

INTRODUCTION

HR-line management relations: characteristics and effects

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Background

Although combinations of various high-performance Human Resource (HR) practices have been shown to contribute to organizational performance (Boselie, Dietz and Boon 2005; Combs, Liu, Hall and Ketchen 2006), the generative mechanisms of the ‘HR practices–organizational performance’ linkage remain something of a mystery. Research on this so-called black box problem is underpinned by two views. According to the *best practice perspective*, particular HR practices improve the opportunities for workplace participation, motivation and/or abilities, leading to higher work and organizational performance. The jury is still out regarding whether this is a universal, contingent or a configurational process (Boxall and Purcell 2008). Best practice studies share a common problem in being typically based on single informant assessments of HR practice, usually by an HR or a line manager survey respondent (Boselie et al. 2005). This raises questions about data validity and reliability and suggests the possibility that the evidence may exaggerate the effectiveness of HR practices (as reported by HR manager survey respondents), resulting in spurious statistical relationships between HR practices and performance (Guest 1997; Gerhart, Wright and McMahan 2000). A more fundamental problem is that such studies tell us little about the mechanisms that join HR practices to improved performance.

The *process perspective*, however, tries to address this issue by asking the ‘how’ question, i.e. how is organizational performance achieved through HR management? This is a relatively new research area with a focus on employee attitudes and behaviour based on the argument that HR policies and practices are intended to improve employee performance ultimately leading to higher organizational performance. Several recent studies have focused on employee attitudes and behaviour as mediators in the relationship between HR practices and employee performance. Relevant attitudes include job satisfaction and affective organizational commitment (Takeuchi, Lepak, Wang and Takeuchi 2007; Sanders, Dorenbosch and De Reuver 2008; Gong, Law, Chang and Xin 2009), vigour (Li, Frenkel and Sanders forthcoming), service-oriented citizenship behaviours and turnover (Sun, Aryee and Law 2007), psychological empowerment and perceived job influence (Kehoe and Wright forthcoming).

According to Bowen and Ostroff (2004), a ‘strong HR system’ characterized by distinctiveness, consensus between HR and line managers and consistent implementation

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encourages employees to make strong cause–effect attributions and as a result is more likely to conform to management expectations of high performance, assuming that the content of such policies is designed for that purpose. This theory has not been comprehensively tested whereas parts of it have received mixed support. Thus, the study by Nishii et al. (2008) showed that employees make varying attributions for the same HR practices and that these attributions are differentially associated with employees' commitment and satisfaction. Sanders et al. (2008) found that distinctiveness and consistency were positively related to employees' affective commitment, but the extent of consensus between HR and line managers on HR practices had no significant effect. On the other hand, Li et al. (forthcoming) found a positive relationship between two of the three dimensions of HR strength and employee outcomes. Employees' perceptions of HR distinctiveness and of consensus between line and HR managers were significantly related to work satisfaction and vigour, and significantly, negatively related to intention to quit.

The role of line managers as a key influence on employee performance via execution of HR practices and leadership behaviour has been argued by Purcell and Kinnie (2007) and explored in an empirical study by Purcell and Hutchinson (2007). They found that employees' affective organizational commitment was significantly influenced by employee satisfaction with HR practices and employee perceptions of supportive leadership. Using data from a Dutch and a German survey in four technical organizations, Sanders, Moorkamp, Torka, Groeneveld and Groeneveld (2010) found that employees' satisfaction with HR practices mediates their relationship between Leader–Member–Exchange and their innovate behaviour.

The *process perspective* has also fostered a concern with relationships between staff (HR) and line managers, in particular, how managers with different but overlapping responsibilities relate to one another and the consequences for performance. Analysis has been conducted at the level of senior management and in regard to often unspecified middle and junior management levels (line management). At the senior level, the concern has been with the allegedly low status of HR directors and their lack of acceptance as full strategic partners by the heads of marketing, finance, operations and other departments. Despite persuasive arguments in favour of assuming this role (Ulrich and Brockbank 2005), research by Lawler and Mohrman (2003, p. 24) indicates that over the period 1995–2001, there was no significant change in the role of HR as a strategic partner in the USA: in only 41.1% of companies in their survey ($N = 150$) was HR reported to be a 'full partner' in strategic decision making. On the other hand, surveys of HR professionals within the UK have reported more emphasis on the strategic role (Sisson 2001). Although his analysis is based on the US experience, Kochan (2007) makes the following point that is applicable to HR management in other liberal market economies. It is that the contemporary HR director typically lacks the authority to challenge senior management decisions in the name of profession who, in his opinion, should be representing the highest standards of people management.

