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Conclusion and Recommendation

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6. Conclusions and Recommendation

6.0 Introduction

The study initially aimed at to see integration of HR planning practices with corporate strategy in Ethiopian institutions. The target basic questions designed as destiny were observing existence of strategic orientation, strategic HR management philosophy and thinking, HR strategy and strategic HR planning practices in Ethiopian institutions. This variables considered as prerequisites or processes required to integrate HR planning practice with corporate strategy.

The second major category of research destiny was to see enabling factors for strategizing HR planning practices in institutions. This included HR architecture, HR managers skill, HRIS and organizational culture dimensions. Besides this investigating relationship between time scopes of strategy envisaged, strategic focuses, demographic behaviors and the above measures with integrated HR planning practices was other research destiny. The last issue targeted was identifying contributing factors from both prerequisite factors and enablers to strategize HR planning practices in institutions.

Empirical data collected through questionnaire from 192 respondents selected from 21 institutions voluntarily involved. Successful interview conducted with 8 institutions officials and experts. Finally, document analyses of key and symbolic institutions were made to see real integration of HR planning with corporate strategy. Data analysis was made using nonparametric statistical analysis tools. Descriptive statistics, correlation
analysis, standard and multiple hierarchical regression analysis were in place. Besides this group comparison made using Man Whitney U test and Kruskal Wallis H test at place where they were most effective. The following conclusion and recommendations derived from results and discussions presented from the overall study processes.

6.1 Concussion

Conclusions described below show the short summary of the study finding based on empirical data investigated before. Not only demographic characteristics of respondents but also its relationship with IHRPCS summarized as findings. The rest strategic orientations of institutions in strategizing HR management and planning concluded in the following manner.

6.1.1 Demographic Characteristics of Respondents and Integrating HR planning

Research participants were HR officers/analysts/experts, Head of HR management/Directors, training and development managers and experts and officials from cross functions. Within this study the leading cohort respondents had work experience of 11-15 years. There was significant relationship (p≤0.05) observed between experience of employees and strategic integration activities of HR of institutions. Strategic HR management philosophies and perceptions better observed in employees less than 5 years of work experience. Experience cohorts 5-10 and 11-15 years seen as better groups to practice strategic HR planning in institutions. Getting strategic integration of HR planning with corporate strategy better observed with in experience group of 11-15 years.
Majority research participant education level was B.Sc. or BA degree. More than half of respondents were with management/administration/business degree and attended workshop or enabling training one way or the other made them to understand strategy, strategic management, HR management and HR planning. Respondents with first degree were observed as better cohort in strategic HR management thinking, strategic HR planning and finally integrating HR planning with corporate strategy. Respondents’ diplomas in their education level were good at building HR strategy of institutions.

Both specialization and enabling training showed significant relationship ($P \leq 0.05$) with strategic HR management and strategic human resource planning. Likelihood of strategizing HR management, building institution HR strategy and strategic HR planning increased when employees open to the elements of enabling trainings and workshops in HR management, strategic HR management, HR planning, HR Technologies and general strategic management trends and practices. Integration of HR planning with corporate strategy observed as better concern from the side of respondents no management or business background.

The study included majority respondents from HR unit and 25 percent of respondents from other functions. So that balanced facts, attitudes and opinions mandatory to realize strategic integration of HR planning with corporate strategy gathered from both wings. The behavior of two units in strategic HR management concerns and integrating HR planning with corporate strategy showed significant difference ($p \leq 0.05$). The only factor showed no difference was long range HR planning. The proportion of getting Strategic HR management, and building HR strategy of institution were better in HR unit.
Integration of HR planning practices with institutional strategy better perceived in the rooms of cross functional units or non HR units.

Majority 62.5 percent of respondents included confirmed that their HR unit head background was from other function. Strategic HR planning, Strategic HR management, institutions practice in building HR strategy showed significant difference (p≤0.05) between these two groups of respondents. As result being specialist in HR Management increased the chance of building HR strategy in institutions and strategizing HR management. Getting strategic HR planning integrated with corporate strategy and strategic HR planning practices better viewed by respondents lead by HR manager not specialist in HR management.

The study included 71(37%) of respondents from manufacturing and 121(63%) of respondents affiliated to service giving institutions. Majority 162(84%) respondents affiliated to private sectors and 30(16%) respondents from government unit included within the study. Strategic HR management, building HR strategy, long range HR planning and integrating HR planning with corporate strategy did not showed significant (p≤0.05) difference by type of institutions ownership as well as by type of activity institutions engaged in (Table 4.9).

6.1.2 Prerequisites or Processes for Integrating HR planning

6.1.2.1 Time scope of strategy envisaged

Majority 169(88%) of respondents described that their institutions had five years long strategy. The strategy designed through analysis of opportunities and threats of
environment and scrutinizing internal environment strengths and weaknesses. At the same time 183(94%) of respondents confirmed that this long range strategy cascaded dawn to functional units. Strategizing HR management and planning practices between time scopes of strategy envisaged showed no significant difference (P≤0.05) in their perception of strategic HR management and building institution HR strategy. But strategic HR planning and integration well perceived by institutions envisaged five year long strategy.

6.1.2.2 Strategic Focus of Institutions

Six blocks of strategic focuses forwarded as question to respondents. These strategic focuses were growth, core business, quality and speed, information technology, knowledge based and organization performance based strategy. Each block of strategic focuses contains three to four independent sub-strategic focuses. The strategic focuses practical in Ethiopia and impact on integration HR planning concluded in the flowing manner.

Growth strategy initiatives revealed negative significant (p≤0.01) relationship with strategic concerns and practices of HR management and HR planning. Cumulative result of quality and speed strategy showed significant (p≤0.01) positive relationship with strategic concerns of HR management except strategic HR management.

Information Based Strategy of institutions was significantly related with (P≤0.01) integrated HR planning practice with corporate strategy. This strategic focus embodied two frequent strategies marked by respondents namely customer focus and process
automation. Customer focus strategy which was so tied with Ethiopian institutions future inspiration showed negative significantly relationship (P≤0.01) with integrated HR planning with corporate strategy (IHRPCS).

Knowledge based strategy represented by three strategic focuses such as talent being an employer of choice, knowledge capital management(KCM), and human capital strategy(HCS) for competitive advantage. In aggregate Knowledge Based strategy showed significant positive relationship (P≤0.05) with integrations of HR planning with corporate strategy (IHRPCS).

