



**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE  
GRADUATE STUDIES**

**AN ASSESSMENT OF THE VIEWS OF FIRST-LINE MANAGERS  
ON THE ASPECTS OF DEVOLUTION OF HR ACTIVITIES:  
(THE CASE OF COMMERCIAL BANK OF ETHIOPIA)**

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE  
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**ADDIS ABABA UNIVERSITY, SCHOOL OF COMMERCE,  
DEPARTMENT OF BUSINESS ADMINISTRATION AND  
INFORMATION SYSTEMS**

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**SCHOOL OF COMMERCE, MA PROGRAM**

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## DECLARATION

I, Gezachew Demlie Akalu declare that this research paper entitled “**An assessment of the views of First-line Managers on the aspects of devolution of HR activities: the case of Commercial Bank of Ethiopia**” is my original work, and has not been presented for a degree or diploma in any other university and it is in partial fulfillment to the requirement of the program of Masters of Art (MA) Degree in Human Resource Management.

Declared by

Gezachew Demlie

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Student Signature

May, 2015

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Date

## **STATEMENT OF CERTIFICATION**

This is to certify that Mr. Gezachew Demlie has carried out his research project on the topic entitled “**An assessment of the views of First-line Managers on the aspects of devolution of HR activities: the case of Commercial Bank of Ethiopia**”. In my opinion, the project is original in nature and is appropriate for submission of the award of Master of Arts (MA) Degree in Human Resource Management.

**Teklegiorgis Assefa (Asst. Professor)**

**May, 2015**

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Advisor Signature

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Date

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## ACRONYMS

AA	Addis Ababa
BM	Branch Manager
CATS	Customers Account and Transaction Service
CBE	Commercial Bank Of Ethiopia
CHRM	Corporate Human Resource Management
CHRD	Corporate Human Resource Development
CIPD	Chartered Institute of Personnel and Development
CSM	Customer Service Managers
HO	Head Office
HRD	Human Resource Development
HRM	Human Resource Management
HR	Human Resource
FLM	First Level Managers /First-Line Managers/ Front-Line Managers
JD	Job Description
LM	Line Managers/ Line Management
MM	Middle Managers
PC	Process Council
SHRM	Strategic Human Resource Management
TM	Top Managers
VP	Vice President

## ABSTRACT

*The purpose of this study was to assess the views of First-Line Managers (Branch Managers and Customer Service Managers) of the bank on their level of involvement in HRM activities, rationale, challenges, and solutions of devolution including whether BMs and CSM differ in these dimensions. The target group from which 108 sample participants were selected was the two groups of First-line managers, namely Branch Managers and Customer Service Managers of grade IV & III branches located in Addis Ababa under the four District Offices. Using a self completed survey questionnaire quantitative data were gathered from 101 respondents and analyzed using descriptive statistics-means, frequencies and percentages. Interview was conducted with two key source persons in the HR Process of the bank; and the results were used to qualify the quantitative results. The finding shows that almost all FLMs believed that they were involved in HRM activities and that they had a moderate extent of involvement in HR activities of the bank. According to the finding respondents also perceived that they have slightly above a great extent agreement with the rationale of devolution, where as the challenges of devolution have not been that sever for them. FLMs believed to a great extent that the suggested solutions could solve problems relating to the execution of devolution. In the aspects of devolution BMs are found to have a greater involvement in HR activities and a more level of acceptance of the rationale and the solutions of devolution than CSMs had. However it is also found that the challenges are more sever to SCMs than BMs. Finally, the researcher recommends that the bank should work more to delegate HR activities to CSM than Branch Managers because it is these managers who are closer to employees than Branch Managers; that the bank's management should work more on supporting FLMs in their effort to execute employee management responsibilities and , as the main focus of this study was examining the results provided by FLMs a further related study with more detail discussion on the differences between Branch Managers and CSMs as well as among different levels of line managers using appropriate statistical measurement technique has been recommended.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

One of the key features of the human resource management (HRM) literature, as cited in Othman, 2008, is the level of importance that has been attached to line managers (e.g. Budhwar, 2000; Currie & Procter, 2001; Gennard and Kelly, 1997; Legge, 1995; Perry & Kulik, 2008;). While line managers have always been involved in some capacity of people management process, the emergence of strategic human resource management frameworks made such involvement more formal and structured (Khan, 2011). Broadly speaking, there are two key elements in the strategic HRM (SHRM) approach: strategic integration of HR policies with the organization's overall business strategy, and secondly, devolution of HR responsibilities to line management (Budhwar, 2000; MacNeil, 2003 cited in Andersen, Cooper &Zhu, 2005).

Devolution is defined as reallocation of HR tasks to managers outside the HR function, (Torrington, D. Hall, L. & Taylor, S, 2008). Devolution in this context is not the same as decentralization. Although the difference between the concepts might be somewhat blurred, they have a distinctly different focus (Larsen & Brewster, 2003, in Khan, 2011). Decentralization is predominantly concerned with changes in department structure, whereas devolution is about reallocation of authority (Kinnie, 1990, in Khan, 2011). It is also important here to make a distinction between devolution and HR outsourcing. In the former responsibilities are delegated internally to line managers whereas in the latter traditional in-house HR process and procedures are delegated to specialized external HR service provider(s) (Khan, 2011).

The HR literature presents mixed results about devolution. Further discussion on the HR devolution literature will be presented in the next (Chapter 2) of this paper but in general the literature review suggests that, there are some very strong reasons why organizations may consider devolving the HR function. As cited in Hutchinson and Purcell (2008), many scholars like (Renwick, 2006; Larsen and Brewster, 2003; Whittaker and Marchington, 2003) say there are clear advantages to involving First Line Managers (FLM) in people management. Despite the positive light of devolution, however, some still state that transferring HR responsibilities to line managers is 'problematic' (McGovern et al., 1997; Heraty & Morley, 1995) cited in (Khan, 2011). While no study has so far specifically

focused on the measures that organizations undertake in response to the various challenges, devolution literature still gives some insights into the type of solutions that organizations come up with to manage such problems (Khan, 2011: 25).

The case organization for this study is Commercial Bank of Ethiopia (CBE). CBE with a vision to become a world-class commercial bank by the year 2025 is the leading bank in Ethiopia, established in 1942; it has more than 900 branches stretched across the country with more than 23,000 talented and committed employees (CBE, 2012/13). In an effort to attain its vision, the bank has been implementing strategic management approach and as a consequence the bank's traditional personnel management approach has been transformed into Strategic HRM (SHRM) through another employee management orientation of HRM (CBE, 2012/13). The concept of Strategic Human Resource Management (SHRM) evolved in the 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Schuller, 1992), as cited in Oladipo and Abdulkadir (2011). One of the main components of strategic HRM is devolvement which prescribes delegating the responsibilities of routine execution and administration of HR practices to line managers (Ulrich, 1997b; & Budhawar and Khalri, 2001; in Andersen, et al., 2005).

Devolution strategy has been implemented in the bank. As mentioned above, various studies present the rationale why different organizations devolve some HRM activities to line managers and the challenges line managers faced in implementing this strategy including suggested solutions that should be adhered in order for an organization benefit from the positive outcomes of successfully implemented devolution. Maxwell and Watson (2007) also argue that for HR devolution strategy to be successful FLMs should have a conceptual understanding of the reasons for their involvement in HRM activities and be aware of related implementation challenges so that they can apply appropriate solutions.

So far an empirical study to assess this issue focusing on First Line Managers has not been done in the CBE Related empirical studies that have been conducted both in and outside Ethiopia have been reviewed. However all of them were different from this study in terms of their objective and focus area. Assessing and measuring the views of FLMs' perception on the mentioned aspects of HR devolution may contribute to fill the gap. Therefore, the purpose of this survey was to assess the views of FLMs on aspects such as level of involvement, rationale, challenge and solutions of devolution of HRM activities to FLMs (excluding top

and middle managers) using a devolution framework adapted from the literature. For the purpose of this study FLMs are defined as Branch Managers and Customer Service Managers of Grade III & IV branches located in Addis Ababa city.

## **1.2 Background of the Case Organization**

The place where this study was conducted is the Commercial Bank of Ethiopia. It is the leading and largest bank in Ethiopia, established in 1942. It has more than 900 branches stretched across the country with more than 23,000 talented and committed employees. It has also a subsidiary, with branches under it, in South Sudan. The CBE has envisioned to becoming a world-class commercial bank by the year 2025. Its mission statement reads “We are committed to realizing the needs of stakeholders through enhanced financial intermediation globally, and supporting national development priorities by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. We strongly believe that winning the public confidence is the basis of our success”.

It is so long since CBE has embarked upon the Business Process Re-engineering endeavor. As a result, it has got transformed from a functional oriented Bank to a Process-based institution striving for efficiency and effectiveness. This paradigm shift has radically changed the Bank in general and its human resources management in particular. Thus due to the need for the CBE to realign its human resources management system with the business goals of Bank, strategic HRM has been formulated and is being implemented.

With the intention to serve as a basis for all human resources management activities of the CBE HR policy, which is currently being revised, has been formulated. It states that the responsibility of Human Resources Management rests with the management of the Bank at all levels. Accordingly, the responsibilities with respect to HR are set for the Board of Directors, the President, and management of other processes-Process Owners, middle-level managers and team leaders. A human resource development strategy, which has been developed by Frankfurt School of Finance and Management, has also been formulated and is continued to be implemented.

Therefore the policy is formulated to include the active involvement (devolvement of HR activities to line managers) of line managers of all levels (including first-line managers) in the execution of HR activities. These line managers are categorized in to three levels- top level

(members of Process Council [PC]-the President, VPs and Chief Officers), middle level (Directors and District Managers) and low level (Branch Managers, Managers at Head Office Organs and District Offices, and other Supervisory managerial positions (Customer Service Managers and Team Leaders). In light of the CBE's structure, VP- CATS- Process (Vice President- Customers Account and Transaction Service- Process) is a line management position directly reporting to the President of the bank. Under the VP there are fifteen District Managers corresponding to 15 District Offices located in and outside Addis Ababa. Under districts there are branches for which a Branch Manager, assisted by one or more Customer Service Manager (CSM), is responsible for its operation. Branch Managers and CSMs, as already defined as First-line managers (FLMs) are the target groups for this study.

The HR Process, which is lead by a VP, consists of two Sub Processes, HRM and HRD which each of them comprising three and four teams respectively making the total number of HR managers seven at the center: Recruitment and Assessment, HR Transaction and Employee Relation and Communication which all of the three report to the Director- HRM. Managers of learning and Development, Employee Performance Management, and HR Business Partnering directly report to Director-HRD. On top of that, HRM in CBE is decentralized to the district level. Each district has its own HRM team and each team is lead by a HR Business Manager who directly report to the district manager and functionally works closely with the HR business Manager at the center. The HRM team gives support to line managers with regard to HR related issues. Each district is mandated to execute every HR related activities including recruitment, selection, learning and development etc.

Following the designing and implementation of the HRD strategy in the CBE a lot of activities are under way. To mention very few: competency matrix/model is developed, learning and developments are identified based on the competency matrix, training calendar is drawn and training is being rolled out by internal and external trainers. For example, supervisory management, performance management system and HR for non HRs are trainings types that were already given to line managers (including FLMs) with the intention to enhance their employee management skills. HR business partners are assigned to each process and district to closely work with line managers and to support them to effectively execute its business partnering role.

### **1.3 Statement of the Problem**

In the Commercial Bank of Ethiopia, following the formulation and implementation of strategic HRM, some of the HR activities are devolved (delegated) to line managers. For successful achievement of the devolution and other schemes, the bank has been devising various employee management mechanisms such as revising and formulating HR policies that dictate the active involvement of line managers in HRM activities, designing competency model and training programs to create awareness and enhance the skill and knowledge of line managers, decentralizing HR activities to lower units of the bank to work closely with line managers etc. However from a preliminary assessment it was perceived that First Line Managers of the bank had inconsistent understanding on the purpose of HR devolution, unclear extent of involvement and difficulties in executing HRM activities.

Maxwell and Watson (2007), argue that for HR devolution strategy to be successful FLMs should have a conceptual understanding of the reasons for their involvement in HRM activities and be aware of related implementation challenges so that they can apply appropriate solutions. The literature also discusses the underlying rationale to devolve HRM activities to line managers including areas of challenges line managers faced in implementing the strategy. (Larson and Brewster, 2003; Whittaker and Marchington, 2003; Renwick, 2006; Brewster and Larson in Kulik and Perry 2008; Hutchinson and Purcell, 2008; Ulrich & Bruckbank and Harris et al, in Power et al, 2009. Previous studies also suggests solutions for successful application of devolution (Stephen Bach, 2001 [WHO]; Khan, 2011 and CIPD, 2012).

So far, empirical study to assess this issue focusing on FLMs has not been done in the CBE and as a consequence FLMs' level of involvement in HRM activities and their view on the rationale, challenges and solutions of devolution was not clearly known. Related empirical studies that have been conducted both in and outside Ethiopia have been reviewed and discussed in the next chapter. However all of them were different from this study in terms of their objective and focus area. Assessing and measuring the views of FLMs' perception on the mentioned aspects of HR devolution may contribute to fill the gap. Therefore, the purpose of this survey was to assess the views of FLMs on aspects such as level of involvement, rationale, challenge and solutions of devolution of HRM activities to FLMs (excluding top and middle managers) using a devolution framework adapted from the literature. For the purpose of this study FLMs are defined as Branch Managers and Customer Service Managers of Grade III & IV branches located in Addis Ababa city.

