CHAPTER ONE: OVERVIEW OF THE STUDY

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Chapter One

1. Overview of The Study

1.0 Introduction

Organization’s achievement is determined by existing manpower skill, ability, age and experience mix. What one has to day never be guaranteed for tomorrow. Because we live in uncertain and ever changing environment that always need care and seeing unforeseen future events. Globalization, cultural, demographic, social structure changes, and technological dynamisms make strategic human resource planning mandatory. Failing to anticipate personnel need can affect an overall business or services. Economic turbulence also has increased the importance of the strategic role of human resource management. For Greer (2001) strategic human resource management and the sub process of human resource planning are increasingly being seen as means of buffering environmental uncertainties.

Planning is significant as it helps future personnel needs. Surplus or deficiency in HR is the result of absence of or defective planning (Aswathappa, 2009 and Bhatnagara et al., 2010). Aswathappa also noted that all public sectors enterprises find themselves overstaffed now as they never be had any planning of their personnel requirements. They went on a hiring spree up to the last 1980s in India. Since then, recruitment and selection have seen almost banned, but the bans come too late. The private sectors were no exception. As many as 76.5 per cent of organizations have surplus labour and excess varies between 10 and 20 percent in as many as 47 percent of the unit. This situation would be worst in developing countries like Ethiopia. The problem become so serious because even they do not know what is currently on their hand, what was
the past trend and what should be in the future. This results from lack of integration of HR planning practices or missing the relevance of manpower planning.

The institution can have smart strategic vision, mission and objectives to win in competitive environment but lack of integrated HR planning with their business or service aspiration may cause failure. Conscious scanning of environment condition, assessment of organization manpower demand and supply, developing objectives, designing and implementing programs of human resource and finally evaluating programs considering short term, intermediate and long-term manpower plan has to be companies’ prominent endless practices. People are the core elements to achieve strategic goal of institution (Blyton & Turnbull, 1992). This is a strategic fact to achieve HR planning.

Strategic HR planning keeps balance between institutional manpower demand and shape the supply side. How one can even think to achieve winning age without having engaged employees for today and tomorrow. It is also planning for people with rare, sustainable and distinct knowledge as Samoff and Carrol (2003) mentioned below.

Knowledge is at the centre of the new development thinking. Knowledge is development. Knowledge is critical for development, because everything we do depends on knowledge . . . . . For countries in the vanguard of the world economy, the balance between knowledge and resources has shifted so far towards the former that knowledge has become perhaps the most important factor determining the standard of living—more than land, than tools, than labour. Today's most technologically advanced economies are truly knowledge-based (Samoff and Carrol, 2003 p. 23).

For Jackson and Schuler (1990) and Carolyn (1998) contemporary HR planning occurs within broad context of organizational and strategic business planning. It
involves forecasting the organizations’ future human resource need and planning for how those needs will be met. Strategic HR planning is the way to excel or sustain in competitive business field, not an optional fact. HR planning is integral part of the strategic planning process (Boxall, 1995, 1996). It is part of policy development, line extension planning and the merger and acquisition process. It is the process of preparing workforce for both identified and unidentified future role (Bhattacharyya, 2006; Boxall and Purcell, 2000).

This day any country whether developed or developing is within the swimming pool of globalization and managing culture across. Due to the huge market created from developing economy, many rivalries multinational companies are locating their subsidiary in low wage countries. Owing to notable scholars such as Pynes (2004) change of demographics (for example increasing old age population in Japan or Europe or US), regional trading bloc and the declining trade and investment barrier and lastly technology (Aswathappa and Dash, 2008) force us to be conscious about existing and future manpower quality and quantity. Remaining stagnant, submissive and traditional within this devastating competitive environment has negative payoff.

As Caldwell, Truong, Linh and Tuan (2010) noted understanding of the important role of strategic HR planning in the modern organization provides an important context to understanding the ethical duties owned by HR professionals. The most effective human resource professionals add value to their organization’s effectiveness by integrating people, strategy, values, and performance. This integrating of an organization’s overall strategy with aligned human resource systems is critical to the maximization of performance outcomes (Ulrich and Brockbank, 2005) in a world that is increasingly dependent upon the initiative, creativity, and commitment of
employees to succeed (Covey, 2004; Senge, 2006).

