

Devolution of HRM Practices: Perspectives of Two Major Japanese Electrical and Electronics Companies in Malaysia

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Abstract: Purpose - This study examines the devolution of HRM functions, the rationale and problems of such devolution to line management in the context of applications and processes in two major Japanese multinational companies in Malaysia.

Design/methodology/approach – The research used mixed methodology via case studies and questionnaire surveys. Overall 29 questionnaires from two companies were analyzed, a response rate of 58 percent. In addition, the views of the Executive Director, Head of HR, and line managers were sought regarding their role, involvement and problems of devolvement to line managers.

Findings – Analysis of questionnaire responses and interviews shows that devolution of HRM functions to the line managers was adopted by both organizations, though their approaches varied in terms of process. The study revealed a high degree of devolution of responsibility to line managers for recruitment and selection and training and development. The devolution of training and development functions specifically to a separate department resulted in their increased effectiveness. Extensive participation and a close working relationship on HR-related issues between HR managers and line managers jointly contributed to the effectiveness of the companies' devolution of HRM functions.

Practical implications - Devolution of HRM functions to line management is a growing trend internationally. However, despite the positive outcomes of devolution, the process is never unproblematic.

Originality/value – This study thus builds on the existing literature and also contributes to overcoming the dearth of empirical research on devolution which has been predominantly Western in context. Furthermore, no study examining devolution of the HRM functions in Malaysia.

Keywords Devolution of HRM functions, HR managers, Line managers, Classifications Case study

Introduction

One of the central features of ongoing debate on strategic human resource management (SHRM) approaches is the importance of line managers' involvement in HRM functions (Brewster and Larsen, 2000; Budhwar, 2000; Budhwar and Khatri, 2002; Currie and Procter, 2001; Gennard and Kelly, 1997; Heraty and Morley, 1995; Khatri, 2000; Legge, 1995; Mayne and Brewster 1995). It is argued that all management should be appropriately involved in decisions and actions that affect the nature of the relationship between the organization and its human resources. Similarly, Armstrong and Long (1994) noted that one of the characteristics of organizations which adopt SHRM is line managers who 'own' the HR strategies. Interestingly, the involvement of line managers in executing human resource management functions has been reported with mixed findings in the literature (Brewster and Larsen, 2000; Cunningham and Hyman, 1997; Gratton *et al.*, 1999; Legge, 1995; Renwick, 2003; Storey, 1995; Ulrich, 1998) but only in recent years has line management been seen to play a more prominent role in HRM due to more HR work being devolved to them (Brewster and Larsen, 2000; Currie and Procter, 2001). However, as noted by MacNeill (2003), there remains a lack of clarification as to the role and relationship between HR and line management.

Line involvement in HRM in recent years is seen by Brewster and Larsen (2000) to have five main rationales: to reduce costs; to provide a more comprehensive approach to HRM; to place responsibility for HRM with the managers most concerned; to speed up decision making; and as an alternative to outsourcing HRM functions. Additionally, Cunningham and Hyman (1997) noted that

the devolution of responsibility to the line and to HR consultants promises liberation of HR professionals "from the burdensome toil of conducting routine techniques", allowing them to become more involved in strategic business decisions. At the same time, the growing relevance of e-HR, as noted by Watkins and Hugginbottom (2002, cited in Marchington and Whittaker 2003), has added a further rationale for devolution, as this should "free up line managers, so allowing them to concentrate on other less mundane areas such as training and development". Similarly, Fombrun *et al.*, (1984) convincingly argued that any attempt to redesign the role of the HRM function requires the line's participation since most of the activities of selection, appraisal, reward and development are prerogatives of the line organization. Despite these debates, past studies have shown that HR responsibility has been increasingly devolved to line management (Brewster and Larsen, 2000; Budhwar, 2000; Budhwar and Khatri, 2002; Currie and Procter, 2001; Heraty and Morley, 1995; Legge, 1995; Mayne and Brewster 1995; Storey, 1995). However, the frequency of the practice is yet to be explored.

Why is this study important?

