



ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
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**ASSESSMENT OF HUMAN RESOURCE PLANNING PRACTICES AND
CHALLENGES IN ETHIO TELECOM**

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CHALLENGES IN ETHIO TELECOM**

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STATEMENT OF CERTIFICATION

This is to certify that this research work carried out by Sitote Kassaw with a topic “Assessment of human resource planning practices and challenges in ethio telecom” is his original work and is suitable for submission for the award of Master of Art Degree in Human Resources Management.

Advisor

Dr. Wubshet Bekalu

DECLARATION

I, Sitote Kassaw, declare that the thesis entitled **Assessment of human Resource planning practices and challenges in ethio telecom** is my original work with the guidance and support of my Research Advisor Wubshet Bekalu (PhD). This thesis has not been submitted for any degree in Addis Ababa University or any other University and all sources of materials used for the project have been properly recognized.

Declared by: Sitote Kassaw (The Researcher)

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ABBREVIATIONS AND ACRONYMS

HR	Human Resources Planning
SP	Strategic Planning
ET	ethio telecom
ETC	Ethiopian Telecommunication Corporation
HR	Human Resource
SBP	Strategic Business Planning

ABSTRACT

The main purpose of this study was to examine the human resource planning practices and challenges of ethio Telecom. The descriptive survey method was applied for data collection and stratified sampling technique was used. Different data gathering instruments were used to collect relevant information from the respondents; semi-structured interview was conducted with division heads and some HR Mangers of the company. Moreover, there were also questionnaire that were filled by sample section and department heads. The data collected from various sources by means of questionnaires and interview were presented, analyzed and interpreted using frequency tables, percentages, mean, standard deviation, grand mean.

The results of the study revealed that ethio telecom had not proper human resource planning policy that guide how to carry out human resource planning effectively. Thus, human resource planning was not well practiced. The study found that human resource division didn't understand and recognize the importance of human resource planning to meet its current and future demands for talent. It was also concluded that human resource planning was not properly aligned with the company strategic plan. Thus, it was recommended that ethio telecom should have comprehensive human resource planning policy and procedure and clearly defined process which enable the company to carry out HR planning effectively. The company`s human resource division should understand and recognize the importance of human resource planning to meet its current and future demands for talent, allowing human resource managers to anticipate and develop the skills most valuable to the company, and providing with the optimal balance of staff in terms of available skill sets and numbers of employees. ethio telecom HR should participate not only in strategy implementation but also formulation (Two-way linkage). They should have information in advance about possible future growth/transformation and expansion projects in the company. HRD should assist and counsel operating managers to plan and set objective, collect and summaries of manpower data keeping long run objectives and broad organizational interests in mind, monitor and measure performance against the plan and keep top management informed about it and provide proper research base for effective manpower and organizational planning.

Key words: HRP practices, Strategic Plan, Demand Forecasting, Supply Forecasting, ethio telecom.

CHAPTER ONE

INTRODUCTION

1.1. Background of The Study

Human resource planning is the process of analyzing and identifying the need for and availability of human resources so that the organization can meet its objectives. The focus of HR planning is to ensure the organization has the right number of human resources, with the right capabilities, at the right times, and in the right places. In HR planning, an organization must consider the Availability of and allocation of people to jobs over long periods of time, not just for the next month or even the next year.

This level of planning requires knowledge of expansions or reductions in operations and any technological changes that may affect the organization.

HR plans can be made for shifting employees within the organization, laying off employees or otherwise cutting back the number of employees, retraining present employees, or increasing the number of employees in certain areas. Factors to consider include the current employees' knowledge, skills, and abilities in the organization and the expected vacancies resulting from retirements, promotions, transfers, and discharges. In summary, doing HR planning right requires significant time and effort by HR professionals working with executives and managers.(Robert L. Mathis, John H. Jackson. .2008)

Human resource planning has an integral part of business planning because it is the core of all planning processes of the enterprise. The human being is the most important factor in the Operation of the enterprise. A human resource plan must ensure that there is the right number and structure of people in the right jobs at the right time. These people should meet the required company objectives. Human resource planning in the business practice should represent generally used and key activity for human resource management because human resource planning helps to make optimum utilization of the human resources in the enterprise and it helps to avoid wastage of human resources. Human resource planning allows to forecast the future manpower requirements and also to forecast the number and type of employees who will be required by the enterprise in a near future. In the long-term period, success of any enterprise depends on whether the right people

are in the right places at the right time, which is nature of human resource planning (Kristina and others, 2012).

Therefore, careful analysis of human resource planning, on the other hand, can equip us to meet this challenge. Effective human resource planning requires strong executive leadership and management; clearly articulated vision, mission, and strategic objectives; and cooperative, supportive efforts by staff in several functional areas. To make human resource planning succeed, human resource professionals will be called upon to master new roles as leaders, business partners, and change agents. All human resource activities show that their effectiveness and efficiency, which result in increased productivity, depend on effective human resource planning and the researcher's study is to assess the human resource planning practices and challenges of ethio telecom.

1.2. Statements of the Problem

The organization's objectives and strategies for the future determine future requirement of human resources. It only means that the number and mix of human resources are reaction to the overall organizational strategy. If the intent is to get closer to people possessing requisite qualifications, the organization should act quickly.

Human Resource Planning or Manpower Planning (HRP) is the process of systematically reviewing HR requirements to ensure that the required number of employees with the required skills is available when they are needed. Getting the right number of qualified people into the right job is the crux of the problem here.

In actual practice, this is not easy. Due to constant changes in labor market conditions, qualified people possessing relevant qualifications are not readily available. The organization needs to go that extra mile, dig up every source of information and exploit every opportunity that comes its way in order to identify talent.

HRP is simply not a process of matching the supply of people (existing employees and those to be hired or searched for) with openings the organization expects over a given timeframe. It goes a step further in order to reach out to right kind of people at right time, spending time, resources and energies. Without careful planning, advance thinking, and prompt actions, it is impossible to get competent and talented people into the organization.

HRP has become the greatest challenge faced by ethio telecom.

Human resource planning is the ongoing process of systematic planning to achieve the best use of an organization's most asset – its human resources. The objective of human resource (HR) planning is to ensure the best fit between employees and jobs, while avoiding workforce shortages or spares.

Organizations have increased tremendously in recent years and some appear to have difficulty in determining the exact size of the workforce. They appear to be incapable of updating the retrievable information which is essential to HRP. Because of the increasing complexity of organizations, the rate of technological change causes difficulties in HR planning. This is because, at times, it is difficult to keep up with the technological development.

There is always resistance to change within an organization, but somehow this resistance must be overcome if manpower is to be utilized effectively. HRP is now becoming a sophisticated process, only involving the use of experts, and these experts must have rapid access to accurate information. Vlad (2010) described that organizations seek to thrive in increasingly uncertain economic and business environments; more and more attention is being focused on the role of talent management in better utilizing knowledge workers. Specifically, companies are searching for processes and techniques to keep knowledge workers engaged and committed in order to achieve organizational goals effectively and efficiently.

The role of human resource planning in recruitment and selection process has assessed and defined as it is used by organizations to ensure that they have the right number and the right kind of people at the right place and at the right time (British Journal of Humanities and Social Sciences August 2012, Vol. 6 (2))

Different studies have been conducted on HRP practices globally, among these researches is the research by Yaw Opoku-Menshas (2012) from Ghana. "The researcher under his research titled "An Analysis of Human Resource Planning and its Effect on Organizational Effectiveness – A Case Study of Information Services Department, Accra Office", tried to assess the HRP practices of a company called "Information Services Department, Accra Office". The study tried to find out whether there are HRP policies and practices in the case company; to establish whether the Human Resource Planning practices and procedures within company are functioning effectively; and to find out the challenges of the provision of a framework to guide the implementation of HRP

in the company. As a result of the study, the researcher revealed that most of the staffs in the case study company do not have in-depth knowledge on Human Resource Planning, and that HRP was not well practiced by the company. In his recommendation the researcher suggested, among other things, the company should have a human resource plans so that no matter the changes in management, the plans will still be followed. These plans should be periodically reviewed in order to adjust to the dynamic environment.”

When we come to Ethiopia, we don't find many research works conducted on HRP. Among others, a research by Sisay Oda (2011), *“there are a number of factors that hinder HRP practice. As a result, "Lack of coordination between HRP section, internal placement division and other concerned departments and line managers respectively were among the causes and limitation that lead failure towards HRP practice of ETC.”*

According to Addisalem Birhane (2011) who studied “The assessment of human resource planning, training and placement practices and problems of the ministry of defense stated that “The approach and methods of forecasting analysis of demand and supply were not comprehensive and supported with quantitative statistical evidence, it only depended on subjective qualitative approach and limited to some forecasting analysis methods. She concluded that “Human resource planning, was dysfunctional and reactive because the processes and procedures of HR planning were not developed and arranged in an integrated way so as to serve as input or conducive situation for HR planning.”

According Abiot Abera (2014) *“Most of Ethio Telecom management did not have in depth knowledge on human resource planning; thus it was not well practiced by top management and human resource division managers. It also revealed that human resource planning was not aligned properly with the overall company strategic business plan.”*

The application of a strong human resource management in general and a sound human resource planning in particular has not yet been realized and didn't bring any meaningful result, other than being theoretical knowledge. In the same way, ethio telecom has been a victim as result poor human resource planning.

Therefore, this study attempted to assess some general aspects of the current state of affairs in human resource planning practice and challenges of ethio telecom.

The researcher also focused on how HRP links with strategic plan, how HRP is acknowledged its ‘importance by employees ‘of ethio Telecom who are working in managerial position.

1.3 Research Question

The study tried to find answers for the below major research questions:

1. How are the Human Resource Planning Process and practices carried out in ethio telecom?
2. What are the major challenges and obstacles in implementing human resource planning process with in ethio telecom?
3. To what extent is human resource planning aligned with company’s strategic plan?

1.4 Objectives of The Study

1.4.1 General Objective

The general objective of the study is to assess the practices of human resource planning in ethio telecom and identify the problems and challenges.

1.4.2 Specific Objective

Specifically, the study tried to achieve the following objectives: -

1. To find out how the human resource planning process and practices were carried out in ethio telecom.
2. To assess the link of human resources planning and the strategic plan of ethio telecom.
3. To identify the major challenges faced to carry out human resource planning in ethio telecom.

1.5 Significance of the Study

Human resource planning helps in maximum utilization of human resources, reduces excess labor turnover and high absenteeism; improves productivity and excels the organization in achieving the purpose for which it is established. A bad manpower plan may induce dissatisfaction in labor and lead to higher labor turnover, reduces productivity.

The necessity of applying a strong human resource management in general and a sound human resource planning in particular has not yet been realized and didn't bring any meaningful result, other than its being theoretical knowledge. Similarly, ethio telecom has been a victim of such problem. To properly utilize the available human resource with the intended benefit, human resource planning becomes crucial. Therefore, this study has attempted to examine some general aspects of the current state of affairs in human resource planning practice and challenges of ethio Telecom so that it has a significant contribution on:

1. It would provide firsthand and valuable information regarding human resource planning practice and challenges of ethio telecom that helps the organization to practice these functions systematically and effectively in order to have the right people.
2. Moreover, this study could serve as a springboard and a document for future use to those interested researchers who want to study the problem in wider scope and depth.

1.6 The Scope of the Study

Conceptually, the study dealt with the assessment of Human resource planning practice and challenges in ethio telecom. Other HR functions such as recruitment and selection, orientation and training, performance evaluation, compensation and benefits, safety and health at workplace and industrial relation were beyond the scope of this study.

Geographically, the scope was limited to Ethio Telecom's Head Office which is based in Addis Ababa, Ethiopia where the human Resource division is located. The other reason was the fact that Ethio telecom has over 16,389 permanent staff, as of January 2020, out of which 6,468 employees are working in head office. The last reason was that HRP practice is fully done at the head office level only. Therefore, it was logical to delimit the study at the head office.

1.7 Limitation of The Study

Below were the major expected limitations of the study:

- The first expected limitation was to have highly subjective response from respondents as they were asked about their personal observation and experience.
- Some respondents were uncooperative and reserved for the researcher in giving valid response.
- The last but not the least limitation was the fact that the student researcher lack thorough practical experience in conducting such problem-solving research. All these problems contributed negatively to the quality of the study.

1.8 Definition of key Terms

Strategic Planning: - Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.