Who we are recruiting now? Why we recruiting them? Who are our future solders for the coming uncertainty of environment? And what skill and ability should be armed to employees for the coming three, five or ten years to meet ever-changing market demand as well as public service question? What program of planning should be launched at universities, colleges, and industry planning rooms? Who should be replaced by whom and when? These all challenging questions could easily be solved by strategic HR planning. Enforcing this Greer (2001, p.122) noted that:

Not surprisingly, human resource management is becoming integrated into the strategy formulation and planning process. As human resource management becomes a more important component of a company’s competitive strategy, general management has an incentive to ensure alignment and consistency between strategy and human resource practices and policies. The first alignment challenge comes with finding the answer to the following question: “What kinds of people will be needed to lead the organization in the years to come?” The expectation is that people and practices, which are aligned with future strategic needs, produce superior organizational performance. While the evidence on this point is mixed, some recent empirical studies have found higher performance to be related to integrated strategic HR management.

In HR planning process the organization competency and individual competencies would be described. Employees will have a greater understanding and ownership of the competencies model if they are involved in the process. It will give clear idea of what the organization expects of successful employees. This study aimed at addressing the above facts designing prominent objectives and methodologies to suggest possible recommendation as solution for problems.
1.1 Background of the study

Human resource planning is an early concept (Balunywa, 2007) of activity that begins at the time when people start primitive way of leaving and strived for survival through different work procedure. Even though the way and procedure was different and primitive, the basic objective of the planning is similar with current goal of human resource planning (Monroe, 1950). It aimed at fulfilling society local and current needs whether the society is simple or complex. HR planning is an activity for any kind of work which the individual finds congenial and for which society has a need (Monroe, 1950). The earliest and most widely accepted objective of Human resource planning is to provide a mechanism for meeting the manpower need of the local community (Evans, 1976).

It is true that the early system of planning of individual for work is confined to planning by parents, family or planning of limited number of trainee within clan, tribe or local community through simple management of instruction and instruction process without any complex institutionalization (Monroe, 1950). Even though many literatures mentioned the recent trend of human resource management, starting from Taylor’s approaches to work and workers people did work in organized effort collecting stock of skilled manpower in the BC’s (Before Christ’s). For instance Wikipedia description on human approaches to work put different remarkable human resource efforts to work.

The China great wall Ming Dynasty ((476 BC - 221 BC) or (1368-1644)), Ethiopian Axum stelae (300-500 AD) and Lalibela rock hewn churches (12th and 13th Century) and Indian oldest civilization like Mamallapuram (6 to 9 century after AD) are good examples that show people started working by HR management intents of skill, ability, motivation and leadership. Aswathappa (2009) witnessed that “organizations
are as old as the human race itself. Archaeologists have discovered massive temples dating back to 3500BC that were constructed through the organized action of many people. The fact that these impressive monuments were built suggest that not only did complex organizations exist, but that people in them worked cohesively for common cause.” These trends were not institutionalized and organized. Increased number of customers and the existing world dynamics no longer accommodate these systems. It requires complex management, organized and flexible planning for objective attainment.

Budhwar and Aryee (2007) noted the root of HRM to 1950s when the writers like Drucker and McGregor stressed the need for visionary goal directed leadership and management of business integration. This enhanced by “behavioural science movement” in the 1960s, headed by Maslow, Argyris and Herzeberg. For this scholars value aspect of HR initiated by Bennis in the 1970s and Flamhotz (1974) HR accounting theory that described HRM as a defined school of thought. Since 1980s the issue of HRM involvement in strategy and two-way integration between strategic planning and HR planning became popular issue.

Budhwar and Aryee (2007) mentioned the debate relating to the nature of HRM continues today although the focus of the debate has changed over time. It started by attempting to delineate the difference between “Personnel Management” and “HRM” and moved on to examining the integration of HR management and planning into the corporate business strategy. Not only this Kaplan and Norton(1996) commitment to measure the intangible capability or value on strategy through balanced scorecard is remarkable change observed in HR management areas since 1980s.
According to Ingham (2007) the need to change the perspective of HRM from a behavioural field anchored in social and organizational psychology to a field rooted in measurement and analytical tool is one of historical development in HR management. Examining this fruits the researcher intended to see strategic HR planning practices in Ethiopia HR room to provide recommendations and a model that alleviate problems. Because not only the developed nations HR practice should be measured but also the developing countries should measure the value chain of their human capital management. If you can measure it you can manage it (Ingham, 2007). This saying must work for all nations since planning of HR provide tool for internal as well as external environment preparedness.

