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**FROM HUMAN RESOURCE MANAGEMENT TO HUMAN DIGNITY
DEVELOPMENT: A DIGNITY PERSPECTIVE ON HRM AND THE ROLE OF
WORKPLACE DEMOCRACY**

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Introduction

The recent crisis has revealed a number of problems inherent to contemporary societies and economic systems (Seymour, 2014) and has increased many of these, including greater inequality and more poverty, depression, suicides, and other health problems (Kentikelenis et al., 2014; Seymour, 2014). Moreover, the crisis also revealed and amplified problems for workers, including unemployment and underemployment (George, 2014), as well as higher burnout (Leiter, Bakker, and Maslach, 2014) and worker abuse (Lucas, Kang, and Li, 2011). Besides these human costs there are also financial costs. For example, the costs of employee burnout have been calculated to be over £77 billion a year across Europe (Evans-Lacko and Knapp, 2014). In search for underlying problems, many scholars have pointed towards flaws in the economic system and increasing social injustice (George, 2014; Harvey, 2005; Seymour, 2014). More specific, at the heart of capitalism, and in particular neoliberalism, are the focus on (short-term) profit maximization for individual firms, the focus on the instrumentality of labor, and the focus on individualism among workers. These elements have been adopted in many modern organizations and have affected the relationships between employees and their organizations (Bal, 2015).

However, thus far management research, and in particular research on the role of workers in organizations, has largely been silent on the impact of these economic paradigms on how employment relationships are shaped and managed. Especially research on Human Resource Management (HRM), or the management of people in organizations, has relied upon frameworks which are largely built on capitalist and neoliberal foundations (Bal, 2015; Greenwood, 2002). In fact, many HRM frameworks even aim to *increase* the instrumentality of people in organizations and

the individualization of work (Bal, 2015; Pirson and Lawrence, 2010). Co-occurring with this trend is the individualization of employment relationships and the decline of trade unions in representing the needs and interests of collective groups of employees (Godard, 2014). Finally, many HR functions increasingly focus on maximization of short-term financial gains, making jobs even more insecure and putting the responsibility for employability squarely in the employee's corner (Thompson, 2013).

The question then is whether the dominant models in HRM are still relevant in contemporary society, as the crisis has shown that an overly myopic focus on instrumentality, individualization, and short-termism may cause organizations to take excessive risks and become unstable and prone to collapse (Harvey, 2005; Seymour, 2014). In this chapter, we argue that it is imperative to challenge the assumptions of contemporary HRM practice and research (e.g., Jiang, Takeuchi, and Lepak, 2013). Therefore the revelations of the crisis (Pirson and Lawrence, 2010) also provide an opportunity to create a new paradigm on the role of people in organizations, and hence the role of HRM. In contrast to the neoliberal utilitarian approach of perceiving people as instrumental, or as resources to be used and to be expended, we will outline how HRM can be designed based on the philosophical alternative of human dignity.

Human dignity, according to Immanuel Kant, postulates that people can never be treated as means to an end, but rather should be treated as ends in themselves. When human dignity is introduced as an alternative paradigm in organizations, existing models of HRM (Marchington and Wilkinson, 2013) should be adapted in line with this paradigm. The current chapter will do accordingly, and we will discuss how human dignity and organizational democracy can be applied to the major HRM-

activities (e.g., resourcing and performance management) across the employee life cycle (e.g., from joining an organization, via development and growth, to eventually leaving it; Hall, 1984).

Human Dignity in the Workplace

HRM-research has primarily used the Resource Based View (RBV) of the firm (Barney, 1991) to explain how people can be managed in organizations. This theory states that employee behavior is crucial for organizational performance, as competitive advantage may be created when organizations hire employees who have skills that are valuable, rare, not imitable, and not easily substitutable (Barney, 1991; Huselid, 1995). Moreover, when the organization implements HRM policies and practices that obtain and develop these skills among the employees, organizational performance should increase. This notion has become a popular theme for HRM research, with decades of studies investigating the why and how of the relationship between HRM and organizational performance (Paauwe, 2009). Although the RBV has had some success, one of its downsides is that employees are perceived to be merely instrumental to organizational goals, which had become increasingly defined in financial terms, such as profits or Return on Investments (Huselid, 1995). In recent years, there is increasing critique on this view (e.g., George, 2014; Greenwood, 2002).

