

**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE**



**STRATEGIC HUMAN RESOURCE MAMAGEMNT PRACTICES AND
THEIR EFFECTS ON ORGANIZATIONAL PERFORMANCE OF
CONSORTIUM OF CHRISTIAN RELIEF AND DEVELOPMENT
ASSOCIATION (CCRDA) AND ITS SELECTED MEMBER
ORGANIZATIONS**

A Thesis Submitted to Office of Graduate Studies

*In Partial Fulfillment of the Requirements for the Master of Arts in Human Resource
Management*

By

Fikirabe Teshome

Advisor

Abeba Beyene (PhD)

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Addis Ababa, Ethiopia

Statement of Declaration

I, Fikirabe Teshome, hereby declare that the research study entitled “Assessment of Strategic Human Resource Management Practices in CCRDA and its Selected Member Organizations” submitted to Addis Ababa University for the awards of Master of Arts in Human Resource Management is the outcome of my own effort and it has not been presented to any other universities or institutions for the award of any degrees and all sources of materials used for the research study have been duly acknowledged.

Fikirabe Teshome

Signature: _____

Date: _____

**ASSESSMENT OF STRATEGIC HUMAN RESOURCE MAMAGEMNT PRACTICES
AND THEIR EFFECTS ON ORGANIZATIONAL PERFORMANCE IN CCRDA AND
ITS SELECTED MEMBER ORGANIZATIONS**

By: Fikirabe Teshome

Approved by Board of Examiners

_____	_____	_____
Adviser	Signature	Date
_____	_____	_____
External Examiner	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date

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LIST OF ABBREVIATIONS AND ACRONYM

CCRDA: Consortium of Christian Relief and Development Association

NGOs: Non- Governmental Organizations

SHRM: Strategic Human Resource Management

HRM: Human Resource Management

HR: Human Resource

SHRP: Strategic Human Resource Planning

SRS: Strategic Recruitment and Selection Practice

STD: Strategic Training and Development Practice

SRC: Strategic Reward and Compensation Practice

SPA: Strategic Performance Appraisal Practice

SER: Strategic Employee Relations Practice

SPSS: Statistical Package for the Social Sciences

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Abstract

The objective of this study is to assess the effect of strategic human resource practices on organization performance of CCRDA and its member's organization. The study adopted mixed research approach and explanatory research design. Using stratified sampling technique sample NGOs were selected from the CCRDA forum member organizations purposively. Data were collected using survey questionnaire from 48 local and international NGOs. From the total 240 questionnaire distributed, 192 questionnaires were returned. 48 top management members, 48 frontline managers, 48 HR- directors and 48 HR- Specialists were participated in the study. Data was analyzed both descriptively and inferentially. The findings of the study revealed that strategic human resource management practices were adopted in CCRDA and its member organizations in both local and international NGOs and the Strategic recruitment and selection, strategic performance appraisal and strategic employee relations SHRM practices have shown positive effect on organizational performance while strategic training and development and strategic reward and compensation didn't show significant effect on performance. As bundle of activities, the SHRM practices have shown positive effect on organizational performance. The result of the study therefore recommended that adoption and effective and efficient implementation of the bundles of the strategic human resource management practices are beneficial to improve the organizational performance of CCRDA and its member organizations.

Key words: *Strategic Human Resource Management Practices, Strategic Recruitment and Selection, Strategic Training and Development, Strategic Reward and Compensation, Strategic performance Appraisal, Strategic Employee Relations, Organizational Performance, Non-Governmental organizations*

Strategic Training and development	-0.060	.045	-0.052	-1.355	.177
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CHAPTER ONE

INTRODUCTION

This section provides a brief overview of the content of the entire research which includes Background of the study, Statement of the problem, Objective of the study, General objective, Specific objective, Research question, Significance of the study, Scope of the study and Limitation of the study.

1.1. Background of the Study

Organizational performance is the most widely used dependent variable in much organizational research but it remains one of the vaguest and most loosely defined constructs (Rogers and Wright, 1998). Organizational performance is defined differently in different context depending on the nature of the work.

NGOs are “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development”(Carmen, 1995). In the NGO context, organizational performance is defined both from financial and non-financial perspectives whose main goal is to promote social mission of the organization (Ramadan and Borgonovi, 2015).

From non-financial performance point of view, organizational performance of NGOs is defined in terms of what is produced as a result of an NGO's services such as improved conditions for the immediate targeted beneficiaries (Outcomes), best utilization of non-financial resources (staff, equipment, time) acquired for the achievement of the programs desired outputs or facilities (Non-Financial Efficiency), the ultimate direct or indirect long-term public value/effect that the NGO wishes to create for a community as a consequence of its programs and services (Impact), networking and collaborating with other entities to support an NGO

intervention(Partnership) and quality of the services provided by an NGO to its clients (Quality) (Ramadan and Borgonovi, 2015).

On the other hand, from financial performance point of view, organizational performance of NGO is defined in terms of the organization ability to identify sources of fund and access to them(Fund Raising Efficiency), preparation and declaration of financial information and reporting concerning NGOs programs and services to ensure honesty integrity and accountability (Financial Transparency) and best utilization of financial resources acquired for the achievement of the programs desired outputs or facilities (Financial Efficiency) (Ramadan and Borgonovi, 2015).

An organization requires the utilization of a complex array of resources to grow, survive and achieve the ultimate mission or objectives that assures its existence and or creation (Shimelis, 2012). Among other things, Human capital, skills and knowledge of individuals is considered essential elements for an effective organizational performance (Alishova, Mamman and Alharbi, 2016). This important resource of an organization has to be managed strategically trough coherent approach.

According to Fottler (2002), SHRM is defined as a bundle of managerial activities aimed at developing as well as maintaining qualified employees that contribute to the strategic goals of the organization (Sura, 2019). It is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole (Yusuf, 2018). The overall themes of SHRM are the integration of all HRM functions, adherence to broad organization goals and responsiveness to the external environment (Armstrong, 2009).

According to Aatur and Sadrul (2018), SHRM practices has five dimensions namely, strategic recruitment and selection, strategic employee relations, Strategic Training and

Development, Strategic Reward and Compensation and Strategic Performance Appraisal. With the growing importance and recognition of people and people management in contemporary organizations, strategic human resource management has become critically important in management thinking and practice (Emebet, 2017). The need for strategic HRM has increased due to increase in globalization of business which has caused the rise of a competitive environment where the only way to remain relevant is to build and improve the labor force (Rehema, 2014). Within this context, there have been strong pressures on nonprofit managers to re-evaluate their human resources management approaches and to integrate HRM with the missions of their organizations in a strategic manner (Chao, William, Robert, & Hsiang, 2011). SHRM is pivotal in all organizations (Muriithi & Tadesse, 2018). It is considered as one of the important determinants of effective organizational performance in many studies (Alishova, Mamman and Alharbi, 2016).

The relationship between strategic human resource management and organizational performance has not been sufficiently studied in the NGO sector as it has been done in the business sector all over the world. Aatur and Sadrul (2018) acknowledged that several studies have examined the relationship between strategic HRM and organizational performance in manufacturing sector, business organization and banking sectors in the globe but a very few literature could be found in NGOs sector. Wubishet, Belay and Mengistu (2018) also added that most studies examining the relationship SHRM practices and organizational performance have been conducted in developed countries like United States and United Kingdom. This implies that there is scant empirical evidence in developing countries like Ethiopia. This gap leads to the need for the study of Strategic Human resource management in the NGO sector. An NGO must (strategically) strive to attract, develop and retain qualified and enthusiastic employees as they

are the key to the success of one's business (Mathew, 2016). This calls all organizations including Non-Governmental Organizations to concenter for SHRM practices. On the basis of this observation and literature gap, the researcher wants to undertake assessment of the SHRM practices and study their effects on organizational performance of NGOs by targeting CCRDA and its member organizations as a subject of the study.

1.2. Background of the Organization

Consortium of Christian Relief and Development Association (CCRDA) is one of the consortiums of civil society organization established in Ethiopia 1973.

Consortium of Christian Relief and Development Association (CCRDA) is an indigenous non-profit umbrella organization. It is an association of Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) engaged in relief, rehabilitation, and diverse developmental activities focusing on poverty alleviation. It is the first legally registered association of NGOs/CSOs operating in Ethiopia and serves as a forum for collective vision and action. It allows resource mobilization and the sharing of experiences for effective and sustained impact. CCRDA builds capacity members to ensure efficiency and quality are met, efforts are not duplicated and lessons can be learnt. All these are geared towards championing transformational development (<http://www.crdaethiopia.org/aboutCRDA.php>).

At establishment in 1973, CCRDA had 13 members. As of February 2018, this number has increased to 369 member agencies operating in Ethiopia. This number covers good portion of active NGOs operating in the country. As per the recent update, out of CCRDAs total membership, 70% (259) are local NGOs, and 30% (109) are international NGOs. 85% of the members have based their headquarters in Addis Ababa. Today, CCRDAs membership has broadened significantly and many secular and non-Christian religious organizations have joined

the association (CCRDA, 2018).

Its membership has diverse missions and objectives. The membership operates throughout the country, covering both urban and rural areas emphasizing food security, rural and urban development, health, HIV/AIDS, education, water and sanitation, infrastructure, environmental protection, etc. In line with variation of members in areas of engagement, CCRDA established 8 forums to serve as platform of learning and sharing of experiences among members (CCRDA, 2018). The forums are grouped in 8 forums based on core thematic areas. The forums are Women, Children and Youth Development Forum, Water and Sanitation Forum, HIV/ AIDS Forum, Food Security and Environment Forum, Urban Development Working Group, Leadership Forum, Health Forum and National NGOs Humanitarian Forum. Though they are varied in their organization, activities and scope of intervention, all CCRDA members collectively envisioned towards a developed and prosperous Ethiopia (<http://www.crdaethiopia.org/aboutCRDA.php>).

CCRDA has undergone several fundamental changes in mandate, organizational structure, and direction ever since its establishment. These changes are made as a result of the international and national dynamics of the environment. Being a learning organization is one of the fundamental goals of CCRDA. Promoting the role of NGOs in development and policy advocacy is a prime concern of the organization (<http://www.crdaethiopia.org/aboutCRDA.php>).

CCRDA has transformed its mandate and itself from a mere relief coordinating entity to an institution that strives for societal transformation and the emergence of a vibrant civil society in Ethiopia. For the realization of its mission, CCRDA adopted four strategic directions which is transformation of the CRDA membership and the broader NGO sector in Ethiopia towards bringing about overall societal transformation; Enabling of its members to become leading

exponents of civil society (advocacy, networking and partnership at all levels); Facilitating the creation of an enabling environment for the emergence and development of a vibrant civil society in Ethiopia; and Cultivating civil society organizational culture and practice (governance, transparency, participation, dialogue, openness, self-critics and reflection, communication, conversation and learning) (<http://www.crdaethiopia.org/aboutCRDA.php>). These Transformational development goals cannot be attained without proper management of the human resource.

One of the major factors that determine the success of NGOs is the availability and commitment of efficient and effective human resources. For that matter any organization to achieve its objectives needs to have staffs that are competent enough to execute their responsibilities in a professional manner and dedicated to the organizational objectives (Yared, 2007). Therefore, human resource management is one of the crucial functions that should be carried out in a systematic way so as to maintain well performing employees within the organization. Thus, organizations should have effective human resource management system that is well formulated and implemented to ensure that they hire and maintain employees which contribute to the successful accomplishment of organizational objectives (Yared, 2007). Strategic human resource management significantly helps CCRDA and its members in this regard.

1.3. Statement of the Problem

Most NGOs today are operating in complex, risky and financially uncertain environment like the business sector due to globalization. Due to the effects of globalization and stiff competition, many NGOs are facing difficulties of raising funds from donors and operating their NGO programs with many difficulties (Sadrul & Ataur, 2018).

Within this competitive environment, “establishing a more sophisticated HRM approach

such as strategic HRM in an organization might lead to successful funding applications and help maintain its relationship with funding agencies by showing that it can deliver the required quality of service” (Chao, William, Robert & Hsiang, 2011).

As Chao, et al. (2011) recommended, in the face of a constantly changing resource and institutional environment, the contributions of HRM functions and strategies to the mission and future direction of nonprofit organization is very important and should not be ignored. Nonprofit organizations must think strategically, and HR departments must take a proactive role in guiding and supporting agency efforts to meet the changing demands of their environment (Lynn, 2003; Pynes, 2004). SHRM is regarded as one of a coping mechanism to changes in the environment (Zeyad and Mohd, 2015).

“Unlike the traditional HRM, SHRM reflects a more flexible arrangement and utilization of human resource to achieve organizational goals, and accordingly helps organizations gain competitive advantage” (Shimelis, 2012). Efficiency and effectiveness of human resource is the core of SHRM. Hence, the adoption of SHRM in the NGO sector can help NGOs to accelerate their financial and social performance (Sadrul & Ataur, 2018).

“Notwithstanding the considerable promise of the SHRM concept for improving organizational performance, the nascent body of literature on strategic HRM in nonprofit organizations suffers from an important limitation that is lack of empirical data” (Chao, William, Robert & Hsiang, 2011). Sadrul and Ataur (2018) also acknowledged this limitation of empirical evidence of SHRM in the NGO sector, “though several studies have examined the relationship between strategic HRM and organizational performance in manufacturing sector, business organization and banking sectors in the globe but a very few literature could be found in NGOs sector”.

Indeed, this limitation is part of a broader issue in the existing research on SHRM in nonprofit organizations. The empirical evidence of SHRM in the NGO sector is scant in describing how nonprofit organizations are using these SHRM practices and identifying factors that influenced the adoption and implementation of these practices (Chao et al., 2011). Furthermore, existing studies have primarily focused on specific HRM practices such as executive compensation (e.g., Carroll, Hughes, & Luksetich, 2005; Gray & Benson, 2003) and recruitment and retention (e.g., Ban et al., 2003; Nickson, Warhurst, Durrón, & Hurrell, 2008; Watson & Abzug, 2004) instead of describing bundles of SHRM practices (Chao et al., 2011).

Globally, there is significant trend today in adoption of strategic HRM by different HR managers in different business sectors. Due to this, the overall performances of the organizations are improving and various good practices of SHRM are emerging from the sector. In African context there are also evidences showing SHRM practices largely in the business sector. But due to lack of sufficient evidence from the NGO sector, it is not well known how the adoption SHRM is proceeding in Ethiopia and what good practices are available in the sector for organizational learning and development. As the result, HR practitioners in NGOs are suffering from lack of contextualized literature, empirical evidence and good practices in the sector for learning and adoption. This makes SHRM is a neglected areas of investigation in the NGO sector.

These literature and empirical gaps of SHRM in NGOs is a motivating factor that enforced the researcher to undertake this particular study. Through review of related literature, to the best of the researcher knowledge, there are only little researches conducted on SHRM in Ethiopia (e.g., Shemelis, 2012; Melaku, 2013; Eskinder, 2013; lubaba, 2014; Belete, 2014 & Fitum, 2014). And, those available researches have also shown that most of the SHRM

researches have been done in financial sector particularly in the banking sector (e.g., Shemelis, 2012; Melaku, 2013; lubaba, 2014; Belete, 2014 & Fitum, 2014). Apart from the banking sector, very few SHRM researches have been identified which have been done in other sectors such as in the Pharmaceutical industry and in plastic company (e.g. Eskinder, 2013). To the best of the researcher's knowledge, no research work was done in the NGO sector regarding SHRM. This lack of literature in SHRM in NGO sector is supported by Shimels' argument. As Shimels (2012) described, depth case studies, journal articles and text books pertaining to SHRM are not sufficiently available. The scenario is the worst in the case of NGO sector. It is also noticed through observation that some local NGOs don't have a formal long term strategic plan which guides where the organization is heading towards the future. By implication, these NGOs lack HRM strategic document which specifically guides how the most valuable resource of the organization is strategically managed and aligned with the overall objectives and strategies of the organization. This is what the study is intended to emphasize.

The NGO sector may have a unique feature of SHRM practices, good experiences and challenges of implementation of SHRM which have not be taped very well through research. If it is scientifically investigated and the information is documented, then both organizations and the industry will benefit from it. Because SHRM practice varies across the globe depending on the nature of the organization and its environment (Wubishet, Belay & Mengistu, 2018), the SHRM practice of NGOs are different. This calls for scientific investigation to unveil the practice of SHRM in NGO sector for academicians for teaching and learning, HR practitioners for learning and organizational development and researchers to contribute to the body of knowledge of SHRM. This study, therefore, systematically assessed and reviewed how Strategic HRM is being practiced in the NGO sector and identified their effects on organizational performance by

studying CCRDA and its member organizations.

CCRDA and its member organization were selected because, CCRDA is the first big NGO umbrella organization established in Ethiopia in 1973 and having 369 members (CCRDA, 2018) of various sectors and diversified thematic areas of engagement and having a well-established structure of networks of NGO of both local and international NGOs. The research therefore contributes to the body of knowledge and understanding of the SHRM practice in CCRDA and its member organizations as NGO.

1.4. Research Questions

Reviewing and synthesizing the literature related to the research objectives has generated adequate insights into the various facets of the research area. The key leading questions that this research tried to answer were the following:

1. Is there Strategic Human Resource Management Practice in CCRDA and its member organizations?
2. How strong is the Vertical and Horizontal integration of the SHRM practices of CCRDA and its member organizations?
3. Are the SHRM practices of recruitment and selection, training and development, reward and compensation, performance appraisal and employee relations of CCRDA and its member organizations vertically aligned with the vision, mission, strategic objectives and values of the organizations?
4. Are the SHRM practices of recruitment and selection, training and development, reward and compensation, performance appraisal and employee relations of CCRDA and its member organizations horizontally integrated each other?

5. Is implementation of SHRM effectively devolved to Front-line managers in CCRDA and its member organizations?
6. How effective are the HRM department of CCRDA and its member organizations in playing their strategic roles?
7. What are the effects of SHRM on organizational performance of CCRDA and its member organizations?
8. What specific challenges CCRDA and its member organizations are facing in the implementation of SHRM?

1.5. Objectives of the Study

1.5.1 General Objective

The general objective of this research is to assess the SHRM practices and analyze their effects on organizational performance in nonprofit organizations by taking CCRDA and its member organization as a subject of the study.

1.5.2 Specific Objectives

More specifically, the research specific objectives are:

1. To examine the vertical fit between the CCRDA and its member organizations vision, mission, strategic objectives and values and the SHRM practices of recruitment and selection, training and development, employee relations, reward and compensation and performance appraisal.
2. To examine consistency and congruence (Horizontal fit) of implementation of SHRM practices of recruitment and selection, training and development, employee relations, reward and compensation and performance appraisal in CCRDA and its member organizations.

3. To investigate the level of devolvement of SHRM activities to Front- Line managers in CCRDA and its member organizations.
4. To evaluate the Strategic Human Resource Management implementation performance of the HRM department of CCRDA and its member organizations.
5. To investigate the effects of SHRM on organizational performance in CCRDA and its member organizations.
6. To identify the challenges of implementation of SHRM practices in CCRDA and its member organizations.

1.6. Significance of the Study

This particular study can have significant values for the body of knowledge of SHRM, CCRDA and its member organizations as well as researchers. The research contributes to the body of knowledge of SHRM by revealing the strategic HRM practices of NGOs in Ethiopia. It also helps CCRDA and its member's organization to aware their current SHRM practices, challenges of implementation and ways of improving it. The research also benefits the researcher to better understand the practical application of SHRM in reference to theoretical background of SHRM gained during HRM study. Researchers who are motivated to undertake researches in NGO sector and SHRM can also take inputs from the research and further advance and extend the scope of research to better understand the NGO environment SHRM practice.

1.7. Scope of the Study

Conceptually, the study is delimited to assess the selected SHRM practices and their contribution to organizational performance. The study assess the strategic contribution of recruitment and selection, employee relations, training and development, reward and

compensation and performance appraisal towards the organizational goals and objectives of CCRDA and its members organization as NGO. The performance effects of these strategic human resource management practices were assessed in four dimensions using balanced scorecards which include customer perspective, financial perspective, internal process perspective and learning and development perspective.

This study was conducted in Addis Ababa. Consortium of Christian Relief and Development Association and its member organizations were the target of this research. CCRDA as big umbrella organization, have 369 member organizations and its members are geographically dispersed in different regions and cities of Ethiopia. 85% of the members have based their headquarters in Addis Ababa. Due to time, budget and other constraints, the study was made only in one of the forums out of the eight forums of CCRDA.

Methodologically, the research employed mixed research approach whereby both quantitative and qualitative research approaches are used. The type of design is explanatory research design where by the relationship between SHRM practices and organizational performance is examined. The data collection methods of the study are structured survey questionnaire and interview.

