

## THE CONTESTED ROLE OF LINE MANAGERS AND ITS REFLECTION ON ORGANIZATIONAL COMMITMENT

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### ABSTRACT

With the intimidating challenges of the emerging business environment, the corporate world is fast realizing the worth of Human Resource (HR) as an inimitable strength for attaining long-lasting competitive advantage. Human resources constitute an important source of competitive advantage for the organization (Wright and McMahan, 1992). Today, HR is seen as potential contributors to the creation and realization of the organization's goals (Jackson & Schuler, 2000). Thus, HR practices have the potential to be key components of overall firm strategy.

Another biggest challenge for the line managers and the HR managers is to understand each others' priorities, expectations from each other and in this complete scenario the biggest challenge for the line managers' is to retain the employees.

In the current research the relation between Devolution of HR functions and organizational commitment was tested and analyzed using Structural Equation Modeling (SEM). The values of  $CFI=0.917$ ;  $GFI=0.785$ ;  $NFI=0.770$ ;  $CMIN/DF=1.419$ ;  $RMSEA=0.062$   $PCLOSE=0.60$  which indicates a good model fit.

### INTRODUCTION

With the daunting challenges of the emerging business environment, the corporate world is fast realizing the worth of Human Resource (HR) as an inimitable strength for attaining long-lasting competitive advantage. Human resources constitute an important source of competitive advantage for the organization (Wright and McMahan, 1992). Today, HR is seen as potential contributors to the creation and realization of the organization's goals (Jackson & Schuler, 2000). Thus, HR practices have the potential to be key components of overall firm strategy.

As a result of the growing importance of Human Resource Management (HRM), business organizations are realizing the role of various other entities in HR related issues. Valverde et al. (2006) opined that HRM is not the sole responsibility of HR departments but also of other agents. Thus all managers are people managers and there are many people involved in the HR function (Khatri & Budhwar, 2002). In this context, researchers have defined the term devolution as the reallocation of personnel tasks to line managers (Casco'n-Pereira et al., 2006). Devolution to the line implies that line

managers should become more involved in HR Functions so that HR staff can take on a greater strategic role (Finegold & Frenkel, 2006). The decentralization of responsibilities to the line has been viewed as a key characteristic of modern-day HRM philosophy (Hope-Hailey et al., 1997). Line management has been viewed as increasingly taking HR responsibility (Navío-Marco et al., 2019; Covin & Wales, 2019; Wales et al., 2019; Balyney et al., 2019; Aviso et al., 2018; Francis & Baum, 2018; Keegan et al., 2018; Ruel & Gbur, 2017).

Another biggest challenge for the line managers and the HR managers is to understand each others' priorities, expectations from each other and in this complete scenario the biggest challenge for the line managers' is to retain the employees (Legge 2005; Kamoche 2001; Op de Beeck et al., 2015; Meijerink et al., 2015). It was further highlighted that one of the primary reasons that line managers were asked to take up the HR responsibilities was due to cost cutting. There were various studies conducted so as to understand the perception of both the line managers and the HR managers. HR managers may be transferring the activities to strengthen the working culture of the organization and to increase the involvement of the line managers but the line managers may perceive it as a cost cutting activity and may take it as an additional activity their working regime (Brandes et al., 2000; Op de Beeck et al., 2016) and due to this the quality of work by the line managers may suffer.

#### LITERATURE REVIEW

**Devolution of HR Functions:** Budhwar & Sparrow (1997) highlighted that huge debates have been carried in the past about the changing and the ever challenging role of HRM & Personnel management. HR has evolved various roles in the past and one of the major roles of HRM is considered to be its integration with corporate strategy and devolving the responsibility of HRM to the line managers instead of personnel specialists (Blayney 2019; Gottardello & Valverde, 2018; Nehles, 2017; Intindola et al., 2017; Brewster & Rausen, 1992; Schuler, 1992, Schuler et al., 1993; Storey, 1992; Hall & Hall, 1988).

The aforesaid change in the role of HRM or the integration of HRM with line managers has enabled the HR specialists to focus on more important factors like: a) their valuable say in the board; b) their presence in writing personnel strategy; c) consultation of HRM in developing the Corporate goals, mission and formulating their strategies; d) translating these formulated goals missions into simpler workable plans; preparing the material and the methods so as to train the requisite team members (Sujan et al., 2020; Bhasin et al., 2019; Sparrow et al., 1994).

#### IMPACT OF DEVOLUTION OF HR FUNCTIONS ON ORGANIZATIONAL COMMITMENT

As authors have supported that HR activities indirectly or directly affects employee's attitude, their performance their commitment, turnover intention etc. (Becker et al., 1997; Guest, 1997; Wright & Nishii, 2006). The literature also supports that line managers are handling HR issues so line managers act as discretionary pillars to improve commitment and effectiveness of organizations (Harney & Jordan, 2008; Gilbert et al., 2011). The way line managers act or behave with their co-employees depends on their competence, their effectiveness to deal with the situation, motivation level, and the opportunity level (Delery & Shaw, 2001; Harney & Jordan, 2008; Purcell &

Hutchinson, 2007; Wright & Nishii, 2006). Consequently a firm's effectiveness depends on the efforts, effectiveness and commitment of the line managers. Commitment refers to the emotional attachment of employees and line managers towards the organization (Kuvaas et al., 2014; Tufail et al., 2016; Meyer & Allen, 1997; Meyer, Stanley et al., 2002). Various authors have supported the relation between commitment and the HR practices (e.g. Sujan et al., 2020; Bhasin et al., 2019; Gould-Williams & Davies, 2005; Paré & Tremblay, 2007; Whitener, 2001).