#### **1.4 Basic Research Questions**

In line with the above statement of the problem the research addressed the following research questions:

- How many of the FLM believe that some HR activities are devolved to them?
- To what extent are FLMs involved in HRM activities?
- To what extent FLMs accept the rationales of devolution?
- To what extent are the devolution challenges perceived by FLMs?
- To what extent FLMs agree with the proposed solutions of devolution challenges?
- Do Branch managers and CSMs differ in these aspects of devolution?

#### **1.5 Objectives of the Study**

The general objective of this study is to examine the views of FLMs on the aspects of devolution of HR activities to FLMs.

The specific objectives are:

- To assess how many of the FLMs' believe some HRM activities are devolved to them.
- To examine FLMs' perception on the extent of their involvement in HR activities.
- To examine the extent of FLMs' acceptance (or agreement with) of the rationale of devolution.
- To explore the extent of FLMs' perception on the challenges of devolution.
- To examine the level of FLMs' agreement to the proposed solutions of devolution challenges.
- To assess if Branch Managers and CSMs differ in the mentioned dimensions of devolution.

#### **1.6 Significance of the Study**

The problem of this study was formulated with the intention to provide insight to the stakeholders of the result. Thus the finding of this research work helps the case organization to check the understanding or perception of FLMs on issues relating to HRM responsibilities delegated to them. The result may also provide information to the bank as to how many of the FLMs owned or internalized their HR duties including their level of involvement in HR activities. It may pin point the weak and strong areas of FLMs and HR people of the bank on the issues relating to the implementation of devolution. The finding can also be used as a basis for future related research because there are areas that have not been covered by this study.

## **1.7 Delimitation /Scope of the Study**

In the case organization line managers are categorized in three managerial levels, top, middle and lower level management. The lower level management comprises managers at head office organs, branch managers, Customer Service Managers, and Team Leaders. However, the target groups for this study were only Branch Managers and CSMs of grade IV and III branches located in Addis Ababa. Other members of top and middle level management and managers and Team Leaders at the head office were not participants of this study.

Though the outcomes of successful devolvement are included in the devolution framework (see both Figure 1 & 2), it has not been addressed in this study.

Among the characteristics of respondents, the position variable has been used for comparison to check whether Branch Managers and CSMs differ in their view on the mentioned aspects of devolution. Comparison of the rest variables had not been dealt with, they were described just to give readers general background information about participants and to be used as a secondary source; e.g. any interested person may compare results based on experience or educational level of respondents.

## **1.8 Definition of Terms**

### **1.8.1 Conceptual Definition of Terms:**

**Devolution:** Is defined as reallocation of HR tasks to managers outside the HR function in order to work closely with line managers (Torrington, et.al, 2008).

**Decentralization:** The relocation of HR specialists to lower levels of the business in specific departments or sections in the organisation (Torrington, et.al, 2008)

- **First-Line-Managers/First-Level Managers (FLM):** the lowest in an organization at which individuals are responsible for the work of others (Stoner, Freeman & Gilbert, 2006). FLMS direct non-management employees; they do not supervise other managers. First-Line Managers for the purpose of this study are Branches Managers and Customer Service Managers [assistants of Branch managers] of Grade IV and III branches located in AA.

**Middle Managers (MM):** the term can include more than one level manager and sometimes those of operating employees as well. MMs' principal responsibilities are to direct the activities that implement their organizations' policies and to balance the demands of their managers with the capacities of their employer (Stoner et al. 2006).

**Top Managers (TM):** Composed of a comparatively small group of people, TM is responsible for the overall management of an organization. These people are called executives. They establish operating policies and guide the organization's interactions with its environment (Stoner et al. 2006).

**HR activities:** Though in some literature HRM and HRD are discussed separately as a distinct discipline in this study HR or HRM activities are defined as all activities relating to employee management and development. The terms HR activities and HRM activities are used interchangeably without excluding activities under HRD.

### **1.9 Organization of the Research Report**

This paper consists of five chapters. The first chapter presents background of the study, statement of the problem, the research questions, and objectives of the study, definition of terms, significance and scope of the study. While the second chapter deals with the literature relevant to the study, the third chapter describes the type and design of the research. The fourth chapter summarizes the results of the study and discusses the findings; whereas the final fifth chapter presents the summary of findings, the conclusion, limitations and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

The previous chapter discussed mainly the research theme with its objectives and significances including the scope of the research. In this chapter the theoretical and empirical literatures that are relevant to this study were discussed.

#### **2.1 Theoretical Literatures**

##### **2.1.1 Strategic Human Resource Management**

The concept of Strategic Human Resource Management (SHRM) evolved in the 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Schuller, 1992) cited in Oladipo and Abdulkadir 2011. Strategic HRM focuses on several issues including the fit between human resource management practices and organizational strategic goals, the integration of human resource management in the organizational strategic management, the involvement of human resource function in senior management teams, the devolvement of human resource practices to line managers and taking of strategic approach to employee selection, compensation, performance appraisal and the value that is added to the organizational performance by HRM (Oladipo and Abdulkadir 2011). Armstrong (2009) defined human resource management as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations.

##### **2.1.2 Devolution, Decentralization and HR Outsourcing**

Some people use the terms devolution and decentralization interchangeably as if both have same meaning. However, they differ in their meaning and concept. As Torrington, et al, (2008) defined it; the term devolution refers to the reallocation of HR tasks to managers outside the HR function in order to work closely with line managers whereas the term decentralization refers to the relocation of HR specialists to lower levels of the business in specific departments or sections in the organisation. Therefore in the concept of devolution HRM activities are delegated to line managers and here it is the activities (but not the HR people) that are transferred or shifted to other people. But in the case of decentralization it is the HR specialists (not the HRM activities) that are transferred to the lower departments of organization. It is also important here to make a distinction between devolution and HR outsourcing. In the former responsibilities are delegated internally to line managers whereas

in the latter traditional in-house HR process and procedures are delegated to specialized external HR service provider(s) (Khan, 2011).

### **2.1.3 Line Managers**

Heraty & Morley (1995) refer line managers as those who have direct responsibility for achieving the objectives of the organization. Though they have similarity in representing their organizations line managers (LM) are further divided into three – first level, middle level and top level according to their role in organizations. In this regard, Stoner, et al., (2006) define First-Line-Managers/first level managers (FLM) as managers who are the lowest in an organization at which individuals are responsible for the work of others. FLMs direct non-management employees; they do not supervise other managers. Front-line managers as defined by Hutchinson and Purcell (2003) are managers who are responsible for a work group to a higher level of management hierarchy, and are placed in the lower layers of the management hierarchy, normally at the first level. They tend to have employees reporting to them who themselves do not have any management or supervisory responsibility and are responsible for the day-to-day running of their work rather than strategic matters. Hales (2005) describes this body of managers as ‘first line’, ‘supervisors’, ‘front line’, ‘junior’ and ‘team leader’ and distinctions between them are unclear, with the terms often used interchangeably.

Middle Managers (MM) are managers whose principal responsibilities are to direct the activities that implement their organizations’ policies and to balance the demands of their managers with the capacities of their employer. Top Managers (TM) are composed of a comparatively small group of people who are responsible for the overall management of an organization and are called executives. They establish operating policies and guide the organization’s interactions with its environment (Stoner et al., 2006).

### **2.1.4 Line Manager Involvement in HRM Activities**

#### **2.1.4.1 Involvement of Line Managers in Implementing Human Resource Management**

The concern and involvement of LM in implementing HRM activities are highlighted and discussed by various scholars. For example, Valverde, Ryan, & Soler, (2006) say HRM should not be understood as a set of activities that are the sole responsibility of HR departments, but they should also be understood as involving other agents inside and outside the organisation, such as top and line managers, and external HRM service providers”. Child and Partridge (1982), in Hutchinson & Purcell (2008), stated that numerous studies have observed how line managers have played a more prominent role in the delivery of people

management. In recent years, as cited in Renwick (2003), the line have 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; Guest and King, 2001; Storey, 1992, 2001; Ulrich,1997, 1998, 2001). Armstrong (2006) in describing the influences of LMs in people management says HR can initiate new policies and practices but it is the line that has the main responsibility for implementing them; and if line managers do not feel favorably towards what HR wants them to do they won't do it, or if compelled to, they will be half-hearted about it. He also say that LM perform people-centered activities such as defining roles, interviewing, reviewing performance, providing feedback, coaching and identifying learning and development needs. In general it is perceived that HR is mainly concerned with proposing while the line is concerned with the disposition of HRM policies and practices.

Hutchinson & Purcell (2008) say HRM or people management is very much part of the role of FLMs. In giving particular emphasis on the role of FLMs, Armstrong (2006) summarizes the roles of FLMs, typically as a combination of activities such as people management; managing operational costs; providing technical expertise; organizing; monitoring work processes; checking quality; dealing with customers/clients; measuring operational performance. Hutchinson and Purcell, cited in Armstrong (2006), noted that the most common people management activity handled by frontline managers is absence management. Other people management activities were coaching and development, performance appraisal, involvement and communication, and discipline and grievances. Recruitment and selection was also carried out by line managers, often in conjunction with HR.

To highlight FLMs' involvement in most of the HRM activities, McBride et al (2006), as cited in Hutchinson (2008), say “in facilitating the skills development of their staff, FLMs are required to use personal development plans (PDPs) and conduct appraisals in order to identifying learning needs, provide advice, and manage expectations of increased job responsibility and career”.

Hutchinson and Purcell (2007) say that today most FLMs, regardless of their functional specialism and sector, are expected to undertake some HR or people management activitie. At the very minimum this will cover some sort of performance management role, such as conducting performance reviews and managing poor performers. This is not a new phenomenon. What is new, however, is that we are witnessing a broadening and increasing depth of involvement Today, in many organisations, it is common practice that many of the

traditional day to day activities associated with a specialist HR function are now in the hands of FLMs, such as appraisal, absence control, recruitment and selection, communication and involvement, training and development and discipline and grievance handling. (Hutchinson & Purcell, 2008:12)

#### **2.1.4.2 Roles of HRM Specialists in HRM**

Personnel/HR function has developed considerably since its earliest welfare role, through a range of different incarnations. Analysing HR roles has been a useful way to reflect what is going on in the function and how it is changing, but sometimes roles and role structures are used in the normative sense of what the function should be doing and where it should be aiming (Torrington et al, 2008: 32). HR role has been analyzed by many well known scholars. To mention few: Tyson and Fell (1985), Story (1992) and Ulrich (1997). Ulrich (1997); proposed four HR roles, using the metaphors of employee champion, administrative expert, change agent, and strategic partner. He further identified the summary role of business partner, explaining that HR fulfils this role if the four roles above are all effectively achieved (Torrington, et, al. 2008). Kulik and Bainbridge (2006) believe that *HR* Managers are increasingly expected to be involved in the broader strategic issues for example, in predicting the organization's long-term hiring needs based on projections of company growth and competency requirements, developing organisation-wide human resource information systems, or benchmarking company HR practices against industry competitors. Aspects of HRD concerned with policy formulation, training plans and advising on strategy are more likely to be undertaken by HRD specialists (Watson, Maxwell & Farquharson, and 2005:32). HR practitioners are, or should be, concerned with upholding the ethical values of their firm (Armstrong, 2009: 106).

According to Armstrong (2009), the basic role of HR practitioners varies considerably but it is basically about providing advice, guidance and services on all matters affecting people. The following are HR roles with descriptions.

**The Business Partner Role:** As business partners HR specialists share responsibility with their line management colleagues for the success of the enterprise and get involved with them in implementing business strategy and running the business.

**The Strategic Role:** To a) formulate and implement forward-looking HR strategies that are aligned to business objectives and integrated with one another; b) contribute to the development of business strategies; and c) work alongside their line management colleagues

to provide on an everyday basis continuous support to the implementation of the strategy of the organization, function or unit.

**The Strategic Activities of HR Practitioners:** Strategic activities consist of formulating HR strategies and providing continuous support to line managers in implementing their business or operational strategies. They involve being proactive in identifying issues that can be addressed through major or relatively minor HR initiatives.

**The Change Agent Role:** HR specialists act as change agents, facilitating change by providing advice and support on its introduction and management.

**The Internal Consultancy Role:** As internal consultants, HR practitioners work alongside their colleagues – their clients – in analysing problems, diagnosing issues and proposing solutions.

**The Service Provision Role:** The basic role of HR specialists is that of providing services to internal customers. The services may be general, covering all aspects of HRM, or services may only be provided in one or two areas.

**The Guardian of Values Role:** HR practitioners may act as the guardians of the organization's values and ethical standards concerning people. They point out when behaviour conflicts with those values or where proposed actions will be inconsistent with them (Armstrong, 2009: 130).

### **2.1.5 Rationale for Devolving HRM Function to Line Managers**

According to Torrington, et al, (2008), the advantages of devolving HRM activities to LMs have been identified as allowing HR specialists to focus on strategic rather than operational concerns, and a strengthening of the relationship between the employee and his or her manager, resulting in a more positive management approach to employee performance.

Adapting from Brewster and Larsen (2000), Renwick (2003) says that the rationale for devolving HR activities to the line have five main elements: to reduce costs; to provide a more comprehensive approach to HRM; to place responsibility for HRM with managers most responsible for it; to speed up decision making; and as an alternative to outsourcing the HR function. Renwick (2003) discussed that the results of his study confirms the findings made in Brewster and Larsen's (2000) work, as the line managers acknowledge that they shared the completion of HR work with HR (in grievance handling for example), that there was a drive to reduce costs (in the line managing more employees than before) and that a more comprehensive approach to HRM occurred (as the line did handle HRM). There was also a drive to place responsibility for HRM to the line, in an attempt to increase the speed of

decision making, and using the line as an alternative to outsourcing the HR function (Renwick, 2003:272). The Chartered Institute of Personnel and Development (CIPD, 2005) report indicates that line managers' involvement in coaching and guidance, communication and involvement has a positive influence on overall organizational performance. Thornhill and Saunders (1998) highlighted the importance of the role of line managers in securing employee commitment to quality.