The findings of the study are applicable to CCRDA and its selected member organizations. Basically, the findings of the study covers results of vertical integration of vision, mission and strategic objectives with HRM policies, strategies and practices; consistency and congruence of SHRM practices and their effects on organizational performance.

1.8. Limitation of the study

It would be better if the research was undertaken by taking as many NGOs in the sector so as to make the findings of the research is generalizable and applicable to NGOs sector in

general. The study also does not show entire practice of SHRM in CCRDA and its member organizations. Due to constraints such as time, budget, data availability and accessibility of organizations, the study is delimited to be undertaken only in CCRDA and its one of the forum having 60 active member organizations including CCRDA.

The study was not undertaken as originally scheduled due to COVID-19 and network blockage as the result of conflict and insecurity in the country. Due to these problems, NGO offices were closed for some times and work arrangements were changed from office to homes and hence, respondents became inaccessible. The data collection process took extra time and some interview were held through phone for some case. Secondary data were not investigated as planned due to COVID-19. As further limitation of the study, the research was also carried out by taking the key strategic human resource management stakeholders and hence the views of employees are not taken in to account.

1.9. Definitions of the Terms

HR strategy: HR strategies set out what the organization intends to do about its human resource management policies and practices, and how they should be integrated with the business strategy and each other (Armstrong, & Taylor, 2014). It is concerned with ensuring that the organization has the required people, training, rewards, and good employee relations (Tanuja, 2009).

Strategic HRM: Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take (Armstrong, 2008).

Strategic Recruitment and Selection: The central tenet of strategic recruitment and selection is its strategic thrust, where the suitability of potential recruits is defined by reference not only to specific job requirements but also to broader strategic concerns (Millmore et al. 2007).

Strategic Employee Relations: It is concerned about strategically sustainable healthy working relationship between management and employees which is based on the principles of trust, negotiation and mutual benefits (Millmore et al., 2007).

Strategic Training and Development: It is an approach to helping people to learn and develop that is concerned with how the organization's goals will be achieved through its human resources by means of integrated L&D strategies, policies and practices (Armstrong, & Taylor, 2014).

Strategic Reward and Compensation: HRM aims to enhance motivation, job engagement and commitment by introducing policies and processes (reward and compensation) that ensure that people are valued and rewarded for what they do and achieve, and for the levels of skill and competence they reach (Armstrong, 2006).

Strategic Performance Appraisal: Strategies for managing performance are concerned with how the business should be managed to achieve its goals (Armstrong, 2006).

Non- Governmental Organization (NGOs): A non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government. The term is usually used by governments to refer to entities that have no government status (Gupta, 2019).

CHAPTER TWO:

REVIEW OF RELATED LITERATURE

The literature review section of this research dealt with theoretical review, empirical review and conceptual review of Strategic Human Resource Management. The section is organized in to three main sections based up on the type of literature reviews. In the review process, important and relevant literatures have been consulted to gain a better understanding of Strategic Human Resource Management from theoretical review, empirical review and conceptual reviews and disused in detail with the main headings of the concept of Strategic HRM, objective of Strategic HRM, characteristics of SHRM, Approaches of SHRM, Models of SHRM, HR strategies and Roles in strategic HRM and SHRM practices.

2.1. Theoretical Literature Review

2.1.1. The Concept of Strategic Human Resource Management

Strategic human resource management is an approach to the development and implementation of HR strategies that are integrated with business strategies and support their achievement (Armstrong, & Taylor, 2014). In line with this definition, Armstrong asserted that human capital is a major source of competitive advantage, it is people who implement the strategic plan, and therefore it is necessary a systematic approach to be adopted to define where the organization wants to go and how it should get there (Armstrong, 2006). Aatur & Sadrul (2018) further defined strategic human resource management as a set of human resource strategies of an organization concerned with ensuring that the staff has skilled, committed and well-motivated force to accomplish the organization's goals and to develop staff to challenge in the competitive world. From these two definitions of HRM we can understand that Effective employee management should be on the top of the list of priorities for progressive improvement

of an organization (Mathew, 2016) and sustainable development of an organization depends upon effective management of its human resources (Rehema, 2014).

Strategic human resource management is a recent development in the evolution of HRM. Significant attention and focus is given to strategic human resource management by researchers and practitioners in the last 25 years (Millmore et al., 2007). Substantial emphasis was given to strategic human resource management by practitioners as the result of changes in world of work due to globalization (Tanuja, 2009). Globalization has forced organizations to change their work systems, processes, structures and methods. In response to these changes, organizations adopted strategic human resource management as strategic management approach to respond to environmental changes.

Organizations and institutions increasingly realized the importance of human competitiveness as essential to organizational survival and success, which has created a new paradigm shift as to the ways in which people should be managed, that has propelled the expansion of Strategic HRM (Redman et al 2001). Strategic human resource management became a strategic approach of development and implementation of HRM policies and practices in the organization (Millmore et al., 2007). It is linking of human resource management practices, systems, and policies with the strategic initiatives of the organization (Grobler, 1993).

As described by Susan, Randall and Kafeng (2014), the field of strategic human resource management has a long and rich tradition. The intellectual seeds of strategic HRM were planted at the beginning of the twentieth century by labor economists and progressive industrial relations scholars (Kaufman, 2012; Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009 and Susan et al., 2014). Contrary to this argument, Susan et al., 2014 further indicated in reference to the recent works of SHRM scholars and citation analysis that SHRM is emerged shortly after the

emergence of strategic management perspective.

Initially, the focus of SHRM was on vertical integration and alignment between HR strategy and business strategy (CIPD, 2019). This idea of strategic integration is a key concept in definition of SHRM (Millmore et al., 2007). Gradually, different approaches of SHRM have been emerged in the field. To mention some, resource-based approach, strategic fit, high-performance management, High-committeemen management and High-involvement management become the dominant approaches of SHRM (Armstrong, 2006).

Irrespective of the increasing volume of research conducted, an understanding of strategic human resource management and human resource management can still be misunderstood (Mary, 2015). Some authors consider strategic human resource management and Human resource management as one and same and use the two concepts interchangeably (Azhar & Faruq, 2017). But actually, they are different. SHRM is the development of the filed in the human resource management spectrum.

There is no universally agreed definition of the term strategic Human Resource management (Emebt, 2017). This is due to the fact that SHRM is a complex, multi-faced phenomenon that is not easy, to arrive at a neat all-encompassing definition (Millmore et al, 2007). Strategic HRM is a multi-word term composed of strategy, Human Resource and management. Understanding of each of the terms helps for the conceptual clarity and better understanding of the term Strategic Human Resource Management (Abraraw & Alemayehu, 2016).

This implies that different scholars define strategic Human resource management from different angles and perspectives. While some authors give emphasis to the ‘human’ aspect, others emphasize on the ‘resource’ aspect, and still others may emphasize on the ‘management’

or on the 'strategic' aspects (Abraraw & Alemayehu, 2016). But the overall theme of Strategic Human Resource management is the same. It is a strategic and coherent approach to the management of an organization's most valued assets so that people who are working together individually and collectively contribute to the achievement of the organization objectives (Armstrong, 2008).

To Millmore et al, (2007) SHRM is described in terms of four principles based on the works of Hendary and Pittigrew (1986): the use of planning; coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy, and often underpinned by a 'philosophy'; matching HRM activities and policies to some explicit strategy; and seeing the people of the organization as a 'strategic resource' for achieving competitive advantage.

To be strategic, HRM needs to demonstrate a two way- link as Millmore et al., 2007 described. HRM will be informed by organizational strategy as well as HRM help to shape the nature of that strategy.

In general, Strategic human resource management suggests a strategic framework to manage the people in the organizations and that helps the organizations to improve the performance, increase the productivity, innovations and competitiveness (Alagarsamy, 2015). It is an approach which relates to decisions about the nature of employment relationship, recruitment, training, development, performance management, reward, and employee relations (Tanuja, 2009). Having a skilled, capable and motivated workforce is perceived as fundamental to competitive advantage and SHRM is oriented towards recruiting, supporting and developing high-quality employees (Joanna, 2017).

2.1.2. Objective of SHRM

The overall purpose of strategic human resource management is linked with the attainment of the goals and strategic objectives of an organization. Strategic human resource management helps the very existence/purpose of organizations is met through people (Armstrong, & Taylor, 2014). Through strategic human resource management, critical issues or success factors related to human resource of an organization are addressed and strategic decisions are made that have a major and long-term impact on the behavior and success of organizations (Amstrong, 2006). The critical issues or success factors of HR can be motivation, job engagement, commitment, skill, knowledge, attitude and behavior.

According to Tanuja (2009), Strategic human resource management has two major objectives. First, Strategic human resource management ensures the availability of skilled, committed, and highly motivated workforce in the organization to achieve sustained competitive advantage. Second, it provides direction to the organization so that the business needs of the organization and the individual and collective needs of its workforce are met.

Strategic HRM generates strategic capability of organizations. By ensuring that the organization has the skilled, committed and well-motivated employees, SHRM helps organizations achieve sustained competitive advantage (Armstrong, & Taylor, 2014). Competitive advantage in this case is regarded as the relative ability and capacity of an organization to gain and maintain market share or dominance in the industry (Nibedita & Aleš, 2012). SHRM supports the development of organization-specific knowledge and skills that are the result of organizational learning processes (Armstrong, 2006). It enhances motivation, job engagement and commitment by introducing policies and processes that ensure that people are valued and rewarded for what they do and achieve, and for the levels of skill and competence

they reach (Armstrong, 2006).

The aim of SHRM is also to develop and implement policies that balance and adapt to the needs of its stakeholders and provide for the management of a diverse workforce, taking into account individual and group differences in employment, personal needs, work style and aspirations, and the provision of equal opportunities for all (Armstrong, 2006). As to Millmore et al., (2007), the four key policy goals of SHRM are strategic integration, quality, flexibility and commitment. SHRM provides a sense of direction in an often turbulent environment so that the needs of the organization and the individual and collective needs of its employees can be met by the development and implementation of coherent and practical HR policies and programmes (Armstrong, & Taylor, 2014).

For an organization to achieve long term competitive advantage, needs to have skilled, motivated and well committed employees which are imperative of strategic human resource management. This is the basic requirement of organizations to build and maintain their strategic capabilities necessary for organizational success (Xavier, 2017).

More generally, objective of strategic human resource management are facilitation of organizational competitiveness, helping of organizations to comply with the legal and social obligations, enhancing of productivity and quality, and promotion of individual growth and development.

2.1.3. Characteristics of SHRM

The characteristics of the HRM concept as they emerged from the writings of the pioneers and later commentators are that it is: diverse, strategic, emphasis on integration with the organization strategic objectives, commitment-orientated, based on the belief that people should be treated as human capital, unitarist rather than pluralist, individual rather than collective, high

regard to employee relations, a management-driven activity and focused on business values of the organization (Armstrong, 2006).

SHRM is also characterized by different conceptual models and practices. According to Armstrong (2006), there are many models, and diverse practices within different organizations, often only corresponding to the conceptual version of HRM in a few respects. Even within a given industry, SHRM practices can vary extensively from one organization to another (Mellow, 2011). The basic models of SHRM can be the Matching model, the Harvard model, the Guest's model, the Storey's model, the Hard and Soft models and the Warwick's model (Abraraw & Alemayehu, 2016). Each of these models demonstrate distinctiveness of SHRM and its goals in analytical terms.

2.1.4. Benefits of SHRM

The role of Human Resource management in the organization has been evolving dramatically in recent years. Any organizations that constitute to utilize its HR function solely to perform administrative duties does not understand the contributions that HR can make to an organization's performance (Mellow, 2011). But organizations having SHRM experience can understand how important is the SHRM and its role in bringing greater outcome in organizational performance as well as HR related outcomes. The today's competitive work environment also does not permit significant organizational success and survival with traditional form of human resource management practice and hence, it is highly required organizations to adopt strategic SHRM approach for their best work achievements. A significant trend today is for HR managers to adopt a strategic perspective of their job and to recognize critical links between organizational and HR strategies (Frangos, 2002).

Through many researches it has been proved that SHRM can contribute to organizational

effectiveness. One of the clear benefits arising from competitive advantage based on the effective management of people is that such an advantage is hard to imitate (Amstrong, 2006).

According to Belcourt and Mcbey (2004), employees who provide superior performance because of their skills or flexibility will enable a company to beat its competitors through superior service. To this end, SHRM plays greater role. Strategic HRM can improve an organization's goal. The goals of these HRM strategies are to shape employee behavior so that it is consistent with the direction the organization identifies in its strategic plans.

2.1.5. Approaches to SHRM

According to Armstrong, & Taylor (2014), there are five approaches to strategic HRM. These consist of resource-based strategy, achieving strategic fit, high-performance management, high-commitment management and high-involvement management.

2.1.5.1 The Resource Based Approach

The resource based approach became the dominant theoretical paradigm in most recent SHRM researches (Lengnick-Hall et al., 2009). The resource-based approach is founded on the belief that competitive advantage is obtained if a firm can obtain and develop human resources that enable it to learn faster and apply its learning more effectively than its rivals (Amstrong, 2006). In line with human capital theory, resource-based theory emphasizes that investment in people adds to their value in the organization (Patrick, Benjamin and Scott, 2001). According to the model, human resources are valuable, non-tradable, non-imitable, and non-substitutable (Tanuja, 2009).

A fundamental aim of resource-based HR strategy, as Barney (1991) indicates, is to develop strategic capability – achieving strategic fit between resources and opportunities and obtaining added value from the effective deployment of resources. A resource-based approach

will address methods of increasing the firm's strategic capability by the development of managers and other staff who can think and plan strategically and who understand the key strategic issues (Amstrong, 2006).

2.1.5.2. Strategic Fit Approach

According to strategic fit approach, there has to be two forms fit in SHRM which are vertical and horizontal (Wright and McMahan, 1992). Vertical fit is concerned with the alignment of HR strategy with overall organizational strategy. Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former (Armstrong, 2006). Horizontal integration on the other hand is fit within HR strategies and practices (Wright and McMahan, 1992). Horizontal integration with other aspects of the HR strategy is also required so that its different elements fit together. The aim is to achieve a coherent approach to managing people in which the various practices are mutually supportive to achieve the desired result (Armstrong, & Taylor, 2014).

According to Lengnick-Hall et al. (2009) four type of horizontal fit exists. (1) within-HRM system vertical fit, (2) inter-HRM activity area fit, (3) intra-HRM activity area fit, and (4) between-HRM system fit. Within-HRM system vertical fit is the degree of fit between different HRM activities on different levels of abstraction (e.g., fit between compensation policies, practices, and processes). Inter-HRM activity area fit is that between different HRM activity areas (e.g., between selection and compensation). Intra-HRM activity area fit is the alignment between specific HRM activities within a certain set of HRM activities (e.g., HRM practices within the selection area). And, between-HRM system fit is the fit between one HRM system and another within the same organization (e.g., between knowledge-based workers and job-based workers).

Internal fit (horizontal integration) is required because misfit between SHRM practices negatively affect each other (Armstrong, & Taylor, 2014). Individual HR practices cannot bring the intended result in isolation of other SHRM practices.

2.1.5.3 High Performance Management

SHRM is about the management of high performance. The aim of this approach is to make an impact on the performance of the organization through its people (Armstrong, & Taylor, 2014). High-performance management states the creation of high performance work systems or practices in the organization. High-performance management practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes (Armstrong, 2006).

2.1.5.4 High Commitment Management

One of the defining characteristics of SHRM is its emphasis on the importance of enhancing mutual commitment (Armstrong, 2006). Commitment is the strength of an individual's identification with, and involvement in, a particular organization (Abraraw & Alemayehu, 2016). High-commitment management has been described as a form of management which is aimed at eliciting a commitment so that behavior is primarily self-regulated rather than controlled by sanctions and pressures external to the individual, and relations within the organization are based on high levels of trust (Walton, 1995). SHRM as high commitment management seeks employees' commitment to organizational goals. High Employee commitment is important because it leads to favorable organizational outcome (Armstrong, & Taylor, 2014). Through high commitment management methods such as involvement and communications, HR managers gain the hearts and minds of employees and leads to the organization goals.

2.1.5.5 High Involvement Management

High involvement management is one of the approaches of SHRM (Armstrong, 2006). This approach involves treating employees as partners in the organization whose interests are respected and who have a voice on matters that concern them. High involvement management is concerned about communication and involvement. The aim is to create a climate in which a continuing dialogue between managers and the members of their teams takes place in order to define expectations and share information on the organization's mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved (Armstrong, & Taylor, 2014).

When considering the aims of strategic HRM it is necessary to consider how HR strategies will take into account the interests of all the stakeholders in the organization: employees in general as well as owners and management (Armstrong, 2006).

The more the employees' interest are considered and involved in the organization work process, the greater they commit themselves to the goals of the organization and as the result the better results are achieved that benefits both the organization and the employees.

2.1.6. SHRM Model

Many models of SHRM exist. The models of SHRM influenced the theory and practices of SHRM in history. The models provide analytical framework for studying SHRM, legitimize SHRM and its effectiveness, describe the characteristics of SHRM and explain the nature and significance of key HR practices and HR outcomes. For this research purpose the Matching and the Harvard models of SHRM have been selected. The models are selected in reference to their significance to the study purpose.

2.1.6.1 The Matching Model

The matching model was developed by Fombrun, Tichy and Devanna (1984) of Michigan School (Fombrun et al, 1984). The matching model asserts that HR systems and the organization structure should be managed in a way that is congruent with organizational strategy (Armstrong, 2006). The name matching models was given due to this assentation. It highlights the 'resource' aspect of HRM and emphasizes the efficient utilization of HR to meet organizational objectives (Fombrun, Tichy and Devanna, 1984). Accordingly, HR have to be obtained cheaply, used sparingly, and developed and exploited as fully as possible. This model emphasizes the interrelatedness and the coherence of HRM activities prescribing that the different HRM activities are interrelated and consistent to each other (Armstrong, & Taylor, 2014).

The models also further asserts that there is human resource cycle in HRM (Armstrong, 2006). The human resource cycle consists of four generic processes or functions that are performed in all organizations. The human resource cycle includes selection, appraisal, reward and development (Abraraw & Alemayehu, 2016). Selection is matching of available human resources to jobs, Appraisal is performance management, Rewards is rewarding short- as well as long-term achievements by bearing in mind that 'the organization must perform in the present to succeed in the future' and Development is developing high-quality employees (Armstrong, 2006). The overall performance of the organization depends on the effective operation of each of the components of SHRM and their co-ordination with the organization overall strategy.

The matching model is selected in literature review section in this study because one area of investigation of this research is congruence of organizational strategy with the HR system, consistency and congruence of SHRM cycle elements which are indicated above: selection,

appraisal, reward and development as well as the views of organizations regarding the people of their organizations.

2.1.6.2 The Harvard Framework

The Harvard Model of SHRM is developed by the Harvard School of Beer, Spector, Lawrence, Mills, and Walton (1984). The Harvard model has exerted considerable influence over the theory and practice of HRM, particularly in its emphasis on the fact that HRM is the concern of management in general rather than the personnel function in particular (Armstrong, 2006). The model stresses that HRM has to emanate from the central philosophy or a strategic vision of general managers. These pressures have created a need for a longer-term perspective in managing people and consideration of people as potential assets rather than merely a variable cost (Armstrong, 2006). Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its employees – its human resources (Armstrong, & Taylor, 2014).

The model also recognizes the important roles of line managers in SHRM. It ascertains more responsibility for ensuring the alignment of competitive strategy and personnel policies to line managers and the responsibilities of setting policies that govern personnel activities to HR personnel in ways that makes them more mutually reinforcing (Armstrong, 2006). In this regard, the model describes four areas of HR policy to be considered namely human resource flows, reward systems, employee influence, and works systems (Abraraw & Alemayehu, 2016). The outcomes that these four HR policies need to achieve are commitment, competence, congruence, and cost effectiveness.

The model also stated that different stakeholders exist in the organization having different interests. The interest of these stakeholders is related with the objective of management.

Stakeholders that are available in the organization are shareholders, management, employee groups, government, community and unions.

Furthermore, the model stated that SHRM has long-term outcomes. The long-term outcome of SHRM is to develop and sustain mutual trust and improve individual/group performance at the minimum cost so as to achieve individual well-being, organizational effectiveness and societal well-being (Armstrong, & Taylor, 2014).

The Harvard Model is selected in literature review section of this study because one scope of investigation of this research is examination of the SHRM roles of line managers, HR people as well as top management and investigation of the impact of SHRM on organizational performance.