As a summery the research pillar variable integrated HR planning showed negative significant relationship with the most dominant working and important strategic aspirations of institutions such as expansion to new market, quality, process automation, customer focus, knowledge capital management and human capital strategy for competitive advantage. It is difficult to say that there is strategic focus free from strategic concern of HR management and human resource planning.

Here it is also important to see which strategic focuses in practice providing due concern to integration of HR planning with corporate strategy. The study model which included strategic focuses practical in Ethiopian institutions (Knowledge Based, Growth Strategy, IT based Strategy and Quality and Speed) explained only 8.4% of the variance in integrating HR planning with Corporate Strategy. In this study neither Growth nor Knowledge based strategic focuses uniquely contribute to integration of HR planning with corporate strategy (IHRPCS). The unique contribution observed from institutions adopted “Quality and Speed” focused strategy and “IT based” strategic focuses. “Quality
and speed strategy” uniquely explained .01 per cent of the variance in “integrating HR planning with corporate strategy”. “IT Based strategy” uniquely contributed .09 per cent to the explanation of variance in “integrating HR planning with corporate strategy”.

6.1.2.3 HR Department or Unit Organization

Most institutions in Ethiopia did not provide absolute seat for HR at top of organization structure to see it as contributor and implementer of companywide strategy. The HR unit is sub unit of functional departments but not strategic unit lined up equally with marketing, production or operation departments. In most organizations the HR department serves as staff coordinated department. Approximately 95 percent of all informants indicated that their ministries/head offices are responsible for essential HR functions—recruitment, deployment, HR planning, personnel policy, performance management, training, HR data systems, strategy development, and HR leadership and management.

6.1.3 The Human Resource Function and Role in Business Strategy

In this study the 91% of HR function devoted to providing HR services, developing HR system and practices, maintaining records and auditing. These all are administrative functions of HR management. Only 9 % of respondents confirmed that HR unit as strategic business partner. Strategizing HR management practices, strategic HR planning practices and integration of HR planning practices with corporate strategy of institutions showed no significant (P≤0.05) relationship with administrative functions of HR management as well as strategic business partnering.
Percentages of time spend on HR function showed significance relationship (p<0.05) with integration of HR planning with corporate strategy except time spent on strategic business partnering. This central variables did not showed difference among percentage of time spend on HR functions specifically on percentage of time spent on strategic business partnering. The overall result indicated that between 26-45% of time must be spent on administrative HR functions such as: auditing, maintaining personnel record, providing HR service and developing HR systems and practices. In line with this from 192 research valid participants 81(42.2%) of respondents described the HR unit role as input provider and implementer once business strategy developed.

6.1.4 Practicing Strategic HR Management

Strategic human resource management practices revealed frail circumstances in Ethiopian institutions with lack of strategic HR management philosophies and practices such as designing HR strategy by scanning environment, full integration of HR with the strategy and the strategic needs of the firm, having HR policies cohere both across policy areas and hierarchies, having HR practices adjusted, accepted, and used by line managers, HR unit participation in identifying or designing strategic options, HR unit involvement in decisions selection of best strategic options, the HR unit work with the corporate board on business strategy and the HR unit recruitment and development of talent. This all variables showed significant (p≤0.05) relationship with strategic HR planning and integration of HR planning with corporate strategy.
6.1.5 Institutions HR Strategy for Planning and Managing Its HR

This conclusion made on observations made on both the current trend of Ethiopian institutions in building HR strategy and their future plan with regard to this situation. The current state of building HR strategy recorded overall mean of 2.86 from 5 point scale. This is because practices of building HR strategy such as: building skills in existing employees, doing transactional activities by employees on a self-service bases, having efficient and accurate HRIS, data gathering for tracking effectiveness of HR planning programs, and partnering with line managers in developing business strategy were not agreeable. These variables showed negative significant (p≤0.05) relationship with strategic HR planning and integration of HR planning with corporate strategy.

The future aspirations of institutions to build HR strategy were promising. Institution future concern to build HR strategy in institutions scored positive mean of 2.5 from 3 point scale. Institutions determined to change the above observed weaknesses to better status in the coming years. But lack of relationship with integration of HR planning with corporate strategy is still at large.

6.1.5.1 Strategic Human Resource Planning

Strategic HR planning activities such as: strategic (three or more years) manpower forecasting, inventorying of the organization’s current stock of human resources, designing strategic objectives at the HR unit aligned with institutional strategy, developing plans for dealing with shortages and surpluses of HR, continues monitoring and evaluation of strategic HR planning to control results and use of Human resource
scorecard (BSC) for real alignment between HR and the enterprise level strategy observed as weak practices. All list of activities or factors that represent strategic HR planning showed significant (P<0.05) relationship with integration of HR planning practice with institutional strategy.

Here stressing on balanced scorecard separately is important because it a bridge to integrate HR planning practice with corporate strategy and to measure strategic contribution of HR. The practice in Ethiopian institutions indicated better start but lack completeness in implementation (FCS, 2003, 2008; AACG, 2009; ACACSA, 2009; EAL, 2010; ERCA, 2008, 2012). About 61(31.8%) of respondents confirmed the exercise of HR score card approach in their institutions. More than half 111(52.6%) of respondents suggested absence of HR score card approach in their institutions. The rest remain impartial. The HR scored showed significant relationship with integration of HRP with corporate strategy.

6.1.5.2 Human Resource Forecasting Practice in Institutions

Ethiopian institutions forecast their demand and supply of manpower using subjective manpower forecasting methods such as analysis of workload/work-study/manning, collecting management opinion, succession planning, replacement chart and Delphi method of forecasting manpower of the future. Advanced management science or statistical or objective way of forecasting manpower not well practiced in Ethiopia.

6.1.5.3 Why Ethiopian Institutions Forecast their Manpower

Leading forecasting reason for Ethiopian institutions as indicated by respondents was avoiding personnel shortage and surplus that is similar with forecasting pattern and HR
planning practice findings described above. The second and third major ends for forecasting HR was for developing HR for future strategic intents and to obtain information for decision. Gaining competitive advantage, affirmative action’s and career planning were the least aimed concerns in forecasting HR demand and supply in Ethiopian institutions.

