



Evaluating the Strategic Alignment of Human Resource Management
Practices with Business strategy in Addis Ababa Private Hospitals

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THE DEGREE OF MASTER OF ART IN HUMAN RESOURCE MANAGEMENT

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Certification

This is to certify that the thesis prepared by Eyerusalem Asrat, entitled: Evaluating the strategic alignment of Human Resource Management practices with business strategy in Addis Ababa General Private Hospitals, submitted in Partial fulfilment for the Degree of Masters of Arts (Human Resource Management) complies with the regulations of the University and meets the expected standard with respect to originality and quality.

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Declaration

I, Eyerusalem Asrat, hereby declare that the thesis entitled Evaluating the strategic alignment of human resource management practices with business strategy in Addis Ababa private general hospital is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged. This research study is being submitted in partial fulfilment of the requirement for Master human resource Management.

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This thesis has been submitted for examination with my approval as a University adviser.

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Abstract

The purpose of this paper is to examine the strategic integration of HRM practices with business strategy in Addis Ababa private general hospitals. Based on the matching model this study focuses on the four HRM practices, recruitment and selection, training and development, performance and reward management. The study was explanatory research and explained the casual relationship of independent and dependent variables. The study was census and used self-administered questionnaire to gather the data; and overall 99 questionnaires from 18 private hospitals returned and analysed for a response rate of 85.3%. The respondents were all managers of the hospitals. Analysis of questionnaire response shows except recruitment and selection (mean=3.70) which is highly effective practice the other three HR practices (training and development mean=3.27, performance mean=3.31 and reward mean=2.96) are in medium effective level. But strategic integration of HRM practices has been adopted by the private general hospitals and the study finding showed that the relationship between HRM practices and business strategy (differentiation, Cost) is positive and statistically significant with a p value of 0.000 for all the four HRM practices; In addition, top management support found important determinant of HRM functions and business strategy integration. And the result showed that Business strategy of the private hospitals affects the HRM practices. This paper provides some insights into approaches to strategic integration of HRM practices in Addis Ababa private general hospitals. Finally it is recommended that the private hospitals HRM practices should have strategic approach, in order to strengthen the HRM practices. Creating awareness about the HRM practices through meetings is important for the implementation and the success of HRM practices. And top manager's support and cascading down the business strategy and the HR strategy to line managers ensures the acceleration of HR practices implementation. Having consistent HRM practices and good documentation system helps to improve the best HR practices and integration.

Keywords: Human resource management Practices, Business strategy, Hospital Managers, alignment, Private hospitals.

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Acronyms

FMHACA = Food Medicine and Health care Administration Control Authority

HRM = Human Resource Management

HR = Human Resource

SHRM = Strategic Human Resource Management

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In a rapidly changing environment without a strategic plan, management and the organisation as a whole would not be in a position to achieve its goals and objectives as outlined in the organisation's strategic plan. The way in which people are managed within organisations needs to be aligned with the strategy of the business. Human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations; it covers the activities of recruitment and selection, learning and development, performance and reward management and others (Armstrong and Stephen 2014). There is a growing realization among organizations to align its Human Resource practices with corporate strategies to meet the needs of its business in order to gain strategic advantage from its Human Resources. Because the world has become a global marketplace, the focus nowadays lies on Human Resource Management and the successful integration of strategies within an organization (Brauns 2013). An effective HR strategy with clear links to the business strategy enables the organization to align its activities better with its human resources. An HR department that understands the demands of the business strategy can help ensure to have the right people in place to deliver the organization ambitions and support growth. HR departments integrated into the senior strategic management team can work across the organization ensuring that human resource requirements are considered equally with other organizational investments. A mature approach to HR strategy places it at the centre of understanding an organization's overall capacity and capability. Having a clear concept of employees and their different skills can help to see where the organization has potential for development and growth and helps to structure the organization to take advantage of emerging opportunities. Organizations that have reached this point in their development see HR as a key driver of strategy and integral to future success, rather than as a simple administrative function that ensures everyone gets paid on time (Dermol and Rakowska 2014).

The alignment of human resource management practices with business strategy is fundamental in achieving the organization strategy. And different literature showed there is a gap in having strategic approach except discussing the need when it arise

(Senga and William 2001). In the increasing of health Industry Business complexity and organizational competitiveness, strengthen strategic human resource management and aligning with the business strategy is important (Adhanom 2010). A study by, Samuel Girma et al (2007) showed there is no specific policy and strategic documents on Human Resource for Health, most policy and strategy documents are dated early 1990s, and the study added that Human Resource for Health information system is highly under developed with little information for policy and strategy development. Overall a number of documents have indicated that there is poor Human Resource for Health management system in Ethiopia. Even if HRM is vital for health sector it is misunderstood and poorly utilized, and many organizations face human resource challenges such as turnover, staff shortages, attrition and absenteeism, and low morale, and others. The management of Human Resources can no longer be viewed as an activity relegated to Human Resource staff; it is a fundamental activity in the mainstream of formulating and implementing business strategy. Challenges surrounding Strategic Human Resources practices are not only the responsibility of human resource department but also the responsibility of every manager within the organization (Mubarak and Abdul 2016). This study was focused on the basic HRM practices such as recruitment and selection, training and development, performance management and reward based on the matching model human resource management cycle and the alignment with business strategy (Armstrong and Stephen 2014).

Background of the organization

Addis Ababa private general hospitals are those hospitals with a minimum of four basic specialities function known as Internal Medicine, Surgery, Paediatrics and Obstetrics and Gynaecology. In addition these hospitals have laboratory, pharmacy and radiology diagnostic services. The hospitals give emergency, outpatient and inpatient service with a minimum number of 51 admission beds. Private General Hospitals have at least a minimum number of 100 employees of medical (Physicians, Nurses, laboratory, pharmacy, radiology) and non-medical or supportive staffs in different profession. All the 20 private hospitals have green based on FMHACA standard; and all the hospitals are located in six sub cities.

1.2 Statement of the problem

HRM systems are weak and fragmented in the majority of health care organizations. Many do not routinely staff human resource professionals and as a result vacancy rates rise, promotions delay and workloads increase (Mubarak and Abdul 2016). Even though in Addis Ababa private hospitals HR functions such as training and development, recruitment and selection, performance management and reward management are in place due to lack of integration with business strategy, the practices are poorly applied; and the implemented HR functions are put on a shelf, no measure is taken, as a result line managers are not interested to do performance appraisal or evaluate their staffs carelessly (Samuel Girma et al 2007). This all affects improved performance and healthy competition among employees. From my observation as a training and development officer, the outcome of trainings are not measured and due to poor recording one staff gets training twice in one training topic; when this staff resigned, the hospital suffers with lack of trained staff in the department. With minimal budget assigned to HR functions, resources are wasted without measuring cost effectiveness. Due to this most of the private hospitals think that investing on training is costly and useless, (Mubarak and Abdul 2016).

In my assessment during experience sharing; I observe that, in some Addis Ababa private general hospitals there is no independent HR department or found in the level of officer who is not capable enough to take care of HR activities, this shows that minimal attention is given for HRM practices. One of the private hospitals, Girum General Hospital turn over report between January to June 2018 was 8.63%. And nowadays turnover becomes one of the biggest challenges of private hospitals; and they don't have a strategic approach to compete scarce health professionals. Even though different studies was done on health sectors HRM practices, there is lack of study on the alignment of the HRM practices with business strategy. Therefore, this study attempted to evaluate the strategic alignment of human resource management practices with business strategy in Addis Ababa private hospitals, in order to address the gap observed by giving the possible recommendation, and to fill the literature gap in strategic alignment of HRM practices with business strategy in health sector.

1.3 Research Question

1. To what extent does the HRM practices and business strategy aligned?
2. How does the business strategy affect the HRM practices?
3. How does top manager support mediate HRM practices alignment with business strategy?
4. How does HR manager representativeness at the board level mediate HRM practices alignment with business strategy?

Hypothesis formulation

- ✓ **H1:** There is a positive relationship between Business strategy and HRM practices.
- ✓ **H2:** Business strategy predicts HRM Practices.
- ✓ **H3:** Top manager's support plays a significant mediating role on HRM practices alignment with business strategy.
- ✓ **H4:** HR representativeness at the board level plays a significant mediating role on HRM practices alignment with business strategy.

1.4 Research Objective

The general objective of this research is to evaluate the strategic alignment of human resource management practices with business strategy in Addis Ababa private general hospitals.

Specific Objective

The specific objective of this research is:

1. To evaluate the strategic alignment of Human Resource Management practices with business strategy
2. To evaluate the effect of business strategy on HRM practices
3. To evaluate Top Managers support mediating role on HRM practices and business strategy alignment
4. To evaluate HR representativeness at the board mediating role on HRM practices and business strategy alignment

1.5 Significance of the study

A study on strategic alignment of human resource management practices with business strategy is one important aspect of development research. The findings of the study are believed to be primarily significant to the private hospitals. The results will enable the management to strengthen their strategic human resource practices and to fill the knowledge gap on human resource management functions and the importance of its integration with business strategy. In addition the result will help the managers to understand that HRM functions are not only the responsibility of the HR personnel's but also it is the responsibility of all the heads and managers in the hospitals. And the result enables the top managers to be committed and work on the predicting factors that determine the integration. It will also help the management in planning for the development and implementation of effective and efficient human resource strategies that will lead to improved performance. Besides, the recommendations based on the conclusions of the research findings will help the organization either maintain or amend the existing HR strategic approach. On the other hand, the overall output of this research contributes to other governmental or nongovernmental organizations as a tool to customize the suggested models in to organizational context to improve their strategic alignment related gaps. Finally, it will be served as a reference for further researchers for those who have an interest in relation to the research topic and moreover it helps the researcher to acquire knowledge and skills on strategic alignment of HRM practices and business strategy.

1.6 Scope of the study

The scope of the study is delimited to evaluate the strategic alignment of human resource management practices with business strategy in Addis Ababa private general hospitals. Among list of HR functions, the study will focus on the basic HR practices based on the matching model - recruitment and selection, training and development, performance management and reward management. The target groups of the research were the private general hospitals; and all the managers (who can be the best source of information about strategic alignment), who was available during the study period were participated in filling the questionnaire.

1.7 Limitation of the study

The study was conducted in the private firms where HR issues are very difficult to disclose for the sake of competition, and there was difficulty in giving emphasis to fill the questionnaire. More over some hospitals did not have independent HR manager and/or general manager, in some hospitals the administrator works both as general manager and HR manager and in some hospitals the medical director works as general manager too. But regardless of the fact, the researcher used the maximum effort to gather the right information. In addition the researcher used different approach to get the right information, through primary and secondary data collection. For the time constraint the researcher gave sufficient time for the study participants to fill the form.

1.8 Definition of terms

HRM: is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations (Armstrong 2010).

HRM Practice: is concerned with all aspects of how people are employed and managed in organizations. It covers activities such as: strategic HRM, human capital management, knowledge management, resourcing (human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations and employee well-being (Armstrong 2010).

Strategic HRM: is an approach that defines how the organization's goals will be achieved through people by means of HR strategies and integrated HR policies and practices. It provides the foundation for strategic reviews in which analyses of the organizational context and existing HR practices lead to choices on strategic plans for the development of overall or specific HR strategies (Armstrong 2010, Salaman et al 2005).

Business/corporate strategy: is sometimes defined simply as a firm's high-level plan for reaching specific business objectives. It is a process for developing a sense of direction, making the best use of resources and ensuring strategic fit (Armstrong and Stephen 2014).

Strategic alignment: is the process and the result of linking an organization's structure and resources with its strategy and business environment (regulatory, physical, etc.) or it is to integrate decisions about people with decisions about the results an organization is trying to obtain (Feng-Hui et al, 2010).

Recruitment and selection: Recruitment is the process of finding and engaging the people the organization needs. Selection is an aspect of recruitment concerned with deciding which applicants or candidates should be appointed to jobs (Armstrong and Stephen 2014).

Training and development: is the process of acquiring and developing knowledge, skills capabilities, behaviours and attitudes through experience, events and programmes provided by the organization, guidance and coaching provided by line managers and others, and self-directed or self-managed learning activities. It is concerned with ensuring that the organization has the knowledgeable, skilled and engaged workforce it needs (Armstrong and Stephen 2014).

Performance Management: ‘Performance management is a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization (Armstrong and Stephen 2014).

Reward management: is concerned with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organizational, departmental and team goals is recognized and rewarded (Armstrong 2010).

1.9 Organization of the study

The study is organized in to five sections. The first chapter introduces background of the study. In the second chapter, different related literatures are presented to create depth understanding towards the subject under study. Chapter three is concerned with the methodological part of the study. Chapter four indicated the analysis and discussions of major findings. In the fifth chapter conclusions and recommendations of the study are stated. Lastly, references and appendices sections are attached.

CHAPTER TWO

Literature Review

2.1 Theoretical Evidence

2.1.1 HRM concepts

According to Armstrong and Stephen (2014) human resource management (HRM) is a comprehensive and coherent approach to the employment and development of people. It is concerned with the contribution it can make to improving organizational effectiveness through people. HRM involves the application of policies and practices in the fields of organization design and development, employee resourcing, learning and development, performance and reward and the provision of services that enhance the well-being of employees. These are based on human resource (HR) strategies that are integrated with one another and aligned to the business strategy. And SHRM is a general concept of how integration or 'fit' between HR and business strategies is achieved, the benefits of taking a longer-term view of where HR should be going and how to get there, and how coherent and mutually supporting HR strategies should be developed and implemented. In addition it is about how HR teams operate as part of the management teams to ensure HR activities support the achievement of business strategies continuously. Baird and Meshoulam (1988) pointed out that: 'Business objectives are accomplished when human resource practices, procedures and systems are developed and implemented based on organizational needs, that is, when a strategic perspective to human resource management is adopted. According to Boxall and Purcell (2003): 'Strategic management is best defined as a process of strategy making, of forming, if the firm survives, reforming its strategy over time.' Strategic HRM bridges business strategy and HRM and focuses on the integration of HR with the business and its environment. As Dyer and Holder (1998) remarked that, strategic HRM provides 'unifying frameworks which are at once broad, contingency based and integrative'. The rationale for strategic HRM is the perceived advantage of having an agreed and understood basis for developing and implementing approaches to people management which take into account the changing context in which the firm operates and its longer-term requirements. Strategic HRM is based on two key concepts: the resource-based view and strategic fit.

