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Line Managers and their Management of Human Resources: Evidence from the Retail Industry

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Abstract

The notion of line managers taking on operational personnel roles has been steadily interwoven into descriptions of a human resource management (HRM) approach. This paper draws on case study based empirical evidence conducted in the multiple store retail industry to investigate the devolution of human resource (HR) activities to line managers. It uses data gathered from interviews with a selection of retail managers across three organisations.

The paper proposes that the devolution of HR responsibilities to local managers in multiple store retailing has led to inconsistencies in the execution of company HR policy and a preoccupation with 'hard' HRM practices. 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.

Line Managers and their Management of Human resources: Evidence from the Retail Industry

Target: Human Resource Management Journal

INTRODUCTION

This paper focuses on the implications of line managers assuming key responsibility for HR in three multiple store retail organisations. It attempts to test Hall and Torrington's (1998) prediction that the devolution of HR to line managers has potential implications for the "feasibility of establishment-wide HR strategy and consistency in the handling of day-to-day people issues" (p.41). Focusing on the HR decisions of store level managers it reports on empirical data that examined local managers'[1] responses to the tensions that result from trying to deliver on corporate strategies of cost minimisation and quality enhancement.

Since the mid-1990s many major multiple store retailers have pursued corporate strategies of serving the customer better, but within an acceptable cost base (Freathy and Sparks 2000). This has resulted in companies offering the customer a high quality of customer service together with low prices. Many multiple store retailers have attempted to adopt an organisation-wide national image through encouraging a strong sense of corporate identity in the workplace (Doogan 1992). This might suggest that a 'soft' human resource management (HRM) approach would be appropriate to secure the success of such a strategy.

It has been argued that the need to serve customers and manage stores, together with the high cost of labour, has increased the critical role of human resources in retail

[1] The term 'local manager' will be used to refer to managers working in stores with line management responsibilities.

strategy (Freathy and Sparks 1996). However, there is an ambivalent relationship produced by the dichotomy between costs and services in the retail industry. Research has found that retail employees are confused about the conflicting messages arising from this (Ogbonna and Whipp 1999). Labour is usually seen by retailers as a cost to be minimised (Doogan 1992; Shackleton 1998) and HRM can be used to mediate the relationship between costs and profits. This results in:

> contradictory pressures on corporate policy, expressing, on the one hand a need to raise the calibre and competence of the workforce, but on the other a downward pressure on labour costs. (Doogan 1992: 24)

The execution of this dilemma falls with store level managers who are geared towards the delivery of policies that have been designed and packaged centrally, with comparatively little autonomy in decision-making. This has:

> effectively relocated the locus of control of company (and store) operations away from store managers and into head offices. Decisions about most aspects of store operations are now made away from the store and the activities of managers are severely circumscribed. This control.....has reduced the freedom of store managers to operate independently. (Sparks 2000a: 9)

Despite increased centralisation in multiple store retailing (see Freathy and Sparks 2000; Sparks 2000a, 2000b) the geographical dispersion of stores sets up pressure for some degree of devolvement to local managers. Retail employers have been found to be increasingly devolving responsibility for HRM to branch level (Tomlinson et al 1997). As a result many HRM decisions in stores are no longer taken by human resources (HR) specialists, but instead by local managers. This increased role of line managers in the management of human resources is a distinctive characteristic of human resource management (see Legge 1995; Renwick 2000a, 2000b; Thornhill and Saunders 1998). Research has found that the focus for local managers is now on managing a store's workforce, particularly as centralisation of control has directly removed many other areas of decision-making responsibility (Sparks 2000b).

However, it has been found that many line managers do not consider HR activities as part of their own responsibilities, but as central HR duties (Buyens and De Vos 2001; McGovern et al 1997) and so are reluctant to take on HR responsibilities (Marchington et al 1992; Hall and Torrington 1998). Some view the devolution of HRM as merely a "dumping" of HR responsibility (Bevan and Hayday 1994; Moss Kanter 1989). Research suggests that line managers often lack the skills and time to effectively carry out their HR responsibilities (Cunningham and Hyman 1999; Hoogendoorn and Brewster 1992; Hutchinson and Wood 1995; Lowe 1992; Tamkin et al 1997). Meanwhile, there is little empirical evidence to suggest that organisations successfully evaluate line managers' HR activities (Hutchinson 1995) and any formal monitoring and measuring of effectiveness often occurs some time after the devolution of responsibility (Tamkin et al 1997).