Hutchinson and Purcell (2008), says that there are clear advantages to involving FLMs in people management by arguing that these managers are best placed to deal with such issues, being closest to front line employees, communicating with them regularly, and with direct responsibility for the management of employees on a day to day basis. As cited in Khan (2011) HR professionals should not directly engage in delivering day-to-day operational services; rather it is the responsibility of line managers since they are seen as being in a much better position than HR professionals in executing HR policies (Currie & Procter, 2001; Harris et al, 2002; Kulik & Bainbridge, 2006; Renwick, 2000). Some of the common rationales behind devolution include: to improve efficiency and effectiveness of the HR function (Heraty & Morley, 1995), to leverage line managers' proximity to employees (Purcell & Hutchinson, 2007), to achieve a more strategic approach to HR (Delmotte & Sels, 2008), to make line managers more responsible (Renwick, 2000) and to cut HR related costs (Budhwar, 2000) cited in (Khan, 2011:5-6). According to Heraty & Morley (1995), one of the key rationales for devolution is to overcome the drawbacks of "slow central policies". Some scholars ( e.g. Harris et al., 2002, as cited in Khan) believe HR departments have turned into 'over-controlling bureaucracies' and thus line managers need to step in as the delivery points of various HR services and policies (Khan, 2011:7). The criticism that rigid HR policies can limit the decision making autonomy of LMs and the impractical HR policies formulated by HR specialists imply a need for LMs to get actively involved in HRM process (Khan, 2011:7). Khan (2011) says organizations may also favor devolution as it can improve the quality of specific HR functions, e.g. without active line manager participation, delivering a successful training and development regime is virtually impossible.

#### **2.1.6 Challenges in Devolving HRM to the LM**

Despite the various rationales to devolving HRM functions to the LM there are also challenges and issues that can hinder its successful implementation. McGovern et al., (1997), cited in Watson et al. (2005), say giving line manager responsibility for HRM is noted as

being “problematic”. Torrington, et al, (2008) say the difficulties of devolving HR activities to first-line managers have been consistently highlighted. Hall and Torrington (1998), as cited in Torrington, et al, (2008) found in their research that although there was a deliberate policy to devolve HR activities, and managers were encouraged to take them on, these often bounced straight back to HR specialists . Adopting from Mc Conville (2006) and Caldwell (2004) Torrington, et al, (2008) mentioned substantial workload; and LM’s resistance to take full ownership of HR and conversely HR professionals wanting to retain control over HR policy as major barriers. According to them, their evidence supports the finding of McConville (2006) that HR specialists were keen to hand over the responsibility for day-to-day HR activities, but were less keen to hand over authority for them and the associated budgets. As identified by them a number of aspects of line manager involvement in HR activities are problematic, including the lack of consistency of HR decisions and lack of integration resulting in more difficulties in implementing HR strategy (Torrington and Hall, 2008).

The complex and time-consuming activities, and/or fear of line shortcomings in the area of undertaking grievance and discipline duties(Renwick, 2003); unclear HR and line responsibilities in absence management (Dunn and Wilkinson’s, 2002); the extent to which line managers are being forced into taking on increased responsibilities in HRM in a climate of fear and mistrust driven by HR (Harris, 2001), the incapability of the line to learn about HR work effectively and to use this knowledge fairly and consistently when treating employee’s (Renwick, 2003) are also mentioned as barriers for the devolvement of HR activities to the line and line managers’ knowledge of company policies (Bond and Wise, 2003).

Gibb (2003) asserted that increased line manager involvement in HRD may harm the use of specialist resources in HRD while Ashton, (1984) as cited in Watson et al. (2005), mention the existence of difficulties in securing line manager acceptance of HRD responsibilities. De Jong et al.(1999) in Watson et al (2005) say untrained line managers may avoid a coaching role due to their discomfort with it. This may suggest the difficulties of devolving HR functions to the LM without adequately equipping them with required skills and knowledge to accept and accomplish the devolved responsibility. Kulik (2006) added that LMs may have little or no training in HR, and may not see HR as a central component of their responsibilities. Perry and Kulik (2008), as cited in Hutchinson and Purcell (2008) point out that placing responsibility for the care and feeding of the most important assets (their

employees) in the hand of managers who may have received little or no formal training is risky.

Khan (2011) states transferring HR responsibilities to line managers is problematic by He pointed out the following issues and challenges that organizations around the world frequently grapple with when implementing the devolution strategy: A strategic role for HR?; Problem of managerial short-termism; HR consistency is affected; quality of HR deliverables affected; LM lack HR skills; Inadequate training; LM do not develop their employees; LM reluctance to take on HR responsibilities; Regulatory compliance issues; Increased workload for LM; LM find it difficult to balance their roles; HR professionals reluctant to let go responsibilities; HR professionals are uncomfortable in their new role; HR and line relationship; What HRM functions to devolve and extent of devolution (Khan, 2011:10-24).

### **2.1.7 Solutions for Effective Devolvment**

As cited in Armstrong (2006) researchers into HR management and the line conducted by the IPD (Hutchinson and Wood, 1995) concluded that:

If line managers are to take an effective greater responsibility for HR management activities then, from the outset, the rules and responsibilities of personnel and line managers must be clearly defined and understood. Support is needed from the personnel department in terms of providing a procedural framework, advice and guidance on all personnel management matters, and in terms of training line managers so they have the appropriate skills and knowledge to carry out their new duties (Armstrong, 2006:97). In this regard Watson et al. (2005) recommend that to secure involvement of the LM in HR clear delineation of tasks, support, training and trust are crucial.

Furthermore, Hutchinson and Purcell (2003), in Armstrong (2006), forwarded the following suggestions on how to improve the quality of front-line managers in people management:

- Front-line managers need time to carry out their people management duties, which are often superseded by other management duties.
- They need to be carefully selected with much more attention being paid to the behavioral competencies required.
- They need the support of strong organizational values concerning leadership and people management.
- They need a good working relationship with their own managers.

- They need to receive sufficient skills training to enable them to perform their people management activities, such as performance management. (Armstrong, 2006:98)

Whitaker and Marchington (2003) found in their study that HR support was crucial and that a partnership with HR was beneficial to LM role in HR activities. In addition, they articulated a need for explicit, proactive support from senior management, and recognition and rewards in the HR area. As summarized by Khan (2011) the following are the type of solutions that organizations come up with to manage challenges and issues when devolving HR to the line.

- Identifying line managers' skill gaps and providing them proper training and development opportunities is critical (Boselie, Dietz & Boon, 2005; Gilbert et al., 2011; Nehles et al., 2006; Stanton et al., 2010).
- Facilitation from senior management is another key factor towards successful implementation of any devolution scheme (Mitsuhashi et al., 2000). Without active top management support, line managers themselves can only do little (Heraty & Morley, 1995; Watson et al., 2007).
- Senior or strategic line managers, as compared to first-line managers, also work more closely with HR which is an important factor towards developing a business partnership approach (Watson et al., 2007). Also, if the strategy is developed jointly by HR and line, then this ensures the resulting strategy is all encompassing that integrates both HR and business issues and thus more robust and sustainable (Torrington & Hall, 1996).
- Making the devolution process formal and structured is another important measure that organizations often resort to, especially when dealing with the problem of inconsistency (Perry and Kulik, 2008; Renwick & MacNeil, 2002). With the rise of litigation costs and legal compliance complexity, such clear cut guidelines are vital. Centrally developed HR policies and procedures are most easy to follow and it ensures consistency in HR processes and thus minimizes risk of litigation. Moreover, if the policies and procedures are relevant and written in simple formats, then non-specialists such as line managers can easily understand and execute those without the need of interpreting certain ruling according to their own understanding and therefore avoid inconsistency (Conway & Kathy, 2010; Stanton et al., 2010). Having structured procedures and formal manuals ensure line managers know what is expected of them and how to carry out their HR tasks. Research evidence shows that presence of such structured guidelines ensures ease of implementation, stable transition and helps to

eradicate inconsistent treatment by line managers (Hall & Torrington, 1998; Harris et al., 2002). Similarly, if HR roles and responsibilities are clearly articulated in line manager job descriptions and business policies, then this ensures such issues are well communicated and there is no scope for ambiguity (De Jong et al., 1999; Nehles et al., 2006).

- It is also important to realize that devolution is not a one-off event, rather a gradual process and therefore implementation of devolution is better done in phases (Hall & Torrington, 1998). From initiation to completion, there are different stages of devolution and functions can be incrementally devolved to the line managers (Perry & Kulik, 2008); while initially HR professionals may work closely with the line, eventually the line takes full control.
- Success of devolution is also largely dependent on the nature and quality of working relationship between HR and line. While tension between the two sides can jeopardize the outcome of devolution, working in partnership can result in a smooth transition.
- Success of devolution is also largely dependent on line managers' overall perception towards HR activities. If they consider HR as a critical element for their and organization's success, they will most likely buy-in to the idea of devolution and play a positive role in implementing the strategy (Hall & Torrington, 1998; Watson et al., 2007).
- Incorporating people management issues into line managers' performance targets is another important measure adopted by organizations, as this creates a direct link between line's dealings with HR issues and their reward and recognition and therefore helps to increase line managers' personal incentives and motivation (De Jong et al., 1999; Gilbert et al., 2011; Hailey et al., 2005; Nehles et al., 2006).
- Devolving the decision making authority and budgetary power to line, as opposed to only operational responsibilities, was another important measure identified in the literature because lack of authority associated with devolved operational responsibilities is sometimes perceived by line managers as "labour intensification without empowerment" (Cascon-Pereira et al., 2005, p. 146). Moreover, without appropriate financial power, line managers cannot always take the most appropriate decision and in such a case line manager autonomy becomes merely a rhetoric.(khan, 2011)

Maxwell and Watson (2007), on the basis of their investigation into line manager and HR manager perspectives of line management involvement in HR in Hilton Hotels, propose three types of line manager buy-in which are key to their active involvement in HR activities. These are:

- A conceptual understanding of the reasons for their involvement;
- The ability to implement these activities effectively through a clear HR role and having sufficient capability; and
- Belief that their involvement in HR is valuable. (Torrington, et al, 2008)

## **2.2 Empirical Studies**

The findings of a study by Hutchinson and Purcell (2008), Bath University, indicates that FLM are recognized as critical in bringing HR policies to life, and in linking HR practice to strategy. Crucially, they can make a difference to the way service is delivered – to patient experience, and to the performance of organizations. Their study further indicates that FLM undertook a wide range of activities, some of which conflict, and had large spans of control. Yet they were generally unsupported in the critical roles they undertook. Though this study was focused on FLM excluding other Line managers (Top and Middle managers) the respondents were from the health sector which is a distinct environment from that of the banking business set up.

A working paper by Lynch (2004) that focused on the implications of line managers assuming key responsibility for HR in three multiple store retail organizations to investigate the devolution of HR activities to line managers has been reviewed. The case study research found that local managers diverged from company policy to enable them to deliver budgetary targets set by the centre. The largest divergence between policy and actual procedure was evident in the execution of HR. Since the emphasis by the centre was on achieving tangible goals, any manipulation of local HR invariably led to a focus on ‘hard’ HRM techniques. As a result, the delegation of HR responsibilities to line managers led to only a partial application of HR policies. This study in addition to being conducted outside Ethiopia focuses on the HR responsibilities of all LMs; it didn’t particularly focus on FLM.

Nehles et al. (2006) in their study tried to assess the challenges of FLM in implementing HRM function. Their paper addresses the success of HRM implementation, concentrating not on the HR function but on first-line managers. First-line managers find implementing HR practices at the operational level difficult and show reluctance with their HR responsibilities.

However, they have become increasingly responsible for the implementation of HRM and thus, their performance is critical for HRM effectiveness. Results show that first-line managers perceive some factors hindering, but that the challenges faced vary per business unit. Their study focused only on the challenges of FLM in implementing devolved HRM activities; didn't examined the rational and solutions of devolution.

An MA thesis by Tigist (2013) submitted to Addis Ababa University School of Commerce has been reviewed. The aim of the study was to explore line managers' perspective about the devolution of HRM function and their HRM role in the context of International Humanitarian Organization in Ethiopia. Its finding revealed that there is a perception by all stakeholders that the HRM function is devolved to LM. The analysis of the finding against the literature indicates that the way HRM is being practiced in the organization is rather decentralization. According to her finding LMs have a good understanding and optimistic perception about devolution. The challenges cited in literature are not perceived as a barrier by majority of the respondents. This study firstly, focused on the devolution of HRM function to the LMs that is in the non-governmental and non for profit organization. It explored the views of all LMs that is, the views of top, medium and first level managers. The research participants and the research setting were different from this study.

An MA thesis by Lubaba D. (2014) whose main objective was to examine the effective implementation of Strategic HRM (SHRM) in the CBE was also reviewed. In this study devolvement was used as an important construct to measure the effective implementation of SHRM in the bank; and the result, according to the finding, show slightly above moderate devolution. This result was based on the data gathered from line managers which included all levels of management in the bank unlike the purpose of this study which focused on exploring front- level managers' views on devolution of HRM.

In general, despite their relevance in terms of guiding source literatures, clarifying concepts etc..., none of them have been studied in the same industry paying particular emphasis to the First-Line Managers. All are different from this study mainly in terms of their subject matter research setting and scope. Therefore assessing the level of FLMs' involvement in HRM activities including their perspective on the rational, challenges and solutions relating to devolution will be a new and important attempt in the issue.