2.1.6.3 The Hard and Soft Model of SHRM

The hard and soft models of HRM are derived from very different intellectual traditions and incorporate diametrically opposite assumptions about human nature and managerial control. The hard and soft model of SHRM distinction was made by Storey (1989 as cited by Armstrong (2006).

The hard version of HRM emphasizes that people are important resources through which organizations achieve competitive advantage. These resources have therefore to be acquired, developed and deployed in ways that will benefit the organization. The focus is on the quantitative, calculative and business-strategic aspects of managing human resources in as 'rational' a way as for any other economic factor (Armstrong, & Taylor, 2014).

Hard HRM focuses on the importance of strategic fit, where human resource policies and practices are closely linked to the strategic objectives of the organization (external fit), and are coherent among themselves (internal fit), with the ultimate aim being increased competitive

advantage (Storey, 1989).

The soft version of HRM on the other hand traces its roots to the human-relations school. It emphasizes communication, motivation and leadership. As described by Storey (1989) it involves 'treating employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality (of skills, performance and so on)' (Armstrong, 2006).

The soft version of HRM assumes that employees will work best and thereby increase organizational performance, if they are fully committed to the organization. The soft version emphasizes that this commitment will be generated if employees are trusted, if they are trained and developed, and if they are allowed to work autonomously and have control over their work (Armstrong, & Taylor, 2014).

The hard and soft versions of HRM show the key distinctions as being whether the emphasis is placed on the human or the resource in managing HR (Abraraw & Alemayehu, 2016). The strategic dimension of the soft model of HRM, in contrast to the hard model, is that control comes through commitment. The common characteristics of the hard and soft model of HRM are that both give weight to a link with strategy and the importance of people (Armstrong, & Taylor, 2014).

Strategic HRM should attempt to achieve a proper balance between the hard and soft elements. All organizations exist to achieve a purpose and they must ensure that they have the resources required to do so and that they must use them effectively (Armstrong, 2006). Under the hard model, control is more concerned with performance systems, performance management and tight control over individual activities, with the ultimate goal being to secure the competitive advantage of the organization. This implies that the individual is managed on a much more

instrumental basis than under the soft model.

The hard and soft models of HRM is selected in literature review section of this study due to the fact that one area of investigation of this research is assessment of the effects of strategic human resource management on organizational performance and hence, the model helps to see modes of control of people behavior under the study organizations.

2.1.7. Roles in Strategic HRM

Strategic Human Resource management is not the activity of a single individual or one department of an organization as described in Harvard Framework. Of course HR department as primary responsible plays critical and greatest role in setting strategic plan and policies of HR management but it requires the role of different actors for implementation. As Armstrong (2006) described top management, front line management, HR director, HR specialist have critical roles to play in strategic Human Resource management. The role of each party has to be interconnected so as to attain the intended objectives of the organization.

2.1.7.1 The Strategic Role of Top Management

Top management is there to provide visionary leadership, define purposes and values and set the direction. Top management develops the overall organizational strategies and ensures that functional strategies including HR are prepared and implemented in ways that provide sustained support to the achievement of the organization goals (Armstrong, & Taylor, 2014).

2.1.7.2 The Strategic Role of Front- Line Managers

HR people can initiate new policies and practices but it is the line that has the main responsibility for implementing them (Armstrong, 2006). As pointed out by Purcell et al, high levels of organizational performance are not achieved simply by having a range of well-conceived HR policies and practices in place. What makes the difference is how these policies

and practices are implemented. That is where the role of line managers in people management is crucial (Armstrong, & Taylor, 2014). Line managers for example can put performance management schemes in practice by carrying out performance reviews.

To promote the role of front-line managers as ‘strategic partners’ it is necessary to involve them in strategic planning activities as members of cross functional project teams and to provide them with the training and development that will enable them to play their part (Armstrong, 2006). As it is argued by Floyd and Woolridge (1997) it is also important line managers actively to participate in the ‘thinking’ as well as the ‘doing’ of strategy (Armstrong, & Taylor, 2014).

Building the capacity of line managers is also crucial for successful implement of HR policies and strategies. People-centered activities such as defining roles, interviewing, reviewing performance, providing feedback, coaching and identifying learning and development needs all require special skills (Armstrong, 2006). It is therefore necessary to train them and build implementation capacity of HRM.

2.1.7.3 The Strategic Role of the HR- Director

HR directors have a key role in strategic HRM. They should be the board or members of the top management team. They are there to envision how HR strategies can be integrated with the organization overall strategy, to prepare strategic plans and to oversee their implementation (Armstrong, 2006). The HR strategies they develop and implement has to be integrated with the organization overall strategy and coherent and mutually supportive (Armstrong, & Taylor, 2014). By doing so, the HR directors make SHRM is adopted in the organization that adds value to the organization.

Although they are professionally competent in HR techniques, their contribution and credibility will depend mainly on their business awareness and skills and their ability to play a full part as members of the top team (Armstrong, 2006).

2.1.7.4 The Strategic Role of the HR Specialists

The HR specialists or executives are strategic partners of HRM. They should ‘impel and guide serious discussion with senior management of how the organization should be organized to carry out the strategy’ (Armstrong, 2006).

They have to jointly assess systematically with operational managers the impact and importance of SHRM practices and their impacts. They have to assess and identify which aspect of the SHRM practices are really aligned with strategy implementation, which ones should receive immediate attention and which ones can wait and which ones, in short, are really linked to performance results (Armstrong, & Taylor, 2014).

These basic assessment questions can be further answered by six questions which are related to shared mindset, competency, consequence, governance, capacity to change and leadership (Armstrong, 2006). To what extent does our organization have the right culture to achieve our goals (Shared mindset), to what extent does our organization have the required knowledge, skills and abilities (Competence), to what extent does our organization have the appropriate measures, rewards and incentives (consequence), to what extent does our organization have the right organization structure, communication systems and policies (Governance), to what extent does our organization have the ability to improve work processes, to change and to learn (Capacity to change) and to what extent does our organization have the leadership to achieve its goals (Leadership).

2.1.7.5 The Specific Strategic Roles of HR

According to Armstrong (2006), any HR specialists in any organization can play three specific strategic roles namely as business partner, innovator, change agent and implementer. Business partner by mean that working alongside business colleagues to align HR and business strategy and manage human resources strategically, innovator by mean that developing integrated HR strategies, change agent by mean that management of transformation and change, and Implementer by mean that getting strategies into action.

2.1.7.5.1 Business Partner

As business partners, HR practitioners share responsibility with their line management colleagues for the success of the organization. As described by Tyson (1985), they have the capacity to identify business opportunities, to see the broad picture and to see how their HR role can help to achieve the company's business objectives. They integrate their activities closely with top management and ensure that they serve a long-term strategic purpose (Armstrong, 2006).

As business partners, HR practitioners are aware of business strategies and the opportunities and threats facing the organization. They are capable of analyzing organizational strengths and weaknesses, and diagnosing the issues facing the enterprise (PESTLE analysis) and their human resource implications. They know about the critical success factors that will create competitive advantage and they can draw up a convincing business case for innovations that will add value (Armstrong, & Taylor, 2014).

2.1.7.5.2 Innovator

As innovator, HR specialist introduces new processes and procedures that will increase organizational effectiveness (Armstrong, 2006). HR becomes an expert in the way that work is

organized and executed (Mellow, 2011).

2.1.7.5.3 Change Agent

As change agent, HR specialist integrate their human resource management policies with their strategies and the strategic change processes (Armstrong, 2006). HR become an agent of continuous transformation that shapes process and culture to improve an organization's capacity to change (Mellow, 2011).

HR practitioners must pay particular attention to managing change when implementing HR initiatives (Armstrong, 2006). HR specialists can manage changes by developing and implementing organizational change, building the organization's capacity to embrace and capitalize on new situations, ensuring change initiatives to be defined, developed, and delivered in timely manner (Mellow, 2011). HR specialist can help the organization plan for and overcome any resistance to change that might present itself (Mellow, 2011).

2.1.7.5.4 Implementer

As implementer, HR strategists have to decide where they want to go and how they mean to get there. The implementation roles of HR specialists can be as delivery business and thinking performers (Armstrong, 2006). As delivery business, they must make things happen and get things done. As thinking performers, they have to think carefully about what they are planning in the context of their organization and within the framework of recognized body of knowledge, and perform their duties effectively in the sense of delivering advice, guidance and services that will help the organization to achieve its strategic goals (Armstrong, 2006). HR becomes a champion for employees, working to increase employee contribution and commitment to the organization (Mellow, 2011).

2.1.8. HR Strategies

The purpose of HR strategy is to capitalize on the distinctive competencies of the organization and add value through the effective use of human resources (Belcourt & Mcbey, 2004). Because all organizations are different, all HR strategies are different (Armstrong, & Taylor, 2014). HR strategies guide the development and implementation HRM programmes. They provide a means of communicating to all concerned the intentions of the organization about how its human resources will be managed. They enable the organization to measure progress and evaluate outcomes against objectives (Armstrong, 2006). HR strategies are not only a guide of HRM programs or activities but also they are standards through which we measure the strategic achievements and contributions of HRM.

SHRM drives its 'strategic' face from the link to wider business strategy and integration between various HR policies, procedures and practices (Millmore et al., 2007). Establishing a strong HR strategy that is clearly linked to the organization's strategy is not enough. HR strategy need to be communicated and practiced, and- perhaps most important-spelled out and written down (Mellow, 2011).

HR strategies can be grouped in to overarching HR strategies and specific HR strategies. Overarching or general strategies are the general intentions of the organization about how people should be managed and developed, what steps should be taken to ensure that the organization to attract and retain the people it needs and how to ensure employees are committed, motivated and engaged (Armstrong, 2006). Specific HR strategies on the other hand refers to specific HR strategies set out what the organization intends to do in specific human resource management aspect such as continuous improvement, resourcing, reward, employee relations, talent management and knowledge management (Armstrong, & Taylor, 2014).

HR strategies produce employee's behavior, skill and knowledge that is required by the organization. Through overarching HR strategies or specific HR strategies such as resourcing strategy, learning and development strategy, strategies for performance management, reward strategy and employee relation strategy, organizations develop required employee's behavior skills and knowledge that help improve the organization effectiveness.

2.1.8.1. Strategies for improving Organizational Effectiveness

Improvement of organizational effectiveness requires strategies of HRM. Organizational effectiveness strategies are the overall objective of strategic HRM (Armstrong, 2006). Strategies for improvement of organizational effectiveness focus on development processes that support the achievement of organizations goals and a positive culture (Armstrong, & Taylor, 2014). An organization cannot thrive unless its employees are committed to and fully engaged in the organization and their jobs (Mellow, 2011).

An effective organization is one that achieves its purpose by meeting the needs of its stakeholders, matching its resources to opportunities, adapting flexibly to environmental changes and creating a culture that promotes commitment, creativity, shared values and mutual trust (Armstrong, & Taylor, 2014).

As described by Armstrong (2006), Strategic HRM addresses the organization-wide process issues relating to organizational development and transformation, culture management, knowledge management, change management, development of a climate of high commitment and trust, quality management, continuous improvement and customer relations. There are no universal prescriptions for the development of strategies (Armstrong, 2006). It is therefore, required organizations to develop an overall organizational effectiveness strategies or objectives that fit to their contexts and environment.

2.1.8.2. Resourcing Strategy

As part of the movement toward strategic HRM, there has also been a call for a systematic approach to attracting and retaining talented, committed employees (e.g., Berger & Berger, 2004; Buckingham & Vosburgh, 2001; Morton, 2004) (Chao, et al. 2011).

HRM is fundamentally about matching human resources to the strategic and operational needs of the organization and ensuring the full utilization of those resources. It is concerned not only with obtaining and keeping the number and quality of staff required but also with selecting and promoting people who ‘fit’ the culture and the strategic requirements of the organization (Armstrong, 2006). This makes resourcing strategies very important and necessary.

Resourcing strategy is a key part of the human resource management (HRM) process (Armstrong, & Taylor, 2014). It ensures that the organization obtains and retains the people it needs and employs them efficiently. The objective of HRM resourcing strategies as expressed by Keep (1989) is to obtain the right basic material in the form of a workforce endowed with the appropriate qualities, skills, knowledge and potential for future training (Armstrong, 2006).

2.1.8.3. Learning and Development Strategy

Learning and development strategy is a crucial human resource capacity development aspect of strategic human resource management. Like other human resource strategies, learning and development strategy it needs to have long-term focus, initiated from the vision of the organizations and linked with the overall organizational strategy. As described by Harrison (2000), strategic HRD is ‘development that arises from a clear vision about people’s abilities and potential and operates within the overall strategic framework of the business’ (Armstrong, 2006). Strategic HRD takes a broad and long-term view about how HRD policies and practices can support the achievement of business strategies. Learning and development strategies established

as part of the overall strategic human resource development approach flow from business strategies and they have a positive role in helping to ensure that the organization attains its goals (Armstrong, & Taylor, 2014).

Learning strategies are concerned with developing a learning culture, promoting organizational learning, establishing a learning organization and providing for individual learning (Armstrong, & Taylor, 2014). It is also about meeting the organization's existing needs, helping the organization to change and develop to thrive and grow (Millmore et al., 2007). Learning and development strategies ensure that the organization has the talented and skilled people it needs and that individuals are given the opportunity to enhance their knowledge and skills and levels of competence (Armstrong, 2006).

As described by Walton (1999), strategic HRD involves introducing, eliminating, modifying, directing, and guiding processes in such a way that all individuals and teams are equipped with the skills, knowledge and competences they require to undertake current and future tasks required by the organization (Armstrong, 2006).

2.1.8.4. Strategies for performance Management

Performance management must have vertical and horizontal integration like other strategies of HRM to achieve organizational success (Millmore et al., 2007). Strategies for managing performance exist to develop a high-performance culture and achieve increased organizational effectiveness, better results for individuals and teams, and higher levels of skill, competence, commitment and motivation. Managing performance is a continuous responsibility of managers and team leaders. High performance cannot be achieved by a once-a-year performance appraisal meeting. There has to be a continuous process of performance planning, performance execution, performance assessment, performance review and performance renewal

and recontracting (Smither and London, 2009). Individual employees are responsible for managing their own performance but may need guidance and support in doing so (Armstrong, 2006)

Strategies for managing performance are concerned with how the performance of the organization should be managed to achieve its goals (Armstrong, & Taylor, 2014). Performance management is an umbrella term to describe not a single activity but a range of activities that may be gathered together to enhance organizational performance (Millmore et al., 2007).

2.1.8.5. Reward Strategy

Reward strategy is a declaration of intent that defines what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its strategic goals and meet the needs of its stakeholders (Armstrong, 2006). As Lawler (1995) argued, the organization reward strategy can make a valuable contribution to the development of employee behaviors (Milmore et al., 2007).

Reward strategy provides a sense of purpose and direction and a framework for developing reward policies, practices and processes. It is based on an understanding of the needs of the organization and its employees and how they can best be satisfied. It is also concerned with developing the values of the organization on how people should be rewarded and formulating guiding principles that will ensure that these values are enacted (Armstrong, & Taylor, 2014).

Reward strategy is underpinned by a reward philosophy that expresses what the organization believes should be the basis upon which people are valued and rewarded. Reward philosophies are often articulated as guiding principles (Armstrong, 2006). As Millmore et al. (2007), described, the reward strategy is increasingly being driven by the overall organization strategy of

the organization, which is shaped by the external and internal environment in which the organization operates.

2.1.8.6. Employee Relations Strategy

Employee relations strategies define the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and their trade unions (Armstrong, & Taylor, 2014). Like all other aspects of HR strategy, employee relations strategies will flow from the organization overall strategy but will also aim to support it (Armstrong, 2006). Implementation of SHRM creates a shift away from industrial relations to employee relations (Millmore et al., 2007) where by employees are treated individually than collectively.

For example, if the business strategy is to concentrate on achieving competitive edge through innovation and the delivery of quality to its customers, the employee relations strategy may emphasize processes of involvement and participation, including the implementation of programmes for continuous improvement and total quality management. If, however, the strategy for competitive advantage, or even survival, is cost reduction, the employee relations strategy may concentrate on how this can be achieved by maximizing cooperation with the unions and employees and by minimizing detrimental effects on those employees and disruption to the organization (Armstrong, 2006). The same applies in the NGO sector. Employee relations strategies have to be formulated and implemented for harmonious and productive relationships.

Employee relations policy express the philosophy of the organization on what sort of relationship the organization want to exist between management and employees (Armstrong, & Taylor, 2014). Thus, if the policy is to increase commitment, the strategy could consider how this might be achieved by involvement and participation processes (Armstrong, 2006).

2.1.9. Barriers to Adoption of Strategic Human Resource Management

Although the concept of strategic HR may make sense logically and intuitively, many organizations have a difficult time taking a strategic approach to HR. A number of reasons contribute to this. The most common barriers for the adoption of strategic human resource management are short - term mentality and focus on current performance, lack of strategic thinking, lack of appreciation of the value of HRM, lack of strategic HR partnership mind, problem of quantification of HR outcomes, perception of people as a higher risk investment than capital assets and costs of investment for HR (Mellow, 2011). Due to these reasons, many organizations are challenged to adopt strategic human resource management approach.

2.1.10. Strategic Human Resource Management Practices

Successful organizations are those which value, develop and nurture their human capital to achieve their organizational goals and objectives. These organizations bring out the best in people by creating a congenial environment where their employees can continue to grow, improve their professional skills, exercise their creativity and derive greater job satisfaction. (Emebet, 2017). In this regard, HR managers are major players in the creation of organizational capacity (Millmore et al., 2007). They make this happen by putting in place SHRM practice that fit to their organization context. The commonly known Strategic human resource management practices of any organizations are strategic recruitment and selection, strategic training and development, strategic employee relations, strategic reward and compensation and strategic performance appraisal.

2.1.10.1. Strategic Recruitment and Selection Practice

Based on the strategic human resource plan, the right people is strategically recruited and selected for the right job. Strategic human resource recruitment and selection is one of a bundle

of human resourcing practices that lies at the very center of human resourcing in organizations (Millmore et al., 2007). Recruitment and selection practice can be developed in support of SHRM to apply strategic leverage in organizations. As Williams and Dobson (1997) argued, where SHRM strategies in general and selection specifically are coherent and aligned to current and future business strategy, personnel selection will make a significant contribution to organizational performance.

Strategic recruitment and selection starts at the vision and works with management in order to build a hardworking, innovative, well-structured business by employing the right people (Mary, 2015).

Though Strategic recruitment and selection is important for the success of the organization, there is limited evidence of the adoption of strategic recruitment and selection by organizations (Millmore et al., 2007).

2.1.10.2. Strategic Training and Development Practice

Training and development can broadly be represented as a planned process designed to improve the current and future capacity of an organization's human resources to work effectively through modifying their skills, knowledge and attitude (Millmore et al., 2007). This is because, like other resources, human resource can deteriorate. Skills and knowledge can become obsolete unless either the individual or the employer invests in further education and training. If these investments in training are not made, and the skills become obsolete, the value of that organization's human resource is decreased (Belcourt & Mcbey, 2004).

To meet the challenges inherent in 21s century work careers and organizations, employees are required to continuously update their knowledge, skills and work habits and the organizations to invest highly in the development of their human capital (Emebet, 2017). Higher

investments in training result in higher-value human capital. Thus, human capital has to be replenished (Belcourt & Mcbey, 2004). The values of employees as a resource must be placed with a strategic framework. Because, a strategy itself can become obsolete, making current employee skills obsolete (Belcourt & Mcbey, 2004).

More recently, the terms training and development has been replaced by human resource development (HRD). Whereas training and development is normally driven by top-down, planned interventions, HRD incorporates, in addition, a greater focus on individual and organizational learning that can give rise to accidental as well as planned changes to the skill, knowledge and attitude base of employees (Millmore et al., 2007).

Strategic human resource development (SHRD) represents the latest extension of the training and development lineage where training and learning are strategically integrated, vertically to an organizations strategic goal and horizontally to other HR activities (Millmore et al., 2007). This moves training and development from a process that is largely directed at solving specific gaps in HR competencies as they are identified to a potentially proactive activity directed at improving corporate effectiveness (Millmore et al., 2007). SHRD has great potential to contribute to organizational effectiveness. SHRD promotes culture of learning and contributes to achievement sustainable competitive advantage.

2.1.10.3. Strategic Reward and Compensation Practice

Like other SHRM practices, reward and compensation has to be linked with the organization strategies. Reward management is concerned with financial and non- financial rewards to employees and embraces the philosophies, strategies, plans and process used by organizations to develop and maintain reward systems (Millmore et al., 2007). As Armstrong

(2002) noted, the five key areas employee's need may be met by non-financial rewards are achievement, recognition, responsibility, influence and personal growth.