Human Resource Planning: - is a process which uses an organization's goals and strategy to forecast the organization's human resources needs in terms of attracting, developing and keeping qualified work forces.

Work Force Forecasting: - is process of predicting the number and kind of workers with specific skills and ability that an organization will need in the future.

Human Resources Information System (HRIS) is a software or online solution that is used for data entry, data tracking and the data information requirements of an organization's human resources (HR) management, payroll and bookkeeping operations.

HR Demand Forecasting: Demand Forecasting is the process of estimating the future numbers of people required by an organization and the likely skill and competences they will need (Armstrong, 2009, P. 491)

HR Supply Forecasting: Supply Forecasting is the process of measuring the number of people likely to available from within and outside the organization, having allowed for absenteeism, internal movements and promotions, wastage and changes in hours and other conditions of work (Armstrong, 2009, P. 492)

1.9 Organization of the study

The research report was organized in five chapters. Chapter one dealt with the introduction part of the study. Chapter two discussed about the review of related literatures, that discusses in detail the theoretical aspects of the subject under study. Chapter three dealt with methods of the study like the type and design of research, sample and sampling technique, instrument for data collection, procedure for data collection, method of data analysis, validity and reliability and ethical consideration. Chapter four focused on data presentation, analysis and interpretation. And the last chapter, chapter five discussed about summary, conclusion, and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

This chapter provides an insight to readers about the theoretical view of the topics under study. The intention was to examine the extensive body of literature related to human resource planning practices.

2.1. Definition of Human Resource planning

According to Dessler (2013), human resource planning is the process of deciding what positions the firm will have to fill, and how to fill them. It embraces all future positions, from maintenance clerk to CEO. Planning involves the forecasting of human resource needs in organizations and designing appropriate actions such as recruitment, training and career development based on identified needs. Planning is carried out within the goals and general policy framework of the firm or agency. It is also affected by public policies, changes in technology and availability of manpower. Human resource planning involves a complex task of forecasting and planning for the right numbers and the right kinds of personnel at the right places and at the right time to perform activities that will benefit the organization in accomplishing its objectives and in helping its members to satisfy their needs. Human resource planning will be successful to the extent that it properly coordinates each of enumerated elements and it is essentially the fitting of resources to business needs in the longer term or shorter term as the case may be without clear cut planning and direct linkage to the organization strategic directly estimate of organization human resource needs are reduced to mere guess work (Decenzo and Robbins,2005).Human resource planning is used by organizations to ensure that they have the right number and the right kind of people at the right place and at the right time. Where this process is carried out properly, it brings maximum long-run benefits to both the organization and the individual employee.

2.2 Objectives of Human Resource Planning

The objective of employment planning is to bring together the forecasts of future demand for workers and the supply of human resources, both current and future. The result of this effort is to pinpoint shortages both in number and in kind, to highlight areas where overstaffing may exist

(now or in the near future), and to keep abreast of the opportunities existing in the labor market to hire qualified employees either to satisfy current needs or to stockpile potential candidates for the future Louis Cohen, (2007). Once acquired, information concerning future human resource requirements and availabilities, as well as external and internal environmental conditions, must be brought together to identify potential gaps and the reasons for them, and to decide on appropriate planning objectives. In brief, in the reconciliation process, gaps between anticipated human resources requirements and availabilities are identified and the reasons for these clarified (De Cenzo and Robbins, 2009).

The following are the objectives of human resource planning:

- Assessing manpower needs for future and making plans for recruitment and selection.
- Assessing skill requirement in future for the organization.
- Determining training and the development needs of the organization.
- Anticipating surplus or shortage of staff and avoiding unnecessary detentions or dismissals.
- Controlling wage and salary costs and ensuring optimum use of human resource in the organization (De Cenzo and Robbins, 2009).

Heneman and Schwab, (1993). Even the relatively simple reconciliation suggests that the organization will have to deal with both employee shortages and surpluses, as well as with reducing labor costs through automation, promotion blockages, and possible increases in voluntary turnover rates. Reconciliations of availabilities and requirements through action decisions are discussed in detail below. Objectives derive from the reconciliation process; they are statements of what managers intend to accomplish during the planning period. Once derived, they provide direction for the action planning process, as well as standards against which accomplishments can later be judged. Objectives emanating from staffing planning usually evolve around controlling head count, controlling labor costs and improving productivity derived from forecasting future human resource requirements, and eliminating potential employee shortages or surpluses by altering employee flows derived through comparisons of anticipated availabilities and requirements, Heneman and Schwab (1993).

2.3 Integration of Strategy and Human Resource Planning

As discussed in the theoretical background, according to **Greer (2003)**, the integration of business strategy and human resource strategy and planning is particularly important for long-range planning efforts. Furthermore, with the recognition of the potential contributions of human resource planning, line managers have taken on greater responsibilities for these planning efforts. He also provides that long term human resource planning is important by integrating strategic business plan of the organization and this process also requires the integration of the skills and knowledge of human resource planner and all other executives responsible for strategic planning.

2.3.1. Determinants of Integration

The strategy and human resource planning linkage is affected by a number of influences including environmental factors such as intense competition, which often requires productivity enhancements and workforce downsizing; technological change, which requires different employee skills; and changes in the composition of the workforce (Greer, 2003).

Greer (2003) described level of integration; less integration is likely in stable environments. Another influence is level of diversification; as greater integration occurs in companies with one dominant core business as opposed to diversified companies. At the opposite end of the continuum, where an organization 's divisions are in different core businesses, a decentralized structure would be likely. Greater integration also occurs where the top human resource executive has equal status with the heads of the other functional areas and has credible line experience. More integration also occurs out of necessity where there are severe skill shortages.

Greater integration also occurs where compensation systems reward executives 'performance. Likewise, it occurs where line managers perceive that human resource planning can help them implement strategies that will further the goals of the company. He also discussed that changing demands for skills also has the potential to affect the degree of integration between strategic planning and human resource planning. With the decline in proportion of employment accounted for by manufacturing and growth of services, there has been a changing demand for employee skills. In the service industry, there is concurrent creation and consumption of the service by the consumer.

As a result, service workers must be more involved in controlling quality, make appropriate adjustments when standards are not met, and must be responsible for more of their own

supervision. Such changes dictate that service workers be more involved and committed to the organization. In order to create institutional climates and processes, which provide information and power sharing necessary for employees to operate in this manner, companies must plan ahead and make major changes in organizational direction. Conversely, integration is less likely where senior management incorrectly assumes that there are qualified employees in the external labor market and specifies that areas such as finance and marketing should have sole responsibility for strategic planning. Human resource executives who lack a strategic perspective of the business also impede integration (Greer, 2003).

2.3.2 Evolution of Strategy and Human Resource Planning

Integration Charles R.Greer ,(2001) stated that there are probably four stages in the evolution of linkages between strategic business planning and human resource management. These are:

Administrative linkage: the first stage is called an administrative linkage, although there is no real linkage. Senior executives operate as if qualified personnel are always available in the labor market, and the human resource unit is relegated to a paperwork-processing role Charles R.Greer ,(2001) .

One-way linkage: the second stage involves one-way linkage in which the human resource function becomes involved only in implementation Charles R.Greer ,(2001) .

Two-way linkage: in the third stage, there is a two-way linkage. This involves a reciprocal relationship in which the human resource function helps implement strategic business plans and also provides input to strategy formulation.

Integrative linkage the final stage is called integrative linkage. This linkage goes beyond the reciprocal relationship to an equal involvement with other functional areas of business in the development of strategic corporate plans, including issues outside of the human resource area. Interestingly, a fully integrated linkage may be described as informal Charles R.Greer ,(2001).

Corporate plan of the organization and human resource needs to be aligned with the organization Strategic business plan. HR planning needs to become interdependent with the rest of the organization strategic business plan. And also it has to take a comprehensive approach that aligns its actions with the entire organizational strategy business plan and it has much to contribute in a strategic supporting role and the organization's strategy development Rothwell, W.J. (2010).

Therefore, integrative linkage one of a key stage and the organization management have to work hard to address the strategic needs and support of the organization by aligning human resource planning process with the organization's strategy business planning importance to the organization's business success Charles R. Greer ,(2001)

2.4 Need for Human Resource Planning

Human resource planning is needed for foreseeing the human resource requirements of an organization and supply of human resources kumar N and GP, (2010). It is need can be accessed from the following points:

- **Replacement of Employees:** Many persons are to be replaced in the organization because of retirement, old age, death, etc. There will be a need to prepare persons for taking up new position in such contingencies kumar N and GP, (2010).
- **Labor Turnover:** there is always labor turnover in every organization. The degree of labor turnover may vary from concern to concern but it cannot be eliminated altogether. There will be a need to recruit new persons to take up the positions of those who have left the organization. If the concern is able to forecast turnover rate precisely, then advance efforts are made to recruit and train persons so that work does not suffer for want of workers kumar N and GP, (2010).
- **Expansion Plans:** Whenever there is a plan to expand or diversify the concern then more persons will be required to take up new positions. Human resource planning is essential under these situations kumar N and GP, (2010).
- **Technological Changes:** The business is working under changing technological environment. There may be a need to give fresh training to personnel. In addition, there may also be a need to infuse fresh blood into the organization. Human resource planning will help in meeting the new demands of the organization kumar N and GP, (2010).
- **Assessing Needs:** Human resource planning is also required to determine whether there is any shortage or surplus of persons in the organization. If there are fewer people than required, it will adversely affect the work. On the other hand, if more persons are employed than the requirement, then it will increase labor cost, etc. Human resource planning ensures the employment of proper workforce kumar N and GP,(2010)

The effectiveness of human resource planning can be viewed from a behavioral perspective. This includes the degree to which managers accept human resource planning as an activity that helps them perform their jobs. Line management's willingness to supply information to be used in the development of forecasts and actually use human resource forecasts in their own planning provide other indicators of human resource planning effectiveness. Even when forecasts are inaccurate, the human resource planning process has value. This is because, as in any planning effort, the process of forecasting is often more valuable than the forecast itself because managers are forced to reexamine fundamental operating assumptions. Such reexamination and resultant communications are often valuable side-effects Charles R.Greer ,(2001)

2.5 Benefit of Human Resource Planning

Johansson, L.G (2004), the need for planning occurs mainly due to the fact that modern organizations have to survive, operate and grow in highly competitive market economics where change is the prevailing principle. The change may be either revolutionary (sudden) or evolutionary (slow). The diverse areas of change include change in technology, change in population, change in economic structures and systems, change in policies of government, change in employee attitudes and behavior Johansson, L. G (2004). These changes create obstacles for the management through threats and challenges.

Managers have to tolerate the problems caused due to the changes and act upon them delicately in order to avoid or reduce the effects of these problems on the survival, operation and growth of the organization. Efficient managers can predict the problems that are probable to occur and try to check them. As pointed by Johanson, L.G (2004), successful managers deal with foreseen problems and unproductive managers struggle with unforeseen problems. The difference lies in planning. Managers have to foresee to make the future favorable to the organization in order to achieve the goals effectively. They introduce action, conquer current problems, avert future uncertainties, adjust the goals with the unforeseen environmental conditions and apply all their resources to achieve their goals.

According to (Megginson al, 2002) "to have an organization that looks forward to the future and tries to stay alive and prosper in a changing world, there must be active, vigorous, continuous and creative planning". Thus, there is a superior need for planning in order to keep the organization dynamic in a changing situation of uncertainty Johansson, L.G(2004)

2.6 Factor Affecting Human Resource Planning

External and internal issues are the factors that impel human resource planning. An issue is any event or trend that has the potential to affect human resource conclusions, such as employee motivation, turnover, absenteeism, the number and types of employees needed etc. External issues are events or trends outside of the organization, such as work force demographics and technology. Internal issues refer to events or trends within the organization, such as business strategy, organizations structure and company profitability Johanson ,L.G(2004).

2.6.1 External factors

Government Policies: Policies of the government like labor policy, industrial relations policy, policy towards reserving certain jobs for different communities and sons-of-the soils, etc. affect the Rothwell,W.J (2002).

Level of Economic Development: Level of economic development determines the level of HRD in the country and thereby the supply of human resources in future in the country.42 Human Resource Management

Business Environment: External business environmental factors influence the volume and mix of production and thereby the future demand for human resources.

