

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

**The Interface between Strategic Human Resource
Management Principles Implementation and
Organizational Performance: A case study of ethio
telecom**

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**A Thesis Submitted to Addis Ababa University, College of Business and
Economics, School of Commerce as Partial Fulfillment of the Requirement
for Degree of Master of Arts in Human Resources Management**

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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

HUMAN RESOURCE MANAGEMENT

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Approved by Board of examiners:

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Examiner	Signature	Date

Declaration

I hereby declare that the project entitled “The Interface between Strategic Human Resource Management Principles Implementation and Organizational Performance: A case study of ethio telecom” is my original work and has not been presented in Addis Ababa University or any other University, and that all sources of material used for the project have been duly acknowledged.

Mahelet Wendmu (The Researcher)

Statement of Certification

I certify that Mahelet Wendmu has carried out her research work under my guidance on the topic of “The Interface between Strategic Human Resource Management Principle Implementation and Organizational Performance: A case study of ethio telecom”. This work is suitable for submission as a partial fulfillment requirement for the award of master’s degree in human resource management.

Date _____

Advisor: **Worku Mekonnen (PhD),**
 Associate Professor, School of Commerce
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Abstract

Strategic Human Resource Management (SHRM) is an approach that defines how the organization's goals will be achieved through people by means of HR strategies, integrated HR policies and practices. This paper examines the interface between strategic human resource management principles implementation and organizational performance of ethio telecom using data collected from 291 management employees of ethio telecom working in the head quarter. The study is mixed in its approach and explanatory in its design. The analysis of the descriptive statistics revealed that the respondents have moderate agreement regarding the implementation of SHRM principles in ethio telecom i.e vertical (internal) alignment of ethio telecom's HRM strategies, policies and practices with the company vision, mission and strategies, the consistency and congruence of ethio telecom HRM policies and practices (horizontal alignment), the role of HRM unit in playing its strategic role and the role of line managers in playing their HRM role. In addition to this, the respondents have shown moderate agreement on the overall performance of ethio telecom in the past three and half years that is measured in the key perspectives defined based on balanced scorecard approach i.e customer perspective, finance perspective, internal process perspective and learning and development perspective. The correlation analysis results have shown that there is a high positive correlation in between overall performance of ethio telecom and ET HRM strategies, policies and practices vertical alignment with VMS & ET HRM unit strategic role and there is medium positive correlation between ethio telecom overall performance and ET HRM policies and practices consistency and congruence (horizontal alignment) & ET LM HRM role. The role of HRM unit in playing its strategic role have strong positive correlation with the company overall performance. The regression model has revealed that implementation of SHRM principles explains 37.5% of ethio telecom performance. The mediation analysis has proved that HR plays a partial mediation role in enabling the implementation of SHRM principles and impacting the organizational performance positively. From the analysis of the study, it can be concluded that the implantation of SHRM principles significantly explains the company performance. Hence, ethio telecom needs to give significant attention for

implementation of SHRM principles. Given there are no studies conducted in ethio telecom on this topic, this study may be a herald for a much rigorous study.

Key words: Strategic human resource management, ethio telecom, performance

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List of Acronyms

% :	Percentage
&	And
BSC:	Balanced Score Card
CHRO:	Chief Human Resource Management Officer
CSPMO:	Chief Strategy & Program Management Officer
D :	Disagree
ETHRMSPP:	ethio telecom human resource management strategies, policies and Practices
Freq.	Frequency
HR:	Human Resource
HRM:	Human Resource Management
LM:	Line Managers
M:	Mean
N :	Neutral
SHRM	Strategic Human Resource Management
S.A:	Strongly Agree
S.E:	Standard Error
SD:	Strongly Disagree
STD:	Standard Deviation
VMO	Vision, Mission and Objective
VMS:	Vision, Mission and Strategies

Chapter One: Introduction

1.1 Background of the Study

In the past 20 years, globalization has been impacting the business environment by causing need for ‘increased competition, flexibility, responsiveness, quality and the need for all functions of the business to demonstrate their contribution to the bottom line’(Beardwell et al, 2004). To win the competition, organizations have been applying different strategies and the strategies were implemented by the employees of the organization. This reality shows that if we want the strategy to be executed, we are expected to manage the peoples of the organization accordingly.

Acknowledging this fact, the HR’s role in the organization has been dramatically changed. In old days, it was enough if HR handles the administrative activities like record keeping, file management and handle other clerical and operational personnel management activities. However, now a days, if HRM couldn’t play more strategic roles, then, the overall performance of the organization will be negatively impacted. (Mello, 2011) Organizations who wanted to have SHRM are expected to apply the principles of SHRM. There are different principles of SHRM stated by different scholars but principles defined by Sission (1990) in Millmore et al (2007) are the most applicable ones.

According to Sission (1990:5) in Millmore et al, (2007). there are four principles of Strategic HRM. The first principle states that, HR Policies should have a link to the company business strategy and the policies should have consistency and congruence in between themselves. The second principle describes that, the line managers are responsible to play the personnel management role and the HR professionals are responsible to support the line managers so that can play their personnel management role appropriately. The third and the fourth principles advise managers to establish a close relationship to employees so that employee’s motivation and commitment can be increased in return. The successful implementation of those principles will help organizations to apply the SHRM approach and contribute for the improvement of overall organizational performance. Thus, organizations should

assess themselves to identify if they are applying traditional or strategic HR and take corrective accordingly.

As confirmed by the study conducted by Cynthia D. et al (2006), by considering various organizations there is a problem of applying strategic HRM principles and practices in organizations real scenario. The assessment done in 2000 HR leaders of more than 100 large firms indicated their HR professionals spending 80 percent of their time in performing traditional HR activities than playing their strategic role. But when we come to the scenario of Ethiopia, according to the knowledge of the researcher, there are no studies conducted at a glance to assess the practice of Ethiopian government companies in implementing SHRM principles. However, there are very limited number of studies conducted in some companies taking few dimensions of SHRM principles. Thus, this study will contribute to fill this gap and contribute for ethio telecom to know its current stats in implementing the SHRM principles and understand its implication on the overall performance of the organization.

1.2 Statement of the Problem

Globalization, the rapid changes in the business environment, the complexity of modern organizations, the increased competition in global market etc... are causing organizations to carefully think about how to use their manpower successfully. The successful utilization of organizations manpower can be realized by using the organizations manpower resource strategically. Different literatures are supporting that HR should play its strategic role by being involved in the development and implementation of the strategies. Studies are also supporting that strategic role of HR has a positive impact on the organizations performance. As revealed by the study Tenkasi, Mohrman & Mohrman (1998) in Lawler III & Mohrman (2003), the causes of many strategies failure is not preparation of poor strategies, rather it poor execution of strategies and the cause of poor execution of strategies is often the result of poor human capital management. Such studies conducted in the area of SHRM will help us to understand the application of SHRM principles and their impact on organizations performance. However, Since, SHRM is a recent concept, there are limited number of evidences captured concerning its application mainly in public organizations and its impact on the organizational performance. (AyandaandSani, 2010) in (Haftu, 2013).

The finding of the preliminary discussion conducted by the researcher is consistent with what is stated above. Based on the discussion conducted with some of the management members, the researcher came to understand that the management employees don't have enough information about the implementation of that SHRM principles in ethio telecom because there are not recent studies conducted on that area. However, they have a feeling that the company have a problem in implementing SHRM principles. Therefore, the researcher would like to contribute for the knowledge part of SHRM and fill the information gap observed about the implementation of SHRM principles in ethio management employees.

1.3 Research Questions

The study is mainly intended to answer the following questions

1. Do telecom's HRM strategies, policies and practices have vertical (internal) alignment with the company vision, mission and strategies?
2. Are the different HRM policies and practices consistent to each other (horizontal alignment)?
3. Are ethio telecom's HRM policies & practices congregant (horizontal alignment) to each other?
4. Do HR play a strategic role?
5. Do line managers of ethio telecom play their HRM role?
6. Does the implementation of SHRM principles impact the overall performance of the organization?

1.4 Research Objectives

1.4.1 General Objective

The main objective of this research is to show the effect of selected Strategic HRM principles implementation on ethio telecom organizational performance.

1.4.2 Specific Objectives

1. To assesses ethio telecom's HRM strategies, policies and practices vertical (internal) integration with company vision, mission and business strategies.

2. To assess ethio telecom's HRM practices consistency.
3. To assess ethio telecom's HRM practices congruence.
4. To assess if ethio telecom HR unit is playing its strategic role or not.
5. To show the level of ethio telecom organizational performance as measured by four perspectives of balanced score card.
6. To show the cumulative effect of SHRM principles implementation on ethio telecom organizational performance.

1.5 Significance of the Study

The research has been conducted in such away that it has certain significances for ethio telecom, for the accumulation of knowledge, other reserchers and other companies as described here below:

- ❖ Based on the knowledge of the researcher and as confirmed by CHRO, there are no researches conducted regarding ethio telecom's current status of applying Strategic HRM principles. Therefore, this study creates awareness on the gaps existed regarding the implementation of SHRM principles and its impact on the performance of the organization.
- ❖ As explained in the statement of the problem, SHRM is a recent concept which needs more studies regarding its application and its impact on performance. Thus, this study will contribute for the knowledge part by showing SHRM principles implementation and its implication on performance by taking the case of a telecom company located in Ethiopia.
- ❖ This study will gives a lesson to other organizations about the importance and SHRM principles implementation and its implication on performance. Furthermore, it will also show the way on how to assess their current scenario.
- ❖ The recommendations dictated on the study will help ethio telecom to improve its current scenario of SHRM principles implementation and improve its organizational performance as a result.
- ❖ Finally this study will be used as a reference for other researchers and recommends the possible research areas.

1.6 Operational Definition of Terms

Strategic Human Resource Management: 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. (Armstrong 2008, p, 33)

ethio telecom: is a Governmental institution that has been established as per proclamation number 197/2010.

Line Manager is a manager who is authorized to direct the work of subordinates and responsible for accomplishing the organization task. (Dessler, 2017, P,6). In the context of this study, line managers refers to all supervisors and managers that direct employees in ethio telecom.

Authority is the right to make decision, direct others and give orders. (Dessler, 2017, P,6).

Dependent and independent variable; if one variable depends upon or is a consequence of the other variable, it is termed as a dependent variable and the variable that is antecedent to the dependent variable is termed as an independent variable. (Kothari, 2004, p34)

1.7 Scope of the Study

This study covers employees working in the head quarter of ethio telecom located in Addis Ababa and targets employees working at supervisory and managerial level. The study considered the three categories of permanent employees namely technical, commercial and support domains and does not include contractual employees.

The study uses the perception of employees for the assessment of ethio telecom performance rather than using objective performance assessment parameters.

1.8 Organization of the Study

The study is organized into five chapters. Chapter one introduces the study by giving the background information on the research problems, objectives, and scope of the study. Chapter two holds theoretical literature review, empirical studies that

are relevant for the study and the research model. Chapter three describes about the research methodology and the logic behind. Chapter four focuses on the findings of the study. Chapter five presents the summary, findings, conclusions drawn from the research findings and recommendations made for further improvements.

Chapter 2. Literature Review

2. Introduction

This chapter describes available literature in the topic. It describes about the aims and principles of Strategic HRM.

2.1.Theoretical Literature

2.1.1. The concept of SHRM

Strategic Human Resource Management (SHRM) 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. (Armstrong 2008, p, 33) Strategic HRM centers on how organizations can improve their competitive performance by considering and utilizing their human resource effectively. (Cynthia D. et al (2006), 2016, p, 49) Strategic HRM considers peoples as a source of competitive advantage and uses them to generate strategic capability of organizations by ensuring the existence of the required manpower with the right skill and motivation. (Armstrong, 2008)

Strategic HR is recent approach than traditional HR and they have significant difference in between them. In traditional HR, people management is the main responsibility of HR professionals and the focus of HR peoples is to create good employee relation. In the contrary, in Strategic HR, people management is the main responsibility of all line managers and the focus of HR peoples is to create partnership with internal and external customers. In the traditional HR system, HR slow to take initiatives and it is reactive in nature but the in the Strategic HR working system, HR is fast and proactive to takes initiatives. Traditional HR focus is short term and its controlling mechanism is bureaucratic. In the contrary, the focus of strategic HR can be short, medium of long based on and its controlling mechanism is very organic and flexible. In traditional HR, the role of HR professionals is transactional in nature and HR is considered as a cost center by the management but in strategic HR, the role of HR professionals is transformational in nature and HR is seen as investment center. In traditional HR, the key investment is

made on capital or products but in strategic HR the key investment is made on people and knowledge. In strategic HR, HR is measured by what it delivers than by what it does and HR is expected to play strategic partner role and change agent role, administrative expert role and employee champion role.

2.1.2. Principles of Strategic HRM

As cited by Millmore et al (2007) and stated by Sission (1990:5), there are for principles of Strategic HRM. The first principle states that, the HR Policies should have a link to the company business strategy and the policies should have consistency in between themselves. The second principle describes that, the line managers are responsible to play the personnel management role and the HR professionals are responsible to support the line managers so that can play their personnel management role appropriately. The third and the fourth principles advises managers to establish a close relationship to employees so that employee's motivation and commitment can be increased in return. The description of each principles is mentioned in the section here below.

2.1.3. Integration

HR Policies should have a link to the company business strategy (vertical Fit) and the policies should have consistency in between themselves (horizontal fit). Vertical Fit (Strategic fit) approach states that there should be alignment in between the business strategy and the HR strategy. To create a strategic fit, it is mandatory to drive the HR strategies from the overall business strategy, to ensure key HR issues are included as part of the overall business strategy, to assign HR director in a high-level sit (board of directors) in the company (Boselie, 2010), to clearly understand the business goal of the organization, to translate the business strategy in to actionable HR policies and practices,(Dessler, 2017), to align a business strategy and with the business plan, organization goals, team objectives and individual objectives, to get set the individual level goals having discussion with employees. (Armstrong, 2008), to identify the key competencies and behaviors required for the achievement of the business strategy and to implement all the HRM practices in a way that they can contribute for the achievement of organizational goals and strategies (Dessler, 2017).

2.1.4. Linking HRM strategic plan with company plan

For developing SHRM plan of the company, it is mandatory to understand the nature of the business and follow the current status of economic, social, technological and political conditions. Based on this understanding, HR unit should develop strategic HRM plans and HR goals in line with the overall organizational goals. The strategies developed should have horizontal consistency and congruence. (Boselie, 2010).

2.1.5. Strategic role of HR

Boselie (2010) has mentioned about the four type of roles to be played by HR referring the roles defined by Ulrich (1997). Ulrich's model is the most widely used typology for describing the strategic role of HR. In the model, the Strategic role of HR is categorized in four dimensions. The first one is strategic partner role. It means HR should work to align HR strategy and practices to the business strategy and ensure the execution of the strategy. The second role is, change agent role. this includes development of capacity for change and transformation and guiding employees to develop the newly required culture. The third one is, employee champion role. This role states that HR should work to bring employee commitment and competence by being involved to solve employee's day to day problems, concerns and needs of employees. The last one is administrative expert role. HR should design and deliver efficient HR process for performing HR activities like training, appraising, rewarding and promoting.

