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Human Dignity in Managing Employees

A Performative Approach Based
on the Catholic Social Teaching (CST)

Tibor Héjj

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Human Dignity in Managing Employees

A Performative Approach

Based on the Catholic Social Teaching (CST)

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Based on the Catholic Social Teaching (CST)

Tibor Héjj

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TABLE OF CONTENTS

Table of Figures	7
Preamble.....	9
<i>Personal Motivation and Commitment.....</i>	<i>9</i>
<i>Relevance of the Topic.....</i>	<i>11</i>
1 Catholic Social Teaching (CST)-driven Companies... 17	
<i>1.1 Overview of Catholic Social Teaching Regarding Business.....</i>	<i>17</i>
1.1.1 Historical Evolvement	17
1.1.2 Key Principles of CST	39
<i>1.2 What Makes CST-driven Companies Opposite to Mainstream?.....</i>	<i>43</i>
1.2.1 Different Definitions of Business	43
1.2.2 Stakeholder Theory and Practice	50
1.2.3 Alternative Value Creation by Personalistic Working Approach	65
1.2.4 Freedom of Action of the Management.....	77
1.2.5 Deriving a Holistic Stakeholder Value Matrix	91
2 Human Dignity.....	101
<i>2.1 Historical Evolvement and Definition Issues</i>	<i>101</i>
<i>2.2 Theological Foundation</i>	<i>116</i>
<i>2.2 Philosophical and Philosophical-anthropological Foundations.....</i>	<i>119</i>
<i>2.3 About Personalism.....</i>	<i>126</i>
<i>2.4 Related Management Theory.....</i>	<i>133</i>
<i>2.5 Practical Wisdom</i>	<i>145</i>

3 Deriving a Managerial Tool for the CST-driven Managers on Checking their Human Dignity -related Activities/behaviour	153
<i>3.1 Starting Point: the Employee Column of the Holistic Value Matrix and Human Dignity as a Driving Principle for its Fulfilment.....</i>	153
<i>3.2 Overview of the Financial and Intellectual Level Quality Systems</i>	162
3.2.1 Quality Measures on the Level of either Related to Geography or Industry “Quasi-standards”	164
3.2.2 Quality Measures as More or Less Informal Guidelines ...	165
<i>3.3 Human Dignity as the Proof of Spiritual Quality.....</i>	169
<i>3.4 Available Checklists and Measuring Systems which Include Aspects of Human Dignity.....</i>	171
<i>3.5 Implementation of Human Dignity in the Daily Management... 193</i>	
3.5.1 Humanistic Value Set Systems and Corporate Cultures.....	193
3.5.2 The Manager’s View on the Employees.....	208
3.5.3 Dignity at the Workplace.....	219
3.5.4 Human Rights.....	237
3.5.5 Gratuity and Reciprocity	250
<i>3.6 Managerial Tool for Planning and Checking Human Dignity..</i>	262
4 Summary and Conclusion	277
References.....	289

TABLE OF FIGURES

Figure 1, Nestlé’s Creating Shared Value Concept	12
Figure 2, Milestones of the Catholic Social Teaching history.....	20
Figure 3, Minimum net salary below minimum costof living in Hungary.....	23
Figure 4, The World Ranking of GDP in 2016	44
Figure 5, God Love as Keystone	58
Figure 6, God-Centered Stakeholder Relations	60
Figure 7, Catholic stakeholder System	62
Figure 8, SME definition limits (Source: ec.europa.eu).....	81
Figure 9, Leadership dimensions in the past 30 years.....	91
Figure 10, The three layers of human beings.....	93
Figure 11, Holistic Stakeholder Value Matrix	95
Figure 12, The different Value Matrix arche-types	95
Figure 13, Sunflower’s custom-tailored stakeholder value creation matrix for 2016.....	98
Figure 14, Distinct meanings of dignity	113
Figure 15, Role of dignity	143
Figure 16, Two Forms of Dignity Denial	144
Figure 17, The employee-focused part of the Holistic Stakeholder Value Matrix	154
Figure 18, The New St. Gallen Management-Modell.....	194
Figure 19, Malik Management Concept	195
Figure 20, The Comparison of Command-Leadership and Servant- Leadership.....	200

8 Human Dignity in Managing Employees

Figure 21, Culture of Zero Harm at Newmont Corp.....	204
Figure 22, Five organizational levels of Human Quality Treatment...	224
Figure 23, Modes of Impact in Inclusive Business Approaches.....	227
Figure 24, Dimensions of dignity model.....	228
Figure 25, Dignity in legal instruments and guidelines.....	240
Figure 26, Human rights as sub-categories of human dignity.....	246
Figure 27, Comparison of dignity versus indignity treatment.....	265
Figure 28, Framework for a human dignity based corporate governance system's evaluation managerial tool.....	267
Figure 29, The employee-focused part of the Holistic Stakeholder Value Matrix.....	280
Figure 30, Framework for a human dignity based corporate governance system's evaluation managerial tool	283

PREAMBLE

Personal Motivation and Commitment

Usually a PhD student is at the beginning of his career – I am close to the end of mine. The topic chosen is for learning it, in most cases from scratch – in my case it is a kind of synthesis of my past three decades of learning-doing-studying-doing on-going and never-ending cycle. The purpose is primarily personal knowledge – in my case more a dissemination of my accumulated know-how.

While Christianity in business was always a focal question and a challenge in my professional life, the biggest push came in 1991, when the idea of the Economy of Communion of the Focolare Movement was born – and I felt an urge to devote myself to its development. I quit my top-manager position and focused on related studies, activities and later its implementation. I did an MBA, which I finished by 1994, joined the best strategic consultancies, like BCG and A.T. Kearney, working for them across Europe for close to a decade. I realized that my freedom for action is rather limited at multinationals – even if a company, like The Boston Consulting Group as the worldwide leader in strategic management innovations was open for my thoughts and realization. Therefore I started my own ventures – partly in the for-profit sector (Proactive Management Consulting, PMC, www.p-m-c.eu), partly in the non-profit sector (while financially sustainable) to create jobs for the handicapped (Sunflower Ltd, www.napra-forgo.hu).

10 Human Dignity in Managing Employees

Studying and running business were hand in hand for me in the last decade. I completed a Harvard crash-course for Non-profit Board members only, I took part in an international research, led by Mike Thompson and the leading Chinese University, CEIBS, about the content, and practical aspects of «wisdom», while expanding PMC to Serbia, and setting up another consultancy specifically for M&A (mergers and acquisitions) activities. Meanwhile the non-profit company reached a peak of about 150 employees, out of which the majority are handicapped and almost all disadvantaged.

To disseminate my experience (bad and good) and to spread the paradigm shift, I regularly hold lectures (on Catholic Social Teaching in business, at different universities), make publications, presentations in and outside Hungary, both for the academic and for the business society, among others as a European SPES Institute (“Spirituality in economics and society”, <http://eurospe.org/>) co-founder and fellow, as a member of UNIAPAC’s (the worldwide organization of Christian business leaders) different related projects like the one on Christian management education, as Board member of its national organization in Hungary. Just recently we set up the very first Social Impact Investors’ Association in Hungary, of which I am co-founder and the Chairman of the Supervisory Board. These are all opportunities and potential channels to involve as many Christian – and even non-Christian, but value-driven – business leaders in this worldwide shift from «classical» ways of management towards a common good and human-oriented world. We should avoid being lonely fighters, we have ways to join our forces, based on a well balanced mix of academic, spiritual and business aspects.

Relevance of the Topic

Church – Academic world – Business society: they used to be three independent worlds for too long. Only in the past few decades it can be realized that a convergence, or better to say, integration has been initiated: the developed ideas and theories of one segment have started to have strong and acknowledged impact on the other segments, cross-fertilizing each other. The Church – as we will see later in details – has developed CST for 120 years, but clearly focusing on economy and business only recently, with a peak in the past decade (especially with the encyclical letter “*Caritas in veritate*” , released in 2009). In the academic world social science theories emerged in growing number and importance which were clearly and often even explicitly derived from religions (Christian, Buddhist, Jewish, Islamic) – most notably the humanistic centred new approaches, like personalism, emotional intelligence, humanistic psychology, non-violent communication, accountability, social inclusion, team-spirit, gratuity, spirituality at work- just to name a few. Even the business society has opened ears towards these «soft» ideas, and transformed them into motivation and incentive systems, leadership education, consulting, coaching, CSR approaches, or most recently implementing the “creating shared value” concept of Porter (2011, <http://hbr.org/2011/01/the-big-idea-creating-shared-value/ar/pr>) at corporate level, like in the case of Nestlé: “Guided by our values rooted in respect, we work alongside partners to create shared value - contributing to society while ensuring the long-term success of our business. We call this Creating Shared Value, and we embed it in everything we do.” (Nestlé, <http://www.nestle.com/csv>) They even define CSV, as the top of a pyramid, containing compliance (following the law and codes of conduct) as a basis, and sustainability (protecting the future), as it can be seen on their homepage.

12 Human Dignity in Managing Employees

Figure 1: Nestlé's Creating Shared Value Concept



(Source: Nestle, N.d., 'Creating Shared Value',
<http://www.nestle.com/csv/what-is-csv>)

More and more conferences are organized with the aim of bringing the representatives and their ideas together, and by sharing them, influencing each other's way of thinking. Some examples of the past decade are the (up to now) 9 international symposiums on CST and management education, organized by the John A. Ryan Institute, worldwide, inviting both spiritual, academic and business persons; or the events jointly organized by Iustitia et Pax of the Vatican, and UNIAPAC – a federation of world-wide associations for Christian business leaders. The latest such joint event was on the topic how business leaders can act as agents of economic and social inclusion (in November 2016, in the Vatican). This conference was a follow-up to a high-level meeting on “*the Global Common Good: towards a more inclusive economy*” which took place in July 2014 with the attendance of Pope Francis. An even more recent example – with a very broad stakeholder group - was the event in Budapest, in June 2017, when representatives from the government, the private sector, social enterprises, academic world, civil society and international organizations attended a two-day conference co-organized by the United Nations Industrial Development Organization (UNIDO) and

the Ministry for National Economy of Hungary to address social innovation and social and solidarity economy (SSE), and draw attention to their potential for reducing social exclusion of disadvantaged groups from the real economy.

It is a widespread view that business and spirituality are far from each other and business leaders as well as business owners are rarely spiritual. However research shows, that instead those involved in business – at least in the USA – consider themselves as having faith: “...80 percent of [U.S.] investors consider themselves to be religious or spiritual” (Gallup research cited in Schwartz, 2006, p. 296). Although for some this does not mean, thinking and deciding on business issues based on their faith, still “over 60 percent of those who describe themselves as religious say they either try now or would like to try to incorporate their faith values into their decisions about money” (MMA, 2003)” (Gallup research cited in Schwartz, 2006, p. 296). This means that half of the US business society is open to, or even willing to combine his «business self» with his «spiritual self». Historically the link, relationship and overlap of spirituality and academic development was the closest in the above «triangle». Academic world should function as a frontrunner for the practice in business. However, the know-how transfer is primarily limited to MBA studies, and some trainings later on. Conferences are usually overwhelmed by representatives of the academic world, and only just a few are real businessmen.

I fully agree with Dierksmeier (2011, p. 9), that the current management education system has to be reoriented:

“It is high time, therefore, to reorient business theory towards the real human being. Instead of describing human behavior, against all empirical evidence, along the *homo economicus* model, determined by a narrow and fixed array of preferences, the wide scope of human interests and their dynamic change, the moral nature of human freedom, and the profun-

14 Human Dignity in Managing Employees

dity of human dignity should be moved (back) into the center of management education.”

It is exactly this view, which inspired and motivated me to choose the arch of Catholic Social Teaching (CST) – academic management theory – business implementation. From the very many issues of the above multi-disciplinary topic I have chosen to focus on human dignity, which is the cornerstone of CST, with its own academic literature and I further reduced the scope to the relation within the company, between its leaders and employees. This is how the title has finally become: “Human Dignity in Managing Employees”.

In my work I will focus on the following – overlapping – set of research questions:

1. Can Catholic Social Teaching (CST) – and especially its key principle, human dignity – be acknowledged as a basis for management, at a theoretical level?
2. How can a normative management system be derived from it?
3. Why to follow it?
4. How can it be transformed into management practice?
5. How can it be measured, evaluated, checked?

My goal was to derive a normative approach – but at the same time to make it useful and practical for managers, too. I will show how and why human dignity is such an important phenomenon and basically one of the key drivers or even *the go/nogo* decision for a better corporate world, since when accepting and implementing it, the result is a much more human economy. It is the manager-employee relationship, which is closest to the daily life and experience, for which I have even developed a measuring approach. As a result, the topic of this work integrates the latest findings and practices of all the three «worlds». It combines the teaching of the Church with the most up-to-date academic schools of the related area (based on theological, philosophical, anthropological basis)

deriving management theory and developing a very practical managerial tool for the consistent implementation through a measuring system in order to provide a management theory, both Church- and academic-based with some practice for its implementation.

In the «Church world» – besides the official encyclical letters – a recent document, called the “Vocation of the business leader” (VBL) has had a major influence on me, a document prepared by the Pontifical Council for Justice and Peace (PCJP). In line with the message of Vocation of the business leader (Pontifical Council for Justice and Peace, 2012, para.87), I consider my work as part of its aim:

“Entrepreneurs, managers, and all who work in business, should be encouraged to recognise their work as a true vocation and to respond to God’s call in the spirit of true disciples. In doing so, they engage in the noble task of serving their brothers and sisters and of building up the Kingdom of God. This message has the aim of providing inspiration and encouragement to business leaders, calling them to ever deepen their faithfulness at work. We are inspired by the many contributions lay leaders and business professionals have made to the implementation of the Church’s social doctrine. We invite educators and catechists at parochial and diocesan levels, and specifically business educators, to make use of the document here presented with their students, inspiring them to respect and encourage human dignity and to pursue the common good in their management undertakings. We hope that this message will stimulate discussions in businesses and universities, helping business leaders, faculty, and students to: *see* the challenges and opportunities in the world of work; *judge* them according to the social principles of the Church; and *act* as leaders who serve God.”

16 Human Dignity in Managing Employees

The sources from the academic world were very broad, and I made use of that wide variety, citing many researchers. I also wanted to show the controversies – sometimes even opposite views – on very key issues, like the essence of human dignity, valuation and its consequences.

Humanistic management embedded into a human-centred economy is a kind of hype these days. We can read and see many examples of companies set up with this purpose, whether we call them social ventures, impact investments, and for-benefit companies. The real challenge is how to transform existing companies, with deep rooted corporate cultures and \$old-style\$ educated managers into human dignity-centred, CST-driven ventures and leaders. I do hope that this work can add value for this transformation to all those, who are open for it!

CATHOLIC SOCIAL TEACHING (CST)-DRIVEN COMPANIES

1.1 Overview of Catholic Social Teaching Regarding Business

1.1.1 Historical Evolvement

Many have the opinion that the Church should only deal with issues directly related to spirituality. However the Church itself defines herself much broader, stating that the Church

“fulfils her mission of proclaiming the Gospel, she bears witness to man, in the name of Christ, to his dignity and his vocation to the communion of persons. She teaches him the demands of justice and peace in conformity with divine wisdom” (Catechism of the Catholic Church, para. 2419)

Bringing this general responsibility to the level of guidelines, teaching, or doctrine, we often use the abbreviation of “CST”, which could mean both “Catholic Social Teaching” as well as “Catholic Social Thought”. In fact “CST” stands for Catholic Social Teaching, so let us start with this term. Catholic Social Teaching has its roots in the 2000-year old Scriptures, which got combined with the teaching of the Catholic Church across the period since then.

18 Human Dignity in Managing Employees

“Catholic Social Teaching represents a developing tradition which includes organic and systematic reflection on social realities, ethical principles, and application of those principles to current circumstances.” (Vatican Congregation for Catholic Education, 1989, pp. 169–182)

While this seems to be too general, the same document gives a more specific description:

“It involves a three-fold task imposed upon the Church: announcing the truth about human dignity and rights; denouncing unjust situations in society; and contributing to positive changes in society and real human progress.”(Kammer, 2009, <http://www.loyno.edu/jsri/catholic-social-thought>)

It can be seen how important human dignity is, as one of the key points in CST, and how strongly it is linked to human development. CST - what according to Kammer (2009) - director of the Jesuit Social Research Institute - can really be considered and called *modern* Catholic Social Teaching begins with the social encyclical of Pope Leo XIII, titled as *Rerum Novarum*, in 1891. Thus even the «modern» part has a more than 120-year history and development. It includes a number of encyclicals, synodic, and conciliar documents comprising the highlights of this tradition, along with statements of many of the conferences of bishops across the world. (Kammer, 2009)

It should be noted, that until the 1960s the term “Catholic social doctrine” was used. Since the end of Vatican II – as a recognition of the shift in the Church teaching emphasis – Catholic Social Teaching has become the term for it, while the Compendium (Pontifical Council for Justice and Peace, 2004) uses again the term “Compendium of the Social Doctrine of the Church”.

The term “Catholic social thought” is not restricted to the documents of the popes and bishop conferences, but includes the ideas, thoughts of

theoretical thinkers, who have been precursors, stimulators, and developers of the official teaching, as well as of practitioners, with their social and political actions as concerned Catholics. For all of these the late David A. Boileau of the philosophy department of Loyola University New Orleans uses the term: Catholic nonofficial social thinking (“CNOST”):

“Catholic social thought should not be restricted only to what is called Catholic social teaching (“CST”), which comes only from the popes and conferences of bishops. It should include Catholic nonofficial social thinking (“CNOST”)” (Boileau, 2003, p. 242)

Since Catholic social thoughts are always based on the “official” Catholic Social Teaching, just extending, detailing, specializing it, I will consistently speak about CST as Catholic Social Teaching, while including the ideas derived from the narrow-defined CST, but developed, formulated, published by academic and other lay people or at least not just by the popes and bishop conferences.

What were the development milestones of CST? There are plenty of CST-related documents, even if we consider only the ones released by popes. Filtering just the encyclical letters and listing just the most important ones directly related to the world of economy (employers, employees, their relationship), we arrive at the following list across the past 120 years:

20 Human Dignity in Managing Employees

Figure 2, Milestones of the Catholic Social Teaching history (my own selection) CST has been developed almost continuously by the popes in the past 120 years - with some significant milestones:

Year	Title of Encyclical Letter	Pope
1891	Rerum Novarum	Leo XIII
1931	Quadragesimo Anno	Pius XI
1961	Mater et magistra	John XXIII
1966	Gaudium et spes	Vatican II
1967	Populorum progressio	Paul VI
1981	Laborem exercens	John-Paul II
1987	Sollicitudo rei socialis	John-Paul II
1991	Centesimus annus	John-Paul II
2009	Caritas in veritate	Benedict XVI
2015	Laudato si'	Francis

While the Church always felt responsible for the society, the significant social, economic and political changes of the late 19th century triggered the stream of the above encyclical letters.

Rerum Novarum (1891) (“On the New Things”) by Pope Leo XIII, issued in 1891, was the starting point of CST. It was triggered by the injustices – especially by the treatment of the over dependent workers. Their status motivated Leo XIII to act, publicly. It was for the first time, that a Pope issued a document as a cry of protest against the exploitation of poor workers. The Pope protested against the prevailing order and

“committed the Catholic Church officially to a rejection of a central thesis of the liberal capitalism of the Western world, namely, that labour is a commodity to be bought at market prices determined by the law of supply and demand rather than by the human needs of the worker.” (Dorr, 1992, p. 14)

The Pope also rejected the socialist idea not to allow personal (individual, private) asset-ownership, just ownership by the states or municipality. At its time it was revolutionary, but even today it is widely discussed, what the Pope stated already in 1891, namely that it is the duty of the state to protect the poor.

The document addresses the many aspects of “associations”. This word appears 25 times in the encyclical letter which only has 64 paragraphs. It encourages and even

“intervenes directly in behalf of the poor, by setting on foot and maintaining many associations which she knows to be efficient for the relief of poverty” (Leo XIII, 1891, para. 29.)

It also stresses the importance of “workingmen’s unions” appreciating their achievements:

“It is gratifying to know that there are actually in existence not a few associations of this nature, consisting either of workmen alone, or of workmen and employers together, but it were greatly to be desired that they should become more numerous and more efficient” (Leo XIII, 1891, para. 49.)

However such organizations fulfil their mission only, if the driving force is “charity and love” (Leo XIII, 1891, para. 61.) – exactly the two words which gave the title 120 years later to the kind of summarizing encyclical letter of Benedict XVI. No wonder even today *Rerum novarum* is considered as a key basis for the economy-related teaching of the Church. In the view of some others:

“*Rerum Novarum* points out that capital and labor need each other and that both have a crucial role to play in upholding man's dignity. Capital provides the funds to provide man with food, clothing and shelter, while labor provides the manpower to make the capital from the resources that God has provid-

22 Human Dignity in Managing Employees

ed.” (Lanari, 2011, http://www.ignatiusinsight.com/features2011/blanari_rerumnovarum_may2011.asp)

40 years later, an even more radical approach was issued by Pius XI, as “*Quadragesimo Anno*”. Meanwhile the Great Depression resulted in high unemployment and uncertainty for the – at least during that period growing number – of the poor. This period proved that instead of lower barriers for becoming an *owner* in fact the system concentrated wealth and power in the hand of a few. Some new models emerged, and seemed to be successful while morally acceptable. As a result, Pius XI was ready to give up the tradition of being always on the conservative side: justice is more important than stability! He declares, that the wage has to cover the costs of the whole family – still not accepted worldwide yet. Even within the European Union, in Hungary the minimum salary is lower than the official income-minimum for one single person! According to the Hungarian Central Statistical Office (HCSO) in the period of 2007 to 2010 even the *gross* minimum salary was nominally less, than the official subsistence level for one adult living alone (in 2007: HUF 65,500 versus HUF 66,271; in 2008: HUF 69,000 versus HUF 71,736; in 2009: HUF 71,500 versus HUF 75,024; in 2010: HUF 73,500 versus HUF 78,736)¹. (Hungarian Central Statistical Office, http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_zhc011.html and http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qli041.html) There is a gradual cohesion trend since then, so at least the *gross* minimum salary has become higher than the official minimum living cost, however the real – net – salary after personal income tax is still lower than the minimum living cost. Only the trend itself is promising, the difference between the minimum net salary and cost of living has been halved in the past 7 years, since the current government gradually and regularly

¹ Editor note: exchange rate for 1EUR is 310EUR at the time of this study it is about 315HUF as of March 2019.

increases the minimum salary year-by year. As a result the “missing difference” is as follows:

Figure 3: Minimum net salary below minimum cost of living in Hungary

Year	Missing amount to minimum cost of living For one adult, per month, in HUF [1€ = HUF 310]
2011	-32 071
2012	-24 115
2013	-22 340
2014	-19 854
2015	-18 191
2016	-14 804

(Source: Hungarian Central Statistical Office: http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_zhc011.html and http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qli041.html)

Hungary of course and unfortunately is by far not the only country in the world, where even today the conditions are far from having implemented the human dignity based request of Pius XI: the salary has to cover the costs of the person and his whole family.

Besides the above clear request, he introduced one of the very cardinal principles: subsidiarity. Even the term Catholic Social Teaching stems from him.

In the 60ties many milestones emerged in the CST, starting with “Mater et magistra” (“Mother and Teacher”). Pope John XXIII started to synthesize views and approaches:

- He called for a synthesis between scientific and spiritual values;
- He called for integration among all the people for serving jointly the common good;

24 Human Dignity in Managing Employees

- He kept the statement that authority comes from God, but he made it clear, that not the power of the ruler, in case he does not follow intrinsically the authority of God, thus moral order is to be synthesized.

He dissolved the wall between the secular and the spiritual – a revolutionary new approach: “a man should develop and perfect himself through his daily work...is perfectly in keeping with the plan of divine Providence... [the laity] must recognize that they are doing a service to humanity, in intimate union with God through Christ...” (John XXIII, 1961, para. 256) He introduced the

“three stages which should normally be followed in the reduction of social principles into practice. First, one reviews the concrete situation; secondly, one forms a judgement on it in the light of these same principles; thirdly, one decides what in the circumstances can and should be done to implement these principles. These are the three stages that are usually expressed in the three terms: look, judge, act.” (John XXIII, 1961, para. 236).

This method is known as the «see-judge-act» approach and appears even in the latest Vatican documents, like the Vocation of the Business Leader (Pontifical Council for Justice and Peace, 2012, para. 87): “*see* the challenges and opportunities in the world of work; *judge* them according to the social principles of the Church; and *act* as leaders who serve God.”

The key word of “Mater et magistra” is “association” (linked to “community”):

“increase in social relationships, in those mutual ties, that is, which grow daily more numerous and which have led to the introduction of many and varied forms of associations in the lives and activities of citizens, and to their acceptance within

our legal framework”. (Mich, 1998, pp. 94–95) and (John XXIII., 1961, para. 59)

The 2nd Vatican Council’s impact on CST was a major breakthrough. Evaluation of *Gaudium et Spes* (“Joy and Hope”), by Tanner, 40 years later:

“Of all Vatican II’s decrees, *Gaudium et Spes* addresses the situation in the world most directly. Its subtitle, “The Church in the World of Today”, states this intention clearly. The decree also makes a sustained attempt both to dialogue with the “world” and to open up further opportunities for such dialogue in the future.” (Tanner, 2005, p. 87)

Thus an active dialogue has been initiated by the Church with the sphere of our daily life – which continues more and more actively ever since.

Gaudium et Spes presents the themes of culture in a systematic manner, of economic and social life, of marriage and the family, of the political community, of peace and the community of peoples, in the light of a Christian anthropological outlook and of the Church's mission. Everything is considered from the starting point of the person and with a view to the person, “the only creature that God willed for its own sake” (John XXIII., 1961, para. 24). Society, its structures and development must be oriented towards “the progress of the human person” (John XXIII., 1961, para. 69.). “The first document of any council to be addressed to the people of the world” and the first time it was declared, that the Church can learn *from* the world, too.” (Tanner, 2005, pp. 87–90, Pontifical Council for Justice and Peace, 2004, para. 96, Mich, 1998, p. 120)

Already one year later “development of the chapter on economic and social life” was announced. Paul VI issued the Encyclical letter *Populorum Progressio* (“Development of the Peoples”), with some key messages:

26 *Human Dignity in Managing Employees*

- “Development is the new name for peace” (Paul VI, 1967, para. 75)
- “nations which have recently gained independence find that political freedom is not enough. They must also acquire the social and economic structures and processes that accord with man's nature and activity” (Paul VI, 1967, para. 6)
- “Unless the existing machinery is modified, the disparity between rich and poor nations will increase rather than diminish; the rich nations are progressing with rapid strides while the poor nations move forward at a slow pace.” (Paul VI, 1967, para. 8)
- “a tragic dilemma: either to preserve traditional beliefs and structures and reject social progress; or to embrace foreign technology and foreign culture, and reject ancestral traditions with their wealth of humanism.” (Paul VI, 1967, para. 10)
- “This duty concerns first and foremost the wealthier nations. Their obligations stem from the human and supernatural brotherhood of man, and present a three-fold obligation: 1) mutual solidarity—the aid that the richer nations must give to developing nations; 2) social justice—the rectification of trade relations between strong and weak nations; 3) universal charity—the effort to build a more humane world community, where all can give and receive, and where the progress of some is not bought at the expense of others. The matter is urgent, for on it depends the future of world civilization.”. (Paul VI, 1967, para. 44)

John Paul II reflected to the previous encyclical letters – and further fine-tuned some of their ideas. He issued “*Laborem exercens*” in 1981. As the name already suggests there is much about labour, and how it should be viewed, also in relation to dignity: “work is a good thing for man ...something that corresponds to man’s dignity, that expresses this dignity and increases it” (John Paul II, 1981, para.9) The ultimate reason behind it (why work is related to dignity) is presented later:

“man ought to imitate God, his Creator, in working, because man alone has the unique characteristic of likeness to God. Man ought to imitate God both in working and also in resting, since God himself wished to present his own creative activity under the form of *work and rest*. ” (John Paul II, 1981, para.25)

He also declares priorities: “*the priority of human labour over what in the course of time we have grown accustomed to calling capital.*” (John Paul II, 1981, para.12) This is why man should be viewed and respected as the subject of work, rather than an object or/and mean:

“Man has to subdue the earth and dominate it, because as the “image of God” he is a person, that is to say, a subjective being capable of acting in a planned and rational way, capable of deciding about himself, and with a tendency to self-realization. As a person, man is therefore the subject at work. As a person he works, he performs various actions belonging to the work process; independently of their objective content, these actions must all serve to realize his humanity, to fulfil the calling to be a person that is his by reason of his very humanity.” [...] “different sorts of work that people do can have greater or lesser objective value, let us try nevertheless to show that each sort is judged above all by the measure of the dignity of the subject of work, that is to say the person, the individual who carries it out. [...] In fact, in the final analysis it is always man who is the purpose of the work, whatever work it is that is done by man-even if the common scale of values rates it as the merest “service”” (John Paul II, 1981, para.6)

We can take it as a kind of summary on that topic, what he formulates like this:

28 Human Dignity in Managing Employees

“We must emphasize and give prominence to the primacy of man in the production process, *the primacy of man over things*. Everything contained in the concept of capital in the strict sense is only a collection of things. Man, as the subject of work, and independently of the work that he does—man alone is a person. This truth has important and decisive consequences.” (John Paul II, 1981, para.12)

He also reinforces some key principles, which are violated by the so-called “rigid capitalism” (John Paul II, 1981, para.14). One of these principles is: “*the right to private property is subordinated to the right to common use*, to the fact that goods are meant for everyone.” (John Paul II, 1981, para.14), another is “The principle of respect for work” (John Paul II, 1981, para.14). Based on them he explicitly declares his critics: “the position of “rigid” capitalism continues to remain unacceptable, namely the position that defends the exclusive right to private ownership of the means of production as an untouchable “dogma” of economic life.” (John Paul II, 1981, para.14) On the other hand “it must be stated that, from the same point of view, these many deeply desired reforms cannot be achieved by an *a priori elimination of private ownership of the means of production*.” (John Paul II, 1981, para.14)

A few years later (in 1987) he issued the encyclical letter “*Sollicitudo rei socialis*” (“On Social Concern”). The central message of it is, to stress the importance of solidarity, beginning from the clear injustices and evils of our globalised economic and political system. Solidarity is seen here as the counterpoint to those ‘Structures of Sin’ which are embedded in the established order (whether that order be liberal capitalism on the one side or then still-functioning State Socialism on the other) and which do vast damage to the interests of the poor and the vulnerable. Awareness was the other, more positive, side of globalisation. As a sign of hope: people are increasingly recognising our fundamental interdependence and its ethical implications. He also fine-tuned the term

«development». His emphasis is on «being more», rather than «having more».

“Side-by-side with the miseries of underdevelopment, themselves unacceptable, we find ourselves up against a form of super development, equally inadmissible. [...] easily makes people slaves of “possession” and of immediate gratification, with no other horizon than the multiplication or continual replacement of the things already owned with others still better. This is the so-called civilization of “consumption” or “consumerism”, which involves so much “throwing-away” and “waste.”” (John Paul II, 1987, para. 28)

Meanwhile 100 years were over since *Rerum novarum*, – this gave the name to “*Centesimus Annus*”, in 1991. As a kind of summary, John Paul II. declared, that “recognizing God in every person and every person in God is the condition of authentic human development”. (Pontifical Council for Justice and Peace, 2004, para. 103) We can follow the organic development of the idea across the 120 years and the many popes involved:

- From “Pope Leo XIII, who uses the term ‘friendship’” (Pontifical Council for Justice and Peace, 2004, para. 103)
- over “Pope Pius XI (who) refers to it with the equally meaningful term ‘social charity’, (Pontifical Council for Justice and Peace, 2004, para. 103)
- followed by Pope Paul VI, “expanding the concept to cover the many modern aspects of the social question, speaks of a ‘civilization of love’ ” (Pontifical Council for Justice and Peace, 2004, para. 103)
- Up to the current phrasing by John Paul II (see above)

Shocking many, he criticized the traditional Western-culture “Welfare State” system, dubbing it as “Social Assistance State ” (John Paul

30 Human Dignity in Managing Employees

II, 1991, para. 35). Today we see why it was a development of the idea really/strategically caring for the poor. As Door formulates:

“we (should) move onwards... where the poor are not just objects to assisted but are subjects in their own right. They are not just to helped but to be empowered.... Love for the poor has to made concrete through the promotion of justice”. (Pontifical Council for Justice and Peace, 2004, para. 103); (Dorr, 1992, p. 346)

From a business and human dignity point of view this quote is essential, since it approaches the essence of companies from an unusual angle: [firms represent] “communit[ies] of persons who in various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole of society” (John Paul II, 1991, para. 35) Based on that approach, a company is an organic part of society, and a person at work is part of a – business oriented – community, not just a revenue-generating organization.

“Caritas in veritate” (Charity in Truth) is the very first encyclical letter not re-acting to a social phenomenon, but being pro-active. It was released by Pope Benedict XVI. in mid-2009, which means, not issued *after* the crisis but *during* the crisis (which started in 2008) – while the preparation for the encyclical letter started *before* the crisis (in 2007). In such a dangerous and delicate situation it was very important, that “he is not attempting to shore up anyone’s political agenda. He is rather concerned with morality and the theological foundation of culture. He even avoided the temptation of a simplified approach. As Sirico, the founder of Acton Institute – a top-50 USA think tank, research and educational institution for the study of religion and liberty - publicly formulated in Wall Street Journal:

“Benedict rightly attributes the crisis itself to ‘badly managed and largely speculative financial dealing.’ But he resists the

current fashion of blaming all existing world problems on the market economy” [...] “*Caritas in Veritate* is a reminder that we cannot understand ourselves as a human community if we do not understand ourselves as something more than the sum of our material parts; if we do not understand our capacity for sin; and if we do not understand the principle of communion rooted in the gratuitousness of God’s grace. Simply put, to this pope’s mind, there is no just or moral system without just and moral people.” (Sirico, 2009, p. 1349)

This encyclical letter is a kind of summary or even synthesis of all the previous ones plus their further development. Throughout the encyclical letter Benedict reflects to his predecessors, re-emphasizing, integrating and adding new insights. Some examples of his approach:

- On truth and love: “Truth, and the love which it reveals, cannot be produced: they can only be received as a gift. Their ultimate source is not, and cannot be, mankind, but only God, who is himself Truth and Love.” (Benedict XVI, 2009, para. 52)
- On the interdependence of truth and love: “Hence the need to link charity with truth not only in the sequence, pointed out by Saint Paul, of *veritas in caritate* (Eph 4:15), but also in the inverse and complementary sequence of *caritas in veritate*. Truth needs to be sought, found and expressed within the “economy” of charity, but charity in its turn needs to be understood, confirmed and 31actor31ni in the light of truth.” (Benedict XVI, 2009, para. 2)
- On the relationship of justice and love: “*Charity goes beyond justice*, because to love is to give, to offer what is “mine” to the other; but it never lacks justice, which prompts us to give the other what is “his”, what is due to him by reason of his

32 Human Dignity in Managing Employees

being or his acting. I cannot “give” what is mine to the other, without first giving him what pertains to him in justice. If we love others with charity, then first of all we are just towards them.” (Benedict XVI, 2009, para. 6)

- The center of the encyclical letter however focuses on the “integral human development”, of which he states: “integral human development is primarily a vocation” (Benedict XVI, 2009, para. 11).
- He also defines personal development: “charity in truth ... is the principal driving force behind the *authentic development* of every person and of all humanity” (Caritas in veritate, 2009, para. 1) and puts it in the light of truth and charity: “On the one hand, charity demands justice [...] on the other hand, charity transcends justice and completes it in the logic of giving and forgiving” (Benedict XVI, 2009, para. 6)”.

It also redefines and fine-tunes (true) humanity: “What we hold important is man, each man and each group of men, and we even include the whole of humanity. [...] If it does not involve the whole man and every man, it is not true development (Benedict XVI, 2009, para. 18).

All of these are linked to personal responsibility: “responsibility on the part of everyone with regard to everyone [...] cannot therefore be merely delegated to the State” (Benedict XVI, 2009, para. 38).

Economy is just part of the topics, however for us the main important one. It clearly states, that “without internal forms of solidarity and mutual trust, the market cannot completely fulfil its proper economic function.” (Benedict XVI, 2009, para. 35) He is not fundamentally against the market: “Society does not have to protect itself from the market, as if the development of the latter were *ipso facto* to entail the death of authentically human relations.”

Even very sensitive and easy to misunderstand terms, like “globalization” are brought close to all of us: “As society becomes even more globalized, it makes us neighbours, but does not make us brothers.” (Benedict XVI, 2009, para. 19), while calmly being neutral by judging it: “globalization, a priori, is neither good nor bad. It will be what people make of it.” (Benedict XVI, 2009, para. 42) And calls for our active responsibility: “We should not be its victims, but rather its protagonists, acting in the light of reason, guided by charity and truth.” (Benedict XVI, 2009, para. 42)

As we said, it was released in the middle of the crisis, in his evaluation the crisis is: “an opportunity for discernment, in which to shape a new vision for the future.” (Benedict XVI, 2009, para. 21) As the pope did by the whole encyclical letter, he also declares directly, that the Church “does, however, have a mission of truth to accomplish, in every time and circumstance.” (Benedict XVI, 2009, para. 9) He warns the leaders not to forget, that “human costs always include economic costs, and economic dysfunctions always involve human costs.” (Benedict XVI, 2009, para. 32) And stresses the importance of stakeholder approach:

“business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference.” (Benedict XVI, 2009, para. 40)

He also stresses the importance of holistic interdisciplinary approach: “faith, theology, metaphysics and science to come together in a collaborative effort in the service of humanity. It is here above all that the Church’s social doctrine displays its dimension of wisdom.” (Benedict XVI, 2009, para. 31) We can

34 Human Dignity in Managing Employees

even take it as a summary for the leaders: “Thus every economic decision has a moral consequence.” (Benedict XVI, 2009, para. 37), and “both professional competence and moral consistency are necessary.

When technology is allowed to take over, the result is confusion between ends and means” (Benedict XVI, 2009, para. 71) and finally: “Development is impossible without upright men and women, without financiers and politicians whose consciences are finely attuned to the requirements of the common good.” (Benedict XVI, 2009, para. 71)

Conscience is the key aspect of the “Laudato si” encyclical letter, too. This one was released by Pope Francis in 2015. Basically it addresses the problem that man’s relationship with nature is suffering. A good summary was given about the many aspects of the encyclical letter by Mirus, a professor from Princeton University and founder of CatholicCulture.org. In his words:

“[Francis] considers the depletion of non-renewable resources; the destruction of forests; the pollution of huge areas of land and water; the tendency of international corporations to “hit and run”, leaving local populations without a sustainable environment; the problematic disruption of key components in the balance of nature; the elimination of a great many species entirely; the common destruction of important elements of nature without a real awareness of the long-term consequences; the very serious lack of clean water in many communities; our tremendous global inequality; the frequent diminishment of natural beauty, harmony and peace as industrialization proceeds; the assumption that “progress” is always beneficial; the trust that all these problems will be solved with one technocratic solution after another, with no understanding

of the consequences—and accompanied by no change in attitude.” (Mirus, 2015, <https://www.catholicculture.org/commentary/otc.cfm?id=1305>)

Interestingly, but not surprisingly there are important thoughts also related to human dignity and the relation from man to man, since:

“human life is grounded in three fundamental and closely intertwined relationships: with God, with our neighbour and with the earth itself. According to the Bible, these three vital relationships have been broken, both outwardly and within us. This rupture is sin. The harmony between the Creator, humanity and creation as a whole was disrupted by our presuming to take the place of God and refusing to acknowledge our creaturely limitations” (Francis, 2015, para. 66)

Therefore from the problems of doing harm to nature, we also do harm to other persons:

“economic powers continue to justify the current global system where priority tends to be given to speculation and the pursuit of financial gain, which fail to take the context into account, let alone the effects on human dignity and the natural environment. Here we see how environmental deterioration and human and ethical degradation are closely linked” (Francis, 2015, para. 56)

Francis clearly states, that “The rich and the poor have equal dignity” (Francis, 2015, para. 94), which can easily be transformed to management theory and practice as: the manager and the employee have equal dignity.

Though a very deep and organic development, Catholic Social Teaching (or even with the extensions the broader Catholic Social

36 Human Dignity in Managing Employees

Thoughts) remains written theory if not implemented by those who have the right and obligation to lead companies. Embedding CST into management practice is the real «test» and manifestation.

“Relationship between the practical and principle has been expressed within Christianity and in particular in the Catholic social tradition’s complementary relationship among authoritative teachers (Catholic social teachings), insightful scholars (Catholic social thought), and effective and principled practitioners (Catholic social practice).” (Kennedy, Naughton, Habisch, 2011).

Thus Catholic Social Practice is the daily realization of CST in the management of companies, which can only be done by those who are not just «clever» and educated from a so-called «professional» point of view – which consists of secular knowledge and know-how – but are also wise and educated in the field of Christian spirituality, and specifically in CST. This additional responsibility is the basis to say, that Christian business leaders, especially in case of a high level of freedom of action, due to their owner and leader status, have an extraordinary mission, which is even a vocation. Realizing its importance, the Holy See more and more worked on a close relationship with the representatives of such Christian business leaders. One of the most important such worldwide organizations is UNIAPAC. It is a federation of associations, an international meeting place for Christian Business Leaders. It was founded in 1931, and as its homepage states:

“UNIAPAC gathers today Christian Business Leaders Associations in 36 countries in Europe, Latin America, Africa and Asia. UNIAPAC represents 16.000 very active business executives around the world, working in various leading sectors of the world economy. It is an oecumenical organization. Inspired by the Christian Social Thought, its goal is to promote

amongst business leaders the vision and implementation of an economy serving the human person and the Common Good of humanity at large.” (UNIAPAC, 2015, <http://uniapacafrica.org/quem-somos/uniapac-internacional/>)

The members of that federal organization’s local organizations are devoted to the CST and have aligned their management-style to it. This can be best illustrated by a quote from its worldwide president, Jose-Maria Simone at the latest (UNIAPAC, 2015) World Congress:

“Leadership has to be performed differently than fore. Leadership has to promote the integral development of the human person, and the role of business leaders should include economic aspects and contribute to social development, through which human dignity can be enhanced.”

As it can be seen, it is fully overlapping with the key business related message of the CST. UNIAPAC and its members not only follow the CST idea, but also spend time and money to promote it. The Hungarian member-organization for example started a 3-year program for promoting CST for the business leaders in general, with the name “Profit of values” in the year of 2014. The name came from a previous document issued by UNIAPAC in 2008, with the same title. This document was the result of internal discussions and sharing with the goal of: “the distinct sections in this set of documents reflect the different paths towards the same one goal: to place, under the watchful eye of God, the human person at the centre of the economy”. (UNIAPAC, 2008) Additionally in order to express

“CSR as a form of management for successful enterprises – to be considered by UNIAPAC as a starting point for numerous initiatives to promote worldwide a CSR that fully respects the dignity of persons and their development.” (UNIAPAC, 2008)

38 *Human Dignity in Managing Employees*

The 3-year program (from 2014 till 2016) had a slogan for a triple task-portfolio: “Know! Do! Tell!” (ertekekerteke.hu) – which follows the logic of first learning the CST, then implementing it, and finally sharing the experiences so others would follow, too.

The relationship, communication, and impact is however not just a one-way direction, from CST towards the practitioners. The Christian businessmen and their circles, like UNIAPAC are not just the implementers of the CST theory, but the influencers, too. UNIAPAC has been involved and has actively participated in the preparation and finalization of the not soon ago released related Vatican document, “Vocation of the business leader”, issued by the Pontifical Council for Justice and Peace (PCJP), in 2012. The leaders and key persons of UNIAPAC took part in the internal discussions, gave their insights and comments, later all the national member associations were asked to give feedback on the draft of what we know now as “The Vocation of the Business Leader”. And while it was released in the name of the Vatican organization “Iustitia et Pax”, the nationalization (local translation, publishing and promotion) was made – at least in those European countries, where there are UNIAPAC member organizations – not by the local Church, but by the local UNIAPAC member organization. Of course in close and friendly cooperation with the Vatican institute and personally its leader, Card. Turkson, who personally took part in many countries – in and outside Europe – on the announcement event of the local publishing, in most cases in combination with a local or even international conference on Christianity and management.

As a conclusion we can state that the 120-year evolvement of the Catholic Social *Teaching* got broadly extended into Catholic Social *Thought* and by now more and more also implemented as Catholic Social *Practice*.

1.1.2 Key Principles of CST

As the Compendium of the Social Doctrine of the Church says:

“This document intends to present in a complete and systematic manner, even if by means of an overview, the Church’s social teaching, which is the fruit of careful Magisterial reflection and an expression of the Church’s constant commitment in fidelity to the grace of salvation wrought in Christ and in loving concern for humanity’s destiny. Herein the most relevant theological, philosophical, moral, cultural and pastoral considerations of this teaching are systematically presented as they relate to social questions” (Pontifical Council for Justice and Peace, 2004, para. 8)

While it aims to be holistic and complete, it should also be “organic”, i.e adjusted to the actual times:

“However, it must not be forgotten that the passing of time and the changing of social circumstances will require a constant updating of the reflections on the various issues raised here, in order to interpret the new signs of the times.” (Pontifical Council for Justice and Peace, 2004, para. 9)

For the very same reason there are no fixed summaries, with exactly defined key points. Therefore, the different summaries – when listing the principles – give different numbers, which a range from as low as 2 up to even 11, typically however between 4 and 7. Since these principles are highly interdependent and closely linked to each other there is no wonder different people or/and organizations try to summarize them for different intentions in different ways. Let’s see some examples.

40 Human Dignity in Managing Employees

The Vatican Congregation for Catholic Education.(1989) document speaks about only two foundational principles for business, namely:

1. human dignity and
2. the common good

The US-based Jesuit, Kammer (director of the Jesuit Social Research Institute), speaks about 4 core principles of today's CST:

1. The Principle of Human Dignity: A just society can become a reality only when it is based on respect of the transcendent dignity of the human person
2. The Principle of the Common Good: According to its primary and broadly accepted sense, the common good indicates “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily.” (Pontifical Council for Justice and Peace, 2004, para. 164)
3. The Principle of Subsidiarity: The principle of subsidiarity protects people from abuses by higher-level social authority and calls on these same authorities to help individuals and intermediate groups [families, cultural, recreational and professional associations, unions, political bodies, neighborhood groups] to fulfill their duties.
4. The Principle of Solidarity: Solidarity highlights in a particular way the intrinsic social nature of the human person, the equality of all in dignity and rights and the common path of individuals and peoples towards an ever more committed unity. [...]