Level of Technology: Level of technology determines the kind of human resources required Level of technology: Organizations had invested high amounts on information technology during the 1980s. Given the size of the investment, a range of changes in the human resource area have occurred. Human resource requirements have decreased drastically because of technological changes. There are many organizations that have declared plans to decrease its workforce to around 50 percent employees as an outcome of technological changes Rothwell,W.J (2000).

International factors: Rothwell,W.J (2010), Lanners face major barriers while formulating an HRP. Some of the significant ones are as follows:HR practitioners are considered to be experts in handling and managing personnel matters but are not experts in managing business. People question the importance of making HR practices futuristic and the role assigned to HR practitioners in formulation of organizational strategies.

According to peter J.Dawlling (2008) , human resource information often is unsuited with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the limitation of other types of information. Financial

forecasting takes priority over HRP. Conflict may exist between short term and long-term HR needs. For example, there arises as conflict between the pressure to get the work done on time and long-term needs, such as preparing people for assuming greater responsibilities. Many managers are of the faith that HR needs can be met instantly because skills are available in the market as long as wages and salaries are competitive. Therefore, long term plans are not required, short term plans are only needed. There is variance between quantitative and qualitative approaches to HRP. Human Resource Planning is a decision-making process that unite activities such as identifying and acquiring the right number of people with the proper skills, motivating them to achieve high performance and creating interactive relations amid business objectives are resource planning activities. HRP sets out requirements in both quantitative and qualitative terms. Accurate manpower plan is a vision. A common mistake of many managers is to focus on the organization's short term substitution needs. Any human resource plan, if it is to be effective, must be derived from the long term plans and strategies of the organization peter J. Dawlling (2008).

Outsourcing: is a process where company hires external experts for a given period of time in order to do some specific jobs which cannot possessed by the company man power Rothwell, W.J (2010),

2.6.2 Internal Factors

Company policies and strategies: Many businesses nowadays are varying their organizational structure. Organizational structure refers to how work tasks are assigned, who reports to whom, how communications and decisions are made etc. As a part of their reorganization/restructuring a few companies are creating teams to carry out the work. The approach that a company assumes in carrying out business is referred to as its business strategy/policy. For example, a particular company may adopt strategy on quality improvement, cost reduction etc. It is imperative for organizations to supervise both the internal and external environment to foresee and understand the issues that will affect human resources in the future Johansson, L.G (2004).

Human Resource Policies: Tracy, W.R. (2003). Human resources policies of the company regarding quality of human resource, compensation level, quality of work life, etc. influences human resource plan.

Job Analysis: Fundamentally, human resource plan is based on job analysis. Job description and job specification determines the kind of employees required Tracy, W.R. (2003).

Time Horizons: Companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short-term range Tracy, W.R. (2003).

Type and quality of information: types of information are a data that are transferred into a meaningful term. There are two types of information that is internal and external information Tracy, W.R. (2003).

Internal information: -information that are generated from within the company, it may be from the data base of the company, manuals and letters between different departments Tracy, W.R. (2003).

External information: Information received from external sources through formal mode of communication. It includes information regarding market new technology Tracy, W.R. (2003).

Quality of information: is the reliability, truth and accurateness of the information or terms derived from a source that one generated from internally or externally Tracy, W.R. (2003).

Companies operation polices: a policy that guide the principle, procedure, ways and methods of business operation what would be undertaken by the company. The operation may include production policy. manufacturer, policy service rendering policy Tracy, W.R. (2003).

Trade union: is an association which is framed by employee to act on the behalf of them in order to negotiate with management important issues such as pay and working conditions. Tracy, W.R (2003)

2.7 Human Resource Planning Process (Model)

To ensure that appropriate personnel are available to meet the requirements set during the strategic planning process, human resource managers engage in employment planning. The purpose of this planning effort is to determine what human resource management requirement exist for current and future supplies and demands for workers MizraS.Saiyadain (2003)

(i) Assessing Current Human Resources

Vikstrom, A and W (2010), assessing current human resources begins by developing a profile of the organization's current employees. This internal analysis includes information about the workers and the skills they currently possess. In arena of sophisticated human resource information systems software (HRIS), it is not too difficult for most organizations to generate an effective and detailed human Resources inventory report Vikstrom, A and W (2010).

The input to this report would be derived from forms completed by employees and checked by supervisors. Such reports would include a complete list of all employees by name, education, training, prior employment, current position, performance ratings, salary level, languages spoken, capabilities and specialized skills Mizra S.(2003). From a planning viewpoint, this input is valuable in determining what skills are currently available in the organization.

(ii) Determining the Demand for Labor

Once an assessment of the organization's current human resources situation has been made and the future direction of the organization has been considered, it's time to develop a projection of Future human resource needs MizraS.Saiyadain (2003)

(iii) Predicting the Future Labor Supply

By determining future human resource requirements, that is, by estimating as closely as possible how many employees the organizational unit of interest will need in each job category by the end of the planning period to do the work that will have to be done. As the figure below shows (in the left-hand column), the logical place to begin this process is with an organization's business plans. This information tells the human resource planner whether volumes will be going up, staying about the same, or going down MizraS.Saiyadain (2003)

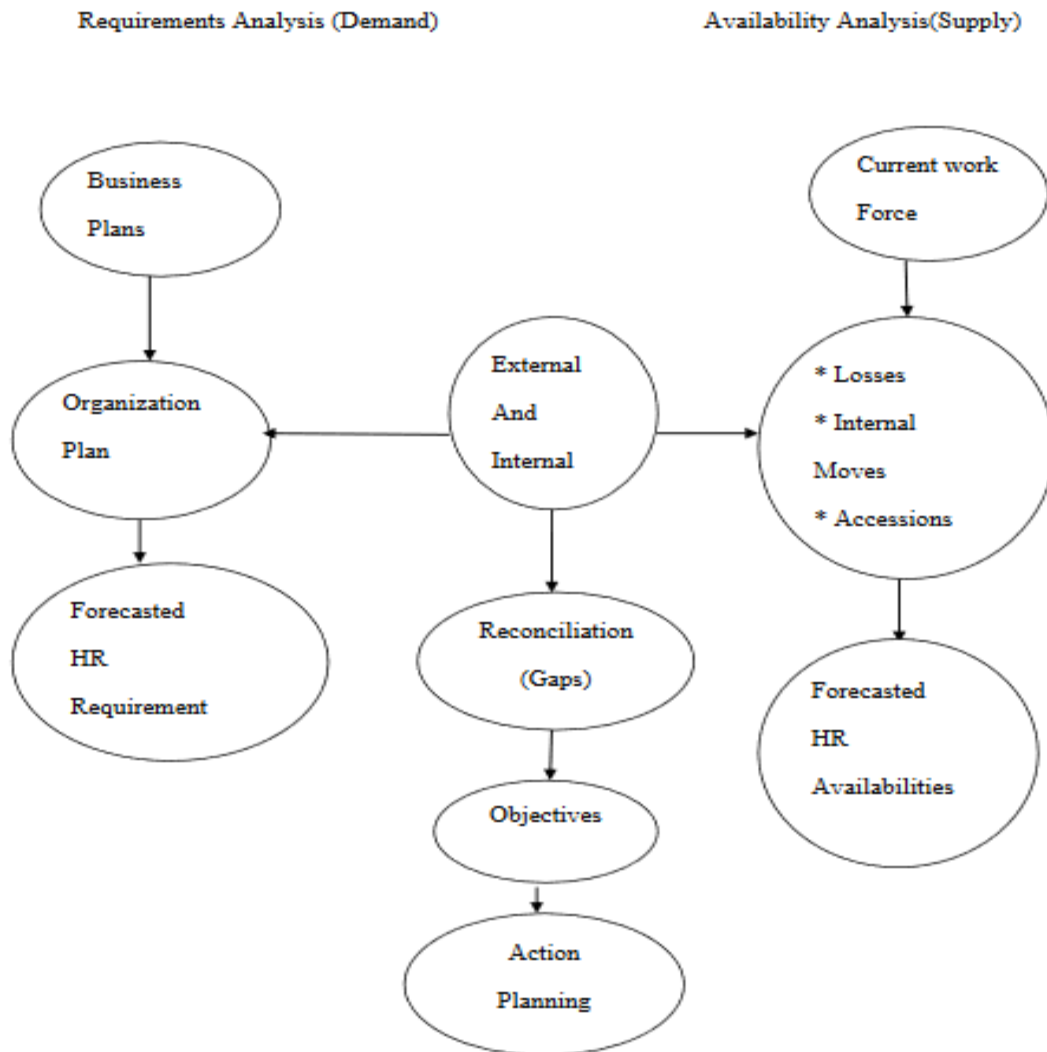


Figure 2.1 Human Resource Planning Process

Source: Personnel/Human Resource Management Book of MizraS.Saiyadain (2003). MizraS.Saiyadain (2003), maximizing employee productivity and minimizing head counts (and thus labor costs); in the later, it might be much more concerned with maximizing employee flexibility and adaptability even at the expense of having a few extra people around. Also, the employees probably would have to be more skilled. In addition to volumes and strategies, business plans usually reveal whether or not there will be any changes in the basic technologies the organization uses to make, market, and distribute its products or services. Such changes typically are introduced as a means of increasing employee productivity requirements. They also usually

alter the skill requirements of jobs, and thus the nature of the job categories that are being planned for MizraS.Saiyadain (2003).

(iv) **Determining Future Human Resource Availabilities**

On the above discussion we considered internal factors. We will now review those factors outside the organization that influence the supply of available workers. The potential supply can differ from what one might conclude by looking only at the visible sources of supply. The task here is to estimate the numbers and types of employees that will be available in various job categories at the end of the planning period. The right-hand column of the figure shows the basic process MizraS.Saiyadain (2003).

MizraS.Saiyadain (2003), it all begins with an inventory of the employees expected to be in the various job categories (obviously the same ones for which human resource requirements were established) at figures are subtracted anticipated losses during the planning period due to retirements, voluntary turnover, and other reasons (involuntary turn-over, transfer to other units, and leaves of absence). Then it is necessary to make internal adjustments (plus and minus) across job categories to account for anticipated promotions and demotions.

(v) **Conducting external and internal environment scanning**

A number of external and internal influences affect the conduct of HR management; external factors are such as economic forces, labor markets, laws and regulations, and labor unions.

Accordingly, these factors are also grist for the HRP mill. Environmental scanning is the process of tracking trends and developments in the outside world, documenting their implications for the management of human resources and ensuring that these implications receive attention in the HRP process. De Cenzo and Robbins provide the following a brief description of the main determinants factors of human resource planning: -

Human resource skill inventory is not too difficult for most organizations to generate an effective and detailed human resources inventory report. Such reports would include a complete list of all employees by name, education, training, prior employment, current position, performance ratings, salary level, languages spoken, capabilities, and specialized skills.

Job Analysis provides information about jobs currently being done and the knowledge, skills, and abilities that individuals need to perform the jobs adequately.

The HRIS (sometimes referred to as a human resource management system) is designed to quickly fulfill the HRM informational needs of the organization. The HRIS is a database system that keeps important information about employees in central and accessible location even information on the global workforce. When such information is required, the data can be retrieved and used to facilitate employment planning decisions.

Thus, this research paper will assess how managers of an organization consider those factors when they prepare human resource planning and aligning with strategic business plan of their organization. Managers and human resource specialists of an organization must fully aware of the importance of the data of these main determinant factors in advance for human resource requirements preparation.

(vi) Reconciling Requirements and Availabilities:

The objective of employment planning is to bring together the forecasts of future demand for workers and the supply for human resources, both current and future. The result of this effort is to pinpoint shortages both in number and in kind, to highlight areas where overstaffing may exist (now or in the near future), and to keep abreast of the opportunities existing in the labor market to hire qualified employees either to satisfy current needs or to stockpile potential candidates for the future (De Cenzo and Robbins, 2009).

Once acquired, information concerning future human resource requirements and availabilities, as well as external and internal environmental conditions, must be brought together to identify potential gaps and the reasons for them, and to decide on appropriate planning objectives. In brief, in the reconciliation process, gaps between anticipated human resources requirements and availabilities are identified and the reasons for these clarified. Even the relatively simple reconciliation suggests that the organization will have to deal with both employee shortages and surpluses, as well as with reducing labor costs through automation, promotion blockages, and possible increases in voluntary turnover rates. Reconciliations of availabilities and requirements through action decisions are discussed in detail below (Heneman and Schwab, 1993).

Objectives derive from the reconciliation process. They are statements of what managers intend to accomplish during the planning period. Once derived, they provide direction for the action planning process, as well as standards against which accomplishments can later be judged.