Mello (2011) has cited also Ulrich framework and explained that HR should be evaluated by the value it creates to its customers, investors and employees. He stated **that HR should play the strategic partner role by conducting architectural assessment and identify ways to renovate the organization architecture, ensuring that employees are committed to the organization by 'partnering with line managers to recognize and avoid the causes of low morale, such us unclear goals, unfocused priorities and ambiguous performance and being the voice of employees on decisions that has direct impact on employees.** In addition to Ulrich framework, He cited the roles defined by Lengnick-Hall which states about what should be done to play strategic partner role of HR. he stated that it includes four activities. The first one is human capital steward role. This includes creating a

working culture and environment of which attracts employees to be recruited in the organization, keeps them motivated while they are employed, enables them to retain in the organization and motivated them to spend their knowledge, skill and energy for the success of the organization. The second one is about playing a knowledge facilitator role by procuring and disseminating necessary information and knowledge, developing strategic employee's development plan and creating a conducive environment in which employees will share their knowledge. The third one is playing a relationship builder role and it entails that creating a structure, work practice and organizational culture in which employees can build good network. The network should be developed focuses on the strategic objectives of organization and how synergies and team work that lead to outstanding performance are valued and rewarded. The last one is rapid deployment specialist role. This means that HR should create fluid and adoptable structure and culture that will allow the organization to embrace changes.

The strategic roles of HR managers can also be assessed based on the capability of HR to design strategies that can be a base for good decisions. Sound strategies will help the organization to make right strategic decision. The strategies can be designed in long, medium and operational terms. This means that HR is expected to develop a short term, medium term and long-term strategies for employee selection/placement, employees development, employees appraisal and reward management practices. (Lvancevich, 2008).

2.1.6. Line Managers Role

All line managers are supposed to play different HRM roles. Line managers are responsible to be involved in placement of the right person to the right job, provision of orientation for the newly recruited employees, develop employees capacity, assess the job performance of each employee and provide support for better productivity, create a smooth work relationship, translate the company policies implementing in their job domain, ensure the policies are implemented by all employees who are under their supervision and protect employees health and physical condition.(Dessler, 2017).

Managers should get close to employees using different mechanisms like team briefing, arranging problem solving groups and applying different mechanisms that will enable them to empower employees and increase employee's commitment. (Millmore et al, 2007).

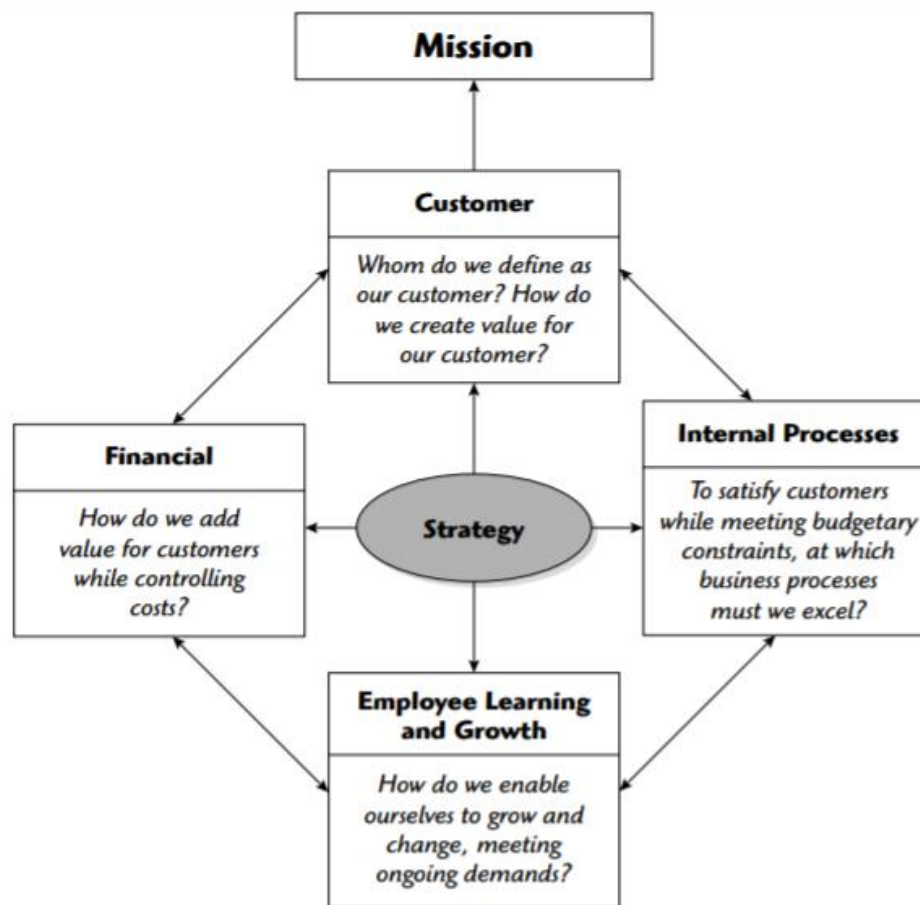
2.1.7. Strategy Driven Roles and Practices of HR

HR strategies should be designed in line with the company's organizational competitive strategy. Companies may choose to follow one of the following competitive strategy options that are innovation, quality enhancement and cost reduction strategies. The HR strategies and practices which are planning, staffing, appraisal, compensation and training and development should be designed in alignment with the competitive strategy that the company chooses to follow. For example, if the company is following innovation as a competitive strategy, then the company should have employees who are cooperative, highly creative, long term oriented, risk takers and who can tolerate ambiguities. To enforce the existence of these behaviors, HR is supposed to develop and implement HRM strategies and practices that are conducive for generalized skill development approaches, performance appraisal system that is long term and group oriented, a compensation that is flexible and keeps internal equity. If the company is implementing a quality enhancement strategy, then the company need to have employees who are good at predictability, service process improvement and risk reduction. In such scenario, HR should develop and implement strategies that can bring employment security guarantees, arrange extensive training programs, and create enabling environment for participative decision making. In contrast, if the company is applying cost reduction strategy, then employees who are able to work by themselves, who are result oriented, risk averse, predictable, and who can deliver results in short time or defined period of time are needed. In such scenario, HR is recommended to develop a performance appraisal system that is focusing on the short term, create enabling environment that employees can specialize on their job and create a specialized career paths, track the labor market wage rate continually and reduce investments for training. Greer (2001).

2.1.8. Measuring Organizational Performance Using Balanced Scorecard (BSC)

Balanced score card (BSC) is a tool used for assessment of organization performance using a carefully selected quantifiable key performance indicators that are derived from organization strategy. Leaders are using BSC for assessing organizational performance and communicating the results for employees, and external stakeholders. Different from the traditional performance mechanism that is assessing performance using its financial status only, BSC has more futures of assessment that can show the overall status of the company using additional three key perspectives that are customer service, learning and growth and internal business process perspectives. BSC can be used to measure performance of public and nonprofit sectors.

As depicted in the figure below, the customer perspective will assess the organizations value creation to customers, the internal process perspective answers the questions in which level the organization should excel in order to satisfy customers while meeting budgetary constraints and the employee learning and growth perspective answer the questions how the organization grow its human resource so that it can meet the ongoing demands. (Niven, 2003)



Source: (Niven, 2003, P 32)

Figure 1: Balanced Score Card for Public and Private Center

2.2. Empirical studies

Different studies have showed that organizations have a practice of defining strategies to guide the direction of the business. However, there are many problems in applying the strategic HRM approach in the company. The study conducted by Emebet (2007), that was conducted on the assessment of strategic human resource practices of Private Commercial Banks in Ethiopian Financial Sector has revealed that, the overall strategic link and integration of HR practices with corporate strategy was negatively perceived in private banks. The line managers in the studied banks were not good at the execution of the intended strategy caused by lack of transparency and ignorance in regard to internalizing the objectives in a holistic manner/ approach.

Sahni (2015), had conducted study of Modeling Human Resource Practices by taking the telecom industry of Kingdom of Saudi Arabia case. As a result of the study, he has explained that organizations performance can be increased by integrating HRM strategies with the business strategy. As explained by him, most of companies are assigning HR just to perform administrative or public functions because they don't have enough understanding the role and benefit of strategic HR and its impact on organizational performance. As a result, strategic role of HR has been missed in most of companies and company's performance has been negatively impacted.

Wubishet (2008) has also conducted a study on Assessment of Strategic Management Practices by taking the case of Private Commercial Banks in Ethiopia. His research finding shows that the studied companies do have clear strategy, but they are not good at its implementation. Such kind of failure could happen if the business strategies are not linked with the individual performance of employees and supportive HRM policies and practices are not implemented in organizations.

The study conducted by Uysal, (2013), confirms that, the strategic use of HR can bring success to the organization because it enables the organization to use its human intellectual capital in a way that can contribute to the business strategy. As cited by Haftu (2013), the study conducted by Green Et al, (2006) has confirmed that companies that have vertically aligned and horizontally integrated HR function and practice are able to improve organizational performances. The article written by Adler and Lawler, (1999) revealed that, the higher officials of the organizations has been stating that 'peoples are the key assesses of the organization' but practically the application of this saying is not available in many organizations. In their study, they have concluded that in the world that is technologically dynamic and global integrated, applying effective human resource management is very mandatory. According to their study, there is a broad consensus that HRM is not be the function of HR only, but it should also be the role of all management members of the organization. The study concluded that the HR peoples should play their strategic partner role and building their capacity on the SHRM areas will help them to play their role successfully.

The study of Hunter and Renwick (2009) that was conducted to identify the formal and informal involvement of line managers in HRM activities has revealed that, formally line managers believes that they are they are willing and competent to play their HRM role and they allocate time to play their HRM role effectively. But practically, they don't have much reliance on HR policy. This shows that there is gap in between what they think they are doing and what actually they are doing.

As studied by Wan et al, (2002), it is found that implementation of SHRM variables or practices have a positive effect on the improving organizational performance. The rationale behind this conclusion is that, applying SHRM variables will increases the firms HR performance by increasing employees satisfaction, commitment and productivity.

As cited by Ismael (2018) in Choi, 2014, Chuang & Liao (2010) and Demirbag et al (2014) applying bundles of HRM practices have a positive effect on the improvement of firm's performance.

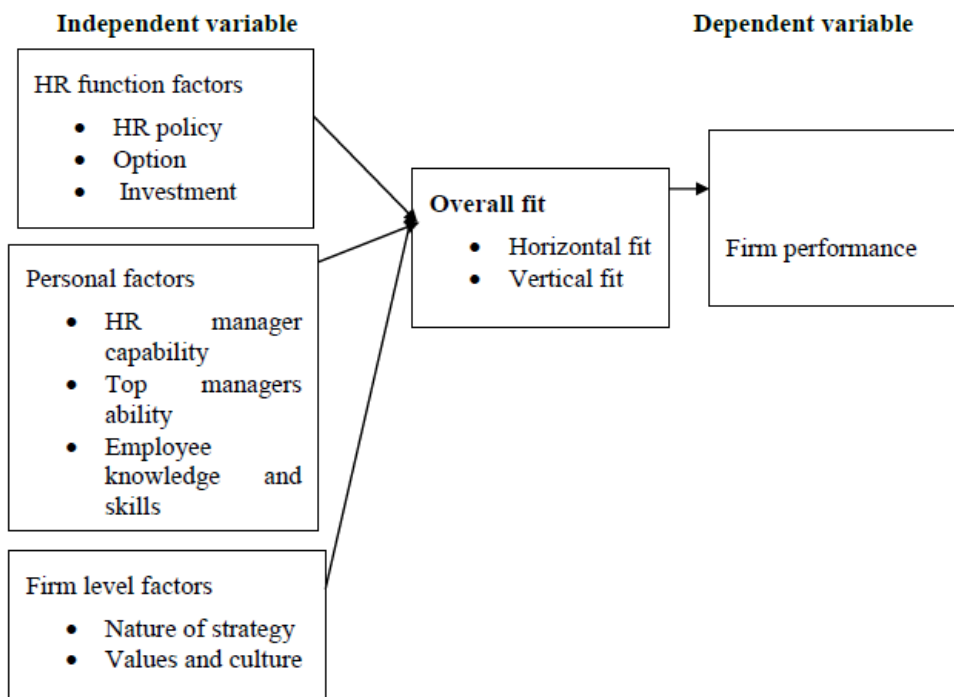
The research conducted by Costas (2013), reviled that perceived systems of HRM practices have a direct positive impact on the organization performance. Dereje (2016) has conducted a study regarding the line supervisor's role in the implementation of HRM policies by taking the case of Sheraton Addis Luxury Collection Hotel shows that. The study was conducted by taking the line supervisors and employees perception as an input. The result of the study shows that the line supervisors of Sheraton believes that they have the competence to implement HRM policies and practice, but they don't have provided enough time for playing their HRM role. On the contrary, 76% employees gave a not strongly agreed response regarding the performance of their immediate supervisors as implementers of HRM policies and practice.

The study of Hunter and Renwick (2009) shows that line managers in the studied company believes that they are playing their HRM role with willingness and they are exerting the required time and competency for performing their HRM role. Nonetheless, practically they don't have much reliance on HRM policies in performing the HRM practices.

The study conducted by Willy and Anita (2003), regarding the limits of strategic HRM by taking the case of the Mauritian civil service has confirmed that SHRM is not practiced in Mauritian civil service because the concept of SHRM is not widely known, because there is no strategic framework and because staff management is highly centralized.

The study of ASAASIRA (2016), has provided a comprehensive review of the balanced score card as a tool of strategy implementation and performance of **Tier One Commercial Banks in Kenya**. The finding of the study reveals that company performance can be measured by the four perspectives of BSC that customer perspective, internal process perspective, learning and growth perspective and financial perspectives. The researchers has recommended to studied company for using BSC as a planning and performance measurement tool and to improve its application.

Kariithi and Ogutu (2016), has conducted a research regarding the impact of strategic human resource management practices on organizational performance taking a case study of Safaricom, They have used the research model cited from Wei (2016) depicted in figure



Source: (Wei, 2016) in (Kariithi and Ogutu, 2016, P7)

Figure 2: Determinant of the two type of fit

As shown in the model, the HR function factors, the personal factors and the firm level factors vertical and horizontal alignment has an impact the organization performance. Based on the study, it was concluded that Safaricom's strategic human resource management impacted the superior performance of Sofrecom Ltd.

2.3. The study targeted to test the following hypotheses.

H1: ethio telecom's HRM strategies, policies and practices have significant effect on ethio telecom performance.

H2: ethio telecom's HRM practices consistency have significant effect on ethio telecom performance.

H3: ethio telecom's HRM unit plays a significant mediating role on ethio telecom performance.

H4: ethio telecom Line Managers role in implementing HRM practices have significant effect on ethio telecom performance

H5: ethio telecom overall implementation of SHRM principles have a significant effect on its performance.

The study targeted to develop the following model equation

The model equation can also specified as follows:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$$

Therefore, ethio telecom performance can be predicted based on the following equation.

Where as:

Y= ethio telecom overall performance

α = the value of (smoothing constant)

Coefficient or β_1 = ethio telecom's HRM strategies, policies and practices vertical (internal) alignment.

Coefficient or β_2 = ethio telecom's HRM policies and practices consistency and congruence (horizontal alignment).

