The Dark Side of Human Resource Management: The Story behind the Story

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INTRODUCTION

Although we may wish to believe that the practices of 'human resource management' (HRM) have become increasingly "humane" over the years, perhaps we should not be so fast to congratulate the field or organizations that employ and manage "human resources." The terms themselves show a shift in attitude over the years. While 'human resource management' has a positive ring, it was not long ago that other terms like 'personnel management,' 'human capital,' and 'human assets' were prevalent. Against that, the regular *de rigueur* expression in annual reports that 'our greatest asset is our employees' does not always seem to reconcile with how staff in some organizations are treated in practice.

In 1998, the excitement surrounding the DaimlerChrysler merger was enhanced no doubt in part because of the announcement that no lay-offs were forthcoming. That promise dissolved, of course, in 2002 when 23,000 employees lost their jobs. The business world was surprised to learn that IKEA, long held as a an example of a creative and high performing firm admitted that during the 1980s, it knowingly employed prisoners in the now defunct German Democratic Republic, at least some of whom were political prisoners, in the manufacture of its furniture. Even more recently, news of a fire that killed textile workers in sweatshops in Bangladesh revealed that the producer firms included many responsible for major western brands. Such examples of how leaders have mismanaged firms, and as a result the careers and livelihoods of employees, are not limited to such dramatic stories. In the last decade, reports about Enron, Lehman Brothers, and WalMart and also show a kind of dark side of human resource management that demands more attention and perhaps more systematic research. In fact, a simple search of "the dark side of human resource management" reveals practitioner discussions and articles, but almost nothing from the scholarly side.

We think of the 'dark side' of HRM as cases in which workforces are, in various ways, abused or deceived by an employer. What our opening examples suggest is that this dark side happens worldwide, and by some of firms that are often considered to be among the best in the world. As a phenomenon (that could or may be) affecting global firms, we wish to explore some history about how and why such a dark side has emerged and what it may mean for global HRM in the future.

The term global human resource management is well established, both in concept and practice. It usually comprises ideas relating to acquiring, developing, and managing people working in an international setting as a way to build competitive strategic advantage for an organization. In this chapter, though, we seek to deviate somewhat from the general understanding of the term to discuss it in a somewhat different approach. For this chapter, we regard global HRM as the general management of the welfare employees in various industrialised or industrialising countries, under various political regimes, and under the influence of various precepts ranging from Taylorism to communism and other approaches to economic activity. Further, we reach back in history to identify examples of the dark side, suggesting that such practices are not recent—or even more important, have not really ceased. Because such a scope could be overwhelming, we limit our discussion to certain countries, regimes and precepts for economic activity, but hope that our recontextualisation of global HRM will be stimulating, and perhaps even thought-provoking as a different way to view HRM.

We have divided the chapter into historical sections, tracing what we see as the seeds of situations where employees were abused or deceived by employing organizations. We range from Germany, England and Japan in the 19th century, from the influence of Frederick Taylor in business to Stalin in politics, from the world wars of the 20th century to today's business world. As we shall argue, there is one striking recurrent feature of the dark side of HRM, whether we explore in our industrial past, in communist enterprises or its modern corporations throughout the world.

WELFARE SECRETARIES, PERSONNEL MANAGEMENT, AND HRM

Contrasting German and British experiences in the late 19th century

The expression 'human resources' (*menschliche Ressourcen*) was coined in Germany, and therefore in the German language, at the end of the 19th century. It contrasted with the term 'natural resources', which at the time were seen as 'infinite and dispensable.' Likewise at the time, human resources were seen as 'infinite and dispensable.' Indeed, human resources in this more negative sense was described by the expression 'human material' (*Menschenmaterial*), which Karl Marx used in *Das Kapital*, published in 1867. Following that term, the more common—and long lasting—'personnel management' came into force. Again, German may prove helpful in understanding it: the German phrase was *Personalwirtschaft*, which in its deeper semantics implied 'turning to good account.' Bearing in mind that the German '*Wirtschaft'* means economy), it is interesting that the term

Personalwirtschaft has a certain ameliorative ring that is wholly absent in its English-language counterpart.