6.1.6 Integration of HR planning with corporate strategy

From maximum of 8 score expected only 3.51 mean recorded on integration practice of HR planning with corporate strategy. Those practices represent strategic integration of HR planning practices with corporate strategy such as: HR right to challenge decisions, viewing HR planning as critical success factors, top managers concern to link HR planning with organizations strategic goals and objectives, building competitive intelligence of HR unit, taking HR manger as integral and respected member of the senior management team and finally top manger encouragement of HR unit to be pro-active scored less than average score 4 from expected maximum 8 on each items.

6.2.3 Result of Enabling Factors

This section tried to put the four enabling factors such as: HR manger skill, HR architecture, and organizational culture and integrated hr information system for strategic integration of HR planning with corporate strategy.
6.2.2 Does HR Manager Behaviors and Skills Fundamental for Integrating HR planning?

Majority respondents undecided or remain impartial to clearly describe their HR manager possession of certain skills fundamental to integrate HRP practices with institutional strategy through the philosophy of strategic HRM and building value adding HR. For instance HR manager behaviours to involve in corporate strategic Planning, business understanding skill, change management skill, strategic planning skill, metrics development, data analysis and mining and use of information technology obtained undecided response.

On the contrary respondents disagree on HR manager possession of skills such as: change management, strategic planning, organizational dynamics skill of coaching and facilitation, HR matrices development, data analysis and mining and information technology. Integration of HR planning with corporate strategy showed negative relationship (P≤0.05) only with organizational dynamics skill (team skill, coaching, consultation, leadership and management skill). But no relationship observed with the rest of four HR management skills.

6.2.3 HR Unit Architecture: Composition, Competency and Behaviors

An architectural view of HR strategy addresses the integration and combination of talents, from different cohorts who have different attachments to the firm and different attachments with each other. Therefore, the study tried to describe selected leading institutions experience, education level and occupational category dominant in institutions as case that describe the human capital composition in institutions. The
document analysis made to glimpse human capital composition both the hard aspect of HR planning and employee behavior in selected institutions’ concluded in the following ways.

6.2.3.1 HR composition

Regarding educational level of employees in Ethiopia Civil Service 7 to 11 employees within the system made discourse, interact or get help from one employee with advanced degree study. The same situation for instance in CBE or EAL one degree graduate interacting or providing help for three employees within the system. Wider gap in Ethiopia Civil Service institutions observed than CBE and EAL. In this study relationship analysis, even if IHRPCS not affected by education level, employees with advanced degree studies indicated better role in strategizing HR management and building HR strategy (see table 4.4).

Observation of employee composition by occupation category indicated that only 5% of the civil service workforce had advanced skill or service to inject professionalism within the corporate dimension. The other symbolic key sectors specific case observation for instance EAL, Commercial Bank of Ethiopia and Ethiopia Electric Power Corporation had 30% to 60% professional employees cohort within their system. EAL, CBE and Ethiopia Electric Power Agency employee category by occupation can be considered as better than the Civil Service composition. According to the definition of Rao (2010) employee cohorts in civil service can be considered as non strategic contract labour workers such as receptionist, custodial and clerical workers has no direct link with strategic intent of institutions.
Employee experience mix observation revealed that the less stability of employees as member of the organization for long period of time. One mature employee (with work experience 11-15) was serving interacting or supporting 12 employees within the system in Ethiopia civil Service. In CBE and EAL one mature employee interacting with 7 or 8 employees. In Ethiopia Federal Civil Service and EAL one employee with 0-5 years of experience serving/interacting 2 to 3 employees. The mature cohort not well retained in institutions system however the relationship analysis of employee length service with strategic HR management and planning perception table 4.1 chapter four revealed that employee served the organization 5-16 years had better attitude and perception to strategic HR planning and integrating it with corporate strategy.

6.2.3.2 HR unit Behaviors and Competency

Employees’ competency and behaviour measured by the following fundamental elements: business and cultural awareness, strategic capability, organizational effectiveness, internal consultancy, service delivery, continuous professional development and information technology.

HR unit better competency or behavior observed in understanding institution core cultural values and norms, adjustment to opportunities and risks that arise from environment as well as key activities and processes. From each category of HR unit competency and behavior elements one or more variables showed relationship with integration of HR planning with corporate strategy of institution. For instance the following practices from all categories of HR competency and behaviour elements showed direct relationship with integration of HR planning with corporate strategy:
• Adjustment to opportunities and risks that arise from environment (Business culture awareness).

• Developing coherent HR strategies integrated to the business strategy (Strategic ability).

• Having strong structure and function to control its function (organizational effectiveness)

• Contributing skilled, committed and engaged workforce to firm’s vision (organizational effectiveness).

• Developing process capability by influencing the design of work systems (organizational effectiveness).

• Following complex programs and growth in size and add more advanced differentiated skills (continues professionals development).

On the other hand those practices very strategic to HR unit behavior and competency obtained respondents disagreements or impartialities that would reflect unhealthy practice in HR unit of Ethiopian institutions (see table 4.24 chapter four). These are: HR unit behavior to engaged in strategy formulation (M=2.96), developing coherent HR strategy integrated with business strategy (M=2.83), HR unit competency to contribute skilled, committed and engaged work force to firms vision (M=2.81), following complex programs and growth in size and adding more advanced differentiated skills (M=2.85), and use of formal analytical tools to advanced forecasting and simulation based on statistical tools (M=2.45). All these factors showed significant (p<0.05) relationship with integration of HR planning practices with corporate strategy of organization.
As a summary of this point from the observation made to see relationship of integration of HR planning practice with corporate strategy with the seven elements that describe HR competency and behavior, the elements did not showed significant (p<0.05) relationship with HR unit competency behaviors such as business cultural awareness, strategic capability of HR unit, HR unit internal consistency and service delivery skills.

6.2.4  **HRIS as Enabling Tool for Integrating HR Planning**

In this study majority 191(99.5%) of respondents did not agreed with the existence of completely integrated human resource information system in their institutions. Most institutions had little IT in their HR function. About 87(45.3%) agreed with this situation. The institutions missed processes that lead to completely integrated HRIS such as:

- Strategic salary planning and rewarding
- Personnel record keeping(change of benefit coverage, change of address and other personal information
- Job information(post personal resume, post job openings, external applicants for job and internal applicants for job)
- Employee performance management
- Employee training(orientation of new hired employees, skills training and scheduling training)
- Using IT as management tool

All these practices did not well practiced in Ethiopian institutions. The overall observed mean of HRIS in Ethiopian institution was 2.3. This was the poorest practice observed
from elements that were considered as enabling factors. The HR unit providing poor transactional and advice services. For instance using IT as management tool (providing advice and information on handling personnel issues, career development planning, management development/training, searching employees with specific skills/competencies, assessing skills/competency/knowledge, accessing knowledge communities or experts and accessing managers’ tool kit) showed the lowest mean of all IT service in HR function.