2.1.1.1 The resource-based view of strategic HRM

The resource-based view has had considerable influence on thinking about HRM. It can also be used to enhance the value of the HR contribution in achieving competitive advantage. Wernerfelt (1984) explained that strategy 'is a balance between the exploitation of existing resources and the development of new ones'. The resource-based view emphasizes that investment in people increases their value to the firm. It proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals (Armstrong 2010). The strategic goal emerging from the resource-based view will be to 'create firms which are more intelligent and flexible than their competitors' Boxall (1996) by hiring and developing more talented staff and by extending their skills base. Resource-based strategy is therefore concerned with the enhancement of the human or intellectual capital of the firm. It is important to recognize that a firm may not need a uniquely endowed workforce to establish a distinctive competency as long as it has managerial capabilities that no competitor possesses. Collective learning in the workplace on the part of managers and non-managers, especially on how to coordinate workers' diverse knowledge and skills and integrate diverse information technology, is a strategic asset that rivals find difficult to replicate. In other words, leadership capabilities are critical to harnessing the firm's human assets.

2.1.1.2 Strategic fit

It means developing HR strategies that are integrated with the business strategy and support its achievement (vertical integration or fit), and also with the use of an integrated approach to the development of HR practices such as selection, employee development, reward and employee relations so that they complement and support one another (Armstrong 2010).

2.1.2 The matching model

Early interest in the 'matching' model was evident in Fombrun et al.'s (1984) work: 'HR systems and organizational structure should be managed in a way that is congruent with organizational strategy'. There must be a 'fit between competitive strategy and internal HRM strategy and a fit among the elements of the HRM strategy', 'HRM cannot be conceptualized as a stand-alone corporate issue. Strategically speaking it

must flow from and be dependent upon the organization's (market oriented) corporate strategy'. HRM is therefore seen to be 'strategic by virtue of its alignment with business strategy and its internal consistency (Boxall, 1996). The Michigan Model explained that there is a human resource cycle as showed in the figure below which consist of four generic processes or functions performed by Human resource management in all organizations which are: Recruitment and selection refers to the process of choosing suitable human resource for the organization and matching the right people to the available jobs, performance appraisal and there must be a reward for both short as well as long-term achievements, bearing in mind that all businesses must operate and be managed in a sustainable manner to ensure success today and continuity in the future, developing high-quality employees and maintaining standards and existing quality.

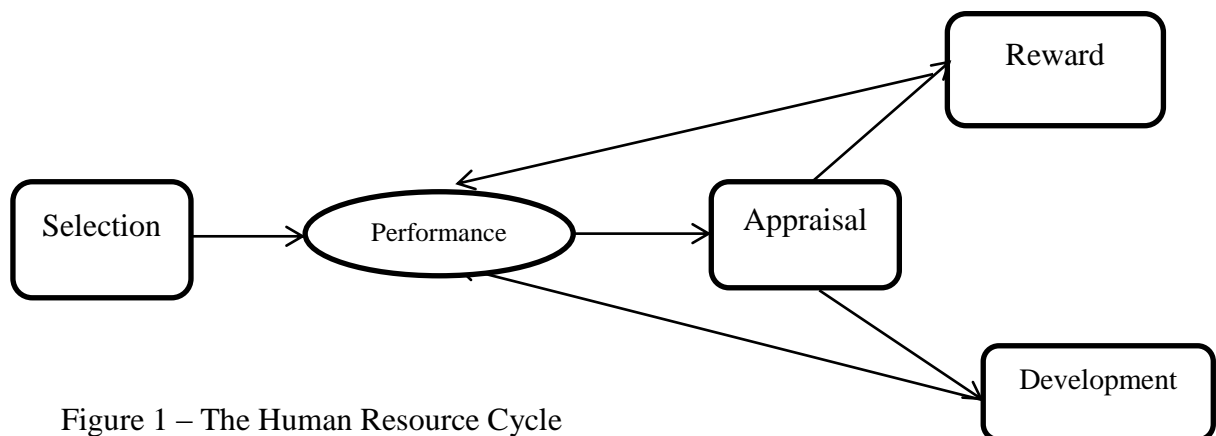


Figure 1 – The Human Resource Cycle

[Fombrun et al, 1984] (Linda, 2001)

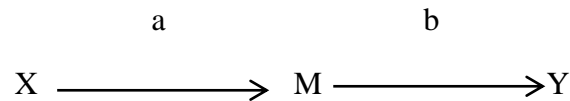
2.1.3 Business Strategy

Business strategy deals with decisions and actions pertaining to the business, the main objective of a business-level strategy being to make the organization more competitive in its marketplace. In the 1980s, Porter (1980, 1985) made a significant contribution to our understanding of business strategy by formulating a framework that described three competitive strategies: cost leadership, differentiation and focus. **Cost Leadership** strategy attempts to increase the organization's market share by appealing to cost-conscious or price-sensitive customers. The simple alternative to cost leadership is **differentiation** strategy. This assumes that managers distinguish their services and products from those of their competitors in the same industry by providing distinctive levels of service, product or high quality such that the customer is prepared to pay a premium price. With the **focus** strategy, managers focus on a specific buyer group or

regional market. This dimension is not a separate strategy for big companies due to small market conditions. Big companies which chose applying differentiation strategies may also choose to apply in conjunction with focus strategies either cost or differentiation (Porter 1985).

2.1.4 Mediation Model

Mediation is a hypothesized causal chain in which one variable affects a second variable that, in turn, affects a third variable. The intervening variable, M, is the mediator. It “mediates” the relationship between a predictor, X, and an outcome. Graphically, mediation can be depicted in the following way:



Paths a and b are called direct effects. The mediational effect, in which X leads to Y through M is called the indirect effect. The indirect effect represents the portion of the relationship between X and Y that is mediated by M.

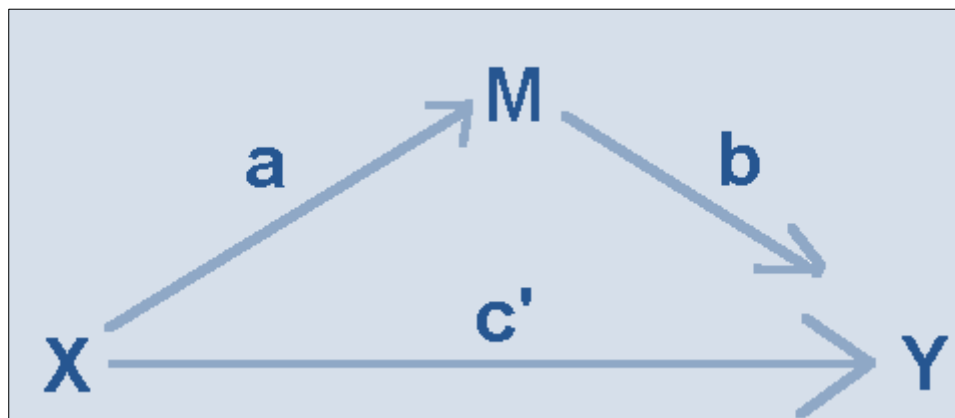


Figure 2 – Mediation Model

[Source: Spring, 2018; SEM]

The effect of X on Y may be mediated by a process or mediating variable M, and the variable X may still affect Y. Path c' is called the direct effect. The mediator has been called an intervening or process variable. Complete mediation is the case in which variable X no longer affects Y after M has been controlled, making path c' zero. Partial mediation is the case in which the path from X to Y is reduced in absolute size but is still different from zero when the mediator is introduced.

Note that a mediational model is a causal model. For example, the mediator is presumed to cause the outcome and not vice versa. If the presumed causal model is not correct, the results from the mediational analysis are likely of little value. Mediation is not defined statistically; rather statistics can be used to evaluate a presumed mediational model. Baron and Kenny (1986) proposed a four step approach in which several regression analyses are conducted and significance of the coefficients is examined at each step

Step 1: Show that the causal variable is correlated with the outcome. Use Y as the criterion variable in a regression equation and X as a predictor. This step establishes that there is an effect that may be mediated.

Step 2: Show that the causal variable is correlated with the mediator. Use M as the criterion variable in the regression equation and X as a predictor. This step essentially involves treating the mediator as if it were an outcome variable.

Step 3: Show that the mediator affects the outcome variable. Use Y as the criterion variable in a regression equation and X and M as predictors. It is not sufficient just to correlate the mediator with the outcome because the mediator and the outcome may be correlated because they are both caused by the causal variable X. Thus, the causal variable must be controlled in establishing the effect of the mediator on the outcome.

Step 4: To establish that M completely mediates the X-Y relationship, the effect of X on Y controlling for M (path c') should be zero. The effects in both Steps 3 and 4 are estimated in the same equation.

If all four of these steps are met, then the data are consistent with the hypothesis that variable M completely mediates the X-Y relationship, and if the first three steps are met but the Step 4 is not, then partial mediation is indicated.

2.2 Empirical Evidence

2.2.1 SHRM

A research journal on Aligning Strategic Human Resource Management, Brauns (2013) states Without Strategic Human Resource management, the Human Resource function cannot perform at its optimum. The Reviewing of previous literatures that cover the field of HRM in hospitals and health organizations shows the need for further improvement in any health organization. Mubarek and Abdul (2016) shows that setting a strategy for human resources management, the development of personnel management process, Engage the staff of the hospital in the larger functional tasks, Continuous development and training of staff performance is needed. And the researcher finds the need that measuring the hospital manager's performance including leadership ability, strategy thinking and management experience is important before starting performance development process.

2.2.2 Strategic Human Resource Management Practices

Different literature evidence showed that there is positive relationship between HRM practices and business strategy and in addition the business strategy of a company affects the human resource management functions (Koon and Juhary 2011). A study by Ekhsan and Othman, (2009) identified the company mission, corporate statement and HR strategy is an important determination for integration, HR involvement in board and direct reporting to the director has a significant contribution to take HR issues in account. Another study conducted in Kenya shows the importance of strategic integration of Human resource management practices with business strategy. The respondents during the study shows their companies human resource practices are aligned with the business strategy and the finding shows that training and development strategy has greater alignment, that is very significant in attaining the company business strategy (Faith 2016).

2.2.1.1 Recruitment and selection

A study conducted in the Nigerian firms shows that the high level of strategic recruitment and selection integration with business strategy, there will be a high level of implementation, which in turn affects the firms' performance (Uzoma 2013). Teena and Sanjay (2016) states that aligning candidate and business objective is a must in strategic recruitment and selection, it is focused on key job positions that are needed for the accelerated growth of the business. To get a competitive advantage recruit and retain high quality people with innovative skills and a good track record in innovation, Use sophisticated selection procedures to recruit people who are likely to deliver quality and high levels of customer service.

2.2.1.2 Training and Development

A study by Mc Grow (2009) clearly puts the value of continuous learning translates into personal and professional growth opportunities, including a commitment to self-development, coaching, learning solutions and training, management training and others. Employees are encouraged to create their own development plan and use available learning solutions and methods. Coaching with highly skilled colleagues helps employees to develop and gives them the opportunity to share ideas and goals with each other. In addition the research identifies that the amount of training, as well as the organization of the training function in a firm, are influenced by top management support for training, by the degree of integration and others. To get a competitive advantage, develop strategic capability and provide encouragement and facilities for enhancing innovative skills and enhancing the intellectual capital of the organization. The strategic training and development is all about identifying, designing and delivering training programs to employees to make them capable of delivering in accordance with business strategy and evaluation of the outcomes to check the effectiveness of the training program based on planning (Teena and Sanjay 2016).

2.2.1.3 Performance Management

In a study on strategic human resource management, when managers and employees are interviewed, they almost always cite the performance management system as a way they are held accountable for meeting the firms' goals. And the performance management was not fully aligned with the firms' strategy. Recently published researches shows most firms' are starting linking performance management plans with the firms' strategy and cascade the alignment down to employee level (Feng-Hui et al, 2010). Strategic Performance Management creates a link between the strategy and an organization's ability to manage employees' performance to have direct impact on business performance. Strategic Performance Management is actually about strategy implementation to deliver value by delivering the desired outcomes in accordance with business strategy. Strategic Performance Management link's the individual's objectives and performance management, driving the skill and capability requirements and ensure its alignment to the core values of the organization (Teena and Sanjay 2016).

2.2.1.4 Reward

A research journal states that employees will perform at high level if work is rewarded (Brauns 2013). Teena and Sanjay (2016), mentioned that Strategic reward management facilitate the alignment of compensation and reward policy with business, which can be achieved by taking a data-driven approach so that the pay and benefits are allocated to only those positions and workers that produce the greatest return. One of the healthier ways to motivate employees and reward the stellar performers is to have variable pay rewards system based upon the individual and team performance to their contribution towards the achievement of organizations business objectives. For a competitive advantage it is necessary to provide financial incentives and rewards and recognition for successful innovations, Link rewards to quality performance and the achievement of high standards of customer service.

2.2.3 Strategic alignment human resource management practices and its predicting factors

Among many factors that predict the level of the strategic integration of human resource management practices and business strategy, top management support and HR representation at the board level are mentioned as important determinants in different literatures (Abraraw 2015, Ekhsan and Othman 2009). Other factors such as HR professionals' capabilities, the size of HR department and budget allocated identified as a predicting factor for integration (Abraraw 2015). In addition in Ekhsan and Othman (2009) study findings showed that good relationships and communication among the staff, line management commitment and support identified as important determinants of HRM strategic integration. And the findings demonstrate that the effectiveness of integration of HR strategy with business/corporate strategy was strongly influenced by the strategic role played by HRM policies and practices in the strategic management process of the companies. The respondents believed that the high integration of HRM into the business/corporate strategy was due to the acknowledgement of the crucial importance of HR to the overall success of the organization. Practices that contributed to the effectiveness of the strategic integration of HRM includes early consultation from the outset on policy development and implementation, close communication and relationships, team building, HR understanding of business operation, top-down and bottom-up communication, decentralization of the training and development functions, and management support and commitment finds as determinant factors. The overall findings also showed that the influence of Japanese management practices which has similar characteristics of high performance work system and resource-based view approach which sees employees and the HR function not as sources of competitive advantage and emphasizes participatory decision making, were important predictors of high and effective strategic integration.