“The acceleration of interdependence between persons and people needs to be accompanied by equally intense efforts on the ethical-social plane, in order to avoid the dangerous consequenc-

es of perpetrating injustice on a global scale.” (Kammer, n.d. <http://www.loyno.edu/jsri/catholic-social-thought>)

Especially in the US literature (like the United States Conference of Catholic Bishops, <http://www.usccb.org/beliefs-and-teachings/what-we-believe/catholic-social-teaching/seven-themes-of-catholic-social-teaching.cfm> or Lanari, 2011) they speak about 7 principles (although using different formulations, partly deviating terms). In Lanari’s study:

1. The dignity of the human person
2. The common good
3. Subsidiarity
4. Participation
5. Solidarity
6. The right of private property
7. Universal destination of goods

The last two make it look like very «American», especially if we read the details:

“Ownership of private property is beneficial for the common good. This point is emphasized in RN. This encyclical points out that if one has ownership of land or other possessions, he will work harder to take care of them than someone who has no vested interest in the property.” And: “Christian living should lead to temporal prosperity for all; not necessarily great temporal wealth for all, but adequate food and shelter for all. In order for this to be a reality, man must share the goods of the earth with all. [...] private property can be taxed to assist in providing goods and services that are at the service of all” (Lanari, 2011 p. 5)

For the longest list of the CST principles we have to go as far as New Zealand, where the local Church-driven (thus: from a Church

42 Human Dignity in Managing Employees

point of view official) Caritas organization provides a list of 11 principles (<http://www.catholic.org.nz/social-action/dsp-default.cfm?loadref=62>, n.d.):

1. Human Dignity
2. Human Equality
3. Respect for Human Life
4. The Principle of Association
5. The Principle of Participation
6. The Principle of the Common Good
7. The Principle of Solidarity
8. Preferential Protection for the Poor and Vulnerable
9. The Principle of Stewardship
10. The Universal Destination of Goods
11. The Principle of Subsidiarity

Here the «extra ones» are “Association” (“People achieve fulfilment by association with others – in families and other social institutions.” (<http://www.catholic.org.nz/social-action/dsp-default.cfm?loadref=62>, n.d.), the extraordinary focus on those in need and on ecology (“We have a responsibility to care for the gifts God has given us. This includes the environment, our personal talents and other resources.” (<http://www.catholic.org.nz/social-action/dsp-default.cfm?loadref=62>, n.d.), under the term «stewardship», which usually includes what is separately listed here as No. 10:

“Private ownership is acceptable, but there is also a responsibility to ensure all have enough to live in dignity. If we have more than we need, there is a social mortgage to pay to ensure others do not go without.” (<http://www.catholic.org.nz/social-action/dsp-default.cfm?loadref=62>, n.d.)

As a summary, we can see that on one hand there is no one single-agreed list of the key principles, on the other hand we can identify some such principles, which are partly deeply interdependent or even in “cause and effect” relationship. Human dignity appears in each of the lists – even if it consists of 2 only, because there is a consensus on its «cause»-type importance. In my view *all* the others can be derived (or conversely tracked back) from/to human dignity. Even the other most «popular» principle, the “common good” principle can be seen as a consequence of systematically implemented human dignity approach, since in case we value each human being as a «person» (see later), then the community and society (including a country or a company) would act keeping in mind that human beings are to be treated as ends and not means to an economic, political or other kind of end, thus providing gain for each and every member, which in fact is aiming the common good. Thus human dignity *is* the pillar, as Pope Francis made it clear, too:

“If the human person is not at the centre, then something else gets put there, which the human being then has to serve.”
(Francis, 2014, <http://catholic-thoughts.info/>)

This is the reason why I have chosen human dignity as the focus of my thesis and this is the lens through which we can examine and answer the difficult question: what does it really mean to implement human dignity in management, what makes companies to drive Catholic Social Teaching?

1.2 What Makes CST-driven Companies Opposite to Mainstream?

1.2.1 Different Definitions of Business

Before we dig deep into the essence and definition of business – which is the micro-level implementation of the macro-level economy,

44 Human Dignity in Managing Employees

– first we should consider economy and specifically the purpose of economy in general.

The world leader in economy and business is the USA, as shown by the latest ranking, prepared and released by the World Bank on the 2016 statistical data:

Figure 4, The World Ranking of GDP in 2016

Ranking	Economy	(millions of US dollars)
1	USA	18'569'100
2	China	11'199'145
3	Japan	4'939'384
4	Germany	3'466'757

(Source: <https://data.worldbank.org/data-catalog/GDP-ranking-table>)

As the World Bank numbers show, just the sum of the next 3 economies produce a bit more. Thus when we speak about business and economy, the view on it by the economists, politicians, and academic people of the USA should be carefully considered.

At no surprise most of the best business leaders are educated in the USA, at the top MBA schools. (According to the 2017 Financial Times ranking, 5 out of the top-10, 9 out of the top-20 and 25 out of the top-50 MBA Schools in the world are in the USA. (<http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2017>) Therefore, it is absolutely relevant, what these MBA schools teach about the goal of the economy. This is the summary on the topic by the US MBA Tutorial:

“Economic Growth – Increase in the production of product and services to boost the economy and improve the living standards.

Full Employment – Opportunities should be available or created for the people of country who are willing and able to work.

Economic Efficiency – Improve productivity by utilizing the resources in a better way, this approach will reduce the expense overhead of the product and services and allow the manufactures to sell their products at lower prices in the market.

Price-Level Stability – Variable up and down in the prices of goods and services reduce people trust on government. It is better to control the major upswings and downswings in the price level.

Equitable Distribution of Income – Government have to ensure the proper distribution of income among people to lower the percentage of poverty level.

Economic Security – The people which are disable, chronical-ly ill, laid off, aged or earning low income should be supported.

Balance of Trade – Overall balance in international trade with other countries and financial transactions.” (MBA Tutorials, 2009)

The above list of goals consists of complex and balanced issues, regarding the level of economy. Our focus is on business, and the two are closely linked, since they are the businesses, which provide goods and services that drive economic output. Economy and business is to serve society, with its individuals. If I now check the above list again, I can state, that all the goals are important and serve the members of the society, however these are *means*, not *ends* for the members of the society, thus not the *ultimate* goal. It seems that in a merit-based, performance-

46 Human Dignity in Managing Employees

driven society, like ours the purpose of economy and business is productivity-increase resulting in economic growth – for the society, for company, and for the individual employee. While all these are really important tools, they are over-valued, when considered as an end, although it is mainly about providing increased opportunities for (more) consumption. This is not just my view, in more and more academic literature we can find the same logic, and argumentation, like in the case of Lewitt:

“Not so long ago a lot of companies assumed something different about the purpose of a business. They said quite simply that the purpose is to make money. But that proved as vacuous as saying that the purpose of life is to eat. Eating is a prerequisite, not a purpose of life.” (Lewitt, 1990, p. 13)

But is our life really (only) about consumption? Is consumption an end in itself? We all know that it is still a mean (perceived by many as the main one) to the ultimate goal of all human beings – to be happy. Happy on an individual level and happy as a society – here we meet the term “common good”. In this sense I see the mission of economy as to allocate resources to their highest valued use – if from the view of the society as whole, then aiming at the common good.

This is why I cannot agree with the Nobel-prize winner Milton Friedman, who so easily oversimplified the definition of business, back in 1970, when he famously summarized it like: “The business of business is business”. (Friedman, 1970, p. 32) And if the world is so simple, then – even if you think about social aspects, like social responsibility – “there is one and only one social responsibility of business – to increase its profits.” (Friedman, 1962, p. 133)

That seems to be very harsh these days, but got a big applause from all those, whom we define as neo-liberals. We should not forget however that the term social responsibility was at least addressed! The reason

for it was that it already had a close to 20-year history, since Bowen spoke and wrote about it, with the title “Social Responsibilities of the Businessman” as early as in 1953. Thus in some way Friedman’s action viewed by many as a proactive and progressive move forwards, by now seems to be not more, than a provocative (over-)simplifying reaction only. To make it absolutely clear he even warned the business leaders, that those who have other goals as well “are guilty of analytical looseness and lack of rigor”, “unwitting puppets of the intellectual forces that have been undermining the basis of the free society” (Friedman, 1970, p. 32). Not a very motivating label for a CEO to act in a socially responsible manner!

As a result, even today the mainstream (neo-liberal) approach states, that the goal of the business is *shareholder value maximization*. In our view we challenge all the three words. Going backwards:

1. The third word, ‘maximization’ is always a one-dimensional sub-optimal simplified approach. In such a complex world that we live in, *optimization* is the task we, human beings are supposed to do. For maximizing decisions softwares and robots are enough and even the best (as we see in many fields, recently in the case of stock-exchange robots, too), whereas optimization, with many dimensions – with on-going unforeseen changes – combined with not fully pre-determined «weights», depending on many inputs is a challenge requiring the intellectual fullness of human beings. Therefore profit is a natural and cardinal enabling factor for a sustainable business, however not the only dimension and goal (only to cite a few please see, under different perspectives: Peters and Waterman jr., 1982; Levitt, 1990; Simon, 2000; Melé, 2003; Argiolas, 2017). Especially if we want a humanistic society with hu-

48 Human Dignity in Managing Employees

manistic business embedded into humanistic economy, profit-maximization should not be declared as the only or/and ultimate goal.

“Truly humanistic businesses, therefore, are profit-satisfying instead of profit-maximizing as their first priority is always to make men (and women) the measure of all things” (Spitzeck, 2011, p. 57).

2. This brings us to the second word, which is «value». In Friedman’s world value is equal to financial value, which in the short run is profit, in the long term it is company value. In our humanistic view we define value in a much broader sense.

“Business and commerce form a very important venue in which work can become truly human, that is, social, creative, and productive. In ensuring this, entrepreneurs and managers play a vital role in supporting crucial aspects of the development of human persons and the building up of the common good of societies. Business people, in the variety of functions they perform, embrace and live out a genuine Christian vocation when they accept their mission of service and firmly commit themselves to wise and ethical conduct in their professional activities. Ethics in business and commerce is rooted in respect for human dignity and the common good. It becomes concrete in just service of the well-being of employees, customers, investors, communities, and all of the parties with whom a business interacts.” (Kennedy, Naughton, Habisch, 2011, para. 56).

If we think in a human-centred world, rather than in a financial gain only centred «cage», we have to really implement, what already the ancient Greek philosophers, like Protagoras, the pre-Socratic philoso-

pher famously said: “man the measure of all things”. That requires thinking about the workplace differently, much more broadly. One aspect is to have a more holistic approach to the integral human being, as an individual, including those aspects, which a Friedman-type approach would fully neglect. A good example for it is the term «suffering» – practically unknown, or at least not often used by neo-liberals, but – in the center of humanistic management. As Ulrich and Fearn (2008) explicitly state, the aim of (humanistic) business is to avoid human suffering and instead to contribute to life conduciveness. Another aspect is not just thinking of individuals, or their groups just as individuals next to each other, linked by the (financial) value creation necessity of collaboration, but

“understanding firms as human communities is more appropriate than seeing them as a nexus of contracts or a set of interests, as common models generally assume. Firms contain multitudes of unifying relationships, and the contractual relationship and the satisfaction of a set of interests are only some of these.” (Melé, 2012, p. 98)

3. The first word («shareholder») can and should be challenged, too. While the widely accepted approach only considers the owners, and all the activities have only the one and only aim to satisfy the shareholders’ value maximization aim, the *stakeholder* theory and practice gains acceptance increasingly. This topic is so important and complex, that I devote the whole next subchapter to it.

1.2.2 Stakeholder Theory and Practice

To view the owner as the only or at least by far the most important and relevant player in the arena of business stems from the process itself: a company gets founded only and if there is somebody who owns capital (as an enabling factor) and wants (as a decision) to invest it – with extended risks – into starting (or overtaking) a business. Thus in a company's life the first and existence-providing key stakeholder is really the owner. If we re-phrase it, then it becomes even more struck and visible: the founder creates a legal person. Without a founder there is no company. He «creates», i.e. in some way copying the creation of the world, since before the act there is no company, after the founding creation «something» exists. Although it is not more than a legal and financial action, since the result has «rights» and «obligations», we humans, who like to anthropomorphize everything around us to better understand, call it a «legal person». In everyday terms the owner gives birth to a corporation. Therefore it is justified, that the founder has extraordinary rights due to his importance.

While this set-up of shareholder-centred view is still widely accepted and shared, more and more academic people as well as practitioners have a different view. They realize that from the first day of setting up a company there are yet many other persons, groups, organizations, other businesses who also have impact on the given « legal person's» daily life, existence, growth and future in general. This approach is stakeholder-centred, rather than just considering one and only one stakeholder, who is the shareholder, i.e. the owner. If they have impact, they should also have certain rights – this is the justification to think about a company not just as an «owned object» of the owner, but as a (sub-)system within an ecosystem consisting of many stakeholders. This is why Klonsky (1991) classified the approaches finally into 3 types: the “amoral” (which is basically, what we call today as neo-liberal, shareholder-

centric), the “personal” (in which view a company should be considered as a «person», not just as a legal entity), and the “social”, when the company considers itself as a partner in a social contract with the society (stakeholders).

The key question still remains, whether an owner and her company follows the school of shareholder-focus orientation, or the school of stakeholder-portfolio orientation. The shareholder-oriented one is the neo-liberal, only profit-oriented one, which is

“favouring owners and shareholders systematically in the organizational decision-making process. Stakeholders who do not have an impact on the company’s *profitability* do not need to be considered in organizational decisions.” (Spitzeck, 2011, p. 52)

The rest of the stakeholders are not part of the «game», it is not an inclusive society and they have to find their own ways to protect their interests.

“This systematic exclusion of secondary stakeholders [...] previously powerless stakeholders built the necessary conditions to harm the corporation economically. Only then did the corporate decision-making system perceive them as relevant.” (Spitzeck, 2011, p. 52)

According to the other school, besides making profit, social responsibility should also be among the goals:

“The improvement of consumer and employee health and safety, a commitment to preserve the environment, engage in truthful advertising, and avoid race- and sex-based discrimination were becoming almost as important as maximization of profit as goals for business to pursue” (Klonosky 1991, p. 12)

52 Human Dignity in Managing Employees

This is how we arrive at the stakeholder approach. This reflects that value creation is not done by the founder (alone). Therefore at least those, who contribute to value creation, should be taken into account.

“Initially located in strategic management, the stakeholder approach focuses on what is the purpose of the firm, who should have an influence on corporate strategy and how can the firm meet the expectations and demands of groups in its environment. Stakeholder theory centres around the idea that firms have to take into account and integrate the needs of all its stakeholders in the way they operate their business to create and distribute value. Stakeholders may be any group or individual who can affect or be affected by the firm (Freeman 1984). Compared to other theories of strategic management, stakeholder theory addresses morals and values as a central feature of managing organizations.” (Schlierer et al., 2012, p. 39)

Mitchell et al. try to balance between the extremes and argue that:

“classes of stakeholders can be identified by their possession or attributed possession of one, two, or all three of the following attributes: (1) the stakeholder’s power to influence the firm, (2) the legitimacy of the stakeholder’s relationship with the firm, and (3) the urgency of the stakeholder’s claim on the firm...these variables define the field of stakeholders: those entities to whom managers should pay attention” (Mitchell, 1997, p. 854)

Until now I have still written about rights related to (financial) value contributors. In a humanistic view morals come in, too.

“In his well-known 1991 paper on the topic, Goodpaster already acknowledged that the “strategic stakeholder approach

fails not because it is immoral; but because it is nonmoral” (Goodpaster, 1991, p. 60). Lack of morality is less of a problem, than immorality, but still it has the consequence that stakeholder analysis, on its own, does not signify ethical decision making. Stakeholder theory by itself can neither successfully answer why their interests should be taken into consideration at all, nor how. (e.g., Argandoña 1998; Goodpaster 1991).” (Acevedo, 2012, p. 214)

As I will try to specify in the next chapters, a humanistic view derives personalism, based on human dignity. It is exactly this personalism, which contributes to the normative philosophical foundations for stakeholder theory.

“Within this framework, all human stakeholders should be acknowledged and treated as fully human persons (or groups thereof) and holders of natural law-based rights, not as potential benefits or threats, nor solely as bundles of contractual rights and duties. Nonhuman ‘stakeholders,’ such as the natural environment (Orts and Strudler, 2002) are not to be neglected or abused, but treated according to their right place and meaning in the realm of things. Balancing stakeholders’ conflicting interests requires prudence and justice, and the pursuit of a properly human common good.” (Acevedo, 2012, p. 215)

Here we see how over-simplified Milton Friedman’s business definition was: instead of a one-dimensional maximization, managers have to create different types of values for different segments of the world around them and their challenge is the on-going right balance and optimization, which starts with the recognition of the different stakeholders.

“The role of managers is to shape a business through stakeholder relationships by creating and distributing value in dif-

54 Human Dignity in Managing Employees

ferent ways for many different stakeholders. As a result, stakeholder value increasingly is embedded in strategic thinking to generate long-term economic value.” (Schlierer et al., 2012, p. 39)

Interestingly, although stakeholder theory has close to three decades of history, there are still many open questions. Even in the practical implementation – for example in the case of SME owner-managers – despite its importance,

“not much theoretical and empirical research has been done on how they understand stakeholder relationships and their management. Crucial questions such as which stakeholders are significant to SMEs, how do SMEs engage with their stakeholders to create value and trade, and what is the nature of these relationships have barely been researched. How SME owner-managers differentiate stakeholder management from some related concepts such as corporate social responsibility (CSR), sustainability or business ethics is also still open for research.” (Schlierer et al., 2012, p. 40)

First we spoke about financial value creation, then involving morals, finally we end up now with the link to spirituality in general, and specifically to Christianity. A pure finance-driven approach can afford not to speak about philosophical and theological links. If we involve ethics, morals, and human dignity, spiritually automatically pops up. Still:

“With the notable exception of Beekun and Badawi (2005), current stakeholder scholarship has not explored religion and spirituality. This is particularly problematic given that, currently, many working professionals want to harmonize their professional and personal beliefs with the needs of society (Neck and Milliman 1994, Cavanagh 1999, cf. Naylor et al.

1996). For many of these professionals, this harmonization stems from a desire to regard their work as, if not a direct extension of their faith, at least not in direct conflict or competition with their faith (Cash and Gray 2000).” (Carrascoso, 2014, p. 310)

This is a kind of theoretical negligence, however on the other hand the daily practice recognized the above values, even without theoretical foundations. This is the reason, why – especially family businesses, where the founder/owner and his personal/family culture had a strong impact – the practical implementation still existed.

“The fact that in most family companies the stakeholder approach existed in an informal way long before the term had been introduced is confirmed by our data.”(Schlierer et al., 2012, p. 48)

The most important potential stakeholders got – at least gradually – acknowledged as stakeholders. Both theory and practice proved that only the extended stakeholder-approach can assure a balanced responsibility:

- Owner – founder, ultimate decision maker, who keeps the entity alive
- Managers – responsible for the operation
- Customers – paying for the products and services
- Employees – delivering added value
- Vendors – to be relied on (quality, time, cost)
- Creditors – believing in our future
- State – representing the macro environment (tax)
- Micro environment – local responsibility
- Next generation – environment protection, sustainability, the human environment

56 Human Dignity in Managing Employees

Without spirituality this is the maximum scope for rational stakeholder involvement. In the light of spirituality two more stakeholders can be identified.

The all-history question of the poor, the ones in need become part of the responsibility question and thus becoming stakeholders in case we look through the lenses of spirituality.

“The poor are defined as the materially and economically deprived members of a firm’s value chain. While other scholars (cf. Rawls 1997) have specified similar criteria, Catholic Social Teaching explicitly identifies the urgency and importance of addressing the needs of the poor. Solidarity with the poor need not entail stakeholder conflict nor need it sacrifice profitability and other stakeholder interests. Similarly, solidarity with the poor does not mean that the poor are the first and only priority of firms. Indeed, one must continue to recognize the rights of other stakeholders to a decent living.” (Carrascoso, 2014, p. 316)

The Focolare Movement’s “Economy of Communion” model goes even deeper in the relation between the company and the poor. The very recent (2016) summary by Grochmal shows that this is more than just a moral commitment, due to some kind of general solidarity.

“The EoC connects poor people who are beneficiaries of the sharing of profits to the businesses. They not only receive help in different forms but they also bring in something very important into the organization: their needs and hopes, their poverty, but also their gratitude, solidarity, attention, kind word or prayer. Through these “contributions” they are not only consumers of the help but they participate in this unique exchange of gifts according to their opportunities. Such a service to the poor ensures a new social and human dignity of

these people who are very often socially excluded from the society. In this sense the poor are one of the important stakeholders. According to Grochmal (2012) such a statement constitutes an extension of the theory of stakeholders formulated by Freeman (1984). Persons living in poverty, often from no fault of their own, never before have been considered as stakeholders of the business. Poor people, understood and considered as crucial stakeholders, actively contribute to spread this concept of communion to other persons who live in similar circumstances of poverty (Crivelli, 2004)". Grochmal, 2016, p. 7)

My view on that topic is also that if a company's owners really want to follow the Christian values, they should consider the poor as stakeholders of the "community-centred", rather than "ego-centred" company" (Héjj, 2006 p. 11), which should mean the company has a direct or at least indirect relationship with the poor, implementing the "“We/We” approach: *We* serve each other to achieve *our* common goals" (Héjj, 2006, p. 11). Since the inclusion means, that the poor are – already by their existence – stakeholders, thus they trigger increased prudence and responsibility, and they are part of the value-generation value-chain, as a part of its – social – outcome. Only if "the poor of the society to be supported are considered as stakeholders can we speak about a holistic stakeholder approach, which is the real common good" (Héjj, 2006, p. 12).

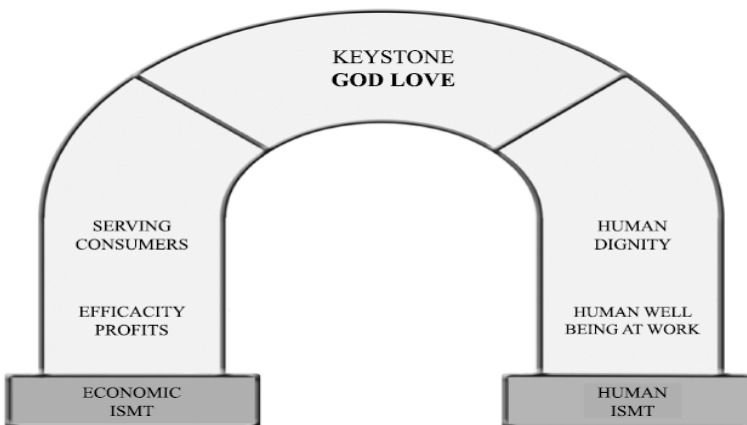
Interestingly, the idea of the poor as stakeholders go hand-in-hand with the other – for some even more provocative – idea of God as a stakeholder. This idea is not directly linked to Catholic academic people, e.g. one of its protagonists, Schwartz, base his logic on his Jewish faith. As he says:

58 Human Dignity in Managing Employees

“This paper argues that God both is (i.e., descriptive) and should be (i.e., normative) considered a managerial stakeholder for those businesspeople and business firms that accept that God exists and can affect the world. In other words, for certain individuals, God should not be ‘checked at the office door’. Instead, God should be taken into account as a managerial stakeholder when business decisions are made.” (Schwartz, 2006, p. 292)

He looked at Mitchell’s (1997) definition on managerial stakeholder definition, which can be summarized in three points: (1) the stakeholder’s power to influence the firm, (2) the legitimacy of the stakeholder’s relationship with the firm, and (3) the urgency of the stakeholder’s claim on the firm. Based on that definition Schwartz insists that for those having a faith God really is a managerial stakeholder.

Figure 5: God Love as Keystone



(Source: Fry et al., 2010, The keystone and the two columns that link the two ISMAs)

Is it a mere prestige or testimony-type question? Does it have impact on the daily operation of the firm and through it on the business and

wider society? Fry et al. show management as an arch of two, sometimes conflicting driving forces: one being the economic pillar, the other the human one. They can only be linked, integrated, even harmonized, if there is a keystone with this function, and this keystone is God love. That means, neither the economic, nor the human aspects are in the middle, but God, and all activities have a direct bi-directional relation with God.

If God love is the keystone, then God should be in the center of all other relationships and activities. That means, in the view, vision and daily routine of the owner(s) and top-management all internal (like employees), and external (like customers) individuals, as well as the broader context (society or/and country) should be viewed in the framework of bi-directional relationships with God. This is shown in the next figures, also formulated by Fry et al. As they summarize:

“The Keystone” given in Figure 5 “and the Centre Circle” given in Figure 6 “make possible in daily management the reconciliation of the often conflicting objectives of the two columns and of the five outer circles.” (Fry et al., 2010, p. 295)

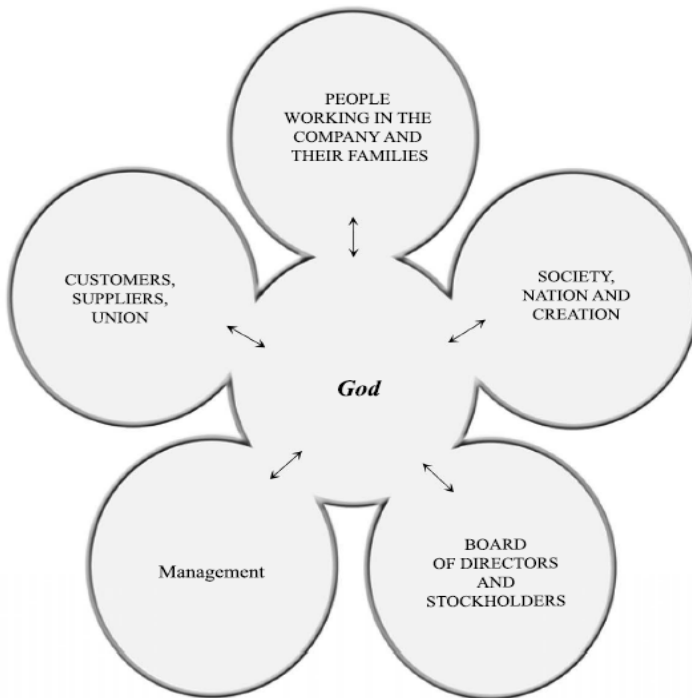
The same approach is confirmed by Schwartz, too:

“those individuals and firms that accept God as a managerial stakeholder would potentially act in a more ‘socially responsible’ manner, i.e., by placing less emphasis on short term profit-making, while giving greater consideration to the impacts of decisions on other stakeholders. First, the decision-making process might take more of a long-term perspective... Second, profits would be put into a broader societal perspective by giving it a lower priority while, creating a greater purpose for the bottom line. ‘Socially responsible’ activities such as corporate charitable giving (e.g., ‘tithing’), or community

60 Human Dignity in Managing Employees

involvement, might be more likely to take place. [...] Third [...] managers who accept God as a legitimate managerial stakeholder might become sensitized to the moral implications of their actions with respect to each stakeholder.” (Schwartz, 2006, p. 301)

Figure 6: God-Centered Stakeholder Relations



(Source: Fry et al, 2010 The six circles.)

Some others have similar view: “Once words like ‘virtue,’ ‘spirit,’ and ‘ethics’ got through the corporate door, God wasn’t far behind” (Conlin, 1999, p. 158). Besides being for some just a “nice notion” to be a believer, it can and should have impact on the leader’s style. In fact

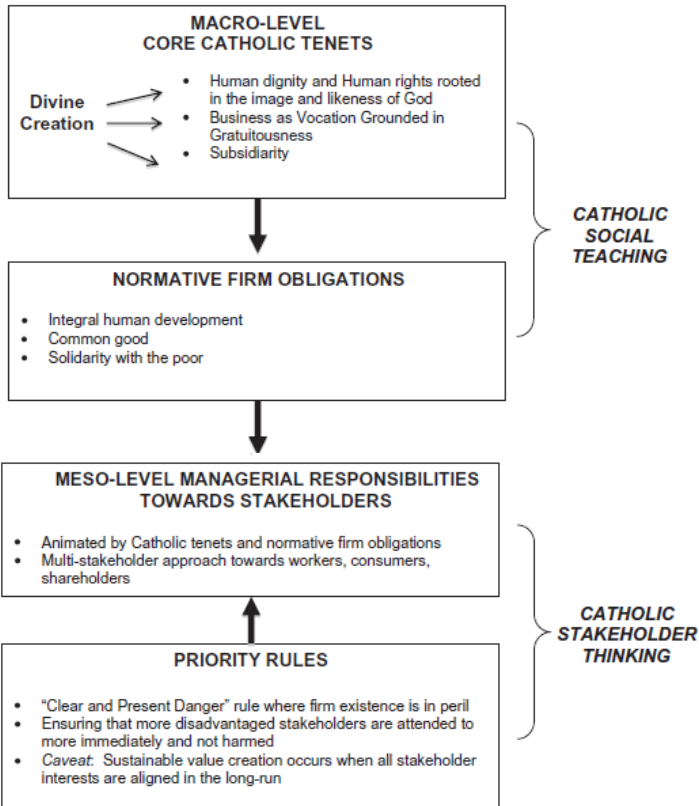
“an acceptance of God as a managerial stakeholder could translate into the notion of ‘servant-leadership’, whereby corporate leaders see themselves as stewards who are more willing to put first the needs, aspirations, and interests of others (e.g., employees, customers) before their own interests” (Greenleaf, 1977, p. 13)

But are such leaders a scarcity? Though we might think – at least here, in Europe – they only represent a fragmented minority, related research proves, that faith-based management – at least in the USA – is a vast majority according to a poll by Gallup:

“...80 percent of [U.S.] investors consider themselves to be religious or spiritual”, while “Over 60 percent of those who describe themselves as religious say they either try now or would like to try to incorporate their faith values into their decisions about money” (Gallup research cited in Schwartz, 2006, p. 296)

If this is the case, there must be a framework for the Catholic stakeholder approach. Carrascoso tried to integrate the core Catholic tenets (which refer to the basic, fundamental beliefs of the faith that form the foundation of the normative obligations of firms and managers towards stakeholders) and normative obligations with CST priority rules to derive the managerial – sometimes conflicting – responsibilities. This is how he derived “Catholic Stakeholder Thinking”, as a joint consequence of both CST and his “Priority Rules”, as shown in the next figure:

Figure 7, Catholic stakeholder System



(Source: Carrascoso 2014, A Catholic centred stakeholder framework. [Figure 1], p. 309)

Both the Catholic Social Teaching as well as the Catholic stakeholder thinking aim at the common good, but what does it really mean? Although an often used term, there are different, only partly overlapping definitions, even if we only check the philosophical applications. As Encyclopaedia Britannica formulates:

“the notion of the common good is a denial that society is and should be composed of atomized individuals living in isola-

tion from one another. Instead, its proponents have asserted that people can and should live their lives as citizens deeply embedded in social relationships.” (Britannica.com, 2016)

The key part of unity instead of individual fragmentation is stated, however not emphasized enough. The CST – especially the “*Mater et Magistra*” encyclical letter goes further: The common good is the complete development of all the people of the world. Pope John XXIII describes it as “the sum total of conditions of social living, whereby persons are enabled more fully and readily to achieve their own perfection.” (John XXIII., 1961, para. 65)

The temptation and failure is to think that this is the greatest good for the greatest number – but it is not, since according to the CST common good approach no individual is excluded from the common good.

“It compels the viewer to see the social world, not as an aggregation of individual wants and needs, but as a complex web of mutual relationships that enable individuals to achieve far more than they would if left to their own devices in isolation.” (O’Brien, 2009, p. 30)

Therefore it is also linked to the ideas of human dignity and authentic and integral human development, making them central aims of all societies. This is why we have to refer so often to it in this thesis, while focusing originally on human dignity. As the Catholic bishops of England and Wales formulated and tried to explain:

“Because we are interdependent, the common good is more like a multiplication sum, where if any one number is zero then the total is always zero. If anyone is left out and deprived of what is essential, then the common good has been betrayed.” (Bettenson and Maunder, 2011, p. 458)

Thus common good always aims everybody’s human flourishing.

64 Human Dignity in Managing Employees

“Authentic development is possible only if an individual interacts with and grows within a society. Thus each of us is required to work for the common good which includes all others within society. Even property of its nature also has a social aspect which is based on the law of the common purpose of goods.”(Paul VI., 1965, para. 7)

More philosophically, though very clearly it is described by Barnes:

“The common good can mean two things: (1) The ordering of all the parts of the universe toward one another and toward the whole and (2) The universal good that all things seek and in which all things participate and communicate.” (Barnes, 1984, pp. 97–100)

This formulation shows very well that it is an underlying driving force and a goal at the same time.

“Therefore, the common good can be described as both the formal cause (the structural arrangement of individual goods) and the final cause (the goal toward which this arrangement is directed) of human society. In even simpler terms, the common good is both an ordered structure and a shared goal” (Barnes, 1984, pp. 97–100)

Whether philosophically, or socially, or in business, common good is closely linked to shared vision, cooperation, joint efforts, achieved and leveraged synergy.

“A society, on the other hand, is held together in a common life by a consensus and this consensus is a kind of cooperation toward a common end. Cooperation, therefore, is the unifying force of a society, which is analogous, in many ways, to the unifying forces of quantum mechanics that hold the atomic structure together. An intensification of cooperation within

a society constitutes an increase in the actuality of the society's very existence, and at the same time, it is also a perfection of its ethical nature. Cooperation, therefore, is the key to both a society's goodness and strength." (O'Brien, 2009, p. 31)

Stakeholder theory thus has close links to human dignity in respecting all the members of the business. The common activity at the company is working, with a commonly shared vision of jointly serving the common good, by creating value for all the stakeholders.

1.2.3 Alternative Value Creation by Personalistic Working Approach

As described in Chapter one, 2.1. , means and ends are often mixed up – by politicians, by workers, by managers. On the other hand, people have different value sets, with the consequence of having different view on what is value creation at a firm, what values are valued and with what weight?

Let us start with the valuation of work itself. Again two extreme views can be brought up.

A., "Work, is, by its very nature, about violence – to the spirit as well as to the body. It is about ulcers as well as accidents, about shouting matches as well as fist fights, about nervous breakdowns as well as kicking the dog around. It is, above all (or beneath all), about daily humiliations. To survive the day is triumph enough for the wounded among the great many of us." (Terkel, 1974, p. xi)

This view is completely different from the next one, where the workplace is not the place to lose, but to gain, develop, become more:

B., “There is little doubt that creating a workplace that fosters and values spirituality is a worthwhile aim, but with a dominant focus on shared values, self-expression, meaningful activity and a sacred life we are in danger of missing the material realities of work – in a sense, we are putting the cart of higher-order needs before the horse of lower-order necessities. It is also the case that the emphasis on performativity in much of the literature questions the motivations of those who advocate workplace spirituality as, just as in every other management model, people are treated as means to an end and not an end in themselves” (Bolton, 2010, pp. 159–160)

Both options are realistic, existing, experienced – but what a difference from our focus, from a human dignity point of view! And the difference is like an iceberg: the visible part is the experienced practice, but the major part of it cannot directly be seen, since it is below the horizon, as theology, philosophy, anthropology manifested finally in corporate culture and self-identification (mission and vision) together with its related policies, practices, daily management methods. To go through shortly, let us start with theology. Although it is not obvious for an average manager, but “work” and “God’s-image” are closely linked, despite the fact that even the most prestigious business schools, like Harvard, one of the traditionally top-5 MBA Schools in the worldwide rankings (e.g. according to <http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2017> No. 2. in 2015, No.2. in 2016 and No. 4 in 2017) tried to be “objective”:

“Business schools have been admonished for “propagating ideologically inspired amoral theories” that have “freed their students from any sense of moral responsibility” (Ghoshal 2005, p. 76, as cited in Acevedo, 2012, p. 215)

Instead there is a clear arch from God through love experienced and virtues towards each and every person on one hand, and towards the community and the common good on the other hand, as it was summarized already in the 13rd century:

“Any virtue is an act of love for the good of another, which is, at the same time, an act of love for oneself because it is an act of love for the common good” (Aquinas, *Summa Theologica*, First Part of the Second Part, Question 60, Article 3, Reply to Objection 2).

Even 800 years later there is a need – though not even widely accepted – that

“Management, business, and economics should not be considered primarily as sciences, underestimating questions of meaning and moral value, but fundamentally as human enterprises at the service of the personal and the common good” (Acevedo, 2012, p. 215) or “The more a virtue pertains to the good of a multitude, the better it is.” (Barnes, 1984, p. 1986)

From a philosophical point of view again we can either “vote” for a mechanistic approach or for a humanistic one – which for many is only authentic in case it is “person-driven” instead of “individual-driven”, as we can see it in Maritain’s humanistic management, which is inherently personalistic. He also proves that personalism is a sound philosophical foundation for business ethics.

“Specially emphasized is his distinction between human person and individual based on a realistic metaphysics that, in turn, grounds human dignity and the natural law as the philosophical basis for human rights, personal virtues, and a common good defined in terms of properly human ends.” (Acevedo, 2012, p. 216)

68 Human Dignity in Managing Employees

It is essential to evaluate Maritain's view in more details, since he is the one, who founded the "true" personalistic humanism. The adjective "true" or "integral" was given by him. Interestingly, Maritain's work "Humanisme integral", published in 1936 and now translated into English as Integral humanism, was first translated in 1938 as True humanism. His own argumentation for "integral" and "true" is that it is "integral" because it possesses everything that is essential to render that which is properly human. In this sense it is a "true" humanism; i.e., it is a humanism of the human being viewed as a human person, in the temporal and supratemporal reality and wholeness. Though it also considers individuality and subjectivity, the human person is not reducible to either. This humanism is anchored on a realistic account of essential human nature properly placed in the realm of things and in the "concrete logic of the events of history" (Maritain, 1939, p. 1).

While his definition of "true" humanistic management is personalistic, it does not imply that the nonpersonalistic approaches are necessarily false.

The debate and evaluation continues even these days. As Acevedo summarizes:

"Maritain and its philosophy, called "personalistic humanism", it addresses both what is equal among human beings (human dignity and, hence, basic human rights) and what is unique among them (reflective and self-disciplined individuality). Anchored on a realistic metaphysics, human dignity and the natural law are the philosophical basis for human rights, personal virtue, and a common good defined in terms of properly human ends. Accordingly, this personalistic moral philosophy incorporates ends and means, human freedom (self-mastery through the "perfection of love") and human autonomy (through the "interiorization of the law"), universality of the natural law and prudence facing concrete situations,

right judgment and right will, intellectual and moral virtue, delectation (“interior contentment” or “expansiveness”, Maritain, 1960/1964, p. 34) and utility, the human and the economic, love and justice, contemplation and action.

In brief, Maritainian personalistic humanism is claimed to be ‘true’ because it is consistent with reality, integral (possesses that which is essential to render what is properly human), and cogently addresses first (fundamental) principles, distinctive human ends, and virtue (intellectual and moral). Maritainian personalism insights are, thus, a significant contribution toward a solid philosophical (ontological, anthropological, and ethical) framework for business ethics and humanistic management.” (Acevedo, 2012, p. 209)

As a summary of this section, we can state, that Maritainian personalism provides a cogent rationale for virtue ethics.

“Among its important insights in this regard are its approach to the human person, happiness, the morally virtuous act as perfective of the dignity of the human person (and, conversely, the morally evil act as favoring individuality over personality), and the natural law as basis of human rights and guide to personal virtues.” (Acevedo, 2012, p. 211)

The following quote from him seems to be more social, than business oriented:

“There is a moral obligation to choose the true happiness— it is at this point that the universe of freedom inserts itself into the universe of nature” (Maritain 1960/1964, p. 100, as cited in Acevedo, 2012, p. 211).

However, if we think about work and business from a human development, i.e. human dignity point of view (for all the stakeholders), than he is right stating, that

70 *Human Dignity in Managing Employees*

“Reasonable authority, instead of power, and justice and friendship, instead of self-interest, should characterize the management of business relationships (Maritain 1943b/2001, 1951a).” (As cited in Acevedo, 2012, p. 212)

From a management point of view and a few decades later it became more explicit by many of his followers:

“This is the sole and ultimate justification of a firm: its ability to promote integral human flourishing through organized work, not only in terms of the goods and services produced but also of the excellences of mind and character or virtues acquired by its participants” (Sison 2007, p. 478, as cited in Acevedo, 2012, p. 212)

Even the most recent “know-how transfer” from CST to management theory, like implementing subsidiarity into management stems from here and from him:

“The principle of subsidiarity, derived from personalism, contributes to a freer flow of information throughout the organization and reduces the likelihood of abuse; it also encourages creativity, participation, and responsibility thereby strengthening the democratic features of that human society (Maritain 1936b/1996, 1951a)” (As cited in Acevedo, 2012, p. 214)

Translating this personalism-based subsidiarity implementation into the corporate world means:

“the cultural agenda for leaders is guided by subsidiarity under three headings: 1) *orienting* an organization’s culture toward subsidiarity; 2) *institutionalizing* subsidiarity in the practices, policies, and structures of a company; 3) and *sustaining* subsidiarity for the organization’s future.” (Naughton, Buckeye, Goodpaster, and Maines, 2015, p. 31)

Or in another formulation in which the elements of corporate culture are the ones, which signalize the daily implementation:

“specific corporate philosophy, communal symbols, moral leadership, forms of informal communication, organizational transparency, decentralization of decision making, social (not just financial) recognition of achievements and initiative — could and should be based on personalism.” (Acevedo, 2012, p. 214)

This convergence between the terms of management theory and CST continues in many fields:

“*efficiency and solidarity, economy and sociality* no more appear as antithetical, but complementary elements that are starting to give shape to the Corporate of the present and will mark, more and more, the Corporate of the future.” (Argiolas, 2014, p. 44)

And exactly this very important convergence trend is why by now we are «allowed» to openly speak about «love» (a word coming far outside the corporate jargon) in management and leadership. As a very successful (vice president) ex-investment banker of J.P. Morgan (and due to his life before that as a Jesuit monk candidate for seven years...), Lowney summarizes in his book “Heroic leadership”:

“Love-driven leadership is the vision to see each person’s talent, potential and dignity the courage, passion and commitment to unlock that potential the resulting loyalty and mutual support that energize and unite teams”
(Lowney, 2005, p. 170)

This happiness-virtue-love-leadership chain is also closely linked to common good, since

72 Human Dignity in Managing Employees

“The common good is both a condition for, and the result of the happiness that those persons who participate in the common good attain by living virtuously.” (O’Brien, 2009, p. 31)

The ultimate goal content-wise of this chapter is to show that besides creating financial value, a company could and should create alternative values, too. One of those alternative values is to see, run and leverage the company for the sake of the common good. But why aiming at the common good at all? The principle of the common good is based on the assumption that the flourishing of the community also enhances the well-being of the individuals in that community.

“When people act together for the sake of mutual benefits in which they all share, then they are acting both in others’ interests (because others gain from their actions) and in their own (because they gain also)” (Jordan, 1989, p. 16).

While it sounds – and can be experienced – as a logical thinking, it is still

“the precise converse of the liberal assumption made by modern interpreters of Adam Smith, like Milton Friedman. It is their belief that the individual pursuit of self-interest naturally leads to the greatest aggregate good for all in society. Since liberal capitalism and modern business philosophy are founded on these assumptions, the common good may initially be experienced as counterintuitive in capitalist contexts” (Dorrien, 1990, p. 76 as cited in O’Brien, 2009, p. 28)

So if there are two – partly conflicting – theories the question is: do we have two groups of experiences/references, too? While the vast majority of the companies follow the Milton Friedman approach, are there any companies, expressing genuine humanistic values in their vision and conduct? In the real (business) world the spectrum would be a continu-

um: even neo-liberal companies are involved in – at least ad-hoc – corporate social responsibility actions, while others do it systematically. There are many «no-name» companies who aim and serve common good consciously and systematically. These companies are mostly run by the founding owner, who has the right and can afford to do so.

Less can be found among the big or even multinational companies, but even among them there are some:

“Among the many others are Cascade, Drogeriemarkt Müller, Mondragon and Novo Nordisk to name just a few (von Kimakowitz et al., 2010)” (As cited in Spitzeck, 2011, p. 51)

Most of them live and act according to these values, but without clearly stating them and expressing their roots. There are however examples for straight forward communication regarding their value set and commitment to faith, too. One such firm is Love Box, one of the largest independently owned corrugated box manufacturing companies, which states in its corporate mission statement:

“Vision comes from God through Inspiration. Mission is His Vision grasped by the mind. When Mission descends into the heart, it becomes Values. When we practice these Values, it becomes Culture” (Love Box, 2004, as cited in Schwartz, 2006, p. 297)

Such kind of culture, behavior and communication is only possible if it comes from the top of the company. And as always it is easy to speak about nice things when the bottom line is perfect, but it is much more difficult to do so in hard times, especially to link the lack of alternative value creation to financial unsuccessfulness. Still there are testimonies, as below, from the vice president of the US telecom giant of its time, Motorola:

74 Human Dignity in Managing Employees

“People have said that I am ethical to a fault and I don’t mind having that title. As I said before, when I am spiritually fit, the physical, emotional, and intellectual takes care of itself. Right now this company is really in a hole and we have lost our way. Why is that? Because we have lost our soul. We used to believe in soulful things: the people, dignity, respect for our nation. We didn’t live for the shareholders, and as a result the success of the business took care of itself. When we operated in this way people were energised, joyful, excited, intellectual, spirited, and competitive, rather than competitors. They carried us down the field over the line. In losing this soulful-ness, our people have begun to get dull, spiteful, not caring; they’re inflexible, cynical, contracted, and fearful. I’ve watched us go from being a very spiritual community of people who give back and respect hard work and service – to a group of people with an attitude of arrogance who only want the best talent that can perform to their standards.”
(Webb, 2006, pp. 11-12)

There is a strong need, therefore there are efforts to support the implementation with relevant managerial tools. One of them is the so-called Catholic Identity Matrix (CIM):

“The CIM applies this assessment template in conjunction with six principles for Catholic health care institutions. The formulation of these principles draws upon a range of sources, including the Catholic social tradition, the Ethical and Religious Directives for Catholic Health Care Services issued by the Catholic bishops of the United States and the experience of Catholic health care leaders. The CIM was subsequently improved through a collaborative partnership between Ascension Health and the Veritas Institute of the Uni-

versity of St. Thomas Opus College of Business (formerly known as the SAIP Institute). Additional support for the CIM's on-going improvement has been provided by the University of St. Thomas' John A. Ryan Institute for Catholic Social Thought and Gonzaga Ethics Institute.

The principles are:

- Solidarity with those who live in poverty
- Holistic care
- Respect for human life
- Participatory community of work and mutual respect
- Stewardship
- Acting in communion with the church

The CIM helps a Catholic health care institution evaluate the degree to which these principles shape its current operating policies and processes.“ (Veritas Institute, n.d. <http://www.stthomas.edu/centers/veritas/assessments/about-the-catholic-identity-matrix-cim/>)

“The CIM translates the six standards into a set of behavioral benchmarks – a systematic array of questions – for Catholic health care services. By answering the questions within this inventory, and then evaluating their answers using a proprietary scoring system, an organization's leadership can identify where vital moral values have been integrated effectively within their organization's operations and where this integration is tenuous or lacking. The assessment thus highlights both areas of strength and critical improvement opportunities. Furthermore, the information gathered during the assessment process helps an organization formulate concrete initiatives designed to address specific improvement needs. In this way, the CIM catalyzes both critical reflection upon an

76 Human Dignity in Managing Employees

organization's current state and practical improvements guided by Catholic moral teaching, thought and practice.” (Veritas Institute, n.d. <http://www.stthomas.edu/centers/veritas/assessments/about-the-catholic-identity-matrix-cim/>)

Such tools and measure technics help the devoted leaders to act in a way which gets measured and provides a feedback loop to improve, achieving best practices. Thus it is up to the (top-) management whether they just theoretically aim at this alternative value creation or really stick to it.

