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EMPLOYEE DIGNITY AS A KEY VALUE IN MANAGEMENT PRACTICES IN THE AGE OF ARTIFICIAL INTELLIGENCE

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ABSTRACT

Purpose: *The aim of the study was to examine the possibility of using the concept of dignity-based management in so-called intelligent management and to develop recommendations for managers using AI systems in the human resources management process based on dignity-based management practices.*

Need for the study: *Based on a literature review carried out for the purposes of the study, there was a clear lack of publications that would strictly relate to the issue of using the concept of dignity-based management in so-called intelligent management, based on the implementation of AI technology into management processes. Moreover, European Union documents encourage stakeholders to formulate ethical guidelines for entities implementing AI technology, including management processes.*

Methodology: *The study was prepared on the basis of a critical review of current European Union regulations concerning the ethical aspects of the use of artificial intelligence tools and an analysis of the literature on intelligent management and dignity-based management.*

Findings: *The issue of employee dignity was not sufficiently addressed in the analysed European Union regulations on the implementation of AI into management processes; dignity-based management practices can contribute to a more effective implementation of the human in command principle.*

Practical Implications: *A set of recommendations for managers using AI systems in the human resources management process based on dignified management practices has been developed.*

Keywords: Dignity Management Practices; Employee Dignity; Artificial Intelligence; Ethics; Intelligent Management; European Union

Jel codes: M12

1.INTRODUCTION

The global and intensive development of artificial intelligence (AI) is increasingly affecting the functioning of companies in various areas of the economy. The term artificial intelligence refers to systems that display intelligent behaviour by analysing their environment and taking action – to a certain degree autonomously – to achieve specific goals (European Commission [EC], 2018, pt 1). The integration of artificial intelligence into human resource management practices is a process that has

already been initiated, although it is difficult to determine the pace and depth of the resulting changes. One area of this process is reflected in the predicted growth of the global AI HR market by 35.26% from \$3.89 billion in 2022 to \$17.61 billion by 2027¹.

The European strategy *Artificial Intelligence for Europe* states: ‘the way we approach AI will determine the kind of world we live in’ (EC, 2018, pt 1). As mentioned in this document, the European Union should become a world-class centre for artificial intelligence and ensure that AI is human-centred and trustworthy (EC, 2018). This approach is based on anticipating the effects of the transformation associated with artificial intelligence and focusing on investing in the development of knowledge and human skills necessary for mastery of new technologies. The basis of this so-called inclusive approach to AI is to put people at the centre, to ensure their safety and the possibility of exercising their fundamental rights. Also, with regard to the labour market, it has been assumed that ‘ensuring that workers can adapt and access new opportunities will be a prerequisite for people to accept AI’ (EC, 2018, pt 3.2).

Operating in the volatile, uncertain, complex and ambiguous environment of the VUCA world, organisations find themselves in a difficult position defined by the need to balance the opportunities for progress offered by AI technology with the risk of dehumanisation that its implementation entails (Fioravante, R., & Vaccaro A., 2024). They recognise a number of beneficial opportunities to use artificial intelligence to optimise their decisions, but these changes – on a par with the industrial revolution – raise a number of ethical questions, particularly regarding the protection of human dignity in the workplace. Metaphysical questions about the nature of humans and the status of machines pose a significant challenge to the development of AI (Stahl, 2021). The ethical dilemmas arising from the rapid progress and widespread use of artificial intelligence point to the need to create legal and ethical standards that could limit the potential negative consequences of AI development, such as the lack of algorithm transparency, the risk of discrimination or problems with accountability (Kosiak, 2023). In the context of managing modern organisations, the issue of using AI systems, especially in relation to human resource management (HRM), undoubtedly requires reflection and discussion.

This study is part of the ethical discourse on the use of artificial intelligence in human resource management and fills a research gap by emphasising the importance of employee dignity as a key value in this process. They were prepared on the basis of a critical analysis of current regulations at the European Union level and literature on the ethical (and especially dignity-related) aspects of management using AI tools. The aim of the thesis was to examine the possibility of using the concept of dignity-based management in intelligent management and to develop recommendations for managers using AI systems in the process of human resource management based on dignity-based management practices.

2. ETHICAL FRAMEWORK FOR THE DEVELOPMENT OF ARTIFICIAL INTELLIGENCE - OVERVIEW OF SELECTED EUROPEAN UNION REGULATIONS

Trustworthy AI should create a safe and innovation-friendly environment for users, developers and implementers. The process of building trust in AI in the European Union is to be served by the following three - interrelated - legal initiatives (European Approach to AI, 18.02.2025):

- a European legal framework for artificial intelligence – to protect fundamental rights and address the security risks inherent in artificial intelligence systems,
- a civil liability framework – adapting liability rules to the digital age and artificial intelligence,
- a review of sectoral safety legislation (e.g. Machinery Regulation, General Product Safety Directive).