For instance, when organizational profits receive the highest priority in organizations, this may lead to short-termism, including a strong focus on cost-cutting and downsizing through employee layoffs (Thompson, 2013). One obvious trap with such short-termism is that future growth might be jeopardized as the very resources which created a competitive advantage are not rejuvenated or are even

reduced. Additionally, instrumentality also neglects the idea that organizations exist to fulfil societal needs which cannot be attained (or only less 'efficiently') by other forms of human collaboration. Hence, an alternative paradigm is needed to explain how and why humans work and contribute in organizations, which goes beyond the use of humans as being merely instrumental resources for short-term profits. Human dignity offers such a paradigm, and creates the opportunity to reformulate principles of HRM in a new way, and to use the RBV in another way as is currently done. However, until now, there has been little research integrating ideas of human dignity with HRM (Godard, 2014).

Underpinnings of Human Dignity

Philosopher Immanuel Kant, in the 18th century, postulated the dignity of the human being as central to life. This contrasts the utilitarian perspective which strives for the greatest benefit for the largest number of people, which has been used to defend an instrumental approach to people in organizations. In a utilitarian view, it could be 'logical' to allow a few people to suffer, so that the majority can achieve greater benefits. Human dignity, however, places the individual human being central in the organizing principle. Human dignity indicates that all individuals are equal and dignity represents an existential value (Kateb, 2011). This means that every human being has a dignity which does not have to be earned. While there is no prevailing definition of human dignity, in the current chapter we define human dignity as the unalienable right of each individual human being to self-respect and get respect from others, to set one's own standards and principles of living, and to live accordingly (Bal, 2015; Bal and Lub, 2015).

Human dignity does not only entail *the right* for people to be treated with dignity, but also *the duty* of people to behave dignified and treat others with dignity. Dignity is therefore essentially relational, and it binds people together in exchange relationships, where people commit to each other by treating others in a dignified manner, while behaving themselves in a dignified way. More specifically, dignified treatment means that people respect themselves and are free to set their own standards, but at the same time respect others who are also free to set their standards. In reciprocal exchange relationships, people can only live and work together when they respect each other's dignity. Hence, dignity should be respected, protected, and promoted (Pirson and Dierksmeier, 2014). People should respect dignity of others, which means they provide other people the freedom to set their own standards. Moreover, people should protect the dignity of others, which means that they strive not to violate the dignity of other people. Finally, people should promote the dignity of others, which means that people actively contribute to upholding dignity standards within and across organizations and social life. Hence, human dignity contains both rights and duties and focuses on respecting, protecting, and promoting the dignity of all.

Implications of Human Dignity for Organizations and (Strategic) HRM

Human dignity can be used as a paradigm on which organizations can be founded and managed (Pirson and Dierksmeier, 2014). This replaces the instrumentalist, individualistic, and short-term profit focused approach stemming from neoliberal and investor-centric interpretations of the RBV (Barney, 1991) which has affected many dominant HRM-models (Paauwe, 2009). Taking human dignity as the principle starting point of the organizing process has several implications for HRM.

From a strategic perspective, HR departments could play a leading role in establishing a dignified organization by showing that the concept of human dignity gives guidance about the role of human beings in the organization and provides a clear and appealing vision of a possible future. Thus instead of having business and HR strategies which indicates to workers that they are merely instrumental towards organizational goals, the human dignity approach postulates that the human being itself is central to the organization. At the core of the employment relationship is thus not the resource value of the employee for short-term profitability (Bal and Lub, 2015), but the dignity of the individual human being. The implication is that when HR has to make decisions around employment, development, and/or employee turnover, *first* the people and their dignity are taken into account and only secondly other (business) concerns. When employees realize this shift in organizational priorities, they are more likely to effectively, pro-actively, and holistically contribute to the organization, something which is essential in today's complex business world (Marchington & Wilkinson, 2013).