As we saw in this chapter, work needs not be an on-going fight with self-ruining consequences, in case the approach at the workplace is personalistic. Who decides whether the company has such a value-set, such an approach? Not the many workers, but the few owners and top-managers. They are the ones, who can accept, acknowledge and follow the personalistic approach in case they identify themselves with it. This however requires two conditions: on one side the willingness to think so, on the other hand the freedom to act accordingly. For the willingness to think so the candidates have to admit and strongly believe, that:

“We do not grow as persons by claiming autonomy or by pursuing self-interest; a life of self-centredness only makes us lonely. Rather, we grow through relationships, through bonds of communion, when our gifts move through us in service to others. The business leader's responsibility, then, is to recognize these gifts—their kind and multiplicity. Creating an organizational culture for developing and cultivating those gifts is a significant challenge.” (Naughton et al., 2015, p. 24)

Besides the willingness the other prerequisite is how free the leaders of the companies are? This is the topic of the next chapter.

1.2.4 Freedom of Action of the Management

Although most people think, that a CEO of a big company has a total freedom, this is not the case. Not just because all CEOs report to a Board, which in turn is elected or/and selected by the owners, thus everybody in the chain up to the owners has a «boss». The problem is deeper. The *rule of the game* is set: whether the owners are private persons, or organizations (e.g. pension funds) the ruling paradigm is about first and foremost creating financial value for the owners. *How far* a CEO can go in social responsibility, in implementing stakeholder theory or to drive and run a company by values rather than just *bottom line* result-triggers is not up to his decision. Even legally the CEO is responsible for doing his/her best for the benefit of the company and any kind of resource-waste due to his negligence toward his responsibility has legal consequences. That means that his freedom of action is limited by written law, policies, board guidelines and decisions. Thus in case the company has a set policy for CSR, donations, empowerment, i.e. determined broad freedom and clear cut limits, then – and only then – the CEO is entitled to make such decisions, within the set limitations. Thus it is a dead-end street to expect the paradigm-shift from shareholder to stakeholder approach, from interest-driven to value-driven leadership, from old-style *human capacity* or human resource driven approach towards personalistic respect of human dignity in the world of the multinational, stock-exchange registered big companies. Traditionally, however these type of companies are in the center of research, of media, or when looking for role models.

“The vast majority of empirical research on stakeholder management has traditionally focused on multinational corporations. Only in recent years, scholars have begun to pay attention to the stakeholder management concept in relation to

78 Human Dignity in Managing Employees

small- and medium-sized enterprises (SMEs).” (Schlierer et al., 2012, p. 39)

In the past such companies «ruled» the world, whether measured on their contribution to GDP, or number of jobs offered. However, careful evaluation of the trends shows an irrevocable shrink in both dimensions, at least in those economies and societies which have strong, disciplined culture and economy, like Germany: while in the *Mittelstand* (Medium size companies, out of which 95% are family businesses) contributed in 1998 to the GDP of Germany 42,5%, ten years later, right before the crisis it went up to 48,6%. Interestingly, but not surprisingly the crisis has not reversed the tendency, in fact by 2012 it went up to 52% - thus the majority of the German economy is generated by companies with less than 250 employees (the European official cap of SMEs)! At the same time from an employment point of view the SME sector was responsible for the majority of the jobs already in the 90ties (close to 60%), which increased to 67% by 2012. (Sources: Eurostat and BMWi, the Federal Ministry of Economics and Technology in Germany). By number of companies the weight of SMEs is even more overwhelming: “Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the EU” (ec.europa.eu, n.d.) Knowing these numbers we can understand why Jean-Claude Juncker, the President of the European Commission, stated: “SMEs are the backbone of our economy, creating more than 85 % of new jobs in Europe” (European Commission, 2016)

Especially in “difficult times” significant differences can be seen when comparing Fortune-500 conglomerates with owner-manager run SMEs. Right at the beginning of the 2008 crisis the theory has been developed by Vroom and McCann:

“the negative relationship between the economic attractiveness of a market and the likelihood of exit will be stronger for

professionally managed firms than for owner-managed firms.” (Vroom, McCann, 2009, p. 17)

And in fact the recent period proved, that owner-leaders of small companies tend to think in longer terms (in generations rather in quarters like in the case of stock-exchange listed companies) and are ready to invest and to take risks for assuring the long-term existence of their companies (with the related jobs). Thus the importance of family businesses has grown significantly. However, the term “family business” is not defined precisely. In a comprehensive study of family businesses, Chrisman, Chua, and Sharma found 21 different definitions of family business in their review of 250 research articles. (Chrisman et al., 1996) From our prospective the key criteria is not the definition of family business, which can be a multinational, too, although in fact there are only a few family firms in Europe, which are billion-dollar companies. According to Rottenberg (2002)¹⁸ in France, 15 in Germany and much less in all other EU countries.

Neither would be perfect to speak about SMEs in general, since even a small start-up might be (co-)owned not just by individuals but also professional mainstream investors and investment agencies. The real differentiation is, whether the goals of the company are neo-liberal or (CST) value-based. A good example for it is the fact that

“in most family companies the stakeholder approach existed in an informal way long before the term had been introduced is confirmed by our data.” (Schlierer et al., 2012, p. 48)

I belong to the group, which strongly supports to switch the attention to such family businesses, SMEs and (social) entrepreneurs, partly due to the above *hard* (statistically justified macro economy numbers) facts, but even more importantly due to *soft* facts. As a key *soft* fact I would primarily consider the – at first glance surprising condition of – much higher freedom by the top-management. This freedom of action enables

80 Human Dignity in Managing Employees

a much higher level of integrity and integral behavior for the leading person in charge, a leadership system not just based on interests, but based on values, too. Of course not all SME CEOs have the right to decide on a culture and related actions. The key criterion for the freedom of action to be leveraged for a CST-driven leadership is the owner(s)' expectation and the relation to the CEO. Obviously, if the owner is the CEO at the same time, then his/her freedom of action is only limited by financial and market conditions, otherwise there cannot be any *principal-agent* problem. This is the well-known potential conflict between the self-interest of the manager (as *agent*) and the interest of the company (the *principal*). In the case of owner-managers this is not a problem, but instead there is a (potential) conflict between the *interest* (traditionally seen being equal to the profitability) and the *value* (usually just a *nice to have* attitude). Thus having values on a higher priority-level than interests is a special case, anyway.

Close to this is the case if the owner(s) – whether a family with its members or independent individuals – define and commit themselves to guidelines of pre-defined values, desired corporate culture with related policies, communication – and hiring process. In such cases again the CEO has much more freedom to deviate from the mainstream, since this is in line with the expectation of the owners. This is the reason why I believe and look for role models more in the world of SMEs with owner-manager or owner's active personal leadership when it comes to lead (consistently) in a CST-driven way.

As a necessary clarification I need to split the – partly yet absolutely not totally overlapping – terms of “family business”, “SME”, (social) “entrepreneur”, “start-up”, and alike. Starting with family business I would consider the definition of Poza:

“family businesses constitute the whole gamut of enterprises in which an entrepreneur or next-generation CEO and one or more family members significantly influence the firm. They

influence it via their managerial or board participation, their ownership control, the strategic preferences of shareholders, and the culture and values family shareholders impart to the enterprise” (Poza, 2013, p. 28)

Family businesses are not just important as contributors to GDP, or as employers, but more broadly and significantly as assurers of general economic sustainability. For example a study states that

“About 95 % or three million of all German enterprises are family enterprises in the sense that a family or a single person controls the enterprise and a member of the family or the single person in question also manages the enterprise. These enterprises employ 13,4 million or 57 % of all German employees and earn 1,9 trillion € or 42 % of the German turnover.” (Institut für Mittelstandsforschung Bonn, 2008, p. 3)

The definition of SMEs is clear and even legally regulated, at least in the EU: Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361.

The main factors determining whether an enterprise is an SME are defined by a combination of different limitations, out of which some must be kept, in case of others there is a choice:

1. staff headcount and
2. either turnover or balance sheet total.

Figure 8, SME definition limits (Source: ec.europa.eu)

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m Small
Micro	< 10	≤ € 2 m		≤ € 2 m Micro
Small	< 50	≤ € 10 m		≤ € 10 m Small

82 *Human Dignity in Managing Employees*

These ceilings apply to the data for individual firms only. A firm that is part of a larger group may need to include staff head-count/turnover/balance sheet data from that group, too.

Entrepreneurs are the ones who own and run a company founded by themselves, which is a sub-segment of SMEs. A very special – and for our focus very relevant – SME and even entrepreneur sub-segment is “social entrepreneurship”. According to the founder and organizer of the world-famous annual Davos World Economic Forum, the Klaus Schwab Foundation:

“Social entrepreneurship is

- About applying practical, innovative and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.
- A term that captures a unique approach to economic and social problems, an approach that cuts across sectors and disciplines grounded in certain values and processes that are common to each social entrepreneur, independent of whether his/ her area of focus has been education, health, welfare reform, human rights, workers’ rights, environment, economic development, agriculture, or whether the organizations they set up are non-profit or for-profit entities.
- It is this approach that sets the social entrepreneur apart from the rest of the crowd of well-meaning people and organizations who dedicate their lives to social improvement.” (schwabfound.org)

It is clear that it is a social entrepreneur who has the highest freedom level to run a CST-driven venture, since he is the owner and the manager and the whole venture was set up to follow and implement such an intention. If the owners and the management agrees on the guidelines and limits, then other SMEs can also provide almost similar level of freedom.

For what can this freedom be used for?

In one sentence: to implement the integral human development – both for the leader as well as for the employees.

“A golden rule of the managerial culture is the prohibition to mix languages and emotions of private life with those of business life. Words such as gift, gratitude, friendship, forgiveness that we all recognize to be fundamental in family, social relationships must be kept rigorously outside the working place, since they are deemed as improper, inefficient, and dangerous. If we go beyond the rethoric of the teams and team work and take a look inside the real dynamics of the new enterprises, we will discover that in these organizations there is more hierarchy than in traditional ones, even if they have a participatory look. However, while today management cultivates the culture of separation, it is a fact that when the managers have to select and motivate executives they typically use words taken from the context of the family, ethics, spirituality: esteem, merit, respect, passion, loyalty, faithfulness, community. Words and codes that activate the same dynamics inside the person that s/he has learned and practiced in private life. The dangerous bluff of the modern organizations of capitalism is hidden in their use of the symbolic and motivational registers as they were used in the past by religion but – and here is the point – distorting and resizing them radically.” (Zamagni, n.d., p.14)

This is the time when we should differentiate between *manager* and *leader*.

While this topic has a whole bibliography on its own, let me just quote two sources, the first one being more traditional and academic:

“management concerns ‘hard’, mainly measurable aspects of organisational functioning, while leadership refers to ‘soft’ is-

84 Human Dignity in Managing Employees

sues and competencies including social, cultural or even emotional aspects, and often depends on the personal features of the leader. For efficient organisational performance both leadership and management should be joined in optimal proportions so one cannot overrate or depreciate any of them.” (Marek, 2015, p. 28)

The other one is a real experienced leader with declared Christian values (as mentioned before, a J-P. Morgan vice president, and before that a Jesuit novice for 7 years), who goes deeper:

“All leadership begins with self-leadership, and self-leadership begins with knowing oneself. First comes the foundation: goals and values, an understanding of personal strength and obstacles, an outlook on the world. Then comes the invigorating daily habit of refreshing and deepening self-knowledge while immersing oneself in a constantly evolving world.” (Lowney, 2005, p. 98)

To be able, ready and willing to do so, to consistently act so, the leader must have an intrinsic commitment and motivation. Not just in general towards values, but specifically for him/herself. Returning to Marek he finally gives the following summary on leadership in general, and specifically on Christian faith based leaders:

“There are four main activities a leader might take to encourage people to work on the targets:

- (1) supporting employees, which is aimed at building their self-esteem;
- (2) facilitating interactions, which means encouraging people to build satisfactory relationships within the organization;

- (3) putting emphasis on goals and sharing enthusiasm with-
in the staff;
- (4) helping provide necessary assets and conditions for the
realisation of tasks.

Leadership is strongly connected to implementing changes and innovative solutions. That is why one of the vital parts of the leader's role is being an innovator who starts new projects and feels responsible for their realisation. Catholic leaders see those projects as a part of a bigger goal and not only as a tool or means for making a profit. For them each business activity, as a community of people pursuing a common goal, has value in itself, much broader than only a financial profit." (Marek, 2015, p. 29)

What all companies have to define, regarding the company itself (like mission, vision, values, strategy), all leaders (all people!) should have in their mind for themselves and to reinforce it regularly. Stephen Covey is one of the best known and most successful management gurus, a bestseller author, an acknowledged trainer worldwide. This is what he wrote among his famous "7 habits", as the No. 2 *habit*:

"Mission, vision, strategy based on values rather than on interests: Begin with the End in Mind means to begin each day, task, or project with a clear vision of your desired direction and destination, and then continue by flexing your proactive muscles to make things happen. One of the best ways to incorporate Habit 2 into your life is to develop a Personal Mission Statement. It focuses on what you want to be and do. It is your plan for success. It reaffirms who you are, puts your goals in focus, and moves your ideas into the real world. Your mission statement makes you the leader of your own life." (Covey, <https://www.stephencovey.com/7habits/7habits.php>)

86 *Human Dignity in Managing Employees*

Similarly, the value-driven practitioner summarizes his career experience like this:

“Most of us must derive satisfaction not from manifest results but from the mere personal conviction that our actions, decisions and choices have value.” (Lowney, 2005, p. 93)

Getting back to the theory-level we can speak about community as formulated by Melé:

“A manager’s ability to build communities is significantly constrained by prevailing assumptions of an economism based managerial ethos. Using economic models, as Rocha and Ghoshal (2006) suggested, human intentionality such as self-interest and opportunism leads to a restrictive form of social exchange. From this under-socialized perspective, relationships between people are seen as primarily instrumental, self-interest being the dominant intention. Contrastingly, in humanistic-based management models which take the firm as a community of persons, persons are seen as conscious and free beings who make decisions on their own and who are owners of their own destiny.” (Melé, 2012, p. 99)

Community is strongly linked to close personal relationships, even mutual love. Are we allowed to use the term “love” in the context of business and work? The strange feeling towards these words in the professional environment is not my personal problem or limitation:

“The theory of the firm does not take love into account. Given its assumptions, it does not seem to need it. The stories of life in firms also ignore this virtue: it does not seem that love is a reality in the world of business. And yet love – love for others – is present one way or another in all facets of people’s lives, including in economic organizations.” (Argandoña, 2011, p. 82)

On the other hand:

“the nature of social relationships in companies, which are reduced to contractual relationships, often cold and distant, if not clearly contrary to love, it being considered that one cannot want what is good for another because to do so would be harmful to one’s own interests.” (Argandoña, 2011, p. 82)

So Shakespeare’s Hamlet-question can be re-phrased as: “to love or not to love (the colleagues at the company)?!” The answer is available and relatively simple:

“love is always directed to specific individuals: one cannot love a group. Service to customers is always service to each and every customer – which it is not easy to do, because benevolence decreases with distance: the other becomes less real to me (Spaemann, 1991, p. 172)”.(Argandoña, 2011, p. 83)

This means, the persons who run the company have to establish a culture, where the employees view each other with respect, with trust, with positive approach, based on the shared mission and vision – including human dignity.

“Ideally, the end is completely shared: both understand the good they are seeking in exactly the same way. But this will not always happen. It is only natural, then, that each should try to persuade the other of his way of understanding that good. In a company, this will probably be the task of the person who exercises leadership in the organization. But there will be no true friendship unless there is respect and esteem for the ideas of the other.” (Argandoña, 2011, p. 83)

While mutual love requires the active action of all members of the firm, as a community, it is the leader who can enable it, through a corporate culture supporting and demanding it. And this leads us back to the

necessity of the stakeholder approach: only a company with a clear and committed stakeholder approach enables and supports a kind of “institutional” mutual love at a company, since only in such companies do the employees experience the company culture of respect and the related stakeholder influence and impact. In Carrascoso’s words:

“managerial attention should not be shareholder oriented, but should, instead be holistically focused on the stakeholders. This stance does not imply that firm profits should be squandered or wasted. Stakeholder theory has long asserted the importance of profits for firm success (Freeman 1994, Freeman et al. 2010). Similarly, Catholic Social Teaching has long defended the right to private ownership of productive property as an incentive for innovation and economic progress. However, because firms must create value and promote integral human development and the common good in solidarity with the poor within their value chains, firms’ stakeholder relationships should adequately reflect these goals.” (Carrascoso, 2014, p. 320)

In a real stakeholder-based environment there are no tier-2, tier-3 groups:

“Where conflicts between marginalized groups exist within a firm’s value chain, Catholic Social Teaching states that solidarity with the poor requires empathy. Unsurprisingly, acting with empathy towards the least well off also helps to achieve the common good. In this regard, the key questions that should concern us are, first, which stakeholder group or groups have greater needs and, second, whether or not firms can reasonably and sustainably attend to such needs. Even as the interests of the more disadvantaged are attended to more immediately, managers must remember that value creation only occurs when

all stakeholder interests, including those of the shareholders, are aligned in the long run” (Carrascoso, 2014, p. 321)

We spoke about firms in general, but we have to make it clear, that basically there are two types of companies: the ones which primarily and ultimately are for profitmaking and the ones of which the primary and ultimate goal is social benefit. We tend to think that the majority of the companies belong to the first group, however if we look at the newly established, founder-owner-manager type entrepreneurial companies, then:

“I am convinced that being social entrepreneur is the rule not the exception of entrepreneurship. In fact, when the market functions correctly, it is a place in which innovation and human creativity are favoured and awarded. Market competition can be, and if we want to understand it in its truest nature, should be seen as a race to innovation. Those who innovate grow and live, while those who do not innovate remain behind and leave the economic and civil game.” (Zamagni, n.d., p. 10)

We got used to the close link of entrepreneurs and innovation, but usually we think of technical or technological innovation. This time we think broader, including social innovation, or at least innovation to be leveraged by humanity, even if by others:

“the truest nature of the entrepreneur and the entrepreneurial function is the capacity to innovate. The entrepreneur is not a profit-seeker: profit is only a signal that innovation is present. When the entrepreneur (including the social entrepreneur) complains because he/she is imitated, his/her vocation is already in crisis. He/she must be reminded that imitation also plays an important role, as it makes sure that derivative advantages that come from an innovation do not remain in the innovating business alone but are spread to the entire society

90 Human Dignity in Managing Employees

(for example, through the reduction of market prices, which increases collective wellbeing). The entrepreneur is not a “rational” agent as understood in mainstream economics. Such conceptualization is present in many other economists belonging to the civil economy tradition: what is typical of entrepreneurship is not profit seeking per se but innovation, and in doing this she or he promotes also the common good, is a social entrepreneur. When an entrepreneur stops innovating, he/she dies as an entrepreneur (perhaps transforming himself/herself into a spectator or a rent-seeker), and so blocks the run or the innovation-imitation relay race, which is the true virtuous dynamics that pushes society ahead, not only the economy.” (Zamagni, n.d., p. 11)

In this chapter we evaluated the freedom of action of the person in charge for a company. We concluded, that those have the highest level of freedom, who are owners and managing directors at the same time; ready to become leaders, not just managers; able and willing to innovate – even socially, like implementing real stakeholder approach, with no marginalized stakeholders –and if they do so based on a CST-driven value-set, the company is based on human dignity, creating not just financial value, but much more. This is a very demanding expectations towards the – mostly SME owner-manager – devoted leaders. This kind of responsibility is much more than a mere “job”, it really is a vocation to be a Christian business leader:

“see the challenges and opportunities in the world of work; judge them according to the social principles of the Church; and act as leaders who serve God.” (Pontifical Council for Justice and Peace, 2012, para. 3)

1.2.5 Deriving a Holistic Stakeholder Value Matrix

Value creation has always been a luring topic, both for the academic world, as well as for practitioners. Historically the drivers with the proportionally highest value creation impact have changed significantly; and show a trend. Following the historic timeline shows a growing level of abstraction: After directly utilized natural resources such as land, coal, or oil, it was the financial resources (capital) to be used in the industry (such as assets, machines, or technology) that stood in focus. Today however, an even further shift can be observed towards service orientation based on human resources. This led to the central role of information management, innovation, and the personality. It makes sense to further analyze the latest ones.

As seen above, what really counts is more and more the person – or even *personality!* The ideal leader is a professional with a spiritually driven personality. The following table shows my evaluation on the enhancement of leadership dimensions over the past 30 years.

Figure 9, Leadership dimensions in the past 30 years, according to my categorization

Way and mode of value creation	Brand, intellectual property know-how	Leadership, Corporate culture, Team-synergies	Vision and adaptation to the environment	All the previous ones, but in the frame of a system
Necessary capabilities	Fine-tuned intellectual skills and capabilities	Motivation skills, Co-operation, Team spirit	Strategic approach, Cause and effect (“Big picture”)	Holistic, complex system approach
Measuring at selection of leaders	IQ , degrees, languages	Emotional intelligence (EQ), empathy, in-culturation	Assessment skills (AQ), commitment, adaptation skills	Value driven AND living accordingly (SQ)
The ideal corporate hero arche type	Successful lonely “work-aholic”	Leader = trainer	“After me!”	“For each other – with each other!”
	The 80’s	The 90’s	Nowadays	(Near) future

92 *Human Dignity in Managing Employees*

Note, that these characteristics of the given decades are not to be considered instead of the previous ones, but in addition to them, as the idea of leadership gets more and more complex.

According to this theory, the future is built on a more community-based approach, and – because of thinking in complexity, that is, in a system – it values an authentic personality.

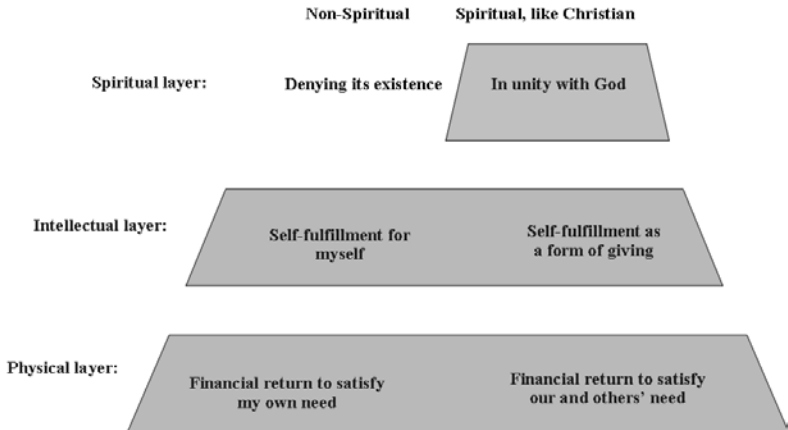
As shown in the previous chapters, Christian system gives a closely linked answer-set for the mission – vision – strategy of both man and economy. If we believe that man was created in the image of the loving God, then

- Man's *mission* is to become similar to God – while the related mission of economy is the implementation of love in economy.
- Man's *vision* is to be integrated into Trinity – while the related vision of economy is a “demo” of heaven.
- Man's *strategy* is to act as a “*homo spiritualis*” – while the related strategy of economy is a network of spiritual companies.

Thinking further on man's strategy I consider, that it can be categorized according to self-identification. Human beings can have an identity of up to three layers. Being a living creature, we – human beings – have “automatically” a physical/material layer. Being more than that, so-called “*homo sapiens*” we also have and can leverage an intellectual layer. For many, who deny any other layer this is the highest layer. For those with faith, there is a 3rd layer, the spiritual one, in most cases with the strong desire and will to be aligned with God.

This is shown below in Figure 10.

Figure 10, The three layers of human beings, according to my evaluation (Héjj, 2006, slide 2)



According to this concept, the *physical layer* refers to skills and capabilities related to hands, muscles, and to all of the senses. It is measured by the physical output. The person, on this level, is considered as an individual. The physical layer is followed by the *intellectual layer*, linked with the mind, emotions, and will. It is measured as IQ, EQ, and AQ. This level considers the person in relationship with others. As for the third level, the *spiritual layer*, it is based on and linked to the transcendent. On this level, the person's aim is to be aligned with God. Achievements, results, or "expected returns" are level-dependent and are aligned with our faith in spirituality. As we can see, if this layer exists and is acknowledged, then it has a significant impact on the two other layers, too, since spirituality and being oriented toward others goes hand-in-hand. This is the way to dignify the layers of physical and intellectual layer. And in that way we are back to human dignity...

The Holistic Stakeholder Value Matrix

In the previous chapter we realized why and how we are “forced” to switch from the shareholder- to a holistic stakeholder-approach, which leads us to the real common good. Only the extended stakeholder-approach can assure a balanced responsibility among the

- Owner – as founder, ultimate decision maker, who keeps the entity alive
- Managers – who are responsible for the operation
- Customers – paying for the products and services
- Employees – delivering added value
- Vendors – to be relied on (quality, time, cost)
- Creditors – believing in our future
- The state – representing the macro environment (tax)
- The micro environment – as local responsibility, and
- The next generation – including environment protection, and sustainability.

Extending this list with the Christian approach means that even the poor of the society to be supported are considered as stakeholders. According to Pope Francis, we cannot understand the Good News of Jesus Christ – the gospel of dignity and fraternity, of justice and peace – without being aware of real poverty, i.e., by turning our backs on the scandal of exclusion or blindly hoping that it will take care of itself (cf. *Evangelii Gaudium*, para. 54).

My theory for a framework was developed by combining the three layers (physical, intellectual, spiritual) as rows, with the broadest stakeholder approach, as columns, so we end up with the *Holistic Stakeholder Value Matrix*. It is a matrix, since each crossing of a “layer” with a “stakeholder column” is relevant. Each crossing has a potential for value creation, and jointly they cover every stakeholder’s every “layer”, thus really holistic.

Figure 11, Holistic Stakeholder Value Matrix (Source: Héjj, 2006)

By combining the three layers with the broadest stakeholder approach we end up with the **Holistic Stakeholder Value Matrix**

Stakeholders Layers	Shareholder	Employees	Customers	Vendors	Society	Future generations	The poor
Spiritual							
Intellectual							
Material (Financial)							

This theory was developed by me in the first years after the millennium, and later it got published in Chapter 45 of Zsolnai and Bouckaert (2011).

The Stakeholder Value Matrixes of the different approaches are different in their targeted fields, as business becomes more than just profit. This is illustrated in the figure below. The more we want to follow God’s strategy, the more complex and holistic the stakeholder value matrix becomes.

Figure 12, The different Value Matrix arche-types (Source: Héjj, 2006, slide 14)

Stakeholders Layers	Shareholder	Employees	Customers	Vendors	Society	Future generations	The poor
Spiritual							
Intellectual							
Material							



**The more we want to follow God's strategy,
the more complex and holistic the stakeholder value matrix becomes!**

So what does this mean in practice? As a result of the Holistic Stakeholder Value Matrix and concept, business can be redefined in the view of the holistic stakeholder value approach. Examples of business buzzwords include:

- *Team spirit*: Instead of selfishness think in “We”, rather than “I”. Be aware, that the relations trigger value both for the company and for the personal happiness – and you get to the Gospel’s mutual love.
- *Ergonomics*: Implementing empathy, based on “love your neighbor, as you love yourself” (New Testament, Matthew 22:39).
- *Environment protection*: Responsibility for the future generations – “Do not steal!” (Old Testament, 7th Commandment).
- *Quality*: Not to be targeted because of an external “must”, but due to a voluntarily intrinsic motivation based on the happiness of “it is better to give than to receive” (New Testament, Acts 20:35).
- *Corporate culture*: Cultures can be very strong differentiators, representing the value portfolio of the owners and managers. Directly linked to the different holistic stakeholder value matrix approaches.
- *Value Statement*: Take it seriously, not as marketing tricks. Implemented Value Statements do create financial, intellectual as well as spiritual values.

Besides more theoretical examples, I can give examples from the day-to-day operations and business situations, including methods used to manage according to the holistic stakeholder value approach basis:

Keeping deadlines of payment instead of exercising unfair pressure on vendors to achieve lower prices by withholding/delaying justified payments: Intellectually sound and fair management practice creates value at the vendor both financially and intellectually, and may or may not create value at the “owner/financial” box in the Matrix through long-term reliability, too.

- *Positive discrimination*: Taking into account personal, family, and community aspects as well at the compensation system. Creating value at the “employee/financial” box, while reducing at “owner/financial”, but increased motivation and low HR attrition may even counterbalance the costs
- *Value driven HR selection* results in better atmosphere and less cost spent on supervision, internal audit, security, and forensic services.
- *Role model managers* create team spirit (“employee/intellectual” value), which results innovations (“owner/intellectual and financial” box).
- *Donation as matching fund*: The matching fund system consists of a voluntary personal donation contribution, matched with company donation. It results in “financial”, or if pro bono work, even “intellectual” value for the receivers. In that way in addition to the material help spiritual values, like unity and culture of giving – is also created jointly by employees and the employer. In that way the «winner» is not just the beneficiary, but all the participants, when they realize how good the joint charity action is, and even the employer gains intangible values, like a higher level of commitment, and more loyalty. I personally experienced this at my own consulting company, where I

98 Human Dignity in Managing Employees

introduced this system many years ago – and it was very much welcomed by the employees.

The examples, again, can be continued – and thus can serve as a trigger for personal implementation by company leaders. It can also be seen as a practical implementation tool of the “Caritas in veritate” (2009) encyclical letter by Benedict XVI, thus my approach to develop the Holistic Value Matrix is a unique planning and controlling managerial tool for the implementation.

Let me show, how I used this method at one of my own companies. We did the planning at the end of 2015, for the year 2016. We developed our annual business plan including the holistic value matrix, with its much more complex structure and sometimes contradicting goal-settings. To make it manageable we set priorities, as follows:

Figure 13, Sunflower’s custom-tailored stakeholder value creation matrix for 2016 (Source: Company Business Plan)

Stakeholders Layers	Owner	Employees	Buyers	Vendors	Society	Next generation	The poor
Spiritual		Employee feedback (No. of verbal and or written feedback, or survey) on the value-driven mission of the company’s existence			Participation in related events and actions, organized by NGOs or Church (No. of events)	Taking part in projects to motivate young adults to be value-oriented (No. of projects)	
Intellectual		Preparation for the labour market (No. of successful placements); Trainings for middle mgmt.. (No.			Intellectual knowledge and experience sharing on related topics (Confer-	Related university thesis, supported by Sunflower on master and PhD level (No. of theses)	

		of persons trained educated)			ence, articles, other dissemination) No. of cases and No. of those reached and impacted		
Material (Financial)		No. of those now with existential stability, after unemployment; while the company is financially sustainable (Retained earnings)					

With this method we stepped away from the usual business planning towards a more complex value-creation centred approach, for all the stakeholders, this time focusing mostly on the employees, the society and the next generations – all, who are the most vulnerable. However even the stakeholder approach is not an end in itself, but an important mean to a real end: to put human beings into the center, all of them, not just those who had the starting capital and became the owners. I have done it and I do it, since I agree with, and see myself through the lenses of Maritain, therefore I conclude with his constructive critics and theology-driven extension of Aristotle:

“It is impossible for Aristotelian ethics to escape from the embrace of the Self, from a kind of transcendental egoism. Within the moral perspective of Happiness as the supreme Good, I cannot deliver myself, I can never be delivered of myself, I can never be freed from my egoistical love of myself. And yet in the end it is just such a deliverance that we long for.[...] By a curious paradox, it happens that all its principles are true (in particular, the very principle of eudemonism is true, in the sense that Happiness is the last subjective End of human life, or the last

100 Human Dignity in Managing Employees

end relative to the human subject; Aristotle's error was in not going further—and could he, with only the weapons of philosophical reason?).[...] True as they are (but incomplete), [...] they are incapable of stirring his [man's] aspirations and his profoundest hopes, which go beyond rational and reasonable happiness, incapable of probing the recesses of his ego and the world of the irrational with its impulses toward death and the void. In a word, what is infinite in man has been forgotten. The *vanitas vanitatum* of the Preacher is the reverse side of Aristotelian eudemonism” (Maritain 1960/1964, pp. 49–50, as cited in Acevedo, 2012, p. 210).

HUMAN DIGNITY

2.1 Historical Evolvement and Definition Issues

The knowledge and use of term “human dignity” has an extreme “Janus profile”. On one hand it is used in many disciplines:

“it is viewed from philosophical, legal, pragmatic, psychological, behavioral, and cultural perspectives” (Mattson and Clark, 2011, p. 305) .

While the philosophical approach of human dignity has a 2500-year history, on the other hand there is still no consensus on its definition. The problem is even deeper, in fact for some – like Ruth Macklin (2003) – ‘Dignity is a Useless Concept’. Even the fact, that it has been used, interpreted and discussed for close to 2500 years has not helped to finally agree on its content – and even more on the related consequences. The reason for it is that here we speak about a

“value intrinsic to human life by reflecting about what makes the human being special and through emphasizing how human capabilities differ from those of other life forms.” (Dierksmeier, 2011, p. 12).

102 Human Dignity in Managing Employees

We all feel and even know, that man is more than an animal. What really is the perceived or real driving force for the differentiation however does not have a univocal answer. The fact, that so many disciplines are dependent on this answer, forces us to approach the issue in its complexity, not just strictly from business aspects. And it is this complexity that forces us to start with the historical evolvement of the term.

Like most philosophy-driven terms and thoughts, this is also one of those, where we should go back to antiquity. Starting with Plato (427-347 BCE) in his theory he

“held that the human being participated intellectually to a higher or lesser degree in certain self-standing ideas or forms of thought that defined the nature of being and yielded a deeper and truer knowledge about life than the physical shapes and objects grasped by our senses.” (as cited in Dierksmeier, 2015, p. 35)

It means that a man is more capable if he can deeply understand both himself as well as the objects he has to deal with. Thus rationality is the key driver for humanity. Rationality in a broad sense, but as the highest driver for making decisions. Basically humans are the only ones who are able to transcend their natural wishes and desires – even going to the extreme, to put aside the very basic (and in case of animals overwhelming) drive for survival. Thus human beings draw on an intellectual realm of reality, what puts them above animals. This is the origin of some kind of dignity (compared to animals) in his view. Since the level of such “understanding” and intellectual capability differs from person to person, the level of dignity is not the same, either. One acts the better, consequently, the deeper one understands the nature of both oneself and of the objects one has to deal with (Salkever 2009). As the leading theorists of human dignity formulate and evaluate the approach of Plato:

“According to Plato, dignity is generally based on people’s ability to live according to principled ideas or forms, and persons at-

tain dignity to the extent that they live up to this theoretical as well as practical ideal of excellence (Nussbaum, 1998a). People who fail to establish this elevated and stable form of knowledge (*episteme*) are governed not by their own insight but by an ever-changing opinion (*doxa*) about the world, based all too often on the inadequate opinions of others.” (Pirson and Dierksmeier, 2014, p. 14)

Already at that time another term got closely linked to human dignity: virtue.

“Virtue does not come from riches; it is from virtue that all riches, and every other good for the citizens and for the city, come forth”. (Plato, Apologia for Socrates)

We will see later how these two terms have become intertwined.

“Aristotle (384-322 BCE) supported the idea that human dignity is linked to man, too, however depending on the actual use of their rational capacities, we can and should differ and between lesser and better men. He defined happiness (*eudaimonia*) as the ultimate objective for life, which can be achieved by leveraging practical wisdom based well-ordered life. “[...] “Doing so we can establish a relative independence from external influences (*autarchia*) and to live according to one’s inward orientation (Rosen, 2012, p. 157).

“While animals are slaves to their instincts and environments, humans can transform their outward surroundings as easily as they can adjust their habits and inward desires, if consistently guided by sound ratiocination” (Pirson and Dierksmeier, 2014, p. 14)

104 Human Dignity in Managing Employees

Information available is not full, thus

“The task of reason in pursuing the good life is, other than in Plato, less to advance towards perfect knowledge via absolute ideas but rather to interpret adequately the kind of imperfect information that we typically have to deal with in the contexts of human interaction” (Dierksmeier, 2011, p. 11)

“The Stoics similarly developed a rather demanding precondition for earned respect. Especially the works of Cicero (106–43 BCE) illustrate that dignity is not easy to attain.” (Pirson and Dierksmeier, 2014)

In *De Officiis* (44 BCE), Cicero compares humans with animals and argues that humans in general have a particular dignity by virtue of their capacity for rational thought.

“As a function of social respect, earned through the art of honorable living according to the strictures of reason, human dignity – while theoretically available to all – is only practically attainable by those who have access to a good education, sufficient materials, and intellectual resources (Holloway, 2008, as cited in Dierksmeier, 2011, p. 13)

As we can see while originally (Plato) dignity was for the knowledge-owner “elite”, in case of Aristotle it was extended to those who have imperfect information, IF they still lived according to sound ratiocination and in case of the stoics it was linked to practical barriers only, i.e. theoretically everybody can “earn” a dignity status. In each case we see the conditional nature. Thus here we can speak about the dignity of certain humans, and not of all human beings.

The new Christian approach was based on theology and came to a completely different conclusion, which superseded the more or less shared view of the antique philosophers. The fundamental difference is,

that while the Greek compared man to animals, Christian theology is based on the axiom of that “all men and women are created in the image of God.” (Gen 1, 26; Div. 83, 54.4 and 74) Thus based on the Bible and its revelation already in the Old Testament we are “*imago Dei*” – which automatically gives human dignity, unconditionally, to all human creatures. We will explore this topic in more details in the next chapter.

Returning back to the philosophy-driven evolution of human dignity, the next important phase happened in the 15th century. Giovanni Pico della Mirandola (1463–1494) neither compared man with animals, nor with God. Instead

“he [Mirandola] conceived a more independent foundation for human dignity. In his famous speech on the dignity of man (*Oraatio de hominis dignitate*), he defends the dignity of every person as the attribute that is relevant to human life itself. According to Pico della Mirandola, the very feature that defines the nature of man lies in the fundamental self-definition of human existence. Each human being is, willingly or not, its own former and maker (*plastes et factor*). Human beings must ultimately define for themselves who they aim to be” (Dierksmeier, 2011, p 14).

In the 20th century and through the existentialist philosophers – namely by Jean-Paul Sartre – an almost similar approach was re-defined, by saying, that existence precedes essence, which means that actuality is the driving force to define the nature of human life (McBride, 1997).

Maybe the most influential – and still strongly negotiated and challenged – philosopher of modern times is, – also in this respect – Immanuel Kant (1724-1804). He focused on two problems: 1. Are all men and women entitled for human dignity, or just a subgroup of mankind only? 2. Is it a capability to be praised or is it an attribute? He addressed these problems by discerning between the *relative* value of a given human person according to their moral worthiness and the *absolute* dignity of

106 Human Dignity in Managing Employees

the human person as such. Kant started by rejecting the common notion that the human being is free first – and then, later, submits (or not) to moral laws. He explains human freedom itself from the ability to realize moral commands, not *vice versa*. The crucial point of this argumentation is the following: If the human being were only (negatively) *free from* natural impulses but not also (positively) *free to* realize a higher, i.e. the moral law, then human freedom would appear merely as an erratic deviation from an otherwise regular (i.e. naturally determined) behavior. In his own words:

“Every human being has dignity – through being able to be moral – but only those who do, in fact, lead moral lives also deserve the praise of personal ethical value.” (Kant, 1785, para. 4:431)

He explicitly stated, that humans are “end-in-themselves”, thus we must not objectify human beings:

“that which constitutes the condition under which alone anything can be an end in itself, this has not merely a relative worth, i.e., value, but an intrinsic worth, that is, dignity. Now morality is the condition under which alone a rational being can be an end-in-himself, since by this alone is it possible that he should be a legislating member in the kingdom of ends. Thus morality, and humanity as capable of it, is that which alone has dignity.” (Kant, 1785, para. 4:433)

He also makes a very interesting separation between those things which can be bought and the ones which cannot be:

“In the kingdom of ends everything has a price or a dignity. What has a price can be replaced by something else as its equivalent; what... is raised above all price and therefore admits of no equivalent has a dignity.... Morality is the condition under which alone a rational being can be an end in itself, since only through this is

it possible to be a law giving member in the kingdom of ends. Hence morality, and humanity insofar as it is capable of morality, is that which alone has dignity.” (Kant, 1785, para. 4: 434-435)

Thus while it seems, as if he extended dignity to all human beings, it should be noted, that Kant limits dignity to humanity “insofar as it is capable of morality”. In more detail:

“the dignity of man consists precisely in his capacity to make universal law, although only on condition of being himself also subject to the laws he makes.” (Kant, 1785, para. 4:432)

As a summary we can state that Kant sought to derive man’s dignity from autonomy and rationality.

Even if we jump to our centuries (20th and 21st century), philosophers still debate the term. In these discussions human dignity is closely linked to terms, like vulnerability, respect, rights.

Mankind needed more than 2000 years to get away from intellectual rationality (as the Greek formulated) to something which sounds paradoxical: human dignity linked – even in a causal way – to vulnerability. Kateb (2011) argues clearly, that the concept of dignity arises from the universal vulnerabilities human beings experience throughout life. Fineman reminds us that vulnerability is “universal and constant, inherent in the human condition”. As such, it is of the essence of human dignity that it is the dignity of vulnerable beings.

“As a moral value, what is distinctive about dignity and differentiates it from other “grand” principles of ethics, like autonomy, or sanctity, is not that it responds to the vulnerability of all of us—since all ethical principles and values do that—but that it gives vulnerability a place of honor. My claim here has been that what we value when we invoke “dignity” is a kind of balancing, or equilibrium, which is only valuable, or admirable, because we are

108 Human Dignity in Managing Employees

vulnerable. Moreover, not only is vulnerability a necessary condition without which this kind of good would not be possible; it is an essential part of the good of dignity. Other ethical principles respond to vulnerability too, but they value entities and actions either in spite of vulnerability, regardless of it, or to the extent that it is overcome. Dignity, on the other hand, treats vulnerability as a source of value. This, I am claiming, is the “organizing idea” of human dignity: that all valid uses of “dignity” reflect a valuing of the sense in which human existence (perhaps uniquely) embodies a union between the fragile/material/finite and the transcendent/sublime/immortal.” (Neal, 2012, p. 198)

Also Beyleveld and Brownsword – coming from a different discipline, from bio-ethics - insist that only vulnerable beings can have dignity (Beyleveld, and Brownsword, 2001).

The link to respect is less of surprise. Hodson (2001, p. 3) defines dignity

“as the ability to establish a sense of self-worth and self-respect and to appreciate the respect of others.”

How and why human dignity requests respect is based on the paradigm, that *owning* human dignity by all people, has the consequence of respecting the *owner* – i.e. all men and women.

“The term, human dignity expresses the idea that every human individual is intrinsically worthy, and therefore each person deserves respect and great consideration. Thus, a person can never be treated as a thing or a mere resource for gain. Indifference, understood as an absolute lack of recognition of the personhood of an individual or affection for them, is also contrary to the worthiness of each person and inconsistent with the Golden Rule (e.g., Melé 2012, pp. 28–29). Respect for human dignity includes

consideration for people's feelings, intimacy, and self-determination. Consequently, an interpersonal relationship should not be seen as a mechanism to seek certain interest, without considering the counterparty as another "I". Every person deserves recognition and respect, as a being endowed of dignity." (Melé, 2014, p. 462)

In our age "right" has become very important –and also closely linked to dignity. As Balzer *et al.* (2000 p. 12) formulate, the term human dignity is a "moral right not to be degraded". But which is the superior term human dignity or human rights? For many the easy-to-understand and easy-to-justify type "human right" is the fundamental essence, which can be "caught" and implemented by law and legal discipline. However, I personally share the view of many others for whom human dignity can and should be regarded as 'something more fundamental than what is expressed in "human rights" ' (Spaemann, 2010, p. 51). In that case however, we have to be able to answer the question what human dignity really is?! An absolutely not legal-type but deeply philosophical answer is given by Spaemann himself when he speaks about the content of "practicing" human dignity by "mastering one's existence and then displaying that mastery" (Spaemann, 2010, p. 55). If we speak about rights, we speak about interrelation among human beings. This is why Spaemann also notes that human dignity can only be violated by human beings because they are the only ones who can truly discern it.

While it was relatively easy to summarize the historic approaches to dignity, by now the complexity of the term has become clear.

"Various typologies of dignity have recently been proposed. Schroeder, for example, differentiates Kantian, aristocratic, comportment, and meritorious dignity. More recently Leslie Meltzer Henry has offered five conceptions of dignity – dignity as institu-

tional status, equality, liberty, personal integrity, and collective virtue, ‘The Jurisprudence of Dignity’, *University of Pennsylvania Law Review* 160 (2011): 169–233. As Henry’s Wittgensteinian account suggests, these represent overlapping rather than discrete accounts.” (Kleinig and Evans, 2013, p. 549)

“Seen in this dynamic understanding of the constitutional present, the impossibility of crafting a complete definition of dignity once and for all is not an intrinsic weakness of this concept. Rather it is arguably one of its essential strengths, making it possible to extend the meaning(s) of dignity beyond the foundational core, in order to protect all those who had been left out from constitutional or statutory protection (as discussed above) and to extend the historical core prohibitions (under articles 2, 3 and 4 ECHR) to protect new types of negation of dignity (as under Title I EU Charter p. 60)” (...) “Overall and when possible, the future constructed through human dignity ought to be better than the past and than the present, so that people can keep looking forward to their life. In this sense dignity has a compelling aspirational dimension and is closely related to hope, i.e. the expectation that we are building a better future for ourselves and for those coming after us.” (Dupré, 2012, p. 276)

How can it be that after 2500 years there is not even a consensus on how to approach the term? The answer comes from Mattson:

“Dignity is variously considered by diverse people to be an antecedent, a consequence, a value, a principle, an experience, and both a contingent and non-contingent exhibition. It is viewed from philosophical, legal, pragmatic, psychological, behavioral, and cultural perspectives.” (Mattson and Clark, 2011, p. 305)

Looking at these complex, sometimes even controversial approaches regarding human dignity, we have to ask ourselves, whether there is or that should be a “solution” at all? The answer is twofold: yes, we need it, since we want to apply the consequences, it is not a mere philosophical problem, but something with strong impact on law, economy/business, psychology, and healthcare – just to name a few. On the other hand, while disputing it we have to - and we really do – practice the implications in all of the disciplines mentioned, and while doing so, we strengthen the view that all disciplines should consider besides science the moral, too. As a society we have to value all the members of the society/nation/country/state. This is why it is important to combine philosophy with the other disciplines. For example, in the case of law,

“Rütsche, for example, explains dignity as the concept that each and every human being is, by virtue of its dignity, in itself valuable, regardless of its usefulness to anyone or for anything. The value of the human being lies in itself, not in his utility to achieve something.

Human beings are not mere means to achieve ends but ends in themselves. This classical Kantian approach expresses precisely what is meant by intrinsic value and, therefore, by human dignity”. This, according to Rütsche, is “the concept of dignity that is generally recognised in Philosophy and Law.”” (Neal, 2012, p. 182)

The same is applicable for business. Business is always about people’s interactions, whether within the firm, or towards other stakeholders. Therefore, it is essential whether and how human dignity influences the relationships of the participants.