The study central variable integration of HR planning with corporate strategy (IHRPCS) did not showed significant (p<0.05) relationship with any of perceived practices of HRIS. Observation of integrated HR planning with corporate strategy in Ethiopia among institutions having complete, most, some, little or no HRIS only those who made attempt to make some of their HR process IT based increased the likelihood of integrating HR planning practice with corporate strategy.

6.2.5 Organizational Culture as Enabling Factor to Integrate HR Planning

These dimensions include openness, confrontation, trust, authenticity, collaboration, leaders’ stewardship, pro activeness, autonomy and experimentation. Majority respondents agreed on the existence of few institutional cultural values such as openness to the ideas of HR and incorporating it as part of firms’ growth; building strong cohesive culture that maintain equity between functions; climate of team spirit, mutual trust and confidence between cross functional units and belief in the new era of competitive advantage comes from creating new knowledge.
Majority dimensions that describe corporate and sub culture values in HR unit such as: the HR unit openness to foster innovation and learning; HR managers confrontation in overall decision making processes; mutual commitments and obligations honoured to HR unit; congruence between what firms says and does for HR strategic orientation; seeing HR as valued individuals/firms partners; looking forward to the needs of the future man power through strategic HR planning; freedom to act independently and think strategically and finally using innovative ways to deal with the problems showed impartiality and disagreement form respondents to indicate existence of these values and beliefs to build core deep rooted culture of strategic perceptions and commitments in HR unit.

Therefore, it is difficult to infer that functional organizational culture that maintain strong shared perception and foster HR behaviour to be strategic and future oriented prevalent in Ethiopian institutions. The overall calculated 3.25 mean from 5 pint scale was good indicator for this. Relationship of organizational culture and selected research variables which were considered as prerequisites to integration of HR planning practices with corporate strategy such as majority organizational culture dimensions except Trust and Experimentation did not revealed significant (p<0.05) relationship with integrating HR planning practices with corporate strategy (IHRPCS).

6.3 Predictive Efficacy of Prerequisites and Enabling Factors over Integrating HR Planning with Corporate Strategy

From prerequisites group only Strategic HR management and Strategic HR Planning were reliable predictors for integrating HR planning with corporate strategy. The overall
model explained 24.5 per cent of the variance. The enablers’ group variables such as HR architecture, HR management skills, organizational culture and integrated HR information system have also been included, and the model as a whole explained additional 4.9 per cent. In order of importance they were: “Strategic HR Planning” (beta=.42) and “Building Current HR Strategy” (beta=−.26). None of the Enabling factors added to the model made a unique contribution. The additional contribution (4.9%) from these factors was totally insignificant.

6.4 Recommendation

The above observed findings demand solution, strengthening effort and further study to see the problem from grass root or from different angel. Therefore, the following recommendations drawn from overall investigation of integration of HR planning practices with corporate strategy in Ethiopian institutions.

6.4.1 Observe your Institution Demographic Factors for Integrating HR Planning

6.4.1.1 Length of Employee Service

It may take the employees equally as long to accept the changes. This is because effective relationships between individuals and companies rest on employees' trust that the goals of the individuals and companies are connected. Since many managers are rewarded for short-term performance, the time horizon in changing human resource practices becomes perhaps the most significant inertia barrier. Therefore creating long-term relationship with employees is fundamental to strategize HR planning and maintain forecasting for long period of time (Armstrong, 2006).
As the finding indicated the philosophy and attitude of strategic HR management must be inculcated to individual workforce from the date they were hired. Employees must be told and should put on the value and sentiment of strategic HR management as their motto or slogan from the date they were oriented to the new organizational culture. This culture at the latter year when they were deeply socialized with organizational culture and structure enable them to have belief and mentality to strategize and integrate HR planning practices with corporate strategy. That was why experience cohort 11-15 years seen as good contributor in integrating HR planning with corporate strategy. Since organizations need HR people (Ulrich, 1997 in Righeimer, 2006) who know business, can influence the culture, and make positive change happen within an organization, keeping this workforce within the system may yield integrated HR planning with corporate strategy. Individual affinities to organization or long term membership with organization should be enhanced through the culture of shared atmosphere.

6.4.1.2 Education, Training and Area of specialization

The gap in providing intensive and specific training on integrating HR planning with corporate strategy, HR technologies and HR forecasting models and methodologies should be closed by providing employees varied and up to date training through international connection, workshops, visit to best HR technology societies and best performing companies in the world and in Ethiopia for instance Ethiopia Air Lines. Strategizing HR management, building institution HR strategy and strategic HR planning increased when employees open to the elements of enabling trainings and workshops in
HR management, strategic HR management, HR planning, HR Technologies and general strategic management trends and practices.

Careful attention must be given to HR unit employee type of education. HR planning, requirements and selection practices must take into consideration the type of education attended by candidate. Individuals with management, administration and business background perceived as on top form in strategizing HR management practice in institutions than employees without management background.

Institutions must retain degree graduate for long period of time within the system to get real integration of HR planning with corporate strategy. Respondents with advanced degree were observed as better cohort in strategic HR management thinking, strategic HR planning and integrating HR planning with corporate strategy. This is an opportunity for institutions what they did not maximize it. The dominant cohorts in observed institutions were the education composition that would support this finding. This HR must be trained, cultured and strategically oriented to build HR planning integrated with corporate strategy.

6.4.1.3 Integration of HR Planning between HR and Cross Functions

Here the proportion of getting Strategic Human resource management, and building HR strategy of institution, better in Human resource unit. Integration of HR planning practices with institutional strategy better perceived in the rooms of cross functional units or non human resource units. Despite integration of HR planning practices the biggest share of building strategic HR management went to HR department. Integration forces or
the biggest demand of integration should be emerged and equally understood from cross functional units. Here the HR must propose but the line disposes Purcell et al. (2003). If line managers are not disposed favourably towards what HR wants them to do they won’t do it, or if compelled to, they will be half-hearted about it.