At middle and lower organizational levels, the relationship between HR and line management has been the subject of prescription and counter-argument against a background of cost pressures in which HR managers are expected to provide more administrative and advisory assistance to their line counterparts. Practice-oriented scholars (Ulrich 1997; Ulrich and Brockbank 2005) have argued for close collaboration between HR and line managers, based on a common view of organizational policies and goals, trust and agreed priorities, which are ultimately geared to building individual ability and increasing organizational capability. This partnering model has been criticized for its idealism. According to Caldwell (2003), increasing performance expectations by senior

management and having to take both longer (change agent) and shorter (service provider) perspective foster role conflict, whereas new challenges associated with the advisory and organizational change agent roles, have made the HR function more difficult to execute. Role ambiguity and conflict have been exacerbated by responsibility for HR being devolved to line management. Among the main reasons for this are limited line manager commitment (Harris 2001; Kulik and Bainbridge 2006), competence and credibility (Ulrich and Brockbank 2005; Graham and Tarbell 2006; Kulik and Perry 2008) and line managers 'bending' HR practices to meet their personal needs (Hope-Hailey, Gratton, McGovern, Stiles and Truss 1997). These problems, together with fear of losing status and power, have made HR managers reluctant to devolve responsibilities to the line (Batt 2004; Purcell and Kinnie 2007). Agreement on devolution, therefore, remains an unresolved problem in many organizations (Hope-Hailey et al. 1997; Renwick 2003; Whittaker and Marchington 2003; Kulik and Perry 2008).

An emergent perspective in the form of social capital theory supported by social network analysis is also relevant to understanding HR managers' relations and their effects. In the present context, social capital refers to social relationships within the organization which yield a return on investment after considering the costs of establishing and maintaining these ties (Adler and Kwon 2002). Returns include learning (Cross and Parker 2004), reducing dependence on particular individuals (De Nisi, Jackson and Hitt 2003), problem solving (Hargadon and Sutton 1997), building trust and forging a collective identity (Ibarra, Kilduff and Tsai 2005) and more effective decision making and implementation (Uzzi 1997).

Partnership, based on strong ties between HR and line managers, enables social cohesion across groups facilitating a common frame of reference, transfer of tacit knowledge, sharing of complementary explicit knowledge (talent-oriented vs. operational) and ultimately higher employee job satisfaction (Frenkel, Sanders and Bednall 2009) and stronger joint team performance (Kase, Paauwe and Zupan 2009). Furthermore, Frenkel et al. (2009) found that social ties between HR and line managers strengthen the relationship between employees' perception of line manager support and job satisfaction, and reduce employees' intention to quit.

In sum, although knowledge concerning the impact of HR practices on performance is accumulating, the processes involved, particularly the role played by social relations – managers and employees – and particularly HR and line management at different levels, merit further investigation. The main objective of this special issue is to report recent research on this relational aspect. Consequently, each of the following six papers – based on research in Belgium, South Korea, Nordic countries, Ireland, United Kingdom and Hong Kong – focuses on HR management in relation to either line managers or employees, exploring a variety of effects. In the next section, we summarize the questions addressed by the papers in this special issue and note some of the key findings. This is followed by a brief assessment and discussion of future research possibilities.

Questions and key findings

The first paper entitled 'The influence of line managers and HR department on employees' affective commitment' by Gilbert, De Winne and Sels (2011) investigates the impact of employees' perceptions of HR Management (HRM) investments made by line managers and the HR department on employees' affective organizational commitment. The authors found that line management enactment of HR practices, relationship-oriented leadership behaviour and the HR department's service quality have positive effects on employees' affective organizational commitment.

In the second paper entitled 'Social capital of the HR department, HR's change agent role, and HR effectiveness: evidence from South Korean firms', Kim and Ryu (2011) investigate whether the effectiveness of the HR department is influenced by the HR unit's social capital, i.e. structural, relational and cognitive aspects relating to HR, line management and employees. They found that the more the HR department undertakes the role of a change agent, the stronger the relationship between social capital of the HR department and HR effectiveness as perceived by a strategic staff member.