The Malaysian electrical and electronics industry is considered a strategically important sector which contributes significantly to the country's manufacturing output, exports and employment. Japanese foreign direct investment (FDI) remains crucial for Malaysia's industrial development (FDI Magazine, 2008). This industry has developed significant capacities in the manufacture of a wide range of semiconductor

devices, high-end consumer electronic goods and information and communication technology products. Moreover, with increased globalization and global competition, mergers and acquisitions, organizations in this sector are facing increased challenges in their constant quest to develop new capabilities and employee commitment, pursue innovation and creative initiative, and manage change. Therefore, strategic deployment of their human resources is required. In recent years the Japanese production and management system has made considerable inroads overseas and has attracted a great deal of attention. As noted by Liberman *et al.*, (1990), Japanese auto producers achieved higher productivity after they adopted better HRM methods. The Japanese system of management is known as a complete philosophy of organization which can affect every part of the enterprise. Undeniably, strategic HR involvement is more prominent among Japanese companies, given the flexibility of their organizational structure with systems, that facilitate interaction between departments, participatory decision making, devolution of HRM functions, and cross-functioning. This management system is considered one of the main factors contributing to the success of Japanese companies in improving productivity and quality of goods and services.

Despite its growing importance, most of studies to date on the concept of devolution have been conducted in the West (Budhwar 2000; Budhwar and Sparrow, 1997), with no study examining devolution of the HRM function in Malaysia. Thus more research effort is needed to address important issues regarding devolution. Against the above background, devolution has become an increasingly relevant research topic. The present research,

situated in Malaysia, presents discussion of case studies in two major Japanese multinational companies in Malaysia, examining their approaches to the devolution of HRM functions to line management. This research thus builds on the existing literature and also contributes to overcoming the dearth of empirical research on devolution which has been predominantly Western in context.

Review of related literature

The underpinning literature review briefly addresses issues regarding the devolution of HRM responsibilities to line managers. The literature related to issues of devolution of HRM functions has produced mixed findings of either positive or negative outcomes. Budhwar (2000) reported interviewees in his study believed it was the job of line managers, being closer to reality, to take responsibility for certain HRM activities. Moreover, it has been company policy in many organizations to devolve responsibility to the line (Hutchinson and Wood, 1995; IRS, 1995, 1996a). The aim is to make the line more responsible, to gain its commitment and to give the line more control. In addition, due to the increased level of competition, it has become important to free specialists from routine activities and devolve these activities to the line. This helps in the smooth functioning of the organization. Devolution of HRM functions to line managers also improves the commitment of HR towards organizations, motivates them and helps in maintaining good industrial relations. The positive outcomes of devolvment reported by most interviewees (Budhwar, 2000; Budhwar and Sparrow, 1997; Heraty and Morley; 1995; Renwick, 2000) in past studies include more

problems being solved at a lower level, better change management, more responsible line managers, improved efficiency of employees and greater freedom for specialists to move away from routine activities.

However, the process of devolution is never unproblematic (Mohram and Lawler, 1999; Ulrich, 1998). The main negative outcomes of devolvement of HRM responsibility to line managers include increased pressure to train line managers, problems of maintaining consistency in the system, the need for strict HR auditing, and the problem of maintaining a balance of power between line and specialists (Budhwar, 2000; Budhwar and Sparrow, 1997; Heraty and Morley, 1995). Similarly, Thornhill and Saunders (1998) found that there was a failure to achieve HRM effectiveness in an organization where the specialist HR function was completely devolved to line managers. Brewster and Larsen (2000) point to the fact that though the devolution of HR functions to line management has received much attention by both academicians and practitioners in the UK and Europe over the last decade, the actual degree of involvement is not so extensive. Additionally, McConville (2006) noted that though the role of line managers in the employment relationship is a central tenet of such practices, the effect of such responsibilities on line managers is an area that is still under-researched.

Objectives of the study

Given the review outlined above, this research examines the devolvement of HRM functions, the rationale and problems of devolvement to line management in two major Japanese multinational companies in Malaysia.

The related research questions are as follows:

1. (i) Are HRM functions being devolved to line management?
(ii) Is it the organization's policy to devolve?
2. What are the HRM functions that are devolved to line management?
3. What are the rationales for devolving of HRM functions to line management?
4. What are the problems of devolution?

Research methodology

Research design

A mixed methodological approach via case studies and questionnaire surveys was used for this study.