For instance based on their national triggered company demand that originated from manpower forecast the number of engineers in China as well as in India are multiplying. China for example has added 380,000 scientists and engineering graduates to its talent pool in 2004. India is rich by 360,000 and Russia by 240,000. In 2010, China, India and Russia are likely to provide more than 2million scientists and engineers per a year, compared to about 400,000 in the USA. These graduates are not just adding to number. They are tangible outcomes of strategic HR planning and manpower with ability, skill, diligence and enthusiasm for country development. They are well planned visionary manpower planning outcomes. For instance the competency particularly those of India’s are globally competitive. The seven India Institute of management have clearly established them as centre of excellence to produce manpower to meet country demand or reduce uncertainty of future environment. The Boston consulting group in India estimated that by 2010, India would have one of largest workforce surplus of around 47 million, while countries
such as the US, China, and Japan would face a labour pool deficit of 17 million, 10 million and nine million respectively.

But developing country like Ethiopia suffering from scientists, engineers and medical doctors for many years due to lack of appropriate strategy of HRP in the past as well as in the present (Pashman, 2009). Strategic manpower needs projection hardly practical in Ethiopia. Even if the country aware of the problem the reactive process still aggravating the problem. Lack of strategic HRP, adequate compensation, poor work climate and culture, and retention program that see human resource as cost rather than capital still creating problem in strategic thinking in human resource management (Pashman, 2009). Developing countries like Ethiopia cannot see the problem proactively or strategically to forecast their manpower demand and shape the supply side by using strategic HRP as an arsenal(Mwita et al., 2009 ; Pashman, 2009).

In Ethiopia the current government has embarked on a cautious program of economic reform, including privatization of state enterprises and rationalization of government regulation (Kassa, Shawel, Yohannes, and Zigiju, 2011). While the process is still ongoing, so far the reforms have attracted only meagre foreign investment, and the government remains heavily involved in the economy (Sutton and Kellow, 2010). During the last decade the country reflected rapid private sector development in manufacturing and service sectors as well as reform in civil service sectors to support this enhancement through competent workforce. It is difficult to say that the big advance in economic development of Ethiopia and the increasing development of private and government investments given due emphases to the human resource management aspect. Strategic alignment of HR planning and strategizing HRM aspect still needs appropriate emphasis (Van Wasbeek’s 2004; Tegegn, 2008; Kassa et al.,
2011). Mwita et al. (2009) described HRM in Ethiopia as badly neglected practice and recommended future deep study in this area.

In today’s intensely competitive and global market place, maintaining competitive advantage by becoming a low cost leader or a differentiator put a heavy premium on having a highly committed or competent workforce. Competitive advantage lies not just in differentiating a product or service or becoming the low cost leader but in being able to tap the company’s special skill or core competencies and rapid response to customer’s needs and competitor’s moves. In other words, competitive advantage lies in management’s ability to consolidate corporate-wide technologies and production skills into competencies that empower individual business to adapt quickly to changing opportunities.

In a growing number of organizations, human resource is now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational culture, management process and systems (Burack, 1985; Burrell and Morgan, 1979). This is in contrast to the traditional emphasis on transferable resources such as equipment. Scholars such as Hafeez and Abdelmeguid (2003) agree that core competence is often recognised in the form of intellectual capital or other intangible assets such as culture, brand name or marketing knowledge as opposed to tangible assets such as plant and equipment.

Companies are recognising that their employees are their most valuable assets. Business pioneers are finding surprising ways to measure and manage the ultimate intangibles of a company that is, skill, knowledge and information. For Hafeez and
Abdelmeguid (2003) intellectual capital is a special form of human capital that is codified, formalised, captured and leveraged to produce a higher value asset. Many managers admit that the bulk of the value added is derived from the intellectual capital. Intellectual capital can be developed through integrated HR planning. This has to be the modern dimension of HR planning in all Ethiopia institutions to hold value adding and rare people.