Where HR responsibilities rest with line managers, these managers often have minimal control over the objectives that are set for them and are unlikely to have the power to determine budgets (Freathy and Sparks 1994). Conversely, the performance of line managers is often evaluated in budgetary terms with short-term bonuses or long-term career progression linked to these measures. Therefore, it has been argued that in today's organisations with "cost accountancy supremacy" (Armstrong 1989:91):

> the delivery of HRM practice into the hands of managers controlled in such a fashion, whatever the rhetoric behind it, promises to turn the treatment of human resources into an instrument for the achievement of short-run accounting targets. (Armstrong 1989:164)

Consequently, budgets can set the short range HR agenda for line managers (Marginson et al 1993), whereby the devolution of HR may mean that personnel has to "justify itself using the same criteria of short term effectiveness as everyone else" (Kilpatrick et al 1992: 142). The impact of line managers undertaking HR

responsibilities within this environment has not been fully realised through empirical research, although there is the suspicion that the rhetoric of "customer first" actually means "market forces supreme" (Sisson 1994:15), which would suggest a 'hard' approach to HRM is likely to prevail.

The formulation of corporate strategy does not necessarily indicate successful implementation without resistance from employees, particularly in the area of HRM with the additional "difficulty of monitoring standards of performance management" (Tamkin et al 1997:39). This is particularly true when 'espoused policy' is often the approach to HR strategy, consisting of "a summation of proposals, objectives and standards that top-level management hold and/ or state they hold for establishing the organisation's approach to it employees" (Brewster et al 1993:63). This provides an opportunity for HR strategies to be modified or resisted by local managers in order to prevent them being converted into practice (Marchington and Parker 1990). In multiple retail organisations local managers assume a relatively high level of responsibility for the management of human resources. Given the low level of monitoring of HR policy execution in retailing (see Tamkin et al 1997), there needs to be a differentiation between the formulation of HR policy and its implementation:

> To describe strategies without assessing whether to not these operate on the shop floor is to provide a partial picture of the concept. (Marchington and Parker 1990:74)

This research will attempt to distinguish between the formulation and execution of HR policy, by examining how local managers implement company policy and exercise their responsibility for HRM. The methodology for the research study will be outlined, followed by a report of the empirical findings, and a discussion as regards the implications of these findings.

METHODS

A case study approach was adopted, using three multiple store retail organisations. Two stores for each case study organisation were selected for the collection of data, resulting in six stores being used for the research. These stores were located across Southern England and employed a combined workforce of 1250. A series of fifty nine interviews were conducted over a twelve month period with managers at all levels of the organisation, with a particular focus on local managers. This included senior store managers, department managers and, where applicable, supervisors. For the purposes of confidentiality each organisation has been assigned a pseudonym: Groceryco, Superco and Homeco. Groceryco and Superco operated in the grocery market, whereas Homeco operated in the home improvement sector. Whilst the case study organisations operated in two distinct retailing sectors, each of the retailers was concentrated in the superstore sector of retailing and conducted large scale store operations.

FINDINGS

Corporate Strategy

Corporate strategy, in all three case study organisations, focused on the achievement of cost reductions and the improvement of customer service. Superco and Homeco had pledged to make £20 million worth of cost savings, whilst Groceryco's target was £60 million. In addition, all three organisations were publicly committed to the delivery of a high standard of customer service provision. Store level managers in the case study organisations were subsequently subject to corporate strategies that focused on a simultaneous programme of cost reduction and quality enhancement, which formed the basis of local managers' decision making processes.

To achieve these strategic aims, stores were controlled through a standardisation of outputs to ensure that each branch delivered the same 'shopping experience' to customers, while realising requisite cost savings. In line with Armstrong (1989) and Kinnie (1989) the main control system exerted by the centre, in all three firms, was financial. Consequently, head office set budgets and targets and monitored results in those terms, while it was the responsibility of local managers to meet the output targets. Keeping within budgets was vital for local managers and set the precedence for local managers' decision-making processes.