## 2.3 Conceptual Framework

To conduct this research extensive literature review has been made. An HR devolution framework (see Figure 1) which has been adapted from the literature by Khan, 2011 was basically used to develop (by the researcher) a further study framework (see Figure 2).

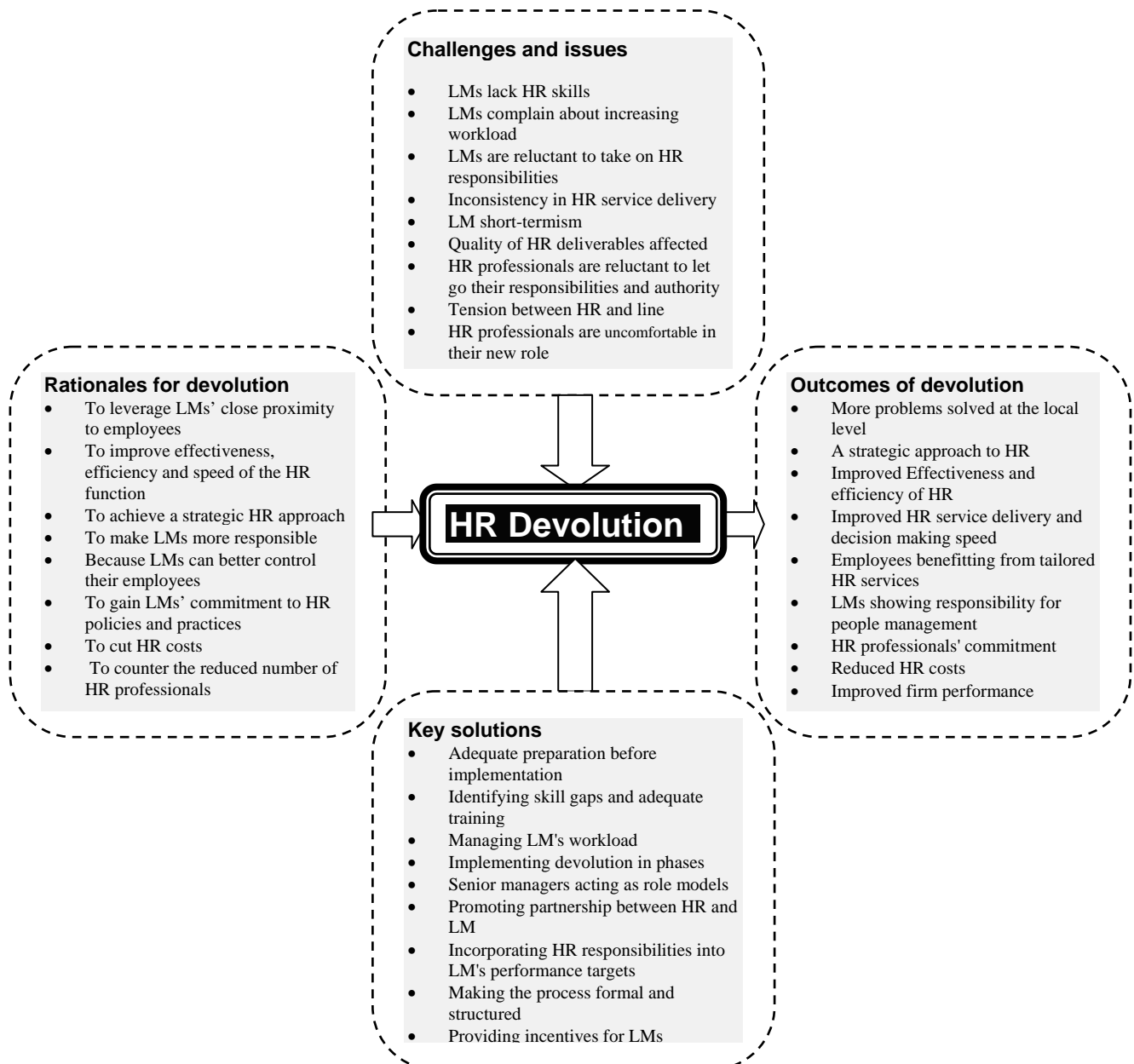
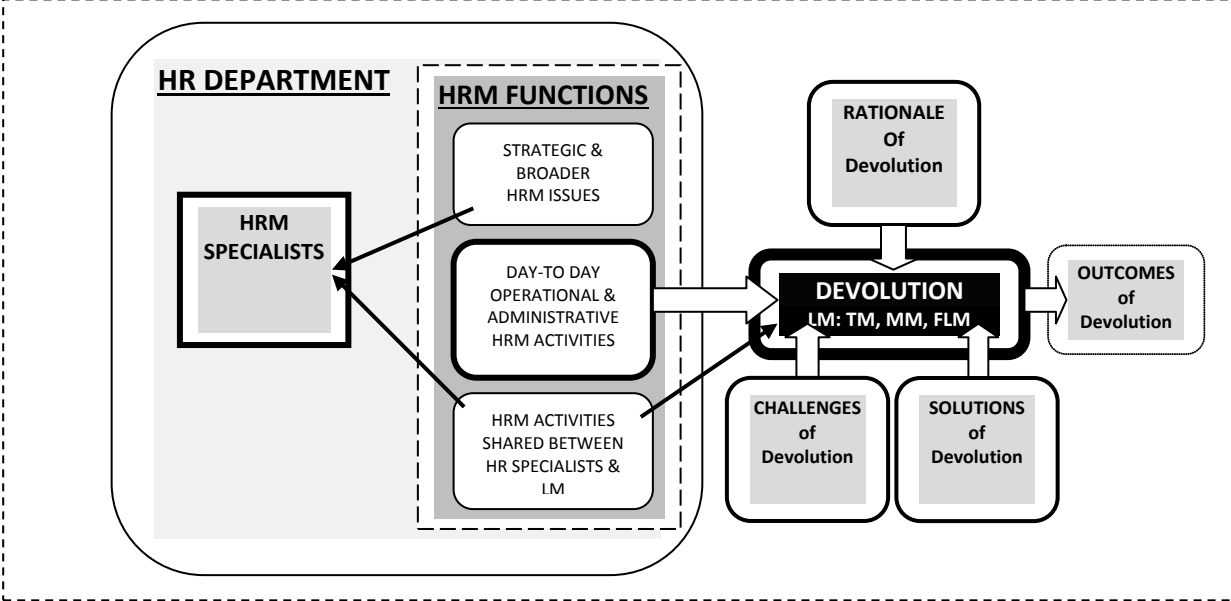


Figure 1: The HR devolution framework: Derived from the literature by Khan 2011

Based on this framework, research instruments, a questionnaire for FLMs and interview questions for two key personnel in the HR Process of the bank, are developed to measure FLMs’ perception using various items of HRM activities, rationales, challenges, and solutions as a variable.



LM=Line manager, TM=Top manager, MM= Middle Manager, FLM=First-line Manager

Figure 2: Study framework [Developed by the researcher, 2015] based on the literature and Khan’s, 2011 HR Devolution framework (see Figure 1).

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

As the purpose of this study was to assess and describe participants' perspective on devolution based on a quantitative data, mainly a quantitative research using descriptive statistics was employed. Dawson (2007) says quantitative research generates statistics through the use of large-scale survey research, using methods such as questionnaires or structured interviews. Kothari (2004) says the major purpose of descriptive research, often used in social science and business research, is description of the state of affairs as it exists at present; it can only be reported what has happened or what is happening. Primary data using a self administered questionnaire and structured interview were collected from FLMs and key persons from HR Process of the bank respectively. Secondary data from HR documents of the bank was used to acquire background information. The quantitative data that were collected using the questionnaire were analyzed using descriptive statistics and discussed based on the mean and percentage results. The information gathered from the interview and HR documents of the bank were used to qualify the responses of questionnaire survey participants.

#### **3.2 Sample and Sampling Technique**

##### **3.2.1 Target Population**

The target population that is expected to possess the information sought by the researcher and about which inferences are to be made is the group of Branch Managers and Customer Service Managers (CSMs) [elements/respondents] of Grade IV and III branches of the bank under the four District Offices located in Addis Ababa city. These groups of managers were defined as FLM. There were 149 FLMs from which a sample of participants was drawn and this was the study population.

##### **3.2.2 Sample Size and Sampling**

In determining a sample size for a survey study confidence level and margin of error are, among other things, the key factors. In most related researches most commonly used confidence level and margin of error are 95% and 0.05 respectively. A confidence level and margin of error give readers some measure of how much they can rely on survey responses to represent a target population (SHRM 2006 Strategic HR Management Survey Report). According to "Research Advisors" (2006) sample size determination table (see Annex IV),

the recommended sample size for a population of 150, a confidence level of 95% and margin of error (degree of accuracy) of 0.05 is 108 (<http://research-advisors.com/>). Thus, as the population for this study is 149150 the sample size of 108 participants with the same confidence level and margin of error is decided.

To select the participants, a lottery system of simple random sampling technique was applied. In using the lottery method, a complete list of 32 Grade IV and III branches under the four districts located in Addis Ababa city was used as a sampling frame. Each branch was assigned a number from 1-32 which was then written on a piece of paper card and placed in a container so that a person can draw to get the acquired sample size. In this way the 108 participants were finally selected.

Two key resource persons namely, the Directors of Human Resource Management and Human Resource Development Sub Processes of the bank were interviewed in order to acquire a deep understanding on the subject matter.

To maintain the norms of ethical research, approval from the bank had been obtained to access the necessary sources of data (Annex: I). The purpose of the research was communicated to participants. The willingness of participants to complete the questionnaire was asked first and they were also assured that the data gathered from them would be kept confidential and be used only for the research purpose.

### **3.3 Instruments of Data Collection**

A survey questionnaire that was completed by FLMs and interview questions were the major instruments to gather primary data (Annexes II & III). Items/variables in this survey instrument were developed referring previous studies, consulting my advisor and HR experts of the bank. Totally 60 (finally reduced to 53 due to deletion of some items that were left un-responded by almost 50% of the respondents) items were generated for the questionnaire which were then divided into five parts.

The first part contained seven items relating to respondents personal profile and general questions such as their gender, age, level of education, current position, number of employees directly reporting to them, total work experience both in their current position and in the bank as a whole. Among these, the position variable has been used for comparison to check whether Branch Managers and CSMs differ in their view on different aspects of devolution.

The rest variables were presented just to give readers background information about participants.

Part two of the questionnaire was divided into two sections. The first section asked respondents whether they believe that they have been involved in employee management activities by presenting them a “Yes”, or “No” choice. The purpose was to assess how many of the FLMs believe that HRM activities were devolved to them.

Then a list of twelve items in a 5 point Likert scale was provided in the next section of part two of the questionnaire. Here respondents were asked to indicate the extent of their involvement to each HR activity by choosing from five given responses where 5 being very great extent; 4=great extent; 3= moderate extent; 2= some extent and 1=little or no extent. Respondents were also allowed to add any additional HR activity to which they were involved to a very great or great extent.

Part three of the questionnaire was designed to examine the perspectives of respondents on the rationale/reason of devolving HR activities to FLMs. It contained nine items asking respondents to indicate the level of their agreement or disagreement using a measurement scale similar to the above.

The fourth and fifth part contained twelve and thirteen items relating to the challenges devolution and suggested solutions respectively. The fourth part of the questionnaire was developed to ask respondents to indicate the severity of the challenges using the scale where 5=Very critical issue, 4= Major issue, 3= Moderate issue, 2=Minor issue and 1= not an issue at all. Fifth part of the questionnaire was responded in the same manner as in the third part of the questionnaire by indicating their level of agreement or disagreement to each item in the scale.

### **3.4 Measurement**

The questionnaire items that measured FLMs’ perception on the extent of their involvement in HRM activities (extent of devolution), and their perspective on the rationale, challenges and possible solution for such barriers were developed based on the reviewed literatures and a devolution framework. They are described as follows.

**Extent of Involvement (devolvement):** To assess FLMs' extent of involvement in HRM activities the following items/HR activities were generated. Employee performance management, absence management, training & development, disciplinary & grievance management, recruitment, reward management/pay & benefit, health & safety, engagement and motivation, communication, HR planning, employee selection and defining job roles or preparing JD. These HR activities are recommended to be devolved to line managers by various scholars and literature sources (for example: Renwick, 2003 in Ntshable, 2007; Hutchinson and Purcell, 2008; Rachel Suff, 2011[IRS]; CIPD, 2012; Khan, 2011).

**Rationale of Devolution:** Under this dimension of devolution there are nine items designed to measure FLMs' level of agreement or acceptances on the rationale/reasons of devolving HR activities to LMs. These justifications were: to make FLMs more responsible on HRM activities, for better implementation of strategic HRM, for better employee motivation, to speed up HR decision making and service delivery, the best position of FLMs to manage employees, to make HR professionals focus more on strategic issues, for effective control on employees, for effectiveness and efficiency of the HR functions. Items in this scale were sourced from previous studies relevant to the interest of this study. (example Brewster and Larson,2000 in Ntshable, 2007; Khan, 2011; Ulrich and Bruckbank, 2005 in Power et al, ; Brewster and Larson,2000 in Kulik and Perry, 2008; in Hutchinson and Purcell (2008), Renwick, 2006 and Larson and Brewster, 2003; Whittaker and Marchington, 2003).