Data source and sample

The two companies studied are major Japanese electrical and electronics companies in Malaysia. For confidentiality purposes, the organizations are referred to as Company A and Company B. Each company was visited by the author on two separate occasions in March and July 2006 for the purpose of interviews. Permission to interview the respondents was gained through the respective HR directors of the parent companies in Japan. The aim of these interviews was to obtain a cross-section of views on the strategy formulation process, specifically from HR and line managers who were either directly or indirectly involved in the formulation and implementation of strategy. The interviews were tape recorded and subsequently transcribed. The 15 respondents ($n=8$) from Company A and ($n=7$) from Company B interviewed included senior line managers, HR managers, engineers, and executives. In addition, questionnaire surveys were also employed to

acquire statistical data in order to strengthen and substantiate the descriptive findings. A total of 50 questionnaires, 25 questionnaires for each company were sent to the Head of HR/Director of HR and Head/Director of Manufacturing/Line Managers of both companies. Of these, a total of 29 questionnaires, 15 from Company A and 14 from Company B were received and analyzed, a response rate of 58 percent. Descriptive statistics using frequency counts, percentages, and means were used for all measures with a five-point Likert scale.

Instrument

The instruments used in this study were semi-structured interview questions (see Appendix A for Semi-Structured Interview Questions and Probes). The questionnaire items were divided into five parts. The first part contained items relating to personal and organizational profile. The second part contained three items relating to whether HRM functions were devolved to line management and whether it was the organization's policy to devolve. The third part contained eight items relating to the extent of HRM functions that were devolved to line management. The fourth part contained six items relating to the rationale for devolution. The fifth part contained five items relating to the problems of devolvement of HRM functions to line management. Responses to all the items in the third, fourth and fifth parts were in the form of five-point Likert scale, requiring respondents to choose from five given responses: 1 = Little or no extent; 2 = Some extent; 3 = Moderate extent; 4 = Great extent; and 5 = Very great extent.

The questionnaire and interview items were sourced from earlier published

research (Brewster & Larsen, 1992; Budhwar, 2000; Budhwar and Khatri, 2002; Budhwar and Sparrow, 1997; Dyer and Reeves, 1995; Renwick, 2000; Sheehan, 2005). Prior to finalization of questionnaire survey and interview questions and to ensure reliability, two workshops were held in March 2005 with 11 HR practitioners and 8 line managers from different organizations in Malaysia in order to obtain a better understanding of HR practices particularly with regard to integration of HR strategy with business/corporate strategy. These discussions with key HR practitioners and line managers provided valuable opportunities and feedback to develop relevant and practical semi-structured interview questions and questionnaire survey items. The participants agreed that the questionnaire and interview items were relevant to this research and would be able to provide answers relevant to the objectives of the study.

Measurement

This research employed the theoretical definitions from Brewster and Larsen (1992), who defined devolution as 'the degree to which HRM practices involve and give responsibility to line managers rather than personnel specialists'. This definition was used as a basis to develop relevant questions relating to the devolution of HRM functions to line managers. Devolution of HRM functions to line management, the rationales and problems of devolvement were measured on the basis of the following items:

- (i) Whether HRM functions were devolved to line management
- (ii) Whether it was the organization's policy to devolve
- (iii) Whether HR and line managers worked as partners in formulating strategies

(iv) Eight items relating to the extent of HRM functions that were devolved to line management: determining personnel requirements; designing job descriptions; membership of panel of interviewers in the selection process; decision-making in the selection process; defining and analyzing training need analysis; determining training programs; designing training programs, implementation of training programs.

(v) Six items relating to the rationales to devolve HRM functions to the line managers: effective controls; line managers being able to respond quickly to problems; HR being able to concentrate on more strategic role; facilitating a closer working relationship between HR and line managers; extensive participation between HR and line managers to create mutual benefit; HR and line managers jointly contributing to solve business problems.

(vi) Five items relating to problems of devolvement: increasing the heavy workload of the line management; lack of time for line managers to do HR work well; problem of maintaining consistency in the HRM practices; problem of maintaining balance of power between HR and line management; line management not considering themselves experts in HRM matters.

These items were used to determine the dimensions of devolution of HRM functions, particularly in relation to the involvement of line managers in the execution of HRM functions, rationales for devolution to devolve and problems of devolution.

Profile of case study organization

Company A was established in Malaysia in 1973 is a subsidiary of a leading Japanese manufacturer of bipolar integrated circuits, MOS-integrated circuit and discrete

equipment for the application of telecommunications, audio, television, facsimiles, printers, DVD and other applications. Company B was principally engaged in the manufacturing of room air-conditioners. It was established in Malaysia in 1972 to specialize in the manufacture, sales and service of air-conditioners.

Findings and discussions

The findings from the questionnaire survey and case studies are detailed and illustrated below with tables supplemented by some excerpts of interviews which are reproduced verbatim from the interview records of the researcher, to give clearer views of interviewees' comments.