The essences of HR planning described above initiated this study. The following issues such as limitations of previous studies and the pint that describe the standing difference of this study from past studies will take you to the focus of this study and its objectives and basic questions.

1.1.1 Limitation of Previous studies

Many country specific studies had conducted by many scholars of Asia, Europe, and USA etc.... Kass et al.,(2011) study on competency gaps in HRM in health sectors of Ethiopia, Van Wasbeek’s (2004) study on general HRM practice in Ethiopia and Tegegn (2008) similar study describing the traditional HRM practice and its effectiveness in Ethiopia can be mentioned as prominent country specific study. The 2006 Management Since for Health Study on competency gap in HR Management in Ethiopia, Kenya, Tanzania, and Uganda is another worth mentioning study. The International Telecommunications Union (2008) study of HR benchmarking for telecommunication organizations in English-speaking countries in Africa that include Ethiopia as study target is additional remarkable study should be mentioned here.
None of these studies focus on holistic approach of integrating HRP practices with institutional strategy in Ethiopia. It is true that these studies in Africa and studies conducted in Europe during the last decades urge the importance of value adding HRM in institutions. Number of Europeans and Asia studies can be mentioned were conducted in integrating the HRM practice with companywide strategy. They all recommended institutions to take the HR as centre of competitive advantage.

For instance Lawler III et al. (2006) study on achieving strategic alliance: an assessment of HR organizations; U.S. Office of Personnel Management (1999) study on HRM alignment with the mission; Caldwell et al.(2010) study on strategic HR management as ethical stewardship; Holloran and Judson (1996) study on United Airline Station manpower planning system and Huselid (1997) technical and strategic HRM effectiveness as determinants of firm performance were few studies can be described form big bunch.

These scholars work, unlike in the past, confirmed that contemporary HRM is more business focussed than administering workforce welfare. Its core functions such as employee selection, compensation and development are streamlined to support organisational strategy by providing a pool of knowledge workers. They affirmed that in a global context, competitiveness is linked to leadership (Caldwell and Dixon, 2007) in terms of people management, product and processes and HRM activities are determining factors in creating these leadership roles.

The gap here is, this awake in Asia and Europe or understanding to transform HR unit to value adding function and integrating HRP with institutional strategy not well touched and under researched in Ethiopia. This is may be lack of big companies
working in mature base in Ethiopia in the past. Today mega multinational companies owned by Ethiopian are emerging and complex institutional organizations are phenomenon in Ethiopia. Therefore ignoring integration of HR strategy to institutional strategy may reverse this rapid growth in private and public sectors of Ethiopia. The study concerned to be part of Ethiopia growth by providing early awareness to companies to integrate their HRP practices with institutional strategy to enhance their growth at foundation and to lead them to global competitiveness.

1.1.2 Why study perceptually Differ

As mention on Boyd (2008) article this issue has been studied for decades. In a 1985 study based on a survey of 53 corporations in the US and Canada and their approaches to business and HR planning Elmer Burack found that “the respondents, both HR and business planners, emphatically endorsed the concept that strategic and long-range business plans should include a HR component. That position is one still held firmly by business executives globally.

The above description on contribution of integrated HRP practices with corporate strategy and lack of previous studies discussed above, this section explains the need of studying integration of HRP practices with institutional strategy in Ethiopia institutions. The first prominent reason is to provide early awareness to these growing institutions to enhance their global competitiveness and ascertain their organizational performance through value adding HR. It is also helpful to the government to shape its HRM and development direction by being strategic and responding to long-term demand of institutions. The haphazard approach in HR development(Van Wasbeek’s 2004 and Tegegn, 2008, ITU,2008, Pashman, 2009) will be demand based and
responsive to environment change and incompetent civil servant will be sharpened to provide value adding strategic contribution to their respective organizations.

Another reason to study integration of HRP with institutional strategy in Ethiopia is to awake leaders of institutions to shape their organizational culture to make environment conducive for strategic HRM practices and to make the workforce hold similar belief and attitude on this issue. The HR unit architecture is another question area. Without competency and relevant strategic behaviour in HRM area we cannot bring required integration of HRP with institutional strategy. The approach of this study is aimed to assess these practices in Ethiopia institution and determined to provide models working as standard to forecast future manpower that support institutional strategy. The next section presents related justification for clear understanding the study target under concern.