**Challenges of Devolution:** Under this aspect of devolution there were twelve items relating to the measure of FLMs' perception on the severity of challenges of devolution. These were: complexity and time consuming nature of devolution, short-termism of FLMs, FLMs' lack of HRM skill and knowledge, FLMs not considering HR activities as core duty, absence of recognition of FLMs' good HRM performance, lack of support from HR people , lack of support from management, not using HRM activities as FLM's performance criteria, not incorporating HR activities in FLMs' job/role description, incapability of HR professionals, confusion and tension over accountability and responsibility of line managers and HR Specialists, and lack of FLMs' interest to take on HR activities as their responsibilities . These items were generated from different literatures (example Brewster and Larson, 2000 in Ntshable, 2007; Khan, 2011; Harris et al, 20002 in Power et al; Stephen Bach, 2001 [WHO] ; Kulik and Perry, 2008; Hutchinson and Pursel, 2008; McGovern et al.,1997; Heraty and Morley, 1995, cited in Khan, 2011).

**Solutions of Devolution:** Under this dimension there were thirteen items relating to the measure of FLMs perspective on solutions for problems encountered in implementing devolution strategy. These were: skill gap identification and provision of training for LMs, balancing FLMs work load, support from senior and middle management, creating awareness on the devolution strategy, good partnership between HR and the line, financial and non financial incentive for FLMs, inclusion of HRM responsibilities in the JDs of FLMs, availability of clear cut HR policy and procedure, inclusion of HRM activities as performance target of FLMs, careful selection of FLMs, giving FLMs adequate time, and provision of a mechanism to measure and monitor FLMs' employee management performance. The items were generated from similar sources (example Khan, 2011; Stephen Bach, 2001 [WHO]; CIPD, 2012).

### **3.5 Procedures of Data Collection**

The survey questionnaire was distributed through managers of each branch. In gathering the questionnaires, one branch under each of the four district offices was used as a collection centre to which completed (enclosed in envelopes) questionnaires were sent and from which the researcher collected the responded questionnaires. This was done for anonymity purpose. Follow up through telephone was made so that the required data could be gathered as scheduled. Interviews with two key source persons (in terms of their position and professional know how) were conducted at their convenient time and place.

### **3.6 Methods of Data Analysis**

After the required quantitative data were gathered, they were analyzed using descriptive statistics mainly arithmetic mean, percentages and frequencies.

For the purpose of ease understanding the profiles of respondents were presented in three tables and analyzed using frequencies and percentages. Table: 1(a), (b) and (c) presented respondents' gender and age, level of education and number of staffs supervised by them, and respondents' overall work and employee management experience in the CBE respectively. Similarly, the data on the presence of devolvement of HR activities in the bank were analyzed on a table using frequencies and percentages for a "Yes" or "No" questions. The quantitative results for the four dimensions of devolution: level of involvement, rationale, challenges and solutions, were tabulated to depict the mean results in their descending order. The tables were designed to show the mean and standard deviation of each item responded by each group of managers (Branch Managers and CSMs) separately and by FLMs in combination. However,

relatively detail discussion or interpretation was attempted using the mean score of the top three items and the average mean provided by FLMs (not by BMs and CSMs separately) because the main objective of the study was to examine the combined result of First-line managers. When appropriate, two or three items with least mean scores provided by FLM, were also discussed. Thus, the research question of whether Branch Managers and CSMs differ in the four dimensions of devolution was just described based on the average means and top three items without giving due emphasis to the significance of their differences. The qualitative responses that were obtained from the interview were used to supplement quantitative data.

### **3.7 Validity and Reliability**

According to Kothari (2004), the term validity indicates the degree to which an instrument measures what it is supposed to measure where as reliability shows if an instrument provides consistent result. To maintain the reliability and validity of the methodology and data collection instruments, a pilot test which included ten participants (four Branch Managers and six CSMs) has been conducted. Based on the feedback gathered from them minor amendments were made. This way the research tools satisfied the reliability and validity threshold as described further below.

#### **3.7.1 Validity**

To enhance the validity of instruments, related literatures were first carefully reviewed. Questionnaire items that were used by previous similar studies were generated first and then customized to the context of this study. Furthermore, the validation process involved consulting my advisor and HR managers and experts of the bank. They also commented the face content validity of the questionnaire as acceptable. To maintain internal validity definitions of terms and concepts were described on the cover letter of both the survey questionnaire and interview questions, and terms that are jargons to the bank staffs were used as well.

#### **3.7.2 Reliability**

In this study reliability testing was conducted, using IBM SPSS version 20, before subjecting data to statistical analysis. Cronbach's alpha whose value varies from 0 to 1 is most widely used method. However, satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2002; Cronbach, 1951) cited in Robert, 2013. In this study, therefore, Cronbach's alpha scale was used as a measure of reliability. The outcome of reliability testing is shown in table 3.1 below.

From the table, reliability values ranged between  $\alpha= 0.899$  to  $0.903$  the overall alpha being  $0.900$ . When compared with standard value of  $\alpha= 0.6$ , the scale of the study was highly reliable for data analysis.

**Table 3.1 Reliability Testing**

<b>Dimensions of Devolvement/ Scales</b>	<b>Number of Items</b>	<b>Cronbach's Alpha (<math>\alpha</math>)</b>
Level of Involvement	12	0.903
Rationale of Devolution	09	0.912
Challenges of Devolution	12	0.903
Solutions for Devolution	13	0.899
Total	46	0.900

Source: Researcher's survey, 2015

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the results of the study, and discusses the findings using relevant literatures and information gathered from the interview. As the main focus of the study was on the overall result provided by FLMs, the discussions/interpretations were employed based on the top three mean scoring items and average mean results provided by these FLMs. Results for the last research question of whether Branch Managers and CSMs differ in the mentioned four dimensions were presented based on their average mean and top three items without much detail discussion.

Totally 101 out of 108 questionnaires were collected, and the response rate was 94%. Babbie (1998) and Mugenda and Mugenda (2003) asserts that more than 70% response rate is very good, 60% is considered good and 50% is adequate (cited in Robert, Jane & Iravo, 2013). Therefore, the response rate for this study was well above the requirement indicating strong basis for the study report.

#### 4.2 Profile of Respondents

Tables 4.1(a), (b) and (c) present the profiles of respondents in terms of their gender, age, level of education, number of staff supervised, work experience, and employee management experience. As can be seen from Table 4.1(a) below; among the total 101 participants, 22 (21.8%) were Branch Managers where as 79 (78.2%) were (CSMs). The majority, 82 (81.18%) out of 101 respondents participating in the questionnaire survey were males. Most of MB respondents were aged between 31 and 50 where as the majority of CSMs were aged between 20 and 40. Only 9 FLMs were aged between 51 and 60 years.

**Table 4.1(a) Respondents' Gender and Age**

BM=Branch Managers, CSM=Customer Service Managers, FLM= First-line Managers (*BM & CSM combined*)

Characteristics of Respondents		BM (n=22)		CSM (n=79)		FLM (Total n= 101)	
		Freq.	%	Freq.	%	Freq.	%
Gender	Female	1	1	18	17.8	<b>19</b>	<b>18.81</b>
	Male	21	19.8	61	60.4	<b>82</b>	<b>81.18</b>
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>
Age	20-30 yr.	2	2	34	33.7	<b>36</b>	<b>35.6</b>
	31-40 yr.	8	7.9	30	29.7	<b>38</b>	<b>37.6</b>
	41-50 yr.	8	7.9	10	9.9	<b>18</b>	<b>17.8</b>
	51-60 yr.	4	4	5	5	<b>9</b>	<b>8.9</b>
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>

Source: Researcher's survey, 2015

Table 4.1(b) below presents data with regard to respondents' level of education and number of staff supervised by them. Of all respondents 83 (82%) and 8 (7.9%) FLMs have first and second or above degrees respectively; indicating that almost all, that is, 91 (90 %) FLMs had a bachelor and above degree of high educational background which might have contributed to the validity of the research results. Regarding the number of staffs supervised by FLMs, the same table [Table 4.1(b)] shows that 89 (88%) FLMs were supervising more than 30 employees showing that the majority of FLM respondents had similar number of employees supervised by them which might have provided balanced response from them.

**Table 4.1(b) FLMs' Level of Education and Number of Staffs They Supervised**

BM=Branch Manager, CSM=Customer Service Manager, FLM= First-line Manager (BM & CSM combined)

Characteristics of Respondents		BM (n=22)		CSM (n=79)		FLM (Total n= 101)	
		Freq.	%	Freq.	%	Freq.	%
Level of Education	Diploma	2	2	8	7.9	10	9.9
	First Degree	19	18.8	64	63.4	83	82.2
	Masters & Above	1	1	7	6.9	8	7.9
	Other	0	0	0	0	0	0
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>
No of Staff Supervised	1-10	0	0	6	5.9	6	5.9
	11-20	0	0	5	5	5	5
	21-30	0	0	1	1	1	1
	>30	22	21.8	67	66.3	89	88.1
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>

Source: Researcher's survey, 2015

Respondents were also asked about their overall work and employee management experience in the bank. As summarized in Table 4.1(c), 47 (46.6%) and 54 (53.4%) FLMs had below and above 10 years of work experience in the CBE respectively. With regard to employee management experience of these managers; the majority, i.e., 61 (60.4%) FLMs had 2 years and above work experience; while the rest of them had below 2 years of experience in managing employees. This shows that the majority of FLM respondents were in CBE with a supervisory position for a fair amount of time and expected to be well informed about the devolution strategy; and got the opportunity to observe the challenges in executing the devolution scheme and think about the possible solutions. Considering their experience, therefore, the responses provided by these participants were valuable.

**Table 4.1(c) FLMs' Work and Employee Management Experience in the Bank**

BM=Branch Manager, CSM=Customer Service Manager, FLM= First-line Manager (*BM & CSM combined*)

Characteristics of Respondents		BM (n=22)		CSM (n=79)		FLM (Total n= 101)	
		Freq.	%	Freq.	%	Freq.	%
Work experience in CBE	<5 yr.	-	-	23	22.8	23	22.8
	5-10 yr.	1	1	23	22.8	24	23.8
	10-15 yr.	2	2	14	13.9	16	15.8
	>15 yr.	19	18.8	19	18.8	38	37.6
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>
Employee Management Experience in the CBE	<2 yr.	2	2	38	37.6	40	39.6
	2-5 yr.	0	0	24	23.8	24	23.8
	5-10 yr.	8	7.9	8	7.9	16	15.8
	>10 yr.	12	11.9	9	8.9	21	20.8
	<b>Total</b>	<b>22</b>	<b>21.8</b>	<b>79</b>	<b>78.2</b>	<b>101</b>	<b>100</b>

Source: Researcher's survey, 2015

### 4.3 Devolvement of HR Activities

Before examining the extent of FLMs' involvement in HRM activities, respondents were asked whether they were performing some HRM activities. The purpose of this question was to assess how many of the FLMs believe that some HRM activities were devolved to them. The result as summarized in Table 4.2 below indicates that overall 97.02 % of the FLMs (100 % of the BMs and 96.20% of CSMs) questionnaire respondents answered in the affirmative way indicating that almost all FLMs were aware that some HR activities are devolved to them. Only 3 (3.8%) CSMs (or 2.97% of FLMs) answered that they were not involved in HRM activities. However, it should be noted that all 101 of the participants answered all of the subsequent questions of all parts in the survey questionnaire. The result from the interview conducted with key source persons and the HR document of the bank also confirmed that devolvement is the bank's policy. From the above premises it can be understood that all of the target FLMs were equally aware that CBE has a policy which formally devolve some HR activities to LMs including to the FLMs. FLMs awareness on their HR duties and the belief that their involvement in HR activities is valuable are key to their active involvement in HRM function (Torrington, et al, 2008).

**Table 4.2 Devolvement of HRM Activities**

BM=Branch Manager, CSM=Customer Service Manager, FLM= First-line Manager (*BM & CSM combined*)

Item	BM (n=22)		CSM (n=79)		FLMs(n=101)	
	Yes %	NO %	Yes %	NO %	Yes %	NO %
FLMs involvement in HRM activities	100	-	96.2	3.8	<b>97.02</b>	<b>2.97</b>

Source: Researcher's survey, 2015

#### **4.4 Level of First-Line Managers' Involvement in HRM Activities**

The next important dimension of devolution to be measured was the level of First-line Managers' involvement in each HRM activities which was measured in a 5- point Likert scale where: 5= very great extent, 4= great extent, 3= moderate extent (the average), 2= some extent and 1= little or no extent. The purpose was to examine FLMs' perception on the extent of their involvement in some of HRM activities.

As depicted in Table 4.3 below, the average mean score for level of FLMs' involvement is 3.19 out of a possible scale of 5 point suggesting that FLMs (BMs & CSMs combined) provided an overall response slightly above the mid-point (the average) of "moderate extent" which can reflect that these managers perceived that they have a moderate extent involvement in HRM activities. From the interview it was found that FLMs are involved only in some HR activities and they are not allowed to involve in some other HRM functions. This situation could be the reason which resulted in moderate extent involvement of participant FLM.

From the table, seven HR activities are seen with mean values of more than the average of 3 point suggesting that FLMs have more than moderate extent involvement in these specific HR responsibilities. Among these, the three highest mean scoring HRM activities to which FLMs have been involved more were: i) absence management (4.13); ii) communication (3.91); and iii) employee performance management (3.85). According to the interview response the HR activities to which these FLMs were involved to a better extent were employee performance management, absence management, employee motivation and communication. Similarly, Hutchinson and Purcell, as cited in Armstrong (2006), noted that the most common people management activity handled by frontline managers is absence management. They also added that other people management activities that FLMs are frequently involved to were; performance appraisal, and involvement & communication. These findings confirm that some HR activities such as absence management, performance management and communication are universally applicable duties of First Line Managers.

In contrast, five HR activities are seen with mean values of less than the average of 3 implying that FLMs have less than moderate extent involvement in these HR duties. Of the five, the three HRM activities with least mean scores and to which FLMs have a minimal involvement were recruitment, selection and reward management. This is because, according

to the interview result, these activities are mainly handled centrally by HRM teams in the HR Process of the bank and as a result FLMs' participation is limited in these functions. However, the interviewees added that some Branch Managers, when invited, involve in interviewing and inducting or orienting new employees. Hutchinson and Purcell, as cited in Armstrong (2006), stated that recruitment and selection was also carried out by line managers, often in conjunction with HR.