Profile of respondents

The majority of the respondents participating in the questionnaire survey from both companies were HR Director, Executive Director, line managers from production, engineering and managers and assistant managers from HR departments. The majority of the respondents from both companies had graduated with bachelor's degrees in various academic fields including engineering, business studies, social sciences, economics and human resource management. Thus the respondents were highly educated and qualified. This could possibly reinforce the accuracy of the study's findings. Both companies reported having a HR department and both companies had been established in Malaysia for more than 20 years.

Devolution of HRM functions

The questionnaire items on the devolution of HRM functions were designed for the purpose of examining whether HRM

functions were devolved to line management and whether it is the organization's policy to devolve. The results for devolution of HRM function as shown in Table 1 indicate that 100 percent of questionnaire respondents from Company B answered both questions on the devolution of HRM function to the line management in the affirmative. However, for Company A 66.7 percent of respondents reported that HRM functions were devolved to line management, and 73.3 percent of respondents said it was the organization's policy to devolve. Though there are slight differences in terms of the percentage score, responses from representatives of both companies indicated devolution of HRM functions. In the interviews from both companies, the HR managers and line managers believed that the organization's policy to devolve would ensure some commitment from the line managers in undertaking the extra responsibilities entailed in executing HRM functions.

Another important measure of devolution is whether HRM functions are devolved to the line management. The results in Table 2 for devolution of HRM functions to line management show that the three highest scoring items for Company A were (i) determining manpower requirements (3.93), (ii) designing job descriptions (3.87), and (iii) membership

on panel of interviewers for selection process (3.73). In contrast, for Company B, the three highest scoring items were: (i) membership on panel of interviewers for selection process (4.14), (ii) designing training programs (4.07), and (iii) decision making in selection process (4.00). The overall average mean scores for Companies A and B were 3.60 and 3.88 respectively, indicating that respondents from both companies provided an overall response above the mid-point of 'moderate extent' which reflected considerable devolution of HRM functions to line management.

Hope-Hailey *et al.*, (1997) found that responsibilities differed according to the specific area of HRM. They noted that HRM function still retained certain areas such as industrial relations, pay and benefits with most organizations having shared responsibility on key HRM functions of recruitment and selection and training and development. Generally, the results showed that both companies had extensively devolved their key HRM functions regarding recruitment and selection and training and development to line management. This indicates that the HRM function in both companies had shared responsibility with line management rather than sole responsibility for HR.

Table 1. Devolution of HRM functions/organization's policy to devolve

Variable		Company A (%) (N=15)		Company B (%) (N=14)	
		Yes	No	Yes	No
a.	HRM functions are devolved to the line management	66.7	33.3	100.0	0.0
b.	Organization's policy is to devolve	73.3	26.7	100.0	0.0

Table 2. HRM functions devolved to line management

Item		Company A (N=15)		Company B (N=14)	
		Mean	SD	Mean	SD
a.	Determining manpower requirements	3.93	0.80	3.86	0.66
b.	Designing job descriptions	3.87	0.74	3.71	0.47
c.	Membership of panel of interviewers in selection process	3.73	0.70	4.14	0.66
d.	Decision-making in the selection process	3.53	0.83	4.00	0.70
e.	Defining and analyzing training needs	3.47	0.64	3.79	0.58
f.	Determining training programs	3.47	0.74	4.00	0.55
g.	Designing training programs	3.40	0.63	4.07	0.47
h.	Implementation of training programs	3.40	0.63	3.43	0.51
Average Mean Score		3.60		3.88	

Notes: 1 = Little or no extent; 2 = Some extent; 3 = Moderate extent; 4 = Great extent; 5 = Very great extent

Table 3. Rationale to devolve HRM functions to the line management

Item		Company A (N = 15)		Company B (N=14)	
		Mean	SD	Mean	SD
a.	Effective controls	3.87	0.83	3.86	3.86
b.	Respond more quickly to problems	4.00	0.76	3.93	3.93
c.	HR can concentrate on more strategic role	3.47	0.64	3.86	3.86
d.	Closer working relationship between HR and line management	3.60	0.63	4.21	4.21
e.	Extensive participation between HR and line management	3.80	0.68	4.21	4.21
f.	HR and LM jointly contribute to solve business problems	3.93	0.70	4.07	4.07
Average Mean Score		3.78		4.02	

Notes: 1 = Little or no extent; 2 = Some extent; 3 = Moderate extent; 4 = Great extent; 5 = Very great extent