This logic is not restricted to the treatment of employees, as all stakeholders should be treated in a dignified way (Bridoux and Stoelhorst, 2014). This includes all those people involved, such as sellers, buyers, governmental institutions, investors, and so forth. As these relationships become at the center of organizing, the aim becomes how these parties can engage in a meaningful exchange which is focused on respect, protection, and promotion of human dignity for all. This does *not* suggest that business concerns, such as for instance profits, are no longer relevant; organizations can only be sustainable when they retain a (long-term) positive balance sheet and create some surplus for investments and unforeseen circumstances. However, focusing on short-term profits without acknowledging the

dignity of the stakeholders may affect workers as it can lead to slavery, inequality, and other forms of dignity violations (Kaufmann et al., 2011), but is also likely to undermine the long-term viability of the organization by negatively affecting the relationship with key stakeholders. For example, it is increasingly apparent that 'classical' business strategies can encourage cheating customers, misleading investors, or creating environmental pollution. In contrast, with a human dignity approach the aim of organizing, and thus also of HRM, becomes the art of retaining a balance between the (long-term) interests of various stakeholders, while acknowledging that each of these parties have their dignity which should not be violated by overly satisfying one stakeholder above the others (e.g., giving investors some quick dividend). Balance, therefore, is of crucial importance for successful HRM (Bal, 2015; Pirson and Lawrence, 2010).

The implication of having human dignity underlying business and HR strategies, is that it changes the meaning people attribute towards their jobs as well as the meaning which organizations have in society. When organizations and HR commit to human dignity as a defining principle, the focus of the organization is no longer on short-term profitability and maximum shareholder value, but on what the organization means for stakeholders and what it means for employees to work in their organization. Human dignity acknowledges that people become part of organizations to create and produce, and to be a member of a group, and through being part give meaning to their lives (Bal, 2015). Reasons of existence for organizations therefore need to be redefined to enhance the potential to this 'meaning making' for employees, as well as other stakeholders. Hence, organizations can become more than simple money-making machines, and become drivers for the promotion of human dignity in the world. Some companies already aim to do so, for example, the

German outdoor equipment producer Vaude claims to be “dedicated to making (y)our world a better place” (Vaude, 2015). Other examples include Semco in Brazil, Sekem in Egypt and SMUD in the US. Through putting values such as economic, ecological, and social sustainability and responsibility forward, these companies aim to be more than profit-making organizations. Once human dignity has found its place within the business and HR strategy the question becomes; *how to use human dignity when managing people in organizations?* We propose that the concept of workplace democracy provides an important and useful tool to integrate human dignity with HRM practices and policies. Below we will explain what workplace democracy is and subsequently we bring merge Human Dignity, Workplace Democracy, and HRM.

Democracy in the Workplace

Workplace democracy can be one way by which organizations can achieve the respect, protection, and promotion of human dignity for all stakeholders (Sausser Jr, 2009; Van Witteloostuijn and De Jong, 2004). The aim of workplace democracy is to involve *all* organizational members in the process of deciding how work should be conducted, and more generally empowering employees to be committed to, and engaged with, all facets of the organization (Foley and Polanyi, 2006). As discussed above, human dignity focuses on the equality of employees and managers, and equality is a key aspect of democracy. While democracy is commonly perceived to be the best political system available, there are still few organizations that are truly democratically organized. This may be a result of resistance of current elites, who fear to lose their power (Stohl and Cheney, 2001). However, democracy offers the potential for higher involvement, autonomy, and equality and a healthy democracy

avoids favoritism, cronyism, and corruption. Overall, workplace democracy can thus create healthier relationships within an organization as well as across its stakeholders.

Foundation of Workplace Democracy

The basis of workplace democracy is power distribution. Instead of high-level managers taking key decisions about how the organization is managed and structured, a workplace democracy distributes power across the company. Via internal voice mechanisms and elections, employees can exercise this power. Managers are elected by the employees, and act as representatives rather than as traditional managers. Hence, they should act in the interests of the employees and other stakeholders, rather than only representing the interests of higher-level management or investors. When employees have a direct influence and interest in participating in the organization, they are more likely to act responsibly. Therefore, human dignity is better sustained in an organizational form where its members perceive a direct responsibility of their acts towards the outcomes. Moreover, democracy empowers people to have more direct control over how things are decided in the organization, such as salaries. Therefore, when people have democratic rights, it will be less likely that income equality increases within organizations (Murphy and Wilmott, 2015). Hence, workplace democracies can achieve higher quality relationships across stakeholders.