In Ethiopian institutions line managers are ready to use their discretion to put HR’s ideas into practice; the result is that the rhetoric is likely to be converted into reality. HR must initiate new policies and practices and the line must have the main responsibility for implementing them. The finding reached from relationship analysis above indicated that cross functional departments staffs better concerned about integration of HR planning with corporate strategy (IHRPCS). This is an opportunity to be exploited because getting such kind of attitude and philosophy from line managers is a key to integrate HR planning with corporate strategy.

6.4.1.4 Background of HR Head Matters in Integrating HR planning

Since there is cognitive body of perception, policy and analysis which is directed at the notion of HR management observing HR background impact on integrating HR planning with corporate strategy was mandatory. Being specialist in Human Resource Management increased the chance of building HR strategy in institutions and strategizing human resource management. Getting Strategic HR planning integrated with corporate strategy and Strategic HR planning practices better viewed by institutions not lead by HR manager specialist in HR management. Therefore maintaining balance in HR room by selecting and training specialists in HR management and harmonizing other functions are so important to enable HR manager as infrastructure creator in the organization that
affects employees, customers, line managers and investors. This is to enable HR mangers to help functional mangers sustain organizational results and build organization capabilities by participating as partners and players in business.

It can be also deduced that building HR strategy and strategic HR management philosophies and practices requires enabling training in HR management and HR technology, specialization in business management and business education, structuring HR unit, specialization in HR management. Building such kind of strategic main core team is fundamental to strategize HR management and to build HR strategy in institutions. Increased investment in management training and building skills on people management, computing, business administration and management of change should institutions endless practice.

But integrating HR planning with corporate strategy is not only the issue of training in HR planning and strategic management, specialization in management, working in HR unit or being specialist in HR management but also it should be extended and stretched responsibility of all concerned to provide working frame work to HR unit to build HR strategy of institutions through strategic HR management theories, principles and philosophies.

6.4.1.5 Institution Activity and Ownership and Integrating HR planning

Integrated HR plans with corporate strategy starts from holding the belief and mega thinking in strategic HR management, building HR strategy and modeling long range HR planning are not a practices left to private or government or service or manufacturing
sectors. It has to be endless practice of every sector in the nation to enhance enterprise as well as country level development.

6.5 Prerequisites or Processes for Integrating HR planning

This part of recommendation included suggestions to improve the processes that pave the way for integration of HR planning practices with corporate strategy of Ethiopian institutions (the prerequisites). These are: strategic initiatives of institutions, strategy HR management philosophies in institutions, commitments to build HR strategy, and long range (strategic) HR planning in institutions. Consideration of the following points may yield successful institutions with employees committed to value added service, conscious for quality and responsive to customer needs.

6.5.1 Take care of Time scope of strategy envisaged

The three or more year’s strategy envisaged by Ethiopian institutions to lead their operation must be transformed to gain competitive advantage through intangible assets of the organization. The strategy designed through analysis of opportunities and threats of environment and scrutinizing internal environment strengths and weaknesses should strengthen further by including the HR unit as contributor to and implementer of organization strategy. Without long range strategic planning in institutions there is no place to think about integrated HR planning practices with corporate strategy in Ethiopian institutions. It is a map will lay foundation for all cross functional units including HR department to follow unified approach in holistic manner to attain stated corporate target.
The long range strategy cascaded dawn to functional units should enable the HR to have its own functional strategy derived from this big strategy. This practice is fundamental to gear up strategic HR planning practices in institutions both by sharing seat during design of strategy as contributor and implementer by taking its slice from the biggest bread. Envisaging long range strategies must be the endless concern of all institutions to gain integrated HR planning with corporate strategy.

6.5.2 Strategic Focus selected by Institutions and Integrating HR planning

Strategic focuses such as: information based strategy, knowledge based strategy, and growth strategy were the leading strategic focuses in Ethiopian institutions. Information based strategy categories such as customer focus and process automation/information technology were the leading strategies in institutions. Institution can follow whatever strategy in their system but the strategic focuses must shape or be shaped by the HR dimension, competency and composition on hand. Therefore, the strategic focuses must inculcate or assure two-way integration with HR planning in HR unit. The long-range business plans should include a human resource component. This position should firmly hold by business executives of Ethiopian institutions. There is a link between strategy and HR.

It is difficult to say that there is strategic focus free from strategic concern of HR management and human resource planning. This research pillar variable integrated HR planning showed negative significant relationship with the most dominant working and important strategic aspirations of institutions such as expansion to new market, quality, process automation, customer focus, knowledge capital management, human capital
strategy for competitive advantage.

Prevalent strategies in Ethiopian institutions should equally inculcate the strategic integration of HR planning to strategic focuses. On the other hand strategic focuses such as knowledge capital management and human capital strategies should positively practiced with strategic integration of HR planning with corporate strategy should lead to indicate the belief that HR as an asset in Ethiopian institutions. Varied strategic focuses practical in Ethiopian institutions must promote strategic contribution and perception of HR management and planning in Ethiopian institutions.

The study model which included strategic focuses practical in Ethiopian institutions (Knowledge Based, Growth Strategy, IT based Strategy and Quality and Speed) explained the only 8.4% variance in integrating HR planning with corporate strategy. This insignificant contribution must be enhanced by making strategic focuses to reveal powerful predictive efficacy to IHRPCS by considering HR as contributor to and implementer of the strategy. The unique contribution observed from institutions adopted “Quality and Speed” focused strategy and “IT based” strategic focuses. Not only these focuses but also any strategic focuses in institutions should consider people element. Only strategically driven human resource function will be devoted to finding ways to help the organization gain important advantages over its competitors.

6.5.3 What should be considered in HR Department or Unit Structuring

There are a number of significant relationships between the way that HR is organized and managed and the role it plays in. Ethiopian institution must provide absolute seat for HR
at top of organization structure to put together HR unit as contributor and implementer of companywide strategy. The HR structure must be decentralized to line departments. The line must resume the HR practice as its main responsibility and duty then integration becomes reality. Flatter structure should be developed.

6.5.4 What should be the Human Resource Function and Role in Business Strategy?

Formal consideration of HR (personnel) factors in the business planning process should be promoted in Ethiopia to avoid the post-hoc action planning by HR (personnel) function. Business plans “inspected” by HR (and all other functions); inputs from HR may be inserted in the planning process.