Rationale for devolution

The rationale for devolution of HRM functions to line managers indicated the growing trend of such practices globally, even in non-Western organizations. Table 3 presents the responses to items about the

rationales to devolve HRM functions to line managers. The average mean item scores for Company A and Company B was 3.78 were 4.02 respectively, indicating that respondents from both companies provided an overall response above the mid-point of 'moderate extent' and 'great extent'. Items with the top

three mean scores relating to the rationales for devolving HRM functions to line management for Company A were (i) respond more quickly to problems (4.00), (ii) HR and line managers jointly contribute to solving business problems (3.93), and (iii) effective controls (3.87). Items with the top three mean scores for Company B were: (i) closer working relationship between HR and line management (4.21), (ii) extensive participation between HR and line management (4.21), and (iii) HR and line management jointly contribute to solve business problems (4.07).

Interviewees from both companies cite as rationales for devolving HRM functions to line management were: effective control as line managers are in constant contact with employees under them; line managers respond more quickly to problems; and HR can concentrate on a more strategic role. Clearly, the aim was to ensure that HR can play a more strategic role and to ensure that the organization will benefit from more focused solutions, delivered in a timely and effective way. Generally, the questionnaire indicated that respondents from both companies were aware the rationales for devolving HRM functions to line management though there were some variations in the mean scores for items. Similarly, the interview findings have provided empirical evidence relating to the increasing tendency towards decentralization and a shift in commitment towards devolvement of HR responsibilities to line managers.

Interview findings: Company A

Devolution of HRM functions and rationale to devolve

One of the key HRM functions that were fully devolved to line management was the training and development function. After restructuring of the company that occurred in 1973, the management agreed to devolve

their training and development functions to the Training Centre. Initially the Training Centre was a separate department of its own, but more recently it had been merged with the Strategic Management Innovation Department (SMI). Since then, the company's training and development functions were the responsibility of SMI, with indirect involvement of line managers from the respective departments. Nevertheless, each department carried out its own training needs analysis and provided suggestions about training through regular discussion with SMI.

Some of the comments were made about the devolution of HRM functions to the line management, by the following executives:

On recruitment and selection, HR will do the overall manpower planning with input from other departments. The advertisement and announcement will be done by HR. The interviewing process involves representatives from other departments depending on positions. (HR Manager, Administrative Dept)

Indirectly, other departments are also involved in the training and development functions. They will do their own training needs analysis (TNA) and they can recommend and request specific training for their staff. (Senior Manager, Training & Development, SMI)

We are indirectly performing HR functions. We cannot run away on doing indirect functions of HR e.g., like manpower planning, recruitment and selection, training and development, appraisal, motivation, career development and so on. (Executive, Discrete Department)

On our manpower planning, my line managers will do the planning in accordance with production requirements, either on a long term or short term. These have to be done by the line instead of HR. We calculate our manpower requirement based on the number of machines. We have to check on efficiency level of our current manpower and the past to see and compare the volume

produced prior determining on our manpower requirements. (Executive, Discrete Department)

We give feedback on training to SMI Department to ensure that the staff are given the right training because of the specialized skills required for our staff. So, we have to work closely with SMI Department to work out on our training need. (Section Manager, Engineering Department)

Interview findings: Company B

Devolution of HRM functions and rationale for devolution

After the restructuring of the company in 1972, all training and development for non-executive staff came under the responsibility of the HR Manufacturing Department. In this way, the management felt that the training and development needs for operators and technicians would be more focused on the manufacturing needs, and this system has proven to be more effective. Clearly, the devolution of training and development functions for non-executive staff came with full responsibility and decision making, without prior need to consult HR. The rationale for devolution was that the Manufacturing Department knew better the kind of training required for their staff, especially on-the-job training (OJT) which is rather technical in nature. However, the training and development of management staff remained the responsibility of Corporate HR with inputs from line managers of the respective departments.

Initially after the restructuring the demarcation as to the devolution of HRM functions between Corporate HR and Manufacturing HR was not completely clear, but interviewees indicated that it was now much better and more effective. Likewise, line management was also involved in the recruitment and selection process. Manpower planning was part of each department's

responsibility, but decision making was usually based on consensus. The interviewing process comprised a panel of interviewers from the relevant department depending on the jobs being allocated. Departments were normally represented by their general managers or managers.

Various comments were made on issues relating HRM functions being devolved to line management by the following executives:

Policy matters are centralized but the inputs are from the line managers. In the case of HR functions, the line managers are either directly or indirectly performing HRM functions. (Assistant Manager, Recruitment & Selection, Corporate HR).