Europe's comprehensive regulation of artificial intelligence is the *AI Act* (2024). It entered into force on August 1, 2024, and will become fully applicable from 2 August 2026. The regulation creates a legal framework “in particular for the development, marketing, commissioning and use of artificial intelligence systems (...) in the Union, in accordance with the values of the Union, with a view to promoting the dissemination of human-centred and trustworthy artificial intelligence while ensuring a

¹ The Global Artificial Intelligence in HR Market Will Grow to USD 17.61 Billion by 2027, at a CAGR of 35.26% - ResearchAndMarkets.com | Business Wire 31.03.2022

high level of protection of health, safety, fundamental rights as enshrined in the Charter of Fundamental Rights of the European Union (...), including democracy, the rule of law and the protection of the environment, protection against harmful effects of AI systems in the Union, and the promotion of innovation” (AI Act, 2024, pt 1).

Among other things, it identifies different levels of risk for AI systems, depending on how the use of AI may affect risks to health, safety or the realisation of fundamental rights. High risk AI systems were considered to be those that may pose a high risk of harm to health, safety or fundamental rights, which include labour rights. It was noted that both the severity of the potential harm and the likelihood of the harm occurring should be taken into account when assessing these systems (AI Act, 2024, pt 48, 52). The *AI Act* notes that the use of artificial intelligence systems in the areas of employment, employee management and access to self-employment may affect the future job prospects of these individuals, their livelihoods and the extent to which their employment rights are realised (in particular in relation to recruitment and selection of candidates, decision-making affecting the terms and conditions of the employment relationship, decisions on promotion and termination of the contractual employment relationship, for personalised assignment of tasks based on individual behaviour, personality traits or character and for monitoring or evaluating individuals in employment relationships). These systems should therefore be classified as high-risk systems, as should AI systems that recognise emotions or make inferences about emotions in workplaces, or biometric categorisation to infer certain legally protected characteristics (AI Act, 2024, pt 57)².

The *AI Act* also identifies artificial intelligence systems that do not significantly affect the outcome of the decision-making process, whether carried out by humans or by automated means, and do not lead to a significant risk of harm. These systems should meet the following conditions (AI Act, 2024, pt 53):

1. Performing narrowly defined procedural tasks (e.g. a system that transforms unstructured data into structured data, or categorises incoming documents).
2. Performing tasks aimed at improving the results of an already completed action carried out by a human being (e.g. linguistic proofreading of previously prepared documents).
3. Performing tasks to detect decision-making patterns or deviations from patterns of previously made decisions (the AI system is used here after human assessment).
4. Performing only preparatory tasks.

The *AI Act* imposes a requirement for transparency in the operation of AI systems. Providers of this technology, those using it (including employers) and those affected by it (including employees) should be equipped with the necessary competencies – enabling them to make informed decisions in relation to AI systems, to use the technology appropriately and to interpret the results of its operation adequately, while ensuring that fundamental rights, health and safety are protected and that they exercise control over these systems (including understanding how decisions made using AI will affect specific individuals) (AI Act, 2024, pt 20).

The *AI Act* discussed above takes into account the previously published ethical principles for AI systems. The stakeholder consultation on the draft ethics guidelines for trustworthy AI was an important step towards a European approach to AI. The first draft of the guidelines (Ethics Guidelines for Trustworthy AI) was published in December 2018. It contained practical guidance for developers, users and implementers of AI to ensure the trustworthiness of the AI technology used. *The Guidelines* were revised and published in April 2019 (High-Level Expert Group on Artificial Intelligence [AI HLEG], 2019).

According to *the Guidelines* trustworthy AI should be (AI HLEG, 2019, pt 15):

- lawful – i.e. ensuring respect for laws and regulations,
- ethical – to ensure that ethical principles and values are respected,
- robust – both from a technical and social point of view, as AI systems can cause unintended harm even when used in good faith.