## METHODOLOGY

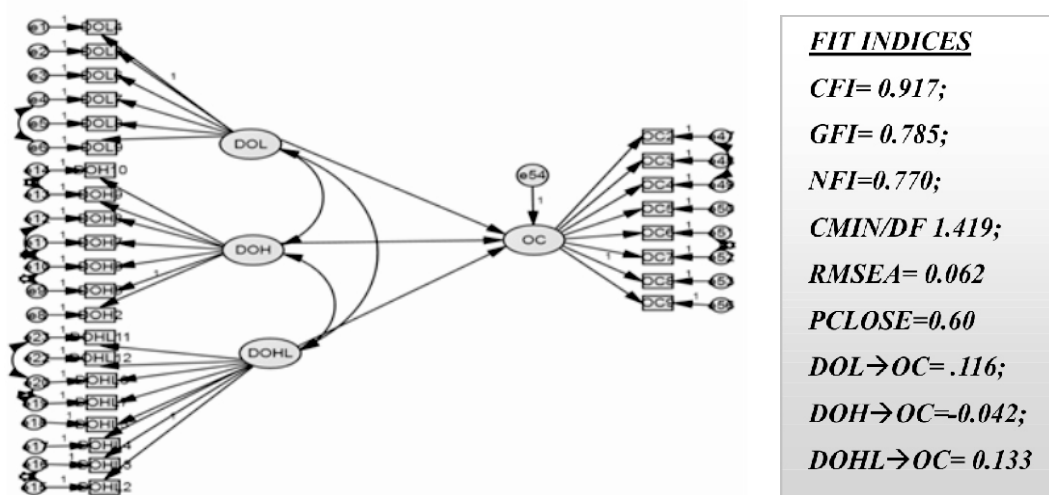
In this phase of the study a model was developed to understand the impact of devolution of HR functions on organizational commitment. The proposed model was tested using direct model approach suggested by various authors e.g. Bontis et al. (2007), Knight et al., (1999), Mustapha et al., (2010), Azmi, & Mushtaq, (2015). The relation between Devolution of HR functions and organizational commitment was tested and analyzed using Structural Equation Modeling (SEM). On the bases of alternate model approach the hypotheses formulated are: H1: Devolution of HR Functions to only line managers has a positive impact on organizational commitment. H2: Devolution of HR Functions to only HR managers has a positive impact on organizational commitment. H3: Devolution of HR Functions to line & HR managers both has a positive impact on organizational commitment.

## FINDINGS

The model fit helps to understand the impact of devolution of HR Functions (operational aspect of devolution was analyzed in respect of HR functions vested only to HR; only to line managers; or to both the line & HR manager) and organizational commitment.

**Direct effect Model:** When the direct model was ascertained using AMOS18, it was witnessed that there existed a positive and a significant relation between Devolution of HR functions and organizational commitment when the functions are performed only by line managers (DOLOC= .116) or by both line & HR managers (DOHLOC= 0.133) but a negative relation was observed between devolution of HR functions and organizational commitment when HR functions are performed only by HR managers (DOHOC= -0.042). The fit indices of the model indicate that line managers or line and HR managers both can be vested with decisions related to pay & fringe benefits, training & development, selection, recruitment or downsizing (Papalexandris & Panaytop, 2004; Rimi et al., 2017; Gilbert et al., 2011) and can persuade & improve satisfaction, commitment in a better way than HR managers can do (Harney & Jordan, 2008; Beatty and Schneier, 1997; Cunningham & Hyman, 1999; Kanter, 2003). The values of CFI= 0.917; GFI= 0.785; NFI=0.770; CMIN/DF 1.419; RMSEA= 0.062 PCLOSE=0.60 which indicates a good model fit. Thus, H1: Devolution of HR Functions to only line managers has a positive impact on organizational commitment (DOLOC= .116) and H3: Devolution of HR Functions to line & HR managers both has a positive impact on organizational commitment (DOHLOC= 0.133) were not rejected and H2: Devolution of HR Functions to only HR managers has a positive impact on organizational commitment (DOHOC= -0.042) was rejected. Figure 1 represents the direct model showing the impact of devolution of HR functions on organizational commitment.

Figure 1 Direct model: Devolution of HR functions and Organizational Commitment



## DISCUSSION

Line manager's major task is to recruit, select, train, motivate and manage their staffs' performance in order to bring out the best of quality service from the employees. The manager's face huge issues of retaining the existing workforce and in addition to this their major issue is of seasonality. The initial findings also reveal that the line managers encourage and create a high service quality environment in order to deliver the quality promised to its customers. This devolution of HR functions has paved way for HR Managers to play a more important role in the boardroom. The findings of the study also provide valuable knowledge on various factors and its role in implementing successful devolution of HR Functions. The study also indicates a positive impact of Devolution of HR (DOL & DOHL) functions on organizational commitment which is supported by various authors (Gollan, 2012; Lewicki et al., 1998 and Hardy 1998; Guest 1987; Caldwell, 2008; Chen et al., 2002; Cunningham and Hyman, 1999) but when the HR functions are performed only by HR managers it creates a negative impact on OC.

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