Workplace Democracies and Human Dignity

The above discussed redistribution of power associated with workplace democracy creates fairer, clearer, and more equitable relationships amongst

stakeholders and, since human dignity is also about changing relationships towards these ends, workplace democracy and human dignity are aligned. Research support this notion, as it has shown that when people within the organization trust each other due to strong relational ties, employees will be more committed to the organization, and more willing to contribute in a positive way (Rousseau, 2012). A way to commit employees to an organization is ownership (Rousseau and Shperling, 2003). When employees are legal owner of a company, for instance through shares, they are likely to be more committed to the long-term viability and performance of the organization. Thus, democracy aligns with human dignity not only because of its respect for fair and equal relationships, but also as democracy protects and promotes the responsibility of each individual as member of the organization.

More specifically, there are at least eight other reasons why workplace democracy fits with a human dignity principle in organizations (Sauser Jr, 2009). First, democracies tend to focus on participation of employees within the organization. Second, democracies stress the value of protecting employees, who cannot be merely laid-off when management tries to maximize short-term gains. Third, democracy also stresses the voluntary choice of people towards work and the engagement of people in the process of working and organizing. Fourth, democratic control enables people in organizations to promote the 'greater good' and to vote for abolishment of practices that do not fit the values of the people. Fifth, democracies make people more autonomous, and put them in control over how they conduct their work. They are not merely following orders from the hierarchy, but have the autonomy to make decisions. Sixth, democracies are focused on learning; the act of democratization is educative (De Jong and Van Witteloostuijn, 2004), as participation allows people to learn and develop in the organization. Seventh, democracies are

also focused on cooperation rather than competition, as the aim of the organization is to bring people together to create and exchange which is meaningful for all parties.

Eighth, democracies are concerned with the communities they operate in.

Democratic organizations are not only focused on short-term maximum profitability, but also on offering the possibility for people to work, create, and develop in the longer-term.

Hence, taking the above reasons together, democratic organizations may increase human dignity of workers and managers, while at the same time increase organizational functioning (e.g., growth, learning, innovation), and positively contribute to society. For example, research has shown that the strongest solution to unemployment and its negative consequences, such as stress and depression (Koen, Klehe, and Van Vianen, 2013), is that people have (meaningful) work. The right 'people management' in organizations can contribute to dignity, but the question is how organizations may adapt their HR-systems to be more aligned with dignity and democracy principles. In the next section we discuss how HRM can increase human dignity by applying the ideas of workplace democracy across the employee life cycle.

Human Dignity, Workplace Democracy and the Employee Life Cycle

In her analysis of the ethical side of HRM, Greenwood (2002) concluded that even though 'soft' theories of HRM have been developed, looking at the more human side of HRM, in reality they are almost always 'hard', or focused on organizational outcomes such as performance, indicating a lack of appreciation for Kantian views on the role of the employee in the organization. It is therefore needed to explicitly integrate the human dignity perspective with HRM-theory and research. Central to

the concept of HRM are the policies and practices it includes. Organizations implement HRM through designing policies and practices which are used for, and by, employees (Jiang et al., 2013). We will structure the remaining part of this chapter around the idea of the employee life cycle (Hall, 1984) and the associated HR practices (e.g., Armstrong, 2012; Marchington and Wilkinson, 2013). More specifically, the employee life cycle begins even before an employee has joined an organization as the organization first has to attract suitable candidates. One of the first tasks of HR is thus to achieve the right branding and then the right resourcing (which is both recruitment plus deployment) of the new employee. Once employees are in, they need to know what will be expected of them and thus performance and reward management are key. To grow, develop, and adapt to an ever changing business world, learning and development (L&D) practices and talent management practices are important. Like any relationship there will be challenging times and employee relations practices, such as voicing practices, are therefore also discussed. Lastly, we will discuss exit management practices. Each of these HR practices will be discussed in relation to human dignity and workplace democracy.