Objectives emanating from staffing planning usually evolve around controlling head count, controlling labor costs and improving productivity (derived from forecasting future human resource requirements), and eliminating potential employee shortages or surpluses by altering employee flows (derived through comparisons of anticipated availabilities and requirements) (Heneman and Schwab, 1993).

Certain issues can give rise to multiple objectives. For example, staffing planning at a rapidly growing high-technology company might indicate a potential shortage of skilled technician that cannot be met from within. The company's environmental scan of the relevant labor markets, however, might well turn up the fact that such talent is extremely scarce and that experienced technicians are virtually impossible to find. Under the circumstances, the company might establish as one objective the elimination of the anticipated shortage through outside hiring, and then a second objective: the elimination of the anticipated skill deficiencies of the new hires during their first six months on the job (Heneman and Schwab, 1993).

2.8 Action Decisions in Human Resource Planning

According to Ivancevich and Gluek, after the human resource planning system has analyzed both the supply of and the demand for future workers, these two forecasts are compared to determine what, if any, action should be taken. Whenever there is a discrepancy between these two Estimates, the organization needs to choose a course of action to eliminate the gap. These are listed as follow:-

1. Action Decision with a Shortage of Employees

When employment specialists comparing demand with supply find that the supply of workers is less than the demand, several possibilities are open to the organization. If the shortage of small and employees are willing to work overtime, it can be filled with present employees. If there is a shortage of highly skilled employees, training and promotions of present employees, together with the recruitment of less-skilled employees, are possibilities. The decision can also include recalling employees who were previously laid off. Intense global competition, rapid technological change, and fears caused by recent work force reductions have also led many organizations to increase their use of part-time workers, subcontractors, and independent professionals in response to changing demands.

2. Action Decision in Surplus Conditions

When comparison of demand for and supply of employees indicates a surplus, the alternative solutions include attrition, early retirements, demotions, lay-offs, and terminations. Decisions in surplus conditions are some of the most difficult that managers must make, because the employees who are considered surplus are seldom responsible for the conditions leading to the surplus. A shortage of a raw material such as fuel or a poorly designed product can cause an organization to have a surplus of employees.

As a first approach to dealing with a surplus, most organizations avoid layoffs by relying on attrition, early retirement, and creation of work, and the like. Many organizations can reduce their workforce simply by not replacing those who retire or quit (attrition). Sometimes this approach is accelerated by encouraging employees close to retirement to leave early, but there are drawbacks to this approach if the early retirement program is not carefully planned. First, statistics indicate that workers over 50 years tend to be healthier, have fewer work-related injuries, and are less likely to change jobs than their counterparts.

Also, large amounts of retirements are expected to lead to acute skills shortages that will negatively affect company's ability to compete in the global marketplace. Thus, without proper planning and retention strategies, organizations run the risk of losing their best employees.

Second, care must be taken not to offer promises that won't be kept. Once certain benefits are promised, it may be illegal to change them without approval of the early retirees (Ivancevich John and Gluek William, 1989).

2.9. Forecasting Techniques in Human Resource Planning

There are several techniques that have potential applicability in human resource planning and forecasting. Greer (2003) stated that techniques used to forecast human resources may be classified as either quantitative or qualitative, though the distinction is sometimes unclear. Besides, some forecasting techniques may be used to forecast both the supply and demand of human resources. Thus, classification of techniques as either supply or demand, as well as quantitative or qualitative must be arbitrary to some extent. With these limitations in mind, the category of quantitative techniques includes Markov analysis or network flow models, attrition analysis models, computer

simulation, operations research techniques, and renewal models. And the category of qualitative supply forecasting techniques includes replacement charts or succession planning and supervisory estimates. Thus, it is important to have some insight about both the supply and demand forecasting techniques for human resources in detail as discussed by Greer (2003) below.

2.9.1. Forecasting Techniques for the Supply of Human Resources

Geer describes forecasting techniques in the supply of human resources include replacement charts, succession planning, Markov analysis, renewal models, and computer simulation. These are: -

1. Replacement Charts

Replacement charts describe a company's organizational structure in terms of individuals occupying various managerial and professional positions. For each position incumbent, potential replacements are identified along with such information as their individual potential for advancement and numbers of years 'experience needed before being qualified for the next higher position. The individual 's age also may be included for estimating retirement dates. For each replacement, the potential replacements for that individual also are listed with similar information. Thus, the replacement chart, which is likely to be computerized, provides a description of how vacancies can be filled from the internal labor market. It also shows the associated cascading effects.

In determining the time when potential managerial replacements will be ready to take on higher level responsibilities, an assessment of their current skills must be conducted and matched against those required for higher-level positions. There are two organizational dimensions that should guide such assessments: (1) the hierarchical or vertical level of various jobs and (2) where the job falls in a continuum from basically individual contributions to managing the efforts of others. Thus, the assessment should include not only the skills that will be required for vertical moves, but also the skills to move horizontally, typically toward the broader orientation and responsibilities of general management. Movement upward often entails a shift toward the managerial end of the continuum.

Beginning with the individual contributor end of the continuum and moving toward the managerial end, employees would be assessed against skill requirements for the following tracks: technical development, technical application, technical management, operations management, and business management. Another aspect of the utilization of replacement charts to forecast supplies of human resources involves the assessment of the organization 's current employees 'abilities and qualifications to take on future positions. Before the number of qualified replacements for a current or future position can be determined, there must be a means of comparing potential replacement candidates with the position 's requirements.

2. Succession Planning

Although similar to replacement planning and the use of replacement charts, succession planning tends to be directed toward a longer-range time horizon and is more focused on development. It is also more concerned with the development of pools of potential replacements, as opposed to individuals. Succession planning involves more elaborate planning for skill development of potential replacements, is more systematic in the assessment of potential replacements and their developmental needs, and generally applies to higher levels of managerial positions. In some companies, succession planning also incorporates developmental planning for high-potential managers while they are still in lower-level positions (Greer, 2003).

According to Greer (2003) this is especially prevalent for minorities and women who are likely to become long-range successors. Additionally, succession planning also may be concerned with the future requirements of executive positions since the necessary personal skills and characteristics may differ substantially from current requirements. Given the growing interdependencies across functional areas in many companies, one promising approach for developing potential successors for positions of the future may be to assign them leadership responsibilities in cross-functional teams. Nonetheless, current executives may be hesitant to make selection decisions on projections of future skill requirements that are difficult to quantify. While there are important benefits of succession planning, there are increasing concerns about the ability of traditional succession planning to produce qualified successors, particularly on a position-by-position basis. Improvements to the process involve 360-degree feedback, more self-initiated programs, and developmental assignments across functions and units (Greer, 2003).

3. Markov Analysis

In the past, some researchers observed that companies tended to have greater expertise and placed greater emphasis on forecasting the demand for human resources than for their supply. However, the application of Markov analysis to human resources forecasting changed the situation by providing a practical and versatile technique for forecasting internal supply. As such, the techniques can serve the strategic purpose of evaluating the availability of human resources required for different strategies. Markov models have an advantage of being relatively simple to understand, although they can be quantitatively sophisticated (Greer, 2003).

In setting up the Markov models, the forecaster must account for all possible moves or flows of employees in an organization. Such moves include moves into the organization, moves from one job to another and exit moves. Moves between jobs can be upward moves in hierarchical level as well as moves across functions. Essentially, Markov models begin with distributions of the number of employees in various job categories at a starting point in time. These distributions are then transformed by a transition probability matrix into a forecasted distribution of employees across these same jobs categories one period later. The transition probabilities in each row of the matrix must total to 1. The diagonal set of transitional probabilities, after excluding the column representing exit moves, represents the proportion of employees remaining in the same job from Time 1 to Time 2. Markov models cannot take into account more than one move per time period (Greer, 2003).

4. Renewal Models

These models reflect the movement or flow of employees through companies as they are —pulled upward to fill vacancies in higher-level job categories. An advantage of renewal models is that they involve simple mathematics and are readily understood by managers. Renewal models, in their simplest form, can use age cohorts of employees as the focus of analysis. As the level of incumbent employees in an age group is projected forward into the future, the group is —aged by one year. When greater rates of change are expected, shorter time periods may be used. The —aged cohort is then adjusted for losses of employees due to various forms of attrition. Rates of attrition can be obtained from historical data and typically differ across the age cohorts. Typically, attrition would be relatively high with younger workers, such as recent college graduates and for age cohorts close to retirement.

In addition to —aging employee cohorts and adjusting age cohorts for attrition, renewal models also may be configured in accordance with the job classification hierarchy and also may reflect the hiring of new employees and promotion of current employees into different job categories. The numbers of employees in each job category may be adjusted during the process to reflect needs for growth or contraction, which is dictated by the company's strategic plan. Starting with the top of the hierarchy, the human resource planner can work downward through each job category, in a step wise manner, to determine the number of employees that must be promoted from the lower classifications and the flow policies that will be needed to supply such numbers. Renewal models also can be run with different specifications of promotion rates so that their differential impacts can be determined. The models also can be run with different attrition rates and other planning assumptions (Greer, 2003).

5. Computer Simulation

Simulations have the advantage of allowing the forecaster to create a number of different future scenarios by altering the values of the simulation 's parameters. Through this process, the forecaster can determine variations in forecasted values according to different formulations of future conditions and can plan alternative courses of actions to reduce uncertainty and manage risk. Further, computer simulations allow planners and forecasters to assess the sensitivity of the simulation model 's parameters to alternative specifications. By running sensitivity analyses, forecasters can gain an understanding of the impact of inaccurate assumptions. With the rapidly power of personal computers advances in software, computer simulations are likely to grow in importance as human resource planning and forecasting techniques (Greer, 2003).

Therefore, the forecasting techniques for human resource planning are mentioned earlier, clearly show us having a quality data or an information which will support as in put for HRP and effective human resource planning allows management to recruit, develop and deploy the right people to meet organizational strategic objective, mainly human resource inventory, HRIS or HRMIS and job analysis and others are crucial data or information which required as in put for human resource planning process. The purpose of this paper is to describe how human resource planning practiced and acknowledged and how its main determents factors mentioned earlier and other factors are considered while HRP is processed and links with strategic business plan of an organization.

2.9.2. Forecasting Techniques for the Demand for Human Resources

As indicated earlier, Greer also describe some forecasting techniques have both supply and demand applications. Replacement charts and renewal models have demand implications because they also indicate vacancies when replacements are promoted into vacancies at higher levels. Computer simulations also may be used for both supply and demand forecasting. Some of the qualitative forecasting techniques for the demand of human resources include heuristics, rules of thumb, and the Delphi technique. Besides, the quantitative techniques include management science and operations research applications and regression analysis.

1. Heuristics, Rules of Thumb, and the Delphi Technique

Rules of thumb are simple guidelines that are used to predict demand for human resources. For instance, a retailing chain may have developed a heuristic that specifies that for every 12 new stores, another regional manager will be hired. Heuristics are conceptual frameworks, often expressed as diagrams, which help human resource forecasters organize relevant conceptual relationships and trace through the outcomes of various personnel action alternatives (Greer, 2003).

Using the retail chain example, forecasters might consider the strategic plans for the number of new stores the next year, and then apply the heuristic to forecast the number of regional managers that will be needed. One common qualitative approach for forecasting the demand for human resources is the —bottom-up‖ approach in which unit managers estimate their specific human resource needs for the next period. These estimates are then combined into aggregate forecasts for the whole company (Greer, 2003).

The Delphi technique, as Greer explain an iterative judgment refinement technique based on the collection of expert opinion, is sometimes categorized as a qualitative demand forecasting technique. This technique can approach the accuracy of quantitative techniques and does not require a historical database. Nonetheless, the Delphi technique is used for such purposes by only a very small number of organizations.

2. Operations Research and Management Science Techniques

Techniques such as linear programming, integer programming, and network optimization techniques are generally considered as operations research or management science techniques. Such techniques can be used to determine optimal personnel flows through the organizations. These flows can be managed specifications of time-in-grade requirements for promotions, rates of turnover, and the like. Managed flows can produce desired stocks of personnel in various positions or ranks at points in the future (Greer, 2003).

A further extension of linear programming, called goal programming, allows human resource planners to take into consideration sequential and multiple managerial goals or constraints, such as maximum head counts, budgetary limitations and so on. The use of such planning techniques runs counter to the trend toward more reliance on less sophisticated approaches. However, such techniques are still very important in that they affect the service capability and profitability of major corporations and governmental organizations. Human resource planning systems based on these techniques require mathematical sophistication and complex computer programs (Greer, 2003).