1.1.3 Justification for the focus of this research

Leading companies are also realizing that hiring top-flight talent and creating work environments that support meaningful interactions is a critical step in attaining competitive advantages in an intensely competitive global economy. Beyond simply obtaining strong talent, however, successful strategy making requires that complementary skills and knowledge assets are effectively combined (Hitt et al., 2006). The objective of proactive HR planning is associated with: give priority to HR or creating talent pool and planning manpower need; to enabling individuals and group to put in their best through proper selection, training, motivating and merit rating; and also to maintain harmony within organizations.
Most companies meet their manpower need reactively without having strategic manpower need planning. They are not visionary in considering the future institutional change, economic structure, social and political demand of the company. In fact, as Snell, Youndt, and Wright (1996) in Hitt, Bierman, Uhlenbruck And Shimizu, (2006) noted “in the past executives have typically tried to take HR out of the strategy equation – i.e., by substituting capital for labor where possible, and by designing hierarchical organizations that separate those who think from those who actually do the work.” Besides this companies do not have clear method or technique to forecast manpower need strategically and systematic manner. Far too many mangers view HRP as something to do only after everything else have been done (Byars and Rue, 2000). The traditional approaches were the dominant techniques (Cappelli, 1995; Cascio, 1987). Institutions need to have manpower strategic plan that clearly describe the five or ten year HR demand of companies based on collected, analyzed and interpreted data at every product or service line.

Scholars believe that comprehensive HR strategy plays a vital role in the achievement of an organisation's overall strategic objectives and visibly illustrates that the HR function fully understands and supports the direction in which the organisation is moving. As theories of strategic management turn inward toward resource-based and knowledge-based views of the firm, where competitive advantage increasingly resides in a firm's ability to learn, innovate and change, the human element becomes increasingly important in generating economic value (Hitt et.al, 2006; Conner and Prahalad,1996). As Quinn (1992) cited in Hitt et.al. (2006) noted, “with rare exceptions, the economic and producing power of the firm lies more in its intellectual and service capabilities than in its hard assets – land, plant and equipment … virtually
all public and private enterprises -including most successful corporations – are becoming dominantly repositories and coordinators of intellect.”

A comprehensive HR strategy will also support other specific strategic objectives undertaken by the marketing, financial, operational and technology departments. In essence, HR strategy should aim at capturing "the people element" of what an organisation is hoping to achieve in the medium to long term, ensuring that: - it has the right people in place, it has the right mix of skills, employees display the right attitudes and behaviours, and employees are developed in the right way. But consideration of this practice in intended manner is still questionable. This could be because of management philosophy held as value towards HR and HR department to see it as competitiveness centre. Besides this, the HR unit competency is due obstacle to reveal itself this way.

Therefore this study aimed to investigate integration of HRP practices with institutional strategy in Ethiopia. Transactional or traditional HRP may work for only daily hectic or defending the reactive happenings of organizations. But HRP integrated with corporate strategy creates talent pool with required competency to defend environment uncertainties.

1.1.4 Gaps in literatures

As literatures investigated well about the situation of Europe, USA, and Asia experience in integrating HR practices with institutional strategy. But little has been done to reveal strategic alliance of Africa institutions’ HR unit. The past studies in Africa and specifically in Ethiopia focus on identifying the HRM practice and the competency gap. Existing literatures in Ethiopia explain little or none about the
integration of HRP practices with corporate strategy. Organizational culture make up of Ethiopia institution for this practice, models used to forecast future HR, methods adopted for this practice and HR architecture never touched. ITU (2008) HRM benchmarking study in English speaking Africa countries said nothing about Ethiopia HRM practices because the questionnaires sent via email to Ethiopia target institution not returned. Van Wasbeek’s (2004) HR management practice in Ethiopia tried to describe administrative aspect of HRM and Tegegn (2008) study only focus on HRM function in southern State of Ethiopia but not the integration of HRP with institutional strategy.

The Pashman study of 2008 identified competency gap of HRM in the health sector of Ethiopia, Kenya, Tanzania, and Uganda. The study uncovered significant gap in six major functions of HRM such as personnel policy, performance management, training, HR data systems, HR strategy development, and general leadership and management. It illustrated a compelling need for building HRM capacity and provided recommendations for strengthening HRM systems to increase workforce retention and productivity but not real integration with health sectors institutional strategy.