While the term HRM appeared in practical management much later, around 1970, both it and the term personnel management suggest that the practices were more focused on finding ways to make best use of the *full* complement of a company's workforce, not just its managers, who might be considered privileged--by education or social connections. Further, it seems that this more insightful–and possibly more humane–attitude (at least in terminology) to the management of personnel comes relatively late in human history: in the case of the United Kingdom, the seed began around the middle of the 19th century, as firms faced external pressure to change.

In the mid-1800s, big manufacturers faced pressures from promoters of what was called 'industrial betterment.' Many of the groups were Quakers, as well as crusading politicians and religious leaders seeking to improve the lot of industrial workers. In 1899 , for example, Benjamin Rowntree shocked Britain's political classes with his damning indictment of the wretched plight of the country's working class, who were condemned by a vicious circle of low wages, insufficient food, and 'horrifying living conditions,' which, of course, resulted in 'unfitness for labour' (Marr, 2009: 16-22).Around the same time that Rowntree published his report, activitism on other fronts emerged. The trade unions began to build themselves up, whilst there was the partial extension of the franchise to women, allowing them to vote, and underpinning the call for a more humanitarian treatment of the workforce. As a result of these developments 'welfare secretaries' came into being. Of particular concern for these secretaries was the protection of women and girls, who had joined the workforce in greater numbers. But such changes led to more strife. As noted by the UK's Chartered Institute of Personnel and Development (CIPD)[1], this innovation led to 'tension between the aim of moral protection of women and children and the needs for higher output.'

The British experience had its counterparts in other industrialising societies, with some notable national differences, due to historical and cultural factors. On the other side of the Atlantic, the Americans set about building up their economy with an unabashed 'worship of size, speed, mechanism and money' (Wiener, 1981: 89). While there was much positive, the dark side emerged there in full force. For example, Upton Sinclair's devastating book,

[1] http://www.cipd.co.uk/hr-resources/factsheets/history-hr-cipd.aspx (accessed 19.08.2013

The Jungle, first published in 1906, eviscerated the meat packing industry and its treatment of employees.

In contrast to severe conditions in some American industries, several universities were beginning to focus on what it meant to develop people who could work in manufacturing and other sectors. This demanded education, which led to the notion of business as an educational area for study. While not the first in the world (that designation would go to French and Belgium), the University of Pennsylvania's Wharton School was the first in the U.S. and opened in 1881, just before the Manchester School of Commerce opened in 1889.   Harvard Business School claims to have started the first master's degree in business administration (1908).

Interestingly, what was socially acceptable in the United States was held in contempt in class-ridden Britain: namely, the notion that commerce was a respectable field of occupation, might also lead to movement among classes. Cherishing upper-class gentility above the vulgarities of the market, the British education system was marked by a 'retreat from business industry' (Wiener, 1981: 14), which was the opposite not only of America, but also Germany. Latin and Greek remained august; mechanical engineering was, academically speaking, vulgar.

While some may have a Dickensian image of the great factories of Great Britain and Germany in the late 19th century as hellish places, where heartless capitalists suppressed the semi-literate proletariat; in fact many capitalists were compassionate employers. For example, the British textile magnate, Sir Titus Salt (1803-1876), created near Bradford a model village for his workforce. Indeed, Salt saw it as his Christian duty, as well good economic sense and sound management, to provide his workers with stone houses, tap water, bathhouses and a hospital. He went even provided a reading room, a billiard room, a concert hall and even alms houses (Reynolds, 1985). Not everything to do with employment of (cheap) labour in the first industrial societies had its 'dark side', but for millions life in the factories and mines was wretched.