Looking at our current structure, it is better for training and development of non-executives to be handled by us headed by our Executive Director Manufacturing. I report directly to him on matters pertaining to training and development of our non-executive staff. His instruction becomes the direction and his directive becomes one of my training needs analyses. With this arrangement, it is easier for me to monitor our training requirements and make decisions on training and development because I only receive one directive from my Executive Director. This will help to eliminate duplications on training and development with our Corporate HR. (HR Manager, Manufacturing Department)

Interestingly, the Executive Director further remarked:

Prior to our restructuring, HR functions were done purely by Corporate HR. After our restructuring, the training and development function for non-executives comes directly under me. It is a unique arrangement; the rationale is to speed the staff development process to make it more efficient. Since factory human resource development comes directly under me, I will give instructions on how to develop the people. After such arrangement the development and management of people

becomes very effective. I want to move things fast, I can't wait, and that is why training and development is under us.

When asked about the rationale for devolving the training and development functions of non-executives to HR Manufacturing, the Manager, Training and Development, Manufacturing Department explained:

The rationale was to make it easier for our Executive Director to give direction for the factory to move forward. Learning from our past experience, the management felt that our Executive Director and the line managers in the manufacturing are well aware of the training and development need of their staff.

The findings revealed quite a high degree of devolvement of responsibility for recruitment and selection and training and development to line management. The company's policy to devolve some of the HR functions to the line contributes to HR acceptance and support by line management through their direct and indirect involvement in the implementation of key HR functions of recruitment and selection and training and development. The devolution of training and development functions to SMI for Company A and to the Manufacturing Department for Company B resulted in increased effectiveness of their training and development function making it more focused. Similarly, the extensive participation and closer working relationship on HR related issues between HR managers and line managers jointly contributed to better understanding and greater the effectiveness of the company's policy on devolution of HRM functions. These imply a shift towards a more strategic role for HRM. The devolution of HRM functions to the line has also enabled HR to focus more on the strategic roles of HRM in the implementation of policy and strategy.

The findings from the cross-section of interviews were positive about the concept of devolution of HRM functions to line management. Looking at the differences in HRM practices across the two companies, there was little variation in their devolution of HR practices. In both companies, devolution of some aspects of HRM functions with responsibility and decision making authority was practiced, leading to a more effective devolution of HRM functions to the line. It was also noted that some of the HRM functions were jointly shared by line management and HR in consultation. It is clear from the analysis of the questionnaires and interview data that both companies had devolved greater assignment of HRM responsibilities to line management. The HR and line management respondents from both companies did not differ significantly in their ratings of devolution of HRM responsibilities to line managers. This result is consistent with Western concepts of HRM, in which HRM functions are typically devolved to line management rather than to personnel specialists (Brewster and Larsen, 1992; Budhwar, 2000).

Problems of devolution

Past studies have demonstrated the growing interest in and the rationales for devolving HRM functions to line management (Brewster and Larsen, 2000; Budhwar, 2000; Budhwar and Sparrow, 1997; Currie and Procter, 2001; Heraty and Morley, 1995; Legge, 1995; Mayne and Brewster 1995; Storey, 1995). However, the process of devolvement is never unproblematic. Questions were still apparent about issues of capability, commitment and balance of power relating to devolution of HRM functions to the line (Thornhill and Saunders, 1998). Similarly, these studies have identified a number of problems relating to

devolution. Table 4 shows that the problems for Company A and Company B were quite similar to those in most organizations as reported in past studies.

The top three items relating to problems of devolvment for Company A were: (i) adding to the heavy workload of line management (3.93), (ii) lack of time for line management to do HR work well (3.73), and (iii) line managers do not see themselves as experts in HR matters (3.60). The top three items for Company B were: (i) line managers do not see themselves as experts in HRM (3.64), (ii) problem of maintaining consistency in HRM practices (3.07), and (iii) adding to the heavy workload of line management (2.79). The overall average mean score for Company A and Company B were 3.57 and 2.97, respectively with Company B respondents indicating slightly lower level of problems.