2.3 The Conceptual Framework

A conceptual framework helps to postulate or hypothesis and tests certain relationship. The present framework is developed based on the objective of assessing the overall Strategic alignment of Human Resource Management practices such as recruitment and selection, training and development, performance appraisal and reward management

with business strategy in Addis Ababa Private Hospitals. The hypothesis tests the effect of business strategy on HRM practices and the determinant factors for the integration of business strategy and HRM practices. The HRM functions are dependent or affected by the type of business the organization has (Koon and Juhary 2011). In addition the integration between HRM practices and business strategy is predicted by different factors; most writers acknowledged that top management is the most powerful force to adopt SHRM, their power they have on resource, their priorities in decision making, their skills, values and attitudes regarding HRM influence the strategic integration of HRM practices. Besides HR manager representation at the board level predicts the strategic integration of HRM practices and business strategy (Abraraw 2015, Ekhsan and Othman 2009). Therefore this study conceptual frame has business strategy as independent factor, HRM practices as dependent factor and top management support and HR manager representation as mediating factors.

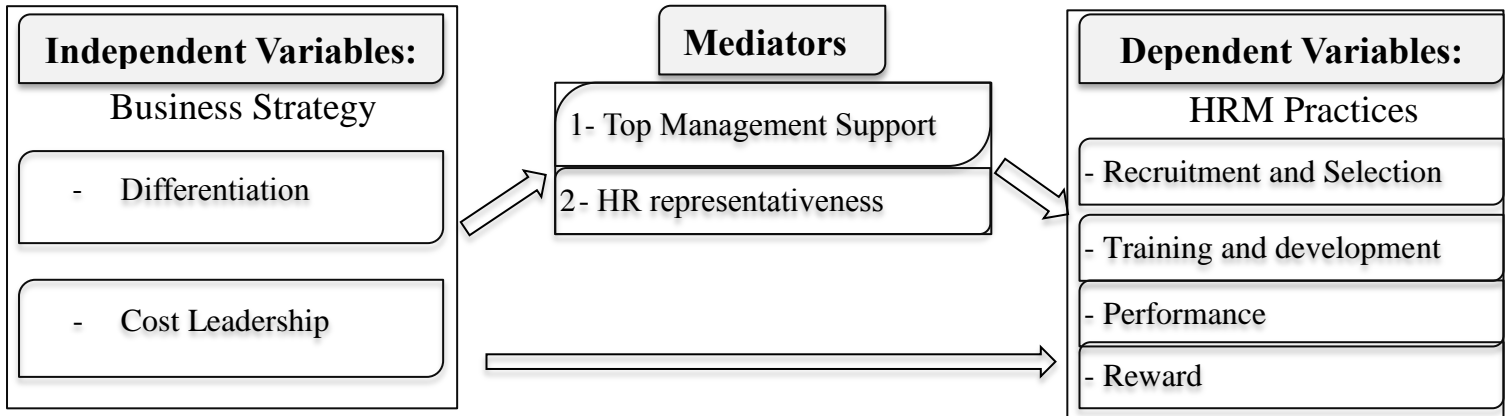


Figure 3 – Conceptual framework for this study
(Koon and Juhary 2011)

CHAPTER THREE

METHODOLOGY

3.1 Description of the study Area

Private General Hospitals are hospitals who deliver full service and have all the four main departments, such as paediatric, gynaecology, internal medicine and surgery. In addition these hospitals have radiology, laboratory and pharmacy service for 24 hr a day, seven days in a week and 365 days in a year. These hospitals are divided in different departments and give wide service. There are two categories of staffs, the technical team and the supportive staffs or the medical department and non-medical department. The medical department has five sub division departments called, the Physicians, the nursing department, the laboratory department, the radiology department and the Pharmacy department. And each department runs by independent manager under the medical director. The supportive staffs are managed by general service manager or operation manager. Among these Private hospitals, some have independent Medical director, General Manager and HR Manager. And others have only HR and medical director, and some hospitals do not have HR manager at all but the administrator works as HR manager. In average a private hospital has a total of seven managers and this study involved all available managers who worked more than six months in the hospital.

3.2 Research Approach

This study adopted the quantitative approach which involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. It is used to describe, test relationships and examine cause and effect of relationships. And Qualitative approach which is concerned with subjective assessment of attitudes, opinions and behaviour (Kothari 2004).

3.3 Research Design

The study was explanatory research which explained the casual relationship between independent and dependent variables or it identified the casual links between the factors or variables that pertain to the research problem. To minimize biases and ensure reliability the objective of the study was clearly defined. In addition data collection

methods and techniques were identified, and adopted questionnaire were tested before the actual data collection (Koon and Juhary 2011, Merhan and Mostafa 2009, Feng Hui et al 2010).

3.4 Population and Sample

There are 20 licensed private general hospitals in Addis Ababa. All are located in 6 sub-cities. Though the number of the hospitals was few, to get more reliable data all the hospitals were included and the study was census, but due to the work load and absence of the responsible person two hospitals couldn't involve in the study and only eighteen private hospitals were the study participants. And there were a total of 126 managers (in average seven managers per hospital) in eighteen private general hospitals. And data was collected from all available managers, who have been in the hospital at least for more than six months.

3.5 Data Source and Type

This study employed both primary and secondary data sources in order to get more reliable findings. The primary data for this study was collected using carefully designed closed ended questionnaire, it includes variables to assess the HRM practices and business strategy of the private hospitals and the alignment between business strategy and HRM functions, and some demographic variables were added. In addition the questionnaire allowed the respondents to add additional comments they have. And sources of the secondary data include, Addis Ababa private hospitals HR documents, books, internet search, articles and journals among others. This helped to identify how others have defined and measured key concepts; the data sources that others used and how this research related to other studies.

3.6 Data Collection procedure

Data were collected using a structured and pretested questionnaire (Koon and Juhary 2011, Merhan and Mostafa 2009, Feng Hui et al 2010). The questionnaire was administered to the hospital managers since the hospital managers are believed to have first-hand information about the strategic alignment of HRM practices with the business strategy of the hospital they are leading. The respondents were given three weeks' time to fill the questionnaire. The principal investigator was making a regular follow up by putting reminder to the respondents in order to fill the questionnaire in the specified

period. In order to avoid fear of stigma, the respondents were informed to return the questionnaire after they have sealed it with envelope. Additionally, the principal investigator reviewed the HR documents of each hospital and collected data.

3.7 Ethical Consideration

Primarily the respondents were explained about the purpose of the study and involved based on their willingness. Therefore, on the basis of these ethical principles, efforts were made and confidentiality was assured and kept throughout the process of this research work. The researcher followed logical procedures in every stage of data collection processes. To avoid possible harm such as embarrassment or feeling uncomfortable about questions to respondents, the study did not included sensitive questions that could cause embarrassment or uncomfortable feelings.

3.8 Data Analysis

The collected data was processed and organized by first sorting it out to ensure consistency, exhaustiveness and completeness in information required for statistical analysis. And then by using SPSS (Statistical package for Social Sciences) version 24 software program associations between variables was tested by inferential statistics. Relationship between the independent, dependent and predicting variables were analysed by correlations. Relationship between independent and dependent variables was tested by bivariate correlation and the mediating variable was determined by partial correlation. The independent variable (he predictor) and the dependent variables (the outcome) relationship was analysed by linear regression. In addition nominal measurement was used for categorical data; scale measurement was used for continuous data such as age and for the Likert scale ordinal measurement was used. Primary data was analysed and presented using statistical tools like tables and charts to facilitate the interpretation of the result of the data analysed.

CHAPTER FOUR

DATA ANALYSIS AND SUMMARY OF FINDINGS

4.1 Introduction

This chapter describes the analysis of data followed by a discussion of the research findings. The findings relate to the research questions, objectives and hypothesis that guided the study. Data was collected through a well-structured research questionnaire and the collected data were analysed to identify and describe the overall strategic alignment of Human resources management practices with business strategy in Addis Ababa private general hospitals.

4.2 Response Rate result

Response rate is the proportion (percentage) of those invited to participate in a research study that actually do so. In this study out of the 20 private general hospitals 18 hospitals were willing to be part of the study; the rest two couldn't participate in the study due to unavailability of the responsible person to permit the study. Therefore 116 questionnaires were distributed for all the managers in 18 private general hospitals. And 105 questionnaires were returned, however 99 were usable for the study, this represented 85.3% response rate by the individual employees. Mugenda and Mugenda (2003) argue that a response rate of over 60 % is good, thus the response rate for this study was adequate for analysis.

4.3 Pilot test

Pilot test is a small-scale version of the full study which is applied to test the study instruments. This was done to test the questionnaire and survey techniques (Kothari, 2004). Pilot test ensured that the items in the instrument were stated clearly and had the same meaning to all respondents (Mugenda and Mugenda, 2003). It enabled the researcher to know if the instruments were valid and that the study's design was able to capture the required data. Mugenda and Mugenda (2003) argue that the number should not be large and a pre-test sample of between 1% and 10 % is good depending on the sample size. Thus, a pre-test sample for this study was 8% and 10 managers randomly selected and a pilot survey was conducted. The purpose of the pilot survey was to check if the questionnaire was clear, easy to understand and straight forward to ensure that the respondents could answer with no difficulty. Based on the feedback from the pilot

survey, some changes were made on the questionnaire before administering to the study subjects. The researcher distributed and collected the questionnaires in the working hours when all managers were easily accessible.

4.3.1 Reliability Test Result

Reliability Statistics		
	N of Items	Cronbach's Alpha
Business Strategy	7	.912
Strategic alignment	6	.886
Recruitment and Selection	8	.920
Training and Development	10	.961
Performance	9	.934
Reward	10	.951
Total	50	.983

Table 4: 1 – Reliability Test

[Source: Own Survey, 2019]

Reliability is the ability of a research instrument to consistently measure characteristics of interest over time; it is the degree to which a research instrument yields consistent results or data after repeated trials. Reliability relates to the consistency of the data collected, if a researcher administers a test to a subject twice and gets the same score on the second administration as the first test, and then there is reliability of the instrument (Mugenda and Mugenda, 2003). Cronbach's coefficient alpha was used to determine the internal reliability of the instrument. The survey instrument was tested in its entirety, and the subscales of the instrument were tested independently. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; the normally accepted Cronbach alpha is greater than 0.7 (Mugenda and Mugenda 2003). The total Cronbach alpha for this study was 0.983, as per the reliability table; hence the data can be said reliable.

4.4 Data Analysis and Presentation of Findings

4.4.1 Demographic Characteristics

No	Characteristics	Category	Frequency	Percent
1	Sex of the respondent	Male	64	64.6%
		Female	35	35.4%
2	Age of the respondent	≤ 25	4	4.0%
		25 – 40	55	55.6%
		41 – 65	34	34.3%
		Over 65	6	6.1%
3	Position of the respondent	General Manager	10	10.1%
		Medical Director	10	10.1%
		HR Manager	10	10.1%
		Operation Manager	6	6.1%
		Matron	13	13.1%
		Radiology Head	10	10.1%
		Pharmacy Head	10	10.1%
		Laboratory Head	14	14.1%
		Others	16	16.2%
4	Service Year of the respondent	< 5years	18	18.2%
		6 – 10	29	29.3%
		11 – 15	25	25.3%
		>15 years	27	27.3%
5	Educational Level	Masters	18	18.2%

of the respondent	Dr. Specialist	9	9.1%
	First Degree	62	62.6%
	Diploma	10	10.1%

Table 4: 2 – Demographic Characteristic of the Respondents

[Source: Own Survey, 2019]

Referring the above table 4.2, it is possible to deduce the following facts. Out of 99 respondent 35.4% are females and 64.6% are males. This implies that the hospital management is dominated by male employees and females’ participation in the managerial position is lower relative to males.

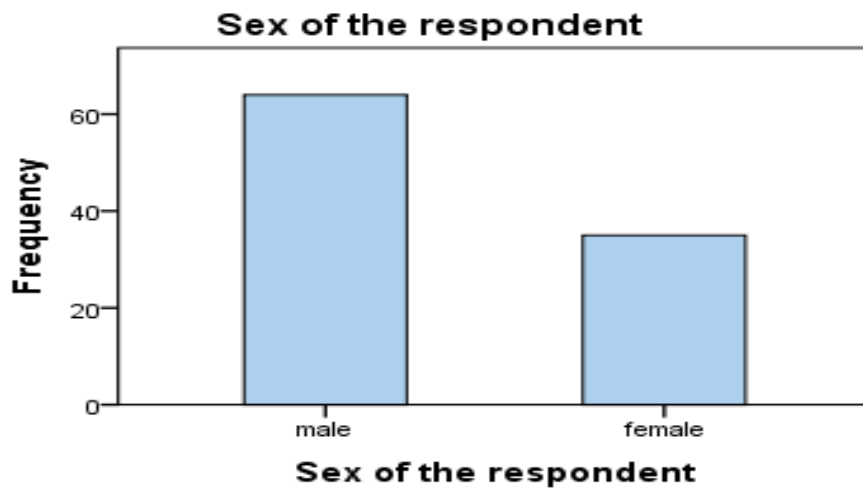


Figure 4 – Sex Composition

[Source: Own Survey, 2019]

Regarding the age interval of the respondents the majority of the managers are between the age of 25 and 40, which signifies that private general hospitals have active, productive, and potential prospects as well as matured managers, 34% respondents are between the age of 41 and 65 and above 65 years of age and 25 years and below 25 years of age are few, it is 6.1% and 4% respectively. This result implies that the private hospital management is occupied by younger and productive age groups; therefore the hospitals have an opportunity to make improvement on strategic approach.