In addition to budgetary constraints imposed from central office, corporate strategy also focused on high quality customer service. Particular strategies deployed included shorter queue lengths at checkouts, the provision of in-store expertise and bag-packing services, amongst other additional services. The intangibility of customer service provision meant a lower level of central control over the actual execution of customer service policies.

The three case study organisation's strategies were motivated by the contradictory and conflicting principles of quality enhancement and cost reduction. The emphasis clearly rested on the notion of "more for less" (Sisson 1994: 15), which left store level managers juggling these contradictory demands:

> You have to balance efficiency with customer service. You can't ask everyone to work as quickly as possible without taking any time out to actually talk to the customers. It's almost impossible to balance the two, but it's costs that really matter and so customer service often has to be sacrificed. (Customer Services Manager, Groceryco)

As a consequence, inconsistencies arose in the provision of customer service, which meant that the promises made to customers and the expectations of head office were often unfulfilled at store level. This will be considered in more detail later in the paper.

Human Resource Management

All three case study organisations emphasised the importance of their employees to the successful delivery of corporate strategy. A variety of HR initiatives were in place, many stressing the importance of training, development and employee involvement:

> The driving force is our staff who have done a sterling job in all parts of the company…..we are determined to improve opportunities for their training and development, as well as offer them one of the best pay and benefits packages in the retail sector." (Retail Personnel Dircetor, Superco)
>
> Our People Strategy builds on the commitment and performance of our employees. It aims to improve the commitment and retention of staff through a programme of training, development and involvement (HR Manager, Head Office, Groceryco)
>
> We aim to be the best and for staff this means training and development to enable them to offer services, ideas and advice, as well as the products and tools to do the job. We place an emphasis on high standards of customer care and service and the commitment of employees to this principal is crucial. We have developed channels of communication to help people expand their knowledge of, and involvement with, the company (Personnel Director, Head Office, Homeco)

The customer service strategy pursued by all three organisations placed an increasing emphasis on the selection and training of staff and the effective management of such staff to ensure they delivered on this strategy. This had implications for the HR skills of local managers to effectively manage human resources to meet corporate strategic aims.

In all three case study organisations the main functional responsibility for local managers was the management of human resources. Local managers held a number of people management responsibilities, including recruitment and selection, induction, on-the-job training, staff scheduling, and performance management. Local managers'

HR responsibilities were subject to fewer tangible measurements and so less closely controlled and monitored by the centre:

> I have a fair amount of autonomy managing the checkouts as long as the queues and wage bills are low. (Department Manager, Groceryco)

The difficulty in quantifying HR and its contribution to business success is well documented (Guest 1997; Patterson et al 1997). HR is often seen as a "fad", or just needing "common sense" (Whittaker and Marchington 2003: 251), with little evidence of people management having performance expectations at local level. As a result, head office formally divested discretion to local managers in terms of HR:

> Employment decisions depend very much on the store manager. There is very little direction or impact from head office. (Department Manager, Homeco)

Not all aspects of HRM performance can be measured in quantitative terms, which makes the standardisation of outputs difficult (Emmanuel et al 1990). This leaves local managers with a degree of discretion in how they implement HR policy and this discretion can be defined as "the official delegation of responsibilities" (Lynch 2001: 331). In the case study organisation's local managers' largest degree of discretion was found in their discharge of HR responsibilities.

As previously mentioned, keeping within budgets was vital in all three case study organisations, with store level management performance largely assessed on this basis. The prioritisation of measurable performance targets led to a conflict for local managers in terms of which aspects of corporate strategy were prioritised. This emphasis on budgetary control had implications for the management of human resources and delivery of customer service at local level, which will be discussed in the following section.