The third paper entitled 'The determinants of line management internalisation of HRM practices in MNC subsidiaries' by Björkman, Ehrnrooth, Smale and John (2011) investigates several factors that are expected to influence HRM internalization, i.e. the extent to which general managers of subsidiaries value and are committed to their subsidiary's HRM practices. They found a positive relationship between both the operational work experience of HR managers and the level of perceived HRM capability of the subsidiary's HRM department and HRM internalization. However, the extent of external networking of the subsidiary's HR managers does not enhance general managers' HRM internalization.

In the fourth paper entitled 'Big hat, no cattle? The relationship between use of high-performance work systems and managerial perceptions of HR departments', Guthrie, Flood, Liu, MacCurtain and Armstrong (2011) examine the relationship between the use of high-performance HR practices and general managers' perceptions of the strategic value of these departments. They found that general managers perceive the HR department to be more effective (i.e. adding more strategic value) when these units are seen to pursue a larger number of high-performance HR practices. This relationship is mediated by the human and social capital of employees, suggesting that a higher number of HR practices improve workforce effectiveness, which in turn is perceived to add more strategic value to the firm.

The remaining two papers in this special issue adopt a stakeholder perspective, comparing the effects of the perceptions and evaluations of matched samples of HR and line managers. In the paper entitled 'The impact of HR practices, HR effectiveness and a "strong HR system" on organizational outcomes: a stakeholder perspective', Guest and Conway (2011) investigate whether the extent of agreement between senior line and HR managers concerning the presence and effectiveness of HR practices is associated with both proximal measures of employee attitudes and behaviour and with several distal measures of organizational performance. No support was found for this hypothesis. However, the authors did confirm that perceived effectiveness of HR practices by senior line and HR managers has a stronger impact on employee attitudes than the mere presence of these practices.

In the paper entitled 'Friends or rivals: Comparative perceptions of human resource and line managers on perceived future firm performance', Chen, Hsu and Yip (2011) examined the hypothesis that relationships between senior HR and their line manager counterparts influence perceived future firm performance as rated by line managers. They found that closer perceived collaboration by HR and line managers is positively associated with line managers' perceptions of future firm performance.

Discussion and conclusion

Despite focusing on different outcomes, the six papers share a common interest in the effectiveness of the HR function. In four of the six studies (Björkman et al. 2011; Chen et al. 2011; Guest and Conway 2011; Guthrie et al. 2011), reliance is placed on senior line

management perceptions to assess the effectiveness of HR or related evidence. Thus, both Guest and Conway (2011) and Guthrie et al. (2011) showed that the more the HR department encourages the so-called high-performance HR practices, the more valued the function is seen to be by senior managers. Björkman et al. indicated that the more experienced the HR manager of a subsidiary, the more committed the general manager of that unit will be to the subsidiary's HR policies. Gilbert et al. (2011) are also concerned with the HR department, but it is employees' attitudes (affective organizational commitment) that serve as the yardstick for assessing the effectiveness (service quality) of the HR department.

A second noteworthy finding is that social capital is shown to be important in three of the four studies in which this or a similar construct is used. Thus, the findings of Chen et al. (2011) and Kim and Ryu (2011) indicate that cooperative relations forged by the HR department positively influence line managers' assessments of the HR function's effectiveness, whereas Guthrie et al. (2011) view the operation of high-performance HR practices, encouraged by the HR department, as contributing to social (and human) capital which in turn results in a more positive assessment of the HR function by general managers.

In conclusion, reflections on the content of the above-mentioned papers suggest two related implications for further research. First, there is a need for a stronger consensus on what relational aspects warrant further attention and how these are related to outcomes. Arguably, various categories of management – for example, HR managers, senior, middle and junior line managers – should be distinguished, and their relationships theorized with a view to explaining the effectiveness of HR practices whose outcomes may include employee attitudes and behaviour and perhaps ultimately more distal measures of organizational performance. This leads to a second set of methodological considerations.

The existence of various layers of management suggests that relations or social capital will be developed both at and across various organizational levels. Given that in most research the focus is on explaining employee attitudes and behaviours at the lowest level, this kind of designs requires multi-level analysis or hierarchical linear modelling. Within these designs, data of employees are nested within teams with data from line managers at a higher (team) level, and teams (and line managers) are nested within organizations. Dependent on the structure of the organizations and the focus of the research, HR professionals are considered at the team level (i.e. HR professionals are responsible for one or more teams) or senior HR managers at the organizational level. In all these cases, hierarchical linear modelling considers the amount of variance at the different levels.

The main contribution of this special issue is to provide additional insight and knowledge regarding the relationships between HR and line managers and between managers and employees in different countries.

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