the staff employment and the internal mobility in the National Bank shall be to ensure a transparent internal and public procedure for providing potential and competent candidates for the respective positions, in accordance with the current regulations, as well as to provide opportunities for career development.

During the process of selection of candidates, good human resources management practices shall be applied: pre-selection, evaluations, tests and multi-layered interviews, and in

order to select the appropriate personnel with the required education, knowledge, skills, potential, motivation and behavior, and personal integrity in relation to the ability to successfully respond to work tasks in the workplace.

Regulation of the employment rights and obligations

12.3. The regulation of the employment rights and responsibilities shall arise from the current laws, bylaws and internal regulations, as well as the Labor Agreement of the National Bank.

At the same time, this functional activity ensures the realization of the rights and responsibilities arising from the employment agreement and the employment, but also the synchronization of the needs, rights and responsibilities of both parties: the employees and the National Bank as an employer.

Organizational and systematic setup of the National Bank

12.4. The HR Department shall cooperate with the other organizational units, and based on their requirement for the development of new processes, development of the existing work processes, and/or their merging and separating.

Evaluation of the work success and career progress

12.5. The purpose of the management and the assessment of the employees' work success (performance management) is important because they encourage the connection of acquired knowledge, skills and abilities and potential resources of employees with the performance of tasks and activities arising from regular work and annual work programs of the organizational unit. At the same time, this functional activity implies constant monitoring and evaluation of the output results in the current operation, both individually and at the level of team and organizational unit.

Through effective communication and open dialogue of managers with their employees, employees are given feedback on their professionalism, efficiency, quality, contribution and behavior in the performance of the work tasks, as well as the opportunity for further career development.

The National Bank shall provide all the necessary information, resources and practices for encouragement of personal and professional development, with opportunities for enhancement and career development of each employee.

Rewarding (work success)

12.6. The process of rewarding shall provide consistent recognition of the contribution and the value added in the performance of work tasks and activities by employees.

At the same time, the process of rewarding motivates and encourages the employees and the teams towards further and successful realization of the work tasks and activities in accordance

with the program activities in the annual plan of activities and the strategic goals of the organizational unit.

Learning and development

12.7. The active support in continuous learning and development shall provide and increase the competence of employees, their knowledge, skills and abilities for the purpose of quality performance of current and future work tasks and activities.

At the same time, building a culture of continuous learning provides opportunities for innovations and advancement of new or development and improvement of existing processes.

Learning and development shall be achieved through professional development, completion of vocational education, employee introduction and mentoring of new and existing employees. These include on-the-job learning, research support, knowledge sharing, in-house training to strengthen soft skills and expertise, internal mobility, networking, etc.

Planning and development of management positions (managers)

12.8. The planning and development of management positions is a proactive and systematic approach in order to identify and further develop potential managers who ensure sustainability and stability in the work of teams, management of organizational units and the National Bank, in general.

The development of management positions enables the National Bank to focus on the skills in leading teams and managing organizational units by actively investing in managerial and leadership skills, as well as raising awareness for successful implementation of good management.

Talent development and management

12.9. Talent development and management play an important role in fostering innovative and creative resources for the employees, in order to provide value added, develop and enhance the work, and to ensure a high level of commitment and active engagement of potential employees.

In order to use the potential of the most talented employees, talent programs shall be established for their discovery, development, retention and motivation.

Absences management

12.10. Employees shall exercise the right to absence by law and the Labor Agreement.

The absence management process shall be aimed at raising higher awareness in relation to the use of the absences, as well as providing a practical and consistent approach to the management of the absences of the employees.

The management of the absences shall also provide support and guidance for each employee on the manner of managing their absences, awareness is raised about the

understanding of the direct and indirect impact of absences on the daily work and the teams, and for the smooth implementation of work processes. Managers are enabled to monitor absences, i.e. to talk to their employees about the reasons related to their absences, especially in cases of frequent and multiple absences from work.

Awareness of personal responsibility

12.11. In order to realize the functional activities, employees and managers are directed towards personal responsibility for performing work tasks in the workplace, for their own development, for their own and dignified behavior towards colleagues and external associates and for taking care of the establishment of a positive and highly professional working environment, worthy of respect.

VII. ROLES IN POLICY IMPLEMENTATION

13. All stakeholders shall have a key role in the implementation of the Policy: the HR Department, the employees and the managers at every level.

14. The HR Department shall carry out its role by observing the stated basic postulates of human resources management, high level of commitment, professionalism and care for employees.

The HR Department shall cooperate daily and closely with employees and managers at every level and shall promote openness, mutual trust and cooperation in the application of functional activities, processes and practices of human capital management.

For the promotion of the existing, as well as the development of the new functional activities, processes and practices, the HR Department shall have active cooperation with the organizational units and the management of the National Bank.

The HR Department shall also have a proactive role in:

- **Informing** - provides information and organizes education of employees and managers when introducing innovations or reviewing existing internal acts that regulate the internal management of human resources.

- **Counseling** - advises all stakeholders in the process of exercising employment rights and obligations, by clarifying the processes in human resources management. In case of conflict situations between stakeholders, it shall be guided by the principle of objectivity, impartiality, professionalism and constructiveness in finding mutually acceptable solutions.

- **Analytics and reporting** - performs analysis and reporting on activities related to human resource management, as well as conducts research on various aspects in the field of working environment, organizational culture and satisfaction from working in the National Bank, outreach interviews, etc.

15. In order to preserve the confidentiality and integrity of the data and information (personal and organizational) available to the HR Department, its employees shall sign a Statement of Confidentiality of Information.

16. Each employee of the National Bank shall take care of and shall be responsible for the individual management of their own resources and shall also:

- be responsible for efficient and effective performance of work tasks and activities in the workplace;
- observe the postulates of the Policy;
- take care of and shall be responsible for the dynamics of his / her own personal, professional development, by achieving results in the work at the workplace, the interest in continuous learning and the desire to contribute to the work and career development;
- apply cooperation and teamwork.

17. The heads of the organizational units in the National Bank, among other things, shall also have responsibilities in managing their employees. Head:

- observes the postulates of the Policy and acts with high awareness and responsibility in its implementation;
- attends trainings for strengthening the managerial and leadership skills;
- takes care of the continuous development of the employees and ensures the optimal distribution of the human resources of the respective processes through the principle "the right person at the right place of work";
- takes care of and ensures active engagement of the employees, taking into account the balance between work and private life;
- motivates and encourages the employees they manage and
- applies cooperation and teamwork.

VIII. FINAL PROVISIONS

18. The Governor shall adopt regulations, instructions and guidelines for the implementation of this Policy.

19. This Policy shall enter into force on the day of its adoption.

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Skopje**

**Anita Angelovska Bezhoska
Governor and Chairman
of the National Bank
of the Republic of North Macedonia
Council**