“The use of dignity as an ethical principle, or ethical imperative, must be considered. In this type of use, “dignity” is a claim or instruction about how we ought to treat other human beings. Just as

dignity requires us to aim for an equilibrium between the material and transcendent aspects of our own nature, we are also required to have regard to these different aspects in our treatment of other people, and to treat them in ways which heed both their material and transcendent needs, without fetishizing or ignoring one or the other. Where the equilibrium lies will doubtless vary according to context and circumstance.” (Neal, 2012, p. 197)

2.1.1 Conclusion

Throughout history and across disciplines there were and there still are many approaches, definitions and interpretations of human dignity. As Dierksmeier (2011) summarized:

“the attribution of dignity changed over time; from antiquity, when only some humans were seen as worthy of dignity, via Christianity, which ascribed dignity to all humans as a result of divine creation, to, ultimately, the era of modernity, which attaches dignity to the individual freedom of each.” (Dierksmeier, 2011, p. 9)

While so many efforts are invested to better identify and define the term due to its importance, some others are against this will. Especially recently – while the discussions have become more intense than before – a new hype emerged, some voices have become loud against it, like the recent claim that is intensified in Stephen (Pinker, 2008), ‘The Stupidity of Dignity’. They were, however, anticipated by Arthur Schopenhauer, who spoke of it as devoid of all meaning. See *On the Basis of Morality*, trans. E.F.J. Payne (Indianapolis: Hackett, 1965), 100–101. As Schroeder phrases:

“In recent years, the concept of dignity has come under strong, others might call it vicious, attack, as already noted above. Har-

vard Professor of Psychology (Pinker, 2008) goes one step further in “The Stupidity of Dignity”. He calls it a “squishy, subjective notion, hardly up to the heavyweight moral demands assigned to it” and concludes that “the concept of dignity remains a mess”. (Schroeder, 2012, p. 9)

This is why – as a kind of response – Schroeder defined a summary on the distinct meanings of human dignity:

Figure 14, Distinct meanings of dignity (Source: Schroeder (2012), p 332, Table 2)

Table 2 Distinct meanings of dignity|

Inviolable dignity	Traditional ^a Catholic dignity	Dignity is an inviolable property invested by God in all human beings, which makes each life sacred.
	Kantian dignity	Dignity is an inviolable property invested in all rational beings due to their capacity for moral self-legislation. As dignity holders, rational beings have the right to exact always respect for their sense of purpose and self-worth.
Aspirational dignity	Aristocratic dignity	Dignity is the quality of a human being who has been invested with superior rank and position and acts accordingly.
	Comportment dignity	Dignity is the outwardly displayed quality of a human being who acts in accordance with society’s expectations of well-mannered demeanour and bearing.
	Meritorious dignity	Dignity is a virtue, which subsumes the four cardinal virtues and one’s sense of self-worth.

^a I have added the term “traditional” to “Catholic Dignity” here to distinguish Papal pronouncements such as John Paul II’s (1995) from more liberal Catholic thinkers such as the dissident Catholic theologian Hans Kueng

Another mature, calm and forward looking, constructive approach is the one of Riley, who’s own view is that “contestation concerning dignity will continue, that unlimited conceptions are likely to be generated, but also that these conceptions—i.e. the uses made of dignity—should take priority over the identification of a stable concept.” (As cited in Neal, 2012, p. 181)

We absolutely need both theory and best practices, as a system for our manifold life, from rights in legal frameworks over theories on relat-

ed behavior to implementation in the daily activities, e.g. in managing businesses.

As we will see, the theology-based approach is still the one, which gives the answer in a systematic way. This is why even non-believers, like Schroeder comes to the conclusion:

“If we want to use dignity as the foundation for human rights and accord all human beings human rights, then only the Traditional Catholic understanding of dignity is appropriate.” (Schroeder, 2012, p. 332)

This is why in the next chapter I evaluate the theological foundations in details.

On a theoretical level I would rely on a definition, which combines Kant’s approach on price versus dignity with the wide range of additional terms linked to human dignity. I agree that human dignity is not one of those, but the integral sum of all those:

“All priceless aspects of humanity – including character, virtue, integrity (moral, physical, psychological), knowledge, wisdom, love, trust, or forgiveness – thus form part of human dignity.” (Pirson and Dierksmeier, 2014, p. 9)

And why is it relevant for us, in business? Not just because it is “nice to have”, but also because of its high impact on the development of business, economy, and as a result ultimately, on wealth. The quest for dignity has been so relevant that economic historians argue that the accordance of dignity has been the central success factor of economic progress in the West (McCloskey, 2010). McCloskey argues that neither property rights, nor trade, nor capital investment are able to explain the rise in affluence over the past 200 years. Instead, she argues that the accordance of unconditional rights as well as the liberty to define own

life pathways, including entrepreneurial activity, are the main factors of economic development. She writes:

“The crucial remaining antecedent, I claim, was a rhetorical change around 1700 concerning markets and innovations and the bourgeoisie, a rhetoric spread after 1800. It was merely a change in talking and thinking about *dignity* and liberty.

But it was historically unique and economically powerful.”
(McCloskey, 2010, p.33, as cited in Pirson and Dierksmeier, 2014, p. 9)

McCloskey argues that “the bourgeoisie of England, Continental Europe, and the U.S. only started innovating, learning, and accumulating massive wealth once such human dignity was accorded *and* protected.” (Pirson and Dierksmeier, 2014, p. 9)

Thus the approach to the theory and practice of human dignity resulted in the quantum leap of the West in the past three centuries. This should also be seen as a warning signal, since it is valid vice versa, too: if we cannot develop further in this aspect, we will lose our leadership in shaping the future of our globe, both in economy, as well as in politics or just as citizens of the “global village”.

Human dignity is thus a term used by many people – academic versus not academic, business professionals versus spiritual leaders, politicians versus social scientists. Also the function of the term can be different: a cause for certain guidelines, a philanthropic expression, an excuse, an obstacle, a term signaling an old fashioned and outdated way of thinking, a populist word but with empty content. Before we jump to its impact on (CST-driven) management therefore it is important to see, evaluate and compare the foundations of theology, philosophy and the related anthropological approaches.

2.2 Theological Foundation

Contrary to the several hundred year prevailing Plato-Aristotle-Stoic philosophy, Christian theology made it clear, that since all the people are created in the image of God, therefore *all* of them and unconditionally have human dignity.

“Those in the lineage of Cicero, Hobbes, Locke, and Kant link our specialness to our capacity for reason and morality and thus our unique degree of autonomy (Donnelly 1982b, 1989; Policy Sci (2011) 44:303–319 305 Gaylin 1984; Cancik 2002; Häyry 2004). More ancient and yet persisting, the Judeo-Christian tradition asserts that our specialness arises from being created in the image of God (Gaylin 1984; Freeman 1994; Stetson 1998; Starck 2002; Häyry 2004).” (Mattson and Clark, 2011, p. 305)

While the roots go back to the Old Testament (therefore to the Judeo tradition) we have written documents about the Christian view from the middle Ages. As Anselm of Canterbury – almost 1000 years ago (1033-1109) – explained, while humans are creatures, similarly to animals, but with much more attributes shared with God, and therefore on a higher rank, than animals, thus irrespectively from worldly achievements all humans are bestowed with a form of dignity. Ultimately canonized in the works of Thomas Aquinas (1225–1274), this conception became the bedrock for a conception of human dignity that encompassed every person.

Human dignity is not just a “position”, it has consequences how and what to aim for. Aquinas listed five fundamental human goods while observing spontaneous human inclinations and discovering rationally their respective ends. He mentions human life; the union of male and female which generates life; The care for and education of one’s children; knowledge of the truth, particularly regarding God, and life in society; living together with respectfulness, harmony, peace, and a sense

of friendship (S Th I-II, 94, 3). Among these human goods, those which refer to the knowledge of the truth and life in friendship are more important than the others. The moral virtues of character make the achievement of these goods and human flourishing possible. These statements will have significant consequences once we speak about the community of business, and specifically about management of people. As we will see, the Catholic Social Teaching and Thoughts of the last 100 years are also based on the virtue ethic system of Aquinas, 800 years before.

“Divine creation undergirds the totality of Catholic doctrine, and grounds human dignity as the first core tenet of this framework. While Kantianism bases human dignity on human rationality and contractarian ethics, Catholic doctrine stresses that despite our division into races, nations and roles (United States Conference of Catholic Bishops 1986, Economic Justice for All, No. 32), all persons are made in the image and likeness of God (New American Bible 2002: Genesis 1: 26–27). As such, we possess an inherent, inalienable dignity that is central to our human identity. This notion of human dignity challenges traditional stakeholder definitions because the very founding of one’s “stake” in the firm stems from this sacred dignity (Benedict XVI 2009, Caritas in Veritate, No. 45).” (Carrascoso, 2014, p. 312)

This is how and why statements of popes, statements of Church organizations and statements of scholars all show one direction: humans, as images of God, are more than means, even more than individuals, they are “persons”.

“There is no dignity when the human dimension is eliminated from the person” and “the term *person* has been coined to signify that a man cannot be wholly contained within the concept *individual member of the species*, but that there is something more to

118 Human Dignity in Managing Employees

him, a particular richness and perfection in the manner of his being, which can only be brought out by the use of the word “person”. ”(John Paul II, <http://www.goodreads.com/quotes/tag/sexual-immorality>)

“In its very essence, personhood is relationship, finds itself in relationship, since God, of whom the person forms an image, exists as three persons in constant self-giving to each other.” (Naughton, Habisch, Lenssen, and Alford, 2010, p. 702)

These general statements which earlier appeared in encyclical letters and other Church documents only, or in scientific papers for the academic world, have recently been transformed into documents for business leaders. One of the recent such documents is the “Vocation of the business leader” which clearly states the message:

“[The Gospel] has ethical and religious implications for all Christians and for business leaders in particular. These implications are identified in what the Church calls its social tradition, a living dialogue between faith, reason, and action. This tradition has grown through a complementary relationship between authoritative teachers (Catholic social teachings), insightful scholars (Catholic social thought), and effective and principled practitioners (Catholic social practice). Like all traditions, it is constantly developed, purified, and readjusted as Christians, including business leaders, seek discernment and excellence in their professional lives.” (Pontifical Council for Justice and Peace, 2012, para. 11)

This document also addresses the term “*human dignity*”, with care and going into details, even giving some explanations:

“At the very foundation of the Church’s social tradition stands the conviction that each person, regardless of age, condition, or

ability, is an image of God and so endowed with an irreducible dignity, or value. Each person is an end in him or herself, never merely an instrument valued only for its utility—a who, not a what; a someone, not a something. This dignity is possessed simply by virtue of being human. It is never an achievement, nor a gift from any human authority; nor can it be lost, forfeited, or justly taken away. All human beings regardless of individual properties and circumstances therefore enjoy this God-given dignity.” (Pontifical Council for Justice and Peace, 2012, para. 11).

As we can see, the text is a kind of useful summary of the complex history and efforts to summarize the theological-philosophical basis. However, since its aim is not a mere knowledge transfer of theory, but a motivation to act, therefore it switches from “knowing” to “doing”. It clearly states, that business owners and business leaders should implement the principles into their operation. *This is why I have chosen exactly this definition as my operational definition for the rest of my work.*

2.2 Philosophical and Philosophical-anthropological Foundations

While theology derives man’s special status and thus special dignity from the Bible and revelation, it ends up with overlapping ideas of general philosophy and philosophical anthropology. This overlap is basically the statement, that man is not a mean, but an end, and should be treated in that way. Let us refer to one of the most important philosophers of the last century, Maritain.

“Maritain’s philosophical anthropology roots the human person’s dignity and position in the real order of things (1948/1966). This natural order is neither deterministic, nor contingent on human perception or thought. (...) Personality, of its essence, requires a

dialog in which souls really communicate” (Maritain and Galantière, 1966, pp. 41–42)

This will have important consequences for management theory as well as for management practice. In case man is entitled for a special dignity, due to its being a man, then man is entitled for a human life.

“There is however some shared understanding that human dignity is primarily an individual quality, i.e. defined through and dependent on individuals’ sense of (self-)respect, a kind of special virtue, the ability and willingness to live a good life.” (Dupré, 2012, p. 264)

Still man can be seen, and taken care of in three different ways:

- as a subject,
- as an individual, or
- as a person.

Throughout history that was always a very important differentiating factor and thus the academic persons’ view can be segmented accordingly, as Acevedo summarizes it:

“Of particular significance is, accordingly, the classification based on different approaches to what a human being is—a subject, an individual, or a person (Puel 1999). Those thinkers who consider human beings as subjects (e.g., René Descartes, Immanuel Kant), or as individuals (e.g., Adam Smith, Friedrich von Hayek, Abraham Maslow), espouse what may be referred to as a nonpersonalistic humanism; those who consider them as persons, a personalistic humanism” (Acevedo, 2012, p. 198)

Even though such humanistic approach is not just an abstract phenomenon, but “Humanism is not humanity in general, but men and women in flesh and blood” (Puel 1999, p. 85, as cited in Acevedo, 2012,

pp. 198–199) In our view without the personalistic extension it does not reach the level of real dignity, we stick to a reduced approach of looking only at the individuals as “islands” and not parts of a more valuable “whole”. The missed extension comes from the additional value and synergy of while being individual, together we also form something more.

“Insofar as we are individuals, we are *parts* of something greater than ourselves (ultimately, we are part of the species to which we belong). [...] at the very same time, as persons, we are unique and unrepeatable; [...] As persons, we are not parts of anything; we are *wholes* and *ends* in ourselves. [...] This tension in the human being, both part and whole.” (Naughton et al., 2010, p. 698)

Since according to the theological approach man should be classified and treated as “person”, we will focus on those aspects.

Since after all we look at the whole topic from a business/management point of view, we have to differentiate among three sub-segment aspects, as follows. With the help of Pérez López we can and should separate

1. philosophical anthropology that develops “our understanding about what a human being consists of and how it operates”;
2. philosophical ethics which is concerned with “what happens to that human being when it acts one way or another”;
3. the sociology of organizations addresses “problems relating to interactions between human beings”; (Pérez López, 1989, as cited in Argandoña, 2008, p. 443)

At the beginning of the chapter we looked at the philosophical anthropology, so let us now switch to the next sub-segment aspect, which according to Pérez López (1989) is philosophical ethics. While ethical behavior is one of the “priceless” (based on the identification of Kant, 1785, para. 4:434) aspects, which is usually considered theoretical and

122 Human Dignity in Managing Employees

without any direct link to business, it still can and even should link to business in general, but even specifically to the root basis of business, which is “financial capital” – even if sometimes transformed (either directly, by “buying”, or indirectly, by developing within the organization, but still with the help of financial means) into intangible capital-types, like human capital consisting of intellectual, organizational, structural, and social capital. It has just recently been “officially” discovered or/and scientifically proved, that humans are not only greedy (as the classical capitalist approach states), but also own a completely separate, even “inverse” approach attribute. Inverse meaning, that instead of aiming to get and to own – what the classical capital is all about – this, so-called “altruistic capital” (Ashraf, 2013), aims to give, which seems to turn the whole classical concept upside-down. I could compare it to the dramatic event in physics, when – after thousands of years of the original experience with perceived daily proof about the statement that “things don’t move without any force”, Newton suddenly stated the inverse, even as an axiomatic law, that instead

“an object either remains at rest or continues to move at a constant velocity unless acted upon by a force as a shocking alternative.” (Newton, 1995, first published in 1687)

Coming back to our topics «inverse» law of a kind of capital which is to give instead of aiming to get, we should refer to Nava Ashraf, a Harvard University professor in the Negotiation, Organizations and Markets Unit. As she phrases, everyone comes to the table with some amount of “altruistic capital” (Ashraf, 2013, see next paragraph) a stock of intrinsic desire to serve. As she clearly states:

“Altruistic capital is the idea that every individual has within them an intrinsic desire to serve,” “In an organization, all the employees already have some of this, in varying degrees.” (Ashraf, 2013).

The third aspect, according to Pérez López was the sociological, which is about the interactions among the human beings. Velez-Saez defines it as:

“Fundamentally, society is a web of relations between rational creatures that is unified into a system that has a common social end “(Velez-Saez, 1951, p. 21 as cited in O’Brien, 2009, p. 29)

Again at first glance – and traditionally - such interactions at a company are more «command and control» type, or rooted in interest conflicts and fights. Here however, we can also find an «inverse» type approach. When it comes to the interactions in business, usually we do not speak about love at the firm. Although even for that organization is valid what Pope John Paul II formulated:

“Love brings about the union of persons and their harmonious coexistence. Love makes it possible for people to mutually enjoy the good that the person is as well as the good comprised by their union, which love engenders (Wojtyła, 1993a, pp. 172–173).”
(As cited in Melé, 2009, p. 230)

Love is typically an approach which is against nihilism and utilitism. This is why the holocaust-survivor psychologist, who after the terrible experiences still insists on love and each person’s dignity is a convincing authority when he declares:

“Confounding the dignity of man with mere usefulness arises from conceptual confusion that in turn may be traced back to the contemporary nihilism transmitted on many an academic campus and many an analytical couch.” (Frankl, 1985)

Where people (even if “persons”) are together, forming society there must be a kind of hierarchy among the claims.

124 Human Dignity in Managing Employees

“For the viability of society, and in order to protect the dignity of all, some individual claims are superseded by the claims of the community” (O’Brien, 2009, p. 28)

We speak here about communities, based on religion. In such cases:

“Most religious ethical systems understand the person in regards to both the individual and social dimensions. The principle of human dignity highlights the ethical importance of our individual nature, while the common good emphasizes the moral essence of our communal life together. When focusing on the common good it becomes clear that our humanity is fully actualized only in community. We become individuals only through the myriad interactions in community with other persons. Society gives us a context in which to exercise our humanity and be recognized as human by others”(O’Brien, 2009, p. 28)

We speak mostly about “man” in general when speaking about human dignity. In case of management however the primary question is not “man” in general, but the “working man”. Already at the level of term we find a controversial issue, since even those who philosophically and/or politically focused on the workers speak instead of working man, simply about labor. If we take an example of the 20th century, through the lenses of Simone Weil (1934/1999) the dignity of labor is central for good life. Only work allowing reflection and the use and development of skill and professionalism is able to benefit dignity and moral well-being of the workers. A comparison between the “workers’ advocate”, Karl Marx from the middle of the 19th century and contemporary views of Simone Weil is made very well by Sparling:

“Both on the level of the philosophy of history and the philosophy of labor, Weil offers a celebration of contemplation over creation. Whereas Marx sought to turn contemplation into creative

activity, transforming philosophy into praxis, a form of self-creation of a type similar to that at the heart of unalienated labor, Weil sought to transform labor into a contemplative activity. Labor's dignity for Weil resides in its capacity to afford us this contemplative plenitude. That is to say, in Marx's view philosophy becomes a form of creative action, while in Weil's view labor—creative activity—becomes a form of contemplation. For Weil, labor is noble because it is a form of contemplation. For Marx, contemplation is noble because it alters reality—it is a kind of labor." (Sparling, 2012, p. 106)

Getting to the political level and contemporary approach the terms "human dignity" is more and more linked to "culture" (e.g. multicultural culture), and/or rights of equality and justice. And when it comes to justice one of the most credible authorities is Martin Guevara Urbine, the very famous professor of Criminal Justice from the United States (Sul Ross State University):

"Perhaps more than never, in a highly globalized world, we must recognize that multiculturalism is not simply understanding ethnic/racial histories or the mere appreciation of cultural "difference," but accepting that multiculturalism spreads across the very inner core of America's institutions, and ingrained in the very essence of life, for multicultural perspectives, ideas, and ideologies empower us to elevate the multicultural discourse to a higher level of social transformation—ultimately, universal equality, justice, respect, and human dignity for all, in all facets of human existence." (Guevara Urbine, 2014).

In this complexity

"As Melé (2003) points out, the focus of the human motivation approach was to "improve outcomes" rather than "investigating what a human being actually is both as an individual and as a so-

cial being” or the “specific contents of these concepts [e.g., individual development]” (Melé, 2003, p. 80, as cited in Acevedo, 2012, p. 199)

2.3 About Personalism

As we saw before, human beings’ special, extra value (compared to the rest of the created world) stems its origin both from theology as well as from philosophy. Therefore, since we do not speak about simple biological creations, humanism has to reflect the speciality of human beings:

“Humanism is not humanity in general, but men and women in flesh and blood” (Acevedo, 2012, pp. 198–199)

Human beings (with this extra value) can still be viewed on two levels: either as an individual human being or as “person”, which is even more. This is how we arrive at personalism. The key idea in personalism is thus that the human being is at the same time both an “individual” and a “person”:

“[o]ur whole being is an individual by reason of that in us which derives from matter, and a person by reason of that in us which derives from spirit” (Maritain, 1947, p. 33). (Acevedo, 2012, p. 205)

In personalism, the human being is seen as a duality, individual-person, which can provide a way of conceiving both the self-interested and self-giving aspects of human action in an integrated way. (Naughton et al., 2010)

The term personalism itself does not come from the anglo-saxon (economic or management) society, but it originated in Germany, and was not defined as a term in the 20th century, but already at the end of the 18th. It was first used – as ‘der Personalismus’ - F. D. E. Schleier-

macher (1768–1834) in his book “Über die Religion” in 1799. This shows and proves, that the idea has its roots in the worldwide (or at least in the intellectually leading European continent’s) shared theology, philosophy and anthropology of human beings.

We better understand the content of the options – especially regarding our focus on management – in case we follow Melé’s more fine-tuned, very recent (200 years later!) differentiation:

Melé identified three approaches to humanistic management; namely: the human motivation approach of authors such as Mayo, Maslow, McGregor, and Herzberg, the organizational culture approach of Peters and Waterman, and Schein, among others, and the business as a “community of persons embedded with an organizational culture which fosters character” (Melé, 2003, p. 82)

As we see the main separation relies on the differences between the anthropological and philosophical approaches, namely whether humans are independent individuals, sometimes joining their forces for certain goals as a group or humans are viewed as individuals and as social beings, who belong to groups/communities and parts of these communities. In other words: are communities just “vehicles” or means for the goals of certain individuals, or are communities existing realities, consisting of human beings, who are specific and for whom community is an essential part of their life while they are essential parts of the community. Personalism emphasizes

“human consciousness, intentionality toward ends, self-identity through time, value retentiveness, openness to community building, and, above all, the dignity of every human being” (Melé 2009c, p. 229). Thus, personalism overlooks neither individuality nor subjectivity but does not reduce human beings to either; it

128 Human Dignity in Managing Employees

considers human beings as human persons.” (Acevedo, 2012, p. 202)

Speaking about personalistic philosophy, we have to listen again to the thoughts of one of the greatest 20th century philosopher of this topic, Maritain.

“Maritainian personalism, based on metaphysical realism, grounds a philosophical anthropology and a moral philosophy. Rather than as “one school”, Maritain refers to personalism as primarily a “current”, a “concept”, “an aspiration”, or “a reaction against both totalitarian and individualistic errors” (1947/1972, p. 12). This will become a very important, cardinal foundation when we move to management. Who the human being is and ought to be and live, is neither based on the “primacy of the individual and the private good” (1947/1972, p. 13) nor on pure intellect or subjectivity, but on the intrinsic dignity and proper ends of the human person. Accordingly, personalism grounds Maritain’s “integral” humanism.” (Acevedo, 2012, p. 207)

Jumping a few decades to the *Caritas in veritate* encyclical letter (2009) we find exactly this formulation: the ultimate goal is/should be the person’s “integral human development”, as already its title defines and what is mentioned several times in the document, and as it is described in more details with the wording:

“integral human development is primarily a vocation, and therefore it involves a free assumption of responsibility in solidarity on the part of everyone” (Benedict XVI., 2009, para.11).

This sentence also reflects the close relationship towards solidarity. And since (human dignity based) solidarity can only be an intrinsic goal and motivation, therefore freedom is also a key attribute. Jumping back

to the roots of that approach we can see the same “combination” in the Maritain philosophy and anthropology:

“Human dignity, freedom, and autonomy are grounded on the human being’s true nature, origin, and calling or end; i.e., they stem from the reality that human beings are creatures contingent on the loving act of God who immediately creates each person’s soul, sustains them, and calls them to love” (Maritain, 1947/1972, p. 42)

Human dignity however is not just a theory, it requires action:

“Human dignity, though, is an on-going task. Human dignity, freedom, and autonomy are not complete in themselves; human beings must psychologically and morally accomplish what is metaphysically theirs.” (Acevedo, 2012, p. 205) Or as Maritain formulates: “The autonomy of the moral agent is realized through the interiorization of the law. [...] through intelligence and through love” (Maritain, 1960/1964, p. 105). and engaged in the process of becoming unified, the human person “must become what he is”; “in the moral order, [he] must win his liberty and his personality” (Maritain, 1947/1972, p. 45).

We must however move away from past concerns for *quantitative* liberty (maximization of the freedom of choice, realized by a more-over-less attitude towards financial means) alone, towards more respect for *qualitative* liberty (optimization of liberty through the protection and promotion of socially and biologically sustainable freedoms) in business (Dierksmeier, 2007)

At the beginning of the chapter we elaborated on the differentiation between “individual” and “person”. After all these thoughts we can agree with the statement, that

130 Human Dignity in Managing Employees

“the human person is not reducible to the material ‘individual’, common to other living things, but “is reserved for substances which, choosing their end, are capable of themselves deciding on the means, and of introducing series of new events into their universe by their liberty” (1929/1970, p. 20). In the human being, personality is, therefore, defined in terms of the subsistence and freedom of the human soul (1936b/1996, p. 158). Yet, the human being “is not only a person, i.e., spiritually subsistent”, but “also individual, an individuated fragment of a species. And this is why he is a member of society as a part of it, and has need of the constraints of social life in order to be led to his very life as person and in order to be sustained in this life” (p. 238). Individuality lies in the material component; personality, in the spiritual.” (Acevedo, 2012, p. 205)

Between (the French) Maritain and (the German) Benedict XVI, some other important theologians and philosophers also tried to stress this difference, from many other countries. The Swiss Hans Urs von Balthasar for example formulated his – very similar – view, like this:

“Personalism differs from Individualism. The person is not seen as having an isolated existence, united to others only by social contracts. On the contrary, the person is seen as a social being with intrinsic relationships with others and an interdependent existence. Personalism also differs greatly from any form of collectivism. The person within a community maintains individual autonomy and freedom. He is not understood as a mere countable individual within a collectivity, but as a unique being, who is not interchangeable and therefore cannot be counted (von Balthasar, 1986).” (Melé, 2009, p. 229)

Many others shared this view to define personalism not merely as a “perspective, a method, an exigency” (e.g., Whetstone from Great-

Britain, 2002, p. 385), but as a philosophical school that “emphasizes the significance, uniqueness and inviolability of the person, as well as the person’s essential relational or communitarian dimension”. (Acevedo, 2012, p. 202)

So by our century many agree on the consensus, that the human person “combines subjectivity and objectivity, causal activity and receptivity, unicity and relation, identity and creativity” (Williams and the Swedish Bengtsson 2009, as cited in Acevedo, 2012, p. 202)

A similar view is expressed by many other nations’ key thinkers, like the Polish Jolanta Babiuch-Luxmoore; the Spanish contributors, like Gloria L. Zúñiga and Joan Fontrodona, Domenéc Melé from Catalonia. Some additional philosophers from recent centuries and different nations (from France to Poland, from Spain to Germany, with Christian or Jewish backgrounds are Emmanuel Mounier, Gabriel Marcel, Max Scheler, Edith Stein, Martin Buber, Maurice Blondel, Étienne Gilson, Yves Simon, Hans Urs von Balthasar, Robert Spaemann, Dietrich von Hildebrand, and John Paul II).

Moving overseas, a very strong personalism has evolved in the USA, too. Specifically, in Boston, Massachusetts, and later in California, too. The start of the personalism in the USA were represented by such leading academic persons as Borden Parker Bowne (1847–1910), George H. Howison (1834–1916), and Edgar Sheffield Brightman (1884–1953). By now here we can speak already about 3 generations, the youngest generation represented by such figures as Peter A. Bertocci (1910–1989) and W. Gordon Allport of Harvard, a student of William Stern, who further developed the psychological dimension of personalism.

To mention a worldwide well-known name, as a politician, Martin Luther King studied under the personalists at Boston University, too. He credited the experience with shaping his worldview:

“I studied philosophy and theology at Boston University under Edgar S. Brightman and L. Harold DeWolf...It was mainly under

these teachers that I studied Personalistic philosophy—the theory that the clue to the meaning of ultimate reality is found in personality. This personal idealism remains today my basic philosophical position. Personalism's insistence that only personality—finite and infinite—is ultimately real strengthened me in two convictions: it gave me metaphysical and philosophical grounding for the idea of a personal God, and it gave me a metaphysical basis for the dignity and worth of all human personality.” (Williams and Bengtsson, 2016, p. 8)

Knowing his personal testimony with the proof of his life and death makes his statement credible.

Globally Amitai Etzioni, Mark Lutz, Ernst Schumacher, and Amartya Sen are some well-known thinkers who have made contributions to personalistic economics (Bouckaert 1999). Here we have to emphasize that personalism can be qualified as humanism, generally theistic. However, being a philosophy, personalism does not require any particular faith to be accepted. (Melé, 2009).

Personalism is a heterogeneous school of thought which holds the centrality of the human person in social, political, economic, and environmental contexts. This time we focused on the aspects which will become relevant when speaking about the theory and (best) practice of human dignity based management. Humanistic management is fundamentally a concept of management that upholds the unconditional human dignity of every woman and man within an economic context (Melé, 2003, 2009; Pirson and Lawrence, 2010; Spitzbeck, Pirson, Amann, Khan, and von Kimakowitz, 2009).

As Helen Alford formulates:

“Personalism [...] can give a theoretical foundation for ethical business practice, starting from the duality of the human person, thus allowing us to recognise both competition and cooperation

in human action and relationships.” (Naughton et al., 2010, pp. 697–705)

2.4 Related Management Theory

Up to now we have evaluated the origins and evolution of human dignity from the point of view of different disciplines, as follows: theology, philosophy, followed by anthropology. Now we go one step further and will elaborate on how all these have impact on management theory.

The first finding is, - which I will try to prove in the next paragraphs - that if we approach management theory from this direction we shift from mechanistic to humanistic management theories (and later to the practices).

The starting point can be well illustrated by Ford’s famous question, “Why is it that every time I ask for a pair of hands, they come with a brain attached?” (Ford, n.d. <https://challenger.com/why-change-hackers-are-needed-in-todays-business/>) – a perfect example of a mechanistic dehumanization approach. The theory behind is linked to Taylor’s “scientific management”. This theory (and the related practice) is usually evaluated as a dehumanistic, utilitarian approach:

“Management theory in the form of Management Science (Taylor, 1914), which fundamentally violates the aspects of unconditionality and universality since it instrumentalizes human beings as quasimachines. While Scientific Management’s legacy has been expounded on elsewhere (Khurana, 2009), we note that its tradition is visible in operations management, operations research, information systems as well as strategic management, organizational behavior, and marketing, especially when people are viewed as human capital or human resources.” (Pirson and Dierksmeier, 2014, p. 17)

134 Human Dignity in Managing Employees

However, some, like Argiolas, evaluate their approach more holistically and fine-tune their view as more detailed:

“Taylor helped initiate reflection on corporate direction and steered it toward a course reversal with respect to the traditional methods of corporate management of his day. In particular he stressed the importance of corporate management and its relationship to labor, hence the necessity of a climate of trust and collaboration between directors and workers.”... “Ultimately his conviction that improving labor productivity depends on workers applying and perfectly adhering to externally imposed tools and work methods allows us to grasp that, in theory and practice, the scientific organization of work expresses a sort of „anthropological distrust”; it does not respond to the need to see workers as persons in their entirety.” (Argiolas, 2017, pp. 20-21)

As a personal note let me refer to my own MBA studies at a top-20 US business school in the mid-nineties. The mentality and approach was exactly derived from this type of “scientific management”, on a completely utilitarian basis. One good example was that I chose an elective course about motivation. On the first lesson I liked very much to hear, that employees can and should not only be motivated with financial schemes. In the rest of the year however, we focused almost exclusively on the many details of the well-known Hay-system – a fully institutionalized score card system for calculating bonuses and other financial motivation. During the course I felt a vacuum, since this utilitarian incentive system applied is the implementation of the dominant management theory, which seems to take care of every aspect, though leaving concerns about human flourishing, ethical development, social relationships, and the environment at the margins of the discipline. Furthermore, whenever human beings are valued primarily for their relevance to economic exchange (e.g. in the shape of human capital or as human re-

sources), the connection between management theory and social welfare becomes tenuous. And still that was not the worst approach,

“since the economic view also shows a concern for the human being, if only as individual and from an economic rationality aspect at that, economism too may be called humanistic albeit non-personalistic. This point further underlines the ambiguity of the term humanism if not properly specified.” (Acevedo, 2012, p. 200)

This so-called economic reductionism still forms the basis of dominant management scholarship. Such reductionism presents human beings as mere utility maximizers of exchangeable goods and services. Rather than viewing personality as a series of choices made by free, existentially engaged people in order to live as best they can, personality traits are framed as capabilities that can be traded, bargained or acted upon in order to reach objectives.

Even today, even despite all the personalism achievements, some insist – and I must admit with empirical evidence – that

“Like it or not, individuals are willing to sacrifice a little of almost anything we care to name, even reputation or morality, for a sufficiently large quantity of other desired things; and these things do not have to be money or even material goods.” (Pirson and Dierksmeier, 2014, p. 8)

Thus in theory we –humans – are conscious human dignity minded persons, in the practice very often self-degraded to a good for sale with a price tag. As the renowned economist and management scholar Michael Jensen (1998) emphasized this disregard, stating that ‘we all have a price’. This is in complete contradiction of what Kant, famously noted that—

136 Human Dignity in Managing Employees

“everything has either a price or a dignity. Whatever has a price can be replaced by something else as its equivalent; on the other hand, whatever is above all price, and therefore admits of no equivalent, has a dignity” (Kant, 1785, para. 4:434)

Following still the Kantian route and based on the latest successors of him we can agree with Melé:

“a management that emphasizes the human condition and is oriented to the development of human virtue, in all its forms, to its fullest extent” (Melé, 2003, p. 79).

Not just non-businessman priests, like Melé, but even lay people like Spitzreck, or Whetstone speak about personalism-based human dignity approach as

„fundamentally a concept of management that upholds the unconditional human dignity of every woman and man within an economic context” (Spitzreck 2011, p. 51; see also, Whetstone 2002, pp. 388–389, as cited in Acevedo, 2012, p. 199)

So the question still is: can we speak about a viable management theory (and practice), based on person-viewed human dignity base? It seems we cannot avoid speaking about virtue, and spirituality. Some try to limit these interdependences by only “allowing” going as far as: “a humanistic approach to management is a feasible ideal” (von Kimakowitz et al., 2010, as cited in Spitzreck, 2011, p. 54). Others say, that we should remain in the domain of business ethics – still not speaking about spirituality or even virtue. Therefore, especially recently, a close link could be emphasized between applied personalism and business ethics.

“The so-called Personalist Principle (PP) is very relevant to business ethics. Some immediate consequences are the duty of respect for every person, including workers and consumers, avoiding abusive contracts and poor working conditions (sweatshops),

exploitation, and manipulation, child labor, and avoiding sexual or psychological harassment, insults, injuries, and humiliations in the workplace, in commercial transactions, and in any other business situation. Many business issues are related to truthfulness, an aspect of the PP. This includes honoring one's word, honoring legitimate contracts, agreements, and promises, not telling lies, giving misleading information, acting consciously with bad faith or deception, making false promises, creating unfounded expectations or persuading people through false propositions. Respecting human rights, which have also been widely considered in business ethics, is another requirement of the PP. Some authors have stressed human rights in business ethics. This includes concern for human rights, in general (for example, Arkani and Theobald, 2005; Cassel, 2001; Cragg, 2000) and in particular, in industrial relations (Frenkel and Lurie, 2003; Harris, 2002), and for codes of conduct (Campbell, 2006; Frankental, 2002).

While it is questionable whether we can speak about virtue without spirituality, let us accept that stand-alone virtue is the next level. The "virtue-based approach", according to Klonosky, underlines that "Business that foster a good community within the workplace and respect the social community on the outside can make possible the moral development of both employees and society" (Melé, 2009, p. 237)

Finally, we arrive at the link towards spirituality. What was said about virtue-based human dignity foundation strictly correlates to the theological or religious approach (Klonosky, 1991).

Many see the complexity and the needed involvement of many disciplines, including theology:

"to reconstruct management's philosophical foundations will require hunting for new principles in fields as diverse as anthropol-

ogy, biology, design, political science, urban planning and theology” (Hamel, 2009, as cited in Naughton et al., 2010)

or

“the widely discussed link between spirituality and management has also created a more porous division between the disciplines of theology, philosophy and management. “ (Naughton et al., 2010)

Since we are back to theology and in the center of it there is God as love, and our main feature, attribute and task is to love, it is justified to quote John Paul II:

“A person is an entity of a sort to which the only proper and adequate way to relate is love” (John Paul II., 1993, p. 41)

Here love does not mean a sentiment of attraction but the benevolence and care of a rational being, that is, having a disposition to contribute to the wellbeing and flourishing of the persons one deals with, and making full effort to implement suitable actions to this end. On the deepest level – even when we speak about management – we find the link between human dignity and love for each other. Transforming this idea into practice we quote the latest management-related document of the Vatican:

“Respect for human dignity and the common good are foundational principles which should inform the way we organise the labour and capital employed, and the processes of innovation, in a market system.” (Pontifical Council for Justice and Peace, 2012, p. 13)

In each case the focus is on the relation of the participants, and not on one, single participant. Real love is and can only be sustainable if it is reciprocal. This is the axiom on which base we speak about relations,

community, communion, social welfare, and alike – here and now in the case of working activity, workplace, company.

Love includes solidarity = care, and respect = recognition. Care perspectives view individuals as fundamentally relational (Gilligan, 1982), and consider work as holding the potential to humanize and enrich workers, as organizational members attempt to build self-esteem through their work (McAllister and Bigley, 2002). Recognition theory offers an important step in understanding the “human side” of management, correcting traditional views of human capital by arguing that organizations are, first and foremost, social systems inhabited by existentially engaged human beings. This is why Claus Dierksmeier shows the direction of management theory, as follows: “[it] should set sail towards the shores of a humanistic paradigm, centred on the idea of human dignity.” (Dierksmeier, 2011, p. 1)

But what does these all mean – still theoretically, however as a guideline for the daily management tasks? How can we “catch” the goal of implementing the human relations movement through the humanization of work and building more humane organizations?

This is what humanistic management theory oriented academic persons, like Amartya Sen (2001; 2002), Martha Nussbaum (1998b; 2007), Mary Parker Follet (Schilling, 2000), Chester Barnard (Melé, 2008), Elton Mayo (1933, 1946), Frederik Herzberg (1976; 1993) tried to make visible, by putting the notion of human dignity – independently of wealth or utility concerns – into the focus of management theory. Claus Dierksmeier formulated it as a most recent aspect:

“To understand human agency we must penetrate the normative dimension of the human mind. Descriptions of economic behavior match reality only when they are observant to the moral *prescriptions* that inform said behavior.” (Dierksmeier, 2011, p. 1)

140 Human Dignity in Managing Employees

General statements however are not enough. Neither “theoretical guidelines” can really be institutionalized in the practice of management. This is why some look for the language and tools that managers understand and like. What is in the focus of a manager’s overall approach, what is the basis of the evaluation of the company, led by him, what is his incentive based on, etc.? All these are mainly linked and traced back to accounting. This is the level, where implementation can really start and be seen, and controlled. And exactly this is the reason why Leire Alcañiz and José Luis Retolaza (2015) suggest shifting common accounting principles which are mainly focused on annual profit/loss, in order to contribute to shareholders’ interest and pay taxes to public administrations. They therefore argue that accounting models have to be complemented with a new approach that could assess stakeholders about the value that firms are generating while interacting with them:

“The accounting process should be able to quantify not only profits, but also the impacts of firms on suppliers, customers, the environment, local communities, workers’ quality of life, employment and the overall society.” (Aguado, Alcañiz, and Retolaza, 2015, p. 43)

Pirson and Dierksmeier go further, deeper, they are more specific. They give guidelines how to embed human dignity into management with the ultimate goal of social welfare. They also start from the management theory and

“management theorists should reflect on the conceptual lack of utilitarianism, that is, the indifference to human dignity. We argued that the notion of dignity represents a missing link to the quest for social welfare and outlined the conceptual notions of dignity as partly unconditional, and partly conditional and earned.” (Pirson and Dierksmeier, 2014, p. 37)

Thus if we speak about humanistic management we should speak about human dignity as a pillar of it. Besides being its pillar, human dignity is also the route to real social welfare – which is the ultimate goal of the society. As they formulate:

“social welfare can be understood in terms of wealth creation or well-being creation. Based on the concepts of dignity and welfare, we then proposed alternative conceptualizations of management theory. This resulted in archetypes that highlight alternative ways to escape the economic paradigm, whose contribution to social welfare creation is limited. We also outlined areas for future research and the epistemological challenges that each archetype faces.” (Pirson and Dierksmeier, 2014, pp. 37–38)

Still on the level of (management) theory, they provide a “charter” with the most important guidelines. While they explain them in details, I would like to focus on just some of them, and even in those cases just to give a very short summary.

“Guideline 1: Placing dignity at the core of management theory will connect it more directly with social welfare creation.” (Pirson and Dierksmeier, 2014, p. 18)

As we see, they really believe, what was already quoted from them, that human dignity is both important for the individual person as well as for the whole society, which wants to increase social welfare. But what is social welfare and how does it relate to the key term of the other school, which usually likes to speak about “utility” instead? They give the answer in their next guideline:

“Guideline 2: To reflect the original, inclusive meaning of utility, social welfare should be understood as well-being creation rather than wealth creation. “ (Pirson and Dierksmeier, 2014, p. 20)

142 Human Dignity in Managing Employees

This differentiation has very deep roots and wide consequences. With “wealth creation” we found the basis of the neo-liberal school which clearly states that the ultimate goal of business is shareholder value maximization. In this “world” we think about individualistic individuals – and some of them are happy to enjoy the benefits of their capital, all the other individuals are means, not ends in themselves (lack of real human dignity). In case however of “well-being creation” we speak about a much broader scope, which includes not just material (financial) aspects but everything which is needed for a well-rounded “well-being”. We will go into the details of a holistic well-being later, here we just want to emphasize the intellectual and spiritual aspects. And as a very important differentiation the “we” aspect instead of the “I”-centred view, due to the fact that among others to my holistic well-being it is necessary to know the well-being of others, of the other persons around me. In case of management e.g. the well-being of the employees is part of the “well-being creation” (Pirson and Dierksmeier, 2014, p. 20) efforts of the leaders. This is how by starting with human dignity we arrive at a high level of social welfare.

If human dignity seems so important, then it should not only be the “hobby” of some idealistic people (far away from daily management), especially it should not be denied, instead strongly protected or/and promoted. In a detailed argumentation he justifies while both dignity protection and promotion is essential, of which the summary is: “management theory can contribute more directly to social welfare if it embraces dignity protection and dignity promotion, or what we call humanistic management theory.” This view is reflected in the next two guidelines:

“Guideline 3: Protecting dignity is a necessary condition for social welfare creation.”

“Guideline 4: Promoting dignity is a sufficient condition for social welfare creation”(Pirson and Dierksmeier, 2014, p. 22)

As we see they once again make a small but important differentiation: promoting is nice – and voluntary, however not enough. If human dignity is such a cornerstone for increased social welfare (creating “well-being” not just wealth), then the society has not only to promote it, but – in addition – to explicitly protect it.

They then define so-called “arche-types”, practically a segmentation on the view of the role of dignity, which can be summarized in one matrix:

Figure 15, Role of dignity (Pirson, Dierksmeier (2014), Table 2, p.43)

Archetypes of management theorizing	Role of dignity		
	<i>Indifference</i>	<i>Protection</i>	<i>Promotion</i>
Welfare understood as			
Wealth Creation	Economism (A1)	Bounded economism (A2)	Enlightened Economism (A3)
Well-being creation	Paternalism (A4)	Bounded humanism (A5)	Humanism (A6)

Archetype 6 offers the strongest connection between management theory and social welfare creation, since it does not only focus on how we can protect those aspects of life that are intrinsically valuable, but also on how we can increase such value.

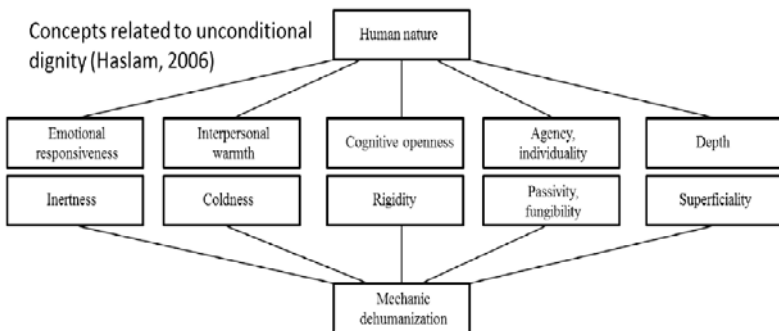
This is how we understand and agree with

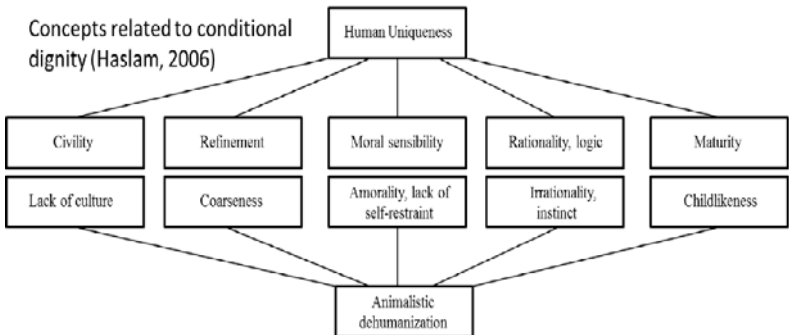
Guideline 7: Management researchers who wish to connect management theory directly to social welfare creation should theorize in Archetypes 5 (bounded humanism) or 6(humanism).” (Pirson and Dierksmeier, 2014, p. 34)

While Pirson and Dierksmeier are fully committed to the theory and importance, there exists a countervawe of “dehumanization”. Let us refer to Haslam, who argued that management theory has another wing, which developed a kind of anti-thesis, also widely acknowledged. And in fact we see even in practice, that if we only focus on today’s mainstream management principles of effectiveness and efficiency only, without an influence from sociology, psychology or humanist economics, a full theory of “dehumanizm” can be developed and implemented:

Figure 16, Two Forms of Dignity Denial (Pirson, Dierksmeier (2014), Figure 1, p.41)

Two Forms of Dignity Denial (adapted from Haslam, 2006)





2.5 Practical Wisdom

While neo-liberal schools limit the purpose and goal of business to financial return for the owners and shareholder value maximization, for those, who believe in human dignity, the ultimate goal is to have companies run by best practice methods from a human flourishing point of view.