Consistent with past findings, these findings indicate that problems of devolvment occurred in the two organizations irrespective of size of the organization. Devolution issues are almost universal across organizations in

Malaysian, Japanese and Western organizations. Review of the literature noted that despite the insistence on the need for line managers to take responsibility for HRM (Heraty and Morley, 1995; Jackson and Schuler, 2000; Mohram and Lawler, 1998; Ulrich, 1998), the process of devolvment is never unproblematic. The findings of Budhwar (2000) in his research on devolution of responsibility for HRM to line managers included: increase of pressure to train line managers, problems of maintaining consistency in the system, the need for strict HR auditing and the problem of maintaining a balance of power between the line and HR specialists. In the present study the interview responses from both companies also highlighted that misunderstanding regarding decision making could arise in cases where devolution was in terms of implementation of HR responsibilities only and not in terms of decision making authority. For that reason in both companies there was devolution of recruitment and selection and training and development with responsibility and authority.

Table 4. Problems of devolution of HRM functions to the line management

Item		Company A (N = 15)		Company B (N=14)	
		Mean	SD	Mean	SD
a.	Increasing to the heavy workload of line management (LM)	3.93	1.03	2.79	0.70
b.	Lack of time for line management to do HRM work well	3.73	0.70	2.57	0.51
c.	Problem of maintaining consistency in the HRM practices	3.27	0.59	3.07	0.47
d.	Problem of maintaining balance of power	3.33	0.62	2.79	0.70
e.	LM not considering themselves experts in HRM matters	3.60	0.83	3.64	0.50
Average Mean Score		3.57		2.97	

Note: 1 = Little or no extent; 2 = Some extent; 3 = Moderate extent; 4 = Great extent; 5 = Very great extent

This was unlike the practices in most Malaysian owned companies where devolution of HRM functions to the line occurred, but mostly without decision making power.

Thornhill and Saunders (1998) noted that among the problems of devolution was a lack of clear direction from top management. Cunningham and Hyman (1997) found that line management chose to concentrate more on production matters than on the HR matters assigned to them. On the other hand, Torrington and Hall (1996) noted that HR specialists considered line management might not have the required skills to take on personnel responsibilities. Over the years, the problems identified in the past studies and the findings of this study have shown that similar problems remain unresolved and continue to exist even in established organizations, although the degree of problems may vary.

Interview findings: Company A

Problems of devolution

The following comments related to the problems of devolving HRM functions to the line management:

I think we cannot devolve all the functions to the line management. Some of the HR functions are very much specialized e.g. legal requirement, termination, counseling and so on. We have to make it very clear to the line management when we devolve our HR functions. Often, devolvment leads to misunderstanding and finger pointing when problems arise. Therefore, devolvment has to be made clear of the responsibility, though it is not easy. (Senior Manager, Administrative Service Department)

The problems of commitment are always an issue on devolvment of HR functions. The lines have their own work commitment. Some line

managers might feel that HR is not their responsibility. Therefore, they might just take it lightly. However, I think the understanding of HR as part of management responsibility has improved. Primarily, it goes back to individual attitudes. (Section Manager, Engineering Department)

Interview findings: Company B

Problems of devolution

On the problems of devolution of HRM functions to the line management, interviewees noted the following:

One of the issues of devolvment is how to get a standardized understanding about implementing HR role. At times there is no standardization in executing HR role. This may lead to unfairness and demoralization of staff. However, over the years we have the discussions, explanations and briefings with the line and eventually they may understand. (GM Corporate HR)

The devolvment of HR functions to the line management has to be made clearly with the understanding of the respective head of the department. The staff has to know that the indirect role of HR that they play is part of their duty. Otherwise, they will consider it as an additional burden and adding to their own heavy workload (Assistant GM, Factory Engineering)

Despite the positive outcome of devolution practices in these two companies, the survey data and interview findings from both companies noted some of the problems of devolvment. Among the problems noted were adding to the heavy workload of line management, the lack of time to perform HR work and also lack of the expertise in HR matters among line managers. Interviewees asserted that if devolution of HR was to succeed. Organizations need not only to give line managers appropriate training, but also to

place greater value on the skills of their existing HR professionals. Similarly, there should be a better understanding and cooperation between HR and line management.

Positively, most of the line management personnel from both companies interviewed understood the need to be involved in some aspects of HR. They believed that the day-to-day functions and key HRM functions of recruitment and selection and training and development were part of line management responsibility. Crucially as mentioned, they believed it was important for HR and line management to work in partnership. Generally, they felt that being a professional and responsible line manager meant being involved in everything that affected the performance of the staff. Many felt that they were in fact the most appropriate people for the job. However, some noted it was difficult to fit an extra role into their already packed schedules, hence the devolution of HRM functions was burdening to them. Acceptance of HRM responsibilities by line management could be seen through their direct and indirect involvement in the implementation of company strategies through the key HRM functions of recruitment and selection and training and development.