Branding and Resourcing

Before people start working for an organization, they may have had experiences with the organization as customers or via family or friends who work for the company (App, Merk, Buttgen, 2012). Therefore, the image of organizations is becoming increasingly important, both for public relations as well as recruitment. Managing this image has been referred to as *employer branding*. Branding, a term which has been borrowed from the marketing literature, refers to organizational actions to position themselves as attractive organizations and employers (App et al.,

2012). When organizations engage in employer branding, they try to communicate to potential applicants that they are an attractive company to work for. This may easily be misused, by overpromising potential candidates the possibilities in the organization, such as promising unrealistic training or promotion opportunities (Rousseau, 1995). However, from a dignity and democracy perspective, there are some key implications for employer branding and consequently resourcing. Resourcing is the processes of hiring and then deploying people to work within the organization.

First, branding is an important aspect of organizational democracies, as communication with stakeholders is necessary to express the sincere concern for society (Sauser Jr, 2009). Yet, currently for many organizations branding is only, or mostly, aimed at creating a positive image while not translating this into the actual practices of the organization, something which has been referred to as greenwashing (Roulet and Touboul, 2014). In contrast, a dignity approach to HRM and branding means that there is consistency between the communications of the organization as to how it aims to be perceived by the public and potential candidates, and the practices that exist within the organization. Consistency in what one says and what one does is an important aspect of respecting human dignity, as inconsistency in what one claims to do and what one in reality does is in principle no different from lying, and hence, disrespecting the dignity of the other human being. Therefore, striving for consistency is an important aspect of dignified organizations.

Moreover, branding is important for dignified organizations as it communicates to the wider public the values that the organizational members hold. Organizations do not operate in a vacuum outside of society, as they carry a responsibility towards society as well as an accountability of their actions towards

society. Communication with the public is therefore important, as this provides the opportunity to exchange values and norms to which the organization can be held accountable. Dignified branding could counteract views about the negative impact of companies on society, such as only focusing on profitability and shareholder value (Pirson and Dierksmeier, 2014). One practical example would be that within yearly CSR-reports, organizations report the efforts that have been undertaken to respect, protect, and promote human dignity of their stakeholders.

Resourcing, or selection and deployment of new employees, is one of the most important aspects of HRM, as it pertains to the decisions about how many and whom will be hired (e.g., Armstrong, 2012. Marchington and Wilkinson, 2013). Human dignity can be beneficial for resourcing, as workers are more likely to join, contribute, and remain in an organization which cares about their growth and development (e.g., versus an organization in which they are mere resources towards shareholder profit). Yet, human dignity also affects the resourcing process itself. HRM research has identified two ways of recruiting new employees. On the one hand, new recruits can be sought on the basis of a specific job that comes available, for instance when an employee leaves or the business expands. On the other hand, organizations may hire new employees on the basis of their potential for contributing to the firm (e.g., their competencies and/or values), irrespective of an actual position being available.

In a dignity-perspective, these two approaches are combined. New employees can be recruited in organizations with a dignity-approach on the basis of a need for a new employee or a specific set of skills which is not available in the organization. Alternatively, people might decide that a new role is *not* necessary and that, for example, current workers can be redeployed or retrained. Hence, the

impetus underlying the above two approaches are themselves democratic. Once a decision to hiring has been made, the process of hiring should also be in line with the principles of workplace democracy, and therefore managers *and* employees should be involved in the hiring process. Entering a democratic organization as a new employee may come with a financial investment (Rousseau and Shperling, 2003) when employees are expected to be (co-)owners of the organization. However, investment by the employee can also be non-financial, as new employees in a democratic organization should have a commitment to the goals and values of the organization (De Jong and Van Witteloostuijn, 2004). Therefore, selection of new employees will have to take into account that not all people are willing to express the same level of commitment to the principles of democracy. Therefore, commitment to the values and goals of democratic organizations focused on human dignity is essential for new employees, and should be part of the selection process. This 'buy-in' on democratic and dignity principles is essential as new workers will encounter these principles throughout the whole process of working, not least of them being the performance and reward management practices discussed below.