“Business is seen as a human institution in the service of humans” (Moore, 2002; Solomon, 2004, p. 1023) (Melé, 2009, p. 237),

and not only as an economic or social mechanism disconnected from the rest of life with the only concern of maximizing profits or the share price. To run a business “successfully” in a neo-liberal term needs a “clever” manager, who applies known principles. In case of a much more complex and broad portfolio of goals, including immaterial aspects, like human dignity, “wisdom” is needed for the visionary leader. Here the task is not a simple “maximization” (concentrating on the “biggest” profit), but a careful optimization for the “best” for the people. While effectiveness is still a necessity in the company as an economic institution, however achieving it does not guarantee the organization’s survival or continuity. Survival depends on unity, as „the relationship

between unity and effectiveness is the most basic property of organizations” (Pérez López, 1981, p. 11).

Melé also speaks about “Practical wisdom”- and about its roots in ancient times:

“According to Aristotle (NE II, 6), only prudent people, that is, people with a high degree of practical wisdom, can discover what is good. That only people with practical wisdom can make sound ethical judgments seems tautological, since practical wisdom is acquired by judging well. However, this is not the case. Practical wisdom can be gained not only from personal experience and reflecting on past actions, but also by learning from prudent people and from the practical wisdom accumulated over the history of humankind. Such wisdom is expressed by (partly moral) principles, rules and maxims, such as the “Golden Rule”, probably the most common principle of morality worldwide.” (Melé, 2009, p. 228)

This means that instead of following clear-cut principles only, you have to base your decisions on a set of virtues. While principle-based ethics focuses on ethical issues and dilemmas, virtue-based ethics is wider in scope, since it regards not only the evaluation of actions but also, and above all, the flourishing of the human agent. It considers the singularity of each action through the agent’s practical wisdom (Roca, 2008). Virtue ethicists often emphasize the importance of intuitions and emotions too (Hartman, 2006). (Melé, 2009, p. 227)

Whether we speak about “virtues” in general, or “wisdom” as a driving force, at the end of the day it is all about making decisions – based on love.

“Love as a virtue is a habit that facilitates decision making. It serves to evaluate actions (to understand what has to be done) and, above all, moves the will to act in a particular way, beyond preferences, feelings or appetites, which may be more attractive but not more important” (Argandoña, 2011, p. 82)

Easy to say, difficult to follow. As Spitzbeck says: “Only a few moral leaders are motivated by the moral requirements alone. “ (Spitzbeck, 2011, p. 54)

Again it is Argandoña who digs deep and summarizes the motivations:

“What motivates the agents to interact? Each hopes to elicit a certain response from the other (extrinsic outcome), so each is driven by what we shall call extrinsic motives. Each is probably driven also by intrinsic motives, directed toward achieving intrinsic outcomes, such as a gratifying job, the satisfaction of completing a task, or acquiring new knowledge or operational capabilities. Finally, each will also act out of what we shall call transcendent motives, i.e. the desire to bring about a certain outcome not in the agent who acts, but in the other.” (Argandoña, 2011, p. 79)

To think and act like this, a manager needs a holistic approach, much broader than what a “profit-focused robot” has, with respect for social benefits, deep commitment to God and to human dignity. Only then it is true, what Claus Dierksmeier suggested at the “AOM 2014: The Power of Words We RARELY Use in Management: Dignity, Rights and Responsibility” conference: “dignity can serve as a conceptual anchor that reconnects management science and the social sciences.”

As we said, wisdom focuses on the good and not on the biggest.

“Practical wisdom takes its bearings from the good; that is, it understands what the good is and seeks the good not only for the

one judging but for others, too. In business, such wisdom follows from the recognition that all members of the firm—executives, administrative assistants, janitors, engineers, and all workers—have gifts and an inherent human dignity” (Naughton et al., 2015, pp. 24–25)

So first of all, there is a need of a job, or better to say – quoting Pope Francis – a “decent job”:

“How I wish everyone had decent work! It is essential for human dignity.” (Francis, 2014)

Secondly, human flourishing requires a job at a company where there is trust:

“Where trust is high, efficiency, too, can thrive, along with personal dignity and satisfaction.” (Naughton et al., 2015, p. 4)

Trust is a sense that not only the workers will do whatever they have to do, but on a much deeper level: to see both ourselves and the other as a gift:

“humans have gifts—talents, skills, and special abilities—that may be shared for the good of all.⁴⁷ One of the deepest implications of the logic of gift is that we can only fully discover ourselves through sharing our gifts with others. We make ourselves a self-gift.” (Naughton et al., 2015, p. 24)

And this type of thoughts is not just theory, they must be applied in very down-to-earth forms in the daily operation. This is the way how “wisdom” will be converted into “culture”, with the tools of management combined with care:

“In such contexts, respectfully using the gifts of workers may have to take innovative forms, such as (a) limiting the time intervals expected of workers while assuring that wage compensation

is just; (b) engaging workers themselves in improving the work process or other working conditions; (c) automating the work in question while training workers to make higher-level contributions; and (d) guarding against growing demands on worker productivity in relation to the private lives of employees. Human dignity is affected not only by considerations of work life *quality* but also by encroachment upon the amount of time available outside of work for a balanced life.” (Naughton et al., 2015, p. 19)

Love, trust, and gift-fullness however do not only mean “rights” (and especially not rights to be misused), but obligations, too. “Rights and duties are also inextricably linked: without duties, which link us in community, rights spawn selfish individualism; without rights affirming human dignity, duties collapse into blind obedience and rule-following rigidity.” (Naughton et al., 2015, p. 28)

If we think in the “logic” of personalism, this is all almost natural. A group of people, who share common goals, trust each other with a strong team-spirit, is not just a bunch of people “forced” to stick together for 8 hours a day but at such companies there is a corporate culture based on communion. Usually we speak about communions among people who are voluntarily together by their free will, to do something good. At companies, people are usually motivated by their existential needs, they don’t choose each other, and the goal is to do production or services, as requested by the employer. But why cannot we implement the atmosphere of communion at the workplace, too? What hinders us in

“Being in communion, living in communion means to experiment (perceive) that even though we are many (at least two, distinct) we are one (united). So that the other’s joy is mine, his pain is mine, his success is mine, his failure is mine, what he does I did it (and vice versa, what I do is made by him) and it is really so in

150 Human Dignity in Managing Employees

that, as an effect of the relation, his being is inside me, I take it within me (and vice versa) and that makes us different from what we were before.” (Argiolas, 2006a, p. 8)

This motivated me personally, too to establish a company of which the primary focus is to ensure employment for those, who otherwise have no real chance for a job. I realized that jobs cannot be created by the Church or by the politicians. Only businessmen can set up companies and provide employment. Thus – back in 1999 – I developed a plan to set up a company only for the purpose of assuring jobs for disadvantaged people. In Hungary – at that time – only a very small fraction of the handicapped had a chance for a job and thus for decent living. All the rest was forced to rely on a – very low – state aid and were a burden to their families. I wanted to prove that even «there and then» it was possible to realize inclusion and to provide an alternative, in a sustainable and dignified way. Already in the 13rd century, Maimonides, a Jewish philosopher made it clear, that the highest level of donation is, if we free somebody from being dependent on donations, by assuring a job for him. I translated it to modern terms by creating a company with the purpose to employ as many disadvantaged people, as possible, while assuring human dignity for them, both while working and through enabling a financially, intellectually and spiritually well-founded private life. At that time I had no academic relations, I only realize now, that my intuition was the same, what Hahn described later as:

“the fundamental idea is mainly derived from the observation that business activities can contribute to the long-term goal of poverty alleviation by embedding the neglected poor parts of the world population into efficient value chains and market structures. [...] Moving people out of the most desperate states of poverty by including them into global value chains to strengthen their economic position could already help to strengthen different subaspects

of human dignity. Against this background, poverty alleviation through economic development and active (often innovative) inclusion of the poor is evolving into an instrument that promotes precisely the right to provision (e.g. of food, water, education or health care) as well as other subcategories and enablers of human dignity (i.e. especially the rights to freedom, shelter and self-esteem).” (Hahn, 2012, p. 51)

I did not have a role model to follow, it was a pioneer action – at least in Hungary –, therefore this unusual *start-up* could only rely on those, who support start-ups anyway:

“The three Fs are friends, family and fools - the people to talk to first when pitching an idea” (Financial Times Lexicon, n.d.)

Thus the venture, called Sunflower – and registered as a “public benefit, non-profit company” (this is the official legal term for it) - was established on 1.1. 2000., with my majority ownership plus my two brothers and two friends as co-founders. We had many barriers to overcome, problems to solve, and failures to correct. By now the company has more than 120 full-time employees, out of which the vast majority are disadvantaged (mostly officially registered handicapped), and the company operates in an economically sustainable way, across the country.

Its importance is however not the financial result, or at least not only. Much more important is its role model status for the humanistic management approach, putting human dignity into the center.

DERIVING A MANAGERIAL TOOL FOR THE CST-DRIVEN MANAGERS ON CHECKING THEIR HUMAN DIGNITY- RELATED ACTIVITIES/BEHAVIOUR

3.1 Starting Point: the Employee Column of the Holistic Value Matrix and Human Dignity as a Driving Principle for its Fulfilment

As discussed in Chapter one, 2.5. in my view in case a company is CST-driven, it should implement the holistic stakeholder approach, and should plan and control whether the employees are supported in their integral human development, by receiving value both on the material (in business terms: financial) and on intellectual level as well as spiritually.

Figure 17, The employee-focused part of the Holistic Stakeholder Value Matrix (Source: Héjj, 2006, slide 13)

Layers \ Stakeholders	Share-holder	Employees	Customers	Vendors	Society	Future generations	The poor
Spiritual							
Intellectual							
Material (Financial)							

While the material and intellectual level requirements related to the employees are generally accepted, the spiritual layer usually gets neglected. This extended approach is not a *must* by law, not even widely spread, especially because currently the mainstream educational system tries to be *objective* and *independent*. “Business schools have been admonished for “propagating ideologically inspired amoral theories” that have “freed their students from any sense of moral responsibility” (Ghoshal, 2005, p. 76).

However, this is just to get rid of the real responsibility of being manager of persons rather than just of “human resources”.

The argumentation is founded by declaring economics and business as a science, which does not need to reflect on moral aspects.

“Management, business, and economics should not be considered primarily as sciences, underestimating questions of meaning and moral value, but fundamentally as human enterprises at the service of the personal and the common good” (Bouckaert 1999, cited by Acevedo, 2012, p. 215)

Thus the underlying question is: *are the employees considered means to an economic end of the company, or while aiming economic ends management respects and takes responsibility for the employees as ends, too?* The CST-driven approach has a clear answer, as it is formulated in the “Vocation of the business leader”:

“Good business decisions are those rooted in principles at the foundational level, such as respect for human dignity and service to the common good, and a vision of a business as a community of persons.” And: “organising productive and meaningful work recognising the human dignity of employees and their right and duty to flourish in their work, (“work is for man” rather than “man for work”) and structuring workplaces with subsidiarity that designs, equips and trusts employees to do their best work;” (Pontifical Council for Justice and Peace, 2012, p. 3)

That means, that according to the CST approach the pillar of this approach is human dignity, which in turn determines the rest. The question now can be formulated like this: Is capitalism the right system to build not just economy, but society, too? Is this the way for both economic and civil progress? The answer can be found in the encyclical letter, *Centesimus annus*:

“If by “capitalism” is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it

would perhaps be more appropriate to speak of a "business economy", "market economy" or simply "free economy". But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative." (John Paul II, 1991, para. 42.)

The real alternative is a system based on human dignity towards the employees, in all of the three layers of the above holistic value matrix. Starting with the basic layer of material and financial respect and responsibility for the employees, human dignity can be seen as the cause for the effect to ensure workplace security (to avoid risk of harm for health, and to avoid accidents), and fair compensation (to be detailed in Chapter three, 5.4.) When speaking about fair compensation it is not just about paying the agreed amount in due time but taking into consideration the relevant points of what Pope Pius declared in December 1939 in his so-called "Five peace points":

- “1. Extreme inequality in wealth and possessions should be abolished;
2. Every child, regardless of race or class, should have equal opportunities of education, suitable for the development of his/her peculiar capacities;
3. The family as a social unit must be safeguarded;
4. The sense of a Divine Vocation must be restored to a man’s daily work;
5. The resources of the earth should be used as God’s gift to the whole human race and used with due consideration for the needs of the present and future generations”. (Pius XII, 1939)

The resonance was high, not just Church leaders from other Churches welcomed it, but “outsiders”, too, like the British liberal economist, (Baron) William Beveridge, who was appointed chair of the 1941 British committee to rationalize Britain’s social insurance system. In his famous “The Pillars of Security” (originally 1943) he concluded his favourable comment as follows:

“Only as man come to see themselves as part of a larger whole, as children of one Father, can the selfishness and the strife which lead to self-destruction be banished from the world”. (Beveridge, 2014, p. 40)

The problem of fair financial distribution is not an easy task to solve: “The distributional consequences of the market processes get shielded from political, social and moral debates.” (Zamagni, n.d., p. 17) and as he continues:

“This is known, as the separation thesis for the first time clearly explicated by Richard Whateley in 1829 in terms of the principle of NOMA (NonOverlapping Magisteria). However, such a thesis holds true in so far as social externalities of economic activity (technological or pecuniary as the case may be) do not exist. Which is never the case. To avoid misunderstandings, it is proper to clarify that Coase theorem does not represent a solution to the difficulty, since it applies only to the case of technological externalities, not to that of pecuniary externalities, which are by far the most relevant, nowadays.” (Zamagni, n.d., pp. 19–20)

Bernard Harcourt formulates it much simpler in his book: “This means that the naturalness of the market depoliticizes the distributional outcomes” (Harcourt, 2010, p. 32)

The second layer is the intellectual one. While many would think only about the right and opportunity of intellectual self-development (learning, trainings, and vocational education), this again can and should

be put into a broader concept. Once again the “Vocation of the Business Leader” provides the summary of the related guidelines:

“the principle of meeting the needs of the world with goods which are truly good and which truly serve without forgetting, in a spirit of solidarity, the needs of the poor and the vulnerable; the principle of organising work within enterprises in a manner which is respectful of human dignity; the principle of subsidiarity, which fosters a spirit of initiative and increases the competence of the employees—considered “co-entrepreneurs”. “ (Pontifical Council for Justice and Peace, 2012, p. 1)

Going one-by-one, the first – special intellectual – employee enrichment is, if they can feel and are convinced (and therefore even intrinsically committed), that their job and the company itself serves the benefit of mankind, thus their intellectual efforts aim and serve the common good. How do we not forget “the needs of the poor and the vulnerable”? (Pontifical Council for Justice and Peace, 2012, p. 1) Even if for example the company’s prime target segment are the wealthy people or it is a B2B activity anyway, it can be done by involving the employees into such focused activities, like CSR day, doing jointly something beneficial for the poor or less powerful. Usually the “solution” is a CSR day (like visiting an elderly care home, cleaning a playground, or supporting a nursery in an underprivileged area). However, it can also be embedded into the company’s core business. A good example for it is “Erste Bank” in Austria. This bank – as a leader in their home market – primarily serves the upper and the middle class citizens. The professional and prudent managerial guidelines and policies do not allow – at least in a sustainable way – to deal with the poor. However exactly the poor (e.g. unemployed, refugees, handicapped) absolutely depend existentially on having a bank account, otherwise they do not get their financial aids wired. For that purpose, the (majority) owner of Erste

Bank – which is the original founder, a non-profit foundation (“Erste Stiftung”) by itself – established another bank with limited licence (“Zweite Sparkasse”) and limited presence (only one in each bigger city) specifically to serve the poor’s need to have a bank account. The employees of “Erste” can serve here on a voluntary basis, thus it is a combined CSR service of the company, the owner and the employees. This is already an indirect way of respecting human dignity (in this case of the poor), but the bank also makes direct actions for implementing human dignity towards their employees. For example, in Hungary (where Erste Bank is also present and among the top-5 banks by size) this was the only bank which systematically analyzed and searched for tasks/jobs which can be fulfilled by handicapped persons, too. Sunflower Ltd. was engaged to do this activity and to match those jobs with those candidates, whose limitations did not prohibit fulfilling the given function. It really was a visible – and unprecedented – human dignity role model when the first handicapped people, whose competence was enough to fulfill the requirements, got the jobs – and the full salaries linked to the job. (According to my 15-year experience in this field, employers typically misuse the dependent status of handicapped people and offer lower compensation for their work, even at the same performance). This is really an application of human dignity in the best form of inclusion. Social inclusion is also a consequence of implementing human dignity, a kind of

“litmus test of the seriousness of our declarations. To include means sharing, participating. It entails moving from being a stranger and misfit to be an integrated and active subject, from a subject to a sovereign citizen. The term inclusion expresses the common thread that binds all the reflections of Pope Francis on social questions and also of at least three of the last Popes.” (Zamagni, n.d., p. 20)

160 *Human Dignity in Managing Employees*

As a more general aspect, subsidiarity also belongs to this intellectual level value creation. While subsidiarity originally stems from the Church and society it can and should be implemented at companies, too.

“The principle of subsidiarity, derived from personalism, contributes to a freer flow of information throughout the organization and reduces the likelihood of abuse; it also encourages creativity, participation, and responsibility thereby strengthening the democratic features of that human society (Maritain 1936b/1996, 1951a; see also, Mele´ 2005; O’Boyle 2003; Sandelands 2009). “ (Acevedo, 2012, p. 214)

Nowadays we call it *empowerment*. Again, it has its roots in the philosophy and theology, since

“the right to personal liberty is “opposed to servitude” or “that form of authority of one man over another in which the one who is directed is not directed toward the common good by the official charged with this duty, but is at the service of the particular good of the one who is doing the directing” (Maritain 1943b/2001, pp. 93–94). (Acevedo, 2012, p. 214)

Looking at the complexity and interdependency of the issues we can agree with the statement of Vocation of the business leader:

“When managed well, businesses actively enhance the dignity of employees and the development of virtues, such as solidarity, practical wisdom, justice, discipline, and many others.” (Pontifical Council for Justice and Peace, 2012, p. 4)

And on the other hand:

“Without guiding principles and virtuous leadership, businesses can be places in which expediency overcomes justice, power corrupts wisdom, technical instruments are detached from human

dignity, and self-interest marginalises the common good” (Pontifical Council for Justice and Peace, 2012, p. 4)

This mentality expects a different kind of leadership model. Instead of the “ruling leader” having power over the bunch of people paid by the company and leveraging this position for the benefit of the company and its owner only, we come to the “servant-leader” model.

“Personalism requires servant-leaders ‘with a transforming vision’ (Whetstone 2002) who affirm their followers’ human dignity. Intellectual and moral virtue, instead of pretense or appearance, is called for from organizational leaders. Maritainian personalism prescribes friendship rather than power plays, justice rather than exploitation, manipulation, undue advantage, breaking promises, bluffing, or deceit. “Civic love or friendship is the very soul or animating form of every political society” (Maritain 1951a, p. 209, as cited in Acevedo, 2012, p. 214)

Thus although we spoke about the intellectual layer we ended up and they got even mixed with the spiritual layer. In fact, we should have started from top to down, from the spiritual layer over the intellectual arriving to the material. Since in everyday life however the financial and other physical level topics are the primary issues and some even deny the existence of the spiritual layer, it made sense to start with those we all accept and to get to the one not acknowledged by everybody at the end. This is, why the challenge and the responsibility of CST-driven leadership is so heavily discussed nowadays, since it can be viewed both as a non-faith-based humanistic approach as well as the implementation of spirituality, or even, specifically, Christianity. This means, through and with CSR Christianity has again become a topic for public discussions, as Zamagni formulates, too:

“Since the values of Christianity are radically different from those of present day capitalism, even though the two have much

in common, the task pope Francis will in my view assign to Christians is to shape markets in such a way they may move in a different direction. In so doing, it will be possible to demonstrate the intellectual relevance of CST to the resolution of present day major problems and to argue that the marginalization of Christianity from public discourse on these matters is over” (Zamagni, n.d., p. 20)

3.2 Overview of the Financial and Intellectual Level Quality Systems

“Quality” has long ago become a key word in management. Plenty of books, articles, norms, methods have been developed, announced and implemented for assuring good or even exceptional quality on products, services, processes, organizations, managers, leaders, nations, even globally. Some of them have become enforced by the law, others have become institutionalized industry standards, almost on a “must” level, some are “quasi-standards” or just guidelines. Examples for the four categories are:

1. Quality measures enforced by the law:

Typical example is accounting and tax. While different systems co-exist (GAAP, IFRS, local accounting and tax regulations), in each country there is a financial reporting system enforced by the local law. Common accounting principles are primarily focused and assuring quality on determining annual profit/loss figures, contributing to shareholders’ interests and - last but absolutely not least - paying taxes. Hence the State as a key and powerful stakeholder and beneficiary of tax payments enforces more or less transparent and rigid rules by the help of law.

2. Quality measures as institutionalized standards:

At the beginning of the 1950s, in Japan a model was developed, known as Total Quality Management (TQM), in which quality management is extended from the product to business processes and the organizational structure. The objective was to promote the organization's continuous improvement. Organizations using these models wanted to offer their customers a high-quality product, to increase their satisfaction, and to consider all of the organization's employees. It used to achieve a world-wide coverage.

Another widely used (especially in Europe) standard-package was developed over time by the International Organization for Standardization (ISO). The aim was to help organizations to improve their processes. It started in 1987, with ensuring quality in a company's products or processes (*ISO 9000—Quality Management*). Standards in the ISO 9000 family include:

ISO 9001:2015 - sets out the requirements of a quality management system

ISO 9000:2015 - covers the basic concepts and language

ISO 9004:2009 - focuses on how to make a quality management system more efficient and effective

ISO 19011:2011 - sets out guidance on internal and external audits of quality management systems.

Later, in 1996 another area got standardized in order to reduce environmental impact and improve environmental management systems (*ISO 14000—Environmental management*). Its latest and most popular version is ISO 14001:2015, which also includes standards such as the following:

For the purpose of using energy more efficiently, *ISO 50001—Energy management* was introduced. ISO 50001:2011 provides a framework of requirements for organizations to:

- Develop a policy for more efficient use of energy
- Fix targets and objectives to meet the policy
- Use data to better understand and make decisions about energy use
- Measure the results
- Review how well the policy works, and
- Continually improve energy management.

Companies that are certified with ISOs should be more efficient and their products should be both safer for users and better for the environment. In that way, they reduce costs and increase customer satisfaction.

3.2.1 Quality Measures on the Level of either Related to Geography or Industry “Quasi-standards”

A worldwide development of models began in the late 80ties, usually focusing on certain industries and/or used/expected to use in certain regions. These include the Malcolm Baldrige Criteria for Performance Excellence (USA) (1987) focusing on the car-manufacturing industry, the Excellence Model of the European For the purpose Foundation for Quality Management (EFQM) (1989), the Management Excellence Model of the National Quality Foundation of Brazil (1991), the SPRING (Singapore) (1996). These models, including the Japanese model (i.e., the Japan Quality Award Council), offer a series of criteria related to the critical aspects of the company.

3.2.2 Quality Measures as More or Less Informal Guidelines

While most of the ISO systems were listed among the institutionalized standards, the ISO 26000:2010 provides guidance rather than requirements, so it cannot be certified unlike the other well-known ISO standards. Instead, it helps to clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility, globally. It is aimed at all types of organizations regardless of their activity, size or location.

The standard was launched in 2010 following five years of negotiations between many different stakeholders across the world. Representatives from government, NGOs, industry, consumer groups and labour organizations around the world were involved in its development, which means it represents an international consensus.

As another example, the World Economic Forum has developed a new set of indicators to measure “sustainable competitiveness”, the only possible path to long-term economic development, according to the Forum.

“The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark. The DJSI family is offered cooperatively by RobecoSAM and SP Dow Jones Indices. The family tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices. Only the top ranked companies in terms of Corporate Sustainability within each industry are selected for inclusion in the Dow Jones Sustainability

Index family. No industries are excluded from this process.” (Robecosam, n.d., <http://www.sustainability-indices.com/index-family-overview/djsi-family-overview/index.jsp>)

Evaluating all the above measuring systems we may observe that as we get away from pure quantitative and financial aspects, the “pressure” to follow them is less and less – from law over (institutionalized) standards “down” to guidelines without certification possibility and without any (outside) obligation to follow them.

We may also observe that practically all of them (CSR may be considered as an exception) is either exclusively or at least primarily linked to the material/financial layer, only in some cases do they refer to the intellectual layer of the holistic value matrix. Please note that in this respect I consider environmental sustainability and general social impact as an intellectual layer topic.

The efforts to combine at least the financial with the non-financial but intellectual layer type information has just a 20-year history. A major breakthrough in this respect was, when

“in 1994, John Elkington formulated the idea of the Triple Bottom Line (TBL). This model incorporates three performance dimensions: social, environmental and financial; or people, planet and profit (i.e., the 3Ps). It has been often used at all levels because companies, non-governmental organizations and governments have applied it when studying different projects or policies. The TBL brings together concepts of both corporate social responsibility and sustainable development. “In the simplest terms, the TBL agenda focuses corporations not just on the economic value that they add, but also on the environmental and social value that they add— or destroy”. The main problem is how to value the different dimensions. Although the financial dimension is easily measured economically (in US dollars or euros, for

example), social and environmental dimensions are difficult to value in monetary terms because it is problematic to value damage to animal life, ecosystem losses, etc. In the mid-2000s, a sustainable balanced scorecard was developed to facilitate the link between sustainable concepts and the worldwide spread of managerial mechanisms.

The TBL approach was widely extended at that time, but there was no common rule for reporting on these dimensions. To provide a homogenous and comparable report for all types of business, in 1997 the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute created a new organization, the Global Reporting Initiative (GRI), which developed a comprehensive sustainability reporting framework.

Some private organizations other than GRI have promoted internationally known reporting standards, which are audited. In 1999, the organization Account Ability published its AA1000 Framework Standards and in 2003, the first edition of the AA1000AS. The most recent edition issued in 2008. Those standards measure corporate responsibility and sustainable development accountability and reporting. They are based on three principles: inclusivity (the information provided should be interesting for the business's stakeholders, not only for the company), materiality (the company must report relevant information) and responsiveness (the company must make decisions and actions in response to stakeholders' issues). The standards organization must both verify that the reporting organization accomplishes the principles and help it to understand its current situation and provide it with recommendations for continuous improvement.

With so many standards attempt to report non-financial indicators and so much interest in the quality and truthfulness of that infor-

mation, it is necessary to provide some guidelines for the auditors who must verify the data and issue assurance reports. In 2000, the International Auditing and Assurance Standard Board (IAASB), through the International Federation of Accountants (IFAC), issued an International Standard on Assurance Engagements, the ISAE 3000. These standards provide high-quality auditing and assurance standards and attempt to homogenize different countries' auditing standards for non-financial information.

One of the latest models to attempt to integrate financial and non-financial information at an international level is integrated reporting. Many bodies have participated in this report: regulators, companies, standard setters, auditors, even NGO. Thus, it is a consolidated model that unifies different perspectives. Its objective is to consider and report efficient and productive capital allocation, searching for financial stability and sustainability. IR is focused on long-term value creation and to achieve it, the IR differentiates among six different types of capital: financial, manufactured, intellectual, human, social and relationship, and natural. Considering all of these capitals, the organization contemplates the market failures and externalities caused by its decisions. This reinforces the idea of considering different stakeholders, not only to see how they help create value for the company, but also to include "how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests".

An integrated report supplies information about every type of company resource. In addition to traditional capitals (financial and manufactured capital), an integrated report includes other intangible capitals or resources that provide a company with a competitive advantage (intellectual, human, social and relation-

ship capitals) and adds natural capital from environmental reports. In the words of IIRC chairman Sir Michael Peat, “integrated reporting is a vital building block to enable the world’s economy to evolve and maintain standards of living for people who already enjoy a good quality of life, and create them for the hundreds of millions who do not”. (Aguado et al., 2015, pp. 49–51)

In each and any case there is no word on morals, spirituality, solidarity, or/and on human dignity. Thus even a so-called integrated report lacks the really holistic approach.

3.3 Human Dignity as the Proof of Spiritual Quality

Once we accept the existence of the three layers, we can and should also consider the term «quality» for all the three layers. We have seen how easy it is to ensure quality measures in case of directly measurable, quantitative, financial aspects and data. It is much more difficult and complex in the case of the intellectual layer. When we come to the third, the spiritual layer, it becomes even fuzzier. As it is difficult to transform the dimensions and their measures (like *profit* and *euro*) of the financial layer to the intellectual (like ecological impact) layer, we face even terminology problems when we arrive at the spiritual layer. What «scope» and what *measure* can be used in this «world»? Here we use words, like *love*, *virtue*, *communion*, *God* – a completely different word-portfolio than the one of the others. As Argandoña formulates:

“if a firm is a human community that is capable of achieving both external outcomes (profitability) and internal outcomes (satisfaction, and technical and moral learning, which foster the development of the firm’s distinctive capabilities, as the condition for future profitability), and also of surviving and developing (not out of altruism, but out of necessity), then it is necessary that the virtues – including love, which is the virtue that promotes the other

170 Human Dignity in Managing Employees

virtues and puts order and unity among them – be lived in the firm” (Argandoña, 2011, p. 80)

Besides the problem of the «scope», there is an even bigger problem of how to «measure» the quality of the spiritual layer? But if we expect managers to do it and to do it in the right way, we have to give them a tool to plan and check their «performance» in this layer, too. Measuring means to be able to ask questions which can be clearly answered. Based on the answers (and their weights) a final outcome can be derived. Thus to be able to put together such a questionnaire one needs to identify, collect, prioritize the key elements of the layer and define the most important «driver» of it. Since our approach is based on the Catholic Social Teaching, therefore the identified spirituality aspects are primarily the ones defined in the CST.

As shown in Chapter one, 1.2, these principles can be and are listed differently, I showed different lists consisting items between 2 and 11. Since all the lists include the two of the shortest (and most authentic, since it came from the Vatican’s *Iustitia et Pax* organization) version, it is enough to concentrate on those ones, since obviously the list could be reduced to two, because the rest are consequences of these. Not surprisingly human dignity comes first, even in this very short list, showing its overriding importance. Common good comes second, as the other major principle of the CST. While not questioning the importance of the common good, in my logic even this one can be derived from human dignity. The logic-line from human dignity to the common good goes as follows: since all men have human dignity because all the people are created in the image of God, thus we are all equal and are supposed to create unity among ourselves – as God is a unity with three persons. In this set-up the prime goal is the interest and involvement of the unity, which in practical terms means, that instead of «fights» between interests of individuals, we should focus on the common good of the unity, which includes (at least potentially) everybody, and each and every person gains on it

(everybody's integral development gets supported) Therefore human dignity is not just one of many principles, not even one of the two principles, but the most important principle of CST, as the origin and trigger for the other ones, too.

If human dignity is the prime and cardinal driving force for the CST-driven spiritual layer, then the «quality» of human dignity has to be assured by a human dignity related measure. Let us check, what kind of managerial tools and measures exist, which at least partially include human dignity.

3.4 Available Checklists and Measuring Systems which Include Aspects of Human Dignity

In order to derive a human dignity focused management tool, let us first look at what exists today. Interestingly, while human dignity is such a cornerstone in philosophy, theology, politics, and sociology, and while there are so many different standards, measuring systems and especially checklist-type guidelines in management, “human dignity” is never in the focus, as an exclusive target to measure. In many cases it appears indirectly (the dimensions which are related to human dignity as well got mentioned mostly without a dedication or focus on dignity itself), or just as a side effect, among others.

No wonder, since, as W. Picard from MIT writes:

“human dignity is a dangerous thing to measure. The worth of humans has been scaled by the color of their skin; elevated according to education, beauty, and notoriety, aggrandized in excessive compensation packages for CEO's, inflated by populist appeal of athletic and acting ability, discounted in the twilight years of adulthood, insulted in slavery, ignored in the Holocaust, and declared irrelevant in abortion. Less worth or desirability is attributed to those who are average or below average, those who

172 Human Dignity in Managing Employees

occupy positions of unassuming service, those who are infirm or weak, those who have suffered loss of their abilities from a tragic accident, those who are terminally ill, those who are not self-sufficient, and even those who are none of the above, but who are merely unwanted or unappreciated by someone arrogant or powerful.

If we look closely, we find something else very unsatisfactory about human measures of worth: they mark each and every one of us as having less worth at some point in life.

Another problem is that human measures of dignity depend on viewpoint. The woman with an unwanted pregnancy might deny any worth of the developing human in her womb, while a couple who has tried for a decade to have a child might give everything for the privilege of raising that same fetus. Human measures of worth depend on who is doing the measuring. The problem does not go away at birth. Hitler measured Jewish worth as nil, even declaring Jews as not human, while Jews and Gentiles of conscience recognized that the value of each Jewish life was (and is) inestimable. The hideous evil of Hitler's measuring stick is clear today, and yet attempts to measure human dignity reappear with each generation.” (Picard, 1998, p.1)

One of the indirectly related aspects is accountability. Originally much more related to responsibility, by 2002 the OECD defined it as:

“A key concept in modern management theory and practice. It means that managers are held responsible for carrying out a defined set of duties or tasks, and for conforming with rules and standards applicable to their posts.” (stats.oecd, n.d., <https://stats.oecd.org/glossary/detail.asp?ID=4757>)

By now (2017) its meaning got extended, so even “ethics” shows up:

“Accountable employees help to increase performance of business as a whole and to maintain a positive company culture, vision, and ethics.” (Boundless, 2016)

The extension in management theory and practice shifted towards two key issues: sustainability and stakeholder approach. Even standards were developed and implemented recently, out of which at least one is close, but indirect relationship with human dignity:

“AccountAbility's AA1000 series are principles-based standards to help organisations become more accountable, responsible and sustainable. They address issues affecting governance, business models and organizational strategy, as well as providing operational guidance on sustainability assurance and stakeholder engagement.

The AA1000 Series of Standards:

The AA1000 AccountAbility Principles Standard (AA1000APS) provides a framework for an organisation to identify, prioritise and respond to its sustainability challenges.

The AA1000 Assurance Standard (AA1000AS) provides a methodology for assurance practitioners to evaluate the nature and extent to which an organisation adheres to the AccountAbility Principles.

The AA1000 Stakeholder Engagement Standard (AA1000SES) provides a framework to help organisations ensure stakeholder engagement processes are purpose driven, robust and deliver results.” (accountability.org)

For example, the last one, - which is related to stakeholder engagement – can be (in)directly linked to human dignity. It is noticeable that

174 *Human Dignity in Managing Employees*

“The AA1000 Series of Standards have an independent governance structure designed to provide broad stakeholder representation from the public and private sectors, civil society and the standards community.” (accountability.org)

Another approach, with significant overlap in a broad sense is related to ethics – and tries to transform ethical aspects creating social value into financial terms.

“The model that we will explain is based on the work of the group *ECRI—Ethics in Finance and Governance*, developed by the University of the Basque Country and Deusto Business School. This model tries to economically value the social value generated by the organization in an objective, systematic and comparable manner. Its theoretical background is based on the stakeholder theory, identifying and measuring the net value generated by the firm in all of its interactions with stakeholders. The quantification of social value will be carried out in five steps.” (Aguado et al., 2015, p. 51)

This is again a stakeholder approach – and respecting stakeholders, searching for ethics, creating social value is in some (though rather indirect) relation with human dignity.

Leadership is another buzzword, from where we can try to approach our topic, in the hope that if not management in general, at least leadership would include dignity. To our surprise, this is not the case, human dignity does not show up as a focal point.

“Clark, Clark, and Campbell (1992) have provided abundant evidence that leadership characteristics can be measured and studied scientifically. The Campbell Leadership Index, Javidan's quantitative study of the profile of effective leadership, and Quast and Hazucha's research on leaders' Management Skills and their

Team Success Profile are some of the notable examples (Campbell, 1991, 1992; Javidan, 1992; Quast and Hazucha, 1992).

Freeman, Knott, and Schwartz (1996) list about 80 inventories and questionnaires that measure leadership and different aspects of leadership behavior, ranging from leadership styles to leadership practices.

(...)

The well-known Campbell Leadership Index (Campbell, 1991) is a 100-item adjective checklist. It is a self/other rating instrument; respondents are asked to indicate on a 6-point scale how accurately each adjective describes the leader. The leader's self-ratings are then contrasted with the observers' ratings. The scores can be grouped into 22 standardized scoring measures and five orientations of leadership (Leadership, Energy, Affability, Dependability, and Resilience)." (Page and Wong, 2000, p. 14)

We have to get even closer to human management theories and practice to explicitly find dignity among the top issues. Such phenomenon is the so-called "human factor" (HF) as introduced by Adjibolosoo (1994, p. 26). The HF term

"refers to a spectrum of personality characteristics and other dimensions of human performance that enable social, economic, and political institutions to function, and remain functional overtime. Such dimensions sustain the workings and application of the rule of law, political harmony, disciplined labor force, just legal systems, respect for human dignity and the sanctity of life, social welfare, and so on." (Page and Wong, 2000, p. 1)

This is how we arrive at the "management school" of "servant-leadership". Since this term is very important from my research point of

176 Human Dignity in Managing Employees

view, I start with the definition of it, quoting the Center for Servant-leadership:

“Servant-leadership is a philosophy and set of practices that enriches the lives of individuals, builds better organizations and ultimately creates a more just and caring world.” (greenleaf.org, n.d.)

If it is set of practices, those who follow this philosophy and its implementation should share typical characteristics. Here it is:

“Batten (1998, p. 39) prepared a list of the characteristics of servant-leaders. His list includes goal-orientation, knowing how to lead a significant life based on "faith, hope, love and gratitude," integrity, team work, enriching the lives of others, understanding and respecting others, having grace and forgiveness for others, and being tough-minded. Batten emphasizes the importance of forgiving and leading with passion.” (Page and Wong, 2000, p. 17)

Interestingly while it seems to be a burden on the manager, with self-sacrifice, in reality it has an absolutely positive reaction towards the manager's own life:

“The more we serve and build others, the better our own lives become. Three of the most key and crucial ingredients involved in passionate serving are caring, sharing, and forgiving” (Batten, 1998, p. 38).

However,

“passion is a powerful stuff and must be used by pivotal leaders in a disciplined, focused, and mentally tough way. The real servant-leader of tomorrow is, above all, a thinker who acts with passion.” (Batten, 1998, p. 39)

Being some kind of extreme is relatively easy. To keep a balance is a real art – this is true also in case of for practicing servant-leadership. As Batten proposes:

“servant-leaders dare to love and care passionately but they are also "flexible, pliant, lasting, durable, high quality, difficult to break—expanding and strengthening with experience. The tough-minded personality has an infinite capacity for growth and change. Toughness and hardness are totally different.” (Batten, 1998, p. 40)

His depiction of servant-leaders as being tough-minded but tender-hearted is similar to our dual emphasis on leading and caring.

Parallel to it

“Bottum and Lenz (1998) have listed the guiding principles for business based on the Beatitudes. Their list includes the following: (1) self-transcendence; (2) service-sensitivity to the needs of others; (3) commitment to values; (4) achievement, productivity; (5) nurturing the positive in people; (6) integrity; (7) team-building, peacemaking, (8) growth through adversity, endurance. The attribute of integrity includes "genuine, sincere, open, authentic, trusting and trustworthy" (Bottum and Lenz, 1998, p. 159).

In addition, Bottum and Lenz also list the skills needed for the development of servantleadership. These skills include "communication skills and empathetic listening, conflictresolution, problem solving, consensus decision making, and community building" (Bottum and Lenz, 1998, p. 164). “(Page and Wong, 2000, p. 17)

Servant-leadership has become more and more accepted, and through its humanistic approach the values on which it is based consist of human dignity, too, while still not yet in a fully declared way.

178 Human Dignity in Managing Employees

The effort for measurability was raised regarding servant-leadership, too. Just recently a system has been developed, which creates an institutionalized measuring system for servant-leadership. It starts with the process of classification that resulted in 12 distinct categories: Integrity, Humility, Servanthood, Caring for Others, Empowering Others, Developing Others, Visioning, Goalsetting, Leading, Modelling, Team-Building, and Shared Decision-Making. “Human dignity” does not show up directly in its framework, but the underlying value for those mentioned does, as it can be seen at:

“A Conceptual Framework for Measuring Servant-leadership

I. Character--Orientation Being- (What kind of person is the leader?)

Concerned with cultivating a servant's attitude, focusing on the leader's values, credibility and motive.

- Integrity
- Humility
- Servanthood

II. People-Oriented (Relating: How does the leader relate to others?)

Concerned with developing human resources, focusing on the leader's relationship with people and his/her commitment to develop others.

- Caring for others
- Empowering others
- Developing others

III. Task-Orientation (Doing: What does the leader do?)

Concerned with achieving productivity and success, focusing on the leader's tasks and skills necessary for success.

- Visioning
- Goal setting
- Leading

IV. Process-Orientation (Organizing: How does the leader impact organizational processes?)

Concerned with increasing the efficiency of the organization, focusing the leader's ability to model and develop a flexible, efficient and open system.

- Modelling
- Team building
- Shared decision-making” (Page and Wong, 2000, pp. 17–18)

When we go for declared dignity aspects, we may find a “checklist”, more as a self-reflection questionnaire, but with some transformation. Primarily by replacing «I» with «you», it can be leveraged for management, too. It reinforces, that everybody is worthy and has a right to think about his/herself and to be respected according to the beliefs below:

“I have every right to exist, to live, and to thrive. I am worthy of life. I accept myself.

All human beings, including me, are born free and equal in dignity and rights.

My life is important. I have a right and *responsibility* to live my life to its fullest potential. I have a right to be successful and hap-

180 Human Dignity in Managing Employees

py, to feel worthy and deserving, and to request and pursue my needs and wants.

I am autonomous; I am free to make my own decisions and choose my actions. I hold myself *responsible* for those decisions and actions.

I am competent to think for myself, face the basic challenges of life, and succeed at those challenges. I can trust my own mind and my own thoughts.

I *respect* myself, I respect you, and I deserve your *symmetrical* respect of me.

My life is mine to live, not yours to play with. I am not anyone's property or toy.

It is OK for me to have fun. *Play* is essential for development, learning, growth, creativity, and innovation.

I am lovable, admirable, and *powerful*.

My observations and *viewpoint* are valid. I see what I see and know what I know without requiring further validation. Similarly, your viewpoint is also valid.

I am free to *choose my own beliefs*.

I learn from my mistakes. I am better off *admitting* and correcting my mistakes than pretending they do not exist.

I have a right to express myself and I am responsible for what I say, when I say it, and how I say it.

I was born free of sin.

I have the right to resist unreasonable *trespass*.”
(emotionalcompetency, n.d.-b)

By simply looking at each and every employee with the above approach, we fulfil the general level human dignity at workplace and by using the above as a “checklist”, managers are able to “test” themselves – even if there is no measuring in it.

If measurability is the key issue, we can find something, which – at first glance – fulfils both requirements of declared human dignity and also measurability. This is the so-called «dignity index» approach. The problem is, that it was developed for society/country/politics, thus it cannot be directly used in management.

The human dignity index is a composite of two major subscales, one for measuring human rights deficits and the other for measuring inspiration of the human spirit. Overall it measures inspiration without indignity; expression without oppression. The scales are calculated as follows:

Human Dignity Index = Human Expression Index - Human Oppression Index. Or in shorthand: D-Scale = E-Scale - O-Scale = E-Scale + R-Scale -1000 The range is from +1000 to -1000.

Human Oppression Index =The complement of the Human Rights Index, calculated as 1000 - Human Rights Index. In shorthand: this O-Scale = 1000 - R-Scale.

Human Rights Index – Compliance with the UN Declaration of Human Rights measured on a scale from 0-1000 where 1000 represents full and effective compliance with the declaration. This is the R-Scale.

Human Expression Index – Inspiration of the Human Spirit: creativity, courage, curiosity, invention, transcendence, amazement, and awe. Measure the number of artists, inventors, comedians, adventurers, and explorers. Normalize to a scale of 1000. This is the E-Scale. (emotionalcompetency, n.d.-a)

182 Human Dignity in Managing Employees

The same problem is with another approach, which is based on human rights. Here again human dignity shows up explicitly (already in the first line!), there is a system which has been developed for measurability, however the checklist questions are only relevant for a country/political area, not for company/management environment. Thus its importance is limited, while it could serve as an origin for transdisciplinarity, - with significant adjustments, - this is why it is important to evaluate it when we come to the managerial tool on a company level later on. In this case the checklist consists of approximately 150 questions covering the 30 sections. Each of these are to be rated on a scale ranging from 1 = Strongly Disagree through 5 = Strongly Agree. This questionnaire is used to assess human rights throughout – theoretically of any organization – but as we will see from the questions, and the scope of the questionnaire it is written for countries and practically is not justified for business organizations. It is based on the text and principles of the United Nation's "Universal Declaration of Human Rights". The statements in blue assess the importance of the corresponding places on each human rights concept. This is how it goes:

“Completing the Questionnaire

Based on your knowledge of conditions as they now exist in your country, respond to each of the following items by choosing the number on the scale that best reflects your agreement or disagreement with each statement.

Section 1 - Declaration

- In my country all people are free and equal and are treated with respect and dignity.
- Everyone in my country is treated as a worthy human.
- People in my country feel worthy.
- I feel good about who I am.
- *All people deserve to be treated as free and equal.*

- *Dignity is inherent to all humans and deserves to be recognized unconditionally.*

Section 2 – Scope

- In my country equal rights are extended to people regardless of race, color, religion, social origin, or natural origin.
- In my country equal rights are extended to people regardless of their political opinions, property ownership status, birth circumstances, and language spoken.
- In my country equal rights are extended to all adult women.
- In my country equal rights are extended to people of all sexual orientations.
- We all have equal rights.
- *Everyone in our country deserves equal rights.*

Section 3 - Security

- Include careful a definition of LIBERTY here
- People in my country feel safe.
- Liberty is guaranteed for everyone in my country.
- I feel safe.
- *Safety and security is important for all of us.*
- *All of us deserve liberty.*

Section 4 - Slavery

- Include careful definitions of SLAVERY, SERVITUDE, and SLAVE TRADE here.
- Slavery does not exist in my country.
- Servitude does not exist in my country in any form.
- Slave trade does not exist in my country.
- No one is a slave.
- *Slavery is unjust.*

Section 5 - Torture

- Include careful a definition of TORTURE here
- No one is subjected to torture in my country.
- No one is subjected to cruel, inhuman, or degrading treatment or punishment in my country.
- *No one deserves to be tortured.*
- *Torture cannot be justified.*

Section 6 - Legal Recognition

- The laws of my country apply to me.
- I am recognized by the laws of my country.
- *Everyone deserves to be recognized under the laws of my country.*

Section 7 - Equal Protection

- Everyone in my country is protected equally by the law.
- In my country the law does not discriminate against anyone.
- *Everyone deserves equal protection under the law.*

Section 8 - Effective Remedies

- Include careful definitions of CONSTITUTION, LEGAL SYSTEM, and RIGHTS here
- Laws in my country uphold the rights granted by our constitution.
- The Legal System of my country provides effective remedies for people whose constitutional rights have been violated.
- Our laws protect all of us well.
- We have good legal recourse to compensate victims.
- *Victims deserve legal remedies to compensate for their suffering.*

Section 9 - Arbitrary Arrest

- Include careful definitions of ARREST, DETENTION, and EXILE here
- No one in my country is subjected to arbitrary arrest, detention, or exile.
- People are only arrested for good and sufficient cause.
- *It is wrong to arrest someone arbitrarily or without cause.*

Section 10 - Fair Hearing

- Include careful definitions of COURT, TRIBUNAL, ACCUSED, CRIME, and CHARGED here
- Anyone in my country charged with a crime can get a fair and public hearing by a court or tribunal.
- The court or tribunal is independent and impartial.
- The court or tribunal makes clear the rights and obligations of the accused.
- The court system is fair.