Strategic reward management plays an important role in delivering the organization's overall business strategy by creating in employees certain behaviors, the need for which are implied by the business strategy (Millmore et al., 2007). While money has only limited power to motivate, it does have the ability to demotivate employees if they are dissatisfied with the amount they receive or the way in which this amount is determined (Millmore et al., 2007). The purpose of the reward strategy is to assist in producing employee behaviors that are consistent with the organization's business strategy. Pay has the ability to motivate employees to behave in a way in which they may not otherwise behave (Millmore et al., 2007).

2.1.10.4. Strategic Performance Appraisal Practice

SHRM requires more than merely conducting performance appraisal once in a year. Performance management has to be integrated vertically as well as horizontal with the organization overall strategy. Performance management is said to be strategic when it is vertically integrated with the organizations overall strategy and horizontally with other HR strategies (Millmore et al., 2007). If they are properly integrated both vertically and horizontally, they can bring the desired result of organizational success.

There are two major ways in which senior management can enlist the service of performance management activities to underpin the strategic direction of the organization: first, by reinforcing the organization's mission and, second, through closely relating the organization's business objectives to those of the individual (Millmore et al., 2007).

Performance management has a direct role to play in motivation of employee to do the work and do it well and giving the opportunity to use their skill in playing their part in achieving team and organizational success (Millmore et al., 2007).

2.1.10.5. Strategic Employee Relations Practice

Employee relations can be considered as a way of describing a variety of employer policies and practices, which are aimed at improving workplace communications, for engaging employees directly or indirectly in decision-making and for securing employee compliance with management rules through disciplinary action (Millmore et al., 2007). The aim is to create a climate in which productive and harmonious relationships can be maintained through partnerships between management and employees and their trade unions (Armstrong, 2006). Employee relation is closely associated with SHRM and is often defined as an individual relationship between employer and employee (Millmore et al., 2007).

A central element of SHRM is the achievement of strategic integration. Strategic integration relates to linking HR policy choices with different types of business strategy. One of the most effective ways of integrating HR and corporate strategy is through the management of the employment relations (Millmore et al., 2007). As Marchington (2001) described, employee involvement and participation is seen as playing a central role in SHRM and is regarded as playing a central role in the development of high-performance work systems (Millmore et al., 2007). The key tool used by employers in managing employee relations is often employee involvement and participation (Millmore et al., 2007).

Organizational commitment is SHRM's core. It is the central features that distinguish SHRM from traditional personnel management/industrial relations approaches. The soft view of SHRM is concerned with the full utilization of human resource for the benefits of the

organization (Millmore et al., 2007). Employee relation management plays its critical role of achieving organizational goals through realizing organizational commitment from employee side.

2.1.11. Organizational Performance Concept in NGOs

Organizational performance is the most widely used dependent variable in much organizational research but it remains one of the vaguest and most loosely defined constructs (Rogers and Wright, 1998). As a result, there is no common theory concerning organizational performance. The focus of attention of the construct is concerned almost entirely on the financial measure of performance (Wubishet, Belay & Megersa, 2018).

In the NGO context, Performance of NGOs has been defined by Yuchtman and Seashore (1967), Pfeffer and Salancik (1978), Kanter and Summers (1987) as the demonstrated ability of the NGO to acquire the necessary resources for organizational survival. In this regard, Human resource is considered as key resource of any organizations. Nevertheless, acquiring the necessary resources for survival is not the only dimension of measuring NGOs performance. Kareithi and Lund (2012) argued that the primary mission of these NGOs is focused on goals desired by their targeted beneficiaries and their communities, so the performance of these organizations should be assessed by their effectiveness and efficiency to achieve mutually identified social goals. Carman (2007) saw that the most utilized performance indicators by NGOs incorporate efficiency, effectiveness, fundraising, costs, audits and beneficiaries' satisfaction.

More generally the concept of organizational performance in NGO is defined from two perspective namely from Non- Financial perspective as well as Financial perspective.

From non-financial performance point of view, organizational performance of NGOs is

defined in terms of what is produced as a result of an NGO's services such as improved conditions for the immediate targeted beneficiaries (Outcomes), best utilization of non-financial resources (staff, equipment, time) acquired for the achievement of the programs desired outputs or facilities (Non-Financial Efficiency), the ultimate direct or indirect long-term public value/effect that the NGO wishes to create for a community as a consequence of its programs and services (Impact), networking and collaborating with other entities to support an NGO intervention(Partnership) and quality of the services provided by an NGO to its clients (Quality)(Ramadan and Borgonovi, 2015).

On the other hand, from financial performance point of view, organizational performance of NGO is defined in terms of the organization ability to identify sources of fund and access to them(Fund Raising Efficiency), preparation and declaration of financial information and reporting concerning NGOs programs and services to ensure honesty integrity and accountability (Financial Transparency) and best utilization of financial resources acquired for the achievement of the programs desired outputs or facilities (Financial Efficiency)(Ramadan and Borgonovi, 2015).

Based on different research findings, it has been increasingly clear that SHRM is an important component that can impact on organizational effectiveness leading to improved organizational performance.

2.2. Empirical Literature Review

According to Schuler (1998), HRM activities is regarded as strategic when the organization's philosophy, policies, programs, practices, HRM processes and strategic needs are systematically linked. The basic two types of integrations mentioned in literatures are SHRM vertical integration and SHRM Horizontal integration. SHRM Vertical fit is an alignment of

HRM and strategy at the top-level process of the organization in which HRM is aligned with organization mission and objectives (Soomro & Firoz, 2018). The focus of such alignment at the top level of the organization is to differentiate an organization from its competitors and achieve competitive advantages. SHRM horizontal integration on the other hand is concerned about an alignment of HRM policies and practices within and outside HRM hierarchy. In this regard, HRM policies and practices are aligned each other and their core objective is to derive employee's behavior and achieve better organizations results. Outside the HRM hierarchy, HRM policies and practices are business driven where their key focus is to create an alignment in between HRM and organization structure to generate synergetic results. Integration of HRM and strategy have been theorized under SHRM theories of resource-based view, universalistic theory and fit theoretical approach (Soomro & Firoz, 2018).

Empirically, even though extensive studies on SHRM fit were conducted, the focus of studies was, how HRM and organization strategy can be fit with each other instead of their categorization under fit dimensions (Soomro & Firoz, 2018). Generally, studies made on SHRM fit indicated that the more HRM is vertically integrated, the greater increase in competitiveness, competitive position and survival of the organization and the more the HRM is horizontally integrated and coherent, the greater the organization achieve competitive position (Jacques, 2000).

As far as the relationship between SHRM and Organizational performace is concerned, published research generally reports that there is statistically positive relationship between strategic human resource management and organizational performance. Sector wise, findings of the studies are quite different. Researches done in the business sector for example indicated that strategic human resource management and business performance are positively associated

(Besma, 2014). Similarly research done in the health sector have also confirmed that strategic human resource management practices and organization resilience are positively related (Sura, 2019). In the same way, research made by Siphon (2012) in South Africa has also recognized the importance of adoption of strategic human resource management in the public sector due to the fact that the public sectors are not free from competitive challenges. But the research done in the pharmaceuticals manufacturing companies did not show similar results as those conducted in the banking industry. The study made by Eskinder (2013), did not show the existence of SHRM practice in the pharmaceutical manufacturing companies and the practices that were in use were not in a bundle and therefore, their fit and integration effect was found to be not generalizable.

Concerning researches conducted in the NGO sector, few researches have been found in United States, India, Kenya and Bangladesh. The studies have shown positive relationship between strategic human resource management and organizational performance. For example, the study made by Mathew (2016) in India revealed that the more the linkage between SHRM and organizational performance through strategic means, the greater will be the organizational outcome. This finding was also confirmed by the study made by Hussein (2008) in Kenya. The study finding revealed that SHRM had strong relevance to organizational performance (Hussein, 2008). The study made by Aatur and Sadrul (2018) regarding the effect of strategic HRM practices on perceived financial performance of Non-Governmental organizations, it showed a positive and statistically significant effect.

From all these empirical review we can understand that strategic human resource management can be adopted by different organizations such as business, NGO and Public sectors and the results of the studies have shown that strategic human resource management and organizational performance are positively associated.

Apart from general study on the impact of SHRM on organizational performance, the effects of specific strategic human resource management practices on organization performance have been studied by different researchers. The findings of the researches are quite different. In this regard, researches do not show consistent result. In some researches, while strategic human resource management practices bring positive result in combination, individual element of the SHRM practices resulted negative or none significant effect on organizational performance (Ataur & Sadrul 2018; Wubishet, Belay & Megersa, 2018). Empirical evidences regarding the relationship between individual strategic human resource management and organizational performance is discussed here under the heading of each strategic human resource management practices.

2.2.1 Strategic Recruitment and Selection and Organizational Performance

A study made by Ataur and Sadrul (2018) indicated that strategic recruitment and selection practice is a major strategic human resource management practice that leads to improved organization performance. This finding of this study is also asserted by other similar researches. The study made by Murat & Michael (2019) indicated that there is a significant positive relationship between strategic recruitment and selection and organizational as well as employees' performance. In Shimels (2012) case, the level of effect of strategic recruitment and selection on organizational performance is very strong. Even though effective recruitment and selection leads to competitive advantage and high performance of organizations, the study made by Wubishet, Belay and Megersa (2018) on the other hand showed no significant effect on organizational performance.

Even though there is variation in empirical evidence regarding the impact of strategic recruitment and section on organizational performance, as “Universalistic” theory suggest, in

order to gain improved organizational performance, organizations has to adopt a certain SHRM best practices and these SHRM practices has to be congruent with the organization context according to “configurational” theory (Delery, & Doty,1996). That is the HRM system of the organization has to achieve both vertical and horizontal fit. From these theoretical and empirical evidences we can understand that strategic human resource management practice and organizational performance are related and this relationship is achieved partly from the contribution of strategic recruitment and selection practice. It is thus, there is strong empirical evidence that strategic recruitment and selection has effect on organizational performance.

H1: Strategic Recruitment and selection has positive effect on organizational performance.

2.2.2 Strategic Training and Development and Organizational performance

Concerning training and development, the study of Singh (2004) demonstrated that training and development led to employee performance and hence it increased organizational performance. Research by Aragon and Valle (2013) into the impact of training on the performance of managers established that firms that train their managers obtain better results than those that do not, and that the intensive training contributes to improved performance (Armstrong, & Taylor, 2014). In banking sector, training and development practices has also strongly contributed for the profitability of the bank (Shimels, 2012). Similarly, the study made by Aatur and Sadrul (2018) in the NGO sector indicated that all the training and development issues positively affected the organizational performance in the same way. Contrary to this result, the study made by Wubishet, Belay, and Megersa (2018), showed that training and development has shown non-significant effect on organizational performance in the manufacturing sector.

Even though there is variation in empirical evidence regarding the impact of strategic training and development on organizational performance, as “Universalistic” theory suggest, in order to gain improved organizational performance, organizations has to adopt a certain SHRM best practices and these SHRM practices has to be congruent with the organization context according to “configurational” theory (Delery, & Doty,1996). That is the HRM system of the organization has to achieve both vertical and horizontal fit. From these theoretical and empirical evidences we can understand that strategic human resource management practice and organizational performance are related and this relationship is partly achieved from the contribution of strategic training and development practice. This indicates that there is strong empirical evidence that there is relationship between strategic training and development and organizational performance.

H2: Strategic Training and development has positive effect on organizational performance.

2.2.3 Strategic Reward and Compensation and Organizational performance

Regarding the relationship between strategic reward and compensation and organizational performance, the study made by Ataur and Sadrul (2018) showed that reward management issues have brought positive affect on organizational performance. In this regard, the study made by Teferi (2017) discovered that both intrinsic and extrinsic rewards have shown positive effects on organizational performance. The study made by Kehinde (2012) further revealed that compensation strategy has the potential beneficial effects of enhancing workers’ productivity and by extension improving the overall organizational performance. Consistently, the result of study made by Wubishet, Belay & Megersa (2018) have shown that strategic reward and compensation has positive effect on organizational performance in isolation. But in Shimels (2012) case, strategic reward and compensation has moderately contributed to the profitability of the bank.

Even though there is variation in empirical evidence regarding the impact of strategic reward and compensation on organizational performance, as “Universalistic” theory suggest, in order to gain improved organizational performance, organizations has to adopt a certain SHRM best practices and these SHRM practices has to be congruent with the organization context according to “configurational” theory (Delery, & Doty,1996). That is the HRM system of the organization has to achieve both vertical and horizontal fit. From these theoretical and empirical evidences we can understand that strategic human resource management practice and organizational performance are related and this relationship is achieved partly from the contribution of strategic reward and compensation practice. This is also shows that there is still empirical evidence showing that strategic reward and compensation and organizational performance are related.

H3: Strategic reward and compensation has positive effect on organizational performance.

2.2.4 Strategic Performance Appraisal and Organizational Performance

Concerning the relationship between strategic performance appraisal and organizational performance in the NGO, the study made by Aatur and Sadrul (2018) indicated that performance management issues positively affected organizational performance. In this regard, performance appraisal have shown significant effect on organizational performance in the study made by Tahsidari & Shahnaei, (2015). Similarly, the study made by Samwel (2018) revealed that there is a significant relationship between performance management and organizational performance. This study result is not different from study made by Wubishet, Belay & Megersa (2018). According to Wubishet, Belay & Megersa (2018) study, strategic performance appraisal has shown positive effect on organizational performance in isolation. But in Shimels (2012) case, strategic performance appraisal has moderately contributed to the profitability of the bank.

Even though there is variation in empirical evidence regarding the impact of strategic performance appraisal on organizational performance, as “Universalistic” theory suggest, in order to gain improved organizational performance, organizations has to adopt a certain SHRM best practices and these SHRM practices has to be congruent with the organization context according to “configurational” theory (Delery, & Doty,1996). That is the HRM system of the organization has to achieve both vertical and horizontal fit. From these theoretical and empirical evidences we can understand that strategic human resource management practice and organizational performance are related and this relationship is achieved partly from the contribution of strategic performance appraisal practice. This empirical result also shows that there is relationship between strategic performance appraisal and organizational performance.

H4: Strategic Performance appraisal has positive effect on organizational performance.

2.2.5. Strategic Employee Relations and Organizational Performance

In most strategic human resource management studies, four SHRM practices are commonly used as strategic human resource management practices (Ataur & Sadrul, 2018). These are strategic recruitment and selection, strategic training and development, strategic reward and compensation, strategic performance appraisal. But study made by Emebet (2017) added one more strategic human resource variable (SHRM practice) in addition to those mentioned above which is strategic employee relations. In this study, the finding indicated that employee relation don't have effect on organizational performance. In contrary to this result, study made by Wangila and David (2019) indicated that strategic employee relations and organizational performance are positively related. As Wangila and David (2019) study showed good employee relation is the source of highly committed, motivated and loyal employees and it is therefore contributes to improved organizational performance. That is organizations cannot

perform better and achieve its objectives if there is a bad relationship between employees and employer.

Even though there is variation in empirical evidence regarding the impact of strategic employee relations on organizational performance, as “Universalistic” theory suggest, in order to gain improved organizational performance, organizations has to adopt a certain SHRM best practices and these SHRM practices has to be congruent with the organization context according to “configurational” theory (Delery, & Doty,1996). That is the HRM system of the organization has to achieve both vertical and horizontal fit. From these theoretical and empirical evidences we can understand that strategic human resource management practice and organizational performance are related and this relationship is partly achieved from the contribution of strategic recruitment and selection practice. It is thus, there is strong empirical evidence that strategic employee relations and organizational performance are related.

H5: Strategic employee relations has positive effect on organizational performance.

2.3. Summary of Hypothesis

. The main aim of the study was to gain insight about the strategic human resource practices and their effects on organization performance in NGO context. In most strategic human resource management researches, it has been reported that strategic human resource management practices have positive effect on organizational performance. For this particular research purpose, the relationship between strategic human resource management and organizational performance is hypostasized that:

H1: Strategic Recruitment and Selection has positive effect on Organizational Performance.

H2: Strategic Training and Development has positive effect on Organizational Performance.

H3: Strategic Reward and Compensation has positive effect on Organizational Performance.

H4: Strategic Performance Appraisal has positive effect on Organizational Performance.

H5: Strategic Employee Relations has positive effect on Organizational Performance

2.4. Conceptual Framework

The conceptual framework of this research is developed by intending to assess the SHRM practices of NGOs (CCRDA and its member organizations) and analyze their effect on organizational performance. The conceptual framework is developed based on specific SHRM practices identified by Ataur and Sadrul (2018) and Emebet (2017) discussed above. According to Ataur and Sadrul (2018) and Emebet (2017), SHRM includes strategic recruitment and selection, Strategic training and development, strategic reward and compensation, strategic performance appraisal and strategic employee relations.

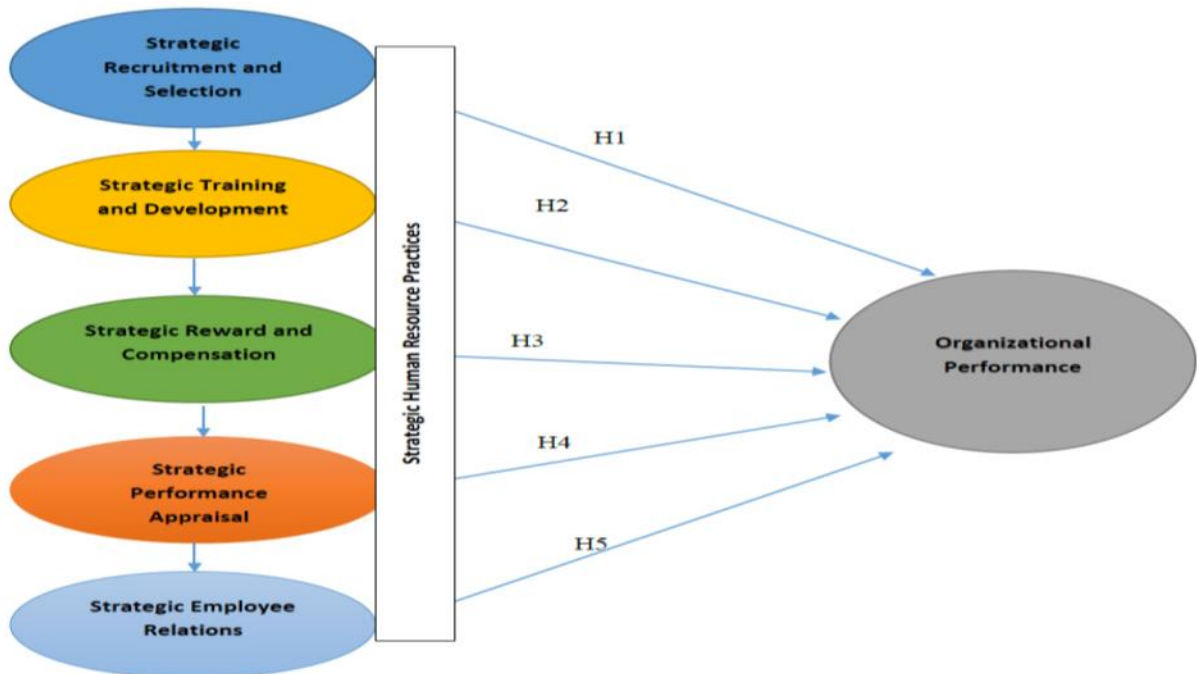


Figure 1. Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the research methodology of the study. It spells out the research setting, research approach, research design, data source and type, population, sampling, data collection instrument design, and data collection procedure applied. It also includes measures taken to ensure scale reliability and validity. The chapter ends with a brief description of the ethical considerations and methods of data analysis that were used in the study.

3.1 Research Setting

The study was made in Addis Ababa on selected Non-Governmental Organizations. The study is aimed to assess the SHRM practices of CCRDA and its member organizations and analyze their effects on organizational performance as NGO. By employing both descriptive research design and inferential statistics, the study analyzed the SHRM practices of the NGOs and analyzed the extent to which the HRM practices are aligned vertically with vision, mission, values, strategic objectives and HRM strategies and horizontally with SHRM practices. The study was also examined the effect of SHRM on organizational performance.

3.2 Research Approach

The research approach applied is mixed research approach. The approach is chosen by aiming to get most out of the two research approaches in the assessment of SHRM and their effects on organizational performance. Mixed research approach is selected because the nature of the research demands the use of both quantitative and qualitative approach.