Strategies of Independence

To be seen to achieve seemingly divergent strategic aims local managers exercised their discretion and circumvented areas of company policy that they considered to hinder their ability to fulfil corporate strategy, particularly the strategy of cost minimisation. The main area of policy neglect was in the execution of HR responsibilities and consequently the greatest dichotomy between company policy and practice was in the management of human resources. This often resulted in the sacrifice of 'soft' HRM policies because of the priority assigned to meeting budgets, which lead to cost cutting and work intensification:

> The company has become more ruthless……they are forever devising new ways to cut costs. (Department Manager, Superco)
>
> The company expects more from its employees to improve customer service and beat off the competition, but they are confined to the same budgets so we just have to work harder. (Department Manager, Superco)

This manipulation of company policy to facilitate the delivery of measurable performance targets can be termed 'strategies of independence' (Lynch 2001: 332), which describes "the informal conduct of managers that circumvent the formal organisation" to meet central demands. In manipulating HR policy local managers could ensure they met the demands of their role with minimal detection of transgression by the centre. These strategies of independence were prevalent in the areas of formal management discretion where processes were less closely scrutinised by the centre. Acknowledgement of the existence of strategies of independence is important as it advances our understanding of management processes and the effect of this on local managers' execution of HR responsibilities.

Through manipulating HR policies and labour resources local managers were more able to satisfy budgetary and performance targets. While budgets and targets were the

prevailing force in dictating local managers' priorities the actual measurements and monitoring were sometimes relatively crude:

> As long as we meet the targets set by head office and keep within our budgets, they [*Head Office*] don't really bother us too much. (Assistant Store Manager, Superco)

> There is an overall annual staffing budget which is 9 per cent of sales. This covers the whole year and takes no account of peaks and troughs in trading. During quiet periods you can spend all 9 per cent and no one at head office will question it, but then you'll only have the same to spend when you're really busy which doesn't make sense. (Store Manager, Homeco)

The sizeable scale of operations in multiple store retailing is such that a close scrutiny of how budgets and performance targets are achieved is impractical. As a result the centre was only concerned with the numerical achievement of targets and did not closely supervise the methods used by local managers to realise them. Closer analysis was only initiated when stores did not stay within budget. This increased the imperative for stores to achieve their output targets to minimise interference from the centre. By employing strategies of independence local managers created a façade of effective management capabilities to their superiors and simultaneously maintained their level of autonomy.

The manipulation of HR policy by local managers led to a focus on hard HRM at the expense of the 'soft' approaches of training, development and employee involvement that senior managers at head office advocated. Company policy in all three organisations prescribed a process of progressive training and development initiatives, staff scheduling that was mindful of the work-life balance ethos, an increased employment of customer service staff to facilitate the delivery of corporate strategy, and an increased employment of full time employees. However, local managers' strategies of independence contravened these policies through a variety of initiatives including the imposition of an unauthorised recruitment freeze, requests for staff to

work overtime, an increased employment of part time staff, staff rosters that were contrary to company policy, and the undermining of training initiatives. This paper will now detail these strategies of independence and outlines the impact of them for the employees involved, as well as discussing the wider consequences for our comprehension of HRM.

Local managers were given a relatively large degree of discretion over the structure of their workforce. A labour budget for each store was determined by head office and local managers were free to use this budget to their own preferences:

> There is no pressure from head office to use part timers, to increase the number of part timers or to go for more flexibility of employment. It's all down to the personal preference of the store manager. (Store Manager, Homeco)

To satisfy financial budgets local managers claimed to favour the employment of part timers over full timers for economic reasons. Local managers consistently cited that the employment of full timers was too costly and made it difficult to meet head office budgets and targets:

> It's cheaper to employ part timers in terms of overtime costs and benefits. (Assistant Store Manager, Groceryco)

Part timers did not attract a premium rate for working above their contracted weekly hours, which provided an additional financial attraction for local managers:

> Now the company is cutting down on hours you can't afford full timers any more. The business is only feasible for part timers now. (Department Manager, Groceryco)

> More flexibility is now demanded by the company because part timers are cheaper. We've always had part timers, but budgets are becoming increasingly important higher up and cuts are occurring throughout the company (Department Manager, Superco)

At Superco, this was in breach of central HR policy to employ greater numbers of full timers:

> We want to employ a larger proportion of full timers so that we can deliver our customer service promises because we will then have staff who are genuinely committed to Superco. (Retail Personnel Director, Superco)

This highlights the conflicts local managers faced in dealing with competing priorities of cost minimisation and quality enhancement. Invariably, short-term measurable demands prevailed

over any long-term consideration of more intangible concepts such as HR (see also Whittaker and Marchington 2003).