They also are expensive to develop. Nonetheless, they are often key systems in large organizations, which produce savings of millions of dollars in labor costs. Such systems are developed by human resource planning specialists. Although they are developed and maintained on a centralized basis, they may be used on computerized networks by line managers for applications such as the development of optimal workforce schedules.

3. Regression Analysis

Regression analysis is a robust statistical technique having applicability to forecasting demand for human resources. Although its greatest applicability may be for centralized human resource forecasting at the corporate level by planning specialists, its wide availability as a feature of computerized spreadsheets makes it potential technique for widespread adoption by line managers as well. Multiple regression analysis allows the forecaster to control for several potential influences on the number of employees needed in a particular specialty. Thus, the techniques mostly used to forecast human resource needs in ethio Telecom is qualitative techniques, among

these replacement charts, succession planning and rules of thumb are mainly used and considered during human resource planning process.

2.10 Evaluating Strategic Contributions of Human Resource Planning

The effectiveness of human resource planning can be viewed from a behavioral perspective. This includes the degree to which managers accept human resource planning as an activity that helps them perform their jobs. Line management 's willingness to supply information to be used in the development of forecasts and actually use human resource forecasts in their own planning provide other indicators of human resource planning effectiveness. Even when forecasts are inaccurate, the human resource planning process has value. This is because, as in any planning effort, the process of forecasting is often more valuable than the forecast itself because managers are forced to reexamine fundamental operating assumptions. Such reexamination and resultant communications are often valuable side-effects (Greer, 2003).

He also discussed that from a quantitative perspective, for companies that have strong preferences to fill vacancies from internal sources, the extent to which the organization must hire in the open labor market, instead of from its internal labor market, may be an indicator of the effectiveness of the human resource planning process. To the extent that shortages in certain skill areas are forecasted and prepared for with the development of employees, the organization has less need to hire externally. Companies that hire from the external market only at entry levels must have effective human resource planning programs. Another standard or criterion of human resource planning and development effectiveness mentioned by Greer is provided by the concept of just-in-time talent, which means that vacancies can be filled quickly from within the company by a person qualified for promotion. The promoted individual should have been developed by previous assignments and training but should not have to wait in a holding pattern in which his/her skills are underutilized.

The concept of just-in-time talent has a great deal of appeal because, from the company 's standpoint, during the period in which the individual is underutilized, the company is not obtaining a return on its investment in development. From the individual 's perspective, there is the obvious advantage of not having to spend time in positions that underutilize one 's talents.

Such situations lead to turnover, which has costly implications for the company as well. It is interesting to speculate about a potential cause for inaccuracies of human resource forecasts. This

explanation points to the rationales for planning. Although piling in comparison to the effects of global expansion or recession, demographic influences, immigration, and intensified international competition, at the micro-level individual companies probably plan for the forecasted shortages (Greer, 2003).

This speculative explanation is also consistent with a general description of an effective human resource management function. In line with this, James Walker (1992) as cited by Greer (2003) has explained that the human resource planning is paramount function that ensures that there are no difficult on human resource issues for concerning management since it is the most proactive, strategic approach to managing resources anticipates and addressing different factors which will be encountered as challenges or conditions continuously change are always addressed in the future during HRP process and also the function may bring these issues to management's attention and create a sense of urgency for action.

2.11 Challenge of Human Resource Planning

Human resource planning is faced with a series of difficulties which result into challenges that the planners face. Among the main challenges are: Forecasting the macro environment of the firm, gathering information about the workforce in each institution, accurate information and analysis on personnel costs, information about the labor laws and regulations, the existing personnel policies of each institution, the capacity to understand the new job competencies needed and develop new staff roles and training for employees, mechanisms for improving organizational and employee performance and improvement in work processes, information about performance-based contracts and incentives and capacity to develop the necessary systems, change management process and Performance management and supervision systems, Jackson E.S and Schuler SR,(1990).

The dynamic nature of the environment of corporate planning particularly with respect to human resource planning creates major difficulties in predicting the future state of affairs. The result is that human resource planning horizon is increasingly getting shorter and is less accurate than years before. Planners must increasingly develop flexible planning scenarios leading to contingent plans Jackstone's and Schuler SR,(1990). Planners, policy makers and leaders of institutions need up-to

–date, accurate data on employees in order to plan and implement changes in a rationale, efficient and humane way. They need to know what human resources exist and the information about the capacity of this workforce. Planners require information on numbers of employees, their salaries, positions held, professional qualifications, managerial and supervisory experience, training received, their capacities, their professional development needs, and their seniority and contract terms Jackson E.S and Schuler SR, (1990).

To sum up, human resource is about people, which is the core of an organization and its strategic business plan and effective human resource planning allows management of an organization to recruit, develop and deploy the right people at the right place at the right time, to meet organizational internal and external service demand and commitments and the need and opportunity HRP to align with strategic business plan of an organization unquestionable.

2.12 Empirical Review

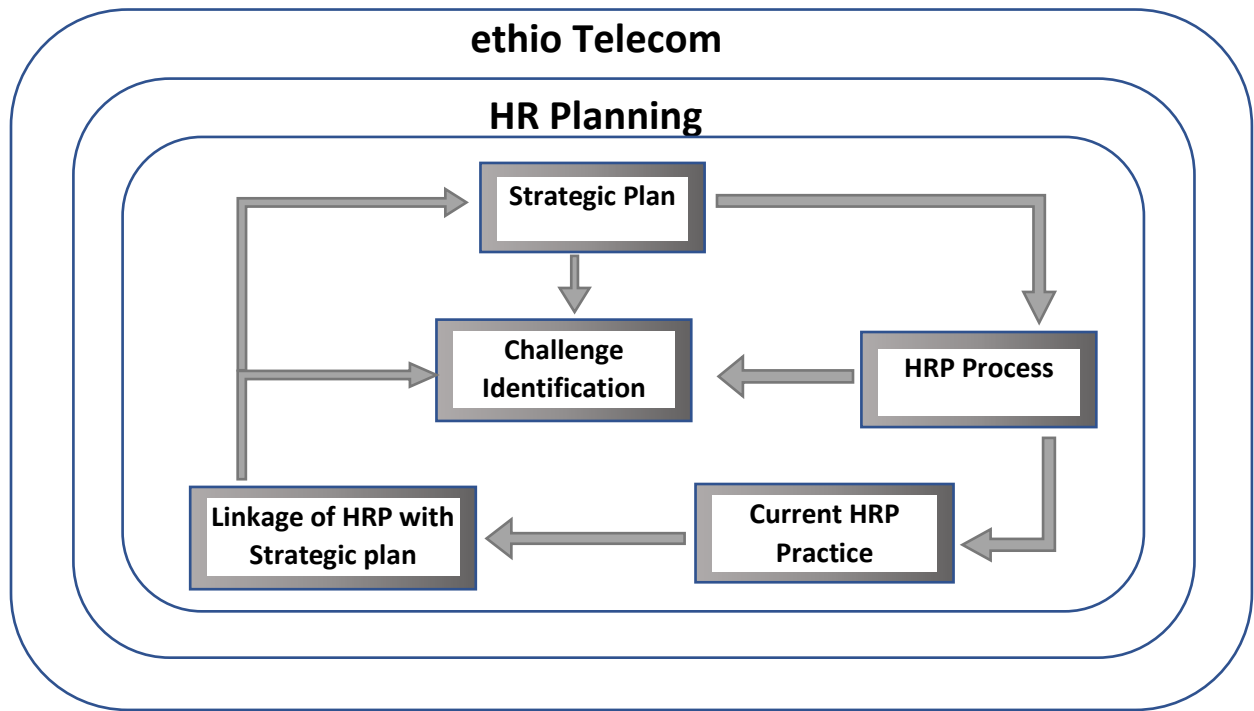
Different studies have been conducted on HRP practices globally, among these researches is the research by **Yaw Opoku-Menshas (2012)** from Ghana. The researcher under his research titled “An Analysis of Human Resource Planning and its Effect on Organizational Effectiveness – A Case Study of Information Services Department, Accra Office”, tried to assess the HRP practices of a company called “Information Services Department, Accra Office”. The study tried to find out whether there are HRP policies and practices in the case company; to establish whether the Human Resource Planning practices and procedures within company are functioning effectively; and to find out the challenges of the provision of a framework to guide the implementation of HRP in the company. As a result of the study, the researcher revealed that most of the staffs in the case study company do not have in-depth knowledge on Human Resource Planning, and that HRP, is not being well practiced by the company. In his recommendation the researcher suggested, among other things, the company should have a human resource plans so that no matter the changes in management, the plans will still be followed. These plans should be periodically reviewed in order to adjust to the dynamic environment.

When we come to Ethiopia, we don't find many research works conducted on HRP. Among others, a research by Sisay **Oda (2011)**, there are a number of factors that hinder HRP practice. As a result, "Lack of coordination between HRP section, internal placement division and other concerned departments and line managers respectively were among the causes and limitation that lead failure towards HRP practice of ETC.

Addisalem Birhane (2011) who studied "The assessment of human resource planning, training and placement practices and problems of the ministry of defense stated that "The approach and methods of forecasting analysis of demand and supply were not comprehensive and supported with quantitative statistical evidence, it only depended on subjective qualitative approach and limited to some forecasting analysis methods. She concluded that "Human resource planning, was dysfunctional and reactive because the processes and procedures of HR planning were not developed and arranged in an integrated way so as to serve as input or conducive situation for HR planning."

Finally, According **Abeyot Abera (2014)** Most of Ethio Telecom management did not have in depth knowledge on human resource planning; thus it was not well practiced by top management and human resource division managers. It also revealed that human resource planning was not aligned properly with the overall company strategic business plan.

2.13 Conceptual Framework



(Source: from different literatures, constructed to frame this study, 2020)

Figure 2.13.1 Conceptual framework

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter addressed the design and methods by which the research questions of this proposed study is dealt with. Accordingly, the research design, target population, sample size, sampling technique, data source, data collection instrument, validity and reliability as well as, data analysis methods were discussed.

3.1. Research Design

Research design is a model or an action plan upon which the entire study is built and need to fulfill a particular purpose within the practical constraints of time and money. It dictates the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis (Cresswell, 2009). To describe the state of affair as it exists at present the research is conducted in a descriptive research design. The objective of descriptive research is to portray an accurate profile of events or situations” (Robson 2002). The study used descriptive survey, thus data on the human resource Planning and challenge was systematically collected from the respondents. Both Quantitative and Qualitative data was collected from the respondents. The rationale for using the descriptive survey is that it helps in telling what the situation is in a systematic manner (Robson 2002); it involves collection of accurate data for the purpose of determining the current nature of the subject of study that is the human resource planning practices and challenges in ethio telecom.

3.2. Target Population, Sample and Sampling Techniques

3.2.1 Target Population

Parahoo (1997), defines population as “the total number of units from which data can be collected”, such as individuals, artifacts, events or organizations. Burns and Grove (2003), describe population as all the elements that meet the criteria for inclusion in a study.

The target population of the study was the management of ethio Telecom based in addis Ababa (Head quarter). Therefore, the target population is 405 (employees in managerial positions in ethio telecom head Quarter) as of January, 2020. The management of ethio Telecom is used because of human resource planning and management practices and affects them directly.

3.2.2 Sample Size

The researcher had used confidence interval of 95%, which is the level of certainty whether the response for each question is the true answer or not. 5% margin of error which is the amount of error from difference in the responses the researcher can tolerate when drawing a conclusion from the data. The margin of error is lowered to 5% so that the conclusions drawn from the sample is a representative of the target population. The response distribution probability is set to 50% because the respondents have half equal probability of agreeing or disagreeing for each question.

Accordingly, the sample and the formula below used to calculate sample size, according to Kothari (2004). The basis to employ this formula lies on the assumption that, it is used for the finite population which can be listed the entire population and enable to have maximum number of sample respondents. Based on these parameters, to determine the sample size, the researcher used mathematical sample size determination formula developed by Kothari (2004), whose results are shown below:

$$n = \frac{Z^2 pq N}{e^2 (N-1) + z^2 pq}$$

Where:

p = probability of response distribution,

$q = 1 - p$

Z = the value of standard variant at a given confidence level and to be read from a table showing area under normal curve

e = margin of error

N = size of target population

n = sample size

Given: At 95% confidence the value of $Z = 1.96$, $p = 0.5$, $q = 0.5$, $e = 0.05$, $N = 405$

$$n = \frac{1.96^2 * (0.5) * (0.5) * 405}{(0.05)^2 * (405-1) + [(1.96)^2 * (0.5) * (0.5)]} = 198$$

The sample populations of the organization were those individuals who are working in managerial position (Division heads, department heads and section heads).