Performance and Reward Management

Performance management refers to the ways in which organizations ensure that employees contribute to the goals of the organization, while reward management refers to how employees are rewarded for their performance and efforts (Armstrong, 2012; Marchington and Wilkinson 2013). Performance management is strongly linked with target setting and how work should be distributed among team members. Traditionally, managers would set the targets 'top-down', but increasingly more common is that employees select which of the larger goals set by

(top-)management they want to achieve. This decrease in the top-down nature of goal-setting is amplified in a democratic organization, because work is not distributed by managers, but is negotiated among the workers in the organization. Hence, the overall aims and targets themselves are open to negotiation.

People are unique and vary in their skills, needs, and strengths. We argue that this fact is more easily recognized, and more easily put towards good ends, through negotiating how work is distributed, as people themselves will then be able to contribute in a positive way to the organizational goals, while at the same time, fulfilling their potential and the potential of their colleagues. People no longer need to have specific and highly detailed job descriptions (Sauser Jr, 2009), which are increasingly less applicable as society, technology, and business change at an ever faster pace. Not having to design, and maintain, numerous detailed job descriptions also creates new resources within the HR function itself, which can be put back into increasing human dignity and organizational effectiveness. Without stringent job descriptions boredom at work is more easily avoided, as people then have more opportunity to switch tasks and jobs within the organization over time (Semler, 2013).

An important aspect in the negotiation of tasks (for both individuals and teams) is that goals are clarified and targets are set which are specific and feasible (Rousseau and Shperling, 2003). This contributes to the dignity of work, as people will have clearer visions of how they may conduct their work when they have specific goals to work for (Rousseau, 1995). Although many contemporary organizations claim to do this, in reality target setting has often become part of performance management systems aimed at continuously increasing pressure on employees to perform and achieve higher targets (Thompson, 2013). In many organizations, even when people achieve the most ambitious 'stretch' goals, they will get even higher

goals in the next year (and so on). This is in line with the underlying 'philosophy' of short-term profit maximization as this knows no natural limit and demands ever more results, even when the company is doing well on all possible criteria. In contrast, from a human dignity perspective, it is clear that such work intensification does not contribute to the dignity of workers, and research has clearly shown that work intensification is related to decreased motivation, creativity, and well-being (Boxall, 2014). Therefore, targets have to be set in a democratic context, as in those circumstances targets can be set to promote the human dignity of the employees and as there then will be barriers against work intensification. This might even result in employees voting on the overall goals of the organization, before they decide on team and individual goals.

Closely related to performance management is reward management, which is concerned with how employees are (financially and non-financially) rewarded for their work (e.g., Marchington and Wilkinson, 2013). Especially before the last financial crisis, practitioners and scholar alike pointed towards individual pay-for-performance and its specific advantages beyond basic salaries for employees (e.g., Armstrong, 2012). However, there has been considerable critique on pay-for-performance systems, not least due to the bailouts and many lawsuits and fines for unethical behavior by financial organizations. But there are other arguments besides ethics, including the notion that with increasing organizational dependence on teamwork, it is almost impossible to accurately reward individual employees for their performance (Gerhart and Fang, 2014). Recently scholars have also argued that once very well-established psychological mechanisms (such as social comparison and overconfidence) are acknowledged, the economic-based arguments for individual performance pay become largely invalid (Larkin, Pierce, and Gino, 2012).

Hence, we argue that traditional salary- and scale-based reward structures, possibly expanded with some collective-based pay elements, are likely to be the most appropriate in dignified organizations.

Moreover, discrepancies between the lowest paid employees and the highest paid employees have increased enormously over the last decades, as job performance has notoriously been difficult to measure, leading to high-level managers rewarding themselves exuberantly on flimsy bases (George, 2014). In a dignified organization, rewards are negotiated and approved by all the members of the organization, through which legitimacy and fairness of rewards are ensured. Recently, the rise of income inequality has been challenged and debated (e.g., Murphy and Wilmott, 2015) and scholars have remarked that: *“the idea of compensation based on financial markets is both remarkably alluring and deeply flawed: It seems to link pay more closely to performance, but it actually rewards luck and can incentivize dangerous risk taking”* (Desai, 2012: p. 127). Democracy and participation in the setting of rewards offer a viable way of sustaining income equality and fairness (Gerhart and Fang, 2014) and avoiding excessive risk taking.