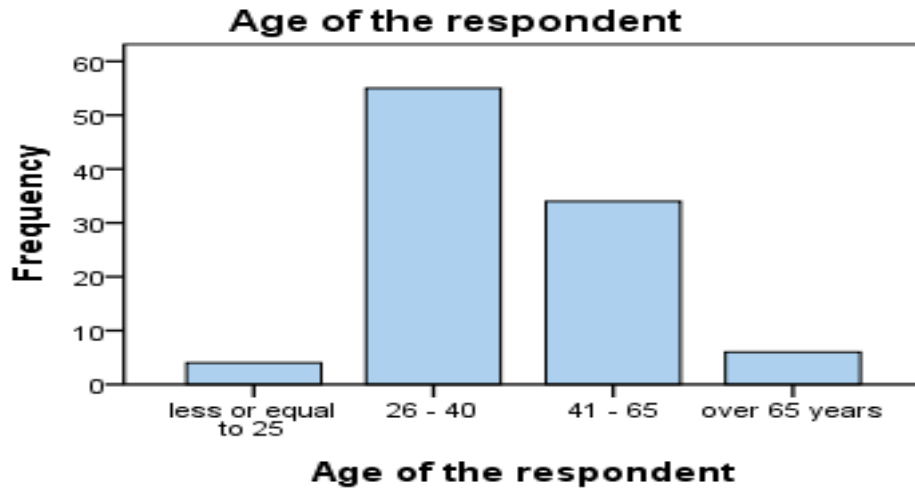


Figure 5 – Age Composition

[Source: Own Survey, 2019]

For strategic human resource management having the HR manager is the first basic thing, but as we can see from the above table and the below chart, out of 18 private general hospitals HR managers are available in 10 of the hospitals and in the rest of 8 hospitals operation managers or administrators perform the responsibilities of HR managers and HR personnel found in the level of officer or not at all. And 10.1% general managers responded, 6.1 % operation managers, 10.1% Medical Directors, 13.1% Matron, 10.1% Radiology managers, and 10.1% Pharmacy manager responded during the survey.

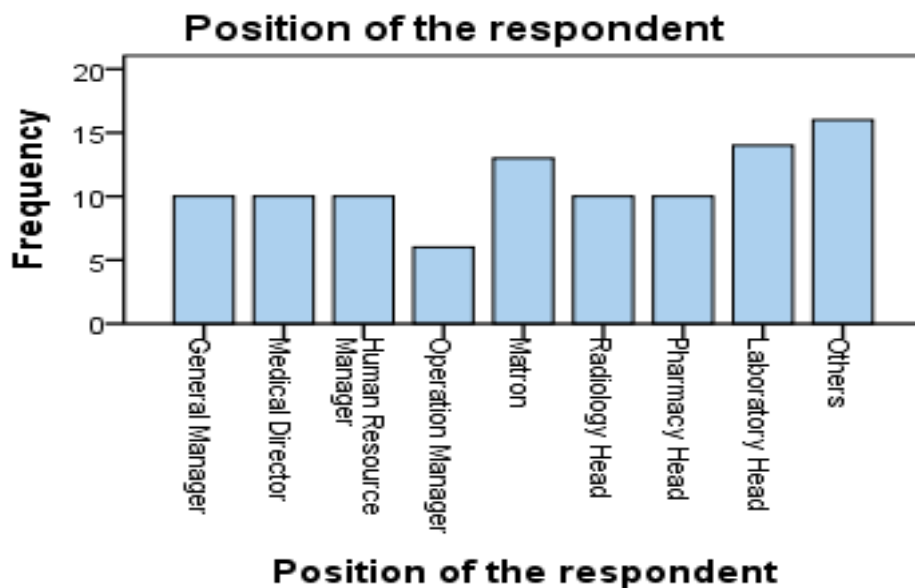


Figure 6 – Respondents Position

[Source: Own Survey, 2019]

Meanwhile, referring the work experience of the respondents, the result showed that majority of the respondents service year was between 6 to 10 years, 27.3% managers served above 15 years, therefore the private general hospitals have more experienced managers in the system. 25% managers served between 6 to 10 years and 18% are less than 5. In general the private hospitals have more experienced managers but few new bloods.

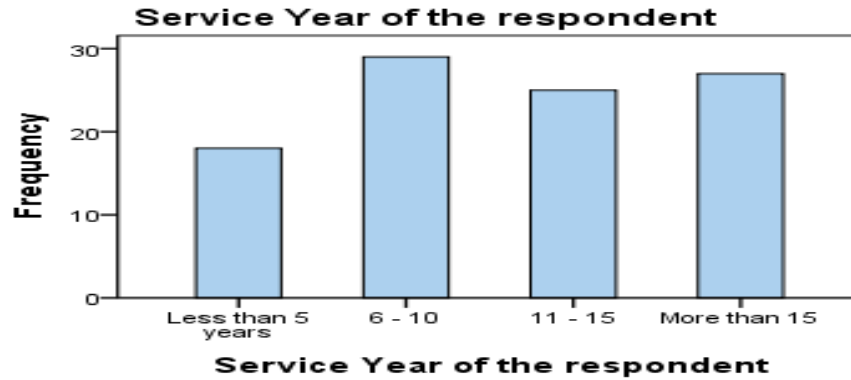


Figure 7 – Service Year

[Source: Own Survey, 2019]

While educational background of the managers is an important factor in undertaking their respective responsibilities and to make critical decisions in their respective positions, there are only 18.2% Masters holder managers, the majority of managers 62.6% are first degree holders, among 10 medical directors only one physician was not specialized or is a general practitioner and only 10.1% respondents are Diploma holders. These shows the private hospitals should encourage their manager to work on the development aspect.

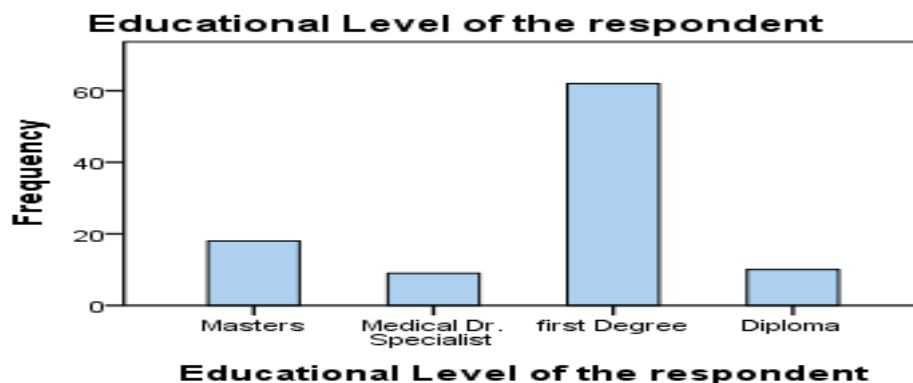


Figure 8 – Educational Level

[Source: Own Survey, 2019]

4.4.2 Descriptive Analysis

The measurement scale adopted in this research is as follows: the average of (1 - 2.33) indicates low level, an average of (2.34 - 3.67) indicates medium level and the average of (3.68 - 5) indicates a high level (Hinda and Anis 2018)

4.4.2.1 Business Strategy

Business Strategy	Mean	Std. Deviation	Level
1. The hospital service is innovative and continually changing	3.75	.993	High
2. The hospital is entering new markets with new types of services aggressively	3.70	.952	High
3. The hospital changing the characteristics of the services to satisfy customers various testes	3.70	1.005	High
4. The hospital analyse costs and revenues carefully by keeping costs under control and selectively produce new services and enter new markets	3.65	.972	Medium
5. The hospital maintains a secure financial position through cost and quality control	3.74	.954	High
6. The hospital maintains standard Operating procedures to keep system efficient	3.94	.946	High
7. The hospital has well defined Vision, Mission and Goals	4.26	1.036	High
Mean Business Strategy	3.82	.793	High

Table 4: 3 – Business Strategy Practice summary

[Source: Own Survey, 2019]

Even though the researcher found no well-defined written document in business strategy (except writing the mission and vision on the hospitals entrances, doors and walls), the mean analysis of the primary data showed that the private general hospitals have well defined vision, mission and goals with the highest mean scored value of 4.26 (Std. Dev., 1.036), their quality focus business strategy is highly effective with the mean score value of 3.94 (Std. Dev., .946). In addition the hospitals differentiation business strategy is highly effective with a mean scores value of 3.71 (Std. Dev., .891) and the cost leadership business strategy of the hospitals is medium in its effectiveness with a mean value of 3.69 (Std. Dev., .871). In general the result showed that the private general hospitals have more quality focus business strategy approach by

maintaining standard operating procedures. The overall business strategy of the private hospitals is high in its effectiveness with a mean scored value of 3.82 (Std. Dev., .793). Therefore based on the finding result we can conclude that the private general hospitals in Addis Ababa have highly effective business strategy.

4.4.2.2 Strategic Alignment

Strategic Alignment	Mean	Std. Deviation	Level
1. The HR strategy is derived from the hospital business strategy	3.72	1.000	High
2. HRM issues are incorporated in business or corporate strategy	3.55	.972	Medium
3. The hospital top managers support the best HR practices and have a proactive approach to people management	3.61	1.141	Medium
4. The hospital HR manager involves at the board level and has part in strategic decision making	3.19	1.201	Medium
5. The hospital department head has his/her part in strategy formulation	3.29	1.109	Medium
6. The hospital Line managers accelerate their responsibility to ensure the implementation HR practices in line with corporate or business strategy	3.29	1.003	Medium
Mean Strategic Alignment	3.44	.857	Medium

Table 4: 4 – Strategic Alignment Practice Summary

[Source: Own Survey, 2019]

The private general hospitals HR strategy is derived from the hospital business strategy with a high mean score of 3.72 (Std. Dev., 1.000). The private hospitals top management support for the best HR practices is medium effective with mean value of 3.61 (Std. Dev., 1.141) and also the hospitals HR manager involvement at the board level showed medium effectiveness with the mean of 3.19 (Std. Dev., 1.201). Line managers or department heads involvement in strategy formulation and participate in HR practices implementation is medium effective with a mean of 3.29. The study finding showed that the top managers and the line managers give moderate emphasis for the best implementation of the HRM practices. In addition the private hospitals HR managers' involvement is medium, which affects the implementation of the best HR practices.

4.4.2.3 Recruitment and Selection

Recruitment And Selection	Mean	Std. Deviation	Level
1. The hospital has employee recruitment and selection policy linked with corporate or business strategies	3.79	1.033	High
2. The hospital employee selection process for a given job is extensive	3.70	1.044	High
3. Competencies and skill required for the different job positions are well defined and used in recruitment process	3.83	1.069	High
4. Internal recruitment and assessment process is effective in identifying the best people for the job	3.62	1.076	High
5. External hiring is preferred than promoting internal employees already working in this hospital	3.55	.895	Medium
6. In the hospital, HR and department heads jointly involved in recruitment and selection process	3.89	1.151	High
7. The hospital recruitment and selection processes are conducted by trained and impartial people	3.73	1.067	High
8. Recruitment and selection deliver against the goals of the hospital	3.54	1.003	Medium
Mean Recruitment and Selection	3.70	.837	High

Table 4: 5 – Recruitment and Selection Practice Summary

[Source: Own Survey, 2019]

Recruitment and Selection practices in Addis Ababa Private general hospital result showed that there is highly effective recruitment and selection practice with a total mean scored value of 3.70 (Std. Dev., .837), even though the researcher found no written policy document on recruitment and selection the private hospitals have different written exams for skill test and some private hospitals have well written interview formats in order to make sure all the interviewees are assessed in the same interview variable to avoid bias. Meanwhile the private hospitals recruitment and selection policy alignment with the business strategy is highly effective with the mean scored value of 3.79 (Std. Dev., 1.033), the result showed that there is a gap during implementation because the recruitment and selection delivery against the goals of the hospitals is in medium effectiveness with the mean scored value of 3.54 (Std. Dev., 1.003). In addition with the highest mean scored value of 3.89 (Std. Dev., 1.151) the hospital HR and department heads jointly involvement in recruitment and selection process is highly effective, this all are indicators to show that the private hospitals have aligned recruitment and selection practice with the hospital business strategy.

As we saw in the previous table 4.3 summary the hospital has differentiation strategy with the mean scored value of 3.71 than cost leadership with the mean scored value of 3.69, though the hospitals have highly effective innovative strategy than cost leadership, they preferred external hiring than promoting internal employees with the medium effective mean scored value of 3.55 (Std. Dev., .895). The respondents agreed that the hospital recruitment and selection processes are conducted by trained and impartial people with high effective mean scored value of 3.73 (Std. Dev., 1.067). Concerning competencies and skill during recruitment and selection process they are well defined for different job positions with highly effective mean scored value of 3.83 (Std. Dev., 1.069). In addition the respondents agreed that the hospitals have extensive selection process for a given job position with highly effective mean scored value of 3.70 (Std. Dev., 1.044). Generally the study finding showed that the private general hospitals have highly effective recruitment and selection practices.

4.4.2.4 Training and Development

Training And Development	Mean	Std. Deviation	Level
1. The hospital has a clear training and development plan which is linked with business strategy	3.17	1.116	Medium
2. Training is imparted based on training need identification	3.42	1.107	Medium
3. The hospital promotes continuous learning and application of knowledge	3.34	1.153	Medium
4. The knowledge and skill acquired from training can be applied at workplace	3.67	1.125	Medium
5. The training program in this organization is formal and systematically structured	3.11	1.203	Medium
6. The hospital invests in employee's development and education for promoting personal and professional growth at large	3.08	1.267	Medium
7. The hospital conducts cost benefit analysis to assess the effectiveness of the training programs	3.14	1.152	Medium
8. The hospital has increasing focus on team building	3.37	1.209	Medium
9. The hospital has induction, training and development and mentoring programs	3.29	1.214	Medium
10. Training is evaluated by department heads and participants	3.14	1.187	Medium
Mean Training and Development	3.27	1.009	Medium

Table 4: 6 – Training and Development Practice Summary

[Source: Own Survey, 2019]

In the researcher’s review of the hospital HR document, was found that the private hospitals have poor documentation of trainings and no written policy of training and development practice. The hospitals training and development practices are guided by the regulatory body (FMHACA) standard. With regard the respondents summary, the overall training and development practice in Addis Ababa private general hospitals is in medium effectiveness scored with the mean value of 3.27 (Std. Dev., 1.009). Even if it is moderately effective, the respondents agreed that the hospitals have training and development practices. The alignment of training and development with business strategy is with medium effective mean scored value of 3.17 (Std. Dev., 1.116). The respondents agreed with the alignment and the application of Knowledge and skill acquired at work place has medium effective mean scored value of 3.67 (Std. Dev., 1.125). Overall the mean scored results showed that the training and development practice of the private general hospitals and it’s alignment with business strategy is in medium effective level.