The above literatures tried to describe general HRM practices in Ethiopia and some African countries. Inclusive and comprehensive study about HRP integration with institutional strategy in Ethiopian institutions is not well addressed. Private institutions, public sectors, service and manufacturing sectors not well served to see the practice in overall countries. This study targeted to close this gap by providing overall survey result of the country strategic HR planning practice in Ethiopia institutions.

1.2 Statement of the problem: Research questions and objectives
The research problem build on great proposition that integrated HRP practices with institutional strategy yield value adding HR and helps to gain competitive advantage through it. The organizational culture is foundation for this. Well developed models and methods of future manpower forecasting are the backbones. It is the human resource architecture configuration realizes this. Without these integrating HRP with institutional strategy can never be realized.

Russell (2005) survey indicated the failure of building HR Strategy in industries observed. In the study only 34% of executives view HR as a strategic partner, only 44% of respondents indicated that their organization communicates its strategy well, only 22% of respondents indicated that general employees understanding of companies strategy, 21% of respondents confirmed that HR only deals with operational and strategic issues, only 23% of respondents indicated that HR strategy was tightly integrated with company strategy , only 25% of HR departments use a balanced scorecard as measurement tool of HRs contribution to strategy.

Besides this USA Office of Personnel Management [USA OPM] (1999) document on strategic human resource management stated that if, as is sometimes the case, organisation strategies and plans have been developed without any human resource input, the justification for the HR strategy may be more about teasing out the implicit people factors which are inherent in the plans, rather than simply summarising their explicit "people" content. Pynes (2004) reasoned why strategic HR management is neglected is that very often HRM professionals lack the capabilities and skills necessary to move human resources management to a more proactive role. HRM professionals may need to be trained in the skills that are necessary to align the organization’s strategy with its core competencies.
HR strategy will add value to the organisation if it: articulates more clearly some of the common themes which lie behind the achievement of other plans and strategies, which have not been fully identified before; and identifies fundamental underlying issues which must be addressed by any organisation or business if its people are to be motivated, committed and operate effectively. In developing countries HR planning process and integrating company business strategy are totally ignored and untouched practices. Yambesi (2009) confirmed that many African countries continue to face human resource management (HRM) problems, in general and particularly lack of HRP. In Ethiopia the reactive process is the dominant practice in HR planning (Van Wasbeek, 2004 and Tegegn, 2008). Following company blue print business strategy is at infant stage. Both in private and public sectors looking forward or putting three years or five years manpower demand based on organizations strategic intents is a critical problem in Ethiopia. But the issue can totally change the national level development as well as organizational development strategies. Strategic human resource planning determines future manpower demand and supply in terms of number and types. When you know where to go at the same time you have to know who can put you at your destiny.

Considering international uncertainties, matching country demand and shaping supply by integrated strategic HR planning is hardly practiced in Ethiopia. The haphazard approach is more practical. The reactive process or addressing daily demand is common practice of HR mangers of Ethiopia. The competency of HR unit to do this activity (strategic HR planning) and the architecture of the HR unit in Ethiopia are under question. Big integrations of human resource information would be facilitated when there are highly qualified human resource specialists and structures like
manpower planning and research centres. But this would be seen in Ethiopia as overlooked practice.

At the HRM room of Ethiopia especially in public sector, spot observation of this section will give you definite information about the total management culture and attitude and philosophy held toward HRM. Most strategic documents in Ethiopia do not take alignment of HRP with organizations strategic orientation. Supporting this Tezera (June, 2010) stated that “most of the public sector organizations performance system is activity oriented and short-term sighted. Time energy and money not allocated to those things that are critical to the organization”. As ITU (2008 ) international study on HR benchmarking study on 28 English speaking Africa country including strategy linked HRP showed that Ethiopia was one of country not revealed the clear practice of strategic HR planning even in the most symbolic and competitive institution like Ethiopia telecommunication sector.