Each of these three characteristics is necessary but not sufficient on its own to achieve trustworthy artificial intelligence, so their complementarity is assumed. The basis for trustworthy artificial

² In Poland, regulations on banned artificial intelligence systems are already in force as of 2.02.2025, and the deadline for all regulations related to AI Act adaptations to national legislation is 2.08.2025; New law to support AI development in Poland, <https://www.gov.pl/web/cyfryzacja/nowe-prawo-ma-wspomoc-rozwoj-ai-w-polsce> (16.10.2024)

intelligence - aimed at improving individual and collective wellbeing - is to ensure its compliance with four ethical principles based on fundamental rights: These principles have been formulated as ethical imperatives, compliance with which should ensure the trustworthy development, implementation and use of artificial intelligence systems (AI HLEG, 2019, pt 16, 47, 48).

The key requirements for AI systems to ensure their reliability are defined in the form of a detailed checklist. These are as follows (European Commission [EC], 2019):

1. Human agency and oversight human agency and oversight – Artificial intelligence systems should be created, developed and used as tools to serve people, enable them to make informed decisions, support their fundamental rights, be subject to their control and oversight, ensure respect for human dignity and autonomy.
2. Technical Robustness and safety – Artificial intelligence systems must be resilient and secure; this means that they should be safe, providing a contingency plan in case of problems, as well as being accurate, reliable and reproducible, thus guaranteeing that unintentional damage or attempts at unlawful use by third parties are also minimised and prevented.
3. Privacy and data governance – in addition to ensuring full respect for privacy and data protection, appropriate data management mechanisms must also be in place, taking into account data quality and integrity and ensuring legitimised access to data.
4. Transparency Transparency – AI systems and their decisions should be explained in a way that is tailored to stakeholders, should ensure that people are aware that they are interacting with an AI system, and that they are informed of the capabilities and limitations of such a system, and that those affected by AI are informed of their rights.
5. Diversity, non-discrimination and fairness diversity, non-discrimination and fairness – in support of diversity, AI systems should be accessible to all, regardless of any disability, and engage relevant stakeholders across the lifecycle; they should be designed to avoid unfair bias that generates negative outcomes such as marginalisation of vulnerable groups, increased prejudice and discrimination.
6. Societal and environmental – AI systems should benefit society as a whole, including future generations; they are to be sustainable and environmentally friendly, including consideration of other living beings, and their social and societal impact should be carefully considered.
7. Accountability accountability – mechanisms should be put in place to ensure responsibility and accountability for AI systems and their outcomes; auditing of these systems is key as it enables evaluation of algorithms, data and design processes, especially in critical applications; adequate an accessible redress should be ensured.

Further to the European strategy for artificial intelligence, *Artificial Intelligence for Europe* (EC, 2018), a *White Paper on Artificial Intelligence - A European approach to excellence and trust* (European Commission, [EC], 2020) was produced. In it, the European Commission stressed the importance of promoting the development and deployment of artificial intelligence based on European values. The *White Paper on AI* refers to the seven key ethical requirements for artificial intelligence systems listed in the *Ethics Guideline for Trustworthy AI*.

The European Economic and Social Committee (EESC) has an important role in shaping an ethical environment for the operation of AI. On 31.08.2017, the EESC published the document *Opinion of the European Economic and Social Committee 'Artificial intelligence: the impact of artificial intelligence on the (digital) single market, production, consumption, employment and society' (Own-initiative opinion)* (European Economic and Social Committee [EESC], 2017). Recognising both the benefits and the possible negative consequences of artificial intelligence, the EESC then committed to monitoring the development of AI from a technical, ethical and social point of view and taking into account security issues, by engaging all stakeholders in a social debate on these topics. The Committee identified 11 areas where AI currently poses societal challenges. From the perspective of employment and human functioning in the workplace, these include ethics, security, privacy, transparency and explainability, work, education and skills, (in)equality and inclusion, and legal and regulatory frameworks. Important recommendations made in this regard by the EESC in *its Opinion* (EESC, 2017, pt 1, 1.1–1.14) include the following:

- the need to adopt a *human-in-command* approach to AI, taking into account the responsible, safe and socially useful development of AI technologies on the assumption that humans are able to maintain control over machines at all times,

- a call for the development of a code of ethics covering the development, deployment and use of artificial intelligence so that artificial intelligence systems throughout the operational process respect the principles of human dignity, integrity, freedom, privacy, cultural and gender diversity and fundamental human rights,
- the need to develop standardisation procedures to verify, validate and control AI systems against standards of safety, transparency, understandability and explainability of AI operation, as well as taking ethical values into account,
- the need to jointly identify (at EU level, national governments and social partners) which sectors of the labour market, to what extent and in what timeframe artificial intelligence will impact, and to seek solutions to mitigate the effects on employment, the nature of work, social systems and (in)equality,
- the need for stakeholders to jointly commit to and co-create complementary AI systems in the workplace, e.g. human-machine teams, whereby AI complements and enhances human work; the paper also emphasises the need to invest in , education, formal and informal training that gives employees the opportunity to work with AI and, in particular, to develop skills that AI will not or cannot take over.