Talent Management, Learning and Development

Talent management is a popular theme in contemporary organizations (e.g., Marchington and Wilkinson, 2013). Talent management concerns with the development and retention of key individuals in the organization, and can be perceived from either an inclusive or exclusive approach. An inclusive approach is focused on all employees, and how their talents may be nurtured in an organization, while the exclusive approach is concerned with selecting key individuals who can make a big impact on the organization (e.g., Armstrong, 2012). A dignified

organization assumes that an inclusive approach is necessary, as dignified organizations are by definition inclusive institutions where people come together to create and contribute. Consequently, the work process should be organized such that all people are able to express their talents, develop these as well as hidden talents, and look for ways how they can make contributions to the organizational goals where they can fulfill their needs and potential. Hence, the role of development is crucial within the organizational democracy (Sauser Jr, 2009). As people are key to organizational functioning, the continuous development of employees is needed to ensure organizational viability over time (De Jong and Van Witteloostuijn, 2004). Hence, we argue that, next to time allocated to conduct work and achieve democratically set targets, there should be space and time for development and learning in a broader sense for all individuals.

Employment Relations

At the heart of the dignified organization is the management of employment relations. Voice and participation of the employees are extended towards democratic decision making by the employees. This may be organized via works councils or trade unions, or via direct representation of the employees in decision making processes (De Jong and Van Witteloostuijn, 2004). As larger organizations will face more complex decision making processes, democratically elected representatives might be appointed such that the daily operations are not hindered by time-consuming elections. However, important decisions that affect the complete organization and its context should take the involvement of not only the workers into account, but also other stakeholders, such as government and society. As such, democratically appointed external representatives might also be included in the

process. Only this way fair and dignified decisions can be made, which will receive wide support from stakeholders. Hence, a dignity approach to employment relations should be stakeholder focused, not solely worker-, manager, or shareholder-focused.

Critics could argue that setting-up and running this democratic way of organizing is too costly. However, costs can be reduced by having a (vertically) staged approach, for example, via elective representatives so that one person can represent many others. Moreover, the (horizontal) scope on 'who votes for what' can be managed as well, for example, team-level issues could only be voted on by direct stakeholders, not all organizational members. Additionally, different time frames might be used for different decisions. For example, top-level decisions could be voted on each four or five years, whilst lower-level decisions can have shorter voting cycles. Hence, by taking smart vertical, horizontal, and temporal design decisions an efficient democratic system can be designed.

Exit Management

One of the least understood areas of HRM concerns the management of employees who leave the firm (Marchington and Wilkinson, 2013). There are many ways how employees can exit the organization ranging from voluntary (moving to another job or (early) retirement) to involuntary (layoffs, illness, or even death). Exit management is strongly linked to the recruitment and selection of new employees (to fulfill the free positions). Exit management is particularly important in the dignified organization and especially so when there are layoffs. Firing employees is a traumatic experience, not only for those who are fired, but as well as for those who remain in the company (Datta et al., 2010). Mass layoffs are now increasingly used by organizations to cut costs and increase short-term shareholder value (Gilbert,

2000). However, this can violate human dignity, for example when organizations choose short-term profitability maximization at the expense of the dignity of their workers. Not only would adequately performing workers be fired (whilst there were ample resources to sustain them), the remaining workers would be required to work even harder (despite the fact that they contributed to an organization which performed well enough to survive). Hence, in dignified organizations the arguments *when* layoffs are (or are not) required changes and, more broadly, *how* to design exit management changes as well.

When a dignified perspective is taken it becomes apparent that there are many ways through which the causes for layoffs can be proactively managed. For example, dignified organizations are more focused on the long-term, and therefore, they will be more likely to incorporate a long-term vision on how many and which employees are needed. Hence, smart resourcing might help. For example, when employees become member of an organization, they should be committed towards it for the long-term, unless there is an explicit joint agreement on the temporality of the relationship. Another way to accomplish is to establish a financial buffer to address the inevitable downturns in the economic cycle and to design contingency plans aimed at keeping human dignity in difficult times. This way, the organization is also better positioned for the eventual upturn in the business cycle, as it has retained key workers and enabled a positive work climate and organizational culture.