In this study the 91% of HR function devoted to providing administrative services (HR services, developing HR system and practices, maintain records and auditing) should be between 26 to 46% to increase the observed 9 % HR unit strategic business partnering role greater than or equal to 54 percent. Making HR unit complete strategic partner is not totally rejecting administrative function of HR unit.

Strategizing HR management practices, strategic HR planning practices and integration of HR planning practices with corporate strategy must reveal its relationship with administrative functions of HR management as well as strategic business partnering. This may be reflection of working strategic HR planning and integration of HR planning practices with corporate strategy in Ethiopian institutions. To get this the HR unit role
should not be input provider and implementer once business strategy developed. It must be completely integrated with strategic needs of the organization.

Righeimer’s (2006) philosophy should prevail in Ethiopian institutions i.e. the critical contribution made by human resources in accomplishing strategic goals must fill the roles of coach, architect, facilitator, conscience and contributing leader – rising from the status of subservient ‘partners’ to substantial ‘players’. Therefore in order to achieve that highest level of status and impact on strategy of the organization successful transformation of the human resource function should focus on three key change factors: focus on cost-effectiveness, merger of the HR management function with the strategic role and development of new knowledge. This must be prominent concern of Ethiopian institutions.

6.5.5 What should be the philosophy and thinking of Strategic HR Management

One of the research destiny was intended to address working impact and contribution of strategic HR management on long-range HR demand and supply plan to gain value from HR. Gaining a significant positive impact of strategic HR management systems over financial performance, productivity, and turnover can realized by improving those incomplete practices of building mega thinking and philosophy of strategic HR management in Ethiopian institutions through the following vital practices:

- Build culture of designing HR strategy by scanning environment.
- Full integration of HR with the strategy and the strategic needs of the firm.
- Having HR policies cohere both across policy areas and hierarchies.
Having HR practices adjusted, accepted, and used by line managers.

Maintain the climate that participate HR unit in identifying or designing strategic options as well as HR unit involvement in decision among the best strategic options.

The HR unit must work with the corporate board on business strategy.

### 6.5.6 Institutions HR Strategy for Planning and Managing Its HR

Human resource strategies are the outcomes of strategic human resource management. Currently Ethiopian institutions involved in weak practice of building HR strategy that is integrated with corporate strategy. The current state of building HR strategy should be improved by changing the following circumstances to achieve future dreams positively marked by respondents:

- Build efficient and accurate HRIS for today and tomorrow.
- Data gathering for tracking effectiveness of HRP programs practices.
- Build data-based talent strategy that pave the way for integration of HR planning with corporate strategy.
- Partner with line managers in developing business strategy.
- Develop human capital strategy (HCS) that is integrated with business strategy.
- Provides analytic support for business decision making.
- Provides HR data to support change management.
- Drive change management.
- Follow rigorous data based decisions about human capital management.
6.5.7 Building Strategic Human Resource Planning

HR strategy may come out with tangible outcomes for instance Strategic HR planning. All list of activities or factors that represent strategic HR planning showed significant relationship with integration of HR planning practice with institutional strategy. Therefore maintaining or building or improving the following incomplete practices to holistic approaches may yield integrated HR planning practices in Ethiopia:

- Strategic (three or more years) manpower forecasting based on environment analysis.
- Inventorying of the organization’s current stock of human resources to predict future circumstance therefore HR resource accounting must be in its place.
- Specific, measurable and reliable strategic objectives must be designed at the HR unit aligned with institutional strategy.
- The HR unit must develop plans for dealing with shortages and surpluses of HR to take informed decision.
- Continues monitoring and evaluation of strategic contribution HR through adequate planning integrated with companywide strategy.
- Strong implementation of balanced scorecard for real alignment between HR and the enterprise level strategy is critical. It has to be priority for every organization. The good start observed in some institutions must show it fruit by producing BSC as measurement tool of value added by HR. without measurement no integration no management at all (Ingham, 2007).
6.5.8 Human Resource Forecasting Practice should be changed

The traditional HR forecasting tools may not bring desired outcome in efficient and effective manner. Especially when the stock of HR become large and complicated advanced management science tools are prominently important. Therefore the subjective tools of HR forecasting in Ethiopian institutions such as: workload/work-study/manning, collecting management opinion, succession planning, replacement chart and Delphi method of forecasting manpower should be strongly applied in consistent manner. These are simplest ways to forecast manpower of the future. Since Ethiopian institutions are beginners using these methods may bring required starting positive work.

But after the practice become culture in Ethiopia and desired composition and competency developed in HR unit through conscious training and selection advanced management science HR forecasting tools must be practical using advanced simulation, developing mathematical models and HR forecasting software. Ethiopia Air line good experience can be considered as bench mark and the knowledge must be transformed to other institutions.

6.5.9 What Should Be The Intent of HR Forecasting?

Any intent of HR forecasting in institutions must be gaining value form people asset. Forecasting should be tied with strategic needs of organizations. Leading forecasting reasons that were administrative and reactive in Ethiopian institutions must be changed to proactive behavior of forecasting HR by improving the following circumstances in Ethiopian institutions:
• Do not forecast only to avoid personnel shortage and surplus but forecast to gain value from HR and to buffer environment uncertainties in proactive manner.

• Build deep culture and create value of forecasting HR for developing HR for future strategic intents and obtain information for decision.

• Forecast the HR to gain competitive advantage, to map affirmative, diversity and career planning.

• Forecast HR to hold good posture in competitive environment through appropriate HR architecture, competency and composition.

6.5.10 Integration of HR Planning Practices with Corporate Strategy

Integration of HR planning with corporate strategy is line managers’ acceptance and adjustment of HR practices to their basic priorities. But those practices represent strategic integration of HR planning practices with corporate strategy not well functioning in Ethiopian institutions. All functions should bear the following behaviours:

• HR must be fully given with the right to challenge decisions of organization.

• Leaders must view HR planning as critical success factors.

• Top managers must provide due concern to link HR planning with organizations strategic goals and objectives.

• Building competitive intelligence of HR unit should be endless practice of institutions.

• Taking HR manager as integral and respected member of the senior management team is mandatory.
• And finally top manager encouragement of HR unit to be pro-active is important.

Building these cultures are foundations for integrating HR planning practices with corporate strategy.