When we look at the average mean score for the level of involvement of BMs (3.84) and CSMs (3.01) separately BMs provided an overall response closely equal to a "Great extent" which can suggest their considerably higher involvement in HRM activities than CSMs who provided an overall response equal to the mid-point (the average) of "moderate extent". The three highest mean scoring HRM activities to which both groups of managers have been involved separately were the same i.e., employee performance management; communication and absence management irrespective of their mean value.

**Table 4.3 Level of First Line Managers' involvement in HRM activities**

Note: M=Mean; SD= Standard deviation

5=Very great extent; 4= Great extent; 3=moderate extent; 2=some extent; 1=little or no extent.

BM=Branch Managers, CSM=Customer Service Managers, FLM= First-line Managers (BM & CSM combined)

No	HRM activities (variables)	BMs (n=22)		CSM (n=79)		FLM (n=101)	
		M	SD	M	SD	M	SD
1	Absence Management	4.32	0.99	4.08	1.24	<b>4.13</b>	<b>1.19</b>
2	Communication	4.41	0.80	3.77	1.20	<b>3.91</b>	<b>1.15</b>
3	Employee Performance Management	4.42	0.96	3.70	1.20	<b>3.85</b>	<b>1.19</b>
4	Disciplinary & Grievance Management	4.18	1.26	3.54	1.32	<b>3.68</b>	<b>1.33</b>
5	Employee Engagement and Motivation	3.86	1.25	3.33	1.28	<b>3.45</b>	<b>1.28</b>
6	Training & Development	4.00	1.11	3.22	1.16	<b>3.39</b>	<b>1.19</b>
7	HR Planning	4.09	1.11	2.77	1.35	<b>3.06</b>	<b>1.41</b>
8	Health & Safety	3.32	1.62	2.63	1.37	<b>2.78</b>	<b>1.45</b>
9	Defining roles or JD	3.09	1.38	2.67	1.37	<b>2.76</b>	<b>1.38</b>
10	Reward Management/Pay & Benefit	2.64	1.43	2.41	1.41	<b>2.46</b>	<b>1.41</b>
11	Selection	3.95	1.25	2.01	1.32	<b>2.44</b>	<b>1.53</b>
12	Recruitment.	3.77	1.23	2.03	1.34	<b>2.41</b>	<b>1.50</b>
<b>Average Mean</b>		<b>3.84</b>		<b>3.01</b>		<b>3.19</b>	

Source: Researcher's survey, 2015

#### 4.5 First-Line Managers' Views on the Rationale of Devolution

The main purpose of the questionnaire items in part three of the questionnaire was to examine the level of FLMs' agreement/acceptance with the reasons why some of the HRM activities were devolved to them. Accordingly, respondents were asked as to what extent they agree or disagree with a list of rationale items of devolution. As presented in Table 4.4 below, FLMs provided an overall response of slightly above a "great extent" with a mean score of 4.10 indicating that, in general, FLMs accepted the reasons to above a great extent.

With the exception of one (the 9<sup>th</sup> item with M=3.94 which is quite closer to 4) all rational items of devolution had a mean value of above 4. Among these, in the views of FLMs respondents, the top three reasons why some HRM activities were delegated to them were: (i) to better implement strategic HRM (4.29); (ii) for effective control of employees and employee motivation (4.14) and (iii) proximity of FLMs, i.e., because they are closer to employees they supervise and are best placed to deal with people management (4.13). The two reasons provided by interviewees: *"the very reason in involving FLMs in HRM activities is to create closer relation between HR staffs and the line management and through that approach achieve effective implementation of business and HR strategies"* and *"to empower line managers or transfer burden/responsibilities from HR staffs to line managers"* seem in agreement with the FLMs' top and least reasons of "better strategic HRM implementation" and "making line managers more responsible on HRM activity" respectively. The interview also revealed that one of the main reasons to devolve HRM activities to LMs was the absence of automated process; the bank's HR activities were being carried out manually. It was added that, had it been automated, all HRM activities could have been handled centrally solely by HR staffs of the bank.

As cited in Oladipo and Abdulkadir (2011), Budhwar and Khatri (2001) argued that to make HR managers more available for participation in strategic decision-making process, the responsibility of routine execution and administration of HR practices should be delegated to line managers as they have direct and frequent contact with employees. This argument strengthens two of the top three devolution rationales accepted (or agreed) by FLMs and mentioned by the interviewees namely, better implementation of strategic HRM and FLMs' proximity to employees.

The average mean results for the question of whether Branch Managers and CSMs differ in their perspective on the rationale of devolution indicate that Branch Manager respondents accepted the rationale items (the reasons as to why HRM activities have been devolved to them) well above a “great extent” (M=4.48) than CSMs who provided an overall response of nearly a “great extent” (M=3.99). The top three rationales /reasons which BMs agree/accept almost to a very great extent were: (i) to improve effectiveness of HR functions; (ii) to better motivate employees; and (iii) FLMs’ proximity to employees. In the views of CSMs the top three rationale items which they agreed/accepted to a great extent were: (i) better implementation of strategic HRM; (ii) effective employee control; and (iii) HR professionals’ focuses more on strategic issues. Unlike in the case of their level of involvement in HR activities, here the three highest mean scoring rational items which BMs and CSMs accepted separately were not the same.

**Table 4.4 Views of First Line Manager on the Rationale of Devolution**

Note: M=Mean; SD= Standard deviation

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

BM=Branch Managers, CSM=Customer Service Managers, FLM= First-line Managers (BM & CSM combined)

No	Items/variables	BMs(n=22)		CSM(n=79)		FLM(n=101)	
		M	SD	M	SD	M	SD
1	Better implementation of strategic HRM.	4.41	0.59	4.25	0.72	<b>4.29</b>	<b>0.70</b>
2	Effective control of employees	4.32	1.25	4.09	0.80	<b>4.14</b>	<b>0.92</b>
3	Employee motivation.	4.68	0.57	3.99	0.93	<b>4.14</b>	<b>0.91</b>
4	FLMs are best placed to deal with people management.	4.64	0.58	3.99	0.90	<b>4.13</b>	<b>0.88</b>
5	Improve effectiveness of HR functions	4.72	0.55	3.90	1.07	<b>4.08</b>	<b>1.04</b>
6	Speed up HR decision making and service delivery.	4.55	0.74	3.94	0.99	<b>4.07</b>	<b>0.97</b>
7	HR professionals focusing more on strategic issues.	4.18	1.22	4.00	0.91	<b>4.04</b>	<b>0.98</b>
8	Improve efficiency of the HR functions	4.50	0.96	3.90	1.12	<b>4.03</b>	<b>1.11</b>
9	FLMs becoming more responsible on HRM activities.	4.32	0.72	3.84	1.07	<b>3.94</b>	<b>1.02</b>
<b>Average Mean</b>		<b>4.48</b>		<b>3.99</b>		<b>4.10</b>	

Source: Researcher’s survey, 2015

#### 4.6 First-Line Managers Perception on the Challenges of Devolution

Part four of the questionnaire was designed to address the extent of FLMs' perception on the severity of challenges and or issues of devolution they might have encountered while executing their HRM duties. Table 4.5 below summarizes the results from the responses of questionnaire survey participants. The overall average mean score of 2.64 (which is below the average score of 3 out of 5) shows that FLMs provided a response between "minor issue" and "moderate issue" implying that the mentioned challenges and or issues discussed in the literature are not that severe to them. In other words; all, except one, items were perceived by FLMs as below moderate issue. In their descending order, relatively the three most severe problems and issues as perceived by these FLM respondents were: (i) lack of time i.e., dealing with HR activities is complex and consumes much time; (ii) FLMs short-termism that is, giving greater priority to their short-term functional targets rather than their HRM responsibilities; and (iii) lack of sufficient support from top and middle management. Over all, although lack of time was viewed as slightly above moderate challenge no single item was perceived as a major or very critical problem by these FLM respondents.

In contrast, according to the interview, the main challenges relating to HRM responsibilities of FLMs were that some of these managers didn't want to take administrative measures such as employee disciplining, releases and placements showing a tendency of pushing these issues to the center (HO). In this regard previous study by Hall and Torrington (1998), as cited in Torrington, et al, (2008) found in their research that although there was a deliberate policy to devolve HR activities, and managers were encouraged to take them on, these often bounced straight back to HR specialists. These issues may relate to the lack of willingness of FLMs to own some HRM activities. However, as can be seen in Table 4.5 this item is shown as the least (M=2.32) among the rest challenges. The other problems, according to the interview result were:

*"FLMs do not give priority to HR issues, do not see it critically, do not give uniform feedback, and do not meet deadlines.*

*"Though they (FLMS) are in a better status through intensive training there was a difficult time in transforming FLMs from the traditional way of doing HR activities mainly due to the lack of skill and awareness. However, skill gap is still seen in the area of payroll activities in calculating leave and income and other types of taxes. HR policies and HRM duties are understood differently and as a consequence inconsistent application of HRM activities by FLMs was seen."*

Previous study by Torrington and Hall (2008) found similar problems such as lack of consistency in HR decision and lack of integration resulting on more difficulties in implementing HR strategies. Kulik (2006) added that LMs may have little or no training in HR, and may not see HR as a central component of their responsibilities.

The question of whether Branch Managers and CSMs differ in their perception on the challenges of devolvement was also assessed using the average mean result and the top three challenges. Accordingly, the average mean scores provided by Branch Managers (2.34) and CSMs (2.72) show that both responded similarly below the mid-point of “Moderate issue” indicating, however, that relatively the challenges are more severe to the CSMs than to Branch Managers. Irrespective of their mean score order the top three challenges for each group of managers are the same as the problems provided by their combined response i.e., lack of time; FLMs short-termism; and lack of sufficient support from top and middle management.

**Table 4.5 First-Line Managers’ Perception on the Challenges of Devolution**

Note: M=Mean; SD= Standard deviation

5=Very critical issue; 4 = Major issue; 3 = Moderate issue; 2 = Minor issue; 1 = Not an issue at all

BM=Branch Managers, CSM=Customer Service Managers, FLM= First-line Managers (BM & CSM combined)

No	Items/variables	BMs (n=22)		CSM (n=79)		FLM (n=101)	
		M	SD	M	SD	M	SD
1	Lack of time	3.23	1.11	3.18	1.21	<b>3.19</b>	<b>1.18</b>
2	FLMs short-termism	2.50	1.22	3.11	1.23	<b>2.98</b>	<b>1.25</b>
3	Lack of sufficient support from top and middle management.	2.55	1.37	2.81	1.22	<b>2.75</b>	<b>1.25</b>
4	Tension between HR and FLMs	2.23	1.23	2.80	1.30	<b>2.67</b>	<b>1.30</b>
5	HRM duties are not taken as performance criteria.	2.41	1.01	2.71	1.25	<b>2.64</b>	<b>1.20</b>
6	Unavailability of HR staffs.	2.32	0.89	2.73	1.27	<b>2.64</b>	<b>1.20</b>
7	Incapability of HR staffs to respond to HR issues.	2.27	0.88	2.73	1.13	<b>2.63</b>	<b>1.09</b>
8	Lack of FLMs’ HRM skills and knowledge.	2.36	1.22	2.66	1.10	<b>2.59</b>	<b>1.12</b>
9	Lack of recognition of FLMs for their good HRM performance.	2.27	1.35	2.56	1.32	<b>2.50</b>	<b>1.32</b>
10	HR activities not taken as central responsibilities of FLMs.	2.14	1.39	2.47	1.21	<b>2.40</b>	<b>1.25</b>
11	Reluctance of FLMs in dealing with HRM activities.	1.86	1.17	2.44	1.22	<b>2.32</b>	<b>1.22</b>
12	HRM duties are not included in job description of FLMs.	1.95	1.33	2.41	1.19	<b>2.31</b>	<b>1.23</b>
<b>Average Mean</b>		<b>2.34</b>		<b>2.72</b>		<b>2.64</b>	

Source: Researcher’s survey, 2015

## **4.7 First Line Managers' Views on Key Solutions for Successful Devolution**

The survey questionnaire was also designed to ask respondents to what extent they agree or disagree with a list of suggested solutions that are believed, according to the literature discussed in chapter 2, to help in solving problems encountered by LMs in implementing devolution of HRM activities to line managers. The finding is summarized in Table 4.6 below. As a result, the average mean score of 4.12 for FLMs indicates that the majority of the respondents agree slightly above a great extent that the suggested solutions could provide possible solution for most of the problems they encountered in implementing their HRM responsibilities.

Generally, FLMs have been seen to agree above a great extent with ten solution items while they agree below a great extent with only three solution items. Among these possible solutions the top three mean scoring items in their descending order and as perceived by FLMs were: (i) clear cut HR policies and procedures of devolution (4.38); (ii) working together in harmony of HR and line management (4.28); and (iii) adequate support from top and middle management (4.25). It can be seen here that the third item, “adequate support from top and middle management”, was among the top three challenges reported by FLMs which can imply the clear presence of the challenge. The other solution item, among the top three, was “clear cut HR policies and procedures of devolution” which could solve the confusion and tension over accountability and responsibility of line managers and HR staff that had been mentioned as almost a moderate problem; this may also indirectly suggest existence of problems around the issues of HR policies and procedures of the bank.

From the interview finding it was understood that the bank has been trying to provide solutions for the challenges. For instance the bank has already given “Performance Management System”, “HR for non HRs” and other trainings mainly with the intention to upgrade line managers' knowledge around people management.