Further actions to save costs through manipulating labour were evident at a Superco store. In order to meet budgetary targets, the store manager instigated a recruitment freeze to reduce expenditure:

> Recruitment is financially controlled so you look at wage costs and look ahead to the budget squeeze and so you don't recruit and flex up the part timers. Then there is a desperate shortage of employees. (Department Manager, Superco)

This was completely unbeknown to head office, but was facilitated by the expectation that part timers would offer numerical flexibility through working additional shifts, to cover vacancies while the recruitment freeze was in operation:

> There is a budget problem and so we are not replacing leavers, but are using part timers to work overtime as a short term option until the budget comes under control. (Assistant Store Manager, Superco)

This illustrates the high priority assigned to meeting financial targets by local managers, which at times was to the detriment of their other responsibilities, such as HRM and customer service.

Local managers held responsibility for writing the staff rosters. These staff schedules were not closely monitored by the centre and so provided another opportunity for local managers to deploy 'strategies of independence'. Quite often unsophisticated methods were used to determine the hours staff worked in any week:

> We just use pen, paper and our brains. (Assistant Store Manager, Homeco)

To compensate for the high level of discretion afforded to local managers in this area, each company provided guidelines to safeguard against exploitation of employees and ensure compliance with employment legislation. Local managers at Homeco were required to write staff schedules four weeks in advance to enable staff to plan non-work commitments. However, the reality was one of staff schedules being written much later than company policy dictated:

> Company policy requires staff schedules to be written four weeks in advance, but the reality is that it's easier to write the schedules every fortnight. (Department Manager, Homeco)

At Groceryco, policies existed to prevent local managers changing an employee's shift at short notice to ensure security of working hours for staff and avoid misuse of employee goodwill. In truth, greater flexibility was demanded with regular demands for employees to change their original scheduled hours at very short notice:

> Official company policy is 48 hours notice of any change and then the employees don't have to work it if they don't want to. Unofficially, we change their hours or get them to work extra at much less notice. (Department Manager, Groceryco)

It is known that organisation of working time can be fundamental to the productivity and motivation of employees (Arrowsmith and Sisson 2000). Yet even where policies existed in the case study organisations to safeguard employees against unpredictability of working hours, local managers undermined these policies and risked employee productivity and commitment in order to satisfy short term business needs. This transcended to budget-driven management techniques which took no account of employees' need for a work-life balance. The 'needs of the business' were consistently cited as taking precedence over the 'needs of employees':

> They [*employees*] have to fit around what the company requires and not the other way round. (Department Manager, Homeco)

This inevitably led to a hard approach to HRM at local level, regardless of company HR policy that was more likely to emphasise soft HR practices. However, these 'soft' facets of HRM were of less significance to local managers because their performance in this area was subject to less scrutiny by head office. As a result, the delegation of HR responsibilities to local managers weakened corporate attempts to introduce soft HRM practices, thus undermining the value of such HR policies.

The extent to which local managers were involved in 'strategies of independence' was apparent when a visit to a store from Regional or Head Office management took place. Periodic visits to

stores by the centre were made to inspect store operations and local managers were notified of any imminent visits. It was acknowledged that the deployment of greater numbers of staff than normal was often necessary to ensure store operations were at an optimum level for the purposes of a visit. Such 'royal' visits caused particular problems at Homeco's Oxford store due to staff shortages. These labour shortfalls meant the premium level of customer service expected by the centre and promised to customers was in reality rarely delivered on a daily basis. In order to ensure the store provided its premium level of customer service during a visit, local managers requested employees to work overtime to conceal staffing shortages:

> We really struggle when we know we've got a visit on. We make sure that everyone's brought in, even if it was supposed to be their day off, and just pay them overtime. So when we're visited there's always plenty of staff working, right down to the door greeter to hand out baskets to the customers. (Department Manager, Homeco)

