

POSTGRADUATE PAPER

WORKING PAPER

**EXPLORING THE STRATEGIC ASPECTS OF DEVOLVEMENT OF
HRM TO LINE MANAGERS: THE CASE OF AN IRISH SEMI-STATE**

Human Resource Management Track

Authors: **Jamie Power**
Postgraduate Research Student
Department of Management and Organisation
School of Business Studies
Waterford Institute of Technology
Waterford
Ireland
jrpower@wit.ie

Brigid Milner
Lecturer in HRM
School of Business Studies
Waterford Institute of Technology
Waterford
Ireland
(00353) 51 302629
bmilner@wit.ie

Abstract

The notion of line managers accepting a degree of people management responsibility is not a new phenomenon. However, a key trend in the contemporary management literature has been to increasingly assign formal responsibility for people management to the line management function (Harris et al., 2002; Whittaker and Marchington, 2003; Mesner Andolsek and Stebe 2005 and Cascon-Periera et al., 2005). The rationale for involving line managers in HRM is derived from a strategic approach to align HR strategies with the business needs and to address factors from both the internal and external environments which impact on HRM requirements. The practice of devolution has increasingly received recognition in the management literature, to the degree that it “*is now received wisdom*” (Holt Larsen and Brewster, 2003:228).

The aim of this paper is to explore, from a strategic perspective, the devolvement of HRM to line managers in a semi-state organisation. This includes identifying what role line managers play in the execution of HR strategy and exploring how, and to what degree, devolvement of HRM is occurring. The results of this study suggest that developing line managements HRM capabilities has fostered more collaborative relationships between HR professionals and line management and has positively impacted on line managers approach to managing their human resources.

Introduction

The notion of line managers accepting a degree of people management responsibility is not a new phenomenon. Guest’s (1987) and Storey’s (1992) Human Resource Management (HRM) models both identify the central role of line managers in delivering HRM. The case for increasing line management involvement in HRM has been championed by Ulrich (1998) as line managers are most suitably positioned to add value by integrating HRM into deliverable results.

Line Managers and their responsibilities

The term 'line manager' can be used to depict numerous managerial positions placed "*at both lower and middle management layers of organisations*" (Mac Neill 2003:294). The Chartered Institute of Personnel and Development (2005) recognise line managers as managers who have primary responsibility for managing a work group or team and who are also accountable for the performance of that particular work group or team. Inherent in managing a work group, Legge (1995:74) reported that the responsibilities of line managers have evolved to encompass "*coordinating and directing all resources in the business unit*", a view supported by Beer (1997) who indicated that organisations need to develop the range of managerial capabilities of their managers, which includes HR capabilities. A key trend in the contemporary management literature has been to increasingly assign responsibility for people management to the line (Harris et al., 2002; Whittaker and Marchington, 2003; Mesner Andolsek and Stebe 2005 and Cascon-Periera et al., 2005). Hutchinson and Purcell (2003) illustrate that the responsibilities of line managers have developed to include a HR remit in conjunction with the traditional supervisory, budgetary and technical duties, manifesting in the HRM activities of recruitment and selection, discipline and grievance management, performance management and communication.

Involving Line Managers in HRM: Devolution

In attempting to define devolvement in the context of HRM, the consensus in the management literature over the last decade or so (Krulis-Randa 1990; Brewster and Soderstrom 1994; Renwick 2000; Holt Larsen and Brewster 2003) identifies devolution as a process of involving and giving responsibility for the management of HRM activities to line managers. Harris et al. (2002:218) view devolution as a "*business model of HRM*" where line managers are purposefully included as key stakeholders in decision making and

implementation of HRM policies and practices, a view supported by Ulrich and Brockbank (2005). Advancing the earlier definitions of devolvement of HRM to line managers (Cascon Pereira et al. 2006:147) makes explicit the requirement to accompany devolved responsibility with devolved authority: *“the reallocation of personnel tasks or activities, and the related decision-making power, financial power and expertise power required to carry out these tasks from other agents to line managers”* to facilitate line managers to take ownership of and fully exercise their HR remit.