Quantitative approach involves generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). In qualitative approach on the hand the researcher is concerned with subjective assessment of

attitudes, opinions and behaviors (Kothari, 2004). Such an approach to research generates results either in non- quantitative form or in the form which are not subjected to rigorous quantitative analysis. Accordingly, quantitative data of the research analyzed in formal and rigid fashion while qualitative data of the research is analyzed in non –quantitative form. Mixed research approach in this research setting helped to collect and analyze data from variety of sources and ensure the reliability and validity of the finding of the research using qualitative and quantitative data.

3.3 Research Design

According to Kothari (2004), a research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money.

Accordingly, in reference to the objective of the research to assess the strategic HRM practices and their effects on organizational performance of CCRDA and its member organization, both descriptive and explanatory research design were used.

Descriptive research design was selected because, as Singh (2006) suggested, descriptive way of research method is appropriate when the objective is fact finding and to describe facts and events happened in the previous times (Belete, 2014). In this type of research, the researcher has no control over the variables and he or she can only report what has happened and what is happening (Kothari, 2004). Explanatory research design on the other hand was used to analyze the relationship between strategic human resource management and organizational performance. Qualitative research design of the research is interview study.

It is, therefore, the study used both descriptive research design and inferential statistics to meet the intended purpose of the research and uncover and describe facts about the strategic HRM practices of CCRDA and its member's organizations which include strategic recruitment and selection practices, strategic training and development practices, strategic reward and compensation practices, strategic performance appraisal practices and strategic employee relations practices and analyze their effects on organizational performance.

3.4 Population and Sample

3.4.1 Population of the study

The unit of analysis in this study are non- governmental organizations. This represents CCRDA and its 369 member's organization (CCRDA, 2018). Altogether, the total population of the study is 370 organizations including CCRDA (369 member organizations and 1 umbrella organization CCRDA). Out of 369 member organizations of CCRDA, 70 % (259) are local NGOs (Ethiopian Resident charities) and the rest 30 % (109) are International NGOs (Foreign Charities) (CCRDA, 2018). Some of the members based their head quarter in Addis Ababa while others based in different regions. From 370 total population, sample units of analysis comprising of both local NGOs (Ethiopian Resident charities) and International NGOs (Foreign Charities) were selected for the study due to heterogeneity nature of the population.

3.4.2 Sample Size Determination

Sample size determination is one of the critical activities of a research. The sample size of the study must be representative of the population. Determination of sample unit is necessary before selecting a sample. According to Kothari (2004), an optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility.

The sample units of this research are local NGOs (Ethiopian Resident charities) and International NGOs (Foreign Charities). The sample units were selected from the CCRDA forums. Depending on work areas of engagement, CCRDA established 8 forums to serve as platform of learning and sharing of experiences among members (CCRDA, 2018). The forums were formed based on core thematic areas of development works. The forums are Women, Children and Youth Development Forum, Water and Sanitation Forum, HIV/AIDS Forum, Food Security and Environment Forum, Urban Development Working Group, Leadership Forum, Health Forum and National NGOs Humanitarian Forum. Both local and international NGOs can be a member of one or more of these forums based on their interests. A forum having both local and international NGOs representation is selected as a sample. The health forum has 60 active members of which 37 are local NGOs while 23 are international NGOs. All the Local and international NGOs in the health forum were selected as a sample. In addition, CCRDA is selected directly by default purposively as a sample because it is an entry point for the entire research and organizer of the forum. The sample size of 60 NGOs account 16% from 370 total population of the study.

3.4.3 Sampling Design

The sampling design of the research is probability sampling design which is based on random selection. From the total 8 forums established by CCRDA, a random sample of one forum was selected for the study. The sampling unites were selected using stratified sampling technique because the population is not homogeneous. The population has two groups of strata, local and international NGOs. It is therefore, stratified sampling technique is chosen. Under stratified sampling the population is divided into several sub-populations that are individually more homogeneous than the total population (Kothari, 2004). Accordingly, the health forum

have both local and international NGOs.

From these strata, respondent groups were selected representing 4 respondents (HR-Directors, Front-line managers, top management representatives and HR executives) from each organization of both local and international NGOs using sampling frame developed for the research purpose. These groups of respondents were purposively selected because as indicated in literature review, they are the key people who involve in strategic human resource management process from strategy design up to implementation, monitoring and evaluation. Hence, they have necessary information to describe about their organization strategic human resource management practices. Accordingly, the respondents selected are 60 top management member, 60 HR-Directors, 60 Front-Line managers and 60 HR specialists totally, 240 respondents. 60 respondents from each category were selected because the total number of active member organizations of the forum are 60 NGOs including CCRDA. CCRDA itself is one of the local NGOs operating in Ethiopia.

Table: 3.1

Sample Distribution

Ser. No	Type of NGOs	CCRDA Members	NGOs in Health forum	Respondents (4 respondents from each strata)
1	Ethiopian Resident Charities (local NGOs) including CCRDA	259	37	148
2	Foreign Charities (International NGOs)	109	23	92
	Total	369	60	240

3.5 Data Sources and Types

Mainly primary data were collected to assess the SHRM practices of the NGOs. Primary data were collected through structured survey questionnaire from top management members, HR- Directors, frontline managers and HR specialist. Interview data were also collected from CCRDA and its member's organizations HR directors. Secondary data accessed from CCRDA library have also been referred and used for the study.

3.5.1 Quantitative Study Instrument and its Validation Process

The quantitative study instrument that was used in this research is structured survey questionnaire. Because of lack of a consistent and unified research instrument applicable of measuring SHRM practices and their effects on organizational performance in the NGO sector, the researcher has customized research instrument in reference to objective of the study by reviewing various literatures and previously used research instruments. Instruments viewed were the one that passed through appropriate validation process, consulted experts in the field for review and tested through pilot study. Accordingly, the instrument is framed in the way it measures vertical integration of SHRM strategies, policies and practices with the vision, mission, strategic objectives and values of the organization, consistency and congruence of SHRM practices (Horizontal integration) and evaluate the strategic roles of Human Resource management unit/ department in SHRM.

As far as SHRM's effect on organizational performance is concerned, balanced scorecard framework adapted by Kaplan for NGO (Mohammed & Elio, 2016) was used to develop the organizational performance dimension of the research instrument. SHRM by its very nature is diverse and hence it requires different measurement instrument for measuring strategic contribution of HRM which is consistent with the industry context (Business sector, public sector

or NGO sector).

Table 3. 2
Summary of Measures

SHRM Dimensions	Item Source	No. of Items
Strategic Recruitment and selection practice	Ataur and Sadrul, 2018, Emebet, 2017 and Soomro & Firoz , 2018	8
Strategic Training and Development practice	Ataur and Sadrul, 2018, Emebet, 2017 and Soomro & Firoz , 2018	8
Strategic Reward and compensation practice	Ataur and Sadrul, 2018, Emebet, 2017 and Soomro & Firoz , 2018	8
Strategic Performance Appraisal practice	Ataur and Sadrul, 2018, Emebet, 2017 and Soomro & Firoz , 2018	7
Strategic Employee Relations practice	Ataur and Sadrul, 2018, Emebet, 2017 and Soomro & Firoz , 2018	8
Organizational Performance	Mohammed & Elio, 2017	18
		60

Before conducting the actual research, some more HRM experts and HRM professionals were consulted and pilot study was made on few possible organizations to check further the validity and reliability of the quantitative study instrument. Data collection instrument revision was made based on expert advice and pilot study result. Cronbach’s coefficient of alpha was used check adequacy and reliability of the instrument to measure the construct. The Cronbach’s alpha result of the study is 0.84.

3.5.2 Qualitative Study Instrument and its Validation Process

The qualitative study instrument of this study is structured interview. As Kothari (2004) described, structured interview is often used in descriptive studies as technique of data collection because of being more economical, providing a safe basis for generalization and requiring relatively lesser skill on the part of the interviewer. Such interviews involve the use of a set of

predetermined questions and of highly standardized techniques of recording. Thus, the interviewer in a structured interview follows a rigid procedure laid down, asking questions in a form and order prescribed (Kothari, 2004).

Structured interview is selected for this research by aiming to correlate and cross check the reliability of the response collected using survey questionnaire. The structured interview data collection instrument is also chosen by aiming to add detailed explanations regarding strategic human resource management practices of the organizations which cannot be included in the survey questionnaire and back up the responses of the respondents and triangulate the results with each other. Similarly, quantitative study instrument were passed through appropriate validation process through HRM expert and HRM professional advice and pilot study in very few organizations. The qualitative data collection instrument of this research is the original work of the researcher which is developed in reference to literatures and the objective of the research.

3.6 Data Collection Process

The survey questionnaire first distributed to some selected NGOs for piloting. After testing and checking the validity and reliability of the research instruments, questionnaire were distributed to the final research participants through email to 240 respondents by both the researcher and forum leader and interview sessions were scheduled through phone to selected 10 HR directors by the researcher. 5 Ethiopian resident charity organization (local NGOs) and 5 foreign charity organization (International NGOs) were selected from 60 NGOs for interview. Altogether 10 HR- directors were interviewed from both type of NGOs as key leader for the execution of the HR activities of the organizations. While the CCRDA HR-director purposively selected for interview, other HR- directors of the CCRDA member organizations were randomly selected. CCRDA is purposively chosen because it is an entry point of the study and organizer of

the NGO association. Few interview were held to avoid redundancy and complexity and ensure convenience and appropriateness of the data for analysis in inconsideration to time constraint.

The completed questionnaire and the interview responses are then summarized in the way convenient for data presentation and analysis.

3.7 Scale Validity and Reliability

Measurement should be precise and unambiguous (Kothari, 2004). By measurement we mean the process of assigning numbers to objects or observations, the level of measurement being a function of the rules under which the numbers are assigned (Kothari, 2004). Sound measurement must meet the tests of validity, reliability and practicality (Kothari, 2004).

This research used Likert-type scales to measure the response of the respondents. In a Likert scale, the respondent is asked to respond to each of the statements in terms of several degrees, usually five degrees of agreement or disagreement (Kothari, 2004). Hence, a five degree agreement or disagreement Likert scale is used to measure responses of the respondents in this research for data collected through survey questionnaire.

3.7.1 Validity

According to Kothari (2004) validity indicates the degree to which an instrument measures what it is supposed to measure.

To ensure content validity of the scale, the researcher included adequate coverage of the topic under the study in the measurement instrument. All relevant issues that help to elicit the practice of Strategic Human Resource Management have been incorporated in both survey questionnaire and structured interview under the topic Strategic recruitment and selection, strategic training and development, strategic employee relations, strategic performance appraisal and strategic reward and compensation management. Consultation of previously used

researchers' data collection instrument for similar research topics and exhaustive consultation of SHRM literatures has played its greater role in ensuring content validity and the measurement instrument to meet standard of SHRM practices. By doing this, the measurement insured content validity and contained a representative sample of the universe (strategic Human Resource management practices).

Concerning meeting criterion validity, the measurement instrument contained information which is relevant, reliable, available and gave each subject an equal opportunity to be scored well (free from bias) for empirical estimation purpose. The instrument encompassed information only appropriate, meaningful and useful information to measure the strategic human resource management practices and their effects on organizational performance in NGO environment for data collected from key informants (top level managers, HR executives, front line managers and HR specialists) through survey questionnaire and structured interview.

3.7.2 Reliability

Reliability is concerned with accuracy and precision of a measurement procedure. According to Kothari (2004), a measuring instrument is reliable if it provides consistent results. If the quality of reliability is satisfied by an instrument, then while we are using it we can be confident that the transient and situational factors are not interfering. To ensure the reliability of the measurement instrument of the research, the researcher has broadened the sample of items of the data collection instrument, conducted the data collection by himself and forum leader to avoid measurement variation from group to group due to different data collectors and standardizes the conditions under which the measurement takes place by distributing similar data collection instrument to all respondents which is typed by computer through email. Reliability of the scale is assessed through Cronbach's coefficient alpha to check inter-item correlations.

3.8 Ethical Considerations

This research is undertaken in line with commonly accepted research ethics and principles. Consent, information, voluntariness, privacy and deception principles were the ethical considerations that this research strictly adhered in all the research process. These ethical issues were duly respected during data collection, analysis and presentation of the research report. Participants were involved in the research voluntarily with consent. The subjects were provided information about the purpose and possible use of the research. Confidentiality of the information provided by the participants and autonomy of the respondents were duly respected and assured to the research participants.

3.9 Method of Data Analysis

Before data analysis begins, data preparation activity was carried out. The data preparation activity includes data coding, which is the process of converting data in to numeric unit. The measurement item indicated in the structured survey questioner in 5 point Likert scale is coded from 1 to 5 which indicate the respondent response from strongly disagree to strongly agree. Coded data then entered directly entered into a statistical program SPSS or spreadsheet. Finally, data analysis result was presented through tables.

As indicated in the objective of the study, the key variables to be analyzed in this research are Strategic Human Resource Management Practices and their effects on organizational performance. The SHRM practice analyzed were strategic recruitment and selection, strategic training and development, strategic employee relation, strategic reward and compensation, and strategic performance appraisal.

These variables of the study were measured and presented through both quantitative and qualitative analytical model and techniques. It is because, both qualitative and quantitative type

of data were collected from respondents. Data collected from HR- Executives through structured interview were analyzed through qualitative data analysis method whereas data collected from top management members, HR-Executives, Front- line managers and HR specialists through structured survey questioner were analyzed using qualitative data analysis method.

As statistical model, the research employed statistical and non-statistical data and these data were analyzed using both descriptive and inferential statistics. The statistical techniques that were used were frequency distribution, central tendency, dispersion, correlation and regression.

To see the relationship between strategic human resource management practices and organizational performance, correlation and regression analysis were used with the help of Statistical Package for Social Science. Pearson's correlation technique and multiple regression analysis were used to establish the relationship between SHRM practices and organizational performance of CCRDA and its member organizations.

The regression is calculated using the basic regression model as follows:

Model Specification

$$OP(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

OP = Organizational Performance of CCRDA and its member organizations;

β_0 = Model constant;

$\{\beta_i; i=1,2,3,4,5\}$ = The coefficients representing the various independent variables;

X1= strategic recruitment and selection;

X2= strategic training and development;

X3= strategic reward and compensation;

X4= Strategic Performance Appraisal;

X5= Strategic employee relations

OP(Y) = Organizational Performance; e is the error of prediction.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

This chapter presents the data analysis, presentation and interpretation of the findings of the study in reference to the objective of the study. The main aim of the study was to gain insight about the strategic human resource management practices and their effects on organization performance of Non- Governmental organizations. To this effect, CCRDA and its selected member organization were studied. The findings of the study were presented using tables.

4.1 Response Rate Result

The study was planned to collect data from CCRDA and all its active members of the Health and HIV forum comprising of 37 active local NGOs and 23 international NGOs. Actually, data were collected from 48 NGOs of which 31 are local NGOs while 17 are international NGO. The reason of it is that only 48 NGO representatives have returned a completed survey questionnaire. In terms of the number of questionnaire distributed, from the total 240 questionnaire distributed, 192 questionnaire were returned from 48 NGOs of both local and international NGOs (48 top management members, 48 frontline managers, 48 HR- directors and 48 HR- Specialists). This shows 80% rate of return.

According to Mugenda (2003), for research data analysis and reporting, response rate of 50% is adequate; response rate of 60% is good and response rate 70% and above is very good. Accordingly, response rate of 80% of this research can be regarded as very good rate of return and therefore, it is amenable to the data analysis. Data collection was done using existing structure of CCRDA. Coordinator of the forum has engaged in the data collection process and helped for the good rate of return.

4.2 Reliability Test Result

Reliability of the scale was tested using Cronbach's coefficient alpha by the help of SPSS. Cronbach's coefficient alpha test was done to check the inter-item correlations and measure internal reliability of the constructs. The commonly accepted value of Cronbach's alpha is 0.7 and above (Hair et al., 2003). Accordingly, the Cronbach's alpha result of the study is 0.84 which is in acceptable range. Cronbach's coefficient alpha result of the research is shown in the table-4.1 below.

Table 4.1
Reliability Test Results

No.	SHRM Dimensions	Cronbach's Alpha	No. of Items
1	Strategic Recruitment and Selection practice	.805	8
2	Strategic Training and Development practice	.839	8
3	Strategic Reward and compensation practice	.919	8
4	Strategic Performance Appraisal practice	.721	7
5	Strategic Employee Relations practice	.933	8
7	Organizational Performance	.963	18
		0.841	60

Source: Researcher survey data output (2020)

As the table 4.1 above indicates, the Cronbach's alpha coefficient of strategic recruitment and selection practice, strategic training and development practice, strategic reward and compensation practice, strategic performance appraisal practice is 0.805, 0.839, 0.919, 0.721 and 0.933 respectively. Whereas the Cronbach's alpha coefficient of organizational performance is 0.963. As it can be inferred from the table, the Cronbach's alpha coefficients of each variables of study are above the commonly accepted value of Cronbach's alpha (0.70). The inter-item correlations of all variables are also strong and positive. It is therefore, the measurement

instrument is reliable for measuring the construct.

4.3 Demographic Characteristics

Table: 4.2
Demographic Characteristics of Respondents

Demographic Characteristics		Frequency	Percent
Sex	Male	114	59.4
	Female	78	40.6
	Total	192	100.0
Age	26-35 years	66	34.4
	36-45 years	42	21.9
	46-55 years	51	26.6
	56-65 years	33	17.2
	Total	192	100.0
NGO work experience	0-5 years of service	12	6.3
	6-10 years of service	45	23.4
	11-15 years of service	52	27.1
	>= 16 years of service	83	43.2
	Total	192	100.0
Educational level	BA degree	55	28.6
	MA degree	115	59.9
	PHD	22	11.5
	Total	192	100.0

Source: Researcher survey data output (2020)

The table-4.2 shown above indicates the demographic characteristics of respondents of the research. Demographic data set of the research comprised of sex, age, work experience, educational level and job categories of respondents. The descriptive analysis of the demographic data shows that 114 (59.4%) of the respondents are male while 78 (40.6%) of the respondents are female. This implies that majority of the respondents of the study are male senior managers of the organizations. Age wise, 51(26.6 %) of the respondents are between the ages of 26-35, 42 (21.9%) of the respondents are between the ages of 36-45, 66 (34.4 %) of the respondents are

between the age of 46-55 and 33 (17.2 %) of the respondents are between the ages of 56-65. The two age bracket of 46-55 and 56-65 accounts 99 (51.6%) of the respondent which is slightly more than half of the total respondent. This implies that more matured people holding higher managerial position has responded to questioner distributed.

In terms of work experience in the NGO sector, 12 (6.3%) of respondents have 0-5 years of experience, 45 (23.4 %) of respondents have 6-10 years of experience, 52 (27.1%) of respondents have 11-15 years of experience, and 83 (43.2 %) of respondents have greater than 16 years of experience in the NGO sector. This implies that great majority of the respondents have ample work experience of the NGO sector in general and the human resource practice of their organization in particular. It is therefore they are capable of describing the strategic human resource management practices of their organizations. Regarding level of Educational, 28.6% of respondents are degree holders, 59.9% are master's degree holders and 11.5 % PHD holders. The implication of this is that majority of the respondent are senior manager of the organizations having higher educational background. Higher educational background of the respondents minimized the possibility of misunderstanding of the study questionnaire.

From all demographic information we can understand that the information collected to assess the strategic human resource management and its impact on organizational performance are from diverse groups of senior level managers at different categories of sex, age, level of work experience and educational status who are capable of describing the Strategic Human Resource Management Practices of their respective organizations.

4.4 Adoption of SHRM Approach in CCRDA and its member organizations

Table: 4.3
SHRM Adoption

	Response		Total
	Yes	No	
Is Strategic Human Resource Management Approach adopted in your organization?	192 (100%)		192 (100%)

Source: Researcher survey data output (2020)

Regarding the question asked to indicate existence of adoption of Strategic Human Resource Management practice in their respective organizations, all respondent has replied that there is SHRM practice in their respective organization (Table: 4.3). From 192 completed and returned questionnaire, it is understood that there is SHRM practice in all respondent organization. In the interview held with the HR directors, it is confirmed existence of Strategic Human Resource Management practice in their respective organizations. The CCRDA HR director, for example, has responded that Strategic Human Resource practice is being implemented in their organization since 1997.

Regarding years of experience in SHRM, 56 (29.2 %) of the respondent have agreed that their organization SHRM experience is between 1 to 3 years, 48 (25%) of the respondent have agreed that their organization SHRM experience is between 4 to 6 years, 36 (18.8%) of the respondent have agreed that their organization SHRM experience is between 7 to 9 years and 52 (27 %) of the respondent have agreed that their organization SHRM experience is 10 and above years (table 4.4.). The table 4.4 bellow further indicates that 40 (58.8 %) of the international NGOs have 10 and above years of SHRM experience while only 12 (9.7%) of the local NGOs have similar years of experience in SHRM.