6.6 Enabling Factors That Support Integrated HR Planning

The study observed HR managers skills and behaviour, HR architecture (structure, composition and competency), Human resource information system and organizational culture as enabling factors. The following recommendation forwarded to strengthen existing better practices and to take measures on weaknesses observed.

6.6.1 What should be the HR Manager Behaviors and skills?

The study tried to observe the human resource manager skills and behaviours dividing into five categories such as: Business partnering skill, organizational dynamics, technical skill, administrative skill and HR metrics development skill. Majority respondents undecided or remain impartial to clearly describe their HR manager possession of certain skills fundamental to integrate HR planning practices with institutional strategy through the philosophy of strategic HR management and building value adding HR. This situation must be clear and transparent by showing the fundamental skills and strategic behaviours possessed by HR manger. The HR manger skill must touch the highest strong prominence like other function through:

• Involving in corporate strategic planning and building business understanding skills.
• Holding change management and strategic planning skills.
- Metrics development to measure real value chain developed by HR or contribution of HR to organization strategy in analytic manner. No HR metrics no measurement. If HR contribution not measured there is no need of providing seat for HR on strategic table.

- Data analysis, mining and use of information technology skills.

6.6.2 HR Unit Architecture (Composition, Competency and Behaviors)

Institutions must maintain proportion of employee composition against their strategic vision. Investigation of employee composition, competency and behavior fundamental to hold value adding intangibles. Proportion of education level and type, professionals within the system, experience cohort retained must be checked to increase cognitive and relational archetype important in institutions. The kind and number of employees within institutions structure must be carefully mixed. Who are in your structure? Are they core knowledge workers, Traditional job based employees, Contract Labour-employees with less strategic value to companies such as drivers, receptionists, security etc... Or Alliance partners. This must be articulated to strategic need of the institutions.

Elements of HR architecture should be seriously considered to make the organization complete and competent. They are likely to be managed in different ways. The study recommendation suggest Snell et al. (2006) in Hitt et al. (2006) three main HR strategy dimensions should be applied in HR architecture and composition consideration (a) the composition of the workforce, (b) the cultures of the workforce, as well as (c) the competencies of the workforce. These processes hinges on an understanding of how
various cohorts of individuals contribute to the firm HR strategy necessarily moves beyond merely management of these pieces to the management of the whole.

Besides these HR unit behaviour and competency direct relationship with integration of HR planning with corporate strategy must be maintain by working on the following elements:

- The HR unit must be adjusted to opportunities and risks that arise from environment.
- Develop coherent HR strategies integrated to the business strategy.
- Build HR unit strong structure and function to control its function.
- HR Unit must contribute skilled, committed and engaged workforce to firms’ vision.
- Develop process capability by influencing the design of work systems.
- Follow complex programs and growth in size and add more advanced differentiated skills.

The institutions must understand that strategic integration only begin or emerge from HR unit having competency to understand core cultural value, norm and key activities of organization. Assessment of cognitive, affective and structural dimension of HR unit is so critical to have good working HR posture. Standard of HR portfolios must be assessed in terms of age, experience, education level and type that build the institutions.
6.6.3 Build HRIS as Enabling tool to Integrating HR planning

Information technology can support the development of business strategy by providing important information about the capabilities and core competencies of the organization (Lawler III et al., 2006). Information technology (IT) tools relevant to Strategic components of human resource management include IT tools range from manual record keeping to sophisticated distributed systems with modelling capabilities.

In this study there is no completely integrated human resource information system in institutions investigated. The little attempt to use IT in HR unit must be transformed to completely integrated HRIS by using dynamic IT tools, software and modelling instruments in the areas of:

- Strategic salary planning and rewarding.
- Personnel record keeping (change of benefit coverage, change of address and other personal information).
- Job information (post personal resume, post job openings, external applicants for job and internal applicants for job).
- Employee performance management.
- Employee training (orientation of new hired employees, skills training and scheduling training).
- Providing online support about all HR unit activity, performance and standards.
- Using IT as management tool.
All this activities are important HRIS practice HRIS that would free up HR to be strategic partner (Lawler, 2001). Therefore intensive training and workshops in HR management technology for all concerned is so important. Taking Ethiopia Air Line as benchmark and creating relationship with this company may provide good start for all institutions.

Fundamental concern must be given to IT tools that perform transactional activities and IT serve as advice tools. Mere listing of HR statistics by age or experience must be changed in to HR metrics development to see HR real contribution on strategy. For instance amount profit earned, sale increased or service time minimized must be compared to the new hire, retention of best experience cohort, training provided etc.

Using IT as management tool (providing advice and information on handling personnel issues, career development planning, management development/training, searching employees with specific skills/competencies, assessing skills/competency/knowledge, accessing knowledge communities or experts and accessing managers’ tool kit) must improved or it has to be institutions life, value or sentiment.

Information technology (IT) potentially is a powerful way to accomplish HR record keeping, HR transactions, and many other administrative tasks more quickly, efficiently, and accurately, thus enabling HR managers to save money and have more time to spend on strategic business support (Lawler III et al, 2006; Lawler, 2001). The relationship of HRIS with integration of HR planning practice planning practice must be maintained to gain real value from HR unit and HR of the organization by applying the above suggestions.
6.6.4 Shape the Organizational Culture

Enabling organizational culture is fundamental to shape workforce behaviour including the HR unit futuristic outlook. In this study existing few institutional culture values such as openness to the ideas of HR and incorporating it as part of firms’ growth; building strong cohesive culture maintain equity between functions; climate of team spirit, mutual trust and confidence between cross functional units and belief in the new era of competitive advantage comes from creating new knowledge must be fostered to yield more integrated HR planning with corporate strategy.

Building clear, transparent and deep rooted culture of strategic perceptions and commitments in HR unit through the values and beliefs of: HR unit openness to innovation and learning; encouraging HR managers confrontation in overall decision making processes; honouring mutual commitments and obligations to HR unit; showing congruence between what firms says and does for HR strategic orientation; seeing HR as valued individuals/firms partners; looking forward to the needs of the future man power through SHRP; allowing freedom to act independently and thinking strategically and finally encouraging innovative ways to deal with the problems.