The Rationale for devolving HRM to Line Managers

The rationale for involving line managers in HRM is derived from a strategic approach to aligning HR strategies with the business needs and to address factors from both the internal and external environments which impact on HRM requirements (Budhwar, 2000). Cunningham and Hyman (1999) and Brewster and Holt Larsen (2000) report that the need to improve organisational effectiveness and competitiveness through HRM, in the face of increased competition, deregulation and volatility in operating environments, has provided impetus to the decision to develop the capabilities of line managers to assume HRM responsibilities. Devolution is adopted as a strategic option to provide a more consistent and professional approach to HRM (Brewster and Holt Larsen, 2000); to place responsibility for HRM with managers closest to their employees (Thornhill and Saunders, 1998 and Whittaker and Marchington 2003); to speed up decision making in HRM matters (Renwick, 2000 and Holt Larsen and Brewster, 2003) and to derive greater value for money from HR spend (Budhwar, 2000 and Renwick, 2003).

Evidence of HRM Devolvement to Line Managers

The practice of devolution has increasingly received recognition in the management literature, to the degree that it “*is now received wisdom*” (Holt Larsen and Brewster, 2003:228). Current UK based research from the Industrial Relations Service (IRS) (2006) illustrates that a collaboration of line management and HR specialists is the dominant approach to HRM, supporting previous UK based research of Budhwar (2000); Renwick (2003); Whittaker and Marchington, 2003). However, despite this increased recognition, there is a paucity of Irish empirical studies on the issue. From the limited research published within an Irish context, it appears that HRM devolution is at an infancy stage as evidenced by it’s location in the least devolved category over a decade in the Holt Larsen and Brewster (2003) international ranking scale from the period of 1991-2000. Brewster et al. (2004) research on devolution in Irish organisations indicates that line managers involvement has risen marginally in the areas of transactional HRM practices such as training and recruitment during the period of 1992 to 1999/2000.

Research Methodology

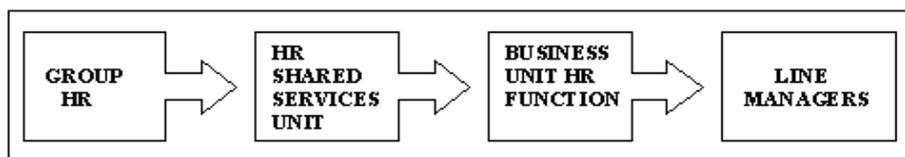
The aim of this paper is to explore, from a strategic perspective, the devolvement of HRM to line managers in a semi-state organisation. This includes identifying what role line managers play in the HR strategy and exploring how, and to what degree, devolvement of HRM is occurring. This initial stage of the strategic exploration of devolvement, forms the first phase of the overall research investigation. Semi-structured, in-depth one to one interviews are utilised as the data collection method for this initial research stage. As Silverman (2001) notes, interviews provides for an in depth understanding of the social phenomena under investigation, similarly, (Wright and Crimp, 2000:19) identified that interview data “*attempts to go deeper, beyond historical facts and surface comments*”. In order to obtain a detailed

insight into the research phenomenon under exploration, the interview respondents included three senior HR specialists involved in the initial design and on-going management of a “HRM for Line Managers” programme. This programme is the key vehicle for line managers HR development at the research site.

Research Site

The organisation that has been chosen to carry out the programme of research is a large semi-state organisation operating in the utility sector. The organisation operates as a single company consisting of a diverse set of businesses. Dynamic changes in the external operating environment have forced the organisation to adapt its internal operations, including HRM, to a changing and competitive environment. Within the organisation, there are four tiers to the human resource management structure (Figure 1).

Figure 1: HRM Structure



The Group HR function develops organisational HR strategy and standards. The Shared Services unit is charged with providing a vast array of organisational-wide HR services to the various business units. Each autonomous business unit has its own individual local HR function responsible and directing the HR strategy for their own business unit. The final element of the HR structure are line managers who are responsible for enacting HRM policies and practices. In 2000, the organisation designed and implemented a formal training programme for practising line managers in the area of HRM and is currently on its sixth

iteration. The development programme is entitled “HRM for Line Managers” and consists of various modules to enhance the skills, competencies and knowledge of line managers.

Findings

Line Manager Role in HR Strategy

In terms of describing the HR strategy, it is noted that the Group HR function coordinates the various businesses HR strategies and is clearly focused on aligning them to meet the business needs and to facilitate the organisation remaining a vertically integrated utility. The role of a line manager in the context of the HR strategy according to one of the respondents is to enact the various HR policies, with the support from the higher levels of the HRM function. Another respondent reported that line managers are now being held accountable for managing all the resources within their remit, including the management of human resources:

“Each manager has to operate their own area, very much on the lines of self-contained businesses.”