4.4.2.5 Performance

Performance Management	Mean	Std. Deviation	Level
1. The hospital has performance appraisal policy linked with corporate or business strategies	3.54	1.023	Medium
2. Periodically conducts competency-based performance appraisal and immediate action is taken accordingly	3.38	1.085	Medium
3. Competency based appraisal is the basis for decisions about promotions, development and salary increment	3.24	1.135	Medium
4. Performance appraisal is free from evaluator's personal interest	3.47	1.110	Medium
5. The current performance appraisal system is capable of encouraging and acknowledge the good performers	3.36	1.120	Medium
6. The hospital Performance standards are clear and fixed for employees	3.34	1.188	Medium
7. The hospital performance appraisal focuses on separating high and low performers	3.23	1.141	Medium
8. The hospital emphasized cooperation and teamwork than high individual performance	3.16	1.167	Medium
9. The hospital removes low-performing employees quickly	3.01	1.064	Medium
Mean Performance	3.31	0.902	Medium

Table 4: 7 – Performance Management practice Summary

[Source: Own Survey, 2019]

The study finding showed that the private hospitals performance management practice is aligned with business strategy with a medium effective mean scored value of 3.54 (Std. Dev., 1.023). In some hospitals the researcher found well defined performance measurement document during reviewing the HR documents, and the recorded documents showed that most of the hospitals perform performance rating twice a year. But still there was no written document found concerning performance management system policy and procedure. The result of the primary data collected showed that, the private hospitals conducts performance appraisal periodically with a medium effective level and a mean score value of 3.38 (Std. Dev., 1.085) and utilizing the result for decision making is also practiced in a medium level with a mean value of 3.24 (Std. Dev., 1.135). In addition the hospitals emphasized cooperation and team work in medium level with mean scored value of 3.16 (Std. Dev., 1.167). The overall finding showed that the private general hospitals performance practice is in a medium effective level.

4.4.2.6 Reward

Reward	Mean	Std. Deviation	Level
1. The hospital has reward policy linked with corporate/business strategies	2.97	1.199	Medium
2. Employees get incentives such as promotions, loans, awards, bonuses, etc	2.96	1.220	Medium
3. The hospital considers the suggestions of its employees when designing a system of employee rewards	2.96	1.115	Medium
4. Performance based incentives are available to employees in the hospital	2.95	1.190	Medium
5. The hospital's rewards and compensation practices can attract and retain high quality employees	2.95	1.190	Medium
6. On average, the hospital pay level for employees is much higher than other private general hospitals	2.88	1.081	Medium
7. The hospital rewards when employees perform at high level	3.04	1.133	Medium
8. The hospital has Seniority based rewards practices for employees	2.78	1.055	Medium
9. The hospital incentive system encourages employees to pursue company objective	3.04	1.124	Medium
10. The hospital incentive system really recognizes people who contribute the most to the company	3.03	1.138	Medium
Mean Reward	2.96	.954	Medium

Table 4: 8 – Summary of Reward Practice

[Source: Own Survey, 2019]

Based on the result the overall reward management practices of the Addis Ababa private general hospital is moderately effective with the mean scored value of 2.96 (Std. Dev., .954), rewarding for high contribution practice is also medium effective practice with the mean of 3.03 (Std. Dev., 1.138). The alignment of reward with business strategy is also moderately effective with the mean of 2.97 (Std. Dev., 1.199). It was found that the private hospitals reward management alignment with business strategy is in a medium effective level. In addition the researcher could not get written documents concerning reward management except reviewing few awards for some employees.

Discussion for the Mean Findings

The results of the HRM practice of private general hospital showed that except recruitment and selection the other HRM functions, training and development, performance management and reward practices are in a medium effectiveness level; and concerning the HRM functions there was poor or no HR documents found while reviewing the hospitals HR documents. This result is consistent with the previous study on HRM issues in health care by Mubarak and Abdul, (2016), the research found out there is inadequate training and performance and reward management practices were poor. In the current study it was found that the private hospitals have highly effective recruitment and selection practice with the mean of 3.70, but training and development are moderately effective with the mean of 3.27, while training is the bases for human resource development it is found that in a medium effective level in Addis Ababa private general hospitals.

This study showed that the private general hospitals have moderately effective performance management practice with the mean value of 3.31 and a previous study by Mubarek and Abdul (2016) found that there was also a gap in performance practice of health care; the performance management system was generalized rather than reflecting individual capability. And in the current study the other finding was that the reward management of Private general hospitals is in a medium effectiveness level with the mean value of 2.96, which implies the private general hospitals are not effective in good reward practice while it is the best employees retaining mechanism, related to this in a previous study by Mubarek and Abdul (2016) it was found that in the health care system, there was no concrete rewards except promotions and salary increments. In short the above result showed that in Addis Ababa private general hospitals except

recruitment and selection the other HRM practices such as training and development, performance and reward are practiced in medium level as it was found in the previous study too.

4.4.3 Correlation Analysis

4.4.3.1 Bivariate Correlation Analysis

To perform the correlation analysis, the HRM practices and business strategy variables computed by mean and analysis done by the mean value. From the correlation analysis we can see the existence and the direction of the relationship between business strategy and HRM practices. The correlation result showed that there is a positive correlation between business strategy and the four HRM functions. Correlation guideline on the strength level stated as 0.00 – 0.019 very weak, 0.20 – 0.39 weak, 0.40 – 0.59 moderate, 0.60 – 0.79 strong and 0.80 – 1.0 very strong (Evans,J.D 1996).

		HRM Practices				Business Strategy	
		training	performance	Reward	Recruitment	cost	Differentiation
Training	Pearson Correlation						
	Sig. (2-tailed)						
	N						
performance	Pearson Correlation	.863**					
	Sig. (2-tailed)	.000					
	N	99					
Reward	Pearson Correlation	.821**	.804**				
	Sig. (2-tailed)	.000	.000				
	N	99	99				
Recruitment	Pearson Correlation	.765**	.828**	.723**			
	Sig. (2-tailed)	.000	.000	.000			
	N	99	99	99			
Cost	Pearson Correlation	.526**	.604**	.484**	.671**		
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	99	99	99	99		
Differentiation	Pearson Correlation	.656**	.701**	.561**	.679**	.820**	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	99	99	99	99	99	

Table 4: 9 – Bivariate Correlation

[Source: Own Survey, 2019]

Recruitment and Selection

The relationship between Recruitment and selection and business strategy (differentiation and cost) is positive and significant with a significant coefficient of 0.000 which is less than p value of 0.05. The significance level is the probability level; in this case it is 0.000 this means the chance of the relationship to occur by chance is 0%. Therefore this relationship is statistically significance, with a Pearson correlation coefficient of 0.679 that shows strong relationship with differentiation business strategy; and there is a strong relationship with cost leadership business strategy with a Pearson coefficient of 0.671. This shows that the private hospitals recruitment and selection is more focus on hiring external human resource than promoting internal employees.

Training and Development

The relationship between training and development and business strategy (differentiation and cost) is positive and significant with a significant coefficient of 0.000 which is less than p value of 0.05. The significance level is the probability level; in this case it is 0.000 this means the chance of the relationship to occur by chance is 0%. It has strong relationship with differentiation business strategy with a Pearson correlation coefficient of 0.656, but it has a moderate relationship with cost leadership business strategy with a Pearson coefficient of 0.526.

Performance

The relationship between performance and business strategy (differentiation and cost) is positive and significant with a significant coefficient of 0.000 which is less than p value of 0.05. The significance level is the probability level; in this case it is 0.000 this means the chance of the relationship to occur by chance is 0%. It has strong relationship with differentiation business strategy with a Pearson correlation coefficient of 0.701, and also it has a strong relationship with cost leadership business strategy with a Pearson coefficient of 0.604.

Reward

The relationship between reward and business strategy (differentiation and cost) is positive and significant with a significant coefficient of 0.000 which is less than p value of 0.05. The significance level is the probability level; in this case it is 0.000 this means the chance of the relationship to occur by chance is 0%. It has a moderate relationship with differentiation business strategy with a Pearson correlation coefficient of 0.561, and also it has a moderate relationship with cost leadership business strategy with a Pearson coefficient of 0.484.

Hypothesis 1

H1: There is a positive relationship between Business strategy and HRM practices

From the above bivariate correlation result, we proved that a relationship exists between business strategy and the four HR practices. Therefore the correlation analysis showed the direction and the existence of the relationship between business strategy and HRM functions, we can accept the alternative hypothesis. All the four HRM functions have a positive correlation with business strategy, when business strategy improves; recruitment and selection, training and development, performance and reward management will improve. Except reward which is moderately correlated, the other three HRM functions have strong correlation with business strategy. Therefore we can conclude that HRM practices and business strategy have a positive relationship.

4.4.3.2 Partial Correlations

Control Variable: Top Management Support

Control Variables		Correlations					
		training	Performance	Reward	Recruitment	Cost	Differentiation
TOP Managem ent Support	training	Correlation					
		Significance (2-tailed)					
		df					
	performance	Correlation	.750				
		Significance (2-tailed)	.000				
		df	96				
	Reward	Correlation	.711	.674			
		Significance (2-tailed)	.000	.000			
		df	96	96			
	Recruitment	Correlation	.553	.637	.519		
		Significance (2-tailed)	.000	.000	.000		
		df	96	96	96		
	Cost	Correlation	.116	.200	.104	.297	
		Significance (2-tailed)	.256	.048	.306	.003	
		df	96	96	96	96	
	Differentiatio n	Correlation	.338	.367	.217	.277	.617
		Significance (2-tailed)	.001	.000	.032	.006	.000
		df	96	96	96	96	96

Table 4: 10 – Partial Correlation Control: Top Management support

[Source: Own Survey, 2019]

The partial correlation analysis by using the predicting factor for the alignment of business strategy and HRM practices showed that there is a significance change in the correlation coefficient when Top management support, a mediating factor variable entered as a controlled variable. Some HR practices even shows no significance in the relationship because p-value is greater than 0.05, training and cost doesn't have significant relationship with a value of 0.256 and reward and cost also showed no significant relationship with a value of 0.306. The relationship of training with differentiation is a positive direction and significant; but it is weak with a correlation coefficient of 0.338. Performance has a significant and positive relationship with cost and differentiation but it weak with a correlation coefficient of 0.200 and 0.367

respectively. Reward has a weak, significant positive relationship only with differentiation with a correlation coefficient of 0.217. And recruitment and selection also showed a significance change during partial analysis; it has weak, significance and positive relationship with cost and differentiation strategy with a correlation coefficient of 0.297 and 0.277 respectively. The result of partial analysis showed a difference result from the bivariate analysis when top management support entered as a control variable.

Hypothesis 3

H1: Top manager’s support mediates HRM practices and business strategy alignment

When top management support entered as control even though some relationships showed no significance and some showed a positive significant relationship; a change was observed in the correlation coefficients result. It was found weak with a positive direction. The partial correlation between business strategy (differentiation and cost) and the four HRM practices with top manager support control showed a significant change with bivariate analysis, therefore we can accept the alternative hypothesis.

Control Variable: HR manager representativeness at the board level

Correlations

Control Variables			training	performance	Reward	Recruitment	Cost	Differentiation
HR representat iveness	training	Correlation						
		Significance (2-tailed)						
		df						
	performance	Correlation		.813				
		Significance (2-tailed)		.000				
		df		96				
	Reward	Correlation		.760	.737			
		Significance (2-tailed)		.000	.000			
		df		96	96			
	Recruitment	Correlation		.680	.765	.626		
		Significance (2-tailed)		.000	.000	.000		
		df		96	96	96		
	Cost	Correlation		.350	.457	.302	.549	
		Significance (2-tailed)		.000	.000	.003	.000	
		df		96	96	96	96	
	Differentiati	Correlation		.517	.580	.392	.549	.746

on	Significance (2-tailed)	.000	.000	.000	.000	.000
	df	96	96	96	96	96

Table 4: 11 – Partial Correlation Control: HR manager representativeness at the board level

[Source: Own Survey, 2019]

The partial correlation analysis by using the predicting factor, HR manager representativeness at the board level entered as a control variable for the alignment of business strategy and HRM practices, the result showed there is a significant relationship with a positive direction for all HRM practices with business strategy (differentiation and cost). Training and development has a positive, significant moderate relationship with differentiation with a correlation coefficient of 0.517, and a positive, significant weak relationship with cost with a correlation coefficient of 0.350. Performance has a positive, significant and moderate relationship with both differentiation and cost strategy, with a correlation coefficient of 0.580 and 0.457 respectively. And reward has a positive, significant weak relationship with differentiation and cost with a correlation coefficient of 0.392 and 0.302 respectively. The relationship of recruitment and selection was found moderate, positive and significant with differentiation and cost business strategy with a correlation coefficient of 0.549 and 0.549 respectively. The result of partial analysis showed a significant change from bivariate analysis.

Hypothesis 4

H1: HR representativeness at the board level mediate HRM practices and business strategy alignment

Therefore, this showed the control variable affects the relationship between the HRM practices and business strategy. In addition the significance 2 tailed gives us the p value of 0.000 which is statistically significant, and we can accept the alternative hypothesis and say that the mediating factor affects the relationship between business strategy and HRM practices.

Discussion for Correlation results

From the bivariate correlation analysis, this study findings showed that the four HRM functions have a positive relationship with business strategy and the correlation is statistically significant, therefore hypothesis one, which says there is a positive relationship with business strategy and HRM functions is supported and this result is congruent with the previous studies by Uzoma, (2013), Koon and Juhary, (2011), Ekhsan and Othman, (2009), Feng-Hui et al, (2010) and found that there is a relationship between the four HRM functions, recruitment and selection, training and development, performance and reward with business strategy with a positive direction.