True value of openness, confrontation, trust, authenticity, collaboration, leaders’ stewardship to strategic orientation in HR unit, pro activeness, autonomy and experimentation should be planted in the heart of institutions to yield integrated HR planning with corporate strategy.
6.6.5 Which Process or Enabling Factor Must Be Given Due Attention

Overall contribution from both processes and enabling factors to integration of HR planning with corporate strategy was insignificant. Therefore grass root work is required in building the philosophy of strategic HR management, building institutions HR strategy, and forecasting manpower having long range HR planning processes. Besides this functional organization culture, HR resource architecture, HR manger skill and building completely integrated HRIS are fundamental tools still need critical review to enable strategic integration of HR planning with corporate strategy of institutions. The overall incompleteness and weakest practices can be resolved by applying the following Integrated HR planning model as concluding recommendation in Ethiopia.

6.6.6 What Should Be Future HR Planning Process or Model

The researcher developed model based on integrated HR planning model of Yambesi (2009) human resource planning for Tanzania institutions and Parker’s (2004) conceptualization of HR planning. The model provides a strategic architecture to enhance competence building in institutions. The model developed is holistic approach to HR planning from analysis of corporate strategy analysis to building HR unit specific strategy and designing monitoring and evaluation mechanisms.

Integration of HR planning never happen in vacuum or sterile environment therefore the model included factors that may affect the whole process of HR planning such as building strategic HR management philosophy and thinking, HR manager skills, integrated HR information system and functional organizational culture. These are enabling factors or priorities must be considered throughout the organization life as
infrastructure to enable the whole HR unit to think strategically. The steps should be followed described in the following manner:

**Step 1: Building Infrastructures**

This step include building strategic HR management philosophy and thinking, HR manager skills, HR architecture (consider structure, competency and composition), completely integrated HR information system and organizational culture that promote HR unit strategic thinking. These are foundations to realize working HR planning that will result true face of the institutions.

**Step 2: Scenario Planning**

Scenario planning makes firms think critically about how the future could be different from today or from what the organization expects it to be. It encourages individuals to question assumptions underlining how they see the world. Scenarios are neither nether forecasts nor predictions. Rather they are plausible stories about the future, which can alert firms to change that may impact business or service directly. They are possible pictures of “tomorrow” that attempt to capture alternatives futures, enabling individuals to explore those futures and evaluate both qualitative and quantitative factors. It reviews strategic business options, for each option identify HR outcomes, then determine gaps between current reality and future and finally determine actions and success criteria. Delphi method suggested as good tool to do this. Practically this includes (Parker, 2004):

- Simple HR questions as part of the strategic planning process itself, for example, projected staffing levels.
• Analysis and planning by departmental managers with HR support following established guidelines.

• Departmental meetings involving line managers and the HR team to discuss issues and reach broad agreement on the implications warranting action.

• Targeted studies at corporate, departmental or unit level.

• Appointment of taskforce to obtain and analysis of pertinent data on a one-time basis as input to strategic planning.

• Consultation with “experts” within or outside the firm to identify issues and to determine needs.

**Step 3: Analyze current stock**

Classify HR by job family, age, gender and length whether composition and behaviour providing good posture or HR architecture to your institution. Assess current skills utilization, effectiveness and performance. Forecasted HR changes and dynamics then design of organizational structure and job design (internal analysis of how the firm is organized). A launch point for HR planning is a tabulation and analysis of current resource in terms of composition, deployment and utilization-HR inventory. Other useful classification deals with efficiency, productivity and utilization include (Parker, 2004):

• Productivity/performance ratings

• Staffing ratio

• Incidence, frequency and duration of overtime

• Incidence, frequency and duration of absentee

• Loss rate(wastage)
A comprehensive analysis of what jobs are currently being performed, what skills and knowledge are being deployed and what performance levels are being achieved provides a base for building an employee skills inventory. This helps in assessing the appropriateness of current staff deployments and examining current HR policies and practices to determine their effect on staff morale and motivation.

**Step 4: Forecasting**

This includes forecasting future demand and supply of manpower to achieve organization strategic targets in terms of number and kind. The most favourable methods for calculating demand are work-study, ratio and time series analysis and managerial judgements.

**Step 5: Design strategy for matching supply with demand**

Based on different strategic option try to design HR strategy focuses on control involves cost, effectiveness, ease of implementation, ease of monitoring and reversibility and sustainability. According to this approach criteria are (Parker, 2004):

- **Cost effectiveness**: measure terms of compensation, staff turnover, absentees and implementation cost.
- **Competence**: extent to which strategy option helps the firm to attract, retain and develop people with skills and knowledge it needs.
- **Commitment**: extent to which the strategy option enhances the commitment of staff to the firm.
- **Convergence**: extent to which the strategy option marries business needs with individual aspirations. Applying decision making practices to each straggly option
allows for consensus to be established through discussion between line managers and the HR team.

**Step 6: Monitoring and Evaluation**

HR planning is not a one-time process; it changes with time and environment. The whole process should be checked every time according to its strategic contribution to the strategy. The real matching of planned HR with corporate strategy should be evaluated every time. Monitoring and evaluation practice according to this study is not the end process; it must be considered in each process or step. Feedback must be injected at each stage after the process is over or in the process of planning intangibles (people) of the organization.
Figure 6.1: Recommended Model for Integrating HR Planning Practice with Corporate Strategy for Ethiopian Institutions

- Build strategic HR management philosophy and thinking
- Build HR manager skills
- Build HR architecture (consider structure, competency and composition)
- Build Completely Integrated HR information system
- Build organizational culture that promote HR unit strategic thinking

6.7 Implications for future study

- The HR architecture, composition and competency need profound study to know the core competency in each institution to provide appropriate posture to HR of organizations.

- Without measurement there is no integration; therefore, HR metrics should be familiarized to all institutions based on action oriented research.

- The prospect and challenge of applying balanced score card as HR measurement and analytical tool should be studied well to lay foundation for integration of HR planning practice with corporate strategy in Ethiopian institutions.

- Researches that indicate how people polices contribute to value creation must be promoted well because the people value chain provides the potential for a transformed level of financial impact. HR planning is a means to create HCM value chain by producing intangibles capability, not just resources (Ingham, 2007).

- Through assessment and study Ethiopian has to build autonomous manpower planning and research institution. It should not be something to be done by others non specialist as an additional duty or responsibility. There should be independent intuitions concerned about strategic manpower planning and related technologies.

- Study should take place how to build completely integrated HR information system in each unit. Projects must be launched to mobilize the whole sectors in Ethiopia to automate their HR unit.

References