The studies in Ethiopia on HRM also revealed that there exist total circumstances of weak or no linkage of companies corporate strategic planning and the HRP at human resource unit. There is misalignment of strategy and action (Tezera, June 2010). The study of Tegegn (2008) on Ethiopia human resource managements practice made known that historically Ethiopia lack strategy linked HRP practice and lack of sectors as well as enterprises partnership in planning total HR activities. Besides this Van Wasbeek’s (2004) HRM study of selected private company showed that the uniform understanding at all level of case study companies that the importance of HR management. But Van Wasbeek concluded that the local companies do not see their HR as competitive advantage or capital to achieve organizational goal in terms of providing best product or unique service at less cost. These are the past study works
that can be mentioned. Lack of different corrective study in the area can be mentioned as another problem that would aggravate the situation in Ethiopia.

Comparatively from other departments under capacitated, demoted or employee with less and unrelated skill and totally non innovative individuals are found in this department. The strategic HR management practice needs well talented individuals having conceptual, technical and human relation skill to understand the HR business unit and functional unit strategies as well as integrating this with corporate strategy. It is the most complex task that determines company survival and addresses public demand. This kind of activity needs manpower with professional substance and physical and psychological fitness to corporate strategy. Because understanding corporate strategy and designing unit level strategy are the most multipart tasks.

The study supposed that existence of strategically bounded institution or institution only with strategic management orientation demand integrated HRP with their corporate strategy to forecast their manpower demand and availability by well developed and appropriate manpower planning models.

Strategic HR planning practices demand strategic Human resource management philosophy and thinking and HR strategy yielded from companywide strategy. This study considered these factors as prerequisites for integration of HR planning practices with corporate strategy. The study also supposed that the foundation for any motivated innovation like obtaining competitive advantage from HRP practice are sourced from functional strong organizational culture, working HR architecture and competency, good HR manager skill and behaviour, and completely integrated HR information system for strategy linked HRP. The study considered these factors as enablers of
strategizing HR planning practices. This and associated postulations in Ethiopia initiated this study.

The major premises of this study is strong management attitude and philosophy or functional organizational culture and climate towards HRP, HR forecasting aligned with corporate total strategy, functional partnership and unit level programs and action on HRP and finally Human resource high competency in terms of cognitive, psychomotor and structural domain are pillars for gaining competitive advantage from HR through the practice of HRP linked with corporate strategy. This behaviour of institutions assessed in selected companies of Ethiopia based on the following declaratives statements designed as research basic questions as well as destinies were tested through empirical evidence gathering.

1. To what extent Ethiopia institutions have working corporate strategy cascade dawn to functional units as a ground to integrate HR planning practices with corporate strategy?

- What scope of time envisaged by strategy?
- What kind of strategic focuses practical in Ethiopia institutions?
- Does time scope of strategy envisaged brought difference in integrating HR planning practices with corporate strategy?
- Is there relationship between strategic focuses of institutions and integrating HR planning practices with corporate strategy?
- Are the strategic focuses at hand contributing to integrating HR planning practices with corporate strategy?
2. To what extent Ethiopia institutions have well identified strategic HR management mega thinking and philosophy and build HR strategy that lay foundation for two way integration of HR planning with corporate strategy?

This also includes assessment of:

- To what extent HR organization of Ethiopia institutions put foundations for integrating HR planning practices with corporate strategy?
- In what functions the HR spend its time and what is its role in business strategy?
- Is there relationships between times spend on HR function and integrating HR planning practices with corporate strategy?

3. To what extent Ethiopia institutions adopted strategic HR planning to gain value adding HR?

- Are they strategically forecasting manpower demand and supply supported by definite models?
- What methods of HR forecasting are in place?
- Why institutions forecast their future manpower demand and supply?

4. Does HR planning is fully integrated with the strategy and the strategic needs of the firm?

5. Is the HR Architecture: composition and competency fit for strategic business contribution?

- Does experience really matter in strategizing HR planning?
- Do education, training and area of specialization affect strategic integration of HR planning with corporate strategy?
• Is there different perception in integrating HR planning practices with corporate strategy across functions?

• Does the HR head background have impact on integrating HR planning practices with corporate strategy?

• Is there difference in strategizing HR planning practices within different institutions types and ownership?

6. To what extent institutions have organizational culture committed for strategic HR planning supported by firmly held values, attitudes, and leadership stewardship that take HRM as strategic partner or value adding function?