In its *Opinion* on Artificial Intelligence, the EESC also mentions risks in the ethical dimension related to the development of AI, concerning personal integrity, autonomy, dignity, independence, equality, security, freedom of choice, i.e. related to respect for fundamental human norms, values and rights (EESC, 2017).

Concluding the considerations undertaken in this part of the study, it is worth emphasising that the development of artificial intelligence should take place within an ethical framework - based on respect for fundamental human rights, norms and values embedded in European culture. Due to a certain unpredictability as to the future problems that the development of artificial intelligence may raise and the various ethical aspects that may play a significant role in shaping the ethical environment for the design and use of AI systems, it should be recognised that the existing provisions are not a closed set of regulations, and stakeholders have the possibility to supplement and clarify them.

3. INTELLIGENT MANAGEMENT - THE NATURE, OPPORTUNITIES AND RISKS OF AI-BASED MANAGEMENT

Today's organisations are operating in an era of digital transformation. New opportunities have opened up for them related to the use of artificial intelligence to improve management processes. On the other hand, however, in order to fully exploit the potential of organisational human resources, managers should rely on the natural, human intelligence of employees. The combination of natural and artificial intelligence in business management thus appears as an answer to the challenges of today (Odrekhivskyi, Pshyk-Kovalska, Zhezhukha, Ivanochko, 2022). In this view, intelligent management practices / intelligent management can be understood as the integration of advanced information, analytical and automation technologies (including artificial intelligence systems) with a reliance on the intelligence of the organisation's human resources, in order to manage organisational resources and processes more effectively. This is also the definition adopted for the purposes of this study.

AI research and development is expected to lead to the automation of intelligent behaviours such as reasoning, information gathering, planning, learning, communicating, manipulating, signalling and even creating and perceiving (EESC, 2017). AI systems are designed to operate with varying levels of autonomy, meaning that they are to some extent independent of human involvement and capable of operating without human intervention (AI Act, 2024, pt (12)). However, there is no doubt that in an Industry 4.0 or 5.0 environment, despite the intensive development of AI, people remain an organisation's most valuable resource.

According to the *Opinion* on Artificial Intelligence by the European Economic and Social Committee (EESC, 2017), AI will undoubtedly affect the volume of employment (the amount of work available) and the type and nature of many jobs, and thus also social security systems, although no one can predict to what extent and over what time period this will happen. What is known is that the impact will extend to all sectors of the economy, to both manual and white-collar workers, to the low-skilled as well as to the medium- and high-skilled. Referring to these predictions, the expert committee stressed

the importance of involving managers and professionals in particular in collaborative processes with artificial intelligence, so that their control over the process of change in this area of organisational functioning is preserved. Similarly, Trunk, Birkel and Hartmann (2020) highlight the issue of manager responsibility for using AI in decision-making. These researchers argue that AI can assist humans in predictive analysis, data collection and interpretation, but should not replace them, especially at higher levels of the organisational hierarchy. A similar classification of AI tools that can be applied to human resource management practices is given by Sucipto (2024). According to this author, these tools can include:

1. Recruitment tools based on artificial intelligence; these use AI algorithms to screen CVs, conduct interviews and identify the best job candidates.
2. Artificial intelligence-based performance management tools; these use artificial intelligence algorithms to analyse employee performance data and provide insights into areas for improvement.
3. AI-based learning and development tools; these use artificial intelligence algorithms to personalise learning and development programmes for employees based on their individual needs and preferences.
4. Artificial intelligence-based employee engagement tools; these use artificial intelligence algorithms to analyse employee opinions and sentiment, identify areas for improvement and generate recommendations for improving employee engagement.
5. Artificial intelligence-based workforce planning tools; these tools use AI algorithms to analyse workforce competencies and provide insights into future workforce needs, including skills gaps and talent shortages.

Research findings (Alasmri, Basahel, 2022; Trunk, Birkel, Hartmann, 2020, Sucipto, 2024) confirm that the incorporation of smart technologies brings a number of important benefits in the area of people management, including improved individual performance, overall company effectiveness, positive changes in organisational culture, increased efficiency in processes and decision-making. AI can also optimise the allocation of human resources and increase employee productivity. Moreover, AI technology can benefit HRM in the following transaction areas (Rodgers, 2020):

- Time pressure decisions: the cost of unhurried decisions is high (speed being essential).
- Accuracy: the cost of wrong decision choices is minimised.
- Allocation of resources: the data size is too large for manual analysis or traditional algorithms.
- Decisions where prediction accuracy is more important than explanation or clarification.
- Provision of information where regulatory requirements are slight.