Table: 4.4

Years of Experience in SHRM

Experience in SHRM		Type of NGOs				Total	
		Local NGO		International NGO			
How many years of experience your organization has in SHRM?		Number	Percentage	Number	Percentage	Number	Percentage
	1-3 years of experience	56	45.2%			56	29.2%
	4-6 years of experience	44	35.5%	4	5.9%	48	25%
	7-9 years of experience	12	9.7%	24	35.3%	36	18.8%
	>= 10 years of experience	12	9.7%	40	58.8%	52	27%
Total		124		68		192	100%

Source: Researcher survey data output (2020)

From the result we can understand that strategic human resource management is adopted by both local and international non- profit organizations. But the difference is in years of experience. International NGOs have more experience in strategic human resource management than the local NGOs. The interview result with the HR directors indicated that the international NGOs strategic human resource practice is international by its nature. Meaning that the HR practices are led by the organization international strategy (International Strategic Human Resource Management). But certain element of the HRM activities in recruitment and selection, training and development, reward and compensation, performance appraisal and employee relations are contextualized in reference to the specific countries context. The local NGOs HR practices on the other hand is led by the individual organization own strategy developed from its own internal and external context. From their strategy development experience it can be inferred that globally set program strategies (goals) such as Millennium Development goals and

Sustainable development goals are used as the source strategic plan development. Hence, this global strategy in one way or another are affecting the HR strategy development of the NGOs. In relation to local NGOs, it has been identified from interview that some local NGOs do not have a separate strategic human resource plan document other than the general strategic plan document which describe general HR issues.

As major challenges of implementation of SHRM, the respondent mentioned that lack of strategic thinking, low tendency to get out of traditional approaches of HRM, donors influence, complexity of SHRM for application, lack of sufficient skilled HRM personnel in the HRM department, the previous proclamation of NGOs (70/30 proclamation), lack of coordination among functional departments, competition in the labor market for acquiring highly competent and qualified personnel, low financial capacity of local NGOs to pay high competitive salaries and benefits, the influence of big local and international NGOs on staffing of small local NGOs and ensuring staff benefits and difficulty of measurement of the strategic contribution of HRM.

4.5 Strategic Human Resource Management Practices in CCRDA and its selected member organizations

To describe response of the respondent collected regarding the SHRM practices of their respective organization through survey questionnaire, mean score measurement suggested by Crewel (2012) was used for interpretation of descriptive data represented in five point scale. Accordingly, mean value of ≥ 4.5 =Very High, 3.51-4.51=High, 2.51-3.5= Moderate, 1.51-2.5=Low; < 1.5 =Very Low.

4.5.1 Strategic Recruitment and Selection Practice

Respondents were asked to indicate to what extent they agree or disagree on the strategic recruitment and selection practices of their respective non-profit organization in 5- point likert

scale statement. Accordingly, respondents (senior level managers and HRM practitioners) rated their organization strategic recruitment and selection practices in terms of its alignment with vision, mission, objectives and values of the organization as shown in the table: 4.5 below.

Table: 4.5

Vertical Alignment of Recruitment and Selection with vision, mission, objectives and values of the organization

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Recruitment and selection policy is aligned with the vision, mission and strategic objectives	192				80 (41.7%)	112 (58.3%)	4.42	.494	.244
2	Recruitment and selection practice is aligned with the Recruitment and selection policy	192				98 (51%)	94 (49%)	4.49	.501	.251
3	Recruitment and selection practice is aligned with the Recruitment and selection strategy	192			56 (29.6%)	83 (43.2%)	53 (27.2%)	3.98	.755	.570
4	Recruitment and selection practice is aligned with the values of the organization	192			20 (10.42%)	67 (34.89%)	105 (54.69%)	4.44	.676	.457

5	Recruitment and selection practice is aligned with the operational goals of the organizations	192			11 (5.72%)	100 (52.08%)	81 (42.2%)	4.36	.590	.348
6	Recruitment and selection practice is aligned with the organizational structure	192				101 (52.6%)	91 (47.4%)	4.47	.501	.251
7	Recruitment and selection practice of the NGO is business driven.	192			10 (5.2%)	114 (59.36)	68 (35.44)	4.30	.563	.317
8	Employees in the NGO are recruited in terms of specific job requirements as well as broader strategic concerns.	192			43 (22.39%)	134 (69.79%)	15 (7.82)	3.85	.531	.282
	Valid N (listwise)	192						4.28	0.576	0.34
	Average									

Source: Researcher survey data output (2020)

As shown in the table, the respondent response mean statistics indicates (M=4.42, SD=0.494) alignment to vision, mission and strategic objectives, (M=4.49, SD=0.501) alignment to recruitment and selection policy, (M=3.98, SD=0.755) alignment to recruitment and selection strategy, (M=4.44, SD=0.676) alignment to the values of the organization, (M=4.36, SD=0.590)

alignment to the operational goals of the organization, (M=4.47, SD=0.501) alignment to organizational structure and (M=4.30, SD=0.563) alignment to the nature of the business in the NGO. The respondents' response further indicates that employees are recruited and selected in terms of specific job requirement as well as broader strategic concerns (M=3.85, SD=0.531).

The highest mean score value of strategic recruitment and selection variable in vertical integration is 4.29 while the lowest mean score value is 3.85. Regarding the overall alignment of recruitment and selection with vision, mission, objectives and values of the organization, the response of respondents indicates (M=4.28, SD=0.576) vertical alignment. This indicates high level vertical alignment exist between vision, mission, objectives, values of the organization and recruitment and selection strategies and practices in the studied non-profit organizations. This shows that there is high level harmonious relationship exists among vision, mission, objectives, values of the organization and recruitment and selection strategies and practices. As compared to the other variables of vertical integration in strategic recruitment and selection, the alignment of recruitment and selection with organizational strategy is less than the alignment with vision, mission, objectives and values of the organization (M=3.98, SD=0.755).

Concerning consistency and congruence of Strategic recruitment and selection with other SHRM practices, response of the respondent shown in the table 4.6 below indicates that Strategic recruitment and selection is highly integrated with other four SHRM practices(M=3.96, SD=0.744).

Table 4.6
Horizontal alignment Between Strategic Recruitment and selection and other SHRM practices.

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Recruitment and selection practice is integrated with other SHRM practices (STD, SRC, SPA and SER)	192			57 (29.69 %)	86 (44.79%)	49 (25.52 %)	3.96	.744	.553

This implies that the strategic recruitment and selection policy and practice of the organizations are complementary and supporting other SHRM practices (STD, SRC, SPA and SER) to achieve the intended organizational results.

Interview made with 10 HR directors further indicated that there is an established recruitment committee in the non-profit organizations that performs employees' recruitment and selection activities. The roles and responsibilities of the recruitment committee are shown in the HR manual of the organizations. The committee recruits and selects employee from both internal and external sources so as to get the required highly skilled and competent staff for the job market. The committee uses the vision and mission of the organization to select employees from potential candidates. Both fresh graduates as well as experienced individuals are selected using the recruitment system based on the job requirement. In some NGOs, job examination is done by professional external examiners so as to select the right employees for the right job. Following the written examination, interview session is conducted later by the organizations in reference to the examination result to select the best employee from the lop list.

From the study result we can understand strategic recruitment and selection practice of the organizations are highly integrated both vertically and horizontally. There are long- term goal oriented recruitment and selection practices in the selected NGOs. Vision, mission and values of the organization are used to attract employees from the job market. It means that employee are recruited and selected in line with long term results that the NGOs aspire to achieve. To recruit and select employees, both internal and external sources of recruitment methods are used to widen the pool of attraction. The implication is that the more the recruitment and selection practice of the NGOs are aligned with vision, mission, objectives and values of the organization, the more the organizations can be capable of acquiring competent and capable employees that is suitable for the required job.

The result of this study is also consistent with the study made by Mary (2015). The study made by Mary (2015), confirmed that strategic recruitment and selection process is fundamental for the running of any organizations and objectives and hence, organizations need to spend sufficient time and money on recruitment and selection process (Mary, 2015). It is therefore employees should not be selected by short site driven goals. Rather they have to be selected by keeping in mind the long terms goals. They have to be selected to achieve both the specific job requirements as well as the broader strategic concerns of the organizations.

4.5.2 Strategic Training and Development Practice

In reference to question asked to indicate to what extent respondents agree or disagree in 5- point likert scale statement on the alignment of strategic training and development practices of the non- profit organization with the vision, mission, objectives and values of the organization, the respondent response indicates (M=4.18, SD=0.663) alignment to vision, mission and strategic objectives, (M=4.05, SD=0.590) alignment to training and development policy,

(M=3.92, SD=0.733) alignment to training and development strategy, (M=4.34, SD=0.727) alignment to the values of the organization, (M=4.06, SD=0.593) alignment to the operational goals of the organization and (M=4.26, SD=0.703) alignment to organizational structure as shown in the table 4.7 under. The response of the respondent further indicated that the training and development practices of the non- profit organization is driven by the nature of the business (M=4.28, SD=0.718) and individuals and teams are equipped to undertake current and future tasks required by the organizations (M=3.89, SD=0.509).

Table: 4.7
Vertical alignment of Training and Development with vision, mission, objectives and values of the organization

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Training and development policy is aligned with vision, mission and strategic objectives	192			28 (14.58 %)	102 (53.13%)	62 (32.29%)	4.18	.663	.440
2	Training and development strategy is aligned with Training and development policy	192			29 (15.10 %)	125 (65.10%)	38 (19.8%)	4.05	.590	.349
3	Training and development practice is aligned with Training and development strategy	192			60 (31.25 %)	88 (45.83 %)	44 (22.92%)	3.92	.733	.538

4	Training and development practice is aligned with the values of the organization	192			29 (15.10 %)	69 (35.94 %)	94 (48.96%)	4.34	.727	.529
5	Training and development practice is aligned with operational goals of the organizations	192			28 (14.58 %)	124 (64.58 %)	40 (20.83%)	4.06	.593	.352
6	Training and development practice is aligned with organizational structure	192			29 (15.10 %)	85 (44.27 %)	78 (40.63%)	4.26	.703	.495
7	Training and development practice of the NGO is business driven.	192		10 (5.2)		109 (56.77%)	73 (38.03%)	4.28	0.718	.515
8	Individuals and teams in the NGO are equipped to undertake current and future tasks required by the organization.	192			37 (19.27%)	140 (72.92%)	15 (7.81%)	3.89	.509	.259
	Valid N (listwise) Average	192						4.12	0.654	0.435

Source: Researcher survey data output (2020)

The highest mean score value of strategic training and development variable in vertical integration is 4.34 while the lowest mean score value is 3.89. The overall vertical alignment of training and development with vision, mission, objectives and values of the organization is (M=4.12, SD=0.654). The result confirms that the vision, mission, objectives, values and training and development strategies and practices of the selected non-profit organizations are highly aligned. This shows that there is high level harmonious relationship exists among vision, mission, objectives, values of the organization and training and development strategies and practices. Even though there is greater overall alignment as shown in the table 4.6 above, the vertical alignment between training and development strategy and practices are less aligned as compared to other strategic training and development variables (M=3.92, SD=0.733).

Related to consistency and congruence of Strategic training and development with other SHRM practices, response of the respondent shown in the table 4.8 below indicates that Strategic training and development is highly integrated with other four SHRM practices (M=3.98, SD=0.565).

Table 4.8
Horizontal alignment Between Strategic Training and Development and other SHRM practices.

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Training and development practice is integrated with other HRM practice (SRS, SRC, SPA and SER)	192			32 (16.67%)	131 (68.23%)	29 (15.1%)	3.98	.565	.319

This imply that the strategic training and development policy and practice of the organizations is congruent with other SHRM practices (SRS, SRC, SPA and SER) to drive the required employee's behavior, skill and knowledge to achieve the intended organizational results.

From document review and interview healed with the HR Direct it is understood that CCRDA has short term and long term training and development program for its and members organizations staff. CCRDA launched a post graduate training and development program in partnership with Ambo University to empower its and member's organization staff as long- term program. The training program is tailored to the needs of knowledge and skills required in the NGO sector. Through this training and development program CCRDA is helping its and members organization staff to update their skills, knowledge and work habits required for works to be done in the NGO sector which is geared towards the overall business strategy of the organization. The overall strategic goals of CCRDA is building capacity of its members to enhance professional standards and program effectiveness and to create enabling environment for smooth operation of its member organization. Accordingly, CCRDA is working with its strategic partners (funding organizations and others like Ambo University) to achieve its strategic goals by designing strategic training and development program applicable to NGO context. But the overall impact of the post graduate program is not so far evaluated. This calls CCRDA to give attention to evaluate is efficiency and effectiveness.

Similarly, CCRDA member's organizations also organize different training programs to their employees every year pertinent to their organization work. The training program also accommodate management staff, technical and professional staffs as well as volunteers. Training need is collected from each employee every year to deliver the training. Relevant budget is also

allocated for each trainings. There is also a practice of training evaluation at the end of the training programs. The training is offered by internal or external professionals as appropriate.

More generally, from the study we can understand that there is strategic training and development practice in the studied non-profit organizations. Training and development practices of the non-profit organizations are aligned to the strategies of the organizations. The organizations are committed in providing opportunities to their staff to develop their knowledge and skills. Sometimes trainings are given in abroad by donor fund sponsorship. What should be given much attention is that the alignment between strategic training and development practice and the organizational strategy is not as strong as other strategic training and development variables.

As the training and development strategy changes in due course, the training and development practices and its contents have to be changed in reference to changes in strategy. It is also equally important regularly to evaluate the effectiveness of the training and development programs. Individuals and teams have to be equipped with the aim of helping the individuals and the teams to undertake both the current and future tasks required by the non- profit organizations. By doing so, the non- profit organizations can ensure that their strategic training and development practices are more effective. The outcome is improved organizational performance. The primary purpose of strategic training and development is to help organizations achieve their strategic goals. Kinyua (2009) and Aatur & Sadrul (2018) in their studies concluded that strategic training and development contributes to organizational performance by helping organizations achieve their strategic goals through developing knowledge and skills of managers, staff and volunteers who can think and plan strategically and understand key strategic issues.

4.5.3 Strategic Reward and Compensation Practice

Regarding vertical alignment of reward and compensation practices of the non-profit organization with the vision, mission, objectives and values of the organization, data collected from respondents showed (M=4.29, SD=0.644) alignment to vision, mission and strategic objectives, (M=4.11, SD=0.689) alignment to reward and compensation policy, (M=3.92, SD=0.758) alignment to reward and compensation strategy, (M=4.11, SD=0.612) alignment to the values of the organization, (M=4.05, SD=0.616) alignment to the operational goals of the organization and (M=4.12, SD=0.832) alignment to organizational structure. Response of the respondent further indicated that reward and compensation practices of the non-profit organization is driven by the nature of the business (M=3.95, SD=0.830) and employees are rewarded depending on their contribution to strategic goals of the organization (M=3.94, SD=0.749). The highest mean score value of strategic reward and compensation variable in vertical integration is 4.29 while the lowest mean score value is 3.92. The overall alignment of reward and compensation with vision, mission, objectives and values of the organization is M=4.06, SD= 0.719 (table 4.9).

Table: 4.9
Vertical alignment of Reward and Compensation with vision, mission, objectives and values of the organization

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Reward and compensation policy is aligned with vision, mission and strategic objectives	192			20 (10.41 %)	97 (50.52%)	75 (39.07 %)	4.29	.664	.415
2	Reward and compensation strategy is aligned with Reward and compensation policy	192			36 (18.75%)	99 (51.56%)	57 (29.69%)	4.11	.689	.475
3	Reward and compensation practice is aligned with Reward and compensation strategy	192			63 (32.81 %)	81 (42.19 %)	48 (25 %)	3.92	.758	.575
4	Reward and compensation practice is aligned with the values of the organization	192			26 (13.54 %)	118 (61.46 %)	48 (25%)	4.11	.612	.374

5	Reward and compensation practice is aligned with operational goals of the organizations	192			32 (14.58 %)	119 (64.58 %)	41 (20.83 %)	4.05	.616	.380
6	Reward and compensation practice is aligned with organizational structure	192			56 (16.67 %)	57 (29.69 %)	79 (53.64 %)	4.12	.832	.692
7	Reward and compensation practice of the NGO is business driven.	192			41 (21.35%)	90 (46.88%)	51 (31.77%)	3.95	0.830	.688
8	Employees are rewarded depending on their contribution to strategic goals of the organization.	192			37 (19.27%)	140 (72.92%)	15 (7.81%)	3.94	.749	.562
	Valid N (listwise)	192						4.06	0.719	0.520
	Average									

Source: Researcher survey data output (2020)

The result confirms that vision, mission, objectives, values of the organization and reward and compensation strategies and practices of the non-profit organizations are greatly aligned again. This shows that there is high level harmonious relationship exist among vision, mission, objectives, values of the organization and reward and compensation strategies and

practices. Even though there is greater overall alignment shown in the result, similar to training and development, the extent of vertical alignment between reward and compensation practice and strategy is less as compared to other strategic reward and compensation variables (M=3.92, SD= 0.758).

Apart from vertical alignment with vision, mission and strategic objectives, Strategic reward and compensation is highly integrated with other four SHRM practices (M=3.75, SD=0.831) as the table 4.10 shown below.

Table 4.10
Horizontal alignment Between Strategic Reward and Compensation and other SHRM practices.

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Reward and compensation practice is integrated with other SHRM practices (SRS, STD, SPA and SER)	192			96 (50 %)	48 (25 %)	48 (25 %)	3.75	.831	.691

This imply that the strategic reward and compensation policy and practice of the organizations is congruent with other SHRM practices (SRS, STD, SPA and SER) to drive the required employee’s behavior and achieve the intended organizational results.

One of the core elements of strategic reward and compensation is paying attractive salary and benefits to employees based on their knowledge, skill and experience and contribution to strategic objectives. As the interview result with the HR director showed, employees are rewarded both financially and non-financially based on their contribution. Financial reward is given in the form of cash while non- financial reward is offered in terms of recognition,

appreciation and promotion.

But due to the 70/30 law, the salary and benefit scheme of some NGOs are not very much competitive nowadays particularly for local NGOs. Apart from limited paying capacity of the organizations, the 70/30 law has hampered NGO's including CCRDA not to pay attractive salary to their staff. Due to this, the NGOs became unable to attract and retain their core staff. The law allows only 30% allocation to administrative budget including staff salary and benefit. Direct program costs of accountants and project coordinators are regarded as administrative cost. The law affected the competitive advantage of the industry in general and local NGOs in particular for attracting, developing and retaining of qualified and enthusiastic employees. But the new law amended recently has made some provisional changes which are being expected to have positive effect on reward and compensation. This can be an area of investigation in the future by interested researchers to see the impact of the new legal provision.

4.5.4 Strategic Performance Appraisal

Concerning alignment of performance appraisal practices of the non- profit organization with the vision, mission, objectives and values of the organization, data collected from respondents showed (M=4.39, SD=0.576) alignment to vision, mission and strategic objectives, (M=4.04, SD=0.600) alignment to performance management policy, (M=3.96, SD=0.586) alignment to performance management strategy, (M=4.20, SD=0.610) alignment to the values of the organization, (M=4.19, SD=0.528) alignment to the operational goals of the organization, (M=4.35, SD=0.805) alignment to organizational structure and (M=4.24, SD=0.841) to the nature of the business. The highest mean score value of strategic performance appraisal variable in vertical integration is 4.39 while the lowest mean score value is 3.96. The overall alignment of performance appraisal with vision, mission, objectives and values of the organization is mean

score of 4.19 with standard deviation of 0.638 (table 4.11).

Table 4.11
Vertical alignment of Performance Appraisal with vision, mission, objectives and values of the organization

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Performance management policy is aligned with vision, mission and strategic objectives	192			96 (10.41 %)	48 (50.52%)	48 (39.07 %)	4.39	.576	.332
2	Performance management strategy is aligned with Performance management policy	192			9 (18.75%)	100 (51.56%)	83 (29.69%)	4.04	.600	.360
3	Performance appraisal practice is aligned with Performance management strategy	192			31 (32.81 %)	123 (42.19%)	38 (25 %)	3.96	.586	.344
4	Performance management practice is aligned with the values of the organization	192			37 (13.54 %)	126 (61.46 %)	29 (25%)	4.19	.528	.372

5	Performance management practice is aligned with operational goals of the organizations	192			20 (14.58 %)	113 (64.58%)	59 (20.83%)	4.19	.528	.279
6	Performance management practice is aligned with organizational structure	192			12 (16.67 %)	132 (29.69%)	48 (53.64%)	4.35	.805	.647
7	Performance management practice of the NGO is business driven.	192			20 (10.47)	76 (39.58%)	86 (49.95%)	4.24	0.841	.707
	Valid N (listwise)	192						4.19	0.638	0.434
	Average									

Source: Researcher survey data output (2020)

The result confirms that vision, mission, objectives, values of the organization and reward and compensation strategies and practices of the non-profit organizations are greatly aligned. This shows that there is high level harmonious relationship exist among vision, mission, objectives, values of the organization and performance appraisal strategies and practices.