Based on the average mean score of 4.21, and 4.15 for MBs and CSMs respectively, whether Branch Managers and CSMs differ in their perception on the solutions of devolvment was also examined. Accordingly, both groups of managers responded similarly to slightly above great extent suggesting that each group of FLMs believed to slightly above a great extent that the suggested solutions would provide possible solutions for the challenges they perceived.

The top three solution items as perceived by Branch Managers, were: (i) working together in harmony of HR and line management (ii) identifying FLMs’ skill gaps and providing them with proper HRM training and development.; and (iii) adequate support from top and middle management; while the top three for CSM were: (i) clear cut HR policies & procedures of devolution and a mechanism to measure line managers’ people management effectiveness; (ii) adequate time to carry out HR responsibilities; and (iii) line management and HR working together as a team and Support from management.

**Table 4.6 First Line Managers’ Views on Key Solutions for Successful Devolution**

Note: M=Mean; SD= Standard deviation

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

BM=Branch Manager, CSM=Customer Service Manager, FLM= First-line Manager (BM & CSM combined)

No	Items/variables	BMs (n=22)		CSM (n=79)		FLM (n=101)	
		M	SD	M	SD	M	SD
1	Clear cut HR policies and procedures.	4.27	0.83	4.41	0.76	<b>4.38</b>	<b>0.77</b>
2	HR staffs and FLMs work together as a team.	4.59	0.91	4.19	1.03	<b>4.28</b>	<b>1.01</b>
3	Support from senior and middle management.	4.45	1.01	4.19	0.80	<b>4.25</b>	<b>0.85</b>
4	A mechanism should be provided to measure and monitor line managers effectiveness.	4.41	0.91	4.41	0.91	<b>4.22</b>	<b>0.81</b>
5	Identifying skill gaps and providing training.	4.50	0.96	4.08	1.02	<b>4.17</b>	<b>1.02</b>
6	Creating awareness among the stakeholders.	4.18	1.10	4.11	0.82	<b>4.13</b>	<b>0.88</b>
7	Branch Managers & CSMs need to have adequate time to carry out their people management activities.	4.32	0.78	4.32	0.78	<b>4.12</b>	<b>0.85</b>
8	Incorporating HRM duties into FLMs performance targets.	4.14	0.89	4.10	0.99	<b>4.11</b>	<b>0.97</b>
9	Balancing workload of FLMs	4.36	1.09	4.04	1.06	<b>4.11</b>	<b>1.07</b>
10	HRM duties should be included in JD of FLMs.	3.95	1.17	4.05	1.12	<b>4.03</b>	<b>1.13</b>
11	Financial incentive for FLMs.	3.59	1.33	4.05	0.95	<b>3.95</b>	<b>1.05</b>
12	Care full selection of FLMs, paying attention to their HRM behaviours rather than their technical expertise.	4.14	0.89	4.10	0.99	<b>3.95</b>	<b>1.11</b>
13	Non-financial incentive for FLMs.	3.77	0.92	3.91	1.05	<b>3.88</b>	<b>1.02</b>
<b>Average Mean</b>		<b>4.21</b>		<b>4.15</b>		<b>4.12</b>	

Source: Researcher’s survey, 2015

To summarize what has been discussed in this chapter (also see Table 4.7 below); almost all FLMs believed that they were involved in some HR activities. The combined average mean score of 3.19 also indicates that these FLMs had a moderate extent involvement in people management responsibilities. With regard to the rationale of devolution, these group of managers provided an average mean score of 4.10 indicating that, in general, FLMs accepted the reasons of devolution above a great extent. As to the challenges of devolution, the average mean score of 2.64 showed that FLMs provided a response between “minor issue” and

“moderate issue” suggesting that the challenges and or issues were not that severe for them. As perceived by FLMs, the mean score result of 4.12 implies the majority of the respondents agreed slightly above a great extent that the suggested solutions could provide possible solution for most of the problems they encountered in implementing their HRM responsibilities.

With regard to the research question of whether BMs and CSMs differ in the aspects of devolution the findings are summarized as follows. All BMs and 76 out of 79 CSMs believed that some HR activities were devolved to them. In the cases of the extent of involvement in HR activities and the level of agreement with the rationale items of devolution, the average mean scores of 3.84 and 4.48 suggest that BMs have a considerable higher involvement in people management and greater agreement with the rationale of devolution than CSMs who provided average mean scores of 3.01 and 3.99 respectively. Though the degree of difference is lesser as compared to the above two dimensions, BMs had slightly a greater agreement with the key solutions of devolution than CSMs had. In contrast, the average mean scores provided by Branch Managers (2.34) and CSMs (2.72) show that relatively the challenges are more severe to the CSMs than to Branch Managers.

**Table 4.7 Summary of Descriptive Statistics on Aspect of Devolution**

*BM=Branch Managers, CSM=Customer Service Managers,  
FLM= First-line Managers (BM & CSM combined)*

Dimensions/aspects of Devolution	Average Means Scores		
	BM	CSM	FLM
Extent of involvement in HRM activities	3.84	3.01	3.19
Level of agreement on the rationale of Devolution	4.48	3.99	4.10
Extent of Challenges of Devolution	2.34	2.72	2.64
Level of agreement on the key solutions of devolution	4.21	4.15	4.12

Source: Researcher’s survey, 2015

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The previous chapter dealt with the results and discussions of data obtained mainly by way of questionnaire survey. This chapter presents the summary of the findings of this study, the conclusions derived from the findings, limitations of the study and the recommendations of the researcher.

#### **5.1 Summary**

The purpose of this study was to assess FLMs' involvement in HR activities and to examine their perspectives on the rationale, challenges, and solutions of devolution including whether BMs and CSM differ in their view on these dimensions.

The target group from which 108 sample participants were selected was 149 First-line managers (Branch Managers and CSMs) of grade IV and III branches located in Addis Ababa under four District Offices. The sample was selected using a lottery system of simple random sampling technique. Using a self completed survey questionnaire quantitative data were gathered and analysed using mainly descriptive statics of frequencies, means (on a 5 point Likert scale) and percentages. Interview was conducted with two key persons in the HR Process of the bank and used to qualify the quantitative finding.

The research questions that were stated in the introductory part of this paper were: how many of the FLMs believe that they are involved in HRM activities and to what extent are they involved; to what extent FLMs perceive/ agree to the rationale, challenges and solutions of devolution, and do Branch Managers and Customer Service Managers differ in the mentioned aspects of devolution.

Accordingly, the findings of the study are presented as follows:

#### **Devolvement and FLMs' Level of Involvement**

- Out of 101 participants 98 (97.02 %) of the FLMs believed that they were involved in HRM activities (or HR activities were devolved to them). While three CSMs believed that they were not involved in employee management activities, no branch manager was found to respond in a negative way.
- In the case of their level of involvement, FLMs (BMs & CSMs combined) provided an overall response (M=3.19) slightly above the mid-point (the average) of “moderate

extent” which reflected that these managers have a moderate extent involvement in HRM activities. The three highest mean scoring HRM activities to which FLMs have been involved were found to be, absence management, communication and employee performance management.

- The average mean scores provided by BMs (M=3.84) and CSMs (M=3.13) separately show that BMs had all most a great extent level of involvement in HR activities than CSMs who provided an overall response almost equal to the mid-point of “moderate extent”.

### **Rationale for Devolution**

- With regard to the rationale of devolution, FLMs provided an overall response of slightly above a “great extent” with a mean score of 4.10 indicating that, in general, FLMs accepted the reasons to above a great extent. In the views of FLM respondents, the top three reasons why some HRM activities were delegated to them were: to better implement strategic HRM, for effective control of employees and employee motivation and proximity of FLMs.
- The average mean scores indicated that Branch Manager respondents accepted the rationale items ( the reasons as to why HRM activities have been devolved to them) well above a “great extent” (M=4.48) than CSMs who provided an overall response of nearly a “great extent” (M=3.99).

### **Challenges and Issues of Devolution**

- As to the problems of devolution, the average mean score of 2.64 (which is below the average score of 3 out of 5) shows that FLMs provided a response between “minor issue” and “moderate issue” implying that the mentioned challenges and or issues are not that sever to them. Relatively the three most severe problems and issues as perceived by these FLMs were believed to be, lack of time and complexity, FLMs’ short-termism and lack of sufficient support from top and middle management.
- Both Branch Managers and CSMs provided mean scores of 2.34 and 2.72 respectively in a similar fashion below the mid-point of “Moderate issue” indicating, however, that the problems are relatively more sever to CSMs than BMs.

### **Solutions of Devolution**

- Regarding the solutions of devolution, FLMs provided a response of an average mean score (M=4.12) above a great extent which indicates that respondents agree slightly

above a great extent that the mentioned items could provide possible solution for the problems they encountered in implementing their HRM responsibilities. The top three solutions as perceived by FLMs were: clear cut HR policies and procedures of devolution, LMs working together with HR as a team and adequate support from top and middle management.

- Both Branch Managers, and Customer Service Managers responded similarly to slightly above a great extent with average mean result of 4.2, and 4.1 respectively suggesting almost equal extent agreement or acceptance of the solutions.

## **5.2 Conclusion**

The results summarized above were based on the responses of 101 participants from a sample of 108 which represented the population of 149 FLMs. The following conclusions are derived from the above findings.

- The first objective of this study was to assess how many of FLMs believe that some HRM activities are devolved to them. From the finding it has been observed that all of the BMs and almost all (79 out of 79) CSMs or 97.02% of FLMs believed that they are involved in some employee management activities which can serve as a strong basis to conclude that almost all FLMs of Grade IV and III branches under the four District Offices located in A.A. perceived that they are involved in HR activities.
- The next logical objective of this study was to examine the level of FLMs involvement in HRM activities. It was observed from the finding that overall FLMs have a moderate extent involvement in HR activities which can be generalized to all FLMs of the target group of this study. In addition, the information from the interview revealed that, though some HR activities were devolved to line managers much of the activities were performed solely by HR staffs or with little involvement of line managers at various management hierarchies. Therefore it can be concluded that FLMs of the target population had almost a greater extent involvement in HR activities of absence management, communication, and employee performance management.
- Without testing the significance of statistical difference, the average mean scores provided by BMs (3.84) and CSMs (3.13) implied that these group of managers of the population differ in their level of involvement in HR activities; BMs being more involved than CSMs.

- The third objective of this study was to examine the extent of FLMs acceptance on the reasons or rationale why some of the HRM activities were devolved to them. With regard to this, the average mean score of 4.10 indicated that FLMs of the population agreed or accepted all the rationale of devolution to a great extent, and believed that the top three reasons why some HR activities have been delegated to them were: to better implement strategic HRM, for effective control of employees and employee motivation and proximity of FLMs.
- The average mean scores provided by BMs (4.48) and CSMs (3.99) indicated the existence of difference between these managers regarding their extent of agreement with the rationale of devolution implying Branch Manager accepting the reasons in a better extent than SCMs.
- The result indicated that FLMs have, in general, above a great extent acceptance of the reasons why some HR activities were devolved to them. This might indicate FLMs' level of awareness on the concept of devolution (or their awareness on employee management duties) which might have been created through the bank's training programs.
- The fourth objective of this research was to explore the extent of FLMs perception on the challenges of devolution. From the average mean score of 2.64 provided by FLMs respondents, it can be concluded that the mentioned challenges and or issues are not that severe to FLMs of the target group in executing their people management responsibilities.
- As can be seen from the result, "lack of sufficient support from top and middle management" is relatively, among the top three problems though its' mean result (M=2.75) is below the average. The corresponding solution item "Support from senior and middle management" was also among the three top solutions with a mean value of 4.25 which could indirectly strengthen the persistence of the problem.
- The fifth objective of this study was to examine the level of FLMs' agreement to the proposed solutions of devolution challenges. FLMs provided a response of an average mean score (M=4.12) above a great extent which indicated that all FLMs of the population agreed slightly above a great extent that the mentioned items could provide possible solution for the problems they encountered in implementing their HRM responsibilities.

### **5.3 Limitations**

As the main objective of this study was to assess FLMs' (BMs and CSMs combined as one management group) views on the mentioned aspects of devolution, much of the discussions were attempted based on the results provided by this group of respondents. Comparative description between the results provided by BMs and CSMs separately was attempted using average mean scores and mean values of some items. However as the differences were not measured using test of statistical significance difference (such as ANOVA) analysis using such technique may result different outcome.

One of the limitations of this study is the target group and places which was confined to FLMs of Grade IV and III branches located in Addis Ababa under four district offices. FLMs as defined by the bank includes Team Leads (who were not included as participants in this study) of various units at the Head Offices of the bank. These Team Leads and participant FLMs might differ in terms of the weight of duties and responsibilities assigned to them. Furthermore, Branch Managers and CSMs of outlying branches (branches located outside Addis Ababa) can have different employee management responsibilities as compared to the responsibilities of FLMs of branches located in Addis Ababa. For example some HR activities such as, employment of service workers (non-clerical employees) is delegated to Branch Managers of outlying branches where as it is not the mandate of Branch Managers of branches in Addis Ababa. Hence, the results must be viewed with caution since the findings cannot be generalized to all areas of the bank where FLMs are working. Further study involving all types of FLMs in terms of their location and position may result a different finding.

As the setting/structure of commercial banks may differ from bank to bank the result of this study may not be generalized to other banks, though the study was conducted in the same industry.