Regardless of the area of application of AI in the management of organisations, however, it is important to remember that managers play a fundamental role in the application, supervision and control of artificial intelligence systems and must therefore consciously act to balance the development of AI with responsible management (Berente, Recker & Santhanam, 2021).

The *White Paper on Artificial Intelligence - A European approach to excellence and trust* (European Commission, [EC], 2020) points out – in addition to the undoubted benefits of AI due to increased product and process safety - the potential harms generated by AI, which may involve different types of risks. These included material damage (to the safety and health of individuals, including loss of life, damage to property), as well as immaterial damage (loss of privacy, restriction of the right to freedom of expression, violation of human dignity, discrimination related, for example, to access to employment). In contrast, the European Economic and Social Committee paper *Artificial Intelligence: the impact of artificial intelligence on the (digital) single market, production, consumption, employment and society* (EESC, 2017) expressed concerns about the disappearance of jobs as AI takes over existing work activities, predicting that with further development of AI, only low-paid mini-jobs will be available on the labour market for an increasing number of flex workers. Attention was also drawn to the potential risk of depletion of the activities performed by workers and the associated loss of key skills. Existing contemporary examples of defining and distributing work without human involvement, by means of algorithms, are shaping the nature and conditions of work. Artificial intelligence systems offer more and more possibilities for tracking and monitoring employees. Their uncontrolled development could therefore pose a real threat to the autonomy and privacy of employees.

Key issues of concern in the use of AI systems relate to data security and the confidentiality of employee and organisational information. Equally important is the impact of AI on the psychological

realm of employees and team dynamics. It is therefore important that HR personnel have the right skills to enable them to use AI appropriately (Sucipto, 2024).

To some extent, the risks that apply to the use of AI systems in management practices stem from the characteristics of AI and concern its autonomy, learning and opacity. In terms of autonomy, concerns relate to the accountability and control of AI; in terms of learning, the fact that modern algorithms work on large data sets and are superior to the skills of humans in this area can raise problems in interpreting the results; in terms of opacity, the complexity of AI raises complications with AI oversight and ethics (Berente, Recker, & Santhanam, 2021). It can be assumed that organisations are afraid of incorporating AI into their workplace for three reasons: employee detachment from decision-making, human understanding and perception of AI processes, and the impact of AI interpretation of datasets (Rodgers, Murray, Stefanidis, Degbey, & Tarba, 2023).

In the *White Paper on Artificial Intelligence* (EC, 2020), the main risks arising from the use of AI were identified in the area of laws protecting fundamental rights, including laws on the protection of personal data and privacy and non-discrimination, as well as issues related to security (such as cybersecurity, the use of AI in bad faith) and liability. In relation to workplaces, for example, violations of fundamental rights such as the right to freedom of expression, respect for workers' dignity, the right not to be discriminated against on the grounds of sex, race, ethnicity, religion or belief, disability, age or sexual orientation, the protection of personal data and private life, or the right to seek redress through the courts and due process were pointed out. It has been pointed out that such risks may be caused by the improper design of artificial intelligence systems (also in relation to human surveillance). Furthermore, the data used by these systems may not be corrected for possible biases (e.g. the system is trained using only or mainly male data, which may lead to suboptimal results for women). Artificial intelligence could also be used by employers – in violation of legislation – to track and analyse employee behaviour. On the other hand, the *Opinion on Artificial Intelligence* (EESC, 2017) points out that AI is developed in a homogeneous environment of predominantly young, white males, thus inscribing (consciously or not) cultural and gender differences, not least because AI systems learn from learning data. Theoretically, the data may therefore be 'loaded' with biases.

No less significant danger from the use of artificial intelligence systems is the so-called dark side of AI. It is primarily related to a lack of trust in AI and power asymmetry (Grewal et al., 2021). It also includes manipulation of intelligent algorithms, biases or errors in the interpretation of results. The dark side is mainly driven by political, legal and institutional aspects (Valle-Cruz, García-Contreras, Gil-García, 2024). In addition, the high utility of AI provides a temptation for managers to use AI for their own purposes. Abuses may occur here, with consequences that are detrimental to the organisation.