The partial correlation showed that the mediating factors, top management support and HR representativeness at the board level determine the alignment of HRM functions and business strategy. When top management support the mediating factor entered as control, in contrary with the previous result training and development and reward showed no significance relationship with cost business strategy, but the other HRM functions found significant with a p-value of less than 0.05. And all the relationship found weak, which were moderate and strong during bivariate analysis. This implies there was a significant change when top management support entered as a control variable in partial analysis; therefore the second hypothesis, which says top management support intervene the integration of business strategy and HRM practices also proved and accepted. This is supported by previous studies Abraraw (2015), Ekhsan and Othman, (2009) and Koon and Juhary, (2011) found that top management support mediate the level of integration of business strategy and HRM functions.

And when HR representativeness at the board level, the second mediating factor used as a control factor in partial analysis, all the HRM functions showed the relationship is positive and significant with a p-value less than 0.05. The analysis showed some relationship found moderate and the rest were weak. Training and development has moderate relationship with differentiation with a correlation coefficient of 0.517 and it has weak relationship with cost, which is different from bivariate analysis. Performance also has moderate relationship with both differentiation and cost, which was found strong during bivariate analysis. And the partial correlation result for reward found weak for both differentiation and cost business strategy, which was found moderate during bivariate analysis. In addition the partial analysis with HR representativeness

control, recruitment and selection relationship was found moderate with differentiation and cost, but the bivariate analysis result showed strong relationship with differentiation and cost. The partial analysis result showed that the correlation analysis strength changed when HR representativeness entered as control variable. Therefore with this result we can conclude that HR representativeness mediates the alignment of business strategy with HRM functions, and the fourth hypothesis also proved and accepted. This is also supported by previous studies Ekhsan and Othman, (2009) and Koon and Juhary, (2011) and found that HR representation at the board level and direct involvement in critical decision making determine the integration between business strategy and HRM functions.

4.4.4 Multiple Regression Analysis: Assumptions and Interpretation

4.4.4.1 Meeting Assumptions of Multiple Linear Regression

Prior to the MLR analysis, it is mandatory to ensure the fulfilment of the key assumptions of MLR. In what follows are the test results on the preconditions pertaining to Linearity, no Multicollinearity, Independence, Homoscedasticity, and Normality.

1. Linearity test: Results of statistical analysis evidenced the linear relationship between the dependent variables and the independent variables. Significant correlation indicates the linearity assumption. To detect non-linearity we use scatter plot which identify the pattern of the data, a straight line pattern shows linearity, if the plot shows random pattern it indicates no correlation at all. The below figure is the assumption test for linearity between the dependent variables and business strategy. The significant 2 tailed is below 0.05 and the scatter plot shows linearity.

Figure 9 : Scatter Plot

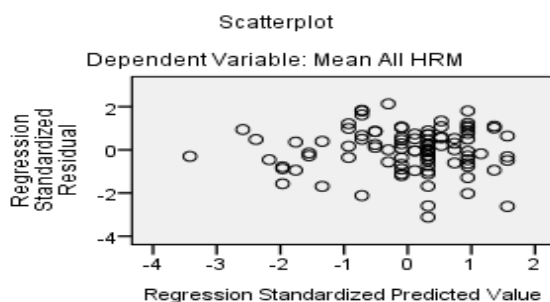
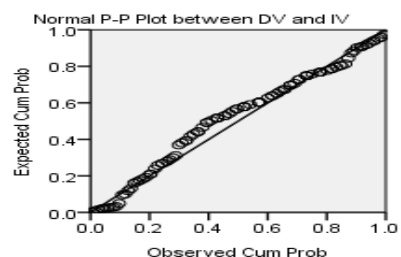


Figure 10: P-P Plot



2. Normality: we draw a histogram of the residuals, and then examine the normality of the residuals. If the residuals are not skewed, that means that the assumption is satisfied. Skewness and Kurtosis z-values should be somewhere in span of -1.96 +1.96. Histograms, normal Q-Q plot should visually indicated that our data are approximately normally distributed.

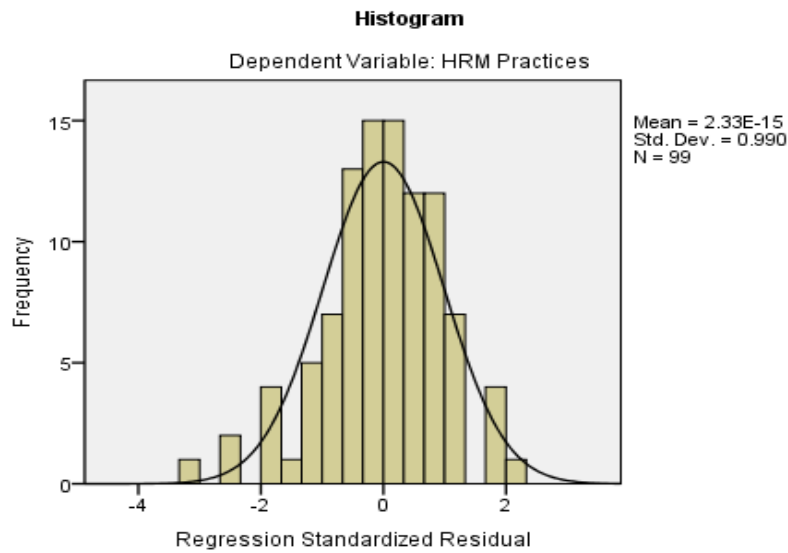


Figure 11 – Histogram

[Source: Own Survey, 2019]

The histograms should have approximate shape of normal curve. This also shows the normal distribution.

HRM Functions		Static	Std. Error	Z-Value
Recruitment and selection	Skewness	-1.184	0.794	-1.49
	Kurtosis	1.489	1.587	0.94
Training and development	Skewness	-0.469	0.383	-1.22
	Kurtosis	0.100	0.750	0.13
Performance	Skewness	0.449	0.794	0.56
	Kurtosis	-0.675	1.587	-0.42
Reward	Skewness	-0.051	0.794	-0.06
	Kurtosis	-2.452	1.587	-1.54

Table 4: 12 - Table of Skewness and Kurtosis

[Source: Own Survey, 2019]

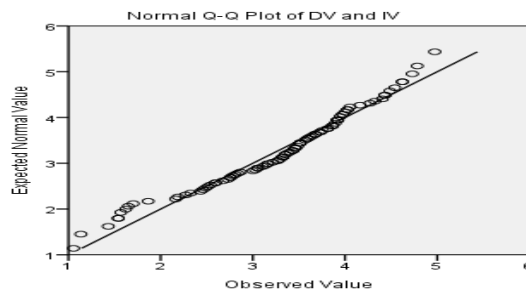
All the z-values are within +/- 1,96, regarding skewness and kurtosis our example data are a little skewed and kurtotic for all the HRM functions but it does not differ significantly from normality. We can assume that our data are approximately normally distributed, in terms of Skewness and kurtosis.

HRM Function	Kolomogorov			Shapiro Wilk		
	Statistic	Df	Sig	Statistic	df	Sig
Recruitment and Selection	.177	11	.200*	.942	11	.550
Training and Development	.184	11	.200*	.956	11	.719
Performance	.200	11	.200*	.916	11	.289
Reward	.223	11	.132	.936	11	.475

Table 4: 13 Shapiro Wilk test of Normality

[Source: Own Survey, 2019]

The null hypothesis for this test of normality is that the data are normally distributed. The null hypothesis is rejected if the P-value is below 0.05. In the above SPSS analysis result all the P-Value (Sig.) are above 0.05. So we keep the null hypothesis. In terms of Shapiro Wilk test, we can assume that our data are approximately normally distributed.



The Q-Q plots are approximately normally distributed.

Figure 12 Q-Q Plot

[Source: Own Survey, 2019]

3. Multicollinearity Test: HO (2006) defines multicollinearity as a "situation in which the independent/predictor variables are highly correlated." Raykov and Marcoulides (2006) States that; "in regression analysis the presence of multicollinearity implies that one is using redundant information in the model,

which can easily lead to unstable regression coefficient estimates.” Generally the more Independent variable we have in the model we likely will have a multicollinearity issues.

Using the values for Tolerance, Variance Inflation Factor (VIF) and condition Index multicollinearity assessed. As per the rule, the Independent Variables are free from multicollinear relationship, if Tolerance value of each Independent Variable is > 1 . The corresponding VIF value should be < 10 and condition Index should be less than 15. And the analysis fulfilled all the tolerance test and VIF test.

Model-IVs	Collinearity Statistics	
	Tolerance	VIF
Differentiation	1.000	1.000
Cost	1.000	1.000

Table 4: 14 Collinearity Statistics

[Source: Own Survey, 2019]

Collinearity Diagnostics^a

				Variance Proportions	
Model	Dimension	Eigenvalue	Condition Index	(Constant)	Differentiation
Cost	1	1.977	1.000	.01	.01
	2	.023	9.354	.99	.99
Model	Dimension	Eigenvalue	Condition Index	(Constant)	Cost
Differentiation	1	1.974	1.000	.01	.01
	2	.026	8.636	.99	.99

Table 4: 15 Collinearity Diagnostics

[Source: Own Survey, 2019]

As it is shown in the above table, for both independent variables the condition index analysis result found below 15.

4. Independence Test: Durbin-Watson is a measure for Independence of Residuals, with a value >1 means uncorrelated residuals. Accordingly, with a value of 1.678 the output showed that the assumption is met.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.700 ^a	.490	.480	.62071	1.678

a. Predictors: (Constant), Differentiation, Cost

b. Dependent Variable: HRM functions

Table 4: 16 Durbin Watson

[Source: Own Survey, 2019]

4.4.4.2 Results and Interpretation of the Multi Linear Regression Analysis

Before performing regression analysis all the questions of HR practices and business strategy questions entered and checked for R square value, to assess the significance of the effect of the independent variable on dependent variable. And to perform the regression analysis the HRM practices and business strategy variables computed by mean and analysis done by the mean value.

Step 1: Conduct a simple regression analysis with X predicting Y

Regression Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1. Recruitment and Selection	.708 ^a	.502	.491	.597	
2. Training and Development	.656 ^a	.430	.419	.769	
3. Performance	.703 ^a	.494	.483	.649	
4. Reward	.562 ^a	.316	.302	.797	

a. Predictors: (Constant) Differentiation, Cost

Table 4: 17 – Regression Model Summary for X predicting Y

[Source: Own Survey, 2019]

Model summary gives us the R correlation coefficient that we saw before but the most important thing here is the R square is our coefficient squared and the R square for the mean of Business strategy and Recruitment and Selection is 0.502 and when this is translated in percentage means Business strategy accounts 50.2% in the variation in recruitment and selection, 49.8% variation in recruitment and selection is explained by other factors. The R square coefficient of the mean of Training and Development and Business strategy is 0.430, when this is translated in percentage business strategy accounts 43% in the variation in Training and Development. When we see the R square coefficient of performance and Business strategy, it showed Business strategy accounts 49.4% in the variation in performance practice. The R square coefficient of the mean of reward and Business strategy is 0.316, means Business strategy accounts 31.6% in the variation in reward management practice.

Regression ANOVA Result

ANOVA is the analysis of variance between two or more groups. The ANOVA statistics analyses the average scores and the variation within those scores between two, three or more groups and tells us if the differences between them are just likely do occur by chance or by some other factors.

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1. Recruitment and Selection	Regression	34.400	2	17.200	48.306	.000 ^b
	Residual	34.181	96	.356		
	Total	68.581	98			
2. Training and Development	Regression	42.954	2	21.477	36.278	.000 ^b
	Residual	56.833	96	.592		
	Total	99.787	98			
3. Performance	Regression	39.380	2	19.690	46.781	.000 ^b
	Residual	40.406	96	.421		
	Total	79.786	98			
4. Reward	Regression	28.204	2	14.102	22.186	.000 ^b
	Residual	61.021	96	.636		
	Total	89.224	98			

Predictors: (Constant), Business Strategy (differentiation, Cost)

Table 4: 18 – ANOVA Result for X predicting Y [Source: Own Survey, 2019]

The P value in the ANOVA test for all HR practices is 0.000 which is less than 0.05, this shows that the relationship is statistically significance. The F score which is the ANOVA f test is the number 48.306 for recruitment and selection. The significance level is the probability level, the higher the F score gets the lower will be the significance score value and the significance score for Recruitment is .000, therefore the difference is statistically significance because the significance level is below 0.05, this means that there is 0% chances for this differences to happen by chance. A one-way between groups of ANOVA was performed to compare the impact of business strategy on the four HRM functions and all the four HRM functions significance level is 0.000, this means there is statistically significance in the relationship between HRM functions and business strategy. This showed that there is a 0% chance for the HRM functions to occur by chance.

Dependent Variables		Coefficients ^a					95.0% Confidence Interval for B	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Lower Bound	Upper Bound
		B	Std. Error	Beta				
1. Recruitment and Selection	(Constant)	.952	.288		3.308	.001	.381	1.524
	Cost	.335	.121	.349	2.773	.007	.095	.575
	Differentiation	.401	.128	.393	3.125	.002	.146	.656
2. Training and Development	(Constant)	.248	.371		.669	.505	-.489	.985
	Cost	-.042	.156	-.037	-.272	.786	-.352	.267
	Differentiation	.844	.166	.686	5.097	.000	.515	1.173
3. Performance	(Constant)	.359	.313		1.147	.254	-.262	.981
	Cost	.094	.131	.091	.714	.477	-.167	.355
	Differentiation	.690	.140	.626	4.937	.000	.412	.967
4. Reward	(Constant)	.462	.385		1.200	.233	-.302	1.225
	Cost	.082	.162	.075	.510	.611	-.238	.403
	Differentiation	.581	.172	.499	3.384	.001	.240	.922

Table 4: 19 – Regression Coefficient Result for X predicting Y

[Source: Own Survey, 2019]

When the relative importance of the Independent Variables are further compared using the standardized coefficients (Beta), it was found that Cost strategy has higher result for recruitment and selection only and with the other dependent variables the result is very

low and it was found negative with training and development, and cost strategy significantly affect only recruitment and selection, but its effect is statistically insignificant on other HRM functions. And Differentiation business strategy has a higher beta for training and development and performance then for reward and recruitment and selection consecutively. Differentiation strategy significantly affect all HRM functions with a P-value of lower that 0.05.