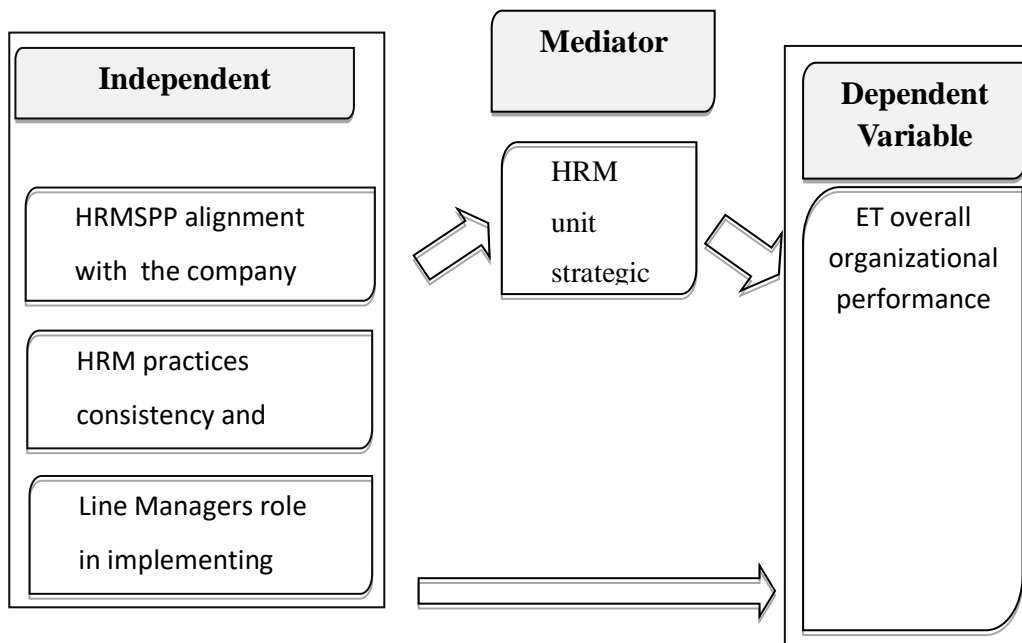
Coefficient or β_3 = ethio telecom line managers role in implementing HRM practices.

ε (standard error)

2.4. Conceptual Framework

The model for “Strategic Human Resource Management (SHRM) Principles Implementation and its Implication on ethio telecom performance” shows how implementation of SHRM principles impacts the organization performance. As shown in the figure, HR should play strategic role by developing HRM strategies and practices in alignment with the company vision, mission and strategies (including its competition strategy) and by ensuring the consistency and congruence of HRM policies and practices. HR should also play its meditation role by creating enabling environment for the implementation the developed strategies and involving the line mangers in the development and implementation of HRM strategies.

Figure 3: Conceptual framework (Own model).
Strategic Human Resource Management (SHRM) Principles Implementation and its Implication on ethio telecom Organizational Performance Model



Chapter 3. Methodology

3.1. Introduction

This chapter presents the research methodologies used in this study. The chapter further describes the study population, sampling design, sample size, data collection methods, instrument design and the data analysis procedures used in conducting the research. In addition, this section presents the measures adapted to ensure that the study has been conducted in an ethical manner.

3.2. Research Approach and Design

The researcher used quantitative and qualitative (mixed-approach) approaches because using mixed-approach can increase the strength of the study (Creswell ,2009). In order to capture the logical structure of the study, the researcher has used an explanatory research design because explanatory research enable the researcher to form and test hypothesis and assess the link of the key factors. Both quantitative and qualitative data were used to produce richer and more complete information to meet the intended goal. The research has a descriptive nature because it has described the current scenarios as it exists, and it has explanatory nature because the researcher has formulated hypothesis and explore them thorough the study. (Kothari 2004).

3.3. Types of data collection and procedures of instrument development

The researcher used primary and secondary data types for the research. The primary data was used to get original and fresh information. (Kothari 2004) The data was collected using questionnaires and interviews considering that questionnaires and interviews are often used to assess Strategic HRM interventions because those approaches are relatively easily understandable and perceived as authoritative by most of employees. (Millmore et al, 2007).

To collect the primary data, questionnaires developed in line with the body of knowledge in the area of strategic human resource management. Questions related to vertical alignment, consistency, line managers role, the role of human resource unit were constructed by adopting the questionnaires' developed by the following

persons: A questionnaire developed by Ulrich (1997) & adopted by Paauwe and Bosile (Bosile, 2010 P 270-271), a questionnaire developed by Association Management Consulting Evaluation and adopted by Wubishet (2018) and semi-structured questions were developed based on major reference books in the area of strategic human resource management such as Armstrong (2008), Greer (2001). The overall organizational performance of ethio telecom was measured based on four perspective of balanced score card perspectives outlined on ethio telecom strategic document of 2008-2012 E.C. The closed-ended questions were measured by a five-point Likert scale (from strongly disagree to strongly agree). Interviews were conducted with the Chief Human Resource Officer of ethio telecom and the Chief Chief Strategy & Program Management Officer of ethio telecom by using semi-structured questions to get more information about SHRM practice of the company. The secondary data was gathered from researches conducted on the SHRM area, from different literatures and journals published.

3.4. Validity and reliability testes

The validity of the questionnaire was checked by experts having vast experience in human resource management area and its reliability was tested using Chronbach alpha test. For testing the reliability of the instrument, 10 questionnaires were distributed and filled by randomly selected respondents and the collected data was filled on the Statistical Package for Social Sciences 20 (SPSS 20) to analyze its reliability. Based on the test result, questions number 7,13,14,23,25 and 45 were modified. The analysis showed that the used instrument reliable because its Chronbach alpha result was 0.82. According to Sekaran and Bougie (2016) the Chronbach alpha test, values less than 0.60 are considered poor reliable, values in the 0.70 range are acceptable and those over 0.80 are good. In general, the values that are close to 1 are more reliable and Chronbach alpha result has confirmed the reliability of the used instrument.

3.5. Population and Sampling

In ethio telecom, there are three main domains i.e commercial, technical and support domains and five levels of management i.e Chief Executive Officer, Chief Officer, Director, Manager and Supervisors level who are working at different location of Ethiopia. For this study, the researcher has targeted employees working at the management level because managers can give the required information for the research since they are involved in development and exclusion of strategies.

Though, incorporating all managers' idea on the analysis would have been better for conclusion and generalization, economically and operationally it will be very difficult to contact all employees in the research. Therefore, the researcher has targeted employees working at the head quarter and took sample using standard sampling approaches.

To determine a sample size, Yamane's (1967) sampling formula was used.. A representative sample size with 95% confidence level was applied. The sample size of the assessment was calculated as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = the sample size/ required sample size

N = the population size

1 = designates the probability of the event occurring

e = the level of precision (Sampling error that can be tolerated which is 5%).

Assumptions: A 95% confidence level, and **e** = ±5%

Therefore:

$$n = \frac{801}{1+801(0.05)^2}$$

$$n = \underline{340}$$

Hence, a total of 340 respondents were selected for the survey. Stratified sampling was used to select samples from each management levels and each domains considering that all the managers in a given stratum are homogenous (have same

level of educational background and level of job categories), The respondent of each categories had been selected using simple random by applying the computer sampling method because simple random sampling can give equal chance of selection of all targeted respondents and the computer method selection sampling techniques has been applied because the computer can select the respondents from a each stratum based on the allocated quota and provide all the required information from the given data. (Sarantakos, 1993).

Table 3.1: Categories of the Respondents

Management Domain/ Management Category	Support	Technical	Commercial	Total	
Total # of Managers	229	239	331	799	
Chief Officers	Total	10	2	6	18
	Quota	0.6	0.1	0.3	1
	Sample	4	1	2	7
Directors	Total	27	15	14	56
	Quota	0.5	0.27	0.25	1.02
	Sample	12	6	6	24
Managers	Total	81	68	51	200
	Quota	0.4	0.34	0.26	1
	Sample	34	29	22	85
Supervisors	Total	111	154	260	525
	Qouta	0.21	0.29	0.495	0.995
	Sample	47	66	111	224

Source: Survey Result (2019)

3.6. Ethical Considerations

The respondents who are involved in the research were entitled to the right of privacy, free consent and dignity treatment. The responses collected were kept confidentially and respondents were not asked to write their names on the questionnaires so that they can respond for the questions freely. Respondents were selected by Microsoft Excel random sampling tool to avoid partiality in selection. The responses collected from respondents were not used for any other purpose. All the references used for this survey are properly cited. (Marczyk et al (2005).

Chapter Four: Data Presentation and Analysis

4.1 Introduction

In this chapter the results obtained from ethio telecom headquarter and the data obtained using semi structured interviews are presented and analyzed. The response rate of the research, respondents' demographic information and the description and analysis of data gathered from respondents are discussed in the section below.

4.2 Data Analysis and Presentation of Findings

4.2.1 Response Rate Result

Data were obtained using close ended questionnaires distributed for a total of 450 employees targeting to get 340 responses. Out of 340 targeted respondents, 291 questionnaires were filled and returned. This represented 85.58% response rate. Interviews were conducted with Chief Human Resource Officer and Chief Strategy and Program Management Officer of ethio telecom as planned.

4.2.2 Reliability Test Result

To identify the overall research reliably, the researcher has analyzed the responses of 291 employees using Chronbach alpha test and its overall result is 0.95. As described in the Chapter 3, reliability Cronbach's alpha is one of the most commonly accepted measures of reliability. Reliability analysis is basically used for the significance of the questions of the questionnaire because end result will only depend on the responses of the respondents. This shows that collected data is highly reliable. Reliability is a degree to which experimentation or test yields the same result on frequent trials. Sekaran and Bougie (2016).

Reliability Statistics		
Independent variables reliability statistics		
Independent variables	Cronbach's Alpha	No of Items
HRM strategies, policies and practices vertical (internal) alignment with vision, mission and strategies.	.886	9
HRM policies and practices consistency and congruence	.902	8
Line managers role in implementing HRM practices	.714	5
The mediator variables reliability statistics		
HRM unit strategic role	.904	8
The dependent variables reliability statistics		
Assessment of ethio telecom overall performance	.883	18
Overall reliability statistics result		
Cronbach's Alpha	No of Items	
.95	48	

4.2.3 Demographic profile of the respondents based on Gender, Age and Service year

The respondents were drawn from ethio telecom managerial employees working at head quarter from all domains. 340 questionnaires were distributed, and the study secured 291 which is 85.53% response rate. The profile of the respondents in terms of gender, age, service years, educational level and managerial levels is shown in Table 4.1 below

Table 4.1 Demographic Profile of the Respondents

Items		Freq	%	Valid %	Cumulative %
Gender	Male	248	85.2	85.2	85.2
	Female	43	14.8	14.8	100.0
	Total	291	100.0	100.0	

Age	18-30	38	13.1	13.1	13.1
	31-40	173	59.5	59.5	72.5
	41-50	61	21.0	21.0	93.5
	51-60	19	6.5	6.5	100.0
	Total	291	100.0	100.0	
Service Year	0-5	10	3.4	3.4	3.4
	6-10	55	18.9	18.6	22.3
	11-15	136	46.7	46.7	69.1
	>16	90	30.9	30.9	100.0
	Total	291	100.0	100.0	
Education Level	Grade 12 Complete	3	1.0	1.0	1.0
	College Diploma	6	2.1	2.1	3.1
	Bachelor's Degree	161	55.3	55.3	58.4
	Masters and above	124	41.6	41.6	100.0
	Total	291	100.0	100.0	
Management Category	Supervisor	181	62.2	62.2	62.2
	Manager	79	27.1	27.1	89.3
	Director	21	7.2	7.2	96.6
	Chief Officer	10	3.4	3.4	100.0
	Total	291	100.0	100.0	

Source: Survey Result (2019)

As shown in Table 4.1, the majority of the sampled respondents are male (85.2%). The female respondents' number becomes less because the number of female managers in the head quarter of ethio telecom is also less. In the head quarter, female managers are 20% of the total population. Age wise the majority (59.5%) of the respondents fall in between 31-40 implying that most of them are youngsters.

In terms of service year, the majority (77.6%) of the respondents has served the organization for more than eleven years implying that they do have longer experience in their present organizations. The level of their educational qualification shows that the majority (97.7%) of them are holding an educational qualification bachelor's degree and above. Considering their managerial category, the majority of them are drawn from supervisory level management employees. The demographic profile of the respondents' has confirmed the reliability of the source of information since the respondents have ample experience in the company and they also beyond degree level educational preparation.

4.2.4 Descriptive analysis of SHRM principles implementation in ethio telecom and assessment of ethio telecom performance

To assess the present status of ethio telecom in applying SHRM principles, respondents were asked to rate 48 items of the questionnaire categorized based on SHRM principles. These items can be interpreted as follows: 1.00 – 1.80 Strongly Disagree/low, 1.81 – 2.60 Disagree/Moderately Low, 2.61 – 3.40 Moderate Agreement, 3.41 – 4.20 Agree/moderately high agreement, 4.21 – 5.00 Strongly Agree /High Agreement. These statistics was used in many researches. For example Suliman, Mohd, Yunus (2018) used the same statistics by citing from Baba, A. (1999). Ahmed, Abiddin and Mamat (2009) also used the same statistics by citing from Baba, A. (1999).

The table here below presents the employees response with regard to the assessment of ethio telecoms' current status in creating alignment of HRM Strategies and Policies with the company Vison, Mission and Strategies. On this regard, the respondents were requested to respond for 5 questions listed in Table 4.2.

Table 4.2. Vertical alignment of HRM Strategies and Policies with the ethio telecom Vison, Mission and Strategies.

	%	SD	D	N	A	SA	M	S.T.D
ET HRM strategy is aligned with the VMO of the organization	%	3.8	12.7	26.1	53.9	3.8	3.4	0.90
ET recruitment and selection policy is aligned with the VMO of the organization.	%	4.5	14.8	27.5	48.8	4.1	3.33	0.94
ET human development policy aligned with the VMO of the organization.	%	5.8	17.2	29.6	43.3	3.8	3.22	0.97
ET performance management policy aligned with the VMO of the organization	%	4.8	25.8	25.4	39.5	4.1	3.12	1.00
ET compensation management policy aligned with the VMO of the organization.	%	4.5	15.8	27.8	47.1	4.1	3.31	0.94
Grand Mean							3.28	1.45

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.28 with SD 1.45) reveals the respondents' moderate agreement on the alignment of HR strategy and policies with the organizations' mission, vision and strategy. The maximum result which is (M3.4 with SD .90) related to the alignment of ethio telecom's HRM strategy with the vision, mission and objective of the organization. The minimum result which is (M=3.12 with SD 1.00) related to the alignment of the performance management system with vision, mission and objective of the organization. The overall result of this section reveals moderate alignment of HR strategies and policies with the direction of the organization. The responses given on vertical alignment of HRM practices with ethio telecom vision, mission and strategies is shown in Table 4.3 below.