4. FROM EMPLOYEE DIGNITY TO INTELLIGENT DIGNITY-BASED MANAGEMENT

The answer to the discussed challenges of using AI tools in organisational practices is ethical leadership. An ethical leader is true to certain values in his/her behaviour and actions for employees and the organisation, and is people-oriented but impartial in decision-making (Sharma, Agrawal, & Khandelwal, 2019). Top characteristics of ethical leaders include: integrity, empathy, accountability, transparency, fairness, vision, trustworthy, resilience, respect (Kandasamy, 2024). Ethical leaders communicate the importance of ethical standards and enforce compliance by subordinates (Brown and Treviño, 2006; Uddin, 2023). Ethical leadership is needed in the complex environment of artificial intelligence to ensure that decision-making processes are not only in line with ethics, but also with societal expectations. This type of leadership in the age of digitalisation should be considered morally necessary and strategically beneficial (Kandasamy, 2024), as even the best algorithm cannot replace human moral judgement and operating within a defined set of ethical principles and premises (Kosiak, 2023). It has also been pointed out that in order to manage effectively in the age of digitalisation, it is necessary to combine technical competence with emotional intelligence, as leaders who use both emotional intelligence and AI experience higher employee satisfaction, improved team performance and better organisational outcomes (Vivek, & Krupskyi, 2024; Sposato, 2024).

The development of management practices based on ethical standards is a sign of the drive to shape artificial intelligence systems that operate with dignity in accordance with moral principles and human rights. Unfortunately, the process of formulating ethical standards may not be fully effective. Firstly,

there is no guarantee that the standards developed will be respected by organisations. Secondly, the pace of development in the field of artificial intelligence is far higher than the pace of lawmaking and regulation, so there is a risk that newly adopted rules will be outdated in the face of evolving AI (Kosiak, 2023). These conditions mean that the burden of responsibility for shaping human/employee-machine collaboration will fall on leaders. Their personal moral formation will determine the ethical status of the course of processes of implementing AI systems into the management of organisations. In this situation, it seems important to pay attention to the benefits for the organisation of forming managerial attitudes with regard to the concept of employee dignity, which has been described in the literature as so-called dignity management.

Dignity is a characteristic intrinsic to a person's actions and is one of their most essential values (Fontrodona and Melé, 2022, p. 182). Caring for the dignity of another person means recognising their subjectivity - their identity and difference, seeing them as an integral human being who can express themselves and is entitled to be accepted (Hicks, 2016). A sense of dignity manifests itself in self-respect and respect for others, in trust, in dialogue, in being able to express one's opinion, in experiencing being a subject at work. Satisfying the need for dignity, as a strong need to feel self-worth and to be proud of oneself, determines people's behaviour, also in the workplace (Blikle, 2018). Employees' sense of dignity depends on their self-esteem, on the one hand, and on respect for their autonomy in their relationships with others, on the other. Favourable conditions for respecting dignity are created by developing a culture of honesty in the organisation, treating co-workers as trustworthy individuals with the potential for autonomy, and expressing recognition that confirms the value of their work (Gruszczyńska-Malec and Hoffmann 2011; Sypniewska, 2019, p. 104; Zawadzki, 2018, p. 173). This fosters employees' experience of personal fulfilment, a sense of agency and meaningfulness at work, which is reflected in their stronger identification with the company, the high quality and productivity of their work, and therefore the efficiency of the organisation (Ahmed, Liang, Anjum, Durrani, 2023; Haarjärvi, Laari-Salmela, 2022; Pirson, Piedmont, Nagy, Hicks, 2023; Sypniewska, 2016). The concept of dignity management refers to an employee's sense of dignity (Kosewski, 2012; Blikle, 2018; Ambroziak, Kosewski, 2012). Managing with reference to dignity means combining the ability to dignitarially motivate employees with such an organisation and structuring of the work process that gives employees the opportunity to realise the values they value (which lie deep in human nature – such as honesty, fairness, reliability, solidarity, loyalty, responsibility, professionalism, etc.), which gives them a sense of inner satisfaction and thus creates dignitarian employee self-control (Kosewski, 2012). In this sense, dignitary management practices contribute to the creation of a working environment in which intrinsic motivation determines the commitment of employees (Młokosiewicz, 2023), who are aware of their role in the organisation and the importance of the actions they take. Dignity management is thus subjective management and management by values. The manager builds relationships with colleagues based on trust. Research confirms that the ability to build relationships in organisations, also understood as the ability to deal with people, is determined by the behaviour of leaders, as (Maxwell, 2007, pp. 177–178):

- admitting mistakes and accepting their consequences,
- not placing the blame on others,
- the ability to deal with diverse types of people, with different personality profiles,
- outstanding interpersonal relations skills and sensitivity and tact in dealing with people,
- peace, confidence and stability of moods.