Therefore, the sample size was **198**, which were drawn from target population.

In this study one probability sampling technique is stratified sampling technique which was used by the researcher. This is because stratified sampling technique assures that the researcher would be able to represent key sub-group of the population. In the case of this study there are divisions,

departments, and section subgroups.

The sample size of the strata/category (Division, Department and section is stated below)

The researcher used the stratified sample formula:

Sample size of the strata = size of entire sample / population size * layer size) to calculate the proportion of people from each category.

No	Category	Population Size	Sample Size	Percentage	Instrument Used
1	Division Head (CXO)	25	12.22	6.17%	Interview
2	Department Head (Directors)	79	38.62	19.51%	Questionnaire
3	Section Head (Managers)	301	147.16	74.32%	
Total		405	198	100.00%	

The stratified random sampling generally has statistical precision since the strata or sub-groups, in this case, the divisions, departments and sections heads or managers ‘who were participated in human resource planning process and are relatively homogenous by their position. Thus, since the groups are more homogenous than across the population, greater statistical precision was expected (i.e. less variance).

3.3. Sources of Data

Sources of data After getting an official permission from the concerned authority of the company, the target population management of ethio telecom from section manager up to directors were requested to fill in the questionnaire. Based on this, the data gathering process was undertaken by using a combination of both primary and secondary sources.

3.3.1 Primary Data Sources

The primary data was gathered from the response of subject of the study through questionnaire and interview. The questionnaires were disseminated to one hundred fort seven (147) section heads and thirty-nine (39) department heads based in head Quarter.

Accordingly, the gathered information from the questionnaire respondents among ethio telecom management was analyzed using descriptive statistics with the help of SPSS and stratified sampling method was used where the strata are department head and section head and both are working in managerial positions.

3.3.2 Secondary Data Sources

The secondary data source includes documents, both published and unpublished books, journals, policy and procedures of ethio Telecom and other different sources.

3.3 Method of Data Collection

The primary data were collected using the questionnaire and interview methods.

Questionnaire

According to Yin (1994), the questionnaire is the appropriate method for descriptive research study as it helps collect data from large number of respondents in different categories or locations without the need to have face to face interaction. Apart from this it saves time and cost. Besides, the survey questionnaire also enables one to collect standardized information in respect of the same variables for everyone in the sample selected (Parfitt, 1997, cited in Zahari,2007). This makes the questionnaire an indispensable tool in gathering primary data about people, their behavior, attitudes, opinions and awareness of specific issues. Considering the above advantages, the questionnaire having close ended questions was used for this study.

In the questionnaire, the researcher used close-ended questions with single answers, questions with rankings and Likert scaled questions.

Interview

The researcher has conducted semi-structured interview with key officials of management of ethio Telecom, all division heads (chief officers) and some human resource division managers with managerial responsibility for human resource planning and management practices and challenges. Interviews was used in this work because they represent a valuable and rich source of information.

The interviews were done in an open, lively but focused manner with the intention of acquiring relevant information to enrich the findings of the study.

3.4 Procedures of data collection

After the adaption and customization of instruments was done, all questionnaire items were prepared in English language. After it was commented and edited by linguistic professionals and master's graduate colleagues, the final version was distributed for pre-testing purpose.

Pilot-testing

It is always desirable to pilot-test the data collection instruments before they are finally used for the study purposes at least using a convenience sample (Kothari, 2004). Such pre-testing may uncover ambiguity, lack of clarity or biases in question wording which should be eliminated before administering to the intended sample eventually to get high response rate (Bhattacharjee, 2012). To assure this rule, the researcher distributed 10 questionnaires for conveniently selected respondents. Sekaran (2003) believed that pilot testing involves the use of a small number of respondents to test the appropriateness and comprehensiveness of questions.

3.5 Validity and Reliability

3.5.1 Validity

According to Adams et al., (2007), validity refers to whether the items measure what they are supposed to measure. To ensure the validity of the instrument, panel of experts/colleagues, were invited to review the instrument. In order to check the response bias, few similar items were repeated in different parts of the questionnaire. Thus, Content validity of the survey questionnaire were validated by professionals and the research advisor. Based on the comments given by such experts and colleagues, all the necessary adjustment was made. Besides, the research question, the conceptual framework and the data instrument was aligned to ensure the content validity of the study.

3.5.2 Reliability

As proclaimed by Bhattacharjee (2012), reliability is the degree to which the measure of a construct is consistent or dependable. In other words, if we use a certain scale to measure the same construct multiple times, we will get pretty much the same result every time, assuming the underlying phenomenon is not changing. This research administered the most used internal consistency reliability measure of Cronbach 's alpha which was originally designed by Lee Cronbach in 1951. According to Sekaran (2003), alpha values of less than 0.6 are poor, those in the 0.7 range to be acceptable and those over 0.8 are good. The reliability coefficient closer to 1 is better. Accordingly, a pilot test was carried out using 15 respondents who will be excluded from the main data analysis and it was found out that Cronbach's alpha value has been above 0.7. Then, once the entire data was collected, the reliability of the instrument was measured again.

Table 3.5.2.1 Reliability Statistics

Factors	Cronbach's Alpha	No of Items
HRP Process and Practice	0.743	11
Alignment of HRP with strategic plan	0.79	5
Challenges Of HRP	0.904	9

3.6 Data Analysis methods

Quantitative procedures combined with some qualitative procedures were used to analyze the data collected for this study. The qualitative data obtained through the interviews were analyzed qualitatively.

The quantitative data obtained through the questionnaires were analyzed descriptively in terms of frequency, percentages, average, mean, and standard deviation. All the analysis was made with the aid of Statistical Package for the Social Sciences (SPSS) version 20 software.

The interpretations were made for all five-point Likert scale measurements based on the following scale: 5= Strongly Agree; 4= Agree; 3= Neutral; 2= Disagree; 1=Strongly Disagree. Consequently, the neutral attitude „3“was taken as a reference point by averaging the scales; that is, the mean scores as above 3 (neutral) if opinions tend to be favorable to the given point of view; and below 3 (neutral) if opinions tend to be unfavorable to the given point of view. This corresponds to what Best and Kahan (1995) explains about Likert Scale interpretation. Accordingly, the study used a key for interpretation data as follows 1.0-1.8 = strongly Disagree, 1.81-2.6=Disagree, 2.61-3.40= Neutral or undecided, 3.41-4.20=Agree and 4.21-5.00= Strongly Agree.

Finally, the data that were collected through interviews were processed through qualitative discussions. Then discussions, comparing and contrasting the information obtained through all the tools and the information narrating the theoretical issues from literature review were held.

Finally, based on the findings of the study conclusions were drawn and recommendations were forwarded to alleviate the observed problems.

3.7 Ethical Consideration

Letter of support was obtained from Addis Ababa University, School of commerce. Additional permission was obtained from the concerned ethio Telecom management. The purpose of the study was explained to the participants and informed consent was also obtained before data collection. To keep the confidentiality of the participants, personal identifiers were included in the data collection format and ensured throughout the research process and the information was utilized only for research purpose. Participation were entirely voluntary.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

This Section as mentioned in the previous chapter was aimed at **Assessing the human resource planning practices and challenges in ethio telecom**. To collect relevant data for the study, questionnaires were developed and distributed to the sampled respondents; besides interviews were conducted with the division CXO`S and some HR Managers. In this chapter, the collected data by the questionnaires were analyzed with SPSS v20. The results were presented using a frequency table which summarized the result in terms of frequency and percentage and a descriptive statistics table which uses mean score and standard deviation.

4.2 Response rate of Respondents

Response rate is the percentage of respondents in the sample who completed and returned the survey. In this study, one hundred eighty-six (186) questionnaires were distributed for management (department & Section heads) employees out of which one hundred seventy-nine (170) were completed and retrieved successfully. The response rate was 91.39 %.

4.3 Respondents Personal information

This part discussed about the background information of respondents such as age, gender, educational background and service year (in management position).

Table 4.3.1 Demographic Data of the Respondents

Demographic characteristics		Frequency	Percent	Cumulative Percent
Age (in years)	26-34	17	10.0	10.0
	35-44	85	50.0	60.0
	45-54	68	40.0	100.0
	Total	170	100.0	
Sex	Male	151	88.8	88.8
	Female	19	11.2	100.0
	Total	170	100.0	
Educational Qualification	1st Degree	102	60.0	60.0
	Master's Degree	68	40.0	100.0
	Total	170	100.0	
Year of Service in managerial position	1-3 years	34	20.0	20.0
	4-6 years	51	30.0	50.0
	7-9 years	51	30.0	80.0
	10 years and above	34	20.0	100.0
	Total	170	100.0	

Source: Own survey, 2020

From Table 4.3.1 above, the following facts can be inferred. Thus, out of one hundred seventy (170) respondents who answered the questionnaire, one hundred fifty-one respondents representing (88.8%) were males and nineteen representing (11.2%) were females. This implies that majority of respondents in managerial positions in ethic telecom were dominated by males.

With regard to age of respondents, nearly 50 % of the respondents are between 35-44 years old and 10.0 % of the respondents are between 26-34 years. This implies that 60% of the respondents are below 44 years of age. When it comes to the educational background of the respondents, 102 (60%) have bachelor (1st) degree and 68 (40%) of the respondents have master's degree. It is possible to say that the majority of the respondents have 1st degree.

Regarding the years of service of respondents in managerial position, the data shows that 34 (20%) of the respondents have been in management positions between 1-3 years; 51 (30%) of them have worked as management between 4-6 years; 51 (30%) of them have been serving in managerial positions for 7-9 years and 34 (20%) have a managerial experience of more than 10 years. This implies that, the majority of ethio telecom management employees (60%) have between 4-9 years'

managerial experience, gained more experience on human resource planning and practices and challenges of the company.

4.4 Analysis and interpretation of data

4.4.1 Human Resource Planning Process and practices in ethio telecom

In Ethio Telecom, the availability of up-to-date information, strategic business plan, knowledge about the present human resource policy of the organization in general and human resource planning process and policy in particular, and the level of responsiveness of the human resources management division with regard to the provision of advice and support to other work units, timely services and necessary information to line and functional management of the company regarding human resource issues are very critical to make the preparation of the human resource planning effective of each work offices.

This part elaborates on the respondent's response on *human resource planning process and practices in ethio telecom*. The general reflection of the participants from the administered questionnaire and the results of the interview conducted are presented as follows.

According to Dessler (2013), human resource planning is the process of deciding what positions the firm will have to fill, and how to fill them. It embraces all future positions, from maintenance clerk to CEO. Planning involves the forecasting of human resource needs in organizations and designing appropriate actions such as recruitment, training and career development based on identified needs. Human resource planning involves a complex task of forecasting and planning for the right numbers and the right kinds of personnel at the right places and at the right time to perform activities that will benefit the organization in accomplishing its objectives and in helping its members to satisfy their needs.

Human Resource planning is to bring together the forecasts of future demand for workers and the supply of human resources, both current and future. The result of this effort is to pinpoint shortages both in number and in kind, to highlight areas where overstaffing may exist (now or in the near future), and to keep abreast of the opportunities existing in the labor market to hire qualified employees either to satisfy current needs or to stockpile potential candidates for the future Louis Cohen, (2007).

Once acquired, information concerning future human resource requirements and availabilities, as well as external and internal environmental conditions, must be brought together to identify potential gaps and the reasons for them, and to decide on appropriate planning objectives. In brief, in the reconciliation process,

gaps between anticipated human resources requirements and availabilities are identified and the reasons for these clarified (De Cenzo and Robbins, 2009).