Central management were consequently presented with a full complement of staff providing the stipulated level of customer service whenever they visited the store. Local managers effectively concealed any HR problems such as staff shortages rather than exposing them to senior management. This enabled them to maintain their autonomy while presenting an impression of competent management. The 'strategies of independence' deployed to overcome central visits to the store lead to further contravention of company policy. The staffing shortages at the Oxford store resulted in a surplus in the staffing budget. Local managers could therefore afford to pay overtime rates without attracting head office attention, despite this contravening company policy:

> Officially we don't use overtime in the store because there's a complete ban – but unofficially yes we do use it. (Assistant Store Manager, Homeco)

This highlights the extent to which budgets were the main driver in management priorities. A store's accounts would only attract central management attention if the budgets were exceeded. Despite the possibility that an under-spend might also denote significant concerns, the Oxford store was never scrutinised for its accounts. This enabled the local managers to enact a

pretense during a central management visit, when in reality the level of customer service and staffing levels was typically below company standards.

Superco had a strong and highly publicised commitment to improving the quality of customer service in its stores. One initiative was the provision of Customer Service Assistants in all stores to help customers at every point of their shopping trip such as packing bags and loading them into customers' cars. Additional financial resources were provided to stores for the recruitment of these new staff. Head Office believed that the employment of Customer Service Assistants would facilitate the delivery of customer service pledges:

> We've introduced a new role in our stores of a Customer Service Assistant. They'll pack customers' bags, load shopping into their cars, find goods for the customers, or retrieve goods that the customer may have forgotten on reaching the checkouts. This is something none of our competitors offer and will really put us one step ahead in terms of customer service. (Retail Personnel Director, Superco)

Local managers did not share such a positive opinion of Customer Service Assistants and instead viewed them as rather an extravagance at a time when staff were experiencing work intensification:

> The company expects more from its employees to improve customer service and beat off the competition, but we are confined to the same budgets so we just have to work harder. (Department Manager, Superco)

> When the department is run so tightly there is no leeway. This makes it really difficult when people are away and there's little money to pay for overtime. The idea of Customer Service Assistants is nonsense when we don't even have enough main staff. (Department Manager, Superco)

Customer Service Assistants were rarely used by local managers in their primary role of offering a premium level of service to customers. Instead they were the often seconded on to other departments, either temporarily during peak trading or permanently in times of staff shortages:

> I was given the option of a Customer Service Assistant when a permanent vacancy in my department arose. While we're not supposed to use them in departments, when the store manager is trying to control budgets, it frequently happens. (Department Manager, Superco)

As a result, the store's personnel records would show these staff employed as Customer Service Assistants, while in practice they were often found to be working in other roles as and when budgets dictated. This again demonstrates the priority placed on tangible performance targets by local managers. Local managers suffered the dilemma of accomplishing contending priorities of customer service versus cost minimisation. It was immediate, tangible business needs that dominated. Human resources were manipulated and customer service provision undermined in order for local managers to satisfy their management priority of meeting budgetary targets.

Local managers also had a large degree of discretion in the training and development of their staff:

> Individual departments are responsible for training. (HR Store Manager, Groceryco)

Groceryco did attempt to introduce high commitment management practices for all staff through encouraging a greater emphasis on training and development:

> All staff now have their own Personal Development Planner which encourages suggestions from employees themselves so that, in conjunction with their department manager, they have some input and control over their development and training. (HR Manager, Head Office, Groceryco)

However, the priority assigned to more tangible management activities meant that local managers did not implement this training initiative fully:

> All staff now have Personal Development Planners to improve the level and standards of training and development. But we don't have the time to sit down with staff to work through them, so they're often just ignored. (Department Manager, Groceryco)

Where line managers were given responsibility for employee development, this resulted in a hard HRM approach. It highlights the problems of developing soft HR policies when the increasing demands on stores can mean that local managers may consider such initiatives superfluous. The high devolution and low accountability of HR responsibilities in the case study organisations gave local managers the opportunity to forbear any HR policies that might impede their ability to meet tangible performance targets.