7. To what extent institutions have integrated HR information systems that support overall HRP system and practice?

1.3 Purpose of the study

Strategic HRP is integration of organization priorities and future business intent with human resource strategy of organization in order to improve business performance and developed organizational culture that foster innovation and flexibility of employees. The study aimed at to assess strategic human resource planning process of institutions in Ethiopia and integration with organizations business or service strategy. The study investigated institutions practice on how they forecast their strategic manpower demand and supply based on given business strategy or service plan.

The existing institutional culture, management attitudes and philosophies investigated. Establishment of human resource objective, designing and implementing programs that will enable the institutions human resource objective and monitoring and evaluation of these programs were this study objectives. Assessing model for human
resource plan that balance strategic human resource demand and supply was this study mark. The study intended to observe traditional personnel management trend transformed to value adding function. The study determined to see whether management or organizational culture of institutions view HR as investment that would be taken as competitiveness centre but not cost element. Eventually the study came out with definite models of strategic manpower planning that will serve Ethiopia institutions by analysing different cases and studies of well experienced countries.

1.4 Significance of the study

This study has the following prominent significances to different segments of institutions, societies and individuals. It is important to:

- Develop culture of viewing employees as a valuable resource/human asset/capital that is worth contributing. Change HR issue from neglected to value adding function.
- Managers, Human resource officers, government organizations in the country directly concerned with human resource planning, students, and researchers interested in new HRP processes.
- Performance or management audit agencies, quality assurance and standard agencies and other officials by taking strategic HR planning as protocols for assurance of quality certification.
- Build partnership for sustainable HR development by having adaptable institutions.
- Guide institutions to structure consistent policy, rules and legislations in relation to HRP to be committed members by developing the sense of citizenship behaviour to strategic human resource planning.
- Take HRP as good-looking leadership orientation policy guideline.
• Build balance between demand and supply of human resource providing information and integrating with institutions strategic intents.
• Prepare future talented personnel and help to met future environment uncertainties.
• Build good succession plan.
• Influence the decision makers on future HRD, employment, compensation, and retention and organization development.
• Employees to take ownership of his/her individual development with strong management support.
• Identify competency need by the current and future workforce.
• Help national plan of manpower by providing sorted and organized data of who to train, what to train and how much to train.

1.5 Delimitation of the study

In growing economy of Ethiopia number of public and private institutions operating now. To uncover and assess the existing integrated strategic human resource planning and its magnitude, direction, structure and size as well as environment concern in overall country situations is impossible. Therefore, the research delimited to major cities of Ethiopia. Addis Ababa, capital city of Ethiopia, and vicinities 100 km to the East considered as major industrial zone were included. Manufacturing and service sectors were within this study scope. Stable and large institutions within internal and external environment pressure to bring change within given time frame to cope up with customer and public demand selected as study subject. Not only geographic location taken as delimitation factor but also the nature of organizations considered. For instance, number of employees, structure of organizations, service of the company and iconic or symbolic nature of organizations. Surveys of these institutions tell the whole
strategic alliances, HRP and other strategic practices in Ethiopia institution. Because the institutions selected are leading and mature in their internal consistency and external fitness.

1.6 Limitations of the Study

Research processes come to an end through ups and downs but patience is a way to win all difficulties. Some limitations are natural and others affect the research quality by reducing the research depth and width. Limitations that affect this study described below:

- Lack of complete list of institutions in Ethiopia with their employee number and starting capital forced the researcher to use non probability sampling technique.
- Some companies’ denial of access to strategic documents limited the research completeness to see real integration HR planning with corporate strategy.
- Lack of previous works on development of HR management in Ethiopia limited the researcher to show true face of strategic HR management in Ethiopia.

1.7 Organization of the study

Different approaches used to organize research study. This study organized in the following common approach to show flow of each chapter of the study. Chapter one of the study is introduction and general approach about the study. This included rationale about the study, purpose of the study, research location and scope, significance and purpose. Chapter two of the study concerned with literatures and theoretical frame works. This chapter divided in to seven parts based on the research
objectives. Modern HR management practices and facts affecting it, cases and practices in the world and finally history of HR management in Ethiopia described with in this chapter. Chapter three focused on the methodological approach of the study. The research overall design, sampling, data gathering approaches and data analysis ways described within chapter three. Chapter four took in to account of presentation of the result. Chapter five is discussion and chapter six consisted of conclusion and recommendation.