The subjective approach to management also involves taking into account the diversity of attitudes resulting from the individual characteristics of employees. It presupposes flexibility in responding to the behaviour and attitudes of employees, according to their individual needs – differently towards employees who value freedom of action, freedom, independence, the possibility of co-determination, differently towards those who are motivated by directiveness, firmness and clear rules and regulations, and still differently in situations where subordinates need psychological support, understanding, care or a good word (Haman, 2015, pp. 229–230).

By contrast, through values, leadership manifests itself in such attributes of managers as (Taczowska-Olszewska, Oręziak, Wielec, 2021, pp. 128):

- supportive, fostering the emergence of subordinates' self-esteem, stimulating creativity and the sharing of ideas,

- facilitating interaction by creating a climate for cooperation,
- generating enthusiasm for working for the organisation through the skilful formulation of objectives (either independently or as a team) and creating a climate of enthusiasm around their achievement,
- facilitating activities through the use of organisational solutions that increase access to means of achieving goals and creating conditions for the team's emotional involvement in work.

Based on a review of the literature on various aspects of dignity management, it was concluded that the issue of employee dignity is closely related to the implementation of the *human-in-command* principle, which – in accordance with the assumptions regarding *trustworthy AI* – should ensure the improvement of individual and collective well-being, also in the organisational dimension. The concept of dignity-based management is consistent with this principle and the assumptions of *trustworthy AI* in relation to the concept of autonomy, subjectivity, and integrity of the human being – the employee, as well as by referring to the assumption of providing employees with a sense of agency and meaning in their work (which is achieved through dignity-based motivation with reference to valued values) as a condition for the organisation's efficiency. This concept could therefore be used in so-called intelligent management, based on the implementation of AI technology into management processes. Dignity management practices - reinforcing the importance of employee dignity - could contribute to a more effective implementation of the *human in command* principle.

A review of European Union regulations on ethical issues related to the design and implementation of artificial intelligence systems has noted that the issue of employee dignity has not been sufficiently emphasised, which would mean that the recommendations for entities implementing artificial intelligence systems could be expanded in this regard. Therefore, both general and more specific recommendations based on dignity management practices for managers using AI systems in the human resources management process are proposed below. Their application promotes the shaping of employee well-being in intelligent management conditions. The general recommendations are as follows:

- ensuring that intelligent dignity management is included in the company's strategy, codes of ethics and internal regulations,
- ensuring that a dignity approach (thinking and acting) to management using AI systems is developed and maintained, which should be reflected in daily intelligent dignity management practices,
- emphasising the tension between operational efficiency and ethical responsibility in the age of AI-supported management, taking into account the dignity aspect; recognising that employee/human dignity is a fundamental ethical value that takes precedence over optimisation and efficiency; All decisions regarding the design, implementation and application of AI systems in HRM should be evaluated in terms of their impact on the dignity of employees,
- regular evaluation and updating of guidelines for the ethical use of AI in HRM, taking into account employee dignity, based on experiences with their implementation and changing technological (dynamic development of AI) and social realities.

Table 1 shows the specific requirements for *intelligent dignity-based management* practices, thus defining the essence of these practices as arising from the use of the concept of dignity-based management in so-called intelligent management, based on the implementation of AI technology into management processes. These can serve as recommendations for managers. Seven dimensions of dignity-based practices have been defined and recommendations have been assigned to them to ensure that the implementation and use of artificial intelligence in human resource management will respect employee dignity as a key ethical value (see Table 1).

Table 1. Intelligent management practices – recommendations for managers

Dimensions of dignity management practices	Requirements for intelligent management practices (using AI systems)
Respect for the values inherent in human nature	• definition of clear rules of responsibility for decisions made using AI concerning employees