Table 4.3. . Vertical alignment of HRM practices with ethio telecom Vision, Mission and strategies

	%	S. D	D	N	A	S.A	M	S.T.D.
ET recruitment and selection practices are aligned with the VMO of the organization	%	4.1	20.6	31.3	42.3	1.7	3.17	0.92
ET human development investments are made in line with (compatibly) the company VMO	%	4.8	23.4	29.6	39.9	2.1	3.11	0.95

ET performance management practices are aligned with the VMO of the organization	%	3.8	27.8	31.3	35.7	1.0	3.02	0.91
ET compensation management practices are aligned with the VMO of the organization.	%	4.5	16.2	31.3	45.7	2.1	3.25	0.91
Grand Mean							3.14	0.92

Source: Survey Result (2019)

The results of standard deviations for all the items shown in Table 4.2 confirmed the normality of the distribution of the means. The grand mean of the items (3.14 with SD .92) reveals the respondents' moderate agreement on the alignment of HR practices with the organization's mission, vision and strategy. The maximum result which is (M3.25 with SD .91) related to the alignment of ethio telecom's compensation management practices with the vision, mission and objective of the organization. The minimum result which is M =3.02 with SD .091 related to the alignment of the ethio telecom's performance management practices with the vision, mission and objective of the organization. The overall result of this section reveals moderate alignment of HR practices with the direction of the organization.

As per the discussion conducted with the CHRO and CSPMO, ethio telecom has a strategy developed for 5 years' time using Balanced Score Card (BSC) as a major planning and performance measurement tool. Based on the BSC approach, the technical team assigned from different departments was responsible to develop the

high-level strategic plans including development of high-level HR strategies. The contents of HR plans developed has been focused on more operational HRM activities than being strategic intent of HRM. The focus of HRM was taken by the basic functions of HR because the company has been passing through different big and small transitions which results the need for performing more of the basic HR activities. The SPM was asked to explain which competitive strategy is used by ethio telecom among the three competitive strategies that are innovation, quality and cost. For this question he has replied that ethio telecom has been developing its strategy based on BSC and it was also accepting the priorities forwarded by the Ethiopian Government. In his point of view, the organization has been working to provide quality of service at a reasonable lower price. This shows that the organization doesn't have selected competitive strategies. While explaining how the strategy of the company has been developed, he has explained that the strategy development team members take the corporate mission and vision as a base for development of the corporate level strategies and strategic roadmap/objectives. At the end of the strategy and strategic roadmap development, the team and the concerned bodies will review the overall developed strategy. However, assessment of the vertical and horizontal consistency of strategic objectives will not be assessed by taking this variable as a key performance indicator. As explained by CHRO, considering these and other gaps, currently, HR is in the process of developing more detailed, vertically aligned and horizontally consistent strategies and strategic objectives to be implemented in the upcoming years. The finding of this study is compatible with the finding of the study conducted by Emebet (2007), that was conducted on the assessment of strategic human resource practices of Private Commercial Banks in Ethiopian financial sector. The study has revealed that, the overall strategic link and integration of HR practices with corporate strategy was negatively perceived by private banks.

Many authors in the area of strategic human resource management for example Bosile (2010) has supported that there should be vertical alignment in between the business strategy and the HR strategy. Dessler (2017) has also explained that the business goal of the organization should be translated in the business strategy and actionable HR policies and practices. Empirical evidences are also consistent with facts described by different authors. For example, the study conducted by Sahni

(2015), explained that organizations performance can be increased by integrating strategies (including HR strategies) with the overall business strategy.

The responses given on ethio telecom’s human resource management policies and practices congruence and consistency (horizontal fit) is presented in Table 4.4 below.

Table 4.4. ethio telecom’s Human Resource Management (HRM) policies and Practices consistency and congruence (horizontal fit) with company values, operational goal and structure.

Items	%	S D	D	N	A	SA	M	S.T.D
HRM policies are interconnected with a company value	%	2.7	12.4	29.9	50.2	3.4	3.40	0.85
HRM practices are compatible (are aligned) with operational goals of the organization	%	4.1	20.6	32.0	41.2	1.7	3.16	0.91
HRM practices are compatible (are aligned) with the organization structure	%	3.1	21.3	28.2	41.9	4.5	3.24	0.94
HRM practices work together to achieve organizational objectives	%	3.8	18.6	26.8	45.7	4.5	3.29	0.95
HRM practices are business driven	%	7.6	25.4	30.6	33.0	2.7	2.98	1.00
Grand Mean							3.21	0.93

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means as all nearer to 1. The grand mean of the items (3.21 with SD .93) reveals the respondents' moderate agreement on the consistency of human resource policies and practices with ethio telecom values, goals and structure. The maximum result which is (M3.40 with SD .85) related to the alignment of HRM policies interconnectedness with a company value. The minimum result which is (M =2.98 with SD 1.00) related to the statement that stated HRM practices are business driven. The overall result of this section reveals moderate consistency and congruence (horizontal fit) of ethio telecom's Human Resource Management (HRM) policies and practices with company values, organizational goal and structure. The responses given on the consistency and congruence (horizontal fit) of human resource practices of ethio telecom is shown in Table 4.5.

Table 4.5. ethio telecom's Human Resource Management (HRM) practices consistency and congruence (horizontal alignment)

Items	%	SD	D	N	A	S A	M	S.T. D.
HR practices are interdependent and integrated with each other	%	4.5	19.9	38.1	34.7	2.1	3.10	0.90
HR practices focuses on the entire human resource management system	%	3.4	21.0	30.9	40.9	3.1	3.19	0.92
HRM practices are coherent with other departments.	%	6.9	23.7	31.6	34.7	2.1	3.01	0.98
Grand Mean							3.1	0.93

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.1 with SD .93) reveals the respondents' moderate agreement on the coherence and congruence in between human resource practices of ethio telecom. The maximum result which is (M3.10

with SD .90) related to the alignment of HR practices are interdependent and integrated with each other. The minimum result which (M =3.01 with SD 0.98) related to the alignment of the HRM practices are coherent with other departments. The overall result of this section reveals moderate consistency and congruence (horizontal fit) in between ethio telecom's HRM practices.

As per the discussion conducted with CHRO and SPM, the researcher came to understand that the congruence and consistency of the HR policies are not satisfactory. Currently, HR is working to develop HR strategy and strategic objectives. Thus, HR will revise the existing policies ensuring that there will be consistency and congruence in between the policies. Both of them were asked about their view regarding if HR is seen as an important function in the light of the corporate strategies and they have explained that good attention has been given for recruitment, human development and compensation management and relatively low attention has been given for strategic management of performances. This shows that the corporate has been giving attention for selected HRM practices.

The finding of this study is comparable with the finding of the study conducted by many authors in the area of strategic human resource management for example Dessler (2017) has supported that HR policies should have horizontal consistency in among them.

As cited by Haftu (2013), the study conducted by Green Et al, (2006) has confirmed that companies that have vertically aligned and horizontally integrated HR function and practice are able to improve organizational performances.

The responses given on ethio telecom's Human Resource Management (HRM) unit strategic role in defining organization mission, vision, strategies and business plans are shown in Table 4.6. 4.7. and 4.8.

Table 4.6. ethio telecom’s Human Resource Management (HRM) unit strategic role in defining organization mission, vision, strategies and business plans.

Items	%	S. D	D	N	A	S. A	M	S.T. D.
HR is active participant in the process of defining Organization's Mission, Vision and Values.	%	3.1	18.2	35.1	37.5	5.8	3.25	0.93
HR is active participant in the process of defining business strategies.	%	3.1	28.5	39.5	24.7	3.8	2.98	0.90
HR is an active participant in business planning.	%	5.5	24.7	41.9	24.1	3.8	2.96	0.93
Grand Mean							3.06	0.92

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.06 with SD .92) reveals the respondents’ moderate agreement on the fact that ethio telecom’s Human Resource Management (HRM) unit is playing strategic role in defining organization mission, vision, strategies and business plans. The maximum result which is (M3.25 with SD .93) related to HR’s active participation in the process of defining Organization's Mission, Vision and Values. The minimum result which (M =2.96 with SD 0.93) related to HR’s active involvement in business planning. The overall result of this section reveals that ethio telecom’s human resource unit is moderately playing its strategic role in defining organization mission, vision, strategies and

business plans. The responses given on the HRM unit performance in playing its strategic role is shown in Table 4.7 below.

Table 4.7. ethio telecom’s Human Resource Management (HRM) unit performance in playing strategic HRM role.

	%	S. D	D	N	A	S. A	M	S.T. D.
HR works to align HR strategies and business strategies.	%	2.1	17.9	40.9	36.4	2.4	3.19	0.83
HR develops process and programs to link HR strategies to accomplish business strategy.	%	3.4	19.9	35.7	37.8	3.1	3.17	0.90
I have observed that HR is playing its strategic role appropriately.	%	7.6	30.9	36.1	22.3	2.7	2.82	0.96
HR helps the organization accomplish a business goal.	%	4.1	15.1	28.9	44.3	6.5	3.34	0.96
HR performance has been measured by its ability to develop and implement	%	4.5	21.3	40.5	28.2	5.5	3.09	0.94

compatible HRM practices that will help the company to achieve its strategic goals.								
Grand Mean							3.12	0.92

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means as all are below 1. The grand mean of the items (3.12 with SD .92) reveals the respondents' moderate agreement on the strategic role of human resource management unit. The maximum result which is (M3.19 with SD .83) related to the alignment of HR works to align HR strategies and business strategies. The minimum result which (M =2.82 with SD 0.96) related to the effectiveness of HR's in plying its strategic role. The overall result of this section reveals moderate role of human resource management unit in playing its strategic HRM role.

To reveal more about the opportunities given for HR in order to play its strategic role, discussion was conducted with CHRO and SPM of ethio telecom. According to the discussion made, the researcher came to understand that HR unit is structured at a Division level having departments entitled Placement Department, Human and Organizational Development Department, Employee Service Delivery Department and Compensation & Benefit Department. The Chief Officer of the HR unit is a member of ethio telecom Executive Management Board. This shows that the top management is willing to involve HR in development and implementation of strategies at corporate level. As explained by the CHRO, recently, the extent that HR is needed to be involved in designing of the corporate strategies has been increased. The SPM has also explained that HR is being involved in the development of corporate strategies including the development of the high-level HR strategies. The informant emphasized that HR unit didn't use this opportunity very well and it is not effectively playing their strategic role.

The Two Chief Officers were asked to mention their view about the integration of HR role. The first question that they were asked on this area was that, 'is HR

Department able to connect all important HR function with the corporate strategies and able to align them as per the corporate policies'? For this question, both of them have responded that they don't think the HR policies have full alignment with the corporate strategies. The behavior of the developed policies is more operational than being strategic in nature.

They were also asked questions about the HR executives role and capacity to play strategic HR role. The first question they were asked was the following: 'Are HR executives able to clarify the different function they perform, in the light of corporate strategies and objectives?' For this question, both of them have explained that among the HR professionals, there are employees who are performing their role in light of the corporate strategies and objectives. However, this doesn't explain all HR professionals of the company and gaps has been observed on this area. The possible reason for them to have gaps on these areas could be because HR has been occupied by operational activities than strategic activities. The CHRO and SPM has been asked about their observation regarding the resource adequacy for HR professionals to implement the SHRM practices considering time, competency and power as a key resource. According to the CHRO there is a gap in competency regarding implementation of SHRM principles in all HRM practices. He also has mentioned time as a constraint recalling that in the back years, HR has been occupied in many mass operational activities. This was happened because the company has been passing through different transitions which resulted the need for performing many mass operational activities. Regarding the empowerment of HR professionals, he has explained that, strategic decisions were forwarded from the center and the role of HR professionals was to execute them. However, recently the company is giving more opportunity to participate on strategic issues and working to empower employees. According to the SPM, the HR professionals of the company have a good potential and experience for performing HRM activities. However, he has an observation that there is lack of competency for playing their strategic role. He also has observation that, HR lacks taking initiatives to play its strategic role proactively. Thus, he strictly recommends that the company specially the TOP management of HR, should create opportunity that the HR employees can play their strategic role by exerting their potential. According to him, this can be possible with good leadership and building capacity of employees through different mechanisms

like coaching and providing on time support. Regarding question asked about the resource availability for HR, he has explained that he don't think HR lacks resources. If in case there is lack of resource, HR can manage how to get resources.

The finding of this study is somewhat consistent a with the finding of the study conducted by Sahni (2015). According to the finding of the study of Sabni, most companies are assigning HR just to perform administrative or public functions because they don't have enough understanding about the role and benefit of strategic HR and its impact on organizational performance. As a result, strategic role of HR has been missing in most of companies and company's performance that has been negatively impacted.

Many authors in the area of strategic human resource management for example Ulrich (1997) cited in Boselie (2010) mentioned that HR is expected to play its strategic partner role. It means that, HR should work in aligning HR strategy and practices to the business strategy and ensure the execution of the strategy. Mello (2011) has also cited the framework developed by Ulrch (1997) and explained that HR should be evaluated by the value it creates to its customers, investors and employees. He stated that HR should play the strategic partner role by conducting architectural assessment and identifying ways to renovate the organization architecture, ensuring that employees are committed to the organization, by 'partnering with line managers to recognize and avoid the causes of low morale, such us unclear goals, unfocused priorities and ambiguous performance and being the voice of employees on decisions that has direct impact on employees. The responses given on ethio telecom's line managers performance in implementing HRM practices is depicted in Table 4.8.

Table 4.8: ethio telecom’s Line Managers performance in implementing HRM practices.

Items	%	S · D	D	N	A	S.A	M	S.T. D.
The LM’s are involved in communicating HR polices.	%	4.1	25.8	33.0	34.0	2.1	3.04	0.93
The LM’s are involved in selection and recruitment of staff members.	%	2.1	7.6	16.2	61.5	12.0	3.74	0.84
The LM’s are involved in the area of training and development of staff members.	%	3.4	17.5	26.5	45.4	6.2	3.34	0.96
The LM’s are involved in managing and apprising the performance of staff members.	%	1.4	7.6	17.9	55.0	16.8	3.79	0.86
The LM’s are involved in areas of pay and compensation .	%	6.5	29.6	37.8	23.0	1.4	2.83	0.91
Grand Mean							3.35	0.90

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.35 with SD .90) reveals the respondents' moderate agreement on the role of line managers in implementing HRM practices. The maximum result which is (M3.79 with SD .86) related to the involvement of line managers in managing and appraising the performance of staff members. The minimum result which (M =2.83 with SD 0.91) related to the line managers are involved in areas of pay and compensation. The overall result of this section reveals moderate involvement of line managers in implementing HRM practices.

This finding is consistent with the finding obtained from the interview conducted with CHRO. The CHRO has mentioned that many line managers in ethio telecom consider that HRM issues are belongs to HR department and they have a habit of forwarding employees to HR whenever employees do have HR related queries. There are also some experiences that some line managers are working without following HR policies appropriately and they develop their own working system. On the other side, there are line managers who strictly relies on HR policies and work with HR hand to and play their HRM role effectively, However, their number is insignificant. Most of them said that HRM is part of their activity but practically they keep people management activities as a second priority. Specially their involvement on strategic HR activities is moderate. SPM has also the same observation, but the SPM has stressed that HR should create a mechanism that line managers can be engaged in HRM related strategies and polices development and their execution. HR shall stop working by itself only and notifying the result at the end, rather HR shall work with line managers closely.