Table 4.4.1 Participants response on human resource planning process and practices in ethio telecom

No	Statements/Items	Respondent's Opinion	Frequency	Percent	Mean	Standard Deviation
1	Ethio telecom has sound Human resource planning policy that guide how the human resource planning is to be developed.	Strongly Disagree	51	30.0	1.90	.702
		Disagree	85	50.0		
		Neutral	34	20.0		
2	You are satisfied with the practice of human resource planning over the last 3 years in ethio telecom.	Strongly Disagree	68	40.0	1.80	.751
		Disagree	68	40.0		
		Neutral	34	20.0		
3	There is adequate, relevant, and dependable information for comprehensive supply and demand forecast analysis	Disagree	17	10.0	3.50	.809
		Neutral	68	40.0		
		Agree	68	40.0		
		Strongly Agree	17	10.0		
4	The company's HRP is developed by analyzing existing jobs and internal capabilities of HR.	Strongly Disagree	34	20.0	2.30	.783
		Disagree	51	30.0		
		Neutral	85	50.0		
5	The company's HRP process considers external conditions impacting labor demand, in forecasting its future workforce needs.	Strongly Disagree	34	20.0	2.00	.634
		Disagree	102	60.0		
		Neutral	34	20.0		
6	Quantitative approach of demand forecasting is practiced in your company.	Strongly Disagree	17	10.0	2.40	.802
		Disagree	85	50.0		
		Neutral	51	30.0		
		Agree	17	10.0		
7	Qualitative approach of demand forecasting is practiced in your company.	Disagree	34	20.0	3.50	1.028
		Neutral	51	30.0		
		Agree	51	30.0		
		Strongly Agree	34	20.0		
8	HR supply forecasting analysis practiced based on qualitative approach.	Strongly Disagree	17	10.0	2.60	.919
		Disagree	68	40.0		
		Neutral	51	30.0		
		Agree	34	20.0		
9	HR supply forecasting analysis is practiced based on quantitative approach.	Strongly Disagree	51	30.0	2.20	.983
		Disagree	51	30.0		
		Neutral	51	30.0		
		Agree	17	10.0		
10	Reconciliation of demand and supply of human resource is done to identify the existing	Disagree	102	60.0	2.40	.491
		Neutral	68	40.0		
11	Ethio telecom develops action plan when there is surplus/shortage of manpower	Disagree	102	60.0	2.40	.491
		Neutral	68	40.0		

Table 4.4.1 above presents the reaction of respondents on how human resource planning process and practice looks like in ethio telecom. As can be seen from item 1 of the table, majority of the respondents (50%) disagreed that ethio telecom has sound Human resource planning policy that guide how the human resource planning is carried out. Accordingly, the mean value of item 1 on the table is 1.90 that implies, the majority of the respondents disagreed that ethio telecom has sound human resource planning policy.

Regarding item 2 from the table the response of respondents on how satisfied they have been regarding with the practice of human resource planning over the last 3 years. Accordingly, eighty percent (80%) of the respondents strongly disagreed and disagreed that they are satisfied on the practice of human resource planning over the last 3 years. The mean value of this statement is 1.8 and 0.751 standard deviation which indicates their dissatisfaction on the practice of human resource planning over the last 3 years.

Concerning item 3, regarding availability of adequate, dependable, relevant, and dependable information, the majority (50%) of the respondents strongly agreed and agreed that there is adequate, relevant, and dependable information for comprehensive supply and demand forecast analysis. Forty (40%) of them were neutral on the issue. The mean value of this item is 3.50 and standard deviation is 0.809 which indicates level of agreement on the availability of relevant information for HR planning.

“Based on the information obtained from interview from a senior management, this is due to the introduction and implementation of ERP system which enables the company to keep up to date information regarding its employee’s skills knowledge and experience. Especially this information is useful when it comes to demand and supply forecasting from internal sources.”

On Item 4, the fifty percent (50%) of the respondents strongly disagreed and disagreed that HRP is developed by analyzing existing jobs and internal capabilities of HR. The remaining 50 % Were neutral on the issue. Accordingly, the mean value and SD of this item is 2.3 and 0.783 respectively. which further confirms majority of the respondents disagreed.

In relation to item 5, the HR supply forecasting, the result shows that the company neither considers the effects of external conditions nor it does respond to any external changes in forecasting its future human resource supply. The mean value and SD of this item is 2.00 and 0.634 which confirms the result.

As it can be seen from item 6 and 9, it depicts that there is disagreement on the practice of quantitative forecasting approach of human resource demand and supply in ethio telecom with mean value of 2.4 and 2.2 for item 6 and item 9 respectively.

This indicates that the quantitative approach of forecasting of human resource demand and supply was not practiced till this study. This could be because of lack of technical skill to use the quantitative approach of forecasting. On the other hand, concerning qualitative approach of demand forecasting analysis of human resource (item 7), the mean value (3.5) and SD (1.028) shows that there is agreement on the practice of qualitative demand forecasting analysis of human resource.

One HR manager said on interview with the researcher that *“Divisions simply forecasts their demand for labor qualitatively using the opinion or judgement of manages, supervisors, department heads or others knowledgeable about the organization’s future employment needs. Each division/department makes its own estimate, then HR division reviews and compiles and fulfills those needs”*.

Regarding last items 10 &11, the majority of the respondents (60%) disagreed that there was no reconciliation of demand and supply of human resource to identify the existing human resource gaps and action plan was not developed when there was surplus/shortage of manpower. This indicates that neither reconciliation of demand and supply of human resource was practiced nor action plan was developed when there was surplus/shortage of manpower. The mean values SD of this items are 2.4 and 0.491 each which further supports the result.

Looking the results related to the company’s human resource planning process and practice, we can see that the average mean value of all items is 2.45 which indicated less than 3. This confirmed human resource planning process and practice in the company was very poor.

This result went in line with the finding of Addisalem Birhane (2011) who studied “The assessment of human resource planning, training and placement practices and problems of the ministry of defense “she stated that the approach and methods of forecasting analysis of demand and supply were not comprehensive and supported with quantitative statistical evidence, it only depended on subjective qualitative approach and limited to some forecasting analysis methods. She concluded that “Human resource planning, was dysfunctional and reactive because the processes and procedures of HR planning were not developed and arranged in an integrated way so as to serve as input or conducive situation for HR planning.”

This finding was also similar with the finding of Abiot Abera (2014) who studied “*The assessment of HRP practices and challenges at ethio telecom.*” He concluded that Human Resource planning was not well practiced by top management and human resource division managers.”

4.4.2 Integration of HRP with strategic plan of ethio telecom

As discussed in the theoretical background, according to **Greer (2003)**, the integration of business strategy and human resource strategy and planning is particularly important for long-range planning efforts. Furthermore, with the recognition of the potential contributions of human resource planning, line managers have taken on greater responsibilities for these planning efforts. He also provides that long term human resource planning is important by integrating strategic business plan of the organization and this process also requires the integration of the skills and knowledge of human resource planner and all other executives responsible for strategic planning.

Table 4.4.2 Participants response on the integration of HRP with strategic plan of ethio telecom.

No	Statements/Items	Opinion	Frequency	Percent	Mean	Standard Deviation
1	Ethio Telecom actual HRP practice is aligned with the company strategic plan.	Strongly Disagree	34	20.0	2.4	0.9
		Disagree	51	30.0		
		Neutral	68	40.0		
		Agree	17	10.0		
2	You have information about the company's overall strategic plan.	Disagree	34	20.0	3.7	1.0
		Neutral	17	10.0		
		Agree	85	50.0		
		Strongly Agree	34	20.0		
3	The company's HRP process is oriented to the overall strategic direction of the company.	Strongly Disagree	17	10.0	2.5	0.7
		Disagree	51	30.0		
		Neutral	102	60.0		
4	The HRP practice of the company has played a significant role in achieving its business objective.	Strongly Disagree	17	10.0	2.3	0.6
		Disagree	85	50.0		
		Neutral	68	40.0		
5	Efforts are made to link human resource plan with the strategic business plan of the company.	Disagree	121	71.2	2.3	0.5
		Neutral	49	28.8		
Grand Mean					2.6	

Source: Own Questionnaire

For the participants to tell if there is integration between the strategic plan and the HRP of the company, it was taken that they have to be familiar with the strategic plan of the company. The participants were asked whether they are familiar with the strategic plan of ethio telecom. The result shows that the majority all of the participants are familiar with the strategic plan. This is clearly seen from table 4.4.2 above which indicates that 70% the participants confirm that they are familiar with the strategic plan. The corresponding mean and SD further strengthen this result with a score of 3.7 and 1.00 respectively.

Again from table 4.4.2 we can see that that the company's actual HRP practice is not aligned with the overall strategic plan. This finding is also well supported by the result which indicated with almost 50% disagreement and off course also by the 2.4 mean score and 0.9 SD.

Respondents were also asked to give their opinion on if the HRP practice of the company has played a significant role in achieving its business objective. Accordingly, the majority (60%) of them said that the HRP practice of the company has not played a significant role in achieving its

business objective. This is further strengthened by 2.3 mean and 0.6 standard deviation as it can be seen from table 4.4.2 above.

It is also observed that efforts were not made to link human resource planning with the strategic business plan of the company. This is well supported by 71.2% disagreement, 2.3 mean score and 0.5 standard deviation.

This means that ethio telecom HR has not yet fully realized the importance of human resource planning in the achievement of the company's strategic business objectives.

Therefore, one can conclude from the table 4.4.2 above and the data obtained from interview that the integration of human resource plan with company strategic business plan is insufficient/poor. This is well supported by 2.6 grand mean. This result went in line with the finding of abiyot Abera (2014). His finding indicated that the existing human resource planning practice weren't integrated into an overall strategy of the company.

4.4.3 Major challenges faced to carry out human resource planning in ethio telecom.

Human resource planning is faced with a series of difficulties which result into challenges that the planners face. Among the main challenges are: Forecasting the macro environment of the firm, gathering information about the workforce in each institution, accurate information and analysis on personnel costs, information about the labor laws and regulations, the existing personnel policies of each institution.

The dynamic nature of the environment of corporate planning particularly with respect to human resource planning creates major difficulties in predicting the future state of affairs. The result is that human resource planning horizon is increasingly getting shorter and is less accurate than years before. Planners must increasingly develop flexible planning scenarios leading to contingent plans Jackstone.s and Schuler SR,(1990). Planners, policy makers and leaders of institutions need up-to-date, accurate data on employees in order to plan and implement changes in a rationale, efficient and humane way. They need to know what human resources exist and the information about the capacity of this workforce. Planners require information on numbers of employees, their salaries, positions held, professional qualifications, managerial and supervisory experience, training received, their capacities, their professional development needs, and their seniority and contract terms Jackson E.S and Schuler SR, (1990).

Table 4.4.3 Participants response on the major challenges faced to carry out human resource planning in ethio telecom.

No	Statements/Items	Opinion	Frequency	Percent	Mean	Standard Deviation
1	Lack of support by management	Strongly Disagree	34	20.0	2.6	1.0
		Disagree	34	20.0		
		Neutral	68	40.0		
		Agree	34	20.0		
2	Lack of knowledge about HRP preparation	Strongly Disagree	17	10.0	2.8	0.9
		Disagree	34	20.0		
		Neutral	85	50.0		
		Agree	34	20.0		
3	Lack of support from human resource division (HRD)	Disagree	34	20.0	3.5	0.9
		Neutral	34	20.0		
		Agree	85	50.0		
		Strongly Agree	17	10.0		
4	Lack information about strategic business plan of ethio Telecom during HRP preparation	Strongly Disagree	17	10.0	2.5	0.8
		Disagree	68	40.0		
		Neutral	68	40.0		
		Agree	17	10.0		
5	Technological development & changes	Disagree	17	10.0	3.9	0.9
		Neutral	34	20.0		
		Agree	68	40.0		
		Strongly Agree	51	30.0		
6	Lack of coordination between HRD and other work units (Sections, or departments or divisions)	Disagree	51	30.0	3.5	1.2
		Neutral	34	20.0		
		Agree	34	20.0		
		Strongly Agree	51	30.0		
7	Forecasting the Macro environment of the company	Strongly Disagree	17	10.0	3.6	1.1
		Neutral	51	30.0		
		Agree	68	40.0		
		Strongly Agree	34	20.0		
8	Establishing relevant information about the existing staff	Strongly Disagree	17	10.0	2.3	0.6
		Disagree	85	50.0		
		Neutral	68	40.0		
9	Difficulty to predict company future growth/Lack of accurate predictions	Disagree	17	10.0	3.6	0.8
		Neutral	51	30.0		
		Agree	85	50.0		
		Strongly Agree	17	10.0		
Grand Mean					3.14	