However, there may of course be circumstances where individual employees have to exit the organization due to a person-organization mismatch or underperformance and this could be in the person's long-term interest as well. A dignified way of managing these situations dictates that all people in the organization should strive to protect anyone's dignity. An underperforming individual should be

consulted on the reasons why he/she is currently underperforming. There may be lack of motivation, skills, or opportunities to perform well (Jiang et al., 2013).

Therefore, there should be first a process of searching for solutions to the underlying problems of underperformance and training or coaching should be offered. This might actually reveals organizational issues which can then be fixed, for example, suboptimal job designs. In a situation where extensive consultation has taken place, and there is no place anymore for an employee in the organization, it is the duty of the organization not only to take care of the layoff process (e.g., adequate severance package), but also in ensuring the employability and well-being of the worker after the process (Koen et al., 2013). This can be achieved via training and development programs. Hence, an exit entails more than a financial package and should include employability measures. When done well a dignified exit management approach can positively feedback into the branding and reputation of the organization.

Besides, individual causes, there might be general or organizational-level causes for lay-offs, such as financial difficulties or challenges to the sustainability and viability of the organization. Under those circumstances mass layoffs should still be avoided if possible, as mass unemployment and the experience of being laid off may lead to experiences of violated dignity and could affect organizational processes and outcomes. One option is to temporarily decrease salaries across the organization as long as the difficult circumstances persist. Another option is to have voluntary (unpaid) sabbaticals with a guaranteed return to work. This cuts short-term costs *and* creates possibilities to fulfill long aspired dreams (e.g., travel plans). The aim of an organizational democracy is to be adaptive to the environmental circumstances (De Jong and Van Witteloostuijn, 2004) and for every organization there will be better and more difficulties times. In a democracy, however, people are

empowered to make decisions collectively as to how to respond to adverse situations, and how dignity can be protected in difficult times. In sum, an organizational democracy focused on dignity can sustain dignified ways of managing individuals exiting the organization, as well as situations where many other organizations would have chosen to layoff groups of employees. When circumstances improve again, and current workers need to be retained and new workers need to be recruited, dignified organizations should have a clear advantage in recruitment and retention as well as public opinion and customer perception.

Conclusion

The current chapter investigated the role of HRM in implementing human dignity in organizations. We have explained that in response to the crisis, and its underlying causes, organizations may benefit from taking a dignity-approach, which focuses on respecting, protecting, and promoting human dignity in organizations and across society. Human dignity offers an alternative to a utilitarian perspective on the management of organizations and people. A focus on human dignity allows companies to be organized in a different, more humane, way and to be better able to create spaces where people flourish rather than where they are forced to conduct work in a soulless and ever more intense way. HRM can play a vital role in the management of human dignity in organizations, as HRM aims to directly influence the role of people in organizations. When dignity is integrated in HRM, it is possible to create a new theory and practice of Human Dignity Development (HDD) which can be integrated in organizations via the concept of organizational democracy (Foley and Polanyi, 2006). Democracy enables employees in organizations to be directly

involved in all key decision making processes, and therefore empowers employees, and enables all employees as being equal in worth and deserving of dignity.

Thus, we propose an emerging theory of Human Dignity Development, which establishes the role of 'people management' in organizations based on the respect, protection, and promotion of human dignity in organizations. Such a model includes the commitment of multiple stakeholders towards the maintenance of dignity standards towards the various parties involved in the organization. At the same time, it refocuses dominant models and theoretical frameworks within HRM towards a more dignified way of establishing employment relationships, which are no longer primarily instrumental to both parties, but serve a purpose enriching the meaning of work for organizations, employees, and other stakeholders. To do so, all HRM activities should take into account the role of dignity and as this chapter has illustrated one way of concretely doing so is via workplace democracy. Implementing dignity and democracy should contribute to a stronger sense of community and therefore strengthen the internal organizational climate as well as reintegrate organizations with society.

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