As it has been confirmed by the HR directors' interview, there is regular performance appraisal in the studied non-profit organizations. Performance appraisal of employees are done twice a year in most studied non- profit organizations. Both individual as well as team based performance appraisal exist. There is a performance measurement manual and format against

which planned employee jobs and accomplishment are measured. The employee’s performance appraisal is competency-based.

As far as consistency and congruence of Strategic performance appraisal and other SHRM practices is concerned, response of the respondent indicates that Strategic performance appraisal is highly integrated with other four SHRM practices (M=4.00, SD=0.716) (table 4.12).

Table 4.12
Horizontal alignment Between Strategic Performance appraisal and other SHRM practices

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Performance management practice is integrated with other SHRM practices (SRS, STD, SRC and SER)	192			49 (25.52%)	94 (48.96%)	49 (25.52%)	4.00	.716	.513

This imply that the strategic performance appraisal policy and practice of the organizations is complementary and supporting other SHRM practices (SRS, STD, SRC and SER) to drive the required employee’s behavior and achieve the intended organizational results.

As interview result showed, employee’s performance is measured objectively against their strategic contributions to set goals in the periods. Every period performance evaluation result is communicated to employees. Information obtained from employee evaluation is used for salary increase, promotion, termination, training needs and employee counseling. The gap identified in performance appraisal in some NGOs is the use of single performance assessment strategy. Usually supervisor’s assessment strategy is used for employees work performance measurement. There is also no comprehensive performance measurement system established to evaluate the performance of volunteers.

4.5.5 Strategic Employee Relations Practice

In reference to question asked to indicate to what extent respondents agree or disagree in 5- point likert scale statement on the alignment of employees relations strategies and practices of the non- profit organization with the vision, mission, objectives and values of the organization, the respondent response indicates (M=4.01, SD=0.713) alignment to vision, mission and strategic objectives, (M=4.05, SD=0.677) alignment to employees relations policy, (M=3.79, SD=0.685) alignment to employees relations strategy, (M=3.87, SD=0.646) alignment to the values of the organization, (M=3.76, SD=0.700) alignment to the operational goals of the organization and (M=3.86, SD=0.644) alignment to organizational structure The response of the respondents further showed that employees relations strategies and practices of the non- profit organization is riven by the nature of the business of the NGO environment (M=3.78, SD=0.782) and employee relation is geared towards achieving strategically sustainable and healthy working relationship between management and employees (M=3.89, SD=0.704) (Table: 4.13).

Table 4.13
Vertical alignment of Employee Relations with vision, mission, objectives and values of the organization

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Employees relations policy is aligned with vision, mission and strategic objectives	192			48 (25 %)	95 (51.04%)	49 (23.96 %)	4.01	.713	.508
2	Employees relations strategy is aligned with Employees relations policy	192			39 (20.31%)	99 (51.56%)	54 (28.13%)	4.05	.677	.458
3	Employees relations practice is aligned with Employees relation strategy	192			69 (35.94 %)	94 (48.96 %)	29 (15.1 %)	3.79	.685	.469
4	Employees relations practice is aligned with the values of the organization	192			54 (28.13 %)	102 (53.12%)	36 (18.75%)	3.76	.649	.418
5	Employees relations practice is aligned with operational goals of the organizations	192			76 (39.58 %)	84 (43.75 %)	32 (16.67 %)	3.76	.700	.490
6	Employees relations practice is aligned with organizational structure	192			55 (28.66%)	109 (56.77 %)	28 (14.57 %)	3.86	.644	.415

7	Employee Relations practice of the NGO is business driven.	192			54 (28.13)	96 (50%)	32 (21.87%)	3.78	0.782	.612
8	Employee relations practice of the NGO is geared towards achieving strategically sustainable and healthy working relationship between management and employees.	192			59 (30.72%)	95 (49.48%)	32 (19.8%)	3.89	.704	.496
	Valid N (listwise)	192						3.86	0.696	0.483
	Average									

Source: Researcher survey data output (2020)

As indicated in the table 4.13 above, the highest mean score value of strategic employee relations variable in vertical integration is 4.05 while the lowest mean score value is 3.76. The overall alignment of employee's relations with vision, mission, objectives and values of the organization is (M=3.86, SD=0.696). The result confirms that vision, mission, objectives, values of the organization and reward and compensation strategies and practices of the non-profit organizations are greatly aligned again. This shows that there is high level harmonious relationships exist among vision, mission, objectives, values of the organization and employee relations strategies and practices.

Related to consistency and congruence of Strategic employee relations and other SHRM practices, response of the respondent indicates that Strategic training and development is highly integrated with other four SHRM practices (M=3.90, SD=0.822) (Table 4.14).

Table 4.14
Horizontal alignment Between Strategic Employee Relations and other SHRM practices

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Employees relations practice is integrated with other SHRM practices (SRS, STD, SRC and SPA)	192			75 (39.06 %)	61 (31.77 %)	56 (16.67 %)	3.90	.822	.676

This imply that the strategic employee relations policy and practice of the organizations is supporting other SHRM practices (SRS, STD, SRC and SPA) to drive the required employee’s behavior and achieve the intended organizational results.

From the HR directors interview it has been identified that there is internal communication practices in the non-profit organizations that consistently reach all employees with the valuable information through staff meeting and annual staff gathering. In most NGOs of the CCRDA members there are annual staff days where by management and employees spend time together in recreational centers. This makes employees to know each other and develop long lasting harmonious relationship between employees and management. The event is also serving as event of vision sharing. More recognized corporate culture is communicated and reinforced through this system by the lop leaders. This brings more commitment and motivation from the employee side for better result and good performance.

4.6 Strategic Role of Human Resource management unit/ department

In response to the questions asked to indicate to what extent respondent agree or disagree in 5- point likert scale statement about the strategic roles of the human resource department, respondent reply indicates that the HRM department is playing strategic role properly (M=3.62, SD=0.602) and involves in defining the business strategies of the NGO's (M=3.88, SD=0.690). In terms of performance management, respondent replied that the HRM department performance is measured in terms of strategic goal achievement (M=3.51, SD=0.806) (table: 4.15).

Table: 4.15
Strategic Roles of HR Department

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	HR unit is playing strategic role effectively	192			59 (30.72 %)	98 (50.04%)	35 (19.24 %)	3.62	.602	.363
2	HR unit is active in defining business strategies	192			85 (44.27%)	95 (49.48%)	12 (6.25%)	3.88	.690	.476
3	HR unit performance is measured by strategic achievement	192			76 (39.58 %)	78 (40.63 %)	19 (19.79%)	3.51	.806	.649
	Valid N (listwise)	192						3.67	0.699	0.496
	Average									

Source: Researcher survey data output (2020)

The overall score of strategic role play of the HRM department is (M=3.67, SD=0.699). This implies that there is a high level of strategic role play in the HRM department of CCRDA and its member organizations. The HR department is a key player in defining the business strategy of the NGOs and its performance is measured based on its contribution to the strategic objectives of the organization. This result is confirmed by the interview results. In CCRDA, for example, HR directors are members of the top management team and have key roles to play in the development of the strategic plan of the organization.

4.7 Line managers' involvement in SHRM

Regarding the involvement of line managers in strategic human resource activities, the results of the study indicated that line managers are involved in all strategic human resource activities of the organization. But the level of involvement and engagement is quite different. The responses of the respondents in the table: 4.16 below show that line managers are more involved in recruitment and selection (M=4.22, SD=0.487) and performance appraisal (M=4.64, SD=0.481) as compared to training and development (M=3.91, SD=0.713), reward and compensation (M=3.78, SD=0.741) and employee relations (M=3.95, SD=0.761). The overall involvement of line managers in strategic human resource activities of the organizations is (M=4.10, SD=0.643).

Table: 4.16
Involvement of line managers in strategic Human Resource Activities

No.	Items	N	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Mean	Std. Dev.	Variance
1	Line managers are involved in recruitment and selection	192			6 (3.13 %)	137 (71.35%)	49 (25.52 %)	4.22	.487	.238
2	Line managers are involved in Training and development of employees	192			32 (16.67%)	115 (60%)	35 (23.33%)	3.91	.743	.552
3	Line managers are involved in Reward and compensation of employees	192			78 (40.63 %)	78 (40.63 %)	36 (18.74%)	3.78	.741	.549
4	Line managers are involved in managing and appraising of employees performance	192				69 (35.94 %)	123 (64.06 %)	4.64	.481	.231
5	Line managers are involved Employees relations management	192			60 (31.25 %)	81 (42.19%)	51 (26.56 %)	3.95	.761	.579
	Valid N (listwise)	192						4.10	0.643	0.429
	Average									

Source: Researcher survey data output (2020)

The result indicates that there is high level devolvement of human resource management activities to line managers as the mean score of the respondents indicates for recruitment and selection, training and development, reward and compensation and employee relations while there is very high involvement in performance evaluation. As the HR director’s interview indicated, line managers are consulted as well as involved in HR process as key players of the strategic human resource management.

4.8 Correlation between Independent and Dependent variables

Pearson’s product moment correlation technique was used to analyze the relationship between Strategic Human Resource Management Practice and organizational performance of CCRDA and its member organizations. The results are based on Pearson correlation, 2-tailed with 192 sample size. The finding of the study was presented in the table 4.17 below.

Table: 4.17
Correlation Matrix

		Correlations					
		OP	SRS	STD	SRC	SPA	SER
OP	Pearson Correlation	1					
SRS	Pearson Correlation	.821**	1				
STD	Pearson Correlation	.825**	.644**	1			
SRC	Pearson Correlation	.601**	.522**	.521**	1		
SPA	Pearson Correlation	.835**	.583**	.774**	.858**	1	
SER	Pearson Correlation	.873**	.795**	.793**	.332**	.605**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher survey data output (2020)

The table shows that all human resource management practices have a strong positive correlation with organizational performance of CCRDA and its member organizations. As Cohen (1998) cited by (Warokka et al. 2012) interpreted, the correlation coefficient (r) ranging from 0.10 to 0.29 is regarded as low degree of correlation, r ranging from 0.30 to 0.49 considered as a moderate degree of correlation, and r ranging from 0.50 to 1.00 regarded as a high degree of correlation. Accordingly, recruitment and selection was found to have a strong positive correlation with organizational performance ($r = 0.821, p < 0.01$). Training and development was found to have a positive correlation with organizational performance ($r = 0.644, p < 0.01$). Reward and compensation was found to have a strong positive correlation with organizational performance ($r = 0.521, p < 0.01$). Performance appraisal was also found to have a positive correlation with organizational performance ($r = 0.858, p < 0.01$). Employee relations was also found to have a positive correlation with organizational performance ($r = 0.605, p < 0.01$). Generally, as we can infer from the table Table 4.17, all strategic human resource management practices have positive correlations with organizational performance of CCRDA and its member's organizations. The correlation coefficient result of the SHRM practices are greater than 0.5. This result is consistent with the study made by Aatur and Sadrul (2018). The study showed that all human resource management practices have a strong positive correlation with organizational performance (NGO).

4.9 Regression of strategic HRM practices and Organizational Performance of CCRDA and its member organizations

Before conducting regression analysis to test hypothesis, regression diagnosis have been done using classical linear regression model which includes linearity and multi-collinearity tests/assumptions.

Regarding linearity test, the regression residuals of the model which is checked using scatter plots by the help of SPSS software showed that the linearity of the relationship between the dependent variable and the independent variables lie in a reasonably straight line from bottom left to top right and hence the assumption of linearity was not violated (see appendix 3).

In relation to Multi-collinearity test, a test made to check the degree of correlation among independent variables to determine which independent variables are affecting the dependent variable which is checked either through the correlation coefficient results or Value of Tolerance and VIF. Accordingly, Tolerance Values indicates 0.241, 0.224, 0.138, 0.196 and 0.158 for each independent variable (strategic recruitment and selection, strategic training and development, strategic reward and compensation, strategic performance appraisal and strategic employee relations) respectively which are above the threshold of 0.10 and the VIF values are also 4.149, 4.466, 7.224 & 9.373 respectively (Table 4.18). According to Sekaran and Bougie (2016), the acceptable value of tolerance and Variance Inflation Factor (VIF) is above 0.10 and below 10 respectively. It is therefore concluded that there is no problem of collinearity among the independent variables.

Table: 4.18
Collinearity Test Model Summary

Model		Coefficients ^a	
		Tolerance	VIF
1	SRS	.241	4.149
	STD	.224	4.466
	SRC	.138	7.224
	SPA	.096	9.373
	SER	.158	6.324

a. Dependent Variable: OP

In order to determine the effects of strategic HRM practices on organizational performance of CCRDA and its member organizations, the researcher conducted a multiple linear regression analysis between Organizational Performance as dependent variable against strategic recruitment and selection, strategic training and development, strategic reward and compensation, strategic performance appraisal and strategic employee relations as independent variables. The study used multiple linear regression test because this study had more than one independent variables.

Table: 4.19
Regression Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.969 ^a	.940	.938	.12396

- a. Predictors: (Constant), Strategic HRM practices
 - b. Dependent Variable: Organizational Performance
- Source: Researcher survey data output (2020)

Regression model demonstrated how well the statistical model was likely to predict future outcomes. Table 4.19 shows the regression model in measuring the influence of strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal and strategic employee relations on organizational performance of CCRDA and its member organizations.

The overall correlation coefficient (R) is a strong positive correlation of 0.969. The coefficient of determination (R Square) is the square of the sample correlation coefficient between outcomes and predicted values. It indicates that the five independent variables (strategic recruitment and selection, strategic training and development, strategic reward and compensation, strategic performance appraisal and strategic employee relations) in the regression

model can explain 94 % of the variations in organizational Performance of CCRDA and its member organizations holding other factors constant. It is therefore implied that a combined unit increase in five independent variables results in 94 % increase in organizational performance of CCRDA and its member Organizations and vice versa holding other factors constant.

Table: 4.20
ANOVA
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44.561	5	8.912	579.978	.000 ^b
	Residual	2.858	186	.015		
	Total	47.419	191			

a. Dependent Variable: OP

b. Predictors: (Constant), SER, SRC, STD, SRS, SPA

Source: Researcher survey data output (2020)

The main purpose of ANOVA is to assess whether the model is fit for the analysis or not. Based on this, ANOVA was used to test the significance of the regression model from which an f-significance value of p less than 0.05 was established. As shown in the table 4.20 above, it was found that the F-statistics value of 579.978 was greater than the P value .000 which is lower than .05 and it indicated that independent variable is able to predict dependent variable. Therefore, it can be said that the model is statistically significant in predicting how strategic HRM practices affects Organizational performance of CCRDA and its member organizations. This shows that the regression model has a less than 0.05 probability of giving a wrong prediction.

Table 4.21
Regression coefficients: Strategic HRM and Organizational Performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.505	.153		-9.833	.000
	SRS	.427	.046	.341	9.301	.000
	STD	-.060	.045	-.052	-1.355	.177
	SRC	-.250	.041	-.296	-6.109	.000
	SPA	.950	.073	.760	13.101	.000
	SER	.237	.038	.281	6.216	.000

a. Dependent Variable: OP

Source: Researcher survey data output (2020)

Table 4.21 above presents regression coefficient results of the model. A level of significance of Sig. = 0.000 indicates a strong significant relationship between strategic HRM practices as independent variables and organizational performance of CCRDA and its member organizations as the dependent variable. This is further reinforced that at 5% level of significance, strategic recruitment and selection ($\beta = 0.341$, $p = 0.000 < 0.05$), Strategic reward and compensation ($\beta = -0.296$, $p = 0.000 < 0.05$), Strategic performance appraisal ($\beta = 0.760$, $p = 0.000 < 0.05$) and Strategic employee relations ($\beta = 0.281$, $p = 0.000 < 0.05$) are statistically significant predictor of organizational performance of CCRDA and its member organizations while Strategic training and development is not statistically a significant predictor of organizational performance where ($\beta = -0.052$, $p = 0.177 > 0.05$).

It was further established that strategic recruitment and selection ($\beta = 0.427$, $p = 0.000$), strategic performance appraisal ($\beta = 0.950$, $p = 0.000$) and strategic employee relations ($\beta = 0.237$, $p = 0.000$) had a positive and significant influence on organizational performance of CCRDA and

its member organizations. This implies that if there is an increase in strategic recruitment and selection, strategic performance appraisal and strategic employee relations, there will be increase in organizational performance with regard to customer perspective, financial perspective, internal process perspectives as well as learning and development perspective of organizational performance.

As regression coefficient indicates, a percent/ unit change in strategic recruitment and selection, strategic performance appraisal and strategic employee relations, will lead to approximately 42.7%, 95% and 23.7% increase in organizational performance respectively. On the other hand, while strategic training and development ($\beta=-0.060$, $p=0.177$) shows no effect on organizational performance as critical p- value is greater than 0.05 and strategic reward and compensation ($\beta=-0.250$, $p=0.000$) had negative effect on organizational performance of CCRDA and its members organization. The possible reason for contrary result of the strategic reward and compensation and strategic training and development of CCRDA and its selected member organizations may be the two SHRM practices are not be based on organizational performance criteria indicated in the study and the 70/30 NGO rule may have also negatively influenced the strategic reward and compensation and strategic training and development practices of CCRDA and its member organizations. Further, the studied organizations are at different stage of implementation of SHRM and hence the effect of strategic training and development and strategic reward and compensation may not be fully realized at this stage for all organizations. But in similar research conducted by Ataur & Sadrul (2018), strategic training and development showed a positive and significant influence on financial performance while strategic reward and compensation show insignificant influence on financial performance in the studied nonprofit organizations. In most studies, as bundle HRM activities, the SHRM practices

have shown positive impact on organizational performance of the organizations.

Based on the table 4.21 above, the result of hypothesis test is presented in the Table: 22 below.

Table 4.22
Summary of Hypothesis Test

Hypotheses	Beta Coefficient	Significant (P<0.05)	Result
H ¹ : Strategic Recruitment and selection has positive effect on organizational performance	0.341	0.000	Accept
H ² : Strategic Training and development has positive effect on organizational performance	-0.052	0.117	Reject
H ³ : Strategic Reward and compensation has positive effect on organizational performance	-0.296	0.000	Reject
H ⁴ : Strategic Performance Appraisal has positive effect on organizational performance	0.760	0.000	Accept
H ⁵ : Strategic Employee Relations has positive effect on organizational performance	0.281	0.000	Accept

As the hypothesis test result indicates strategic recruitment and selection, strategic performance appraisal and strategic employee relations have positive effect on organizational performance, strategic training and development has no effect and strategic reward and compensation has negative effect on organizational performance. But as bundle of HR activities, the SHRM practices have significant effect on organizational performance. A combined unit increase in five SHRM practices results 94 % increase in organizational performance. The regression result implies that effective and efficient implementation of the five bundles the SHRM practices can improve the organizational performance of CCRDA and its member organizations accounting for 94% of variation in organizational performance.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

This section of the research paper presents the major findings of the study presented in preceding chapter. It also contains conclusion and recommendations drawn from findings of the study. The chapter ends up with suggested areas of investigation for future researches.

5.1 Summary of Major findings

The study was conducted in Addis Ababa to assess the Strategic Human Resource Management practices and analyze their effects on organizational performance of CCRDA and its member organizations. The study collected primary data from 192 respondent comprising of four groups of respondents which includes HR directors, HR specialists, front line managers and top level management representatives. Valid questionnaires collected from respondents were analyzed using frequency table, means, correlation analysis and regression analysis using Statistical Package for Social Science. After making analysis of the primary data of the study, major findings of the study were identified.

Demographic information of the study shows data was collected from diverse groups of senior level managers at different categories of sex, age, level of work experience and educational status who are capable of understanding the study questionnaire and describing the Strategic Human Resource Management Practices of their respective organizations. 114 (59.4%) of the respondents are male, 99 (51.6%) of the respondent are between the two age bracket of 46-55 and 56-65, 59.9% of the respondents are master's degree holders and 83 (43.2 %) of respondents are people having work experience greater than 16 years in the NGO sector. This shows that the HR directors, HR specialists, front line managers and top level management representatives who responded to the study questionnaire are more matured people representing

different NGOs holding higher managerial position, having ample work experience and advanced educational background to describe the human resource management practices of the NGO sector in general and their respective organizations in particular. The result may also indicate that people who are implementing the SHRM practices of CCRDA and its member organizations are different group of people comprising of diverse categories of sex, age, level of work experience and educational status.