In Germany, similar examples of welfare for employees existed, albeit at times more in the name of God than the company itself. A manufacturing company in Kassel, for example, made it plain to its workers that the company expected from them. For the privilege of working for the firm, employees were expected to show decorum *at all time,* and in fact, had to follow the company rules. The initial rules (*Bureau-Ordnung*) for the period 1863-

1872 conveyed a decidedly moralistic tone. Rule 1demanded ‘God-fearingness (*Gottesfurcht*), cleanliness and punctuality.’ Rule 2 required all employees to attend church on Sunday. Rules for the office included no talking, no smoking and no imbibing of alcoholic drinks of any description. Beyond the office walls, in their God-given free time, employees were emphatically discouraged from frequenting billiard halls and ‘political pubs.’ One wonders if the firm’s leaders feared employees might pick up ideas about socialism in such locales. Loitering in such places would cause the company’s morally impeccable management, one presumes, ‘to doubt [employees’] honour, attitude (*Gesinnung*), probity (*Rechtschaffenheit*) and honesty’ (note 1). In other words, the workers had to be morally upright citizens--not just employees--and the firm would guide or direct them to that end. Otherwise, employees faced reproof and shaming dismissal.

Germany, by the end of the 19th century, had become a powerful industrial economy in its own right and was building a strong educational system as well. Its universities dominated in contributions to the modern sciences, philosophy, theology, economics and the new field of sociology. As for management education and research at the time, one of the most renowned contributions came from Max Weber (1864-1920), who in 1904 ‘famously argued that certain types of Protestantism favoured rational pursuit of economic gain and gave wordily activities a positive spiritual and moral meaning’ (Jones and Wadhwani, 2009: 507). Weber’s phrase ‘protestant work ethic’ so permeated the mindset of the management academy that it no other work ethic could be like it or to surpass it for years. Then again, when Weber wrote his famous tract, he had not grasped the ‘logic’ driving Japan’s already redoubtable development as an industrial nation. Indeed, its particular work ethic in the glorious years of Japan’s economic and technological supremacy (in the 1970s and 1980s) would in effect put a different complexion on Weber’s celebrated phrase and shake the boardrooms of corporations in the USA and Europe, pondering the so-called secrets of Japan’s success. But that is to get ahead of our story.

A fast mover decidedly *sui generis*

By the end of the 19th century, Japan was rapidly catching up to the West, not only industrialising with intoxicating speed, but also laying the foundations of the *kaisha*, which would dominate the world economy by the 1980s. The Japanese businessmen late 1800s would have surely approved of the German moralising, with its emphasis on cleanliness and punctuality as well as honour, attitude and honesty. For already, the idea had taken root in

Japan that employment was a kind of life-long fealty to one employer , whilst the country's new business leaders 'preserved their traditionally benevolent attitudes towards those who worked for them' (Clark, 1979: 40). The Japanese were quick learners in the last quarter of the 19th century. Indeed their acquisition of foreign know-how from the leading countries of the day – Great Britain, France, Germany and the USA – in everything from law and education, to engineering and military science was quite possibly one of the world's greatest examples of cross-cultural knowledge transfer.

The Japanese were greatly influenced by the German economist Friedrich List (1789-1846), who is known for 'his theory of "national economics, "which argued that national economies should always be viewed as a whole and that, therefore, the interests of the majority should always come first' (Watson, 2010: 878n31; see also Sansom, 1977: 440). The national economics theory of List, which failed to gain respectability in his native Germany, suited instead the Japanese. Of course, the big Japanese companies of the late 19th century, just as their successors in the late 20th century, when Japan was 'at the cutting edge of management and technology' (Dower, 1983: 316), required regimentation of their employees' work lives, whilst influencing strongly their home lives. In effect the employee was made to feel that he owed a greater obligation to the company than to his family. But those who think (or used to think) that Japanese companies were 'one big, happy family' have rather missed the point.

Scientific Management

In 1911, Frederick Taylor published his book *Scientific Management*, one of the most influential management books ever (Bedaian, A. G. and Wren, D. A.,2001). It introduced the concept of time and motion studies to subdivide and automate industrial production. His ideas had a profound effect on many industrialists, including Henry Ford, the pioneer of the industrial production line. In essence, Taylor argued for

1. Replacing rule-of-thumb work methods with methods based on a scientific study of the tasks.

2. Scientifically selecting, training, and developing employees rather than passively leaving them to train themselves.

3. Providing detailed instruction to and supervision of each worker in the performance of his or her allocated task.

4. Dividing work nearly equally between managers and workers, so that the managers apply scientific management principles to planning work and the workers actually perform the tasks.