This finding is somewhat consistent with the findings of the study conducted by Dereje (2016). According to the finding of his study, though the line supervisors have the competency to implement HRM policies and practices, they don't allot reasonable time to play their HRM role. The findings of the study conducted by Hunter and Renwick (2009), shows line managers believes that they are playing their HRM role with willingness and they are exerting the required time and competency for performing their HRM role. Nonetheless, practically they don't

have much reliance on HRM policies in performing the HRM practices. Many authors in the area of strategic human resource management recommends that line managers are supposed to play different HRM roles. For example, Dessler (2017), has stated that even though there are HRM professions in the company, line managers are responsible to play their HRM role by being involved in placement of the right person to the right job, provision of orientation for the newly recruited employees, develop employees capacity, assess the job performance of each employee and provide support for better productivity, create a smooth work relationship, translate the company policies implementing in their job domain, ensure the policies are implemented by all employees who are under their supervision and protect employees health and physical condition. As stated by Adler et al, (1999). there is a broad consensus that HRM should not be the function of HR only, but it should also be the role of all management members of the organization. The respondents' response as related to ethio telecom's customer number and satisfaction is shown in Table 4.9.

Table 4.9: ethio telecom's performance in increasing customers number and satisfaction.

	%	S D	D	N	A	S. A	M	S.T.D
I have observed that ET customers are satisfied with ET services delivery in the past 3 and half years.	%	5.2	30.6	31.3	31.3	1.7	2.94	0.95

I have observed that ET customers increased in the past 3 and half years.	%	1.4	4.1	10.0	58.8	25.8	4.03	0.80
Grand Mean							3.49	0.87

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.49 with SD .87) reveals the respondents' agreement on increment of ethio telecom customers number and satisfaction. The maximum result which is (M4.03 with SD .80) related to the increment of ethio telecom customers in the past 3 and half years. The minimum result which (M =2.94 with SD 0.95) related to the increment of ethio telecom customers satisfaction. The overall result of this section reveals that ethio telecom customers' number and magnitude of satisfaction have increased in the past three and half years' time. The responses given regarding the increment of ethio telecom revenue and reducing wastage id shown in Table 4.10 below.

Table 4.10. ethio telecom's performance in increasing revenue and reducing wastages.

	%	S. D	D	N	A	S. A	M	S.T. D.
I have observed that ET revenue increased in the past 3 and half years.	%	0.7	2.4	7.6	59.8	29.6	4.15	0.71

I have observed that ET revenue leakage decreased in the past 3 and half years.	%	12.4	27.1	43.6	13.4	3.1	2.68	0.96
I have observed that ET resource utilization improved in the past 3 and half years.	%	6.5	22.3	35.7	30.6	4.5	3.04	0.99
Grand Mean							3.29	0.89

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.29 with SD .89) reveals the respondents' moderate agreement in the increment of ethio telecom' revenue and reduction of wastage. The maximum result which is (M4.15 with SD .71) related to the increment of ethio telecom's revenue in the past 3 and half years. The minimum result which (M =2.68 with SD 0.96) related to the decrement of ethio telecom revenue leakage in the past 3 and half years. The overall result of this section reveals that in the past three and half years ethio telecom's revenue increment and reduction of wastage at a moderate level. The responses given regarding the improvement of ethio telecom service accessibility, quality and portfolio is shown in Table 4.11 below.

Table 4.11. ethio telecom’s performance in improving service accessibility, quality and portfolio.

	%	S. D	D	N	A	S. A	M	S.T.D .
I have observed that ET service accessibility improved in the past 3 and half years.	%	1.4	10.7	14.8	62.9	10.3	3.70	0.85
I have observed that ET product and services portfolio increased in in the past 3 and half years	%	0.7	3.4	12.0	68.7	15.1	3.94	0.69
I have observed that ET service quality increased in in the past 3 and half years	%	3.8	21.3	27.1	40.2	7.2	3.26	1.00
Grand Mean							3.63	0.84

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.63 with SD .84) reveals the respondents' moderate agreement on the improvement of ethio telecom service portfolio, accessibility and quality in the past 3 and half years. The maximum result which is (M3.94 with SD .69) related to the increment of ethio telecom service portfolio in the past 3 and half years. The minimum result which is (M =3.26 with SD 1.00) related to the increment of ethio telecom service quality. The overall result of this section reveals moderately high improvement of ethio telecom's service portfolio, accessibility and service quality.

The responses given on the improvement of ethio telecoms' internal process is shown in Table 4.12 below.

Table 4.12: ethio telecom's performance in improving internal process in different dimensions.

Items	%	S. D	D	N	A	S. A	M	S.T. D.
I have observed that ethio telecom's communication and branding activities are improved in the past 3 and half years	%	1.0	6.5	13.1	65.3	14.1	3.85	0.78
I have observed that ET strategic partnership has been enhanced in in the past 3 and half	%	1.0	10.7	38.1	45.7	4.5	3.42	0.78

years								
I have observed that ET fraud prevention performance has been enhanced in in the past 3 and half years	%	7.9	32.0	34.4	24.4	1.4	2.79	0.95
I have observed that ET infrastructure and information systems security has been enhanced in in the past 3 and half years	%	4.8	24.7	35.4	33.7	1.4	3.02	0.91
Grand Mean							3.27	0.85

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.27 with SD .85) reveals the respondents' moderate agreement on the performance of ethio telecom in improving internal process. in the past 3 and half years. The maximum result which is (M3.85 with SD .78) related to the improvement of ethio telecom's communication and branding activities. The minimum result which is (M =2.79 with SD 0.95) related to the enhancement of ethio telecom performance in preventing frauds. The overall result of this section reveals weak performance of ethio telecom

in improving internal process. The responses given regarding ethio telecom performance in developing corporate culture and employees' capacity is shown in Table 4.13 below.

Table 4.13. ethio telecom's performance in developing corporate culture and employees' capacity.

Items	%	S D	D	N	A	S A	M	S D.
I have observed that ET's corporate culture has been improved in in the past 3 and half years	%	3.8	17.9	32.6	42.3	3.4	3.24	0.91
I have observed that ET's performance in building the staffs capacity has been improved in in the past 3 and half years	%	3.4	17.9	23.4	50.5	4.5	3.35	0.94
I have observed that ET's performance in building the management capacity has been improved in in the past 3 and half years	%	3.8	17.5	28.2	46.7	3.4	3.29	0.92
Grand Mean							3.29	0.93

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.29 with SD .93) reveals the respondents' moderate agreement on the performance of ethio telecom in improving corporate culture and building employees capacity in the past 3 and half years. The maximum result which is (M3.35 with SD .94) related to the improvement of ethio telecom in building the staff members capacity in the past 3

and half years. The minimum result which (M =3.24 with SD 0.91) related to ethio telecom in building the management capacity in the past 3 and half years. The overall result of this section reveals moderate performance of ethio telecom in building employee’s capacity and improving corporate culture. The responses given regarding ethio telecom employees satisfaction is shown in Table 4:14 below

Table 4.14: Ethio telecom Employees Satisfaction

Item	%	S D	D	N	A	S. A	M	S.T.D
I have observed that ET’s employee satisfaction has been improved in in the past 3 and half years	%	3.4	21.6	33.7	38.5	2.7	3.15	0.91

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.15 with SD .91) reveals the respondents’ moderate agreement on the improvement of ethio telecom employees’ satisfaction in the past 3 and half years. The responses given regarding ethio telecom performance in deployment & utilization of latest technologies and improvement of ethio telecom organizational process and structure is shown in Table 4.15 below.

Tale 4:15 Ethio telecom performance in deployment & utilization of latest technologies and improvement of ethio telecom organizational process and structure

Items	%	S. D	D	N	A	S.A	M	S.T.D.
I have observed that ET performance in deployment and utilization of latest technology, automation has been improved in in the past 3 and half years	%	3.1	15.1	28.5	49.1	4.1	3.36	0.90
I have observed that ET organizational process and structures has been improved in in the past 3 & half years	%	1.7	12.7	26.5	52.9	5.5	3.48	0.85
Grand Mean							3.42	0.87

Source: Survey Result (2019)

The results of standard deviations for all the items confirmed the normality of the distribution of the means. The grand mean of the items (3.42 with SD .87) reveals the respondents' agreement on the deployment of latest technologies and improving ethio telecom organizational process and structure in the past 3 and half years. The maximum result which is (M3.48 with SD .94) related to the improvement of ethio telecom in building the staffs capacity in the past 3 and half years. The minimum result which (M=3.24 with SD 0.91) related to ethio telecom's effort in building the management capacity in the past 3 and half years. The overall result of this section reveals moderate high performance of ethio telecom in building employees' capacity and improving corporate culture.

The summary of responses given on for all questions is displayed in Table 4.16 below.

Table 4: 16: Summary of the Descriptive Statistics							
Item	N	M	S.D	Skewness		Kurtosis	
	Sta	Stat	Stat	Stat	S.E	S.E	S.E
ET HRM strategies, policies and practices vertical (internal) alignment with the company VMS.	286	3.22	0.68	0.70	0.14	0.22	0.29
Et HRM policies and practices consistency and congruence (horizontal alignment)	280	3.17	0.72	0.57	0.15	0.06	0.29
ET HRM unit strategic role	284	3.10	0.71	0.13	0.15	0.07	0.29
Et LM's HRM role	283	3.35	0.62	0.66	0.15	1.13	0.29
ET performance in customer service perspective	291	3.49	0.70	0.52	0.14	0.87	0.29
ET	289	3.29	0.61	0.06	0.14	0.11	0.29

performance in finance perspective							
Et performance in internal process perspective	290	3.43	0.56	0.22	0.14	0.67	0.29
ET performance in learning and development perspective	289	3.31	0.67	0.50	0.14	0.09	0.29
ET overall performance in all perspectives	286	3.38	0.51	0.21	0.14	0.45	0.29

Source: Survey Result (2019)

As shown in Table 4.16, the mean average of respondents' perception as related to ethio telecom's HRM strategies, policies and practices internal alignment with the company vision, mission and strategies mean is 3.22 with standard deviation of .68. This result revealed the respondents' moderate agreement on the alignment of ethio telecom's HRM strategies, policies and practices vertical (internal) alignment with the company vision, mission and strategies.

Respondents were asked to rate 8 questions as related to ethio telecom's HRM policies and practices consistency and congruence (horizontal alignment). As shown in Table 4.16 the mean average of the items was found to be 3.17 with standard deviation of .72 implying that there is moderate alignment in between ethio telecom's HRM policies and practices (horizontal alignment).

The third item shows the perception of employees towards ethio telecom's HRM unit strategic role. The respondents were requested to rate 8 items. The mean average of the items as shown in Table 2 was found to be 3.1 with standard

deviation of .71 implying that ethio telecom's HRM unit is moderately playing its strategic role.

The fourth item shows the perception of employees towards ethio telecom line managers role in implementing HRM practices. They were requested to rate 5 items. The mean average of the items as shown in Table 4.16 was found to be 3.35 with standard deviation of .62 implying that ethio telecom line managers role in implementing HRM practices is moderate.

The fifth item shows the perception of employees towards ethio telecom's performance in customer service perspective. They were requested to rate 2 items. The mean average of the items as shown in Table 4.16 was found to be 3.49 with standard deviation of .70 implying that ethio telecom's performance with respect to increasing customers number and satisfaction is moderately high

The sixth item shows the perception of employees towards ethio telecom's performance in finance perspective. They were requested to rate 3 items. The mean average of the items as shown in Table 4.16 was found to be 3.29 with standard deviation of .61 implying that ethio telecom's performance with respect to increasing revenue and decreasing wastages is moderate

The seventh item shows the perception of employees towards ethio telecom's overall performance in internal process perspective (including its service accessibility and portfolio increment). They were requested to rate 7 items. The mean average of the items as shown in Table 4.16 was found to be 3.43 with standard deviation of .56 implying that ethio telecom's performance with respect to improving its internal process is moderate high

The eighth item shows the perception of employees towards opportunities related to ethio telecom's overall performance in learning and development perspective. They were requested to rate 7 items. The mean average of the items as shown in Table 4.16 was found to be 3.31 with standard deviation of .67 implying that ethio telecom's performance with respect to learning and development activities is moderate.

The last item shows the perception of employees towards ethio telecom’s overall performance in the total of 4 perspectives. In total, respondents were asked to respond for 18 items. The mean average of the items as shown in Table 4.16 was found to be 3.38 with standard deviation of .51 implying that ethio telecom’s overall performance in the last 3 and half years is moderate.

4.2.5 Relationships between implementation of selected SHRM principles and ethio telecom overall performance.

In order to show the extent to which implementation of selected SHRM principles with over all organizational performance, analysis was done based on Cohen (1988, pp,79-81) correlation coefficients formula mentioned here below:

$r = 0.10$ to 0.29 or $r = -0.10$ to -0.29 represents small correlation,

$r = 0.30$ to 0.49 or $r = -0.30$ to -0.49 represents medium correlation and

$r = 0.50$ to 1.0 or $r = -0.50$ to -1.0 represents high correlation.

Table 4. 17: Correlation Coefficients

		1	2	3	4	5
ET HRM strategies, policies and practices vertical (internal) alignment with the company VMS. (1)	Pearson Correlation	1	0.742	0.568	0.523	0.536
	Sig. (1-tailed)		0.000	0.000	0.000	0.000
	N	286	275	279	278	281
ET HRM policies and practices consistency and	Pearson Correlation	0.742	1	0.690	0.551	0.459
	Sig. (1-tailed)	0.000		0.000	0.000	0.000
	N	275	280	274	274	275

congruence (horizontal alignment) (2)						
ET HRM unit strategic role (3)	Pearson Correlat ion	0.568	0.690	1	0.439	0.504
	Sig. (1- tailed)	0.000	0.000		0.000	0.000
	N	279	274	284	276	279
ET LM HRM role (4)	Pearson Correlat ion	0.523	0.551	0.439	1	0.466
	Sig. (1- tailed)	0.000	0.000	0.000		0.000
	N	278	274	276	283	278
ET overall performanc e (5)	Pearson Correlat ion	0.536	0.459	0.504	0.466	1
	Sig. (1- tailed)	0.000	0.000	0.000	0.000	
	N	281	275	279	278	286

Source: Survey Result (2019)

The results of the coefficients of variables obtained were summarized in matrix form as shown in Table 4.17. The implementation of the key SHRM principles is considered as a driving factor for improving ethio telecom's performance. The vertical (internal) alignment in between ethio telecom's HRM strategies, policies and practices with the company vision, mission and strategies have strong relation with the overall performance of the ethio telecom since its correlation result is .536. The Table also reveals that, the consistency and congruence of HRM policies and practices (horizontal alignment) have medium relation with the overall performance of the company based on the correlation result of .459. According to the correlation analysis result, as depicted in table, ethio telecom's HRM unit strategic role have strong relation with the overall performance of the company based on the correlation result of .504. ethio telecom's line managers

role in implementing HRM practices have medium relation with the overall performance of the company since the correlation result related to the section is .466.

4.2.6 Effect of SHRM Principles implementation on ethio telecom Performance

In order to show the effect of SHRM principles implementation on ethio telecom performance, a test of **multivariate regression** model was employed to test the hypothesis that state SHRM principles implementation has a significant effect on ethio telecom performance. Before considering the model, test of model fit was made based on the key assumptions of multiple regressions proposed by Kothari (2004) and Hayes (2013) in Seifu Bekuretsion (2019), as shown below:

4.2.6.1 Multi-collinearity

When there are more than one independent variables, the analysis done concerning their relationship is called **multi-collinearity analysis**. The **multiple regression analysis will be reliable when the independent variables are not highly correlated with each other** or when there is no multi-collinearity problem. The reliability of the multi-collinearity was tested using Variance Inflation Factor (VIF) values. As shown in Table 18 below the independent variable are not highly correlated with each other as VIF values for all items is below 10 implying no multi-collinearity problem among the independent variables. (Miles, 2014).