From the result it is understand that strategic human resource management is adopted by both local and international non- profit organizations of the CCRDA forum members. That is the SHRM practices of the studied organizations are aligned both vertically and horizontally with vision and mission and HR policies, HR strategies and HR practices of the non- profit organizations. As the study shown, there is high level vertical alignment exist between vision, mission, objectives, values of the organization and recruitment and selection strategies and practice (M=4.28, SD=0.576), Strategic training and development practice (M=4.12, SD=0.654), Strategic reward and compensation practice (M=4.06, SD=0.719), strategic performance appraisal practice (M=4.19, SD=0.638) and strategic performance appraisal practice (M=3.86, SD=0.696). This shows existence of harmonious relationship between the SHRM practices and vision and mission of the organizations. The implication of this is that the SHRM practices of the organizations are differentiated based on their visions and missions of to gain competitive advantage over competitors. That is vision, mission and strategic objectives of the non- profit organization (CCRDA and its member organizations) are used to recruit and select, train and develop, reward and compensate, appraise performance and establish strong employee relations. As far as horizontal integration is concerned, the study also shown that there is strong interdependence among the SHRM practices (M=3.92, SD=0.736). But comparatively,

performance management practice is more integrated ($M=4.00$, $SD=0.716$) than other strategic HRM variables. As bundles of activities, SHRM practices are strongly integrated each other. This imply that the HRM policies and practices of the organizations are supportive of each other to drive the required skill, knowledge and behavior and achieve organizational results.

As the study result showed, International NGOs have more experience in strategic human resource management than the local NGOs. 40 (58.8 %) of the international NGOs have 10 and above years of SHRM experience while only 12 (9.7%) of the local NGOs have similar years of experience in SHRM. There is also difference in the nature of strategy development of the two types of NGOs. The HR strategies of the international NGOs organization are led by international human resource strategies of the organizations while the HR strategy and practices of the local NGOs are led by the individual organization own strategy.

The study also identified that there is high level strategic role play by the HRM department of CCRDA and its member organizations concerning the implementation of the SHRM practices ($M=3.67$, $SD=0.699$). The HR department is a key player in defining business strategy of the NGOs. The performance of the HR departments are also measured based on its contribution to the strategic objectives of the organization ($M=3.51$, $SD=0.806$).

The study is also further indicated that there is high level devolvement of human resource management activities to line managers ($M=4.10$, $SD=0.643$). But comparatively, the strategic performance appraisal is more devolved ($M=4.64$, $SD=0.481$) than strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic employee relations.

As far as the relationship between SHRM practice and organizational performance is concerned, the statistical result of the study indicated that all human resource management

practices have strong positive correlation with organizational performance of CCRDA and its member organizations. Regarding their effects on organizational performance, the study indicated that strategic recruitment and selection, strategic performance appraisal and strategic employee relations had a positive and significant influence on organizational performance while strategic training and development shows no effect and strategic reward and compensation had negative effect on organizational performance. But a combined unit increase in five SHRM practices results 94 % increase in organizational performance. This indicates that SHRM practices have strong effect on organizational performance as bundles of SHRM activities than individual HR activities.

Generally, adoption of the SHRM practice in the studied organizations imply that employees are recruited and selected in terms of specific job requirement as well as broader strategic concerns, individuals and teams are equipped to undertake both current and future tasks, employees rewarded and compensated depending on their contribution to the strategic goals of the organizations and employees relations are managed to achieve sustainable and healthy relationship between management and employees. As the result, SHRM is contributing for the improvement of the organization performance.

5.2 Conclusions

From the study it is concluded that strategic human resource management is adopted by both CCRDA and its member's organization local and international NGOs of the health forum. The SHRM practices of the studied organizations are aligned vertically with vision and mission and HR policies, HR strategies and HR practices of the non- profit organizations and horizontally integrated each other. This imply that SHRM practices of the studied organizations are differentiated through Vertical and Horizontal integration to take competitive advantage over

competitors. The study also further revealed that there is a strong positive correlation between strategic human resource practices and organizational performance of CCRDA and its member organizations. Regression analysis of the study further established that strategic human resource practice is a predictor of organizational performance of CCRDA and its member organizations accounting for 94% of variation in organizational performance. This can imply that the organizational performance of CCRDA and its member organization can be improved if the SHRM practices of strategic recruitment and selection, strategic training and development, strategic reward and compensation, Strategic performance appraisal and strategic employee relations are strengthened. Strategic human resource management can improve organizational performance in terms of customer's perspective, financial perspective, internal process perspective as well as learning and development perspectives. As Williams and Dobson (1997) argued, where SHRM strategies in general are coherent and aligned to current and future organization strategy, they can make a significant contribution to organizational performance.

5.3 Recommendations

The overall themes of SHRM are the integration of all HRM functions, adherence to broad organization goals and responsiveness to the external environment. It is therefore recommended, the CCRDA and its member organizations to give sufficient attention to the implementations of all bundles of the SHRM activities (Strategic recruitment and selection, training and development, reward and compensation, performance appraisal and employee relations) for better organizational results. The desired result cannot be achieved without emphasis to all SHRM practices. As it has been confirmed by this and other researches, those organizations adopted strategic human resource management have shown improvement in their organizational performance. It is therefore recommended CCRDA and its member organizations

effectively and efficiently to implement the bundles of the SHRM practices for improved organizational performance. To ensure improved organizational performance, the SHRM practices of CCRDA and its member organizations should have the link with vision, mission and overall strategy and among the bundles of the SHRM practices. CCRDA and its member organizations should also have crafted and implemented effective SHRM practices that can ensure sustainable organizational performance.

Front- line managers are key players of strategic human resource management implementation. Their involvement in SHRM is very essential. Involvement of Front- line managers in certain SHRM practices cannot bring the intended result. It is therefore CCRDA and its member organizations are recommended to involve front- line managers appropriately in each strategic human resource management practices of recruitment and selection, training and development, reward and compensation, performance appraisal and employee relations of the non- profit organizations.

Measuring of the performance of the HR department in CCRDA and its member's organizations from strategic goal achievement perspective is a good practice. But this process should be formal as well as regarded as continuous process. It is therefore recommended the performance of the HR department of CCRDA and its member organizations to be reviewed in formal and continuous process in every strategic process to recommit and re-contract the HR department for every strategic phases and strategic goals.

From some CCRDA member organization experience it has been noticed that they don't have a separate strategic human resource plan extracted from the general strategic plan of the organizations. It is therefore recommended those organization lacking a separate strategic HR plan to have a distinct strategic human resource management plan document for easy execution,

monitoring and evaluation of the HRM progress.

Not only employees but also volunteers are key resources of non- profit organizations. It is therefore, they have to be strategically recruited and selected, trained, rewarded, performance is evaluated and good and healthy relationship is maintained as backbones of the non- profit organization success. There should also be a well-established performance evaluation system for volunteers so as to get most out their contribution to the organization success. It is also recommended multiple performance assessment strategy to be adopted so as to get the true work performance of employees which encompass supervisor's assessments, peers evaluation and customer's feedback.

CCRDA, as umbrella organization of non- profit organization has a strong strategic training and development practices. But so far the impact of this program is not evaluated. It is therefore, recommended the training and development program of CCRDA to be evaluated in line with its strategic goals of building its member's capacity to enhance professional standard and program effectiveness and creating enabling environment for smooth operation of the member's organizations. CCRDA is also recommended to include strategic human resource management content in its training and development programs to empower the HR practitioners of the members.

One of the challenges of many organizations including CCRDA and its member organizations in implementation of SHRM is difficulty of measurement of SHRM outcomes and lack of appropriate measurement tools. It is therefore recommended CCRDA and its members organization to use balanced score card to measure the contribution of SHRM to organizational performance. Balanced score card can be applicable tool of measurement of organizational performance in terms of customer's perspective, financial perspective, internal process

perspective as well as learning and development perspectives.

5.4 Areas of future research

This research focusing on assessment of SHRM practices and their effects on organizational performance was done in CCRDA and its selected member organization. The study does not show entire practice of SHRM in CCRDA and its member organizations. It is therefore recommended further research to focus on CCRDA and its entire member organization if they are interested to do their researches in the area. The research is also not a comparative research showing the difference between local and international NGOs SHRM practices. It is therefore recommended future researchers to give attention to investigate the difference between local and international NGO's SHRM practices. It is also recommended future researchers to entertain both the views of employees as well as key strategic human resource management stakeholders (top management members, frontline managers, HR- directors and HR- Specialists) in their study for balanced interpretations of SHRM practices of the sector. Finally, SHRM research in NGO sector is a potential area of research investigation in which there is lack of empirical evidence. It is therefore recommended interested researchers to conduct their researches in NGO sector in general and other NGO's umbrella organizations in particular for understanding of the SHRM practices in our country context.

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Appendix I – Survey Questionnaire

Appendix I – Survey Questionnaire

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE
MA IN HUMAN RESOURCE MANAGEMENT PROGRAM
ADDIS ABABA

Questionnaire to be filled by Top Level Managers, HR Directors, Front- Line Managers and HR Specialists

Dear respondents:

I am a graduate student at Addis Ababa University School of commerce in Master of Art in Human Resource management. I am currently conducting a research on the topic “Assessment of Strategic Human resource management practices and their effects on organizational performance in CCRDA and its selected member organizations”. I would be grateful if you could kindly spare some of your precious time to fill this questionnaire for my study. This data collection instrument is developed to collect primary data from the study participants. I am therefore, humbly asking you to fill out all the questions to the best of your knowledge as per the instruction given. Your responses are very important and valuable for the success of my study. It has no any other purpose other than the purpose stipulated in the research paper. I assure you that the information you will provide will be kept confidential and will be used for this research project purpose only.

If you face any difficulty in completing this research questioner, please contact me through this phone address: +251910668654 or email address yeabfikir@gmail.com

I thank you very much in advance for your cooperation, genuine and timely response!!!

General Instruction

1. No need of writing your name.
2. Please attempt all questions as per the given instruction.
3. Please indicate your response by marking tick (✓) on the answer that best reflects your view.
4. Please note that you are required to respond to the question based on the 5- Likert scale from 1-Strongly disagree to 5-Strongly agree. 5 = Strongly Agree (SA); 4 = Agree (A); 3 = Neither Agree nor Disagree (NAD); 2 = Disagree (D); 1 = Strongly Disagree (DS).

Part I

Demographic Information

1. Gender: Male [] Female []
2. Age: ≤ 25 [] 26-35 [] 36-45 [] 46-55 [] 56-65 []
3. Service years in the NGO sector: 0-5 [] 6-10 [] 11-15 [] >16 []
4. Education level: Diploma [] Bachelor's Degree [] Master's Degree [] PHD []
5. Job category: Top Management [] Front-Line manager [] HR Director [] HR Specialist []

Part II

Adoption of Strategic Human Resource Management

6. What is the type of NGO you are working? Local NGO [] International NGO []
7. Is Strategic Human Resource Management Approach adopted in your organization?
Yes [] No []
8. How many years of experience has your organization in implementation of strategic Human Recourse Management?
1-3 [] 4-6 [] 7-9 [] > 10 []

Part III

Questions related to vertical alignment of Strategies Human Resource Management Strategies, Policies and Practices with vision, mission, objectives and values of the organization and consistency and congruence of Strategic Human Resource Management (HRM) practices (Horizontal integration).

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
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	Statement	1	2	3	4	5
Strategic Recruitment and Selection						
9	Recruitment and selection policy of the NGO is aligned with the vision, mission and strategic objectives of the organization.					
10	Recruitment and selection strategy of the NGO is aligned with recruitment and selection policy of the organization.					
11	Recruitment and selection practice of the NGO is aligned with recruitment and selection strategy of the organization.					
12	Recruitment and selection practice of the NGO is interconnected with the values of the organization.					
13	Recruitment and selection practice of the NGO is compatible (aligned) with operational goals of the organization.					
14	Recruitment and selection practice of the NGO is compatible (aligned) with the organization structure .					
15	Recruitment and selection practice of the NGO is business driven .					
16	Employees in the NGO are recruited in terms of specific job requirements as well as broader strategic concerns.					
17	The line managers are involved in selection and recruitment of staff members.					
18	Recruitment and selection practice of the NGO are interdependent and integrated with other Strategic Human Resource management practices of the organization.					
Strategic Training and Development						
19	Training and development policy of the NGO is aligned with the vision, mission and strategic objectives of the organization.					
20	Training and development strategy of the NGO is aligned with training and development policy of the organization.					
21	Training and development Practice of the NGO is aligned with training and development strategy of the organization.					
22	Training and development policy of the NGO is interconnected with the values					

	Statement	1	2	3	4	5
	of the organization.					
23	Training and development practice of the NGO is compatible (aligned) with operational goals of the organization.					
24	Training and development practice of the NGO is compatible (aligned) with the organization structure .					
25	Training and development practice of the NGO is business driven .					
26	Individuals and teams in the NGO are equipped to undertake current and future tasks required by the organization.					
27	The line managers are involved in training and development issues of staff members.					
28	Training and development practice of the NGO are interdependent and integrated with other Strategic Human Resource management practices of the organization.					
Strategic Reward and Compensation Management						
29	Reward and compensation policy of the NGO is aligned with the vision, mission and strategic objectives of the organization.					
30	Reward and compensation strategy of the NGO is aligned with Reward and compensation policy of the organization.					
31	Reward and Compensation practice of the NGO are aligned with Reward and Compensation strategy of the organization.					
32	Reward and compensation practice of the NGO are interconnected with the values of the organization.					
33	Reward and compensation practice of the NGO is compatible (aligned) with operational goals of the organization.					
34	Reward and compensation practice of the NGO is compatible (aligned) with the organization structure .					
35	Reward and compensation practice of the NGO is business driven .					
36	Employees are rewarded depending on their contribution to strategic goals of the organization.					

	Statement	1	2	3	4	5
37	The line managers are involved in areas of reward and compensation management.					
38	Reward and compensation practice of the NGO are interdependent and integrated with other Strategic Human Resource management practices of the organization.					
Strategic Performance Appraisal						
39	Performance management policy of the NGO is aligned with the vision, mission and strategic objectives of the organization.					
40	Performance management strategy of the NGO is aligned with performance management policy the organization.					
41	Performance appraisal practice of the NGO is aligned with performance strategy of the organization.					
42	Performance management policy of the NGO is interconnected with the values of the organization.					
43	Performance management practice of the NGO is compatible (aligned) with operational goals of the organization.					
44	Performance management practice of the NGO is compatible (aligned) with the organization structure .					
45	Performance management practice of the NGO is business driven .					
46	The line managers are involved in managing and appraising the performance of staff members.					
47	Performance appraisal practice of the NGO are interdependent and integrated with other Strategic Human Resource management practices of the organization.					
Strategic Employee Relations						
48	Employee Relations policy of the NGO is aligned with the vision, mission and strategic objectives of the organization.					
49	Employee Relations strategy of the NGO is aligned with employee relations policy of the organization.					

	Statement	1	2	3	4	5
50	Employee relations practice of the NGO is aligned with employee relation strategy of the organization.					
51	Employee Relations policy of the NGO is interconnected with the values of the organization.					
52	Employee Relations practice of the NGO is compatible (aligned) with operational goals of the organization.					
53	Employee Relations practice of the NGO is compatible (aligned) with the organization structure .					
54	Employee Relations practice of the NGO is business driven .					
55	Employee relations practice of the NGO is geared towards achieving strategically sustainable and healthy working relationship between management and employees.					
56	The line managers are involved in areas of employee relation management.					
57	Employee relations practice of the NGO are interdependent and integrated with other Strategic Human Resource management practices of the organization.					

Part IV

Questions related to Human Resource Management (HRM) unit strategic role.

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
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	Statement	1	2	3	4	5
58	HR unit is active participant in the process of defining organizational strategies.					
59	I have observed that HR unit is playing its strategic role effectively in the organization.					
60	HR unit performance has been measured by its ability to develop and implement compatible HRM practices that help the organization achieve its strategic goals.					

Part V

Questions related to the effects of Strategic Human Resource Management on organizational Performance.

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
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	Dimensions	1	2	3	4	5
Customer Perspective						
61	I have observed that beneficiary satisfaction in the NGO is increased since the implementation of Strategic Human Resource Management.					
62	I have observed that level of networking with partners is improved since the implementation of Strategic Human Resource Management.					
63	I have observed that donors' satisfaction in the NGO is increased since the implementation of Strategic Human Resource Management.					
Finance Perspective						
64	I have observed that access to funds in the NGO is increased since the implementation of Strategic Human Resource Management.					
65	I have observed that the use of the funds to achieve the required outputs is improved since the implementation of Strategic Human Resource Management.					
66	I have observed that the use of the non-financial resource to achieve the required outputs is improved since the implementation of Strategic Human Resource Management.					
Internal Process Perspective						
67	I have observed that the NGO's quality of service is improved since the implementation of Strategic Human Resource Management.					
68	I have observed that information communication in the NGO is improved since the implementation of Strategic Human Resource Management.					

	Dimensions	1	2	3	4	5
69	I have observed that the NGO's internal efficiency is improved since the implementation of Strategic Human Resource Management (inputs utilized vs. outputs achieved).					
70	I have observed that workload in the NGO is reduced since the implementation of Strategic Human Resource Management.					
71	I have observed that outcome performance/ effectiveness/ of the NGO program is improved since the implementation of Strategic Human Resource Management.					
72	I have observed that voluntary development in the NGO is improved since the implementation of Strategic Human Resource Management.					
Learning and Development Perspective						
73	I have observed that organization culture in the NGO is improved since the implementation of Strategic Human Resource Management.					
74	I have observed that employee satisfaction in the NGO is increased since the implementation of Strategic Human Resource Management.					
75	I have observed that staff capacity building performance of the NGO is increased since the implementation of Strategic Human Resource Management.					
76	I have observed that management capacity building performance of the NGO is increased since the implementation of Strategic Human Resource Management.					
77	I have observed that innovative programs/ projects development performance of the NGO is increased since the implementation of Strategic Human Resource Management.					
78	I have observed that the NGO's capacity of adjustment to changes required by the environment is increased since the implementation of Strategic Human Resource Management.					

Part VI

Questions related to challenges of implementation of Strategic Human Resource Management.

79. What are the major challenges of implementation of strategic HRM in your organization?

80. Based on your organization experience, what do you recommend other NGOs to consider for improved implementation of strategic HRM practices?

Thank You

Appendix II

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE
MA IN HUMAN RESOURCE MANAGEMENT PROGRAM
ADDIS ABABA
Interview Questionnaire for HR Directors

Dear respondents:

I am a graduate student at Addis Ababa University School of commerce in Master of Art in Human Resource management. I am currently conducting a research on the topic “Assessment of Strategic Human resource management in CCRDA and its selected member organizations”. The purpose of this interview is to collect qualitative data to my study. Your responses are very important and valuable for the success of my study. It has no any other purpose other than the purpose stipulated in the research paper. I assure you that the information you will provide me will be kept confidential and will be used for this research project purpose only. I want to thank you in advance for your willingness to participate in this research and allotting your precious time for the interview.

Let's get started with the first question

1. Is there Strategic Human Resource Management practice in your organization?

2. When you started practicing Strategic HRM in your organization?

3. How do you describe the overall alignment of strategic HRM with the overall strategy, mission and vision of your organization?_____

4. Strategic Recruitment and Selection

- How do you describe your resourcing strategy of your organization (recruitment and selection of employee)?

- What are the strategic elements or features of your organization recruitment and selection practice?

5. Strategic Employee Relations

- How do you describe the strategic employee relations strategy of your organization?

- What are the strategic elements or features of your organization employee relations practice?

6. Strategic Training and Development

- How do you describe the strategic training and development strategy of your organization?

- What are the strategic elements or features of your organization training and development practice?

7. Strategic Performance Appraisal

- How do you describe the strategic performance appraisal strategy of your organization?

- What are the strategic elements or features of your organization performance management/Appraisal practice?

8. Strategic Reward and compensation

- How do you describe the strategic Reward and compensation strategy of your organization?

- What are the strategic element or features of your organization reward and compensation practice?

9. How consistent and congruent are your organization SHRM practices?

10. How Strategic HRM practice helped to the success of your organization?

11. What are the major challenges of implementation of strategic HRM in your organization?

12. Based on your organization experience, what do you recommend other NGOs to consider for improved implementation of strategic HRM practices?

Thank You