	• taking into account human intuition and empathy in the context of managers' implementation and use of AI systems, especially in situations related to respect for human/employee dignity • the way in which AI technology is used should support the dignified motivation of employees, combining AI tools with a work organisation that enables the realisation of values they hold dear (honesty, fairness, reliability, etc.)
Respect for autonomy	• guaranteeing privacy, data protection and secure data management mechanisms by defining the principles of protecting the privacy and personal data of employees in the context of data collection, processing and use by AI systems • ensuring that the adopted data protection principles comply with the law in terms of what data is collected, for what purpose and how it is secured • clearly specifying in which areas and to what extent decisions made by AI require verification and approval by a human being in order to protect the autonomy of employees
Recognition of subjectivity (integrity)	• taking into account the leading role of the human/employee over AI by exercising control and supervision over the AI systems used • managers ensuring that employees experience being the subject of their work and not just part of an automated process • co-creating AI systems with the participation of employees, which can contribute to better consideration of their perspective and dignity • informing and consulting employees on the implementation and functioning of AI systems in the organisation to the extent that they are key to them, in order to better adapt these systems to their needs and ensure that they feel empowered • looking for AI applications where AI supports and improves human work instead of replacing him (augmented intelligence) • ensuring the development of those employee skills that AI will not or cannot take over (e.g. creativity, empathy, ability to cooperate) • raising awareness among HR specialists, managers and employees of the ethical aspects of using AI in management practices, including issues related to employee dignity • informing employees about their rights regarding interaction with AI, protecting fundamental human/employee rights, including ensuring health and safety
Respect for diversity and difference	• designing and implementing solutions aimed at mitigating the effects of implementing AI systems in terms of employment, the nature of the work performed by employees, possible inequalities in employee teams resulting from different levels of competence related to AI systems • use of systems that exclude unfair bias, prejudice and discrimination – design and implement AI systems in HRM in a way that prevents the reproduction or reinforcement of existing biases and discrimination • monitoring the input data and results of AI operations for potential manifestations of bias and correcting this data to avoid perpetuating existing inequalities
Creating conditions for expression of opinion, dialogue	• organising formal and informal training courses enabling employees to acquire competences in the field of cooperation with AI (knowledge of technology, correct interpretation of results) • ensuring adequate appeal mechanisms for employees in the event of AI decision-making • ensuring transparency of AI systems – informing about interaction with the AI system, about the possibilities and limitations of this system, about the possible impact of decisions made with the help of AI on specific employees

	ensuring that AI systems are monitored and audited, and that there is an adequate and accessible redress system in place in case of damage caused by the operation of these systems
Fulfilling the need for self-esteem	- counteracting the risk of dehumanisation by using AI systems as tools to support decision-making processes, rather than replacing leaders in key (high-risk) decision-making processes for the recognition of employee subjectivity, concerning such aspects as employment and working conditions, promotions, dismissals - applying methods of conduct that emphasise the identity and distinctiveness of employees, preventing them from being treated solely as input data or algorithm results
Creating relationships based on trust	- recognising the requirement for <i>trustworthy AI</i> as an integral part of an organisational culture based on mutual respect, integrity and trust, and incorporating it into the organisation's ethical principles - choosing AI tools that strengthen positive relationships between employees and between employees and the employer, rather than weakening them

Source: own research based on the literature used and EU documents analysed.

The analysis carried out certainly does not exhaust the subject of building *trustworthy AI* in the context of management practices. One of the limitations of research is the research method used. Although a critical literature review has many advantages (by synthesising the results of many studies, it helps to understand complex phenomena and propose new model approaches), it is based on a subjective selection of sources, which can cause bias in the presentation of views. Furthermore, the review reflects the state of knowledge/legal solutions at a given moment, and with regard to AI, there is a growing interest in this topic, also in the field of legislation. Nevertheless, the considerations made partially fill the identified gap and thus may constitute an introduction to further research in this area, including planning of empirical studies.

5.CONCLUSION

Based on a critical review of selected regulations and literature on the ethical aspects of human resource management in the context of the use of AI tools, it must be concluded that the issue of ethics and the formulation of ethical standards with regard to AI systems in HRM appears to be a fundamental issue for contemporary organisations.

On the one hand, artificial intelligence has a positive impact on HRM practices and decision-making in this area. On the other hand, it brings certain challenges and risks. For managers, the important question is not whether to use AI tools (because the answer to this is obvious), but how to design, implement and use them in order to maximise the possible benefits (creating a technologically advanced work environment) while preventing possible risks. It is therefore important to develop and adopt solutions that enable the safe use of intelligent technologies (creating an ethically responsible work environment).

At the international level, but also at the level of individual companies, attempts are being made to formulate principles, guidelines and standards aimed at reducing the risks associated with the use of AI in management practice. However, it should be remembered that creating trustworthy artificial intelligence requires – in addition to ensuring that the system itself is trustworthy – a holistic and systemic approach that includes the credibility of all entities and processes that make up the socio-technical context of the system's operation throughout its life cycle (AI HLEG, 2019, pt 6). From the perspective of individual organisations, the creation of systems that their users can trust depends on how these organisations deal with the ethical dilemmas of AI and the moral competence of managers. Their ethical credibility, reflected in intelligent dignity management practices (subject to ongoing self-assessment), can help ensure that employees retain sufficient autonomy and control over machines and lead them to feel fulfilled and satisfied with their work.

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