From the overall findings, the influence could be seen of Japanese management practices which emphasized Total Quality Management, multifunctional work teams, broad job classification systems, the policy of HR directly reporting to the Managing Director through a formal reporting mechanism, earlier consultation on HR issues and policies from the outset and implementation, closer communication and relationship, team building, understanding of business operation, top-down and bottom-up communication, decentralization of training and development functions, management

support and commitment. This influence was correlated with high levels of devolvement of HR functions to the line. The effective and efficient coordination of devolution of HRM functions across departments gave strategic importance to the role played by HR.

Summary of key findings and implications

On the basis of analysis of the questionnaire responses and interview comments, some of the key findings and implications regarding the devolution of HRM functions to line management are:

- HRM functions are increasingly devolved to line management either in consultation with HR or as devolution with responsibility and decision making authority.
- Structural change within both companies has taken place with the devolution of recruitment and selection and training and development functions from a functional HR office to line managers.
- Interviewees believed that HR resides effectively with line managers who are directly in control and therefore have a central role in recruitment and selection and staff development activities.
- Extensive participation, close relationships, and regular meetings between HR and line managers jointly contribute to effectiveness of the companies' policies on devolution of HRM functions.
- The process of devolvement is never unproblematic. Devolution significantly leads to increased workloads and greater responsibility for the line managers, hence increased work pressure.

- Role ambiguity in the devolution of HRM functions could give rise to problems with the devolution to line management.

Limitations of study

Although this study benefited from the mixed methodology design of qualitative and quantitative approaches, it is nevertheless vulnerable to some potential weaknesses. One of the limitations of this study is the empirical setting of the study, which was confined to two Japanese multinational companies in Malaysia. These two companies were not intended to be representative of electrical and electronics companies in Malaysia in view of the differences in the demographic factors. Hence, the results must be viewed with caution since the findings cannot be generalized to all areas of the electrical and electronics industry. Moreover, using a sample from two companies from within one industry possibly limits generalizability of the results. Future studies involving different industries would be ideal to provide a larger sample, increasing the reliability and generalizability of the findings. This was not feasible in this instance, in view of limited resources and time constraints. However, this study provides some interesting results and perhaps will open avenues for further research.

Conclusion

It is clear from the findings that the respondents believed that day-to-day HRM functions should be devolved to line management, enabling HR to focus more on strategic and change management aspects of managing human resources effectively in the strategic business partner role. Generally, the

results from questionnaire survey and the interview findings showed that devolution of HRM responsibilities to line managers had been adopted by both organizations, though the implementation might vary slightly in terms of process. It is hoped that the results of this case study empirically examining issues of the devolution of HRM functions can provides useful information to HR practitioners and the management, engendering better understanding of the implementation of HRM practices of Japanese owned organizations in Malaysia.

The findings of this study on the devolution of HRM functions to line management demonstrate the growing trend of such practices globally even in non-Western organization. There is growing interest among organizations on devolving HRM functions to line management. In fact, classical argument of Fombrun *et al.*, (1984, p.236, cited in McConville, 2006) 20 years ago, that "any attempt to redesign the role of HRM function requires the line participation since most of the activities of selection, appraisal, reward and development are prerogatives of the line organization" still applies today, and has always been a key feature of the concept of devolution. In conclusion, it is suggested that more research on the devolution of HRM functions to line management should be conducted in other industries, in which regard this study could serve as a vehicle for future comparison. This study has provided support for existing research, as well as adding further to knowledge about the extent to which devolution of HR functions to line management has occurred, in particular within two Japanese multinational companies operating in a foreign country.

Appendix A: Semi-structured interview questions

Devolution of HRM functions to the line management/its rationales and problems of devolution.

Potential probes:

- What is line manager's involvement in HR processes? Is it company policy to devolve HR works to line managers?
- What are the role and function being devolved to line managers? What is the rationale for devolvment? Do you think that some of the HR works are part of line manager's responsibilities?
- How do you see the capability and contribution of line managers in performing HR works? Are line managers trained in the areas of HRM e.g., recruitment & selection and etc?

- How does it support the business/corporate strategy? What are the positive and negative outcomes of devolvment?
- Do you think the extensive participation and cooperation between line managers and HR will create mutual benefit as both jointly contribute to solve business problems? If not, why?
- Why does line managers perceived that HR managers do not understand the real business of the organization? Like wise, why do HR specialists consider that line managers may not have the skills to take on HR responsibilities effectively?
- What are the issues and problems of devolvment?

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