Discussion

This research demonstrates that local managers occupy an indispensable role between the corporate organisation, the store and the marketplace. Local managers had to successfully convert corporate strategy and company policy into day-to-day operations. Their efforts were devoted to everyday operational work, juggling the realities of increasing demands for customer care within a context of diminishing financial resources.

The impact of conflicting demands on local managers led them to modify company policy where there was opportunity to do so. The intangibility of HRM and the low priority afforded to it meant that people management did not have formal, written performance expectations in any of the case study organisations. Local managers had the capacity to modify or resist HR policies because of the high level of responsibility and low accountability of HRM in the case study organisations. This manipulation of company policy has been termed 'strategies of independence' and enabled local managers to deliver on the demands of their jobs, whereby meeting financial targets prevailed.

This research study adds supports to Hall and Torrington's (1998:41) concerns about the "feasibility of establishment-wide HR strategy". In all three case study organisations even the best conceived corporate strategies and policies were thwarted by the actions of local managers. Corporate HR strategy and actual practice differed considerably and local managers played an important role in this divergence. As a result there must be uncertainty as to the "consistency in the handling of day-to-day people issues" (Hall and Torrington 1998:41) between different stores in these case

study organisations. While this research only considered six retail stores within three organisations, it was clear that individual local managers often had quite different approaches to the execution of their HR responsibilities, which rarely matched with corporate policy.

The emphasis placed by the centre on achieving tangible goals meant that any manipulation of local HR invariably led to a focus on hard HRM techniques. While some local managers may have felt more comfortable deploying softer aspects of HRM (see Gennard and Kelly 1997), the constraints of organisational demands meant they were often left with little alternative but to adopt a hard perspective. Ogbonna and Whipp (1999) came to similar conclusions when they argued that the focus on costs by multiple store retailers has led retailers to pursue hard versions of HRM. However, this research found that retailers were now more concerned with soft HR initiatives and had devised policies in support of this, thus supporting the view that retailers are now recognising the value of employees to organisational success (Broadbridge 1998; Truss et al 1997). Previous research had not necessarily questioned the role of line managers in the implementation of corporate strategy, particularly that of HR strategy and policy. However, this research shows how it was at local management level where HR policies were largely undermined.

This study provides a fuller picture of HR policy formulation and its implementation. It reveals the execution of HR policies at local level and identifies the discrepancies that can exist between devised policies and actual practice. It addresses the difficulties previous research has found in differentiating between the formulation of strategy and its implementation. By focusing on local managers in retail stores, it

illustrates how many company policies can be thwarted by the actions of line managers. This research has shown that many retail managers are essentially poor HR managers who will neglect soft HRM practices in favour of pursuing more short-term financial goals. It supports the notion that the emphasis on soft HR policies is too naïve because it ignores the fact that the execution of HR policy often takes place at a level considerably subordinate to budgetary planning and control. It also confirms Armstrong's (1989) concerns that the line manager acting as a simultaneous HR manager and budget holder means that the management of human resources can turn into an instrument for the achievement of short-run accounting targets. This gives cause for concern about the execution and viability of high commitment HRM in large complex organisations with a con current corporate strategy of cost reduction. In a context of increasing competitive pressures for many organisations, together with the perennial difficulty of quantifying desired human resource outcomes, further research needs to be conducted to establish the impact of delegating HR responsibilities to line managers. If HRM becomes the main discretionary area for all line managers, will soft HRM practices be forfeited in the drive to fulfil tangible targets? The results of this research would suggest that this is the case.

Conclusions

The findings of this research propose that the devolution of HR responsibilities contributed to difficulties in the practical application of HR policies in the case study organisations. It was apparent that soft HR policies, subject to lower levels of monitoring, were most vulnerable. Given the prominence of the case study organisations in the UK marketplace it could be surmised that such difficulties are familiar to other organisations in similar situations, although this cannot be conclusive without further research. Nevertheless, the evidence gathered from

these case studies would suggest that soft HR practices are at risk. This would appear to be the situation regardless of any strategy of soft HRM and ensuing HR policies that are developed to support the philosophy. This has implications for HR practitioners who need to consider how HR policy, particularly those focused on soft HR initiatives, are monitored and evaluated within the organisational context to ensure that policy is fully converted into practise.

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