Source own questionnaire, 2020

From the result we can see that among the challenges the company faced in practicing human resource planning, lack of support from human resource division (HRD) is one of them. The result indicated that 60% of the respondents agreed on the presence of this challenge. This is supported by the mean value of 3.5 and standard deviation of 0.9. Respondents also agreed that technological development & changes is also one of the major challenges hindering human resource planning in ethio telecom. This is well supported by 70% of the respondents and the corresponding mean score of 3.9 and SD of 0.9 which confirms the presence of the challenge. The next challenge which the respondents agreed on was lack of coordination between HRD and other work units. Accordingly, 50% of the respondents agreed that this challenge exists. This is confirmed by the mean value of 3.5 and standard deviation of 1.2 from table 4.4.3 above. Forecasting the Macro environment of the company is also one of the major challenges that respondents agreed on. The result shows 60% of the participants agreed on the presence of this challenge. The mean score of 3.6 and standard deviation of 1.1 further confirm this result. The last challenge that hinders human resource planning in ethio telecom according to the respondent's response is difficult to predict company future growth/lack of accurate predictions. Here 60% of the participants agreed on the presence of this challenge. The mean score 3.6 and standard deviation of 0.8 confirms the outcome. Lack of support by management (item 1) is also raised for respondents if it is among one of the major challenges to Human Resource Planning. however according to the majority of the respondents (68%) it was not a major challenge. This is confirmed by 2.6 mean score. Respondents were also asked if they lack knowledge about HRP preparation (item 2). Accordingly, 50% of them couldn't decide on the presence of this challenge (neutral) however since it is closer to 3 this can be taken as a challenge and 20% of them agreed about the presence of this challenge. The mean value of this item is 2.8 which indicates an agreement level of (2.61-3.40). Lack information about strategic plan of ethio telecom during HRP preparation (item 4 from table 4.4.3 above) was not major challenge for majority of the respondents. This is well supported by 60% of the respondent's disagreement and mean value of 2.5 and SD of 0.8.

Establishing relevant information about the existing staff (item 8 from table 4.4.3 above) was also not major challenge for majority of the respondents for HRP practice and implementation. This is well supported by mean value of 2.3 and SD of 0.6. This is due to the introduction and implementation of enterprise resource planning (ERP) system which helps in enhancing the human resource planning process by integrating relevant information about the existing staff.

One senior HR management member said during interview that “*employees make decisions about their own careers, whether to stay or go, and these days, there's much more movement of employees from company to company and within company across different divisions. No employees are expected to stay at the same company for decades, and often their "moves" occur without warning, and even with two weeks' notice. This makes prediction becomes much harder.*”

From the above table and from the interview, it can be concluded that there were challenges that hinder the practice of human resource planning in ethio telecom. The grand mean of all items 3.14 further confirmed this result.

This Finding went in line with the finding of Sisay Oda (2011). He concluded that there are a number of factors that hinder HRP practice. As a result, "Lack of coordination between HRP section, internal placement division and other concerned departments and line managers respectively were among the causes and limitation that lead to failure towards HRP practice of ETC.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF MAJOR FINDINGS

In this study, the researcher assessed human resource planning practice and challenges in ethio telecom. The researcher collected data from sample respondents; and analyzed the collected data through descriptive statistics.

Accordingly, to meet the research objectives, the following basic research questions were employed.

1. How is Human Resource Planning Process and practices carried out in ethio telecom?
2. To what extent is human resource planning aligned with company's strategic plan?
3. What are the major challenges and obstacles in implementing human resource planning in ethio telecom?

Accordingly, the following major findings were identified.

5.1.1 HRP Process and practices in ethio telecom

The finding of the study indicated that ethio telecom didn't have sound Human resource planning policy that guide how the human resource planning is carried out. It also revealed that HRP practice for the last three years was not satisfactory. The study also tried to identify how HRP is practiced (the process) in ethio telecom. Accordingly, the process of human resource planning was not properly followed. There was not clearly defined process to carryout HR planning. The significance of HRP was properly understood till the end of this study.

5.1.2 Alignment of human resource planning with company's overall strategy

Under this section, the strategic alignment between human resource planning and that of the company's overall strategy was assessed. In general, the finding revealed the following:

The majority of the respondents were familiar with the company's overall strategic plan. However, the company's human resource planning practice was not aligned with its overall strategy. This indicates the absence of direct link between the HRP and the strategic plan of the company.

5.1.3 The Major challenges and obstacles faced in implementing human resource planning ethio telecom

In relation to the challenges faced by ethio telecom in implementing its HRP, the result revealed the following as the main problems.

- A. Difficulty to predict company future growth/Lack of accurate predictions
- B. Forecasting the Macro environment of the company
- C. Lack of coordination between HRD and other work units (Sections, or departments or divisions)
- D. Technological development & changes
- E. Lack of support from human resource division (HRD)
- F. Lack of information/Knowledge about HRP Preparation.

5.2 CONCLUSION

It is easy for anyone that ethio telecom is the only telecom operator in Ethiopia. However, following the government's policy change, other telecom operators are expected to enter the market. This implies that the ethio telecom is forced to operate in a very dynamic and competitive environment. It will fight for its survival. In this regard, its core competency is its human resource and the way it manages it. Human resource is one of the factors by which an organization gains competitive advantage over its rivals. HRP as part of HRM, plays a very important role in building a long term organizational capacity, through identifying short and long term goals as well as identifying corresponding work activities that could help in projecting human resource requirements both from internal and external sources.

Based on the findings of this study it can be concluded that:

- ethio telecom had not proper human resource planning policy and process that guide how to carry out human resource planning effectively. Thus, human resource planning was not well practiced.

- It was also found that human resource division didn't understand and recognize the importance of human resource planning to meet its current and future demands for talent.
- The company didn't follow a systematic approach towards forecasting future human resource needs. The approach and methods of forecasting of demand for labor and supply of human resource was not comprehensive and not supported with quantitative statistical evidence, it only depends on some subjective qualitative approach and limited to some forecasting analysis method only.
- Human resource planning was not properly aligned with the company strategic plan.
- Finally, the company faced a number of challenges to implement Human resource planning including lack of coordination between HRD and other work units.

5.2 RECOMMENDATION

Based on the findings obtained and the conclusions drawn, the following recommendations were made to further improve the Human resource planning practice of practices of ethio telecom.

- ethio telecom should have comprehensive human resource planning policy and procedure along with other policies so that all stakeholders can have a common ground to effectively implement them.
- ethio telecom should have clearly defined process (work process flow) which enable the company to carry out HR planning effectively.
- Human resource division should understand and recognize the importance of human resource planning to meet its current and future demands for talent, allowing human resource managers to anticipate and develop the skills most valuable to the company, and providing with the optimal balance of staff in terms of available skill-sets and numbers of employees.
- Understanding the strategic goals of the company will help HR attract and retain the right talent at the right time. Effective human resource planning allows management of an organization to recruit, develop and deploy the right people at the right place at the right time. To meet the company's strategic business objectives, both HRP and company overall

strategic business plan should be aligned. ethio telecom HR should participate not only in strategy implementation but also formulation (Two-way linkage). They should have information in advance about possible future growth/transformation and expansion projects in the company. So that HRP and business strategy will be aligned and this gives the HR management a strategic focus and helps prioritize.

- Some of the problems in practicing HRP in ethio telecom were lack of support from human resource division, Lack of coordination between HRD and other work units (Sections, or departments or divisions) and lack of information/Knowledge about HRP preparation. Plans are usually prepared by the human resource division in consultation with others division heads. The Human Resource division of ethio telecom should offer counseling and advice to various divisional heads in respect to human resource planning. Furthermore, HRD should assist and counsel operating managers to plan and set objective, collect and summaries of manpower data keeping long run objectives and broad organizational interests in mind, monitor and measure performance against the plan and keep top management informed about it and provide proper research base for effective manpower and organizational planning.
- Finally, there should be integration between the HR division and other work units so as to make the HRP practice more effective.

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Web sites

<https://www.statisticshowto.com/stratified-random-sample/>

Appendix 1: Questionnaire

Addis Ababa University School of Commerce

Master's in Human Resource Management

Dear Respondents,

This questionnaire is designed to collect information on **Human resource planning practices and challenges of Ethio Telecom** based in Head Office. Since the questionnaire is for research purpose, your genuine responses have great importance for the successful completion of the study. Hence your short, precise and honest response is highly appreciated.

Confidentiality

As it has been mentioned above this questionnaire is for academic purpose that the response generated from this research will be kept confidential. Thus, your valuable response is highly helpful in the preparation and understanding of the title under the study.

General Direction:

- It is not necessary to write your name in the questionnaire.
- For your personal information, put a thick (√) mark in the box provided.
- For the question items/Statements, circle the number that matched your level of agreement/disagreement.

Thank you in advance for taking your valuable time to fully complete this questionnaire.

Part I Personal Information

1. Age (in years):

18- 25 26 - 34 35 - 44 45 - 54 55 and Above

2. Sex: Male Female

3. Educational Qualification:

Diploma 1st Degree (BA/BSc) 2nd Degree (MA/MSc) PHD

4. Year of service in management position

1 - 3 4 - 6 7-9 10 years and above

Part II Information Related to Human Resource Planning Practices and challenges

✚ Please indicate your level of agreement or disagreement regarding human resource planning practices & challenges of your organization by using the rate scale provided below.

Strongly Agree=5, Agree=4, Undecided=3, Disagree=2, Strongly Disagree =1.

No.	Question Item	5	4	3	2	1
A	Statements Regarding how HRP process and practices are carried out in ethio telecom.					
5	Ethio telecom has sound Human resource planning policy that guide how the human resource planning is to be developed.	5	4	3	2	1
6	You are satisfied with the practice of human resource planning over the last 3 years in ethio telecom.	5	4	3	2	1
7	There is adequate, relevant, and dependable information for comprehensive supply and demand forecast analysis.	5	4	3	2	1
8	The company`s HRP is developed by analyzing existing jobs and internal capabilities of HR.	5	4	3	2	1
9	The company`s HRP process considers external conditions impacting labor demand, in forecasting its future workforce needs.	5	4	3	2	1
10	Quantitative approach of demand forecasting is practiced in your company.	5	4	3	2	1
11	Qualitative approach of demand forecasting is practiced in your company.	5	4	3	2	1
12	HR supply forecasting analysis is practiced is based on qualitative approach.	5	4	3	2	1
13	HR supply forecasting analysis is practiced in based on quantitative approach.	5	4	3	2	1
14	Reconciliation of demand and supply of human resource is done to identify the existing human resource gaps.	5	4	3	2	1
15	Ethio telecom develops action plan when there is surplus/shortage of manpower.					
B	Statements regarding the strategic link of HRP and strategic plan of ethio telecom.					
16	Ethio Telecom actual HRP practice is aligned with the strategic business plan.	5	4	3	2	1
17	You have information about the company`s overall strategic plan.	5	4	3	2	1
18	The company`s HRP process is oriented to the overall strategic direction of the company.	5	4	3	2	1

19	The HRP practice of the company has played a significant role in achieving its business objective.	5	4	3	2	1
20	Efforts are made to link human resource plan with the strategic business plan of the company.	5	4	3	2	1
C	<i>Statement regarding the major challenges to carry out human resource planning in ethio telecom.</i>					
21	Lack of support by management	5	4	3	2	1
22	Lack of knowledge about HRP preparation	5	4	3	2	1
23	Lack of support from human resource division (HRD)	5	4	3	2	1
24	Lack information about strategic business plan of ethio Telecom during HRP preparation	5	4	3	2	1
25	Technological development & changes	5	4	3	2	1
26	Lack of coordination between HRD and other work units (Sections, or departments or divisions)	5	4	3	2	1
27	Forecasting the Macro environment of the company.	5	4	3	2	1
28	Establishing relevant information about the existing staff.	5	4	3	2	1
29	Difficulty to predict company future growth/Lack of accurate predictions.	5	4	3	2	1

THANK YOU!!

Appendix 2: Interview Guide

1. What challenges do you face in implementing your HRP.
2. Is there a linkage between the HRP strategy and the Strategic planning? How closely do HRP people work with SP people?
3. How could you explain the human resource planning practice ethio telecom?
4. Do you think that the corporation possesses sound human resource policy?
5. What type of demand forecasting analysis method is always employed?
6. How do you see the importance of human resource planning in meeting the company's business objective?
7. Is there adequate and relevant information for comprehensive supply and demand forecast analysis?