Step 2: Conduct a simple regression analysis with X predicting M

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1. HR representativeness	.572 ^a	.328	.314	.99493
2. Top Management support	.766 ^a	.587	.578	.74103

a. Predictors: (Constant) Business Strategy (Differentiation, Cost)

Table 4: 20 - Regression Model Summary for X predicting M

[Source: Own Survey, 2019]

Model summary gives us the R correlation coefficient that we saw before but the most important thing here is the R square is our coefficient squared and the R square for the Business strategy (differentiation and Cost) and HR representativeness is 0.328 and when this is translated in percentage, Business strategy (differentiation and Cost) accounts 32.8% in the variation in HR representativeness. The R square coefficient of Top Management support is 0.587 and when this is translated in percentage, Business strategy (differentiation and Cost) accounts 58.7% in the variation in top management support.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1. HR Representativeness	Regression	46.325	2	23.163	23.399	.000 ^b
	Residual	95.029	96	.990		
	Total	141.354	98			
2. Top Management Support	Regression	74.921	2	37.460	68.219	.000 ^b
	Residual	52.715	96	.549		
	Total	127.636	98			

Predictors: (Constant), Business Strategy (differentiation, Cost)

Table 4: 21 Regression ANOVA, X predicting M [Source: Own Survey, 2019]

The P value in the ANOVA test for all HR practices is 0.000 which is less than 0.05, this shows that the relationship is statistically significance. The significance level is the probability level, the higher the F score gets the lower will be the significance score value and the significance score for both mediation is .000, therefore the difference is statistically significance because the significance level is below 0.05, this means that there is 0% chances for this differences to happen by chance. A one- way between groups of ANOVA was performed to compare the impact of business strategy (cost and differentiation) on the two mediating variables and all significance level is 0.000, this means there is statistically significance in the relationship between mediating variables and business strategy (differentiation and cost).

Dependent Variables		Coefficients ^a					95.0% Confidence Interval for B	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Lower Bound	Upper Bound
		B	Std. Error	Beta				
1. HR Representativeness	(Constant)	-.019	.480		-.040	.969	-.972	.934
	Cost	.275	.202	.199	1.364	.176	-.125	.675
	Differentiation	.582	.214	.398	2.719	.008	.157	1.008
2. Top Managers Support	(Constant)	-.471	.358		-1.318	.191	-1.181	.238
	Cost	.410	.150	.313	2.729	.008	.112	.708
	Differentiation	.680	.160	.489	4.264	.000	.364	.997

Table 4: 22 - Regression Coefficient for X predicting M

[Source: Own Survey, 2019]

When the relative importance of the Independent Variables (cost business strategy and differentiation business strategy) are further compared using the standardized coefficients (Beta), it was found that Cost strategy has higher result for Top manager support and with HR representativeness variables the result is very low, in addition cost strategy significantly affect top managers support with a P-value of less than 0.05 but its effect is statistically insignificant on HR representativeness. Differentiation business strategy has a higher beta for top managers support and then for HR representativeness. Differentiation strategy significantly affect both top managers support and HR representativeness with a P-value of lower than 0.05.

Step 3: Conduct a simple regression analysis with M predicting Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
5. Recruitment and Selection	.754 ^a	.569	.560	.555
6. Training and Development	.671 ^a	.451	.439	.756
7. Performance	.719 ^a	.518	.507	.633
8. Reward	.624 ^a	.390	.377	.753

a. Predictors: (Constant), TOP Management support, HR Representation

Table 4: 23 - Model Summary for M predicting Y

[Source: Own Survey, 2019]

In A model the most important thing here is the R square, our coefficient squared and the R square for the mean of Business strategy and Recruitment and Selection is 0.569 and when this is translated in percentage means the mediating variables (top management support and HR representativeness) accounts 56.9% in the variation in recruitment and selection. The R square coefficient of the mean of Training and Development and mediating variables is 0.451, when this is translated in percentage the mediating variables (top management support and HR representativeness) accounts 45% in the variation in Training and Development. When we see the R square coefficient of performance, it showed the mediating variables (top management support and HR representativeness accounts 51.8% in the variation in performance practice. The R square coefficient of the mean of reward and the mediating variables (top management support and HR representativeness is 0.390, means the mediating variables (top management support and HR representativeness) accounts 39% in the variation in reward management practice.

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1. Recruitment and Selection	Regression	39.001	2	19.501	63.289	.000 ^b
	Residual	29.580	96	.308		
	Total	68.581	98			
2. Training and Development	Regression	44.990	2	22.495	39.410	.000 ^b
	Residual	54.797	96	.571		

	Total	99.787	98			
3. Performance	Regression	41.292	2	20.646	51.488	.000 ^b
	Residual	38.494	96	.401		
	Total	79.786	98			
4. Reward	Regression	34.788	2	17.394	30.675	.000 ^b
	Residual	54.437	96	.567		
	Total	89.224	98			

Predictors: (Constant), TOP Management support , HR Representation

Table 4: 24 - Regression ANOVA for M Predicting Y

[Source: Own Survey, 2019]

The P value in the ANOVA test for all HR practices is 0.000 which is less than 0.05, this shows that the relationship is statistically significance. The significance level is the probability level, the higher the F score gets the lower will be the significance score value and the significance score for Recruitment is .000, therefore the difference is statistically significance because the significance level is below 0.05, this means that there is 0% chances for this differences to happen by chance. A one- way between groups of ANOVA was performed to compare the impact of mediating variables (Top manager's support and HR representativeness) on the four HRM functions and all the four HRM functions significance level is 0.000, this means there is statistically significance in the relationship between HRM functions and mediating variables. This showed that there is a 0% chance for the HRM functions to occur by chance.

Dependent Variables		Coefficients ^a					95.0% Confidence Interval for B	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Lower Bound	Upper Bound
		B	Std. Error	Beta				
1. Recruitment and Selection	(Constant)	1.644	.194		8.472	.000	1.259	2.029
	HR Representation	.086	.058	.124	1.496	.138	-.028	.200
	TOP Management	.495	.061	.675	8.175	.000	.375	.615
2. Training and Development	(Constant)	1.033	.264		3.910	.000	.508	1.557
	HR Representation	.172	.078	.205	2.200	.030	.017	.328
	TOP Management	.469	.082	.531	5.695	.000	.306	.633
3. Performance	(Constant)	1.172	.221		5.295	.000	.733	1.611
	HR Representation	.117	.066	.156	1.788	.077	-.013	.248

4. Reward	TOP Management	.488	.069	.617	7.062	.000	.351	.625
	(Constant)	.981	.263		3.727	.000	.459	1.503
	HR Representation	.180	.078	.227	2.312	.023	.025	.335
	TOP Management	.388	.082	.464	4.723	.000	.225	.551

Table 4: 25 – Regression Coefficient Result Summary for M predicting Y

[Source: Own Survey, 2019]

The relative importance of the mediating variables is further compared using the standardized coefficients (Beta). Accordingly Top management support is the most important predictor for all HRM functions. HR representativeness is high predictor for reward function primarily, for training and development secondary and performance and recruitment consecutively. Top management support is a significant predictor for all HRM functions with a p-value of less than 0.05. But HR representativeness is significant predictor only for reward and training and development HRM functions with a p-value of below 0.05, for recruitment and performance the result showed statistically insignificant.

Step 4: Conduct a multiple regression analysis with X and M predicting Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
9. Recruitment and Selection	.779 ^a	.607	.590	.536
10. Training and Development	.714 ^a	.510	.490	.721
11. Performance	.758 ^a	.574	.556	.601
12. Reward	.640 ^a	.410	.385	.749

a. Predictors: (Constant), TOP Management support, HR Representation, Cost, Differentiation

Table 4: 26 – Model Summary for Mediation

The multiple regression analysis model summary showed that business strategy (differentiation and cost) and the mediating factors accounts 60.7% in the variation in recruitment and selection. The R square coefficient of the mean of Training and Development and business strategy (differentiation and cost) and the mediating factors is 0.510, when this is translated in percentage the business strategy (differentiation and

cost) and the mediating factors accounts 51% in the variation in Training and Development. When we see the R square coefficient of performance, it showed the business strategy and the mediating variables (top management support and HR representativeness) accounts 57.4% in the variation in performance practice. And business strategy (differentiation and cost) and the mediating factors (top management support and HR representativeness) is accounts 41% in the variation in reward management practice.

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1. Recruitment and Selection	Regression	41.601	4	10.400	36.236	.000 ^b
	Residual	26.979	94	.287		
	Total	68.581	98			
2. Training and Development	Regression	50.926	4	12.732	24.494	.000 ^b
	Residual	48.861	94	.520		
	Total	99.787	98			
3. Performance	Regression	45.818	4	11.454	31.698	.000 ^b
	Residual	33.968	94	.361		
	Total	79.786	98			
4. Reward	Regression	36.552	4	9.138	16.307	.000 ^b
	Residual	52.673	94	.560		
	Total	89.224	98			

Predictors: (Constant), TOP Management support, HR Representation, Cost, Differentiation

Table 4: 27 – Regression ANOVA for Mediation

[Source: Own Survey, 2019]

ANOVA-Significance of Prediction analysis displayed a probability level of significance value of 0.000, which is much smaller than 0.05. Thus, the Multi Learner Regression model qualifies for fitness i.e. can be used to predict HRM function (dependent variables) using the diversity variables as the simultaneous predictors. In other words, Independent variable (cost business strategy and differentiation business strategy) combined together with mediating factors (HR representativeness and Top Managers support) affect HRM functions.

Dependent Variables		Coefficients ^a					95.0% Confidence Interval for B	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Lower Bound	Upper Bound
		B	Std. Error	Beta				
1. Recruitment and Selection	(Constant)	1.117	.261		4.280	.000	.599	1.635
	Cost	.180	.113	.188	1.595	.114	-.044	.404
	Differentiation	.138	.127	.135	1.085	.281	-.115	.391
	HR Representation	.047	.057	.067	.814	.417	-.067	.160
	TOP Management	.347	.077	.474	4.523	.000	.195	.500
2. Training and Development	(Constant)	.396	.351		1.128	.262	-.301	1.093
	Cost	-.203	.152	-.175	-1.336	.185	-.505	.099
	Differentiation	.562	.171	.457	3.285	.001	.222	.902
	HR Representation	.123	.077	.147	1.602	.113	-.030	.276
	TOP Management	.309	.103	.349	2.990	.004	.104	.514
3. Performance	(Constant)	.508	.293		1.736	.086	-.073	1.090
	Cost	-.053	.127	-.051	-.419	.676	-.305	.198
	Differentiation	.437	.143	.397	3.063	.003	.154	.720
	HR Representation	.067	.064	.089	1.040	.301	-.061	.194
	TOP Management	.314	.086	.397	3.642	.000	.143	.485
4. Reward	(Constant)	.601	.365		1.649	.102	-.123	1.325
	Cost	-.078	.158	-.071	-.496	.621	-.391	.235
	Differentiation	.295	.178	.253	1.660	.100	-.058	.648
	HR Representation	.151	.080	.190	1.894	.061	-.007	.310
	TOP Management	.290	.107	.347	2.707	.008	.077	.504

Table 4: 28 Multiple Regression Coefficient for mediation

[Source: Own Survey, 2019]

The relative importance of the mediating variables is further compared using the standardized coefficients (Beta). The coefficient table of the independent and mediating factor predicting the dependent variable showed that, only top manager support is a significant predictor for all HRM functions with a P-value less than 0.05. The second mediating factor HR representativeness showed statistically insignificant because all the P-value for all HRM functions were found greater than 0.05. Cost business strategy, the independent factor also found statistically insignificant with all HRM functions. During a simple regression analysis with independent variable predicting the dependent variable, it was found that cost strategy found statistically significant for recruitment

and selection only. But for Differentiation business strategy, unlike with simple regression analysis (was a significant predictor for all HRM functions) it is found that, differentiation strategy is significant predictor only for performance and training and development; with the rest HRM functions it is found statistically insignificant. The standardized coefficients (beta) for multiple regression analysis showed that differentiation strategy has a higher beta value than top management support, therefore differentiation strategy is a predictor and top management support is a mediator for training and development. And for performance differentiation and top management support have the same beta value. And from the above finding we can conclude that differentiation strategy is a predictor and top management support is a mediator for performance and training and development.

Discussion for Regression Analysis

The simple regression analysis showed that differentiation business strategy affects the four HRM functions and cost strategy found statistically insignificant predictor for HRM functions. The R square coefficient showed that the differentiation business strategy accounts more than 30% in the variation of the four HRM functions and for all HRM functions the significance value is 0.000 which is less than 0.05 p value, this showed that differentiation strategy is significant predictor for HRM functions. This result is supported by the previous study, Feng-Hui et al, (2010) which showed business strategy has an effect on HRM functions. Therefore we can conclude that business strategy affects HRM functions.

Hypothesis	Alternative hypothesis	Status
1	There is a positive relationship between Business strategy and HRM practices	Accepted
2	Top manager's support predicts HRM practices and business strategy alignment	Accepted
3	HR representativeness at the board level predicts HRM practices and business strategy alignment	Rejected

Table 4: 29 – Hypothesis result summary

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the major findings from the study as presented in the previous chapter. Conclusions are then presented based on the findings of the study and recommendations are presented based on the findings and conclusions of the study. The chapter ends with suggested areas in which further research can be undertaken.