Table 4.18: Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
ET HRM strategies, policies and practices internal alignment with the company VMS	.423	2.365
ET HRM practices consistency and congruence (horizontal alignment)	.320	3.127
HRM unit role	.516	1.940

Line managers role	.665	1.504
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a. Dependent Variable: ethio telecom overall performance

Source: Survey Result (2019).

4.2.6.2 Homoscedasticity

The second test was made on homoscedasticity of the independent variables. This assumption states that the variance of error terms is similar across the values of the independent variables. A plot of standardized residuals versus predicted values can show whether points are equally distributed across all values of the independent variables. As shown in figure 2 all the plots are equally distributed hence there is no homoscedasticity problem.

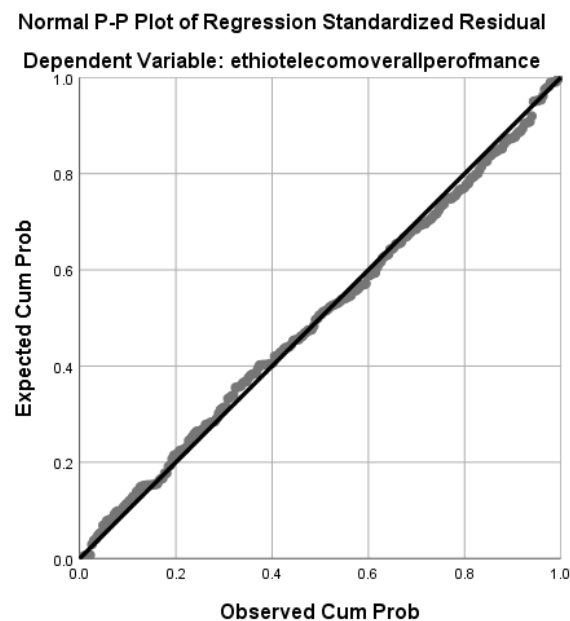


Figure 4: plot of standard residual

Source: survey (2019)

4.2.6.3 Linear relationship

The test of linear relationship was made by scatter plots as shown figure 2. The scatter plots shown in figure 3, the existence of linear relationship between the outcome variable and the independent variables.

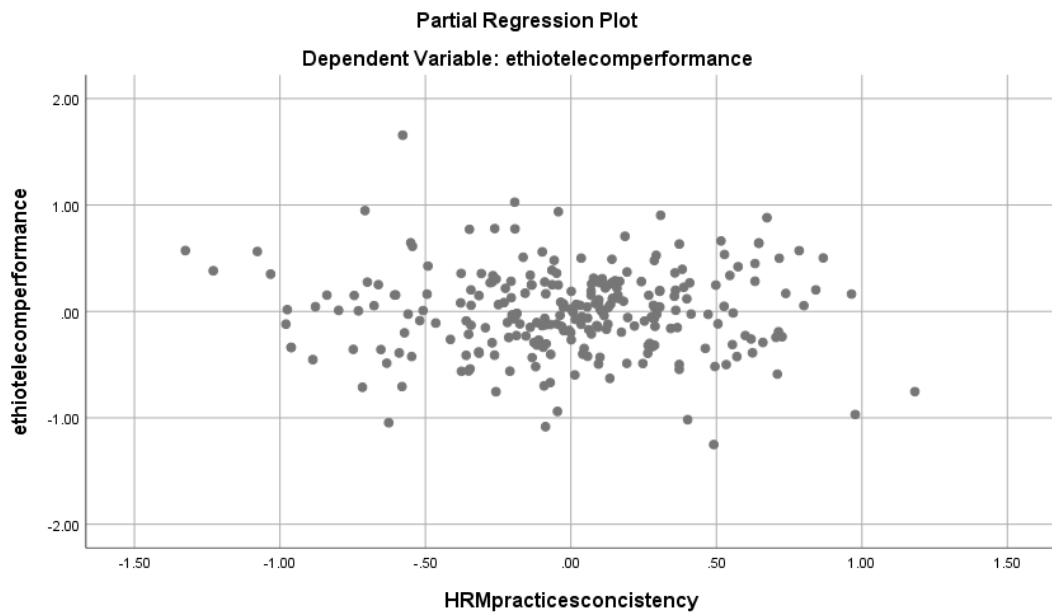


Figure 5: scatter plot

Multivariate normality

The normality of the distribution of the independent variables was shown in histogram shown in figure 2. The Test of multivariate normality as shown in histogram clearly shows the residuals are normally distributed. Hence the data met the assumption of multivariate normality of the independent variables.

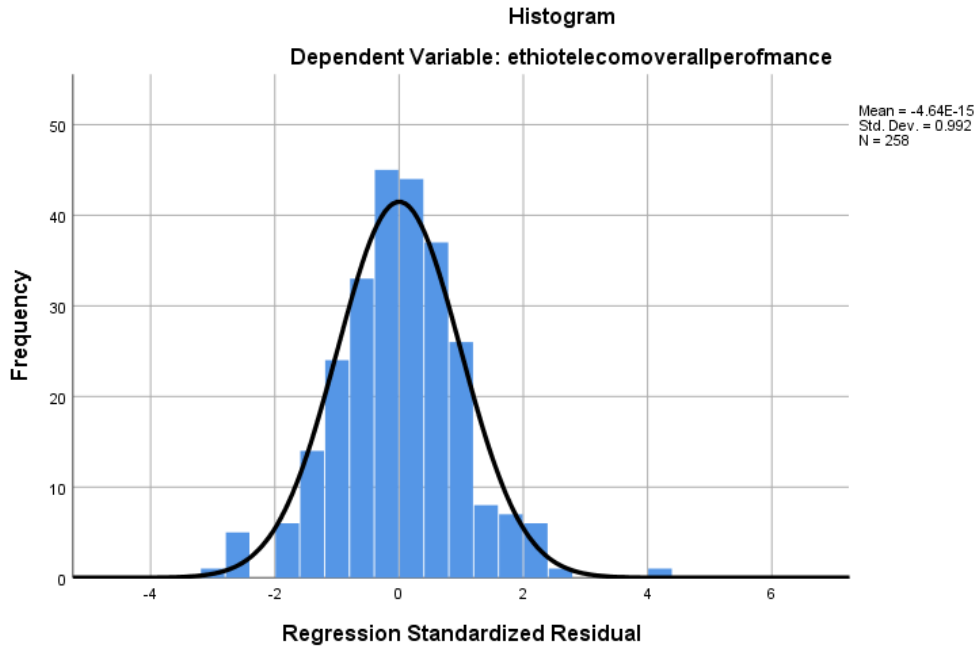


Figure 6: Histogram

Source: survey (2019)

Based on the discussion made in test of the model fit, all the key assumptions of multivariate linear regression are met. Accordingly, the model summary of the effect of influencing factors identified on employee retention is shown in Table 4.19 as follows:

Table 4. 19 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 ^a	.385	.375	.39611

a. Predictors: (Constant), ethio telecom’s HRM strategies, policies and practices vertical (internal) alignment with the company vision, mission and strategies, ethio telecom’s HRM policies and practices consistency and congruence (horizontal alignment), ethio telecom’s HRM unit strategic role and ethio telecom line managers role in implementing HRM practices

b. Dependent Variable: ethio telecom overall performance

Source: Survey Result (2019)

The model summary shown in Table 4.19 shows that the cumulative effect of implementation of the stated SHRM principles on ethio telecom overall performance. As shown in the model summary, the adjusted R square result is .375. This indicates that 37.5% of the telecom overall performance is explained by strategic HRM principles implementation. Hence, Hypothesis 5 that states “H5: ethio telecom overall implementation of SHRM principles have a significant effect on its performance” has been accepted.

4.2.6.5 Contribution of the independent variables.

In order to show the contribution of each independent variables as depicted in the conceptual model a test was made using coefficients and significance of Independent Variables.

Table 4.20: Coefficients and significance of Independent Variables

Model	Unstandardized Coefficients		Standard ized Coeffi ents	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.561	.154		10.141	.000
ethio telecom’s HRM strategies, policies and practices vertical (internal) alignment have significant effect on ethio telecom performance.	.255	.057	.339	4.462	.000

ethio telecom's HRM policies and practices consistency and congruence (horizontal alignment) have significant effect on ethio telecom performance.	-.020	.058	-.029	-.342	.733
ethio telecom line managers role in implementing HRM practices have significant effect on ethio telecom performance	.172	.049	.214	3.539	.000

a. Dependent Variable: ethio telecom performance

Source: Survey Result (2019)

Table 20 shows the standardized coefficients Beta value of the independent variables i.e ethio telecom's HRM strategies, policies and practices internal alignment with the company vision, mission and strategies, ethio telecom's HRM practices consistency and congruence (horizontal alignment), ethio telecom's HRM unit strategic role and ethio telecom Line Managers role in implementing HRM practices is .255, -.020, and .172 respectively. The significance level of those three variables is .000, .733 and .000. These show their relative effects on the independent variable on ethio telecom performance. As explained by Kohtari (2004), if the significance level is **beyond 5%**, hypothesis will be rejected. Therefore, the hypotheses stated in terms of the effect of SHRM principles on ethio telecom performance were summarized as follows.

Table 4.21: Summary of the result of the hypotheses

Hypotheses	Decision	Level
H1: ethio telecom’s HRM strategies, policies and practices vertical (internal) alignment have significant effect on ethio telecom performance.	Accepted	B=.255 sign. 000
H2: ethio telecom’s HRM policies and practices consistency and congruence (horizontal alignment) have significant effect on ethio telecom performance.	Rejected	B=-.20 Sig..733
H4: ethio telecom line managers role in implementing HRM practices have significant effect on ethio telecom performance	Accepted	B=.172 Sig. 000

The model equation can also presented as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_3 X_3$$

Therefore, ethio telecom performance can be predicted based on the following equation.

$$Y = 1.561 + .255X_1 + .172 X_3$$

Where as:

Y= ethio telecom overall performance

α = the value of (smoothing constant)

Coefficient or β_1 = ethio telecom’s HRM strategies, policies and practices vertical (internal) alignment have significant effect on ethio telecom performance = .255

Coefficient or β_3 = ethio telecom line managers role in implementing HRM practices have significant effect on ethio telecom performance = -.020

ε (standard error) = .154

4.2.6.6 Mediation Analysis

Just earlier, the researcher tested and reported first four hypotheses and for the next one hypothesis, mediation analysis was conducted. The role of HR unit support on organizational was chosen as a mediator. Before running the analysis, the researcher first examined the variables to determine if mediation is appropriate. According to Baron and Kenny (1986) cited in Psychol (2009), the mediation analysis was tested using the following 4 steps. The data for analysis is sourced from Amos in SPSS20.

The first step was to test the significance level of the independent variable to the dependent variable. The relation significance in between variables can be tasted using the “P value”. The relationship is significant if the P value less than 0.05. As shown in Table 22, the relationship between the independent variables (variables on #3,4,5) and dependent (variables on #2) is significant.

The second step was test of the relationship between independent variable (variables on #3,4,5) and mediator (variables #3) is significant.

Table 4.22: Regression Weights Summary							
			Estimate	S.E.	C.R.	P	Significance
HRM unit strategic role (1)	<---	Line managers HRM role (3)	0.12	0.104	1.154	0.249	Significant
HRM unit strategic role (1)	<---	HR policies and practices consistency and congruence (4)	0.554	0.064	8.664	0.000	Significant
HRM unit strategic role (1)	<---	HR strategies, policies and practices vertical alignment with organizational strategy (5)	0.157	0.055	2.844	0.004	Significant
ET overall performance (2)	<---	Line managers HRM role (3)	0.482	0.134	3.603	0.000	Significant
ET overall performance (2)	<---	HR policies and practices consistency	-0.108	0.053	-2.052	0.04	Significant

		and congruence (4)					
ET overall performance (2)	<---	HR strategies, policies and practices vertical alignment with organizational strategy (5)	0.305	0.062	4.957	0.000	Significant
ET overall performance (2)	<---	HRM unit strategic role (1)	0.273	0.075	3.659	0.000	Significant

Source; Survey (2019)

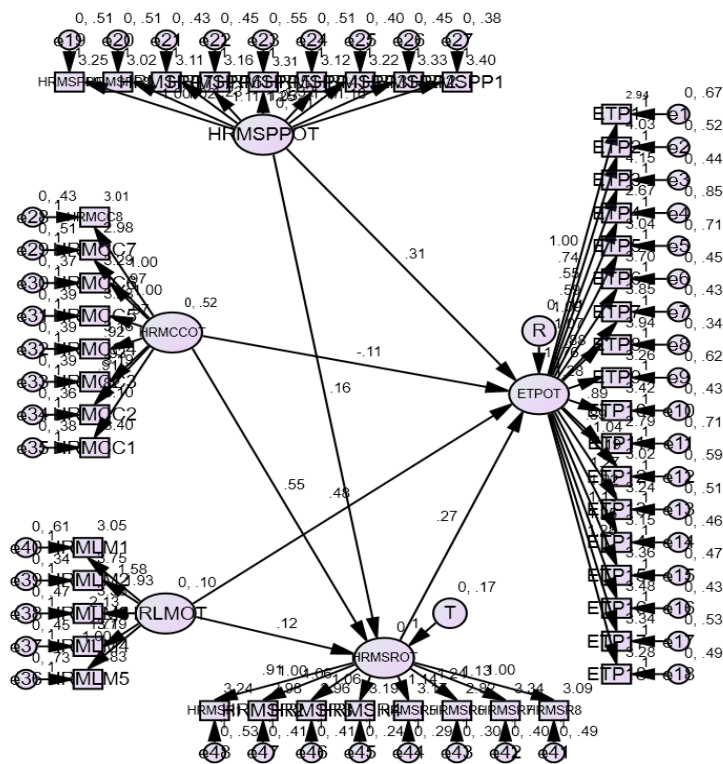


Figure: 7 HR mediation role analysis (part 1)

Source: Survey 2019

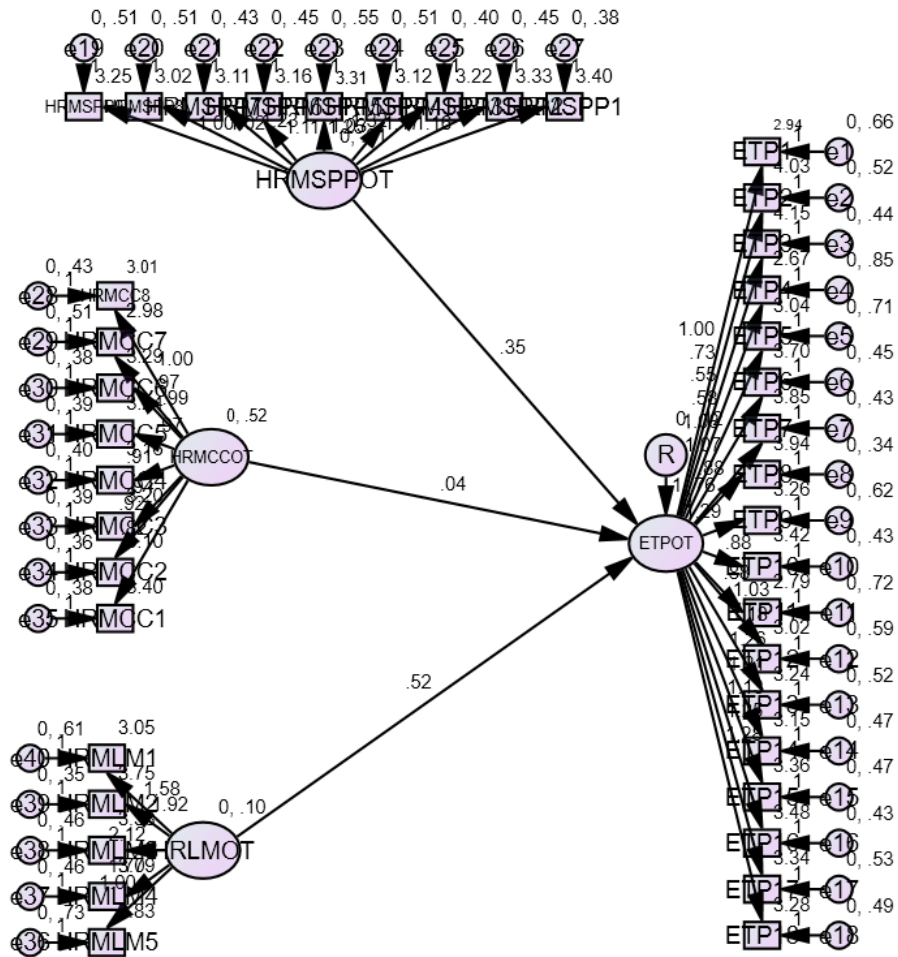


Figure: 8 HR mediation role analysis (part 2)

Source: Survey 2019

Step three is assessment of the significance of mediator (variables #3) to the dependent variable without the independent variable (variables on #3,4,5). As depicted in the figure 7 denoted by R., its significance level is below 0.05 and their relationship is valid.