Factors Influencing Devolution

The changing external environment and the pressures it has created for the organisation, is identified as the catalyst for devolving HRM responsibilities. One respondent made this explicit, by commenting that the internal organisation of HR needs to progress in line with the changes in the external environment and identified that this progression involves developing the capabilities of line managers:

“the essence, the main thrust of it [developing line managers HR competencies] is coping with the change the business is going through”

Deregulation of a previous monopolistic market has opened up the organisation to unfamiliar financial and competitive pressures and demands, which in turn impacted on HRM requirements in terms of costing and benchmarking the services provided. The introduction of a regulator into the operating environment has led to major restructuring of the organisation's businesses, which manifested in an organisational-wide fragmented and diluted approach to HRM within the autonomous business units. In addition to these concerns, many line managers have progressed in the organisation without formal HR development. Therefore, as one respondent identified, the HR function needs to adapt to such challenges by enhancing and professionalising the capabilities of all managers performing HR activities:

“in the broader sense of professionalizing HR, that included professionalizing line managers in their delivery of HR. So part of that model was to improve the HR performance of line managers and obviously to achieve that we felt that a separate programme [HRM for Line Managers programme] was needed to do that.”

Preparing Line Managers for HRM Responsibilities

In order to address the gap that existed in line managers HR understanding and competence, the Group HR function initiated the design and implementation of an in-house “HRM for Line Managers” development programme. The goal of this intervention was to address the ad-hoc and fragmented approach of line managers to HRM. In parallel with the programme, Group HR also organised in-house HRM conferences and master-classes to enhance the HRM development of line managers and HR specialists within the organisation. One of the respondents identified that all the HRM developmental interventions were designed to facilitate:

“getting people management and better HR skills throughout the company both in HR and from the line managers.”

It was made clear by all the respondents that devolution was not the stated, explicit and deliberate goal of the line managers development programme. It was recognised, however, by another respondent, that the programme facilitated preparing line managers to assume HRM responsibilities through enhancing their current HR knowledge and competencies. This point was illustrated when he stated that:

“getting line managers responsible for more of the people management issues certainly would be... an objective.”

Another respondent developed this view when he identified that devolution is an evolving approach that is being exercised within the HRM framework of the organisation and that line managers are increasingly becoming integral to this:

“there’s devolution then to the businesses and within the businesses. They now have HR teams and they thoroughly devolve to line managers.”

Impact of the “HRM for Line Managers” Programme

The consensus from the respondents is that the programme is making a difference, albeit through anecdotal evidence, as to date there is no formal exercise to evaluate the changes in work behaviour and practices of the sixty plus participants nor the overall impact on the individual businesses. It was noted that the HR-line relations had improved due to line managers understanding of HR issues having increased. One of the respondents commented that:

“they [line managers] are easier to talk to about HR issues”

This was deemed to have positively impacted on collaborative HR-line working arrangements. Another respondent identified that there is considerable on-going demand for places on the programme and from informal conversations he had with participants, it appears that the knowledge and competencies developed through the programme are informing how the human resources are managed:

“they will have a view, an informed view, on how policies should be enacted and implemented and that would be informed on the basis of their increased knowledge of the theoretical background of HR and its focus”

According to the various respondents, the HR knowledge and competencies acquired from the programme, have resulted in improvements in the areas of performance management, interviewing techniques and communicating HR policy and practices:

“their skills in this area had improved dramatically”

The interview respondents identified that line managers are becoming more integrated into the delivery of HRM and their confidence in their ability to exercise their HR remit has risen as they have received a solid underpinning in the theoretical foundations of HRM:

“there is more unanimity, I would say, between line management and the HR function than there would have been heretofore”

“I think what they will do and what they do now, because of their increased knowledge of HR, the policies and the impact HR has, they can employ their HR function better than they would have before.”

“they [line managers] are not just being blindly led by the HR function, they would challenge the HR function.”

Conclusion

To summarise the literature, the decision to devolve HRM is influenced by a series of competitive factors primarily emanating from the external operating environment, which in turn has implications for HRM requirements. These factors have led this semi-state organisation to focus on aligning their HR strategies with the needs of the business. As a result, line managers’ knowledge and competencies have strategically been developed to enhance and professionalise their HRM role of enacting HRM policies and practices. Anecdotal evidence suggests that developing line managements HRM capabilities has fostered more collaborative relationships between HR and line management and has positively impacted on line managements approach to managing their human resources. Progressing from this initial phase of the research investigation, the next stage of the research will involve surveying the participants on their experiences of the “HRM for Line Managers” programme so as to evaluate if the transfer of learning from the programme has impacted on the way in which they assume responsibility for HRM.

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