5.2 Summary of findings

Summary of key findings and implications about the strategic integration of HRM practices with business/corporate strategy include some points. Addis Ababa Private General Hospitals had business strategy; this is an important determinant for integration of strategy processes, without which strategic integration would not be possible. The private general hospitals had HRM practices except recruitment and selection, other functions such as training and development, performance and reward are moderately effective practices. The business strategy and HRM functions have positive relationship, except reward which is moderately aligned the other three functions strongly aligned with business strategy. The private hospitals top managers support the best HR practices and have a proactive approach in people management, but the HR managers' involvement at the board level and in key decision making is minimal and the demographic report shows HR personnel found in the level of officer or not available at all in some private hospitals, while HR representation at the board level and a direct reporting relationship with the managing director enabled HR to make a significant contribution. Line managers' participation in strategy formulation was minimal and taking their responsibility to accelerate the implementation of HR practices in line with business strategy was moderate but the line managers jointly involved with HR in recruitment and selection process.

Top manager support found an important mediation for differentiation strategy and HRM functions alignment. HR representativeness at the board level found statistically insignificant intervening factor for both differentiation and cost strategy. In addition differentiation business strategy was found a statistically significant predictor for HRM

functions. The private hospitals business direction focuses more on quality or following standard operating procedure and innovative strategy, to improve the HRM practices improving and having a clear direction of business strategy is important.

5.3 Conclusion

The study has conceptual and methodological implications. The fundamental purpose of this study was to evaluate and explaining a link between business strategies and HRM practices. This would help academicians and practitioners understand the extent of the difference in the interrelationship between business strategy and HRM practices. A reliable and valid measurement model for business strategy, and HRM practices covering four functions (recruitment and selection, training and development, performance management and compensation) was developed and tested by mean, regression and correlation. Generally, the overall mean scores on all key variables findings showed that strategic integration of HRM practices with business strategy had been adopted by private hospitals. Understanding the interaction between HRM practices and business strategy is important. Previous studies have shown that HRM strategies and organizational strategy is the best way to achieve companies' business objectives (Koon and Juhary, 2011).

The core responsibility of recruitment and selection processes is identifying the right pool of talent for establishing the right candidates; this study found that the private hospitals have effective recruitment practice to identify the best people for the job. Quality service provided by competent and qualified employees will made it possible for the private hospitals to attract more customers. The private hospitals have aligned recruitment and selection practice with business strategy. Teena and Sanjay, (2014) found that strategic integration of recruitment and selection is important to translate the strategic demands of the organizations into appropriate recruitment and selection specification. Training and development is an essential element of every business if the value and potential of its people is to be harnessed and grown. Training and development is a process of sharpening the employee skills and at the same time helps change of attitude and behaviour in order to enhance the performance. Whereas this study showed the training and development practice of the private

hospitals is moderate. Training and development policy are meaningless unless they are integrated and provided for the right person at the right time. Except applying the acquired skill and knowledge at the work place, continuous training is not effective in the private hospitals. Mc Grow (2009) puts that continuous learning and self development are important. This study founds that the private hospitals training and development and business strategy are aligned; this was in agreement with Teena and Sanjay, (2014) that said strategic positioning of training and development directly promotes organizational business goals and objectives. In this study it was found that performance management practice of the private hospitals are moderately effective and it focuses on team performance rather than encouraging individual performance but the performance and business strategy were found aligned, in related to this Teena and Sanjay (2014) discussed the importance of having not only to identify HR competencies in accordance with the business needs and develop selection and development practices to secure those competencies but also to evolve and implement a performance evaluation plan that links the performance of the employees to the strategic goals.

The existing reward management practice of the private hospitals was found moderately effective. The hospitals reward system is moderately effective to attract and retain high quality employee. Teena and Sanjay (2014) stated that one of the healthier ways to motivate employees is to have variable pay rewards system based upon the individual and team performance to their contribution towards the achievement of organizations business objectives. In addition Brauns (2013) states that employees will perform at high level if work is rewarded. In the current study the private hospitals reward was found to be aligned with business strategy. In agreement with this Teena and Sanjay (2014) stated the importance of strategic alignment of reward and business strategy to ensure the fulfilment of the business objectives.

The findings demonstrate that the level of integration HRM functions and business strategy was influenced by top management support as it was found in previous researches, (Abraraw 2015, Ekhsan and Othman 2009 and Koon and Juhary 2011). Contrary with the previous study this study regression coefficient showed HR representativeness is statistically insignificant. In addition in this study it was found that the type of business strategy affects the HRM functions of the private hospitals, and

differentiation strategy found statistically significant; in the previous literature Koon and Juhary (2011) also found that a type of business strategy, differentiation or low-cost strategy affects the human resource management practices. Results from this study will draw meaningful and practical implications and understanding regarding the adoption of strategic integration practices of private general hospitals.

5.4 Recommendation

The Reviewing of previous literatures that cover the field of HRM in hospitals and health organizations shows the need for further improvement. However, based on the findings and conclusions of this study, the researcher provides the following recommendations aimed at ensuring that the human resources strategies and practices adopted by private general hospitals in Addis Ababa play a positive role in ensuring the improved performance and competitive advantage of the private hospitals that implement them.

To get a competitive advantage in a continually changing market having a clear business strategy and direction is important. It is not enough to drive the HR practice from the business strategy; the HRM practices should have a strategic approach. In addition the strategic thinking should sink in the attitude of all the managers through meetings or other gatherings in order to integrate with every activity of the HRM practices. The hospitals business direction should transfer to the line managers and supervisors in order to accelerate the execution of HRM practices. Extensive participation and close relationships between HR and line managers jointly contributed to solving business problems. In addition the career background and credibility of the HR manager may provide the level of business operation necessary to play an efficient and effective business partner role with line management and to become a credible representative at the board management decision making.

The current study result showed that the private hospitals have effective and integrated recruitment and selection practices, even though the private general hospitals have highly effective recruitment and selection practices, if it is not accompanied by continuous update trainings it will be difficult in attaining the company business

strategy. However in order to make the system continuous and consistent having a strategic approach to compete scarce health professional is important.

Based on the finding the private hospitals need improvement in training and development practices and integration with business strategy. In order to have highly competitive and innovative workforce, continuous trainings are not optional therefore the hospitals should have a formal trainings based on need assessment and in order to make the level of integration stronger and deliver trainings against the goals of the hospitals, training and development should have a strategic approach. To measure training effectiveness trainings should be evaluated by attendees and line managers continually. In addition the cost effectiveness of trainings should always be measured otherwise the company will be putted in financial loss, this will result in counting training as a cost than investment. All trainings should be documented and both the staff and the supervisor should plan the development plan together.

Private hospitals should evaluate their performance appraisal system and have a strategic approach. The hospital needs to involve employees in developing performance appraisal system. To give meaning, to improve performance and to create healthy competition among employees, linking the performance with reward and use the performance appraisal as a basis for decisions about promotions, development and salary increment is needed. The current study showed the hospitals reward system is aligned with business strategy, but the alignment only is not enough. Though it was found that the private hospitals have moderately effective reward practice, strengthening the system is needed. Because reward is a mechanism for employee retention and motivation, the private hospitals should have evenly distributed reward system and give value for employee's contribution. Finally in order to make the HR functions consistent and continuous having HR strategy and keeping in a written document is important.

Suggestion for further study

Even though this study benefited from the mixed methodology design of qualitative and quantitative approaches, it is nevertheless vulnerable to some potential weaknesses. One of the limitations of this study was the data collection method, the private hospitals are very sophisticated and did not give emphasis to read and fill questionnaire with the right answer, if the method was interview the researcher would get more reliable data, in addition the study includes only the hospital managers, but if employees were included the researcher would get reliable information about the HRM practices. However, this study provides some interesting results and perhaps will open avenues for further research.

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APPENDICES

Appendix I – Survey Questionnaire

ADDIS ABABA UNIVERSITY,

SCHOOL OF COMMERCE

**THESIS ON EVALUATING THE STRATEGIC ALIGNMENT OF HUMAN
RESOURCE MANAGEMENT PRACTICES WITH BUSINESS STRATEGY IN
ADDIS ABABA PRIVATE GENERAL HOSPITALS**

[HRM PROGRAM]

Survey Questionnaire

Dear respondents: I am a graduate student at Addis Ababa University School of Commerce, currently conducting a research for the completion of my master's degree in Human Resource Management. The purpose of this questionnaire is to evaluate the Strategic Alignment of Human Resource Management practices with business strategy in Addis Ababa Private General Hospitals. Your valuable feedbacks that the researcher will use to determine the current practices of the HRM divisions along with their alignment with business strategies will benefit the health sectors. The researcher will recommend valuable suggestion towards the improvement of HRM practices which have positive contribution for organizational effectiveness so as to fill the gaps identified. The study is purely for academic purpose and thus does not affect you in any case. Your genuine, frank, timely response is vital for the success of the study. Therefore, I kindly request you to respond to each question carefully. If you would like further information about this study, or have problem in completing this questionnaire please contact me via +2519 84 70 37 71.

Thank you for your cooperation!

Note: - No need of writing your name. Where alternative answers are given, encircle your choice and put “x” mark where necessary. Thank you in advance for your cooperation and timely response.

Part I- personal Information

Note: - Please mark [X] in the appropriate box to indicate your choice

Gender

Male <input type="checkbox"/>	Female <input type="checkbox"/>
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Age Group

≤ 25 years <input type="checkbox"/>	26 – 40 years <input type="checkbox"/>
41 – 65 years <input type="checkbox"/>	Over 65 years <input type="checkbox"/>

Position

General Manager <input type="checkbox"/>	Pharmacy Head <input type="checkbox"/>
Medical Director <input type="checkbox"/>	Laboratory Head <input type="checkbox"/>
Human Resource Manager <input type="checkbox"/>	Radiology Head <input type="checkbox"/>
Operation Manager <input type="checkbox"/>	Other <input type="checkbox"/>
Matron <input type="checkbox"/>	

Service Year

Less than 5 years <input type="checkbox"/>	6 – 10 years <input type="checkbox"/>
11 – 15 Years <input type="checkbox"/>	More than 15 <input type="checkbox"/>

Educational Level

Masters <input type="checkbox"/>	Medical Dr. Specialist <input type="checkbox"/>
First Degree <input type="checkbox"/>	Diploma <input type="checkbox"/>

Part II - Strategic Human Resource Management (SHRM) Dimensions:

You are kindly requested to answers your perceptions based on the 5-scale Likert scale
1 strongly disagree to 5-strongly agree.

Key

[1] – Strongly Disagreed [SD]

[2] - Disagreed [D]

[3] - Neither Agreed nor Disagreed [NAD]

[4] – Agreed [A]

[5] - Strongly Agreed [SA]

No	Dimensions	Scale				
		SD	D	NAD	A	SA
	Business Strategy	1	2	3	4	5
1	Services in your hospital are innovative and continually changing					
2	Your hospital is entering new markets with new types of services aggressively					
3	Your hospital often changing the characteristics of services to satisfy customers' various tastes.					
4	Your hospital analyse costs and revenues carefully by keeping costs under control and selectively produce new services and enter new markets					
5	Your hospital maintains a secure financial position through cost and quality control					
6	Your hospital maintains standard operating procedures to keep system efficient					

		SD	D	NAD	A	SA
		1	2	3	4	5
SHRM Alignment with corporate/business strategy						
7	The Hospital has well defined Vision, Mission and Goals					
8	The HR strategy is derived from the hospital business strategy					
9	HRM issues are incorporated in the business/corporate strategies					
10	Top managers support the best HR practices and have a proactive approach to people management					
11	HR manager involves at the board level and has part in strategic decision making					
12	Department head has his/her part in strategy formulation					
13	Line managers accelerate their responsibility to ensure the implementation HR practices in line with corporate/business strategy					
Recruitment and selection		SD	D	NAD	A	SA
		1	2	3	4	5
14	The hospital has employee recruitment/selection policy linked with corporate or business strategies					
15	Employee selection process for a given job is extensive in your hospital (for example, Use of tests, work sample, aptitude test)					
16	Competencies and skill required for the different job positions are well defined and used in recruitment process					
17	Internal recruitment and assessment process is effective in identifying the best people for the job					
18	External hiring is preferred than promoting internal employees					

	already working in this hospital.					
19	In the hospitals, HR and Line Managers jointly involved in recruitment and selection process					
20	Recruitment and Selection processes of the hospital are conducted by trained and impartial people					
21	Recruitment and selection deliver against the goals of the organization					
Training and Development		SD	D	NAD	A	SA
		1	2	3	4	5
22	The hospital has a clear training and development plan which is linked with business strategy					
23	Training is imparted based on training need identification					
24	The hospital promotes continuous learning and application of knowledge					
25	The knowledge and skill acquired from training can be applied at workplace					
26	The training program in this organization is formal and systematically structured.					
27	The hospital invests in employee's development and education for promoting personal and professional growth at large					
28	The hospital conducts cost-benefit analysis to assess the effectiveness of the training programs.					
29	The hospital has Increasing focus on team building					
30	The hospital has Induction, training and development and mentoring programs					

31	Training is evaluated by department managers and participants					
	Performance Appraisal	SD	D	NAD	A	SA
		1	2	3	4	5
32	The hospital has performance appraisal policy linked with corporate or business strategies					
33	Periodically conducts competency-based performance appraisals and immediate action is taken accordingly					
34	Competency-based appraisal is the basis for decisions about promotions, development and salary increment					
35	Performance appraisal is free from evaluator's personal interest					
36	The current performance appraisal system is capable of encouraging and acknowledge the good performers					
37	Performance standards in this organization are clear and fixed for employees					
38	Performance appraisal in this organization focuses on separating high and low performers.					
39	This organization emphasized cooperation and teamwork than high individual performance.					
40	This organization removes low-performing employees quickly.					
	Reward Practice	SD	D	NAD	A	SA
		1	2	3	4	5
41	The hospital has reward policy linked with corporate or business strategies					
42	Employees get incentives such as promotions, loans, awards,					

	bonuses, etc.					
43	Considers the suggestions of its employees when designing a system of employee rewards					
44	Performance-based incentives are available to employees in your hospital					
45	The hospital's rewards and compensation practices can attract and retain high quality employees					
46	On average, pay level of employees in your hospital is much higher than other private hospitals					
47	Employees in your hospital are rewarded when they produce at a high-level					
48	This organization has seniority-based rewards practices for employees					
49	Incentive system at your hospital encourages employees to pursue company objective					
50	Incentive system at your hospital really recognizes people who contribute the most to the company					

Any other comments?

Thank You