Step four, is assessment beta value of the independent variable relation with the dependent variable in the presence of the mediator lets say “A” compared with the value of the independent dependent variable to dependent variable lets say “B”. if A is less than B, then the data are consistent with mediation. As shown in the Figure 7 and 8, A = .31, .11 and .49 is less than .35,.04 and .52. This shows that the data is consistent for mediation analysis.

Based on the above mediation analysis, it is necessary to complete hypotheses testing. H3: ethio telecom’s HRM unit plays a significant mediating role on ethio telecom performance Results from the mediation analysis indicated that HR unit support has a partial mediating role in relationship between SHRM principles implementation and organizational performance. As depicted in Table 22, it can be concluded that ethio telecom’s HRM unit plays a significant partial mediating role on ethio telecom performance since its P value is less than 0.05 and grater that 0.1 ($\alpha = .27, p < .17$).

Chapter 5: Summary, Conclusion and Recommendation

5.1 Summary

This study analyzed implementation of SHRM principles in ethio telecom. Implementation of SHRM principles had been measured using data collected on perception ethio telecom management employees. The perception of ethio telecom management employees regarding the implementation of SHRM principles in the organization is investigated in terms of four SHRM principles; the vertical alignment of HR strategies, policies and practices to the company's mission, vision and strategy, consistency and congruence in between ethio telecom HRM policies and practices, the status of HR in playing its strategic role and the status of line managers of ethio telecom in playing their HRM role. The correlation between implementation of SHRM principles and organization performance has been assessed using the perception of respondents regarding the overall performance of ethio telecom in the past tree and half years' time is also analyzed in 4 perspectives: customer service perspective, finance perspective, internal process perspective and learning and development perspectives. The finding of the study is summarized as follows;

In line to the first research objective, that is to assesses ethio telecom's HRM strategic integration (internal) with company business strategy, the result of the study found that HRM vertical integration is moderate since the value of $M=3.22$ and $S.D=0.68$.

In line to the second and third research objective, that is to assess ethio telecom's HRM policies and practices consistency and congruence, the result of the study found that HRM policies consistency and congruence integration is moderate since the value of $M=3.17$ and $S.D=0.72$.

In line to the fourth research objective, that is to assess to the extent ethio telecom HR unit plays its strategic role, the result of the study found that ethio telecom' HR unit strategic role is moderate since the value of $M=3.10$ and $S.D = 0.71$. Through mediation analysis, it has been proved that HR has a mediator role in the implementation of SHRM principles and impacting the overall performance of the organization positively.

In line to the fifth research objective, that is to assess to line managers role in implementing HRM practices, the result of the study found that ethio telecom line managers HRM role is moderate since the value of $M=3.22$ and $S.D=0.68$.

In line to the last research objective, that is to assess the cumulative effect of SHRM principles implementation on ethio telecom organizational performance, the result of the multivariate regression analysis has proved that 37.5% ethio telecom performance is explained by SHRM principles implementation.

As proved by the mediation analysis, it is confirmed that HR unit plays mediation role for the implementation of SHRM principles and for the improvement of organizational performance.

The formed hypotheses are tested using different assessments and all hypothesizes i.e ethio telecom's HRM strategies, policies and practices have significant effect on ethio telecom performance, ethio telecom's HRM unit plays a significant mediating role on ethio telecom performance, ethio telecom Line Managers role in implementing HRM practices have significant effect on ethio telecom performance, implementation of SHRM principles have a significant effect on ethio telecom overall performance are accepted except one hypothesis i.e HRM policies and practices consistency and congruence have a significant impact on the overall performance of ethio telecom.

5.2 Conclusion

This section provides a conclusion of findings based on predetermined research objectives and survey analysis results.

Implementation of SHRM principles i.e ethio telecom's HRM strategies, policies and practices vertical (internal) integration with company vision, mission and business strategies, ethio telecom's HRM policies and practices consistency and congruence (horizontal), HR unit strategic role and line managers HRM role is at moderate level. This shows that SHRM principles implementation in ethio telecom is at a moderate level.

As confirmed by the research, HR unit have a partial mediation for the

implementation of organizational performance.

The study has proved that, SHRM principles implementation have positive impact on organizational performance.

5.3 Recommendation

Depending on the empirical findings, the researcher forwarded the following recommendations.

As revealed by the empirical evidences, ethio telecoms' HR strategies, policies and practices vertical and horizontal alignment is moderate. Thus, the company shall assess and revise its HRM strategies, policies and practice based on SHRM principle.

On top of this, according to the discussion in between the researcher and the CHRO of ethio telecom, so far, the companies HR professionals, and line manages are not trained regarding SHRM principles and their implementation. Thus, ethio telecom shall train the Top management, the HR personals and the line managers regarding the SHRM principles implementation, their impact on the company performance, how to implement those principles in ethio telecom scenario and how to assess their implementation continually.

The company shall arrange experience sharing sessions with companies who are successful at SHRM principles implementation.

As described in the literature review part, there are three types of competitive strategies i.e cost based, quality based and innovation-based strategies. Studies shows that companies having clear competitive strategy and build their SHRM practices in line with that, performs better. Thus, ethio telecom is recommended to develop clear competitive strategy and SHRM practices in line with that. Specially, now, since the country is planning to open the telecom business of Ethiopia for other telecom companies and the telecom market will be changed from monopoly to competitive market, it very mandatory that ethio telecom should clearly identifies its competitive strategy and manage its manpower in line with that.

As supported by literatures, HR's values creation shall be assessed using the key performance indicator that can assess if HR is playing its strategic role effectively.

As confirmed by literatures and different studies, the line managers should play a vital role in realizing the implementation of SHRM practices. Thus, HR shall create a mechanism to aware and engage line managers in SHRM practices development, implementation and assessment activities. In addition to this, their role in playing people manger role shall be assessed.

Finally, as confirmed by this study, ethio telecom HR unit has a mediator role in realizing the implementation of SHRM practices and improving organizational performance as a result. Thus, HR shall engage the line managers in HRM related strategies and policies so that HR can play its mediation role appropriately and HR shall stop notifying the end result without involving the concerned line managers from the beginning. the company shall give appropriate attention to strengthen HR in a way HR can play its strategic role successfully.

5.4 Suggestion for Future Research

As explained in Chapter 3, the study sample is mainly focused on the management employees of ethio telecom who are located head quarter of ethio telecom, in Addis Ababa. Thus, the study didn't consider the perception of ethio telecom non-management, the management employees located Zonal and Regional Offices Thus, the future researchers can study the interface between strategic human resource management principles implementation and operational performance of ethio telecom by taking the perception of zonal and reginal managers. Researchers are also highly recommended to conduct this study on other big governmental companies located in Ethiopia.

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Appendixes

Appendix-1: Survey Questionnaire

Addis Ababa Unwiversity (AAU)
College of Business and Economics, School of Commerce
MA-Human Resource Management

Dear Sir/ Madam,

My name is Mahelet Wendmu. I am studying Master of Human Resource Management at AAU School of Commerce. I kindly request your assistance in completing a questionnaire which I am using to assess implementation of Strategic Human Resource Management (SHRM) principles in ethio telecom. Your views are extremely important to improve the organization's HRM practices. Your participation in this research is voluntary and all the information provided will be kept strictly confidential and will only be used for the purpose of the study. If you would like to receive the result of the survey, please write your email in the end of the questionnaire and I will communicate you the findings of the study.

If you have any question or if you may need support, please contact me using the below mentioned address.

Mahelet Wendmu

Tel. +251 911 510440

E-mail: mahelet.wendmu@ethiotelecom.et

Thank you for your cooperation!

General Instruction

1. No need of writing your name on the sheet
2. Feel free and attempt all questions
3. Please indicate your response by marking tick (✓) on the answer that best reflects your view.
4. Please be notified that **1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree** and **5 = Strongly Agree**.

Part I

Demographic Information

1	Gender	Male [x]		Female []	
2	Age	18-30 []	31-40 []	41-50 [x]	51-60 []
3	Service years	0-5 []	6-10 []	11-15 []	>16 [x]
4	Education level	Grade 12 complete []	College Diploma []	Bachelor's Degree []	Master's degree [x]
5	Management Category	Supervisor []	Manager [x]	Director []	Chief Officer []

Part II

Questions relating to the assessment of ethio telecom’s Human Resource Management (HRM) Strategies, policies and practices (selection and recruitment, human development, performance management and compensation management practices) **internal alignment with ethio telecom Vision, Mission and strategies.**

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
----------------------------	---------------------	--------------------	------------------	-------------------------

#	Statement	1	2	3	4	5
6	Ethio telecom’s HRM strategy is aligned with the vision, mission and objective of the organization					
7	Ethio telecom’s recruitment and selection policy is aligned with the vision, mission and objective of the organization.					
8	Ethio telecom’s human development policy is aligned with the vision, mission and objective of the organization.					
9	Ethio telecom’s performance management policy is aligned with the vision, mission and objective of the organization					
10	Ethio telecom’s compensation management policy is aligned with the vision, mission and objective of the organization.					
11	Ethio telecom’s recruitment and selection practices are aligned with the vision, mission and objective of the organization					
12	Ethio telecom’s human development investments are made in line with (compatibly) the company vision, mission and objective					
13	Ethio telecom’s performance management practices are aligned with the vision, mission and objective of the organization					
14	Ethio telecom’s compensation management practices are aligned with the vision, mission and objective of the					

#	Statement	1	2	3	4	5
	organization.					

Part III

Questions relating to the assessment of ethio telecom's Human Resource Management (HRM) practices consistency and congruence (horizontal fit).

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
----------------------------	---------------------	--------------------	------------------	-------------------------

#	Statement	1	2	3	4	5
15	HRM policies are interconnected with a company values					
16	HR practices are interdependent and integrated with each other					
17	HR practices focuses on the entire human resource management system					
18	HRM practices are compatible (are aligned) with operational goals of the organization					
19	HRM practices are compatible (are aligned) with the organization structure					
20	HRM practices work together to achieve organizational objectives					
21	HRM practices are business driven					
22	HRM practices are coherent with other departments.					

Part IV

Questions relating to the assessment of ethio telecom's Human Resource Management (HRM) unit strategic role.

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
----------------------------	---------------------	--------------------	------------------	-------------------------

#	Statement	1	2	3	4	5
23	HR is active participant in the process of defining Organization's Mission, Vision and Values.					
24	HR is active participant in the process of defining business strategies.					
25	HR is an active participant in business planning.					
26	HR works to align HR strategies and business strategies.					
27	HR develops process and programs to link HR strategies to accomplish business strategy.					
28	I have observed that HR is playing its strategic role appropriately.					
29	HR helps the organization accomplish a business goal.					
30	HR performance has been measured by its ability to develop and implement compatible HRM practices that will help the company to achieve its strategic goals.					

Part V

Questions relating to the assessment of Line Managers role in implementing HRM practices.

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
----------------------------	---------------------	--------------------	------------------	-------------------------

#	Statement	1	2	3	4	5
31	The line managers are involved in communicating HR policies.					
32	The line managers are involved in selection and recruitment of staff members.					
33	The line managers are involved in the area of training and development of staff members.					
34	The line managers are involved in managing and appraising the performance of staff members.					
35	The line managers are involved in areas of pay and compensation.					

Part VI

Questions relating to the assessment of ethio telecom's overall performance.

1=Strongly Disagree	2 = Disagree	3 = Neutral	4 = Agree	5=Strongly Agree
----------------------------	---------------------	--------------------	------------------	-------------------------

#	Dimensions	1	2	3	4	5
Customer perspective						
36	I have observed that ethio telecom customers are satisfied with ethio telecom services delivery in the past 3 and half years.					
37	I have observed that ethio telecom customers increased in the past 3 and half years.					
Finance Perspective						
38	I have observed that ethio telecom's revenue increased in the past 3 and half years.					
39	I have observed that ethio telecom's revenue leakage decreased in the past 3 and half years.					
40	I have observed that ethio telecom's resource utilization improved in the past 3 and half years.					
Internal process perspective						
41	I have observed that ethio telecom's service accessibility improved in the past 3 and half years.					
42	I have observed that ethio telecom's communication and branding activities are improved in the past 3 and half years.					
43	I have observed that ethio telecom's product and services portfolio increased in in the past 3 and half years					

#	Dimensions	1	2	3	4	5
44	I have observed that ethio telecom's service quality increased in in the past 3 and half years					
45	I have observed that ethio telecom's strategic partnership has been enhanced in in the past 3 and half years					
46	I have observed that ethio telecom's fraud prevention performance has been enhanced in in the past 3 and half years					
47	I have observed that ethio telecom's infrastructure and information systems security has been enhanced in in the past 3 and half years					
Learning and Development						
48	I have observed that ethio telecom's corporate culture has been improved in in the past 3 and half years					
49	I have observed that ethio telecom's employee satisfaction has been improved in in the past 3 and half years					
50	I have observed that ethio telecom's performance in deployment and utilization latest technologies has been improved in in the past 3 and half years					
51	I have observed that ethio telecom's organizational process and structures has been improved in in the past 3 and half years					
52	I have observed that ethio telecom's performance in building the staffs capacity has been improved in in the past 3 and half years					
53	I have observed that ethio telecom's performance in building the management capacity has been improved in in the past 3 and half years					

Thank You

Appendix-2: Interview Questions

The interview has been designed to seek information purely for academic purposes. The main purpose of the study is to conduct a thesis on the topic. “The Interface between Strategic Human Resource Management Principles Implementation and Organizational Performance: A case study of ethio telecom”. It’s hoped that the success of the study depends on the information you provide since you are “Chief Officer of ethio telecom”.