## 5.4 Recommendations

- The finding showed that Branch Managers had a greater extent involvement in HR activities than CSMs. Thus, the bank should work more to delegate HR activities to CSM than BMs because it is these managers who are closer to employees and can monitor the day to day performance of employees than Branch Managers.
- Though the challenges, as perceived by FLMs, relating to devolved HRM are not considered as very critical or major issues the overall mean score of 2.64 imply the existence of problems relating to the implementation of HRM activities. This result was based on a sample of limited participants. On top of that, the solutions accepted by those FLMs might indirectly indicate the existence of challenges. Therefore, the bank should conduct a thorough assessment on the implementation status of devolution strategy encompassing all FLM in order to identify the pitfalls that inhibit these managers in executing their HRM duties and devise a mitigating approach.
- As can be seen from the result, “lack of sufficient support from top and middle management” is relatively, among the top three problems and the corresponding solution item “Support from senior and middle management” was also among the three top solutions which could indirectly strengthen the existence of the problem. Therefore, the bank’s management should work more on supporting FLMs in their effort to execute employee management responsibilities.
- As can be seen from the finding, lack of time and FLMs short-termism are relatively the first and the second problems (with a moderate extent issue) respectively. Therefore, the bank should also work more on these issues.
- The fact that FLMs have, in general, above a great extent acceptance of the reasons of devolution might indicate FLMs’ level of awareness on the concept of devolution (or their awareness on employee management duties) which might have been created through the bank’s training programs. Therefore the bank should maintain and keep on giving related training in the future to achieve more and improve in the other aspects of devolved HR activities.
- Though it is hoped that the results of this study will provide useful information to HR practitioners and researchers/academicians, it was conducted in a single organization and limited area of focus having its own limitations. Therefore, a further study using a greater sample from the case organization or the industry as a whole is recommended.

- Comparative description between the results provided by BMs and CSMs separately was attempted using only average mean scores and mean values of some items. However statistical significance difference was not conducted. Therefore studies with much more discussion on each item using such statistical tools should be conducted to measure the differences not only between BMs and CSM but also among the three or more hierarchies of line managers.

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**APPENDIXES**

# **APPENDIXES**

**APPENDIX I: Permission letter from the CBE**

## **APPENDIX-II: Questionnaire to be filled by Branch Managers and CSMs (FLMs)**

**Addis Ababa University  
School of Commerce**

### **Questionnaire to be filled by Branch Managers and Customer Service Managers**

Dear respondent:

I am a postgraduate student at Addis Ababa University-School of Commerce pursuing my MA in Human Resource Management. For my final thesis I am doing a research on “*An assessment of the views of First-line Managers on the aspects of devolution of HR activities: the case of Commercial Bank of Ethiopia*”. The purpose of the study is to assess the perspectives of Branch Managers and Customer Service Managers on their involvement in HR activities, examine their perspectives on the rational, challenges, and possible solutions of devolved HRM. You are therefore, selected to participate in this study by responding the questions in this instrument. I assure you that any information gathered from you will be treated strictly confidential. Please put an (X) mark in the appropriate space provided corresponding to each item/question.

**Note:**

- Devolution means transferring some HRM tasks or activities from HR Professionals to line managers. Therefore, please try to answer the following questions in line with this concept of devolution.

For the purpose of this study:

- HRM Professionals are the people in HR Process of the bank.
- First line managers (FLM) are Branch Managers and Customer Service Managers (CSMs).

If you have any question, please call me: 0913-037008.

Thank you for taking the time to assist me.

Sincerely,

Gezachew Demlie

## PART-I Personal Profiles of Respondents and General Question

Item No	Item/Question	Response			
1.1	Gender	Male	Female		
1.2	Age	20-30	31-40	41-50	51-60
1.3	Level of Education	Diploma	First Degree	Masters and above	Other
1.4	Your position	Branch Manager	CSM		
1.5	Number of staff under you	1-10	11-20	21-30	Above 30
1.6	Total Work experience in CBE	Below 5 years	5-10 years	10-15 years	Above 15 years
1.7	Total employee management experience in CBE	Below 2 years	2-5 years	5 -10 years	Above 10 years

## PART-II Firs-line managers' involvement and extent of involvement in employee management activities

Are you performing some of Human Resource Management (HRM) activities in your current position?

Yes  No

If your answer for the above question is yes, please use the items in the following table to indicate the extent of your involvement in HRM activities (employee management issues). (5=Very Great Extent; 4=Great extent; 3=Moderate extent; 2=some extent; 1 little or no extent).

Item No.	Statement (HRM [employee management] activities)	5	4	3	2	1
2.1	I am involved in <b>Employee Performance Management</b> (goal setting, contracting, and appraisal) activities.	5	4	3	2	1
2.2	I am involved in <b>defining roles of JD</b> activities.	5	4	3	2	1
2.3	I am involved in <b>Employee Absence Management</b> activities.	5	4	3	2	1
2.4	I am involved in <b>Employee Training &amp; Development</b> activities.	5	4	3	2	1
2.5	I am involved in <b>Employee Disciplinary &amp; Grievance</b> management activities.	5	4	3	2	1
2.6	I am involved in <b>Employee Recruitment</b> activities.	5	4	3	2	1
2.7	I am involved in <b>Employee Reward Management/Pay &amp; Benefit</b> activities	5	4	3	2	1
2.8	I am involved in Employee <b>Health &amp; Safety</b> activities.	5	4	3	2	1
2.9	I am involved in <b>Employee Engagement and Motivation</b> activities.	5	4	3	2	1
2.10	I am involved in <b>Communication</b> activities.	5	4	3	2	1
2.11	I am involved in <b>Employee budgeting &amp; forecasting/ HR Planning</b> activities.	5	4	3	2	1
2.12	I am involved in <b>Employee Selection</b> activities.	5	4	3	2	1

Any other HR activities that you are involved to a very great or a great extent \_\_\_\_\_

### Part-III Perspectives of Branch Managers and CSMs on the Rational of Devolution

This section examines your level of agreement/acceptance on the rationale of incorporating HRM activities as your responsibilities. To what extent do you agree with each of the following statements? Use the scale where: 5=strongly agree; 4= Agree; 3=neither agree nor disagree; 2= disagree; 1= strongly disagree

Item No	Item	5	4	3	2	1
3.1	Devolution makes me more responsible on HRM activities because I am ultimately accountable for the performance of my employees.	5	4	3	2	1
3.2	I understand that devolution helps better implement strategic HRM by integrating HR policies with the bank's business goals.	5	4	3	2	1
3.3	Devolution allows me to better motivate my employees.	5	4	3	2	1
3.4	Devolution help to speed up HR decision making and service delivery.	5	4	3	2	1
3.5	Devolution is logical because Branch Managers and CSMs are best placed to deal with people management.	5	4	3	2	1
3.6	Devolution allows HR professionals of the bank to focus more on strategic issues rather than with routine operational HR activities.	5	4	3	2	1
3.7	Devolution allows me to maintain effective control on employees	5	4	3	2	1
3.8	In general, devolution improve effectiveness of the HR functions	5	4	3	2	1
3.9	In general, devolution improve efficiency of the HR functions	5	4	3	2	1

Any other rational \_\_\_\_\_

### PART-IV Challenges of Devolved HR as perceived by FLM

This section asks you about the severity of challenges you perceived in implementing your HRM activities. To what extent do you agree with each of the following statements? Use the scale where: 5=Very critical issue; 4= Major issue; 3=Moderate issue; 2= Minor issue; 1= Not an issue at all

Item No.	Item	5	4	3	2	1
4.1	Dealing with HR activities is complex and is consuming much of my time.	5	4	3	2	1
4.2	I give greater priority to my short term functional goal than the HR issues.	5	4	3	2	1
4.3	I haven't got the required and adequate skills and knowledge that can help me in dealing with HR activities.	5	4	3	2	1
4.4	I don't consider HR activities as a central/core component of my responsibilities.	5	4	3	2	1
4.5	I am not receiving recognition for my good hrm/employee management performance	5	4	3	2	1
4.6	HR staff of the bank are unavailable when I need them the most	5	4	3	2	1
4.7	I don't feel there is sufficient support from top management.	5	4	3	2	1
4.8	Responsibilities and duties relating to HR activities are not included in my performance criteria	5	4	3	2	1
4.9	Responsibilities and duties relating to HR activities are not included in my job/role description.	5	4	3	2	1
4.10	HR people/professionals of the bank are not capable enough to respond to problems raised by line managers.	5	4	3	2	1
4.11	There is confusion and tension over accountability and responsibility of line managers and HR Specialists of the bank regarding their employee management duties.	5	4	3	2	1
4.12	I am not happy dealing with employee management activities.					

Any other challenges? \_\_\_\_\_

### **PART-V Views of FLM on the suggested Key solutions**

This section asks you about the solutions you believe it can alleviate the challenges of devolution. To what extent do you agree with each of the following statements? Use the scale where: **5=strongly agree; 4= Agree; 3=neither agree nor disagree; 2= disagree; 1= strongly disagree**

<b>Item No.</b>	<b>Item (solution statement)</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
5.1	Identifying FLM's skill gaps and providing them with proper HRM training and development.	5	4	3	2	1
5.2	Managing FLM's workload	5	4	3	2	1
5.3	Facilitation from senior management is a key factor towards successful implementation of the devolution scheme	5	4	3	2	1
5.4	Extensively communicating the very idea of the devolution strategy and creating awareness among the stakeholders enhance the effective implementation of the strategy.	5	4	3	2	1
5.5	HR specialists and all LM should work together as a team for the successful implementation of the devolution.	5	4	3	2	1
5.6	Providing financial incentive for FLMs enhance the successful implementation of the devolution.	5	4	3	2	1
5.7	Providing non-financial incentive for FLMs enhance the successful implementation of the devolution.	5	4	3	2	1
5.8	HR roles and responsibilities should be clearly articulated in FLM job descriptions.	5	4	3	2	1
5.9	Clear cut HR policies and procedures are vital for successful implementation of devolution.	5	4	3	2	1
5.10	Incorporating people management issues into FLM's performance targets is vital for successful implementation of devolution.	5	4	3	2	1
5.11	FLM need to be carefully selected, with particular attention paid to their people management behaviours rather than their technical expertise.	5	4	3	2	1
5.12	FLM need to have adequate time to carry out their people management activities.	5	4	3	2	1
5.13	A mechanism should be provided to measure and monitor line managers effectiveness so that good people management skill can be awarded.	5	4	3	2	1

Any other solutions? \_\_\_\_\_

**Thank You!!**

## **APPENDIX-III: Interview Cover letter and Questions**

### **Addis Ababa University School of Commerce Interview Cover letter**

Dear respondent:

I am a postgraduate student at Addis Ababa University-School of Commerce pursuing my MA in Human Resource Management. For my final thesis I am doing a research on “*An assessment of the views of First-line Managers on the aspects of devolution of HR activities: the case of Commercial Bank of Ethiopia*”. The purpose of the study is to assess the perspectives of Branch Managers and Customer Service Managers on their involvement in HR activities, examine their perspectives on the rational, challenges, and possible solutions of devolved HRM. You are therefore, selected to participate in this study by responding the interview questions. I assure you that any information gathered from you will be treated strictly confidential.

#### **Note:**

Devolution means transferring HRM tasks or activities from HR Professionals to line managers. Therefore, please try to answer the following questions in line with this concept of devolution.

For the purpose of this study:

- HRM Professionals are the people in HR Process of the bank.
- First line managers (FLM) are Branch Managers and Customer Service Managers (CSMs).

If you have any question, please call me: 0913-037008.

Thank you for taking the time to assist me.

Sincerely,

Gezachew Demlie

### Interview Questions

1. Does the bank have a policy to devolve HRM activities to Branch Managers and Customer Service Managers (First-level managers: FLM)?  
\_\_\_\_\_.
2. What are the HRM activities that are devolved (assigned to FLM as their daily duties) to these managers?  
\_\_\_\_\_  
\_\_\_\_\_.
3. Among the devolved one, can you tell me:
  - a. The HRM activities that are totally handled by FLM?  
\_\_\_\_\_.
  - b. The HRM activities that are performed both by FLM and HR staff (shared HRM activities)?  
\_\_\_\_\_.
  - c. The HRM activities that are handled only by HR staff?  
\_\_\_\_\_.
4. What is the rationale/reason behind formulation a devolution policy or strategy to involve FLM in HRM activities?  
\_\_\_\_\_  
\_\_\_\_\_.
5. Do you think that these FLM are well aware of the rational/ the reason why the HRM activities are assigned to them? \_\_\_\_\_.
6. What are the challenges encountered in implementing this scheme or strategy?  
\_\_\_\_\_  
\_\_\_\_\_.
7. Do you think that FLM are happy to take on full responsibility of such HRM activities?  
\_\_\_\_\_.
8. Do you think that the HR people are happy to transfer the routine operational HRM activities and focus on the broader strategic issues?  
\_\_\_\_\_  
\_\_\_\_\_.
9. Are FLM and HR staffs working cooperatively without ambiguity over HRM roles/responsibility?  
\_\_\_\_\_.
10. Are FLMs getting sufficient support from management and HR Process in relation to their HRM duties?  
\_\_\_\_\_?
11. Have FLM acquired adequate skill and knowledge to successfully implement their assigned HRM activities? \_\_\_\_\_?
12. Please forward possible solutions that can minimize or alleviate the barriers hose FLMs encountered in implementing devolution/or their employee management responsibilities.  
\_\_\_\_\_.
13. Any other comment \_\_\_\_\_.

**Thank You!!**

## APPENDIX-IV Sample size determination table

<b>Required Sample Size<sup>†</sup></b>								
Population Size	Confidence = <b>95%</b>				Confidence = <b>99%</b>			
	Margin of Error				Margin of Error			
	<b>5.0%</b>	<b>3.5%</b>	<b>2.5%</b>	<b>1.0%</b>	<b>5.0%</b>	<b>3.5%</b>	<b>2.5%</b>	<b>1.0%</b>
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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