- *Every one deserves a full and fair hearing.*

Section 11 - Presumed Innocent

- Include careful definitions of PRESUMED INNOCENT and DEFENSE here
- In my country people charged with a crime are presumed innocent until proven guilty.
- Guilt can only be established after presenting a thorough defense at a fair trial.
- Guilt or innocence is determined based on the laws that were in effect at the time of the alleged offence, not retroactively based on laws passed or amended since that time.
- People are presumed innocent and given a fair trial.
- *Everyone deserves to be presumed innocent until proven guilty.*

Section 12 - Privacy Protections

- Include careful definitions of PRIVACY, FAMILY, CORRESPONDENCE, HONOR, REPUTATION, and ARBITRARY INTERFERENCE here
- In my country privacy, family, home, and correspondence are not arbitrarily interfered with.
- In my country a person's honor or reputation are not arbitrarily attacked.
- In my country the law protects us from arbitrary interference with privacy, family, correspondence, and attacks on honor and reputation.
- My privacy is well protected.
- I feel respected.
- *Everyone deserves to have their privacy protected.*

Section 13 - Freedom of Movement

- We can all move freely within the borders of our country
- We can live where we want to, anywhere within our country.
- We are free to leave our country and return to it as we wish.
- I am free to travel about the country and world as I please.
- *Everyone deserves to travel as they please.*

Section 14 - Asylum

- Include careful definitions of ASYLUM, PERSECUTION, and POLITICAL CRIMES here
- Anyone can seek asylum in my country to avoid persecution from another country.

- Anyone from our country can seek asylum from another country to avoid persecution.
- Asylum protection is only granted for political crimes or for attempts to uphold the purposes and principles of the United Nations.
- *Asylum protection is an important right.*

Section 15 - Rights of Nationality

- Include careful a definition of CITIZENSHIP here. Check that it is an accurate synonym for nationality.
- In my country everyone has the right to citizenship.
- In my country no one can be arbitrarily deprived of their citizenship.
- In my country everyone has the right to change citizenship.
- I am a citizen of my chosen country.
- *Everyone deserves to become a citizen.*

Section 16 - Marriage

- Include careful definitions of ADULT, MARRIAGE, and FAMILY here
- Adults in my country are free to marry, have children, and raise a family.
- In my country marriage results only from the free-will and full consent of both intending spouses.
- The State recognizes the importance of the family and provides adequate protection for family units.
- I am free to marry my chosen partner.
- I am free to raise a family.
- Family bonds are respected and protected.
- *All adults deserve to make their own free choice in marriage.*
- *Families deserve to be protected.*

Section 17 - Property Ownership

- Include careful a definition of PROPERTY here.
- Anyone in my country can own property privately or in association with others.
- In my country privately-owned property is never arbitrarily seized.
- *Property ownership is an important right for all.*

Section 18 - Religious Freedom

- Include careful definitions of THOUGHT, CONSCIENCE, BELIEF, and RELIGION here
- Everyone in my country is granted the freedoms of thought, conscience, and religion.
- Everyone in my country is free to choose their own religion and to practice it in worship, observance, and teaching.
- Religious observances and worship are free to be practiced in public or private, alone or in community.
- Everyone in my country is free to change their religion or beliefs.
- I am free to believe whatever I want.
- I am free to practice my chosen religion as I please.
- *It is important for all people to be able to practice the religion of their choice.*

Section 19 - Freedom of Expression

- Include careful definitions of MEDIA, STATE CENSORSHIP, and BOUNDARIES here
- Everyone in my country is free to form their own opinions and to express their thoughts, opinions, concerns, and questions publically and privately.
- Ideas can be freely expressed, without State censorship, through any media, and distributed across any boundaries.
- Opinions can be held and expressed without fear of reprisal.
- I am free to say or write whatever I want.
- *It is important for people to be able to express themselves freely in public and private.*

Section 20 - Rights of Assembly

- Include careful definitions of ASSOCIATE, ASSEMBLE, ASSOCIATION, and COMPELLED here
- In my country people are free to associate and to assemble peacefully into groups.
- No one in my country is compelled to join any association.
- I can meet with whomever I please.
- *People deserve to meet with whomever they choose.*

Section 21 - Government by the People

- Include careful definitions of FREELY-CHOSEN, REPRESENTA-

TIVE, PUBLIC SERVICES, and SUFFRAGE here

- Everyone in my country is free to participate in government, directly or through their freely-chosen representative.
- Everyone has equal access to public services.
- The will of the people create Government's only authority.
- The will of the people is expressed in genuine elections, with universal and equal suffrage, and secret ballot.
- The government does a good job of representing me.
- It is important for government to represent the people.
- It is important for government to serve the people.
- Section 22 - Economic, Social, and Cultural Security
- Include careful definitions of CULTURAL NEEDS, SOCIAL NEEDS, and DEVELOP PERSONALITIES here
- Everyone in my country has adequate fresh air, clean water, nutritious food, protective shelter, and sanitary waste disposal.
- In my country, everyone's cultural needs are met.
- In my country, everyone's social needs are met.
- People in my country feel respected and are free and able to develop their own personalities.
- People don't go hungry.
- People care about me.
- I feel loved.
- I belong to a community.
- Wealth is distributed fairly.
- Each of us gets enough before anyone gets too much.
- *Everyone deserves to have their basic needs met.*

Section 23 - Rights to Work

- Include careful definitions of EMPLOYMENT, SUITABLE WORKING CONDITIONS, EQUAL PAY, EQUAL WORK, LIVING WAGE, and TRADE UNION here
- Everyone in my country has the right to employment that provides suitable safe working conditions.
- Everyone in my country has free choice of employment opportunities.
- Throughout my country equal pay is provided for equal work, without any regard to discrimination.
- Every working person in my country is able to earn a living wage.
- Everyone in my country is free to form or join a trade union to

protect their interests.

- I am free to seek any job I feel qualified for.
- People who want to work are able to find work.
- Working conditions are safe and humane.
- *It is important that everyone be able to find employment.*
- Section 24 - Leisure
- People in my country are able to get adequate rest and leisure away from work.
- People employed in my country have reasonable paid vacations and holidays.
- I get enough rest and relaxation.
- *Everyone deserves adequate rest.*

Section 25 - Adequate Standard of Living

- Include careful definitions of STANDARD OF LIVING, WELLBEING, SOCIAL SERVICES, and SOCIAL PROTECTIONS here
- Everyone in my country has a standard of living adequate for health and wellbeing.
- We have adequate water, food, clothing, housing, and medical care.
- We have needed social services, and can obtain needed assistance in case of unemployment, sickness, disability, death of our spouse, old age or other lack of livelihood due to unavoidable circumstances.
- Social protections extend to all children, whether born in or out of wedlock.
- Everyone in my country has the things we need to live.
- *Everyone deserves suitable living conditions.*

Section 26 - Education

- Include careful definitions of EDUCATION, ELEMENTARY SCHOOL, TECHNICAL AND PROFESSIONAL EDUCATION, and HIGHER EDUCATION here
- Education is available to everyone in my country.
- Elementary school education is provided free of charge to all children in my country.
- Elementary school education is mandatory for all the children in my country.
- Technical and professional education is generally available and equally accessible to the people in my country.
- Higher education is equally accessible on the basis of merit.

190 Human Dignity in Managing Employees

- Education programs address the full development of human personality. They strengthen respect for human rights and fundamental freedoms.
- Education programs promote understanding, tolerance and friendship among all nations, racial or religious groups, and further the peace-related activities of the United Nations.
- Parents are able to choose the kind of education provided to their children.
- The people of my country are well educated.
- *Education for all is important.*

Section 27 - Cultural Participation

- Include careful definitions of CULTURAL ACTIVITIES, ARTS, SCIENTIFIC ADVANCEMENTS, and INTELLECTUAL PROPERTY RIGHTS here
- Everyone in my country is free to participate in cultural activities.
- Everyone in my country is free to enjoy the arts.
- Everyone in my country is free to share in scientific advancements and its benefits.
- Everyone has the right to receive credit for and benefit from any scientific, literary, or artistic production they create.
- My country has a vibrant culture.
- Many types of artists create works in my country.
- The people of my country study science and benefit from its advancements.
- The people of my country work to advance science.
- Creative people are acknowledged for their work and intellectual property rights are protected by fair copyright laws.
- *Everyone deserves to participate in cultural and scientific activities.*

Section 28 - Social Order

- Include careful definitions of ORDER, STABILITY, and HUMAN RIGHTS here
- Daily life in my country is orderly and stable.
- The stability of life in my country contributes to preserving human rights.
- Life in my country is peaceful.
- *We deserve to live in stable and orderly places.*

Section 29 - Free and Full Development

- Include careful definitions of COMMUNITY ACTIVITIES and FREEDOM here
- The people in my country are free to participate in community activities.
- My freedom ends only where another's freedom begins.
- Freedoms are not exercised contrary to the purposes of the United Nations.
- We exercise our freedoms fully and responsibly while respecting the rights of others.
- *Personal freedoms are important.*

Section 30 - Preserving Human Rights

- Include a careful definition of HUMAN RIGHTS here
- Human rights for every person are protected throughout my country.
- *Everyone deserves to have their human rights protected.”*

(emotionalcompetency, n.d.-a)

The question immediately arises, whether and how it could be transformed into management? The answer will be seen in Chapter three, 4.6.

As we saw, despite its importance, there is a vacuum, in case we want a real measuring system for human dignity. It does not mean, human dignity was not analyzed in this environment, however only in general and not as a managerial tool. The most developed catalogue of human dignity elements has been developed by Nussbaum and include:

“1) life, 2) bodily health, 3)bodily integrity, 4) the full engagement of senses, imagination and thought,5) the ability to express emotions, 6) the ability to use practical reason, 7) the ability to affiliate with others, 8) being able to live with concern for and in relation to animals plants and the world of nature, 9) the ability to engage in play, and 10) the ability to exercise control over one’s environment: political and material.”(As cited in Varey and Pirson, 2013, p. 4)

192 *Human Dignity in Managing Employees*

The following elaboration shows what strange questions can arise without explicitly discussing human dignity in our lives:

“Computer vs. child. Might not the computer be a safer bet to have greater worth? Might its handicaps not be more easily fixed, and less burdensome on the parents? If it failed the parents in some way, then it could be exchanged for a new model.” (Picard, 1998, p.2)

Or – and coming back to management – if we look at this problem from the opposite angle, asking what the opposite behavior of human dignity is, and what damage can be caused by it? Both from our private life as well as from our professional experience we all know, that

“Depriving a person of their dignity is a very serious assault and it can unleash powerful passions of *anger*, *vengeance* and vindictiveness in the victim. *Humiliation* and *shame* fuel *violence*. Insults are very dangerous.” (emotionalcompetency, n.d.-b)

The answer is outlined in the book (*The No Asshole Rule*) by Robert I. Sutton (2007) how to calculate how much «assholes» the organization costs, largely as a result of the humiliation they stimulate. He labels this “TCA” for the “Total Cost of Assholes” who include bullies, creeps, jerks, tyrants, tormentors, despots, backstabbers, and egomaniacs.

As a summary we can state, that human dignity has become an often used term, by now not only in theology and philosophy, but in politics and management, too. Still more as a hidden driver, rather than an explicitly stated key attribute for organizations, which therefore should be checked, measured, compared. Thus instead of explicit expressions of forms we have to search for «investigate-style» management types and related corporate cultures to «catch» this term in the daily life, finally in order to be able to derive a system primarily looking through the glasses of human dignity when evaluating management methods and tools.

3.5 Implementation of Human Dignity in the Daily Management

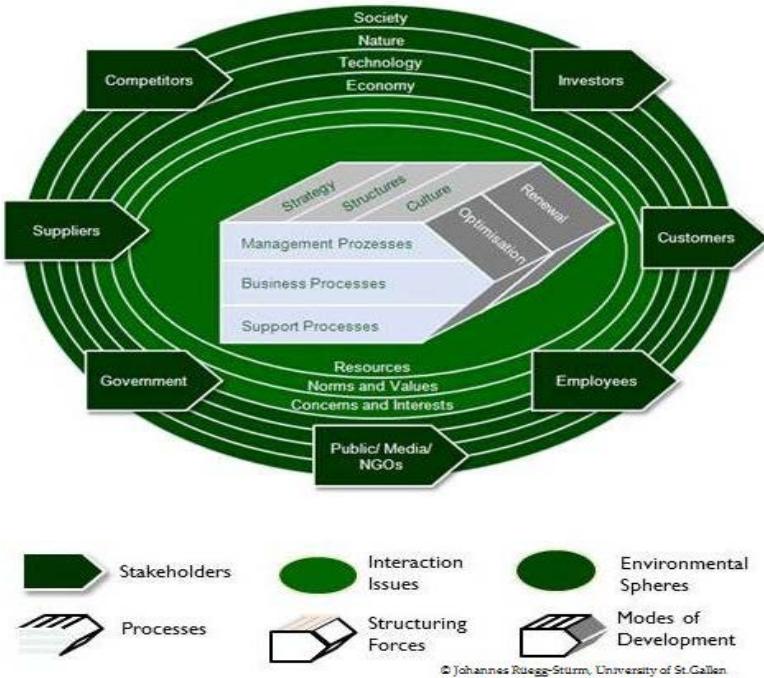
3.5.1 Humanistic Value Set Systems and Corporate Cultures

In the recent decades the desire for holistic approaches are growing. More and more academic people and practitioners realized that getting lost in small issues is a danger for better performance in all aspects. This is true for management as well.

The most relevant, sophisticated and holistic approach is the so-called “St. Gallen management model (SGMM)”. The first version of that management framework was developed in the 1960s at the University St.Gallen and first published by Hans Ulrich and Walter Krieg in 1972. The model supports managers in thinking holistically and in doing a completion check in the field of strategic management. In addition to that, the model allows enough flexibility to implement further methods and solutions. Revised by Rüegg-Stürm (2002), the model was published thirty years later by the University of St. Gallen in 2002 as “The New St. Gallen Management Model”, as it is shown in Figure 18 (on the next page).

As we can see it really integrates the different best practices of management: in the center there are the processes, impacted by strategy, structures and culture and split according to optimizing existing systems or aiming renewal. This 3D integrated system is embedded into the circles of interaction types and environmental spheres. All the stakeholders are included, thus the picture is really holistic.

Figure 18, The New St. Gallen Management-Modell (Source: University of St. Gallen, Rüegg-Stürm, 2002)

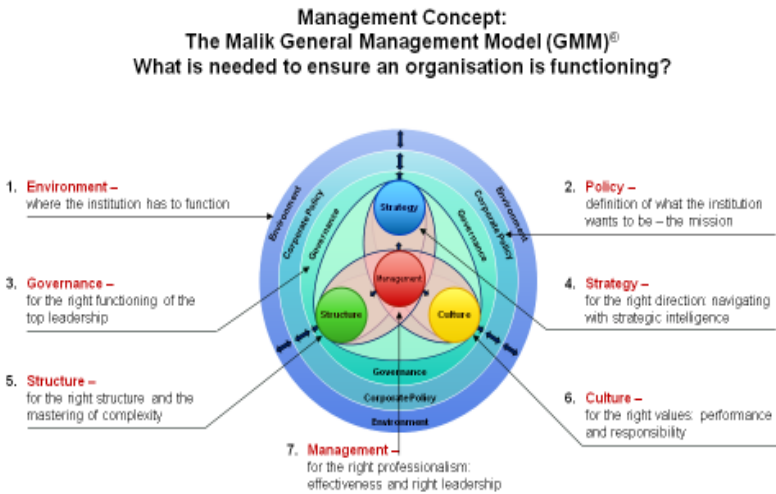


However, I still miss something very important: spirituality. The lack of spiritual aspect makes the whole approach very materialistic and as a result non-human. I suppose the authors would either argue, that spirituality is indirectly represented through “values” (among interaction issues), or by saying that spirituality is not part of management. In both cases the importance and impact of spirituality gets downgraded, even neglected. Instead I think spirituality should be shown as a rectangular framework of the above circles, showing that it is the basis and all the rest (the circles and the central part) have to grow out of this.

Out of the above approach a spin-off training and consulting company, Malik Management Zentrum St.Gallen (MZSG) systematically developed a holistic management model. The core of it is the so-called

“Malik triangle”, as shown in Figure 19, below. Comparing the «triangle» with the “new St. Gallen management model” of Rüegg-Stürm (2002) we can see, that Prof. Fedmund Malik – the founding owner and general manager of MZSG – was brave enough to put the three aspects – strategy, structure, and culture – completely in the center, as the prime responsibility of the management.

Figure 19, Malik Management Concept (Source: Malik, 2015, slide 13)



As we see, this non-mainstream, however widely used approach states, that besides the “material” elements (called structure) and a clear strategy the third most important element for professional functioning is “culture”. In the “realistic” world even the fact that culture got “upgraded” and positioned centrally and equally to the mainstream management view of the heavyweight strategy and structure is a paradigm shift. Especially since he declares, that the three of them have to be harmonized, none of them alone, or not even two of them together are enough for good management. It became a quantum leap in management to upgrade culture to such a high and important position. In case – and this is our case – we think about culture in a broad sense, than it includes not just

196 Human Dignity in Managing Employees

such “soft” issues, like values, trust, and responsibility, but beliefs and spirituality, too. Spirituality in the “new” understanding, which means there is a focus on spiritual things and the spiritual world instead of physical/earthly things. And even more spirituality with its traditional scope of possessing the Holy Spirit of God as a result of receiving salvation through Jesus Christ. This approach has real impact on a person – even (or especially) if in a leading position.

Thus, while still not yet speaking explicitly about spirituality and/or dignity, at least through the enforcement and re-positioning of values the underlying approach gains weight.

This is already a step away from the current mainstream organizational theory, which is largely informed by economics, drawn substantively from neoclassical theories of human beings (Ghoshal, 2005). Accordingly, humans are materialistic utility maximizers that value individual benefit over group and societal benefit. A ‘homo economicus’ engages with others only in a transactional manner to fulfil his or her stable and predictable interests. He/she is amoral, values short term gratification and often acts opportunistically to further personal gain. Business strategy and organizational design are largely based on these limited and limiting assumptions and, in turn, are blamed for creating negative externalities.

“In contrast to economism, however, humanism assumes that human nature is not entirely a given, that it can be refined, through education and learning. In addition, the ethical component remains a cornerstone in humanism in that it attributes unalienable rights to everybody, independent from ethnicity, nationality, social status or gender” (Pirson and Lawrence, 2010, as cited in Pirson, 2013, p. 4)

“Humanism addresses everybody and is universal in its outreach. A humanistic perspective is rooted in philosophical works from

Aristotle via Kant to the present as e.g. evidenced in the writings of Amartya Sen and Martha Nussbaum and reflected in the work of pioneers of management scholarship such as Mary Parker Follett, Elton Mayo, Frederick Hertzberg, Abraham Maslow or Peter Drucker. The humanistic management traditions can currently be found in such approaches as positive psychology, positive organizational behavior, positive scholarship or simply business ethics. They share the implicit endorsement of human dignity and the focus on human development (flourishing) as objective.” (Pirson, 2013, p. 4)

In other words,

“humanistic management holds a new vision for business: serving the societies in which business operates, increasing their citizens’ quality of life (Melé, 2003a; Spitzcek et al., 2009), or: “Humanistic management fundamentally presents a new economic paradigm (Melé, 2009) as well as an alternative view of the firm (Fontrodona and Sison, 2006; Sison, 2007).” (Spitzcek, 2011, p. 51)

This is how we arrive at servant-leadership, which synthesizes the above humanistic and value-driven approaches.

“The modern notion of servant-leadership was invented by Robert K. Greenleaf, who has been hailed as the "grandfather" of the contemporary empowerment movement in management and business leadership. In the late 1960s and early 1970s, American university campuses were in a state of turmoil. It was an age of anti-authority and anti-establishment, when universities were unmercifully critical of all established leaders. As a consultant to businesses and universities on organizational management, Greenleaf was greatly troubled by crumbling institutions that were unable to heal themselves. As with many writers of this pe-

riod, Greenleaf feared that rebellious youth would become too absorbed in dissecting wrong and too consumed by their zeal for instant perfection to add anything of lasting value to society. He recognized that students needed to be given hope and proposed that a better world could be created by changing the leadership paradigm. Thus, he yearned for a future when "leaders will bend their efforts to serve with skill, understanding, and spirit, and that followers will be responsive only to able servants who would lead them"(Greenleaf, 1977, p. 4). The new servant-leader had to be, a servant first and a leader second. The servant's motivation was [...] to make sure that other people's highest priority needs are being served" (Greenleaf, 1977, p. 13).

Since the publication of Greenleaf's seminal work entitled: *Servant-leadership: A Journey into the Nature of Legitimate Power and Greatness* in 1977, numerous authors have sought to explain and extend the paradigm of servant-leadership (Greenslade, 1984; Habecker, 1990; Hildebrand, 1990; Miller, 1987; Pollard, 1996; Sims, 1997; William, 1996). The concept of servant-leadership gained credence with the publication of *Leadership in a New Era: Visionary Approaches to the Biggest Crisis of Our Time* which brought together essays by 22 leadership experts, including a seminal essay by Larry C. Spears on "Servant-Leadership: Toward a New Era of Caring."(Spears, 1994). In 1996 the Drucker Foundation published the "Leader of the Future" with essays by Charles Handy, Ken Blanchard and C. William Pollard embracing servant-leadership and with most of the other 29 essayists recognizing its value for leaders for the future (Hesselbein, Goldsmith, and Beckhard, 1996).

When it comes to setting and maintaining the vision for the organization, the pyramid must have the designated leader at the top. Input into the vision, mission, and the organization's goals and values, however, must be sought from others in the organization, who must come to own

them. Once this has been accomplished, the pyramid reverses. As Ken Blanchard has pointed out concerning the leader of the future:

“When you turn the pyramid upside down [...] the people become responsible, and the job of management is to be responsive to them. [...] If you work for your people, your purpose as a leader is to help them accomplish their goals” (Blanchard, 1996, p. 85)

As a summary I would define the servant-leader as a leader whose primary purpose for leading is to serve others by investing in their development and well-being (we could even use the term human dignity) for the benefit of accomplishing tasks and goals for the common good. Being just a service-oriented person, in the traditional notion of servant hood, does not qualify one as a servant-leader. Arlene Hall (1991, p. 14) has observed that “Doing menial chores does not necessarily indicate a servant-leader. Instead a servant-leader is one who invests himself or herself in enabling others, in helping them be and do their best.” In addition, servant-leadership should not be equated with self-serving motives to please people or to satisfy one's need for acceptance and approval. At the very heart of servant-leadership there is the genuine desire to serve others for the common good. In servant-leadership, self-interest gives way to collective human development.

Servant-leadership must not be seen as a model for weak leaders or “losers”. When the going gets tough or when difficult decisions have to be made, as is inevitable in all leadership situations, the servant-leader must be just as tough-minded and resilient as other kinds of leaders.

What distinguishes servant-leaders from others is not the quality of the decisions they make, but how they exercise their responsibility and whom they consult in reaching these decisions.

Servant-leadership is an attitude toward the responsibilities of leadership as much as it is a style of leadership. It is most often presented

200 Human Dignity in Managing Employees

and understood in juxtaposition to autocratic or hierarchical styles of leadership. Servant-leadership takes into account the fact that traditional forms of leadership are inadequate for motivating today's people to follow.

The alternative approach becomes absolutely clear in case we compare this servant-leadership notion with the traditional command-leadership attributes:

Figure 20. The Comparison of Command-Leadership and Servant-Leadership (Page and Wong (2000), Table 5.1)

Table 5.1
The Contrast between Command-Leadership and Servant-Leadership

Command-Leadership	Servant-Leadership
A leader's objective is to be served.	A leader's objective is to serve others.
Interested primarily in the leader's image and advancement. Self-preservation and personal image is at the forefront of most decisions.	Seeks to enable subordinates to advance to their fullest potential by downplaying self and exalting others. The team or enterprise and all its members are considered and promoted before self.
Entitlement of the position is more important than its responsibilities.	Responsibilities are more important than perks of positional entitlement
Co-workers are seen and treated as inferiors and not usually invited to participate in decision-making or offered important information.	Co-workers are treated with respect as part of a team who work together to accomplish a task and make decisions with shared information.
Easily accessible to only closest lieutenants.	Often seen interacting with others and maintains an open door atmosphere.
Creates an atmosphere of dependence using power of position to influence.	Creates an atmosphere in which others see their potential being encouraged and developed and power is used to serve others.
Wants others to first listen to the leader.	Wants to listen to people before making a decision.
Seeks first to be understood rather than to understand.	Seeks first to understand then be understood
Condemns others for mistakes and reluctantly accepts responsibility as a sign of weakness.	Values individual workers and learns from mistakes while offering praise to others.
Rejects constructive criticism and takes the credit for accomplishments.	Encourages input and feedback and shares credit for the results. Process is as important as accomplishments.

Does not train others to function effectively.	Equips and invests in others with a view to their advancement.
Followership is based on personality.	Followership is based on character.
Expediency is the main criteria in making decisions in secret.	Principles are the main criteria for making openly arrived at decisions.
Uses intimidation to silence critics. Defensive in nature.	Welcomes open discussion on improvement. Openness to learning from anyone.
Wins support for ideas through deception, power plays or manipulation. People respond out of fear.	Wins support for ideas through logic and persuasion. People respond out of respect and a sense of it being right.
Promote those who follow without questioning or are pliable.	Promote those who demonstrate in contributing to success.
Authority is based on external controls in the form of rules, restrictions, and regulations maintained by force.	Authority is based on influence from within through encouragement, inspiration, motivation and persuasion.
Accountable only to superiors. Shuns personal evaluations as interference.	Accountable to the entire organization. Welcomes personal evaluations as a means to improve performance.
Clings to power and position.	Are willing to step aside for someone more qualified.
Little interest in developing competent successors.	Leadership development is a high priority in serving others.

In the servant-leadership corporate culture both the function of the leader as well as the ultimate goal of the venture is more complex. In this new organizational structure, the leader becomes the soft glue that holds the organization together as a virtual community working together. “The glue”, points out organizational guru, Charles Handy (1996, pp. 7-8), “is made up of a sense of common identity, linked to a common purpose and fed by an infectious energy and urgency.”

That is the task for a leader who is taking his or her institution into the 21st century.

In servant-leadership there is no such thing as «just a groundskeeper» or «just a secretary». Everyone is part of a team working to the same end in which people play different roles at different times, according to their expertise and assignment rather than their position or title. Servant-leaders do not stop with teamwork; they are also interested in community building beyond their organization. According to Bausch (1998),

202 Human Dignity in Managing Employees

listening is the first step in conveying purpose in building community, but the leaders must articulate a vision and pursue it in a way that resonates with the workers.

As for the extended goal-portfolio let me quote the best-seller author and successful training company founder, Stephen Covey, who emphasizes that there are other basic needs in addition to the profit motive:

“What about the need to develop and use talent, the mind? What about the need for meaning, for purpose, for contribution, for service, for adding value, for making a difference?” (Covey, 1998, p. 7)

Other best known management gurus, and bestseller authors, who shaped the thoughts of the last decade’s managers are e.g. Jim Collins and Jerry Porras, who in their book, *Built to Last* (1997), also point out the importance of meaning and purpose. An exceptional institution that lasts and grows is

“rooted in a set of core values, that exists for a purpose beyond just making money, and that stands the test of time by virtue of the ability to renew itself from within.” (Collins and Porras, 1997, p. xii)

Those who establish a culture (and the related daily implementation) of this alternative, humanistically extended mission for the ventures, together with their own special servant-leader type function are those who care for their employees well-being, through it they support personal development and fulfilment, thus really and consistently respect human dignity. In sum, the vision articulated by servant-leaders expands into the realm of meaning, purpose, and self-transcendence. This approach starts with evaluating the company’s core business, not just looking for where the profit is the highest, but to have activities which result

in “goods that are truly good and services that truly serve” (Goodpaster, 2011, p. 10)

Our focus however is within the company, towards its employees. Here again, the owners and managers may look for the shareholder value maximization only – only respecting those aspects of their employees, which are protected by law (or not even those, like in the case of child-work), thus viewing their *labour* as a cost to minimize, as tools, means (these days we would say: cheap *bio-robots*) for generating profit, without thinking about them as persons, and without thinking about themselves being responsible for their personal development.

How far from this is the approach of the Catholic Church, which declares – right at the beginning of – the encyclical letter “*Caritas in veritate*”, that “charity in truth [...] is the principal driving force behind the authentic development of every person and of all humanity”! (Benedict XVI. 2009 para. 1). And it is really the personal decision of the owners and top-managers (who determine the corporate culture), whether they only want to be “money-producing robot”-type managers misusing the “bio-robots” – or they see their power and competence as a great opportunity to realize an extraordinary vocation of their self as a human being.

“Integral human development is primarily a vocation, and therefore it involves a free assumption of responsibility in solidarity on the part of everyone.” (Benedict XVI. 2009 para. 11)

The greatest contribution for our human development (or the least) can be done at the workplace where we spend most of our time in our life (much more than with our family and community, jointly).

But how can we translate “integral human development” into “manager-language” and daily implementation? It was an evolutionary process in management theory and practice, just as it is in each manager, as a person.

204 Human Dignity in Managing Employees

It starts with the basic, physical needs and respects. While the law enforces right for safety, companies can do the “extra mile” by taking it even more seriously than the law-driven requirements.

Below is a role model example of a company (“Newmont”, USA), which takes this seriously, even or although in the mining industry. Please note the accountability commitment, by aiming to be the best in the industry (“lead industry in health and safety performance”) and by declaring clearly that “if a task cannot be done safely, it will not be done.” (newmont.com, n.d.):

Figure 21, Culture of Zero Harm at Newmont Corp. (Source: Newmont Corp. homepage)



“The following principles guide our health and safety performance:

- Our goal is to achieve a zero harm workplace.
- All injuries are preventable.
- If a task cannot be done safely, it will not be done.
- Working safely is a condition of employment.

- Everyone is accountable for his or her own safety and the safety of those around them.
- Everyone is expected to identify hazards and manage risks.
- Everyone must maintain the necessary skills to work safely.
- There are certain safety practices that, if breached, may lead to termination of employment.”

(newmont.com, n.d.)

Injury-free working environment is very important, however by far not the only issue for personal development. Looking at the specialized managerial literature about integral development we most often find the term wellbeing or/and wellness. (Even in the above – only health-safety related - picture the term appears: “Health & wellbeing”).

The most comprehensive and full wellbeing/wellness portfolio definition comes from the University of California. Not by chance, but because for that university wellness is part of its focus – both in research as well as in praxis. How strategically they view wellness can be seen by the declaration of the Chancellor on their webpage:

“UCR is committed to a campus culture that promotes wellness through healthy lifestyles that enhance the quality of life for our faculty, staff, and students. *Kim A. Wilcox, Chancellor*” (University of California, wellness.ucr.edu)

Their introduction to the compiled list fully supports my above statements:

“Wellness is much more than merely physical health, exercise or nutrition. It is the full integration of states of physical, mental, and spiritual well-being. The model used by our campus includes

206 Human Dignity in Managing Employees

social, emotional, spiritual, environmental, occupational, intellectual and physical wellness. Each of these seven dimensions act and interact in a way that contributes to our own quality of life.” (University of California, wellness.ucr.edu, n.d.)

And really, their list not only consists of “tangible” aspects, like health, but a holistic complexity of all kinds of wellness aspects, even regarding spiritual aspects and personal relations:

- “*Social Wellness* is the ability to relate to and connect with other people in our world. Our ability to establish and maintain positive relationships with family, friends and co-workers contributes to our Social Wellness.
- *Emotional Wellness* is the ability to understand ourselves and cope with the challenges life can bring. The ability to acknowledge and share feelings of anger, fear, sadness or stress; hope, love, joy and happiness in a productive manner contributes to our Emotional Wellness.
- *Spiritual Wellness* is the ability to establish peace and harmony in our lives. The ability to develop congruency between values and actions and to realize a common purpose that binds creation together contributes to our Spiritual Wellness.
- *Environmental Wellness* is the ability to recognize our own responsibility for the quality of the air, the water and the land that surrounds us. The ability to make a positive impact on the quality of our environment, be it our homes, our communities or our planet contributes to our Environmental Wellness.

- *Occupational Wellness* is the ability to get personal fulfillment from our jobs or our chosen career fields while still maintaining balance in our lives. Our desire to contribute in our careers to make a positive impact on the organizations we work in and to society as a whole leads to Occupational Wellness.
- *Intellectual Wellness* is the ability to open our minds to new ideas and experiences that can be applied to personal decisions, group interaction and community betterment. The desire to learn new concepts, improve skills and seek challenges in pursuit of lifelong learning contributes to our Intellectual Wellness.
- *Physical Wellness* is the ability to maintain a healthy quality of life that allows us to get through our daily activities without undue fatigue or physical stress. The ability to recognize that our behaviors have a significant impact on our wellness and adopting healthful habits (routine check-ups, a balanced diet, exercise, etc.) while avoiding destructive habits (tobacco, drugs, alcohol, etc.) will lead to optimal Physical Wellness.”

(University of California, wellness.ucr.edu, n.d.)

It can easily be agreed upon, that a company, which establishes a culture aiming to support its employees’ integral human development based on the above “wellness targets” really implements the notion of human dignity. The real question however remains still open: does a company (i.e. its owners and managers) really get committed to act so?

3.5.2 The Manager's View on the Employees

Whether we speak about human dignity in general, or about integral human development, or about related corporate culture, the ultimate question is always: how does the manager think about the employees?!

In management we got used to think in «resources» to be leveraged as «capital» for «value creation» (= even more capital). Specifically, we may speak about natural resources, financial resources – and last but not least about human resources. Using the same term for oil, money and human beings show the approach of looking at each of them as a source for making more money. These are all means for an end, which have nothing to do with those «human resources» who help the owners and managers to achieve their real end, which is profit and shareholder value maximization. In a typical business plan, we may read about the «labour costs» being competitive due to an attractive «labour market», about the «skill-set» of the workers as such, about the engineering or even innovation «competencies» of the well-educated so-called «white-collar» staff, about their «flexibility» for overwork, hiring-firing, and about the advantage of not having or having a weak trade-union. Much less (if at all) do we read about the local people's needs, cultural specialties to be respected, wish to learn, work, develop their overall wellbeing, – and our (the company's) potential contribution to it.

As a summary the two options are: looking at the potential and existing *employees as resources or as persons*. This is why Amartya Sen rejects the terminology of human *capital* or human *resources* (Sen 1985), and recommend to reconceptualize business around human *relations* and human *capabilities* (Boselie 2010). Human beings must hence never be accounted for as mere cost factors or labor suppliers, i.e., secondary factors in an economy geared to primarily quantitative goals. Rather they need to be regarded as the primary qualitative objective of business. Person = “endowed with self – consciousness and with moral

conscience, bearer of values and value in himself” as Sorgi formulated at *Costruire il sociale*, p. 35, as early as 1991.

In practical terms: reification versus recognition. Reification is not limited to particular national cultures, it is linked to specific cultures of production where work becomes disembedded from other cultural spheres. According to Honneth, such conditions would characterize contemporary market-oriented corporate culture

“if managers properly understood the relational standpoints implicit in their own practices, they would be led to recognize, and not reify, employees (Honneth 2009).” (As cited in Islam, 2012, p. 45)

Recognition on the other hand is a fundamental building block of workplace dignity, and a key element of cultural respect in the workplace.

With recognition we arrive at personal *relations*.

“The individualism of liberalism can only recognise relationships based on mutually convenient agreements or contracts, where trade-offs between competing objectives are made between people. ... Our relations are not just useful to achieving individual objectives, but, rather, the realisation of some good in common with others, through and in our relationships with them, *is* the objective. As persons, therefore, our relationships are part of who we are.” (Naughton et al., 2010)

In other words: “for the man to be means to be together with the other human beings. His existence is co-existence. He can never feel fulfilled or explain his own meaning if this is not shared, if it is not in relation with other human beings.” (Heschel, 1965, as cited in Argiolas, p.7)

210 Human Dignity in Managing Employees

While even the liberal approach thinks in cooperation, teams and team-work, even in this field there are differences, *companionship versus communion*:

“In order to distinguish communion from cultural homogenization, familism, corporatism, or simply from camaraderie, it must be free, plural, and universal:

- *Free*. Communion can in fact be inspired, nourished, and generated as the result of initiative taken now by one, now by another, but it cannot be imposed without suffering the loss of its meaning. Unity must be coupled with difference in order to truly lead to human development, which requires active and responsible participation.

- *Plural*. Communion is open to the diversity of the other, understood as the richness of the expressive multiplicity of humanity—and thus of the firm. Indeed, it is the result of a mutually converging movement among the actors in the relationship in which each one projects oneself towards others, and at the same time welcomes others in their diversity.

- *Universal*. Although characterized by a strong integration that aims to preserve and develop the communion itself, it does not take into account solely those who constitute and create it, but is open to the outside, so to speak, to those who can be directly or indirectly influenced by it.

Being and living in communion means actualizing a full and reciprocal participation in the life of the other. That means knowing and living in reciprocity, or exchanging gifts, as the essential dimension of a person’s existence.” (Argiolas 2017, p. 85)

But why at all to speak about and aim «community» in the –harsh – world of corporations? As Melé arguments:

“three types of sources support the idea that firm is and should be considered as a community:

1. managerial literature,
2. business ethics—mainly scholars within the Aristotelian tradition,
3. and Catholic Social Teaching.” (Melé, 2012, p. 92)

In order to create communion, the managers have to consciously work on it:

“operating for achieving Communion, it is possible to underline three different kinds of Drivers:

1. Pillars of Communion,
2. Instruments (or tools) of Communion, and
3. Aspects (or dimensions) of Communion.” (Argiolas, 2006, p. 8)

Since dignity is closely linked to “person” and the term person to communion, it is very important to understand its drivers in more details, so that managers are able to consciously «work» on it. As for the pillars,

“three elements can be considered: Dialogue, Trust, and Reciprocity.” (Argiolas, 2006, p. 8)

Here I would like to focus on just the latest, but very important one, reciprocity.

“Bruni specifies that, if reciprocity is one, many are the forms in which reciprocity can be implemented. He considers, in particular, three forms of it: a) “reciprocity without benevolence”; b) “reciprocity *philia*”; and c) “reciprocity *agápe*”. Argiolas clearly

212 *Human Dignity in Managing Employees*

states, that the three forms of reciprocity are ALL essential to be present in the business. “The first (reciprocity-without-benevolence) brings some «market dynamics» inside the firm and this ought to assure more freedom [...]

Reciprocity-*philia* reminds that inside the business the sole logic of contract is not sufficient. Contracts are by their own nature incomplete [...]

The reciprocity-*agápe* gives dignity and emphasis to gratuitousness and to the unconditionality of action, that, being animated by intrinsic motivation is not conditioned, as above stated, by anything extrinsic in its own origin, even if the effects of this kind of action are conditioned [...]

a full communion among persons within the business calls for activate also this form of reciprocity, just considering communion features (it is free, open, universal and oriented to human flourishing).” (Argiolas, 2006, pp. 10–11)

Communion building has not just pillars, but also instruments. Some of them are well-known and practiced, like «private talk», others are maybe known, but not typically practiced, like a pact (and not just communication) on corporate mission, and some are completely new for the current corporate world, like

“Anthropological Vision; The Communion of Experience; The Communion of Soul; The Moment of Truth” (Argiolas, 2006, p. 11)

Besides the three pillars and the above listed instruments, Argiolas also speaks about the *aspects* of communion, once it has been established. Here he speaks about seven aspects, which can really function together, similarly to the colors when a light beam passes into a prism

and gets refracted. The seven aspects, defined by Argiolas (2006, pp. 13-14) include:

Red: “not only to expand the enterprise and to have a return on capital, but also to help people who are experiencing economic difficulty (inside the business, and in the community at local and international level), and participating at programs for the development and spread of such a culture.”

Orange: “refers on the belief of such a background formulation is expressed also in the relations the firm achieves on the outside, keeping in mind that it gets in touch with other persons”

Yellow: “Such a business complies with the law and maintains ethical dealings with tax authorities, regulatory agencies, labor unions, and all such institutions”

Green: “this asks for working conditions suitable to the type of business, such as security, requisite ventilation, adequate lighting, acceptable noise levels, etc. It cannot be forgotten that workers express their personality also in other organizations. The Corporation cannot consider the worker as its own property, that means concretely that excessive hours and days of work should be avoided”

Blue: “fostering teamwork and personal development, as well as keep their surroundings as clean, orderly, and pleasant as possible”

Indigo: “managers have a great responsibility to create opportunities for continuous learning and updating to enable the individual to achieve personal and corporate objectives.”

Violet: “internal and external system of communication”, including Social Balance or Social Report.

214 *Human Dignity in Managing Employees*

The above aspects show and prove that to create, build and maintain a communion is a real challenging professional task, with related know-how requirements. Besides the internal interdependence and synergy among the aspects themselves, even outside the box, the

“conditions of communion, instruments and aspects are strictly interrelated. In fact, living aspects of communion without dialogue, trust and reciprocity, can create a simple organizational structure which might overwhelm the person.” (Argiolas, 2006, pp. 14)

When we speak about communion and unity, we – too often – mix up things, due to the temptation of simplifying the world.

“A danger exists within the common good tradition of seeking unity at the expense of diversity, solidarity at the expense of opposition, and community at the expense of individuality, all of which eventually undermine the common good” (Naughton et al., 1995, p. 233).

In this regard, as mentioned above, Argiolas (2017, p. 85) points out that “In order to distinguish communion from cultural homogenization, familism, corporatism, or simply from camaraderie, it must be free, plural, and universal”, specifying properly that «plural» means that “Communion is open to the diversity of the other, understood as the richness of the expressive multiplicity of humanity—and thus of the firm. Indeed, it is the result of a mutually converging movement among the actors in the relationship in which each one projects oneself towards others, and at the same time welcomes others in their diversity.” Furthermore, he states that

“the presence of the *other* in her diversity is a challenge we must all take seriously, either sooner or later, hence the importance of engaging an ontological intelligence that is able to interpret just

how much every *other* is necessary for us and we for them. This is a mutual necessity that is neither instrumental nor merely functional for the exclusive purpose of achieving a common goal; it is rather an ontological, existential necessity that is logically and fundamentally prior to all else.” (Argiolas 2017, pp. 72-73)

Maritain speaks of «industrial ownership» in terms of an

“association of persons (management-technicians, workers, investors) ...instead of an association of capital (Maritain, 1943b/2001, pp. 90–91). Accordingly, corporations are voluntary human societies or associations of persons in which the common good should be sought in accordance with natural law-based personal virtues and human rights.“ (Acevedo, 2012, p. 212)

Industrial ownership is practically another word for “stakeholder recognition”. And its most practical implementation and prove of existence is regarding wage/salary system:

“the criteria we use for deciding how to pay people arise from a combination of seeing them as “part” of the business and of seeing them as a “whole”, as an end in themselves. This second recognition is behind the idea of the “living” or “just” wage in various ethical reflections on work. “ (Naughton et al., 2010)

In more details:

“Catholic Social Teaching capably articulates responsibilities that reflect love, justice, and human rights. Beyond regarding workers as mere cogs in a mindless, faceless machine, managers need to respect the inherent human dignity of their firms’ workers. This respect is demonstrated by providing workers with, not only just, but also market-based pay that meets, at the very least, their basic necessities while enabling them to actively participate in the civic sphere (LEx, No. 19). Managers must also provide workers with

fair and decent working conditions that are free from occupational hazards and do not contribute to the long-term decline of their workers (LEx, No. 19). These conditions and standards are of course, determined by context, but may include time and workspace devoted to the spiritual needs of employees (Geh and Tan 2009, Vandenberghe 2011). Finally, managers should provide workers and their union representatives with opportunities to constructively discuss just compensation and meaningful working conditions that are consistent with subsidiarity and distributive justice (LEx, No. 20). It is the management's responsibility to provide employees with the necessary information for such discussions, assuming that the information would not fundamentally undermine the firm's competitive standing (Vaccaro and Sison 2011, pp. 22, 24)." (Carrascoso, 2014, pp. 317–318)

This is how we arrive at responsibility and subsidiarity. These are not opposites, not even alternatives, on the other hand not independent from each other in managerial context. How should they be linked? The answer comes from Handy:

"While it is true that when people bring their skills and knowledge into an organization they add to its "collective intelligence", this collective intelligence does not just happen of its own accord. To make subsidiarity work, Charles Handy argues,

"The holders of the responsibilities, the repositories of subsidiarity if you like, have to be educated up to their responsibilities. You can't, responsibly, give responsibility to incompetents. On the other hand, those people will remain incompetent unless they have the incentive of responsibility. It has to be a chicken and egg process, in steps and by degrees." (Handy, 1998, p. 239).

As a result, real responsibility includes the preparation for responsible delegation, resulting in responsible subsidiarity:

“When business leaders accept responsibility for developing employees, delegation becomes more than a tool for efficiency. It becomes a mini-classroom for both leaders and employees. They test performance with increasing levels of risk and trust: from carrying out orders to independent choices where the costs of failure are low, to consultation and feedback (early stages), to full participation with leaders in decision making (advanced stages), and finally to independent problem solving (full trust).” (Naughton et al., 2015, p. 34)

In such a system decision-making is not a mere “top-down” process in a command-and-control system. It consists of

1. information sharing (both top-down as well as bottom-up).
Already 30 years ago it was stated, that “A common feature of thinking patterns is that they guide information seeking and decision-making in organizations” (Weick, 1979, as cited in Spitzeck, 2011, p. 52) There is no communion without communication. “Communication gives knowledge of the whole and fosters a sense of belonging. Knowledge-sharing is a form and resource of social capital” (Rheingold 2002). “Human dignity requires that such communication is based on trust and relevant information and on trustworthiness. A moral and trustworthy communication builds a community (Etzioni 2001)”. (...) “In a community of persons, contractual agreements and the ethical requirement of honouring them are not eliminated, but relationships are not only contractual, and ethical requirements go beyond contractual duties. ” (Melé, 2012, p. 98)

2. in pre-deciding who's interests should drive the decisions (shareholder versus stakeholder approach). As Spitzeck formulates: "the criteria for inclusion and exclusion in decision-making, the ultimate decisionmaking criteria, to whose benefit decisions are made (cui bono) (Spitzeck, 2011, p. 52)
3. and how the decisions are made. In this respect "humanistic management gives responsible management a clear direction: to foster unconditional human dignity. This requires a continuous ethical reflection on management practices aiming for virtuous corporate decision-making." (Spitzeck, 2011, p. 51) We should however not think this is for making higher profits! "Studies examining the relationship between responsible and financial performance are inherently dangerous as they suggest that responsible behaviour can be expressed in financial terms." (Spitzeck, 2011, p. 58)

Subsidiarity also includes the right for challenges, with a mental support from the manager.

