To what extent should the HR function devolve responsibility for people management to line managers and/or use alternative methods of service delivery – such as outsourcing – to ensure that HRM contributes to improved and sustained organisational performance? Draw on examples and literature from across the course to illustrate your answer. In addition, indicate clearly the key methods that have been used in the research you quote, and consider their suitability for analysing HRM.

Introduction

Recent studies indicate that companies resort to different methods of HR (Human Resource) practices delivery, pursuing different goals. More frequently, organisations adopt alternatives to in-house HR service delivery such as outsourcing some of HR functions, or choosing a strategy of creation shared service centres or devolving HR practices to line managers (Marchington & Wilkinson, 2008). One problem that remains crucial is what are the implications of implementing a new strategy, and its effect on employee commitment and organisational performance as a whole. Furthermore, if a company has decided to introduce one of these strategies, to what extent should the HR function be relocated from the HR department in order to improve or sustain organisational performance?

In this work I will focus on only one organisational strategy, from the devolution of HR responsibilities to line managers. My interest in this problem can be explained by the debatable statement that line managers play an important role in implementing HR (Human Resource) practices which are intended to improve organisational performance (Boxall & Purcell, 2008).

Previous scholars who have been concerned with this issue more focus more on investigating the consequences of devolution to the line, but not determining the link between the extent of devolution to the line managers and organisational performance. Due to the scarcity of empirical research, in order to answer the research question, I am going to consider the implications of devolutions, drawing on empirical evidences from the previous studies, pointing on a research limitation where it is needed. After examining both the optimistic and pessimistic perspectives of the implications on organisational performance, and possible difficulties which are connected with passing responsibilities to line managers, I will argue that the devolution strategy should be reasonably balanced between the HR department and line managers and the extent of devolution should be chosen according to the nature of a business, taking into consideration what