1. Do you have HR unit in ethio telecom?
2. If the answer for the above question is yes, can you tell me how it is structured?
3. Is HR unit of ethio telecom is part of the TOP management members?
4. Do you think the company values HR roles/considers HR role as important function?
5. Can you tell me the main HR practices of ethio telecom?
6. Do you have written HR strategy , policy and procedures?
7. Do HR strategies and policies have vertical and horizontal alignment?
8. Are the HR professionals of the company playing their strategic role?
9. Do the HR executives have the required resources (time, capacity, budget, power) to play their strategic role?
10. Do you give trainings for the HR professionals and line managers regarding the SHRM principles, its implementation and its impact on the organization performance?
11. Can you tell me your strategic period timeline?
12. Are the HR strategies are communicated to all managers of the company?

Thank You

Appendix-3: Mediation Analysis Detail Result

Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
HRMSROT	<---	HRLMOT	0.12	0.104	1.154	0.249	par_44
HRMSROT	<---	HRMCCOT	0.554	0.064	8.664	***	par_46
HRMSROT	<---	HRMSPPOT	0.157	0.055	2.844	0.004	par_48
ETPOT	<---	HRLMOT	0.482	0.134	3.603	***	par_45
ETPOT	<---	HRMCCOT	-0.108	0.053	-2.052	0.04	par_47
ETPOT	<---	HRMSPPOT	0.305	0.062	4.957	***	par_49
ETPOT	<---	HRMSROT	0.273	0.075	3.659	***	par_50
ETP1	<---	ETPOT	1				
ETP2	<---	ETPOT	0.741	0.137	5.414	***	par_1
ETP3	<---	ETPOT	0.551	0.116	4.743	***	par_2
ETP4	<---	ETPOT	0.588	0.151	3.902	***	par_3
ETP5	<---	ETPOT	1.088	0.178	6.111	***	par_4
ETP6	<---	ETPOT	1.07	0.161	6.659	***	par_5
ETP7	<---	ETPOT	0.876	0.141	6.203	***	par_6
ETP8	<---	ETPOT	0.756	0.123	6.125	***	par_7
ETP9	<---	ETPOT	1.281	0.191	6.707	***	par_8
ETP10	<---	ETPOT	0.886	0.142	6.231	***	par_9
ETP11	<---	ETPOT	0.891	0.162	5.498	***	par_10
ETP12	<---	ETPOT	1.042	0.167	6.253	***	par_11
ETP13	<---	ETPOT	1.194	0.176	6.774	***	par_12
ETP14	<---	ETPOT	1.272	0.181	7.03	***	par_13
ETP15	<---	ETPOT	1.219	0.176	6.928	***	par_14
ETP16	<---	ETPOT	1.134	0.166	6.841	***	par_15
ETP17	<---	ETPOT	1.254	0.183	6.844	***	par_16
ETP18	<---	ETPOT	1.285	0.184	6.996	***	par_17
HRMSPP9	<---	HRMSPPOT	1				
HRMSPP8	<---	HRMSPPOT	1.023	0.115	8.871	***	par_18
HRMSPP7	<---	HRMSPPOT	1.231	0.124	9.918	***	par_19
HRMSPP6	<---	HRMSPPOT	1.107	0.117	9.426	***	par_20
HRMSPP5	<---	HRMSPPOT	1.028	0.118	8.718	***	par_21

HRMSPP4	<---	HRMSPPOT	1.252	0.129	9.682	***	par_22
HRMSPP3	<---	HRMSPPOT	1.318	0.129	10.245	***	par_23
HRMSPP2	<---	HRMSPPOT	1.167	0.121	9.668	***	par_24
HRMSPP1	<---	HRMSPPOT	1.16	0.117	9.915	***	par_25
HRMCC8	<---	HRMCCOT	1				
HRMCC7	<---	HRMCCOT	0.974	0.083	11.779	***	par_26
HRMCC6	<---	HRMCCOT	0.998	0.078	12.84	***	par_27
HRMCC5	<---	HRMCCOT	0.973	0.077	12.553	***	par_28
HRMCC4	<---	HRMCCOT	0.919	0.075	12.252	***	par_29
HRMCC3	<---	HRMCCOT	0.933	0.076	12.305	***	par_30
HRMCC2	<---	HRMCCOT	0.915	0.074	12.399	***	par_31
HRMCC1	<---	HRMCCOT	0.817	0.071	11.564	***	par_32
HRMLM5	<---	HRLMOT	1				
HRMLM4	<---	HRLMOT	1.712	0.353	4.849	***	par_33
HRMLM3	<---	HRLMOT	2.126	0.427	4.974	***	par_34
HRMLM2	<---	HRLMOT	1.93	0.386	4.996	***	par_35
HRMLM1	<---	HRLMOT	1.583	0.341	4.643	***	par_36
HRMSR8	<---	HRMSROT	1				
HRMSR7	<---	HRMSROT	1.134	0.109	10.433	***	par_37
HRMSR6	<---	HRMSROT	1.241	0.11	11.273	***	par_38
HRMSR5	<---	HRMSROT	1.141	0.103	11.06	***	par_39
HRMSR4	<---	HRMSROT	1.06	0.095	11.138	***	par_40
HRMSR3	<---	HRMSROT	1.057	0.105	10.093	***	par_41
HRMSR2	<---	HRMSROT	1.001	0.102	9.855	***	par_42
HRMSR1	<---	HRMSROT	0.907	0.103	8.796	***	par_43

Standardized Regression Weights: (Group number 1 - Default model)

				Estimate
HRMSROT	<---	HRLMOT		0.065
HRMSROT	<---	HRMCCOT		0.691
HRMSROT	<---	HRMSPPOT		0.151
ETPOT	<---	HRLMOT		0.35
ETPOT	<---	HRMCCOT		-0.181
ETPOT	<---	HRMSPPOT		0.395
ETPOT	<---	HRMSROT		0.367
ETP1	<---	ETPOT		0.468
ETP2	<---	ETPOT		0.405
ETP3	<---	ETPOT		0.338
ETP4	<---	ETPOT		0.266
ETP5	<---	ETPOT		0.488

ETP6	<---	ETPOT	0.565
ETP7	<---	ETPOT	0.499
ETP8	<---	ETPOT	0.489
ETP9	<---	ETPOT	0.573
ETP10	<---	ETPOT	0.503
ETP11	<---	ETPOT	0.414
ETP12	<---	ETPOT	0.506
ETP13	<---	ETPOT	0.584
ETP14	<---	ETPOT	0.628
ETP15	<---	ETPOT	0.61
ETP16	<---	ETPOT	0.596
ETP17	<---	ETPOT	0.596
ETP18	<---	ETPOT	0.623
HRMSPP9	<---	HRMSPPOT	0.615
HRMSPP8	<---	HRMSPPOT	0.625
HRMSPP7	<---	HRMSPPOT	0.725
HRMSPP6	<---	HRMSPPOT	0.676
HRMSPP5	<---	HRMSPPOT	0.611
HRMSPP4	<---	HRMSPPOT	0.7
HRMSPP3	<---	HRMSPPOT	0.758
HRMSPP2	<---	HRMSPPOT	0.699
HRMSPP1	<---	HRMSPPOT	0.724
HRMCC8	<---	HRMCCOT	0.742
HRMCC7	<---	HRMCCOT	0.704
HRMCC6	<---	HRMCCOT	0.763
HRMCC5	<---	HRMCCOT	0.748
HRMCC4	<---	HRMCCOT	0.729
HRMCC3	<---	HRMCCOT	0.733
HRMCC2	<---	HRMCCOT	0.738
HRMCC1	<---	HRMCCOT	0.693
HRMLM5	<---	HRLMOT	0.345
HRMLM4	<---	HRLMOT	0.623
HRMLM3	<---	HRLMOT	0.699
HRMLM2	<---	HRLMOT	0.718
HRMLM1	<---	HRLMOT	0.537
HRMSR8	<---	HRMSROT	0.64
HRMSR7	<---	HRMSROT	0.722
HRMSR6	<---	HRMSROT	0.797
HRMSR5	<---	HRMSROT	0.776
HRMSR4	<---	HRMSROT	0.784
HRMSR3	<---	HRMSROT	0.691
HRMSR2	<---	HRMSROT	0.671

HRMSR1	<---	HRMSROT	0.586
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Intercepts: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
ETP1	2.938	0.054	54.212	***	par_51
ETP2	4.034	0.046	86.967	***	par_52
ETP3	4.151	0.041	100.492	***	par_53
ETP4	2.675	0.056	47.676	***	par_54
ETP5	3.04	0.057	53.728	***	par_55
ETP6	3.701	0.048	77.115	***	par_56
ETP7	3.849	0.044	86.544	***	par_57
ETP8	3.942	0.039	100.537	***	par_58
ETP9	3.258	0.057	57.488	***	par_59
ETP10	3.419	0.045	76.585	***	par_60
ETP11	2.794	0.055	51.239	***	par_61
ETP12	3.021	0.052	57.869	***	par_62
ETP13	3.237	0.052	62.423	***	par_63
ETP14	3.155	0.051	61.472	***	par_64
ETP15	3.361	0.051	66.314	***	par_65
ETP16	3.479	0.048	72.026	***	par_66
ETP17	3.345	0.053	62.622	***	par_67
ETP18	3.283	0.052	62.702	***	par_68
HRMSPP9	3.246	0.054	60.642	***	par_69
HRMSPP8	3.022	0.054	56.08	***	par_70
HRMSPP7	3.114	0.056	55.702	***	par_71
HRMSPP6	3.164	0.054	58.709	***	par_72
HRMSPP5	3.306	0.055	59.687	***	par_73
HRMSPP4	3.124	0.059	53.173	***	par_74
HRMSPP3	3.221	0.057	56.364	***	par_75
HRMSPP2	3.335	0.055	60.765	***	par_76
HRMSPP1	3.403	0.053	64.618	***	par_77
HRMCC8	3.009	0.057	52.474	***	par_78
HRMCC7	2.98	0.059	50.631	***	par_79
HRMCC6	3.288	0.056	59.09	***	par_80
HRMCC5	3.235	0.055	58.41	***	par_81
HRMCC4	3.158	0.054	59.001	***	par_82
HRMCC3	3.195	0.054	59.004	***	par_83
HRMCC2	3.102	0.053	58.869	***	par_84
HRMCC1	3.399	0.05	67.665	***	par_85
HRMLM5	2.828	0.054	52.533	***	par_86

HRMLM4	3.79	0.051	74.455	***	par_87
HRMLM3	3.335	0.056	59.308	***	par_88
HRMLM2	3.745	0.05	75.485	***	par_89
HRMLM1	3.045	0.054	55.874	***	par_90
HRMSR8	3.089	0.053	57.989	***	par_91
HRMSR7	3.345	0.054	62.306	***	par_92
HRMSR6	2.817	0.053	53.045	***	par_93
HRMSR5	3.172	0.05	63.318	***	par_94
HRMSR4	3.195	0.046	69.267	***	par_95
HRMSR3	2.959	0.052	56.77	***	par_96
HRMSR2	2.978	0.051	58.587	***	par_97
HRMSR1	3.245	0.053	61.463	***	par_98

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
HRMSPPOT	0.312	0.057	5.516	***	par_99
HRMCCOT	0.522	0.073	7.127	***	par_100
HRLMOT	0.098	0.037	2.634	0.008	par_101
T	0.167	0.03	5.507	***	par_102
R	0.109	0.028	3.857	***	par_103
e1	0.666	0.057	11.593	***	par_104
e2	0.522	0.044	11.727	***	par_105
e3	0.438	0.037	11.834	***	par_106
e4	0.845	0.071	11.899	***	par_107
e5	0.705	0.061	11.521	***	par_108
e6	0.455	0.04	11.288	***	par_109
e7	0.431	0.037	11.509	***	par_110
e8	0.339	0.029	11.537	***	par_111
e9	0.623	0.055	11.236	***	par_112
e10	0.432	0.038	11.498	***	par_113
e11	0.714	0.061	11.709	***	par_114
e12	0.588	0.051	11.489	***	par_115
e13	0.514	0.046	11.212	***	par_116
e14	0.462	0.042	10.995	***	par_117
e15	0.468	0.042	11.091	***	par_118
e16	0.434	0.039	11.118	***	par_119
e17	0.532	0.048	11.138	***	par_120
e18	0.486	0.044	11.006	***	par_121
e19	0.514	0.046	11.127	***	par_122
e20	0.509	0.046	11.06	***	par_123

e21	0.427	0.041	10.385	***	par_124
e22	0.455	0.042	10.789	***	par_125
e23	0.555	0.05	11.145	***	par_126
e24	0.509	0.048	10.631	***	par_127
e25	0.402	0.04	10.067	***	par_128
e26	0.445	0.042	10.642	***	par_129
e27	0.381	0.037	10.409	***	par_130
e28	0.426	0.041	10.498	***	par_131
e29	0.505	0.047	10.814	***	par_132
e30	0.374	0.036	10.321	***	par_133
e31	0.39	0.037	10.456	***	par_134
e32	0.388	0.036	10.648	***	par_135
e33	0.392	0.037	10.602	***	par_136
e34	0.365	0.035	10.558	***	par_137
e35	0.377	0.035	10.854	***	par_138
e36	0.728	0.064	11.454	***	par_139
e37	0.455	0.047	9.615	***	par_140
e38	0.465	0.055	8.389	***	par_141
e39	0.344	0.043	7.993	***	par_142
e40	0.607	0.058	10.491	***	par_143
e41	0.486	0.043	11.191	***	par_144
e42	0.398	0.037	10.647	***	par_145
e43	0.298	0.03	9.877	***	par_146
e44	0.289	0.028	10.17	***	par_147
e45	0.237	0.024	10.054	***	par_148
e46	0.412	0.038	10.919	***	par_149
e47	0.411	0.037	11.014	***	par_150
e48	0.529	0.047	11.38	***	par_151

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
HRMSROT	0.504
ETPOT	0.415
HRMSR1	0.344
HRMSR2	0.451
HRMSR3	0.477
HRMSR4	0.615
HRMSR5	0.602
HRMSR6	0.635
HRMSR7	0.521

HRMSR8	0.409
HRMLM1	0.289
HRMLM2	0.516
HRMLM3	0.489
HRMLM4	0.388
HRMLM5	0.119
HRMCC1	0.48
HRMCC2	0.545
HRMCC3	0.537
HRMCC4	0.532
HRMCC5	0.559
HRMCC6	0.582
HRMCC7	0.495
HRMCC8	0.551
HRMSPP1	0.524
HRMSPP2	0.488
HRMSPP3	0.574
HRMSPP4	0.49
HRMSPP5	0.373
HRMSPP6	0.457
HRMSPP7	0.526
HRMSPP8	0.391
HRMSPP9	0.378
ETP18	0.388
ETP17	0.355
ETP16	0.356
ETP15	0.372
ETP14	0.394
ETP13	0.341
ETP12	0.256
ETP11	0.172
ETP10	0.253
ETP9	0.329
ETP8	0.239
ETP7	0.249
ETP6	0.319
ETP5	0.238
ETP4	0.071
ETP3	0.114
ETP2	0.164
ETP1	0.219