"The best bosses are committed to letting their workers work—whether on creative tasks such as inventing new products or on routine things such as assembling computers, making McDonald's burgers, or flying planes. They take pride in being human shields, absorbing or deflecting heat from inside and outside the company, doing all manner of boring and silly tasks, and battling idiots and slights that make life harder than necessary on their people." (Sutton, 2010, p. 106)

This leads us to the complexity of responsible opportunities a manager has to support and develop for the employees' human development, not just her proficiency and productivity.

3.5.3 Dignity at the Workplace

The time spent at work is a huge investment – both for the company as well as for the employee.

From a company point of view: “the employees might also be the biggest of our liabilities, but people are our biggest opportunity (Drucker P.F.)” (As cited in Argiolas, 2014, p. 44). Biggest liability meaning financial spending and biggest opportunity for value creation for the company. But the same can be said about the employee, paraphrasing the above statement like: «the time spent at work might be our biggest liability, but it can be our biggest opportunity». The biggest liability to spend time from our life and the biggest opportunity for personal human development.

In fact – according to a recent calculation by Thompson (2016), – employees spend 35% of the total waking hours at work when assuming 8 hours of sleep over a 50-year working-life period.

If the time and the cost of working is so important for both parties, why not use it for the most important priorities? What else could better serve the common good than getting support and motivation for our integral human development each and every day, in one third of our wake period? To respect our basically only really owned asset which is our time, and to leverage it as a human being should, it is not just an opportunity, but an obligation, too:

“Human dignity commands respect, which means that each person has the right—indeed the obligation—to pursue his vocation and his personal fulfillment as an image of God.” (Kennedy, Naughton, Habisch, 2011).

The real question however is: what is the top priority for the company – defined and realized by its owners and managers? If it is just to make higher financial results for the owners – the 1/3 of our life is required to victimize as an opportunity cost/loss. If, however we believe in

220 *Human Dignity in Managing Employees*

human dignity this 1/3 becomes a huge opportunity to develop ourselves and each other - while getting even paid for it.

When implementing this approach first of all employees should not be named 'human resources' or 'assets', because

“from a personalistic standpoint the ‘employees as assets’ or ‘human resources’ metaphor overlooks the intrinsic worth and dignity of employees as human persons. That their work is valuable does not imply that employees are assets. Assets are purchased, used, loaned, sold, recycled, exchanged, or depreciated, written down, or written off to signify their changing instrumental value. Were ‘employees’ to substitute ‘assets’ in that sentence, the result would spell slavery. Employees seen as ‘assets’ are actually conceived as mere means toward an end. An employee is a human person; an asset has, at most, instrumental value.”
(Acevedo, 2012, p. 214)

Instead I agree with Matthijs Bal and Simon B. de Jong to propose organizational democracy for the development of human dignity and argue for the redefinition of Human Resource Management into *Human Dignity Management*.

In case of such approach we need to explore the conditions under which treating work instrumentally diminishes human dignity, and in what ways instrumentality might be consistent with dignity. One of the key issues is the recognition-reification alternative.

“The recognition-theoretic perspective begins with the idea that human self-esteem and dignity are constituted intersubjectively through participation in forms of social life, including working life and political and social participation” (Honneth 1995a). By recognition, Honneth (2008a; Honneth and Margalit 2001) suggests a pre-cognitive affirmation of the social-affective bond between members of a society. In other words, before “cognizing”

the identities, traits and preferences of a person, we have to “recognize” their status as autonomous and agentic. Recognition, according to Honneth (2008a) underlies all forms of sociality, even those that, as we will see, he terms reifying. The latter, he claims, are pathologies of misrecognition, and involve “forgotten” or repressed recognition. Besides Honneth the other expert on this topic is Islam. As he summarizes the problem of reification: “the recognition theory and reification attempt an internal critique of work practices, trying to reconcile the experience of lack of dignity at work with expectations constitutive of the work role that such dignity be provided.” The problem already starts at the employment contracting: “Entering into a contract with an employee already presupposes the autonomy and basic dignity of both parties. By subsequently reifying employees, HRM “forgets” the implicit terms under which the employment contract is valid in the first place. The organization treats the employee as if they were mere instruments.” Once employed, the performance gets measured, monitored and documented. This is essential, however with the risk, that “As routinized measurements become dislocated from the lived human experiences from which they are drawn, recognition theory suggests they have harmful consequences for personal dignity. Diverse scholars have noted such effects; Sayer (2007), for example, points out that monitoring, because it frames actors solely as opportunistic economic actors, negatively affects their dignity. Lamont (2000) notes that worker dignity often results from the autonomy and trust an organization can show by not measuring worker output in economic terms.” (Islam, 2013, p. 6)

Instead a personal relationship is very important between the manager and the subordinate. This can even happen at bigger companies, as we see from a testimony:

“When I deal with people it must be with compassion and empathy. Empathy is deep connectivity. Compassion is “with passion.” I think if one displays passion for another person, you can do what needs to be done and you can do it with dignity. I think this is one of the most important spiritual behaviours of a leader. You are living the experience, there is no artificiality or ulterior motive about it, and people feel it. You are honest and sincere.” (Ricardo, n.d.) Interview, Ricardo Levy, Co-founder and CEO of Catalytica, Inc. in the USA

Implemented solidarity is another aspect.

“The workplace involves both rights-based forms of solidarity (which emphasizes formal equality and universal human dignity) and esteem-based recognition (which emphasizes particularistic dignity and esteem through achieving good works that are intersubjectively recognized as such). In Honneth study (as in Hegel previously), these forms of identity formation are dialectically related and mutually reinforcing” (Islam, 2012, p. 26)

Solidarity again is linked to subsidiarity and vice versa:

“Solidarity calls us to embrace the common good and human dignity collectively, as the good of all; while subsidiarity calls us to embrace the common good and human dignity “distributively,” as the good of each. Mutually informed, each by the other, subsidiarity and solidarity create a synergy capable of supporting authentic, integral human development. Mind, body, and spirit are continually strengthened through social interaction and meaningful work.” (Naughton et al., 2015, p. 29)

“Subsidiarity has serious business meso-level implications. Its proper practice, when integrally tied to solidarity, enables stakeholders to cooperate with one another, allowing everyone to ben-

efit individually while diminishing the need for a large collective to achieve the same end. Because of its ties to solidarity, subsidiarity does not allow for, arbitrarily imposed managerial decisions that disregard input from other key stakeholders” (Carrascoso, 2014, p. 314)

Even positive, motivating actions have their “rules” to follow: “dignity at work requires a certain temporal distance between action and reward, which facilitates reward as a recognition of general good performance rather than a specific transactional exchange.” (Honneth 1995a, b).” Another example is provided by Islam:

“There are several areas in which “remembering” can promote constructive organizational changes, maintaining market-based employment relationships while re-emphasizing recognition.” (Islam, 2013, p. 7)

Besides these more theoretical approaches very practical list of issues can be put together as well:

“Some practical applications in respecting man's dignity in the workplace are as follows: 1) one should be given time off of work to worship God, thus upholding man's dignity and keeping him connected with his Creator; b) one should have periods of rest and not be expected to work long hours that prevent one from getting adequate sleep; c) one should not be required to work in unsafe conditions where he is in danger of bodily harm; d) one should not be forced to work in immoral conditions that endanger his soul; e) an employer should pay a fair wage and an employee should give a full day's work for a full day's pay; f) states should not overtax earnings; g) a worker should be allowed time to fulfill family obligations. These guidelines maintain the respect and dignity of the person.” (Lanari, 2011, p.2)

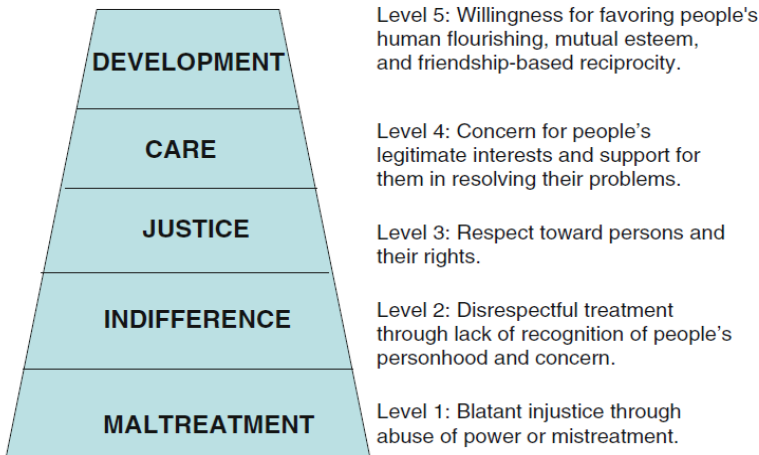
And to show how many very different aspects dignity at the workplace has, here is one of those we would not think about automatically, which is about design and beauty.

“Delia Mannen and Lorissa MacAllister argue that dignity needs to be part of a design process. That inclusion would require a shift from prevailing formalistic design towards a more humanistic design process in organizations. The role of aesthetics needs to be enhanced and the human appreciation of beauty rather than efficiency may allow organizations to harness better emotional and cognitive responses. In many ways the space people work creates a self- fulfilling prophecy, they argue, in that people that feel well at work will create better products and solutions that are more likely to please the clients and beyond.” (Pirson, 2013, p. 7)

So, how could all these be summarized and structured, so a manager can understand, follow, measure, correct and thus implement?

A general framework for Human Quality Treatment, developed by Melé helps (see below):

Figure 22, Five organizational levels of Human Quality Treatment (Melé (2014), Fig 1. p. 463



We can see, how all those many aspects mentioned before can be put into this framework, in a structured and even hierarchized way, but the top (or basis) is the personal development.

We can also realize that “servant-leadership” is the only way to really fulfil the whole pyramid:

“This could be the case of Servant-leadership (Greenleaf 1977; Graham 1991; van Dierendonck 2011) and also Transformational Leadership (Bass and Steidlmeier 1999; Grant 2012) when it promotes true human flourishing, that is to say, when the leader prioritizes the seeking and promotion of the common good of the organization above his or her personal interests, and looks to transform his or her followers by fueling their disposition to mutual esteem, cooperation, and service.” (Melé, 2014, p. 468)

Let us evaluate how the above pyramid got implemented by the management (I am personally not a member of the executive management) of my company, Sunflower.

The *zero-level* of the above pyramid is above the two lower levels. “Maltreatment” and “Indifference” are hygienic levels, here the goal is to eliminate such cases and the ultimate goal is to come to zero.

Looking at my own experience, I strongly believe that at my company, Sunflower, we do not have any cases for Maltreatment and for Indifference.

The *positive* levels are exactly the ones we specialized ourselves in, at Sunflower:

“Justice” – the first thought would be “equal opportunity”: in our case handicapped people really have equal opportunity to get a job, they even enjoy a positive discrimination. (Disclaimer: above a certain level of limitation they are unable to work, thus we cannot provide job opportunities for all of them)

226 *Human Dignity in Managing Employees*

“Care” – We demonstrate respect to anybody and everybody, even if they have limitations in certain capabilities. The solution is to focus on their existing capabilities rather than the missing ones. By looking for jobs which require the existing capabilities only, the match is 100% - thus the recognition (fully paid full-time job) can also be justified on a 100% level. Example: a deaf person is 100% perfect match for a loud machine – even more than 100%, since no risk of (further) deaf-related health-risk, compared to a “healthy worker” alternative. A typical example for caring is, that since most of them have difficulties with self-transportation, we pick them up by company vans at home and bring them to the actual workplace.

“Development” – esteem based self-esteem is important for everybody, but especially for those who are handicapped, got segregated, were unemployed – which is exactly the target segment of Sunflower. After the first encounter the candidates/clients (the potential employees) get support from our professional psychology experts. Further development is assured by letting them work together in teams, thus they mutually complement each other and experience that *together* they can do all the tasks. Our employees mostly work on outsourced engagements (typically in logistics), at the facilities of our customers, thus our employees work together with the “healthy” employees of the customer. This is the way to really re-integrate them into the society and the primary labour market. Once the customer lures them away from us it is a great mental success for them, a victory for our mission – while a financial “catastrophe” for Sunflower’s financial statements – we do not get any compensation and we have to recruit and train new disadvantaged persons. But the priority is the mission of rehabilitation and re-integration, so we work hard to let as many of them as possible go their own way. The company is really a community, with reciprocal esteem and respect, knowing very well, that

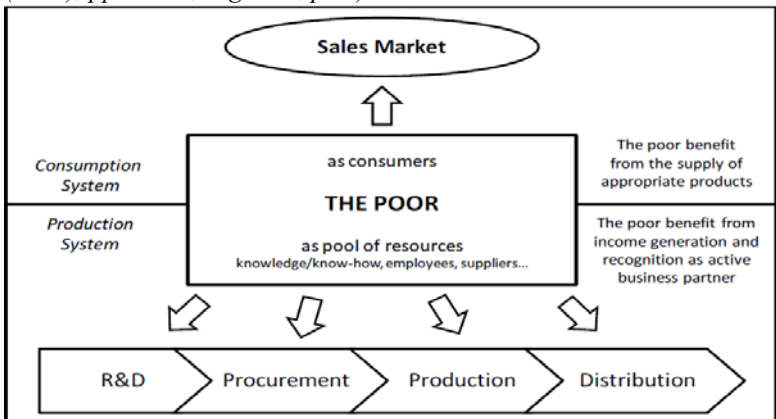
“Society is necessary for physical, moral, and intellectual development. It is where a person’s humanity is fully actualized” (Velez-Saez, 1951, pp. 34–35, as cited in O’Brien, 2009, p. 31)

Team-work fosters friendship, too. We spend significant amount of time on community building and establishing a corporate culture supporting human dignity, well-being creation, and holistic value creation in and outside the company.

Based on the above we can state, that Sunflower is really an inclusive-oriented company, completely fulfilling the theory of it:

“inclusive business as an action-guiding model promotes possible courses of action for profit and non-profit companies to position themselves in relation to the world’s poor and points out opportunities for enduring poverty alleviation by leveraging private business know-how and resources.” [...] “the idea of inclusive business seems to be especially well suited to improve various forms of opportunities: (a) to participate in the labour market as result of an improved production system and (b) to enter (consumer) markets as result of an improved access to products” as depicted below.

Figure 23, Modes of Impact in Inclusive Business Approaches (Hahn (2012), pp. 51-52, Figure 2, p.52)



To be inclusive oriented and to focus on human dignity are interdependent. Since our focus is still human dignity, let us be specific and more structured, by looking at the determination list of the key success issues of dignity *in* work and dignity *at* work, by Bolton:

Figure 24, Dimensions of dignity model (Bolton (2010), Figure 5, p. 166)

Dignity in Work	Dignity at Work
<ul style="list-style-type: none"> • Autonomy • Job satisfaction • Meaningful work • Respect • Learning & development 	<ul style="list-style-type: none"> • Wellbeing • Just reward • Voice • Security • Equal opportunity

Going through the list we have implemented the above at Sunflower, as follows:

Dignity in work list:

Autonomy: a real challenge in case of handicapped people, some of them mentally handicapped. By creating teams to cover all necessary competences as a team-unit, rather than on an individual level, we could provide autonomy to the working-teams at work, with justified full responsibility.

Job satisfaction and meaningful work: most of the disadvantaged in Hungary are not really educated and skilled people (except for those few who had become handicapped through an accident). Therefore their desire is easy-to-learn, repetitive tasks to be done manually and almost mechanically. For this segment we search for related physical unskilled tasks. Others can do more challenging jobs, like at our call center, where educated and trained disadvantaged employees find job satisfaction through more complex, but manageable tasks, like calling former subscribers of a periodical asking whether they would like to continue their expired subscription.

Respect: Since in our philosophy we focus on each person's existing, available competences (and not on what is missing), therefore they can easily be respected in their work based on their performance, in addition to the granted respect of being a person, anyway. Another respect action is, that at year-end we celebrate the closing of the successful year at a hotel restaurant with candle-light, and cultural programme – most of our employees have never been to such a place before in their whole life.

Learning and development: in our case it is not just a “nice to have” aspect, but a real “must”. Most of our employees had been unemployed for 5-10 years, or even never worked at a «real» company, thus we need to teach them very basic knowledge, like how to write a CV, or even how to use a computer and text editor [...] For many specific jobs we have to educate them, e.g. we had a 6-month course for 25 people on becoming a professional in warehousing. Besides such “hard” knowledge we have to educate them in soft skills, too. This is done by one of our 6 psychologists, whose salaries are usually covered by EU-grants.

Dignity at work list:

Wellbeing: as we described earlier, wellbeing can and should be defined as a complexity of aspects. At Sunflower we try to cover each of the seven aspects (Physical, Intellectual, Occupational, Environmental, Emotional, Social, Spiritual), focusing on the three most relevant for our special case, like: Physical, Occupational, Social. On the level of Physical it means to fulfil the basic needs of security, transportation service for those unable to do it alone. Occupational aspect means matching the right task and job with the existing capabilities and skills of the handicapped person, where the limitations are not a problem, or adjusting the jobs and teams accordingly. The company also provides mental and knowledge preparation to be able to fulfil the tasks at the job. Social is very important for our segment, since they had been segregated for a long time, thus they have a strong and justified desire for friendship at

work and becoming a «full» member of a community. We support this need by creating teams, who get transported together, work together. On the company level we organize social events, like joint lunch, prepared by themselves, outdoor events in Summer, where employees, management and owners are together, or the annual “cake championship”, when everybody prepares a cake and a jury decides on the award. In both cases, what is important, to do something different than their task throughout the year, and even more importantly, in a completely different set-up: everybody has a chance to win over his boss, the jury is made of the employees – ranking at work does not count at such events.

Just reward: The handicapped people’s main problem is the lack of respect and esteem by others, and as a result low self-esteem. By proving that they can perform activities, which are valuable for the business world – the customer even pay for it – is a very important method to gain self-esteem. Instead of living on aid, paid as tax by others, from now on they really *earn* money, and they themselves become taxpayers, thus part of the «full-right» member group of society. To keep this motivation level, even if the job requires heavy efforts from them, is very important. Rewards are a useful tool, however with challenges exactly how to make it really «just». Normally you compare absolute performance, output, objectively. In our case this would not be really the fairest approach, we have to take into consideration their personal unchangeable limitations. Rewarding decisions require in our case very careful evaluation, consideration and even communication.

Voice: The company is structured as a flat organization. The 120 employees are led by a managing director, who at the same time is responsible for marketing and sales, too, with two functional deputies: one being responsible for all the material, financial, business aspects (like finance, accounting, controlling, IT, contracting, grant applications and their administration), while the other one being responsible for all the employee related issues - much more than a usual HR, since the people

in our case are not (just) “resources” to be leveraged for profit generation, but the prime stakeholders to satisfy. Corporate culture, personal development, dissemination of the accumulated know-how, real life-long learning and fulfilment content wise of the EU-grants are all her responsibilities. She is the leader of the middle management which already has operational responsibilities, as team leaders. Thus a «simple» employee has an immediate boss, and above this level already the top-management is the next one. Communication in both directions is assured on a short channel. Supporting staff members, like psychologists report to the deputy managing director. The company has one seat, everybody is affiliated to the headquarters. In addition, there is as an «open door» policy. As a result, «voice» towards the top-management is assured for everybody.

Security: Fortunately, our people do un-risky activities. However, we have some extra tasks in the field of security, since we transport them, they work at different other facilities, we have to clarify the security terms and conditions in advance. While physical security is therefore not a big problem, working conditions can become critical. At some cases the company refused to work for clients, where our employees were supposed to work in too cold environment, jeopardizing their health.

Equal opportunity: Our company not only offers and ensures equal opportunity for the disadvantaged, but even positively discriminates them, since we exist for them, this is our mission and core activity. We provide equal opportunity for other aspects, we do not discriminate regarding gender, religion, and ethnicity.

It is not only the managers, who can fail. While the temptation of the managers is to view the employee as a mere «equipment», not as a person, the employee’s temptation is – among others – to misuse their position for stealing, cheating, causing any kind of damage to the company. We have to face this kind of problems, too. From a human dignity point of view, we have to know, how interdependent the culture of the com-

pany and the culture of the person is, and how issues like culture-stress-cheating-hormones are interdependent, too. As a surprising experiment based study shows:

“They found the most egregious cheaters were participants who came into the study with especially high levels of both testosterone and cortisol. However, a high testosterone/low cortisol combination did not predict cheating, nor did a low testosterone/high cortisol combination, nor did a low testosterone/low cortisol combination.” (Nobel, 2015, p.4)

And what is the link between the hormones and stress?

“Cortisol, meanwhile, is known colloquially as “the stress hormone”, because cortisol levels go up when people experience stress [...] The more a participant cheated, the greater the participant's decrease in cortisol after the cheating occurred. Relatedly, the more a participant cheated, the greater the participant's decrease in self-reported psychological distress.” (Nobel, 2015, p.4)

Thus the high level of stress led to the need of cheating, which is stressful, too, however “this indicates that cheating may be used as a stress reduction mechanism, and that maybe people will reduce their performance-related stress by engaging in unethical behavior,” (Nobel, 2015, p. 4) It seems to be a cat ch-22 type situation, is there any way out?! Again the answer is getting away from an individualistic approach by:

“researchers suggest a compensation system that includes more than just individual financial results. Past studies on the role of testosterone in competition have shown that it's possible to diminish the influence of testosterone by rewarding group performance over individual performance.” (Nobel, 2015, p. 5)

It seems that by looking at a team/community rather than competing individuals is the only way to avoid and solve the problem of “anxiety about the unethical behavior leads to a vicious cycle of cheating-to-relieve-the-stress-of-getting-caught-cheating.” (Nobel, 2015, p.4)

This is why it is so important to re-think the process and impact of decision-making at the company, from a human dignity point of view.

Decisions shape both the principle (theoretical) aspects of a company, as well as its daily life. According to the Malik-model (described in Chapter three 5.1.), the three pillars of a company are: strategy, structure, and culture. As we saw earlier, culture is always directly linked to the aspects of human dignity, humanistic management or/and servant-leadership. Strategy may include such aspects or could even be declared drivers for it. Structures are indirectly linked, but also with potentially strong impact, due to e.g. business processes, governance methods and financial management aspects. Thus the level of, and the way of participation in decision-making is both a cause and an effect for human dignity. A well-defined and well implemented participation policy has a strong impact on the chances for implementing a human dignity based operation and culture, and in case of a human dignity based approach participation is *automatically* worked out.

“Participation, in recognition theory, always involves an implicit, basic positive or affirmative social gesture, a standpoint of interpersonal recognition” (Islam, 2012, p. 38)

What are the rules of the game for «good» decision-making?

“To solve a problem the decision maker must evaluate the action from three points of view: (1) how well it will satisfy the current need (2) what effects it will have on the agent’s ability to satisfy that same need when it recurs in the future and (3) what effects it will have on the agent’s ability to satisfy not only that need, but all her needs, now and in the future. The complexity increases once we evaluate the results: This interaction has three types of

results for the active agent: (1) the ‘extrinsic’ result or the reactive agent’s response; (2) the ‘intrinsic’ result or other effects on the active agent, other than the reactive agent’s response (for example, what the active agent learns on an operational level or the satisfaction she gets from performing the action); and (3) the ‘external’ result or the effects the action has on the reactive agent (for example, what the reactive agent learns as a result of the action). Related to these effects, Pérez López defines three key concepts: “(1) The effectiveness of an action is the extent to which the action contributes to achieving the specific purpose of the action” (Pérez López, 1990b, p. 180). This corresponds to the result of the decision as analyzed by conventional economics, in terms of a utility function (2) The efficiency ... the extent to which the action helps to develop the skills (operational habits) that will make it easier to satisfy those same needs when they recur in the future (3) The consistency of an action is the value for the active agent of the learning that takes place in the reactive agent as a result of the experience of the interaction” (Argandoña, 2008, pp. 436–437)

The general formulation does not mention “participation” yet and directly, however in case of a humanistic value-set it automatically pops up together with terms like «virtue», «good» and «other I». Even John Paul II deals with the issue of doing something (like a decision) together, stating that when a human action is preformed together with another or others, the action has an intrinsic social or communitarian dimension and communities emerge when people work together. Acting with others requires the respecting of the personalistic value of the action in oneself and in others. Being aware of «you» as another «I», one is participating in the very humanity of other people, and dealing with others by respecting and caring for their humanity leads to self-realization.

According to Melé

“The word “participation” is used by Wojtyla (1979, 1993) in a different way than that common in management. In his approach, “participation” indicates the way in which, in common actions, the person protects the personalistic value of his or her own action and participates together with another in the realization of the common activity and its outcomes respecting “you” as another “I”. Here, the idea of “participation” is not a form of management, as usually appears in managerial literature, but a philosophical concept with a normative significance. Participating in the humanity of others, and consequently recognizing their dignity, respecting their rights and taking care of their real needs requires a sort of organization or living together in which the person is respected and is able to experience every act of the collectivity as his or her own. This happens when the choices of those who lead are directed towards the common good and are made with the responsible involvement of all members of the organization. Individual interests should be subordinated to the common good. Such subordination, however, must not diminish or destroy the person” (Melé, 2012, pp. 96–97)

More directly related to management is the view of Pérez López:

“the mechanism that helps people to make decisions that further their own development is the mechanism classically known as moral virtues” (Pérez López 1993, p. 7, as cited in Argandoña, 2008, p. 439)

This is how we come from decision-making to virtues and from virtues to the key question of every manager in every case: what is *good*? Pérez López gives his answer:

“The moral virtues must therefore contain those habits that facilitate the performance of actions that are ‘good’ for others, precisely because they are ‘good’ for others (and not because of any other consequences of the action: intrinsic and extrinsic motives). By ‘good’ we mean: (1) the action satisfies the other person’s needs (2) the action is intended to help as much as possible to ensure that learning takes place in the other system (to help it to ‘do better what it can do’) (3) the action is intended to help as much as possible to ensure that the other’s moral virtues increase” (Pérez López 1986, p. 17, as cited in Argandoña, 2008, p. 440)

and

“What moral virtues facilitate is not ‘doing things’ but ‘wanting things’, learning to desire what is best for us, that is, developing “the quality of the motives behind actions” “ (Pérez López 1993a, p. 7, as cited in Argandoña, 2008, p. 440)

This makes the managers’ position complicated, because he has to ask himself complex questions, like:

“Do I believe that taking seriously the dignity of the person in my business decision-making will promote integral human development while making my company more efficient, more agile, and more profitable?” (Pontifical Council for Justice and Peace, 2012, p. 26)

Thus it is not enough to make decisions with participation, and sharing the positive outcome, it has to be «good» in this complex sense. A key question in management is the compensation scheme and reward system. The encyclical *Mater et Magistra* is perfectly clear on stating, that reward structures should make sure that those workers who do engage their labour in a sincere way also receive the necessary esteem and compensation from their companies:

“if the whole structure and organization of an economic system is such as to compromise human dignity, to lessen a man’s sense of responsibility or rob him of opportunity for exercising personal initiative, then such a system, we maintain, is altogether unjust—no matter how much wealth it produces, or how justly and equitably such wealth is distributed”. (John XXIII, 1961, para. 83)

This again leads to very important and deep questions to be answered by the management:

“Am I sensitive to the fact that if corporate decisions are not deeply grounded in the dignity of the human person, they will be prone to instrumentalist and utilitarian constructs which fail to promote integral human development within business?” (Pontifical Council for Justice and Peace, 2012, p. 26)

3.5.4 Human Rights

Once again a term, which is perceived as well known, used (too) often, in different contexts – and is closely linked to human dignity.

This link for many is a straight forward cause and effect: “Human dignity, we suggest, grounds human rights.” (Kleinig and Evans, 2013, p. 559) There are some more sophisticated formulations about how and why human rights are justified through human dignity:

“human dignity is the rock on which the superstructure of human rights is built” (Beyleveld and Brownsword 2001: 13). Human dignity is “the ground of rights” (Waldron 2009:2), it is “the basis on which one can claim rights from others” (Sensen 2011, p. 73, as cited in Schroeder, 2012, p. 324)

Still for others, although the link is accepted, but with some controversy.

“I shall argue that human rights and human dignity are uncomfortable bedfellows for three reasons. First, the justification paradox: the concept of human dignity does not solve the justification problem for human rights but rather aggravates it in secular societies. Second, the Kantian cul-de-sac: if human rights were based on Kant’s concept of dignity rather than theist grounds, such rights would lose their universal validity. Third, hazard by association: human dignity is nowadays more controversial than the concept of human rights, especially given unresolved tensions between aspirational dignity and inviolable dignity. Much of my argument rests on the meanings I give to “human being” and “rights holder”. (Schroeder, 2012, p. 324)

And there is the group, which had its problems with human dignity right from the beginning and now its members are even confronted with *their* favoured human right term mostly derived from the un-wanted human dignity. To solve this cognitive dissonance, they try – with great difficulties - to separate the two terms from each other:

“One may then reasonably ask why a concept, which has been described as useless (Macklin 2003), arbitrary (van Steendam et al. 2006: 788), elusive (Ullrich 2003: 17), groundless (Rachels 1990: 171), a fog-inducing drug (Wetz 2004: 227) and without reference point (Statman 2000: 536) can be given such extraordinary significance?” (Schroeder, 2012, pp. 325–326) and

“As a result, the concept of human dignity does not solve the justification problem for human rights but rather makes it worse in contemporary secular societies. Without reference to religious authority, it is much more difficult to justify that all human beings have inherent dignity than to justify that all human beings have human rights.” (Schroeder, 2012, p. 328) and

“These recent challenges can be traced back to their frontrunners, for whom human dignity was often mixed up or embedded in the egalitarianism of liberal theories of social justice. The recent representatives of this approach are Rawls (1971), followed just a couple of years later by Nozick (1974), and Rorty in 1989, with tracable roots back to the times of even Hobbes and Locke in the 17th century. In this concept “rights” are essential cornerstones of security and prosperity as ultimate civil means.” (Schroeder, 2012, p. 328)

Besides the shown alternatives of approaching human rights with or without religion and human dignity, there is another choice to make, too. Whether it is a legal term (to be derived from the law) or whether to be viewed as a consequence of philosophy (or/and theology).

Even when we speak about «law», within it, there are alternatives: natural law or «modern» and «scientific» (sometimes simply artificial) law. “After constitution drafters, judges are the second more active dignity-makers. Their engagement with this concept is particularly difficult as by definition, they deal with disputes and disagreements about the scope and meaning of dignity and human rights.” (Dupré, 2012, p. 268). But before making the landscape overcomplicated, we can see, that basically there are two major groups, with some alterations:

Group A.: religion-based, accepting the natural law, strongly committed to human dignity. For those: “Moral virtue, in obedience to the natural law, perfects the dignity of the human person.” (Acevedo, 2012, p. 206) and “Following the natural law requires justice and courage, while respecting human dignity and attending basic rights (e.g., right to life, personal freedom, private property, pursuit of happiness, association, and free speech) consistent with the common good is required for the virtuous life (Maritain 1943b/2001, 1951a;” (Acevedo, 2012, p. 210)

Group B.: wants to solve everything without theology and religion, members are mostly liberal, prefer human rights over human dignity (or

even deny the latter), create legal frameworks with focus on certain issues, like individualistic rights. A good example for that group is Rudolf von Jhering. He states that “rights are simply interests protected by rights” (my translation from: “*Rechte sind rechtlich geschützte Interessen.*”, Jhering, 1877, p. 328). Jhering is a typical example for a quite misleading, special pseudo-humanistic-type approach, in which case not the overall good, but the individual’s own interest is the ultimate goal. In this approach there is no “other I” (John Paul II, 1988, para. 1664), only one important I, and that is me. Thus the other individual is not considered as a person (with dignity), but as a tool for my interests.

Looking back, we see that the history and evolution of human rights has never been linear, but somewhat confused and confusing. The notion of human dignity that bestows intrinsic value to human life, has been central already to societal progress since the Middle Ages – as evidenced in the quest for freedom from slavery and other forms of repression, democracy, the establishment of modern governance, and the 20th century development of an international human rights regime (Kateb, 2011; McCloskey, 2010; Pirson, Dierksmeier, and Goodpaster, 2015).

Figure 25, Dignity in legal instruments and guidelines (Source: Schroeder (2012), p.325

Table 1 Dignity in legal instruments and guidelines

Origin	Quote
UN Universal Declaration of Human Rights. 1948. Preamble.	The recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.
German constitution. 1949. Article 1.	Human dignity is inviolable.
The Constitution of India. 26th November, 1949. Preamble.	We, the people of India, having solemnly resolved to constitute India into a Sovereign Socialist Secular Democratic Republic and to secure to all its citizens: justice ... liberty... equality ... to promote among them all fraternity assuring the dignity of the individual and the unity and integrity of the Nation.
International Covenant on Civil and Political Rights, 1966	Recognizing that these rights derive from the inherent dignity of the human person.

Constitution of the Russian Federation. 1993. Article 7.	The Russian federation shall be a social state, whose policies shall be aimed at creating conditions, which ensure a dignified life and free development of man.
South African Constitution, 1996. Founding Provisions, Chapter 1.	The Republic of South Africa is one, sovereign, democratic state founded on the following values: a) Human dignity, the achievement of equality and the advancement of human rights and freedoms.
Switzerland Constitution, 1999, Chapter 1, Article 7.	Human dignity is to be respected and protected.
European Constitution, Article I-2 and Article II-61.	The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. Human dignity is inviolable. It must be respected and protected.

However, the term dignity was not part of the language of law or jurisprudence before the 20th century. It was first mentioned in the Constitution of the Weimar Republic in 1919, followed by the Portuguese Constitution in 1933 and the Irish Constitution in 1937 (Tiedemann 2006: 13). However, it was only the inclusion of the concept in international legal documents which marked its ascendancy. Figure 25 lists the main legal instruments which make prominent reference to dignity, starting with the Universal Declaration of Human Rights in 1948.

In 1948, the UN issued the *Universal Declaration of Human Rights*, based on a comprehensive consensus of peoples all over the globe on the essentials of all future human legal relations. According to its preamble, the enumerated rights are anchored in the “recognition of the inherent dignity” of the human being. Within the Universal Declaration of Human Rights there is a distinct and direct connection and at the same time differentiation between the categories: *human rights* and *human dignity* (see articles 1, 22 and 23 as well as the preamble in UN1948), and also the Charter of Fundamental Rights of the European Union (European Convention 2000) indeed itemizes human dignity by way of specifying various human rights that may also justify the use of the more elaborate term “rights” instead of the fundamental but often unspecified “dignity”.

242 *Human Dignity in Managing Employees*

While itself not a legally binding declaration, most of its articles have found equivalent articulation in the *International Covenant on Civil and Political Rights*, which since 1976 does constitute legal obligations for the signatory nations.

The next step was the German Basic Law (1949), which starts with the claim that “human dignity shall be inviolable” (Art. 1) and follows with the assertion that “the German people therefore acknowledge inviolable and inalienable human rights as the basis of every community” (Art. 2).

45 years later, in the 90ties the UN Global Compact - now the world’s largest corporate citizenship initiative - centrally emphasized these concepts, although its 10 principles do not mention human *dignity* anymore, just the term “human rights” appear:

“Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.”

(UN Global Compact, n.d.)

Based on that document in 2007 a principle-based global engagement platform for academic institutions was created from a recommendation by all academic stakeholders of the UN Global Compact. This is the “Principles for Responsible Management Education” (PRME), which supposed to be the pronounced objective of the world community. In its 6 principles neither the term *human dignity*, nor *human right* appears, just in hidden forms, like “for an inclusive and sustainable global economy”, or “global social responsibility as portrayed in international initiatives such as the United Nations Global Compact”, or “creation of sustainable social, environmental and economic value” (PRME, n.d., <http://www.unprme.org/about-prme/the-six-principles.php>)

At the same time the well-known and acknowledged so-called “PISA”-test will be renewed – and include human dignity aspects. OECD just announced in May 2016, that

“PISA assessment of global competence would offer the first, comprehensive overview of education systems’ success in equip-

ping young people to support the development of peaceful, diverse communities.” (OECD, 2016, <https://www.oecd.org/pisa/oecd-proposes-new-approach-to-assess-young-peoples-understanding-of-global-issues-and-attitudes-toward-cultural-diversity-and-tolerance.htm>)

According to the plans from 2018 on

“The assessment, developed in consultation with OECD member countries and expert advisors, would involve a test of 15-year-olds, taken alongside separate tests in reading, mathematics and science. A questionnaire would analyse students’ attitudes, such as openness, respect for others and responsibility, as well the value they place on human dignity and cultural diversity.” (OECD, 2016, <https://www.oecd.org/pisa/oecd-proposes-new-approach-to-assess-young-peoples-understanding-of-global-issues-and-attitudes-toward-cultural-diversity-and-tolerance.htm>)

At the Millennium, the Union Charter of Fundamental Rights was adopted in December 2000 at the Nice European Summit. The aspirations of a Union respecting human and fundamental rights were laid out in the Preamble to the EU Charter:

“Preamble: The peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values. Conscious of its spiritual and moral heritage, the Union is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity; it is based on the principles of democracy and the rule of law. It places the individual at the heart of its activities, by establishing the citizenship of the Union and by creating an area of freedom, security and justice.” (EUR-Lex, 2016, p. 1)

More than that, the entire first chapter of the EU Charter refers to the concept of dignity. This demonstrates its importance. The chapter outlines when human dignity is to be protected and safeguarded when the Union institutions and the member states act within the remit of EU law:

“Article 1: Human dignity is inviolable. It must be respected and protected. It is clear from the Guidance just how important human dignity is. The Guidance recognises human dignity as a universal right when it states that human dignity is not only a fundamental right but moreover ‘constitutes the real basis of fundamental rights’. It is inspired by the Preamble to the 1948 Universal Declaration of Human Rights: ‘Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.’ Because of its inviolability, ‘none of the rights laid down in this Charter may be used to harm the dignity of another person, and that the dignity of the human person is part of the substance of the rights laid down in this Charter. It must therefore be respected, even where a right is restricted.’”
(Jones, 2012, p. 286)

These are strong words, with strong content and consequences. As Jones stresses:

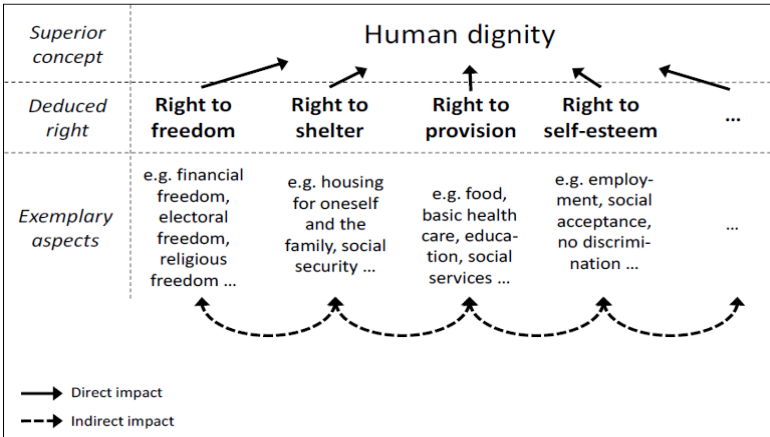
“‘Inviolable’ therefore means that human dignity cannot be taken away from any person. It cannot be forfeited even when a person wants to give their dignity away or sees no violation of their dignity. It is inherent in being human. It is absolute” (Jones, 2012, p. 287)

But what are these rights after all, especially in our context, which is linked primarily to the place of work?

There are many – shorter or longer, descriptive or structured – lists on human rights in the world of business.

First in a broader view:

Figure 26, Human rights as sub-categories of human dignity (inclusive business.), (Source: Hahn, (2012), Figure 1, p. 7)



According to Hahn, besides the above fundamental rights (right to freedom, the right to shelter, the right to provision and the right to self-esteem) that might cater to a dignified human existence, there are possibly also other rights that directly or indirectly cater to a dignified living. And

“these rights are usually not to be viewed independently. Unemployment or poverty, for example, is not merely a deficiency of income, but also a direct impediment to dignity because it prevents further formation of skills, self-fulfilment and individual freedom (Sen 1999).” (As cited in Hahn, 2012, p. 49)

Another summary lists the work related rights as:

“The basic rights of man with respect to work are: the right to work; the right to a just salary; the right to own property; the right to participation in management, ownership and profit; the right to a decent life standard; the right to social security and

benefits; the right of association; and the right to strike” (Marek, 2015, p. 31)

There were and are attempts to paraphrase Kant’s idea:

“We could sum up the qualities Kant thinks make for dignity if we said that dignity belongs to the capacity to think for oneself and direct one’s own life with responsibility both for one’s own well-being and for the way one’s actions affect the rights and welfare of others.” (Schroeder, 2012, p. 330)

More on human dignity is based the approach of Mattson and Clark:

“Following Donnelly (1989, 2007), rights are perhaps most usefully understood as a means to the end of a commonwealth of human dignity, focused expressly on protecting those who are vulnerable from abuses by those holding disproportional power and wealth.” (Mattson and Clark, 2011, p. 317)

It might be helpful to look at it also from the opposite direction, namely, what is indignity?

“Describing attempts at degradation and humiliation, which are often referred to as affronts to dignity or instances of forced indignity, could help in specifying individual human rights and developing measures to protect them.” (Schroeder, 2012, p. 334)

While looking at the historical evolution of human dignity in our societies, with its controversial trends, it is notable to mention that for some current and future rulers human dignity is a cardinal issue, with a very strong commitment. Let me quote some parts from the Opening Speech by His Royal Highness Crown Prince Haakon of Norway at the OECD session, in 2013:

“Some years ago, Professor Pekka Himanen of Finland, John Hope Bryant of the US and I founded an organisation called

248 *Human Dignity in Managing Employees*

Global Dignity. Representatives of the organisation visit schools and hold Dignity Day events and workshops with pupils. We ask them to tell stories of dignity from their own lives, and ask them what they intend to do in the coming year to strengthen someone else's dignity.

The concept of global dignity includes the following five principles:

- Every human being has a right to lead a dignified life.
- A dignified life means an opportunity to fulfil one's potential, which is based on having a human level of health care, education, income and security.
- Dignity means having the freedom to make decisions on one's life and to be met with respect for this right.
- Dignity should be the basic guiding principle for all actions.
- Ultimately, our own dignity is interdependent with the dignity of others."

(Crown Prince Haakon of Norway, 2013, <https://www.oecd.org/forum/its-all-about-people-jobs-equality-and-trust-and-dignity.htm>)

While focusing on education, he also gave his thoughts in a broader context, which can easily be adapted to businesses:

"Three lessons that can also be applied to other organisations and to societies.

Lesson number one: If the foundations are made of values such as dignity, trust and equality, the building above will be more solid.

Lesson number two: Wise and committed leadership is important and a leader must lead – and stand as an example – also when it comes to softer, interpersonal areas. The issue of dignity should be fundamental, not just the icing on the cake.

Finally, lesson number three: The quest for a more inclusive, civilised and humane society is never-ending. We have to work persistently every day – independently and together with others. The task is demanding, but extremely rewarding.”(Crown Prince Haakon of Norway, 2013, <https://www.oecd.org/forum/its-all-about-people-jobs-equality-and-trust-and-dignity.htm>)

A good sign for hope is, that based on their initiative, by now there are 50 countries which celebrate Global Dignity Day in October of each year.

In his speech he spoke not only about dignity, but also about equality – as something strongly linked to dignity. Others link it more to human rights in the form of a human right. Thus managers should ask themselves also in this respect:

“In all countries where my company is engaged, is it honouring the dignity of those indirectly employed and contributing to the development of the communities hosting these operations? (Do I follow the same standard of morality in all geographic locations?)” “Do I place the dignity of all workers above profit margins?” (Pontifical Council for Justice and Peace, 2012, p. 27)

And the question to the society on equality: do we really aim at not widening the scissors, when the statistical figures show that “From 2007 to 2012, the top 1% has increased incomes by 31% and the bottom 40% has decreased incomes by 6%”?! (Zamagni, n.d., p.18)

I conclude with the statement of Acevedo:

250 *Human Dignity in Managing Employees*

“Without personalistic foundations, humanistic learning and humanistic management may lack an integrated concept of the human person and human dignity. If lacking proper ethical grounds, business students may learn that expediency and self-interest are as morally legitimate human ends as the common good and human dignity, feelings or emotions as normative as the natural law, frankness as valuable as truth, sheer opinion as reliable as reasonable judgment, flattery or fear as morally right means as justice and love. Machiavellian thought is, after all, humanistic, albeit clearly not personalistic.” (Acevedo, 2012, p. 215)

3.5.5 **Gratuity and Reciprocity**

It is common sense to link human rights to the workplace, but *gratuity* and *reciprocity* rarely show up in business and management contexts.

Let us first elaborate on the unusual triangle of human dignity-business-gratuity. It seems to be nonsense, and in the traditional view of business it really is, since business is about «deals», both within the company («you work – I pay») as well as towards the outside world (suppliers, market).

However, in a CST-driven, human dignity-based approach gratuity is not just possible, but an essential part of its fulfilment. Human dignity is not only about being able to care about ourselves, but being able to give, to share, to do something “only” out of love, based exclusively on intrinsic motivation, without any financial reward or any other type of compensation.

Since – at least for me – human dignity is rooted in CST, I will now look at the Church’s view on gratuity.

“in *commercial relationships* the *principle of gratuitousness* and the logic of gift as an expression of fraternity can and must *find their place within normal economic activity*. This is a human de-

mand at the present time, but it is also demanded by economic logic. It is a demand both of charity and of truth.” (Benedict XVI, 2009, para. 36)

It is a clear statement and in full opposition with the leading neoliberal approach, characterized by Milton Friedman: “*There is one and only one social responsibility of business – to increase its profits*” (Friedman, 1962, p. 133.)

It is logical, that in such an approach gratuity (in any form, and by any player) has no meaning, although he, too, believes in human dignity. However, for him it is human freedom what serves the cause of human dignity and not vice versa. He believes in freedom and liberty above all, he thinks of individuals, not of persons. In the “CST world” we believe in persons, in love, in fraternity, and in communion. Freedom is very important for us, to – and it is a great opportunity to be responsible for others, and to help them, voluntarily:

“In order to defeat underdevelopment, action is required not only on improving exchange-based transactions and implanting public welfare structures, but above all on gradually *increasing openness, in a world context, to forms of economic activity marked by quotas of gratuitousness and communion*. The exclusively binary model of market-plus-State is corrosive of society, while economic forms based on solidarity, which find their natural home in civil society without being restricted to it, build up society. The market of gratuitousness does not exist, and attitudes of gratuitousness cannot be established by law. Yet both the market and politics need individuals who are open to reciprocal gift.” (Benedict XVI, 2009, para. 39)

In the business world usually everything is based on (self-)interest – this is why the saying is (almost) true: “there is no such thing as a free lunch”. But since we are not (just) interest-seeking robots, but human

beings, with human dignity and the intrinsic motivation of giving without asking or even expecting anything, we have the right, the opportunity and even the motivation to give “free lunch” – since this is the manifestation of love. What we experience in our “private life”, we can practice in our “company life”, too.

After all:

“business is not just a purely human undertaking. Rather, business is grounded on God’s initial, gratuitous act of creation, an act which provides the possibility for all human action. Gratuitousness is an undeserved act of unconditional love by God who gives with no presupposition (not even the justice of equality or the equality of exchange), no prior condition, no requisite, the gift gives (itself) absolutely freely. For it always comes (advient) unhoped-for and unexpectedly, in excess and without being weighed on a balance. As such, gratuitousness stands in stark contrast to concepts such as economic exchange or the golden rule – that is, traditional theories of reciprocity by which business is conducted.” (Carrascoso, 2014, p. 313)

Having said that, we are not so far from Friedman, as we thought. Even he admits, that it would be “nice of us” to provide the less fortunate in our society with welfare. Thus he is not against taking responsibility for others, resulting in gratuity, he just does not expect anybody to do so. And we can fully agree with his view regarding the other side of the table: the less fortunate have no right to *force* us to do so. And even if there is a will for charity “charity must be reasonable.” (Argandoña, 2011, p. 83). This *reasonability* however is not based on self-interest. So what is the driving force for gratuity?

“Charity, generosity (which tends to imply some form of donation of goods, resources, and time, etc.), benevolence, compas-

sion, sympathy, service, and so on which to some extent are synonymous and which represent attitudes or behaviors that may be motivated by love, though not necessarily and not always. Altruism has often been the focus of attention in economics. Although it can be defined in terms very close to love as an attitude, quality or virtue, in practice it is often identified with actual actions (not a mere disposition) aimed at transferring resources to other people for reasons of empathy, because of communal ties, or for moral motives, involving a sacrifice on the part of the agent (and even, in the biology-based theories, a threat to the agent's survival). Elsewhere, altruism is identified with a particular type of agent (one averse to inequality, for example, or one that derives satisfaction from good actions), independently of the character formation specific to the virtues; or with various forms of internal satisfaction of the altruistic agent. Cf. Andreoni (1990), Fehr and Schmidt (2005), Kahlil (2004), Monroe (1994)." (Argandoña, 2011, p. 82)

After this more general elaboration let us focus on the owners, managers and employees, from a gratuity point of view.

Let us start with the owners. We all know examples of not-for-profit companies, where the owners think about their paid-in capital as donation – with a better *return* for the society and the ones in need, than in case of an *official* donation, while assuring economic sustainability for the involved stakeholders. What else is such a capital, if not a great example of gratuity in business?! Nowadays we call them social ventures. This is why it can be said, that "social entrepreneurs serve as a template for humanistic management" (Austin, 2006; Pirson, 2009)

The Church has recognized these new approaches too.

"In recent decades a broad intermediate area has emerged between the two types of enterprise. It is made up of traditional

companies which nonetheless subscribe to social aid agreements in support of underdeveloped countries, charitable foundations associated with individual companies, groups of companies oriented towards social welfare, and the diversified world of the so-called “civil economy” and the “economy of communion”. (Benedict XVI. 2009 para. 46).

In the last few years “sharing economy” has become a hype – very often offering services for free (like “Couchsurfing” offering accommodation in the members’ private home or “Rukkola” in Hungary offering books for free), just to serve the needs of others or the common good. Besides the completely “free lunch”-type gratuity on the owners’ side, the activities consciously expecting lower than market returns or just interest-rate level return, or not even that are increasingly common. “Impact investing” is the name of the game, and more and more funds are created worldwide where impact is more important than profit, or as a newly founded “Social Impact Investors’ Association” in Hungary (where I am a co-founder) formulated its slogan: “impact first!” (thbe.hu, n.d.)

After the owners’ options for business related gratuity, let us switch to the top managers.

“Though managers create and give, their actions are possible only insofar as they (and everyone else) have received God’s freely given gift of life. It is the vocation of business to mirror God’s gratuitousness by creating value for all stakeholders and by empowering the communities in which firms do business through the value created by these firms. This empowerment occurs when managerial action allows firms “not only [to] provide goods and services and constantly improve them through innovating and harnessing science and technology, but ... also [to help] shape organizations that will extend this work into the future (Vocation

of the business leader, para. 7)” (As cited in Carrascoso, 2014, p. 313)

Managers are the ones, who can devote the company to CSR activities – which can either be really gratuitous actions towards, the neighbourhood or the society, or of course CSR can also be misused as a hidden marketing or PR action only. Managers are the ones, who can let their employees get engaged in such (trans)actions, with their time or money – like in the case of a matching fund system, where the employee donates to an organization and the company donates to the same one the same or even double amount. What a good example of human dignity-gratuity-and business!

Now the question arises naturally: and how about the employee, the worker? Besides doing gratuity actions as a private person, can they get involved into gratuity at their workplace, too? Here is a good example, which leads us also to reciprocity: George A. Akerlof (Nobel Prize winner for Economy in 2001), referring to a research carried out by George Homans at the Eastern Utility Co., introduces the category of “partial gift exchange”:

“From the side of the worker, the gift given is the work in excess with regard to the minimum standard. From the side of the firm, the gift given is the salary in excess with regard to the one the workers can get if they would leave their present job.” (Argiolas, 2006, p. 10)

Before switching to reciprocity in love, let us first conclude gratuity with the thoughts of Zamagni:

“An economy that loses contact with gratuitousness does not have a future as an economy, for it will not attract those with high “vocations”; if the enterprise becomes only a business (in the sense of a “machine to make money”), and excludes the passions and moral sentiments, it will only attract persons with a low

capacity for human relations, meaning poor managers and workers. Money and profit are weak incentives if we want to move people at the level of their most noble and most powerful energies. Furthermore, when we act because we are motivated only by monetary incentives, freedom is of little value, if it is true that only where there is gratuitousness is there true freedom. This is why good businesses, those that give value to ideals, passions and to gratuitousness, are important: they increase personal and collective freedom. Virtue cannot be produced or bought, but from virtue all wealth is created: “Virtue does not come from riches; it is from virtue that all riches, and every other good for the citizens and for the city, come forth” (Plato, *Apologia* for Socrates). Mission-driven organisations develop from a vocation that is born out of the intrinsic motivations of their promoters/founders. And when we speak of mission, intrinsic motivation, vocation, we are also speaking of gratuitousness, if it is true that we enter into the territory of gratuitousness every time that we deal with behaviour that is practised just because it is good, because it has value in itself, before and independently of (at least in the short term) of material results that those who act in this way bring with them” (Zamagni, n.d., p. 13)

Gratuity basically means gift, and “Near the gift, the reciprocity develops” (Argiolas, 2006, p. 10)

When speaking about reciprocity in love in a business environment, let us note that this idea is new in CST, too. *Caritas in veritate* is the first encyclical letter, in which it appears, and immediately even 4 times, i.e. strongly emphasized and not only for the private sphere, but generally in society:

“Subsidiarity respects personal dignity by recognizing in the person a subject who is always capable of giving something to oth-

ers. By considering reciprocity as the heart of what it is to be a human being, subsidiarity is the most effective antidote against any form of all-encompassing welfare state.” (Benedict XVI, 2009, para. 57)

The roots of this statement go back to Aquinas, who pointed out that the person is “both subject and object of love.” (As cited in Melé, 2009, pp. 229–230) The encyclical letter links reciprocity with to the field of business:

“The Church’s social doctrine holds that authentically human social relationships of friendship, solidarity and reciprocity can also be conducted within economic activity, and not only outside it or “after” it.” (Benedict XVI, 2009, para. 36)

Reciprocity is the basis for all the *deals* of giving and taking. Here however we can speak about different types of reciprocity.

“Where the flourishing of others is promoted and achieved, these persons will tend to increase their concern for others, something which they will show in genuine care and esteem for others; an esteem which can become mutual. What comes from this is a phenomenon which can be termed “friendship-based reciprocity”. This is a different type of reciprocity to the conventional business or contractual model. It is neither limited to that characteristic of commutative justice or social contract whereby something is given so that something may be received in return. Instead of an exchange of equivalents (*quid pro quo*), reciprocity on this level entails certain gratuitousness based on a sense of mutual esteem among those who cooperate with common goals. This level includes whatever actions and dispositions that might foster mutual esteem and “friendship-based reciprocity.”” (Melé, 2014, p. 465)

Going into more detail it is worth to analyze the variety of forms of reciprocity: “Bruni specifies that, if reciprocity is one, many are the forms in which reciprocity can be implemented.” (Argiolas, 2006, p. 10) He considers, in particular, three forms of it: a) “reciprocity without benevolence”; b) “reciprocity *philía*”; and c) “reciprocity *agápe*”.

The form “a” is very common in business, since it is nothing more, than a win-win-deal. What makes his statement interesting is the separation of the types “b” and “c”. And while the one which is really close to gratuity is type “c”, it is important to acknowledge, that

“it is extremely important that all three forms of reciprocity be present in the company. The first, or conditional reciprocity, introduces market dynamics into a firm, thus ensuring greater freedom to those in the relationship. In fact, a contract defines the normative framework in which each one can act. While this may seem a constraint, at least in the early stages, it can in fact be a freeing element, in the sense that by defining the duties of each party (such as number of hours worked, overtime, vacation, salary, and so forth) it guarantees the parts that are outside what the parties can negotiate. Partially conditional reciprocity recalls the fact that the logic of the contract alone is insufficient for a company to be managed efficiently and effectively. Contracts by their very nature are incomplete, and it is difficult to operate if workers’ reasoning is typically “that’s not my job.” At the same time, when a contract works it protects against a totalizing logic. Consider the behavior of one who feels compelled to show company loyalty by constantly remaining beyond working hours or not taking vacation time. Such reciprocity emphasizes the requirement that each one take a step towards the other by eliminating opportunistic behaviors; such behaviors by any party erode the reciprocal relationship and block achieving communion, much less efficiency. Unconditional reciprocity encompasses gratuitousness

and unconditionality, essentially and primarily directing action towards building bonds of gratuitousness between people. In this sense it differs from philanthropy in that “where a philanthropic organization works for others, gratuitous action works with others” (Zamagni 2006, p. 34). If we consider the aforementioned characteristics of communion here (liberty, plurality, universality), one can understand why this form of reciprocity is necessary for fully attaining communion. Indeed, a truly gratuitous gift is both free and liberating, in the sense that one who intends to give without strings attached also neither intends nor exercises any form of domination over the recipient.” (Argiolas, 2017, p. 90)

What does it mean in the daily practice? A good example for the type “a” reciprocity is a fair compensation with a motivated employee to do his best.

For type “b” a typical situation is the following:

“Good bosses shield their employees from distress and distraction in diverse ways, whether behind the scenes or publicly. They work day after day to enhance their self-awareness; stay in tune with followers’ worries, hot buttons, and quirks; and foster a climate of comfort and safety. They also learn to identify which battles their people consider crucial to fight, and which they see as unimportant. When bosses can’t protect people—for example, from layoffs, pay cuts, or tough assignments—the best ones convey compassion, do small things to allay fears, and find ways to blunt negative consequences. Operating in this way helps bolster your people’s performance and well-being. And a nice by-product is that they will have your back, too” (Sutton, 2010, p. 109)

260 Human Dignity in Managing Employees

Type “c” is the so-called «extra mile» just out of pure love – most of us have such personal experience with a former boss, caring about us, mentoring us at the beginning of our career.

These examples show that what Bruni and Argiolas call “friendship-based reciprocity” or “reciprocity philia”, or “reciprocity agapé” are not more and not less, than love and unity.

“Love, in its proper and full sense, is the impulse of an agent to achieve [...] perfect unity with other personal agents (Pérez López, 1991, p. 271).” (Argandoña, 2011, p. 81)

Love of friendship has at least three distinguishing features: it is mutual, requited love; it is selective (a person may have many companions, but will probably have only a few friends); and it is built on a common purpose (friends find something that interests both and that separates them from others. Companionship develops between people who do something together. That is why it is so common in firms. Friendship, in contrast, develops out of building on something, with a common purpose. Friends do not look at one another, but together in the same direction. Accordingly, friendship may arise in a company between two people who have something in common, an interest, a project, a point of view, which may be unrelated to the organization or specific to it. In the latter case, the friendship is forged around the firm’s project and is what creates the unity we referred to earlier.

“Friendship is the “exemplary and most intensive form of benevolence (...) if we ask what benevolence is, we can only refer to its highest paradigm, friendship” (Spaemann, 1991, p. 169, as cited in Argandoña, 2011, p. 81)

With the words of John Paul II: “I desire a good for you just as I desire it for myself” (John Paul II, 1993, p. 112)

And “what in love decides the birth of that ‘We’ is reciprocity” (John Paul II, 1993, p. 106) Thus as we said before, friendship is reciprocal, shared; two loves that are one, that conjugate the *We*.

In companies, there are many cases of need-love. Examples include remuneration, recognition, social relations, help, and advice. All these are goods that may constitute the basis of need-love. We want to be treated with justice – but that is not enough: we need to be treated with love, at least in its most elementary forms.

“Need-love may be selfish, but it is not necessarily so. It coincides, in a way, with man’s highest, healthiest, and most realistic condition” (Lewis, 1991, p. 14, as cited in Argandoña, 2011, p. 80)

Reciprocity can also happen along time: One who receives love today may be willing to give love tomorrow. Or it can be developed to “gift-love”:

“Gift-love or love of benevolence consists of wishing good to the person who is loved. But this statement needs to be qualified. First, I must want the other person’s good, not for myself, not because it satisfies or pleases me, but for him or her.¹³ Second, it is not enough to wish good to the other; I must also do good. Third, I must want the good in accordance with the nature of that good (Wojtyła (John Paul II), 1993, p. 103). And fourth, I must put affection in love (Aquinas, 1990, 2-2, 27, 2), i.e. love includes “the desire to be with him, to be united with him, to identify with him” (Pieper, 2003, p. 468)” (Argandoña, 2011, p. 80)

3.6 Managerial Tool for Planning and Checking Human Dignity

The question pops up naturally: if this is all true and human dignity is such an essential issue in implementing personalism and the teaching of the Catholic Church, why don't we find lectures, trainings, management education focusing on the practical aspects of managing people and companies with a human dignity approach?!

In theory it seems to be clear: "Dignity protection and dignity promotion, or what we call humanistic management theory." (Pirson and Dierksmeier, 2014, p. 38)

When translating it into management style it is still clear that *servant-leadership* is what managers should implement:

"If you really want to get servant-leadership, then you've got to have institutionalization of the principles at the organizational level and foster trust through individual character and competence at the personal level. Once you have trust, then you lead people by coaching, empowerment, persuasion, example, and modeling. That is servant-leadership." (Stephen Covey, 1998, p. xvii)

And how to do it?! James Kouzes and Barry Posner, in their book, *Credibility: How Leaders Gain and Lose It, Why People Demand It*, describe the characteristics of Contemporary leaders who are looked up to. According to them:

"Leaders we admire do not place themselves at the center; they place others there. They do not seek the attention of people; they give it to others. They do not focus on satisfying their own aims and desires; they look for ways to respond to the needs and interests of their constituents. They are not self-centred, they concentrate on the constituent.... Leaders serve a purpose and the people

who have made it possible for them to lead [...] In serving a purpose, leaders strengthen credibility by demonstrating that they are not in it for themselves; instead, they have the interests of the institution, department or team and its constituents at heart. Being a servant may not be what many leaders had in mind where they choose to take responsibility for the vision and direction of their organization or team, but serving others is the most glorious and rewarding of all leadership tasks.” (Kouzes and Posner, 1993, p. 185)

The real problem is with two –interdependent – issues: how to quantify (“price”) human dignity and how to measure? And as we know from Percy Barnevik, the ex-ABB CEO: “What gets measured gets done – it’s what we’ve said in business for decades and I’m trying to do the same thing in charity work.” (Barnevik, 2007)

As for *pricing*:

“Long-standing psychological research on self-esteem suggests that the source of self-worth cannot be quantified (Deci and Ryan, 1995; Harter, 1983). In line with Kant, it suggests that neither self-worth nor others’ appreciation can be priced. All price-less aspects of humanity – including character, virtue, integrity (moral, physical, psychological), knowledge, wisdom, love, trust, or forgiveness – thus form part of human dignity (Hurka, 2010).” (As cited in Pirson and Dierksmeier, 2014, p. 9)

The question now is, that since aspects of humanity - and thus dignity – cannot be priced, can it still be measured? To answer, first we have to finetune even further what this approach really creates, as value or utility? The answer is:

264 *Human Dignity in Managing Employees*

“To reflect the original, inclusive meaning of utility, social welfare should be understood *as well-being creation* rather than wealth creation.” (Pirson and Dierksmeier, 2014, p. 20)

In everyday language this well-being creation can be formed differently. One, easy-to-understand, basic formulation comes from the Pope, when he was at the World Meeting of Popular Movements, taking place in Santa Cruz, Bolivia:

“A truly communitarian economy, one might say an economy of Christian inspiration, must ensure peoples’ dignity and their “general, temporal welfare and prosperity”. This includes the three “L’s” (*land, labor and lodging*), but also access to education, health care, new technologies, artistic and cultural manifestations, communications, sports and recreation. A just economy must create the conditions for everyone to be able to enjoy a childhood without want, to develop their talents when young, to work with full rights during their active years and to enjoy a dignified retirement as they grow older. It is an economy where human beings, in harmony with nature, structure the entire system of production and distribution in such a way that the abilities and needs of each individual find suitable expression in social life. You, and other peoples as well, sum up this desire in a simple and beautiful expression: “to live well”. (Francis, 2015)

Another, still not scientific formulation is, what the specialist, the Greenleaf Center’s homepage says:

“the best test is: Do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to be servants?” (As cited in Graham, 1991)

The only more structured, more complete but absolutely not with a business/management-focus created *list* is the following:

Figure 27, Comparison of dignity versus indignity treatment (Source: emotionalcompetency)

Dignity - Human Treatment	Indignity - Inhuman Treatment
<p><i>Adequate:</i></p> <ul style="list-style-type: none"> • Clean air • Clean water • Nutritious food • Shelter • Rest • Autonomy • Privacy • Personal space • Personal information • Freedom of thought and opinion • Freedom of speech and expression • Mobility • Responsibility • Security and safety • Relatedness • Caring touch • Recognition by others • Caring for others • Cared for by others • Competence • Meaningful work • Appropriate challenges 	<p><i>Denied the attributes of dignity.</i> <i>Victims of:</i></p> <ul style="list-style-type: none"> • Deprivation; inadequate water, food, shelter, • Inattention, being ignored, • Insult, or Humiliation, • Ridicule, harassment, bullying • Assault, • Deceit, manipulation, or cheating, • Tyranny, • Oppression, • Slavery, • Torture, • Coercion, • Denied or abridged human rights

266 Human Dignity in Managing Employees

<i>Access to:</i> <ul style="list-style-type: none">• Healthcare• Education and information• Equal protection of the law	
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While it can be leveraged as one, partial source to establish a company-level measuring «check-list», it would not be enough comprehensive and holistic.

This is why I felt motivated to develop a human dignity based «management-test» of my own, as a tool, specifically for those managers, who want to lead their organizations according to the Catholic Social Teaching. The methodology of a «questionnaire-based test» is not something brand new, but once the questions themselves are specific, the whole approach becomes a managerial innovation. To be specific we have to identify the goals such leaders have to and want to follow:

- First of all, they themselves want to behave according to the requirements of this approach
- They want to have a method for self-check, regularly
- They also want to make the whole company like this, i.e. to establish and sustain the related corporate culture
- Therefore, even the subordinates have to get informed, trained, and motivated to think and act accordingly
- They have to have ways and channels to give their feedback to the management
- A regular, holistic evaluation, measurement and output for finetuning has to be institutionalized

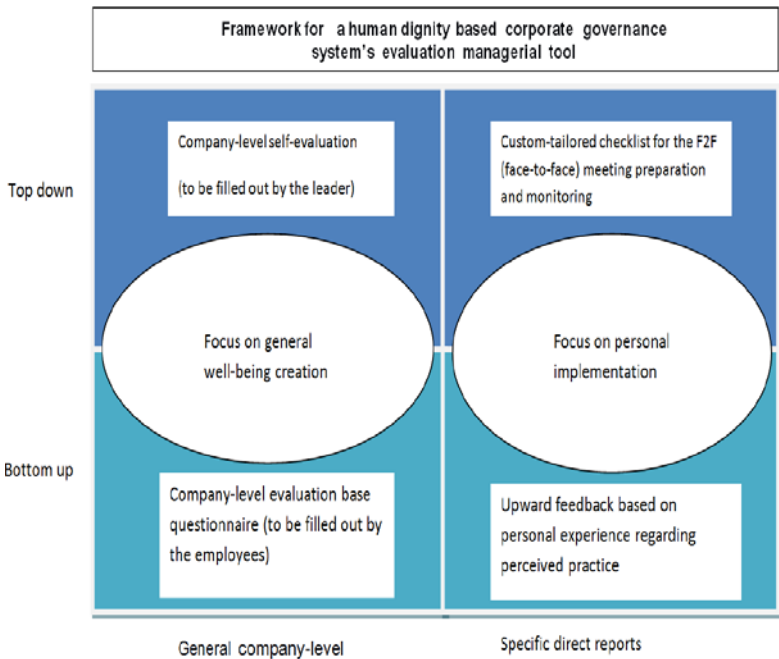
In order to achieve the above goals, first a framework has to be created, which covers all the above issues and aims.

At a company basically there are always two directions for communication and action channels: top-down and bottom-up.

From another point of view, we can speak about the relationship between manager and subordinate directly and on a one-to-one basis, or about the company as a whole, as an organizational unit.

By combining the two approaches we end up with a 2x2 matrix, for the measuring framework system, as follows:

Figure 28, Framework for a human dignity based corporate governance system's evaluation managerial tool (developed by Tibor Héjj as part of the thesis)



To plan, measure and check the daily, regular and systematic implementation of human dignity, I rely – as a kind of simple summary of the previous close to 200 pages - on the interdependent link between welfare and dignity:

“The denial of dignity will impact on welfare, and the denial of welfare will impact on dignity.” (Kleinig and Evans, 2013, p. 564)

Based on that clear inter-relation we only have to answer two – yet broad and complex – questions: what is the content of welfare according to CST, and what is the mode for realizing it? Thus the segments of the matrix have to evaluate the details of these two questions.

As for the first one, the content of the general term «welfare» can be best defined by looking for well-being creation in the view of integral human development. In this aspect *well-being creation* consists of a complexity of the *wellness* concepts as:

- Physical Wellness
- Intellectual Wellness
- Occupational Wellness
- Environmental Wellness
- Emotional Wellness
- Social Wellness
- Spiritual Wellness

I purposely changed the sequence's order compared to the original source (University of California, wellness.ucr.edu, n.d.). I tried to follow the logic of Maslow's hierarchy of needs, starting from the very basic and generally accepted ones towards the more abstract and for some not even evident ones. For my questionnaire this order is more practical, enabling to show easily the level desired and reached.

Once we know the aim, we have to choose the route towards implementation. Again, based on what was written on the previous close to 200 pages, we can conclude that *personalism* and *servant-leadership* is

the mode, method, or way to achieve the integral human development of the persons at the company. I agree with Whetstone, as far as what is needed to become an integral human development oriented manager is: “Personalism and moral leadership: the servant-leader with a transforming vision” (Whetstone, 2002, p. 385) According to him, the critical ingredient for servant-leadership is also the starting point of personalism, i.e. the dignity of each human person. A genuine servant-leader works with his followers on building a community of participation and solidarity.

Thus in each of the four segments of the matrix we have to evaluate the realization level of the aim of integral human development through the complexity of a holistic welfare portfolio and the process, mode, way of governance by implementing personalism and servant-leadership.

The specialty of the upper left segment is, that it evaluates the general corporate-level well-being creation and servant-style leadership – by the leader himself. He can and should do a self-check – which later on becomes confronted with the result of the general and anonymous bottom-up survey (lower left segment), and also through the face-to-face upward feedback of her direct reports (lower right segment). This upper left segment functions also as a basis for the upper right segment, which is the transformation of the general actions for the case of specific persons, the direct reports. Thus the harmony of the (upper and lower) left segments and the overlap of the (upper and lower) right segments provide a useful and necessary mirror, to be able to compare the intended and/or perceived view with the reality. And the eventual differences between the outputs of both columns prove whether the leader himself is consistently committed to human dignity, as a basis for the company culture value.

Upper-left (“UL”) segment - The general self-evaluation questionnaire is to be filled out by the leader, before getting informed about the result of the lower left segment:

270 Human Dignity in Managing Employees

UL questions for self-evaluation (reflecting the last period to be defined, like the actual calendar year or last 12 months):

- General:
- In communication: Listing policies, instructions, memos, homepage, other communication supporting well-being creation, through the seven aspects of wellness
- In action: Listing events, situations, other facts when acting in this manner
- In planning: quotes from business plan, annual report or alike about related plans
- In monitoring: institutionalized processes, forums, responsibilities for supervising, controlling, checking the above
- Listing lack of fulfillment and action plan for correction
- Specific:
- Have we avoided suffering in any form? (Y/N)
- What is our company-level safety target and what is the result? (No./No.)
- Do we provide meaningful work for our employees? (%)
- Appropriate challenges? (%)
- Lifelong learning opportunities? (%)
- Fair wages and salaries? (%)
- Transparent and consistent incentive system? (%)
- Responsible career development, no reification? (%)
- Do we offer outplacement support? (Y/N)

- Human rights, equal opportunity (e.g. for women, ethnic origin, faith, etc.)? (Y/N)
- Support for community-building and developing at the company? (Y/N)
- Do our employees have institutionalized channels for participation in decision preparation? (Y/N)
- How often are their inputs recognized? (%)
- Do they recognize the servant-leadership based corporate governance? (%)
- Do my employees consider me as an accountable person and steward? (Y/N)
- Are our employees (middle management) motivated and convinced about servant-leadership? (%)
- Is faith, religion, spirituality respected? Open speech, no expectations, no negative consequences, respect for religious practices (e.g. in case of food, dress code) (%)

The result of the self-evaluation should be compared with the statistical outcome of the employees, who were asked anonymously about the same topics, in adjusted or/and inverse style and only for the specific questions:

- Was there any suffering in any form? (Y/N)
- Is there a company-level safety target and what is the fact? (No./No.)
- Is my job meaningful (Y/N)
- Do I have appropriate challenges? (Y/N)
- Does the company enable/support learning opportunities? (Y/N)
- Do I consider my wage/salary fair? (Y/N)

272 *Human Dignity in Managing Employees*

- Do I have a transparent and consistent incentive system? (%)
- Do I recognize a responsible career development, without reification? (Y/N)
- Is there an outplacement support for those who have to leave? (Y/N)
- Are human rights, equal opportunity practiced (e.g. for women, ethnic origin, faith, etc.)? (Y/N)
- Does the company support community-building and developing at the company? (Y/N)
- Do I see institutionalized channels at the company for participation in decision preparation? (Y/N)
- How often was my personal input recognized? (%)
- Is the company's governance system based on servant-leadership? (%)
- Is the CEO an accountable person and steward? (Y/N)
- Do I plan to choose servant-leadership once in management position or if manager do I want to act accordingly? (Y/N)
- Have I experienced any negative consequences related to my faith, religion, spirituality? (e.g. in case of open discussions, sharing info on related events, food/drinks, dress code) (Y/N)

The leader – or her supporting expert – can draw important conclusions on basis of the comparison. The most important question is: how far the self-view is from the view of the employees? Going into details of the deviations, their grouping, their trends in time, all give useful feedback to the leader, about what to change, modify, or communicate. Like all other assessments, this too, can either become a useless homework or a well-appreciated useful tool for improvement. The fact that the methodology itself (questionnaire) is not new even helps its acknowledgment, while the questions themselves are really new in their current, focused form.

While the above part is not just about facts but more about the company as whole, and about the widespread beliefs as well (since many employees do not even have any direct relationship with the CEO), the right side of the matrix is inevitable about the personal relationship between the CEO and her direct reports, usually 6 to 8 persons. Here face-to-face (F2F) meetings are preferred for better results, giving room for discussions guided by questions, rather than just responding with numbers, percentages or Y/N options. If the leader really believes in servant-leadership, this is a great opportunity to practice active listening, to focus on ministration rather than administration, being humble rather than playing the «Big Boss» – the session itself becomes a test and proof of human dignity oriented culture based on servant-leadership. Since this side (upper right and lower right of the matrix) can and should be even more specific, it is up to the leader which topics he would prefer to assess – and it can vary even in time, depending on lifecycle, challenges, set (or changing) priorities. Below there is a suggested list of questions, which can be adjusted as needed for the main purpose. The questions below should be answered by the leader for each of the direct reports, before meeting the employees:

- Do I have a personal integral human development plan for him/her? (Y/N)
- What are my prioritized well-being creation targets for him? (List)
- Are they adequate, custom-tailored? (Y/N)
- Was it agreed with him/her? (Y/N)
- What were the examples for personal respect, and caring recently? (List)
- Does he have appropriate challenges in his current job? (Y/N)
- Do I assure for her lifelong learning opportunities? (Y/N)
- Is her incentive system transparent, consistent, and in line with human dignity issues? (Y/N)

274 *Human Dignity in Managing Employees*

- Do I care about his social needs? (Y/N)
- Do I involve her deeply enough in decision preparation?
(Y/N)
- How often is her input recognized? (%)
- Am I biased due to any political, religious, minority, ethnic origin, or gender based attribute? (Y/N)

Again, the subordinate should answer the adjusted/inverse version of the questions above in advance from his point of view. Thus a suggested list of questions in line with the above regarding the lower right segment could be as follows:

- Do I know about a personal integral human development plan for me? (Y/N)
- What are my prioritized well-being creation targets? (List)
- Do I consider them as fully adequate, custom-tailored? (Y/N)
- Does it include all my inputs, desires? (Y/N)
- What were examples for personal respect, and caring from my boss, recently? (List)
- Am I satisfied with the challenges in my current job? (Y/N)
- Do I miss opportunities for learning? (Y/N)
- Do I consider my incentive system fully transparent, consistent, and in line with human dignity issues? (Y/N)
- Do I feel that my social needs are acknowledged by my boss?
(Y/N)
- Am I involved deeply enough in his decision preparation?
(Y/N)
- How often has my input been recognized? (%)
- Have I felt I any stress/disadvantage due to political, religious, minority, ethnic origin, or gender based difference?
(Y/N)

While many of the questions are indicated as Yes/No questions, since the meeting is personal, everything can be discussed once the

answers do not overlap. It also holds true for the list-type answers: especially those items are interesting to be discussed, where the overlap is not full. If a respectful and supportive team-spirit exists, then the whole session becomes a method for personal development rather than a painful conflict (let me refer to Regular Colloquies and Verification or „The Moment of Truth” by Argiolas (2017)). And they can immediately experience reciprocity, too: both participants «gain» on it, their well-creation increases mutually.

Measuring makes only sense if there was a plan – which can and should be compared with the result of the measurement, as fact. Therefore, the above matrix and its details are envisioned both as a framework for planning as well as for checking/measuring, thus as a management tool for human dignity focused on corporate governance. I have to admit that the idea and its realization is in an embryonic stage, it will need some accumulated experience for finetuning and finalization after a test period. Once developed it would become a real tool, a «product» or/and even a professional service. As a «product» it would consist of a software, which guides the users through the process of filling out the questionnaires and the software would make the statistical summarizing and data analyzing, supporting the cognitive «lessons learned» by the leader and his supporting team (even this part can get some artificial intelligence software support). In case of (full) service access to the questionnaires would be available electronically, the answers would be stored centrally in the cloud, analyzed, and the statistical outcome sent to the leader. In this case even benchmarks can be created based on the data gathered. Technology and automation would serve human dignity, instead of the current trend of human dignity getting victimized due to automation and technology!

What was described above for the top-level of a company can be cascaded on a top-down basis. Thus the deputies of the CEO can and should practice the right side of the matrix with their direct reports, and

so on. This would increase the impact and efficiency of the upper management level sessions, and the trickle-down effect would be a trigger for corporate culture change and being committed to this new culture.

One could say that this approach is far from «realistic» – and it is really not usual and typical. However, this is not an argument against it, since the whole personalistic approach, especially if declared to derive from CST is not mainstream and not common. If one believes in the theological fundamentals, accepts the related philosophical anthropology, and wants to implement personalism and base her company-community on human dignity – for sure she needs to implement and practice new ways for corporate (community) governance, boss-subordinate relationship, mutually supporting each other in all types of well-being creation in a holistic sense supporting all participants' integral human development.

SUMMARY AND CONCLUSION

It is not easy to be a good Christian as a person, because of the manifold and not clear-cut guidelines, rules, requirements and traditions of Jesus and the Church. Due to the increased complexity, and even less determined «rules of the game» it is by far more challenging and demanding to stick to the Catholic Social Teaching in the field of business, as a leader. Thus the challenge is great and success is only assured (as far as anything can be assured for a fallible human being) in case there is knowledge combined with a very strong – intrinsic – commitment.

The knowledge part has to be multidisciplinary; integrating theology and philosophical anthropology in order to understand how the related management theory has been developed and only based on that holistic type approach can a well-grounded management practice be realized. For systematic and consistent implementation there is a need of a managerial tool to be able to plan and to measure. Only committed persons can keep their resilience on this path.

Going one-by-one, the first discipline is theology. According to Christianity it is the relationship of the Holy Trinity, which can and should be aimed and – within limits in time and depth – should be realized among human beings, as formulated in the Compendium: “in their complementarities and reciprocity they are the image of Trinitarian Love in the created universe” (Pontifical Council for Justice and Peace, 2004,

para. 36). As a consequence, mutual love of persons in communion can and should be envisioned for companies, too. What it means in doing business and managing employees was gradually developed in the past more than 120 years and is called the Catholic Social Teaching. By now its evolvement reached a crystallized phase where theory can and should be put into practice more consciously and consistently, especially because the events in the actual mainstream economy and business show their limits and problems. This is why not only the Pope and the bishops, but academic people, and practitioners contributed to it, so the ideas have been extended, detailed and linked to related theories collectively achieving a comprehensive Catholic Social Thought system. The focal point of it is human dignity, based on our brotherhood and though being creatures, but the only ones with God's shape ("God created mankind in his image; in the image of God he created them" Genesis, 1:27, <http://www.usccb.org/bible/genesis/1>). All the other principles of CST – like subsidiarity, solidarity, and common good - can be viewed as its consequence or result. Although it is very valuable, it cannot be priced, therefore the saying of the contemporary Berkley Scholar and Psychologist, and non-fiction writer, Fran Barron is completely right: "Never take a person's dignity; it is worth everything to them, and nothing to you."

In the field of philosophical anthropology

"of particular significance is, accordingly, the classification based on different approaches to what a human being is—a subject, an individual, or a person. Those thinkers who consider human beings as subjects (e.g., René Descartes, Immanuel Kant), or as individuals (e.g., Adam Smith, Friedrich von Hayek, Abraham Maslow), espouse what may be referred to as a nonpersonalistic humanism; those who consider them as persons, a personalistic humanism" (Acevedo, 2012, p. 198)

This is how we arrive at “personalism”, while not denying our individual being:

“our whole being is an individual by reason of that in us which derives from matter, and a person by reason of that in us which derives from spirit” (Maritain, 1947, p. 33). And exactly this second aspect is the trigger for the so-called «altruistic capital». “In personalism, the human being is seen as a duality, individual-person, which can provide a way of conceiving both the self-interested and self-giving aspects of human action in an integrated way.” (Naughton et al., 2010)

This gives the CST-driven leaders the motivation and ambition to learn in order to deeply understand and to believe in it, so they are ready to judge and act accordingly (cf. “see-judge-act” of “Vocation of the business leader”, Pontifical Council for Justice and Peace, 2012, para. 87).

The mainstream approach is not in line with this one, this is why it is so important to see the difference between the alternative approach and mainstream liberal approach (what is business in both worldviews; why to do business; for whom to do it (shareholder vs. stakeholder approach); what do we consider as value creation, ultimate goal (what are considered as means and as ends), relation to other people (workforce vs. person).

The cornerstone of my approach is human dignity and while it has an impact on every activity and action of management, I focus on the key element of how human dignity embedded into CST-driven leadership would act towards the employees, not just *in* and *at* work, respecting human rights, and (mainly) material needs combined with some intellectual desires, but in a broader concept, like fostering integral human development.

280 Human Dignity in Managing Employees

Based on that holistic approach I derived a “holistic stakeholder value matrix” – detailed in Chapter One 2.5. –, which integrates all the stakeholders and all the aspects (physical, intellectual, spiritual). CST-driven leaders should take care of all of the value creation matrix elements, thus instead of «maximization» they should «optimize» a set of portfolio goals – this is the real and very responsible challenge!

Here and now we would focus on the employees.

Figure 29, The employee-focused part of the Holistic Stakeholder Value Matrix (Source: Héjj, 2006, slide 13)

Layers \ Stakeholders	Share-holder	Employees	Customers	Vendors	Society	Future generations	The poor
Spiritual							
Intellectual							
Material (Financial)							

To fulfil this approach a servant-leadership management approach is essential. This focuses on persons and on community, possibly even communion. The aims and «key success results» are not the ones of the mainstream (revenue and profit), but human flourishing. In this view

“the best test is: Do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to be servants?” (Spears, 1994, p. 156)

Another approach puts human rights in the middle of – or sometimes even instead of – human dignity. In our view the cause and effect is vice versa: to respect human rights is a consequence of respecting human dignity, respecting *the other I*, as a person.

The dignity of the workplace and the dignity worker have the same roots, namely to see the workers as persons and to see the company as a community.

“In a community of persons, contractual agreements and the ethical requirement of honoring them are not eliminated, but relationships are not only contractual, and ethical requirements go beyond contractual duties.” (Melé, 2012, p. 98)

Humans are able and willing to make not just *win-win deals*, but to share and give without expecting anything in return. Gratuity – especially in business – was not acknowledged for too long, although

“An economy that loses contact with gratuitousness does not have a future as an economy, for it will not attract those with high “vocations”; if the enterprise becomes only a business (in the sense of a “machine to make money”), and excludes the passions and moral sentiments, it will only attract persons with a low capacity for human relations, meaning poor managers and workers.” (Zamagni, n.d., p. 13)

Gratuity brings us to another newly discovered phenomenon: reciprocity.

“Near the gift, the reciprocity develops” (Argiolas, 2006, p. 10)

This reciprocity enables that the human dignity approach from the CEO towards the employee is not *a one-way street*, all stakeholders can take part in gratuity-intended actions, resulting in a multi-reciprocity net, as Argiolas (2017, pp. 84-85) stresses:

“making space for the other and finding space in the other, in one’s integrality, sharing values, motivations, actions, plans, talents, and intents to the point of experiencing a free co-belonging.”

That is *living in communion*, which leads us to practice dialogue, trust and reciprocity. Instead of simplifying the complexity, we have to view even reciprocity in a holistic way, and therefore: “it is extremely important that the three forms of reciprocity should be present in the business.” (Argiolas, 2006, p. 11)

In order to be able to consistently implement the CST-driven approach based on human dignity as the prime driving force, leaders need to plan and measure. While so many different management tools exist for testing, checking, controlling, measuring financial and quality performance, as far as I know, such a human dignity related managerial tool does not exist. Due to its intangibility and broad scope it is difficult to «catch» the key dimensions. The traditional way of financially quantifying the value creation does not function, since

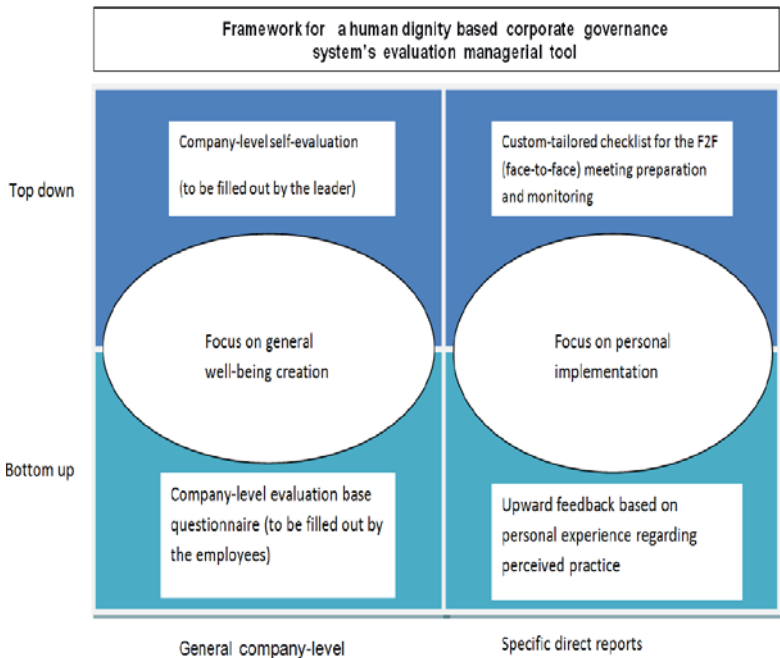
“social welfare should be understood as well-being creation rather than wealth creation.” (Pirson and Dierksmeier, 2014, p. 20)

The “wellbeing creation” consists of a complexity pattern of the concept of wellness, which consist, according to the University of California, Riverside (wellness.ucr.edu, n.d.), as follows:

1. Social Wellness
2. Emotional Wellness
3. Spiritual Wellness
4. Environmental Wellness
5. Occupational Wellness
6. Intellectual Wellness
7. Physical Wellness

In order to monitor the existence and consistency of human dignity-based management system, first I created a framework. This can be shown as a 2 by 2 matrix. One dimension is about the direction (top-down and bottom-up), the other dimension is about separating the overall company-level (corporate culture) approach from the personal (one-to-one) relationships with the direct reports.

Figure 30, Framework for a human dignity based corporate governance system's evaluation managerial tool (developed by Tibor Héjj as part of the thesis)



I developed a specific *checklist* and method for evaluation for each of the four segments. The fact that the methodology itself (questionnaire) is not new even helps for its acknowledgment, while the questions themselves are really new in their current, focused form.

Based on the fact that leaders can (regularly) measure, whether they and their company is *on track* and can even plan with it – the outcome of the measure as *fact* can be compared either to the company-specific plan or to a general benchmark (later on, when there is enough data by others, collected in a databank and comparison is offered as a service). If the idea and method can be institutionalized and spread in the business society, within in just 2-3 years a remarkable databank and «lessons learned» could be accumulated and leveraged for fine-tuning. This would have a significant impact on the way of managing companies and through it also on society in general.

If there is a theological and philosophical basis for human dignity, and there is a theory for this kind of management, and some leaders even practice it, why does it not gain more followers, why has it not become a much more impactful way of doing business, or even the mainstream?

The barriers to implement this new system are in us, investors, owners, and managers, since the current macro-system (defined and maintained by us) possesses limitations, and requires sacrifice on a personal level. There are examples, even sustainable good practices for this new system, in growing number, however they are still special cases, rather than a potentially mainstream trend. I see two – independent, though mutually supporting – reasons, which limit the expansion of this management method to become general.

1. It requires consistent self-sacrifice from the leader

We have already known for a long time, that “The managers may have incentives to behave in accordance with their own interests, not those of the owners. This is the “problem of agency” (Jensen and Meckling, 1976, as cited in Argandoña, 2011, p. 83).

If the managers cannot always resist the temptation of following their own interest, instead of the ones of their employers, why should we

expect – in great quantities – to see the managers taking an extra load on themselves «just» for a more human, more for-the-other-person oriented approach, without any (immediate) financial return, or reward?

Our thinking however is too strongly oriented on material, tangible returns. Once we are ready to think more holistically, to include intangible rewards in our thinking, we realize that such approach assures reward – though in other dimensions. Like joy due to the Trinitarian relationship with the colleagues and to consciously perceiving to be created in God's image. Therefore, primarily those, who are strongly and intrinsically committed to certain philosophy or theology, like the CST, are ready to «victimize» themselves for such goals, like:

“associating quality of work with human flourishing and dignity offers a fruitful path for assessing contemporary work, workers and workplaces that fits a vision of a fair, just and mutually constitutive society while at the same time meeting the demands of a highly competitive global environment.” (Bolton, 2010, p. 160)

2. Under certain circumstances it is considered, as a luxury, and counter effective method.

Typical situation of this problem is when there is either a company-level, or industry-level, or country-level turmoil, full of stress and need of fast decisions and actions.

“Different situations will require a blending of command and servant-leadership. For example, when there is an extreme emergency requiring instant decision-making for the sake of saving lives or winning a war, it may not be in the best interest of followers for their leader to spend a lot of time in consultation and debate” (Page and Wong, 2000, p.4)

Some people say – and it might be justified – that in our accelerated days, we are always under stress, due to the fierce competition companies have an on-going fight for their existence, and thus they cannot

afford to switch to a «slow-motion» mode. This argument is also justified, especially in the short run, however sustainability requires peaceful periods, otherwise both the individual humans as well as the company as a whole gets burned out. Thus we end up with *a catch-22 situation*: those who only focus on shareholder value maximization, do not care about their human «resources», since they can employ additional resources for keeping the money-making company alive and neglect human dignity. Those who care, do not want to overload or/and misuse the persons in their (economic) community, thus they face a competitive disadvantage – and this is how the two independent issues add up and support each other, providing negative synergies.

So until there are actors who do not care about others (and such people will always exist), and there are people who cannot afford to choose, but must be happy to find any kind of job (and such people will always exist, too), thus cannot refuse to work at places neglecting human dignity, the temptation and motivation is (too) high to go the traditional, un-human(istic) way. And a mix is usually not a healthy compromise but a misleading semi-solution:

“In adhering to this notion of human dignity, firms are encouraged to display greater sensitivity and care in their interactions with all stakeholders, including (and especially) those stakeholder groups that include disadvantaged members (Goodpaster, personal communication, 2012). Without this doctrinal grounding, firm actions can easily become “prey to forms of exploitation; more specifically [they risk] becoming subservient to existing economic and financial systems rather than correcting their dysfunctional aspects” (CiV, No. 45).” (Carrasco, 2014, p. 312)

I conclude with two statements of Kleinig and Evans (2013, p. 559):

“True, the recognition of dignity does not exhaust the conditions of human flourishing; yet, without its recognition, the ability for humans to flourish tends to be extremely limited.”

And:

“The denial of dignity will impact on welfare, and the denial of welfare will impact on dignity.” (Kleinig and Evans, 2013, p. 564)

* * * * *

I hope that with my thesis I could answer the research questions (see Preamble 2.) and summarize in a convincing way (both for academic people as well as for practitioners), how to plan, how (and why) to do, how to measure, thus how to implement human dignity-centred Catholic Social Teaching-based practice in the leader-employee related management at a company.

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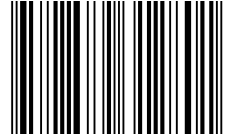
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Human Dignity in Managing Employees

A Performative Approach Based
on the Catholic Social Teaching (CST)



Tibor Héjj

was awarded his PhD from Sophia University in Italy. He holds an MBA from Vanderbilt University in the USA and an MSEE from the Technical University of Budapest in Hungary.

As a strategic consultant, he served the Boston Consulting Group, was VP of A.T. Kearney and for the past 15 years has run his own consultancy firm. He is also Founder of a non-profit company that provides job-opportunities for handicapped people.

The Academic, Church and Business sectors have been three independent worlds for too long. Only recently have the ideas and theories of one segment started to develop and generate a strong and acknowledged impact on the other sectors, cross-fertilizing each other.

The aim of this thesis is to summarize how it is possible to derive from theology the kind of philosophical anthropology which can serve as a basis for the right management theory together with its implementation. It is based on the Church's Catholic Social Teaching (CST), specifically on its prime pillar of "human dignity", together with the related academic disciplines, while providing a useful performative approach for those in business. The conclusion is an alternative, holistic system, that considers the employees as persons, rather than economic factors.