Even Vladimir Lenin was taken with the idea of scientific management. He saw the methods of Taylor and carmaker Henry Ford as heralding ‘a bright and prosperous future’ (Figes, 1997: 744) for the communist state he was planning. Highly influential as it proved to be, Taylorism also had its critics, who argued that his method assumed that human beings could be run like machines and only worked for money. Nevertheless, Taylor left the world with a concept of universal importance: work design.

World War I: Women man the factories

The First World War and its aftermath had a decisive influence on the function of personnel management. First, in the U.K., the war depleted factories and offices, as well as coalmines, of men called up to fight for King and Country. Women stepped into the breach, which affected management’s and trade unions’ attitudes toward the workforce. In the 1920s, major industries began to hire ‘labour managers’ or ‘employment managers’, who handled matters such as recruitment, dismissal and bonus payments for the employers. While it may have been done well in factories, other sectors were less well tended. For example, ‘Britain’s million-plus miners … were paid atrocious wages and treated little better than mediaeval serfs’ (Marr, 2009: 264).

The labour managers also negotiated with trade unions about pay and conditions. But there were ‘local and district variations and there was plenty of scope for disputes’ (CIPD). In the 1930s, employers in the newer industrial sectors, such as cars, aircraft and electrical products recognised the need for practices to retain and motivate employees, but older industries, such as mining and shipbuilding, seemed averse to such thinking.

TOTALITARIAN HRM

A new model in Russia

Other events around the timeframe of the First World War profoundly affected personnel management as a concept and practice. One of the most significant was Russian Revolution of 1917, which led to the establishment of the world’s first communist country, the Soviet Union. Governed by a single political party that essentially suspended the market, the USSR absorbed Marxist philosophy that the open market was as a nefarious gathering point of capitalists bent on keeping the working class in its shackles and pursuing what some considered a vulgar object of desire: profit. In a great visionary sweep Leon Trotsky, one of the leaders of the Russian Revolution in 1917, declared that in the communist era man ‘will become incomparably stronger, more intelligent, more subtle. His body will become more harmonious, his movements more rhythmical, his voice for musical; the forms of daily existence will acquire a dynamic theatricality. The average human type will rise to the level of Aristotle, Goethe, Marx.’

But Trotsky’s grand vision was not realised, and at catastrophic human cost. HRM of a very dark kind was to befall Soviet Russia: nothing and nobody could stand in the way of the “glorious” task of creating a communist society. During the collectivization of agriculture alone from 1929 to 1934 ‘half the Soviet peasantry (about 60 million people in over 100,000 villages) were herded into collective farms’ (Figes, 2007: 85). Behind this was ‘a secret police war in which organized brutality, vicious pillage and fanatical ideology vied with each other to destroy the lives of millions’ (Montefiore, 2004: 46).

Once he became the absolute ruler of the USSR as of the late 1920s, Josef Stalin began building up the country’s industrial base, which he did with relentless vigour. Stalin, like Lenin, was aware of Taylorism, and was also much taken with Henry Ford’s concept of the industrial production line for a very specific reason. This all too capitalist method was a means of ensuring that the State could control, cajole and coerce its workers so that they might not pursue a counter-revolution. But by the late 1920s, the state security officials found ample numbers of workers who could readily be categorised as subversive and a threat to communist power. In other words, the workers, who had been seen as the true enemy of world capitalism, found themselves divided into comrades and non-comrades. The latter in their millions were transported to the the Gulag, the Soviet forced labour system.

The Gulag system, which operated from 1930-1953, was a vast economic empire in its own right. Its camps in Central Asia, Siberia and Far North ‘were chocked with slave labour’ (Willetts, 1994:112).The largest camp complex, in Siberia, was estimated to cover an area four times the size of France. It was under the control of Dalstroy, the Far Eastern Construction Trust, whose main tasks included exploiting the Kolyma gold fields (Conquest, 1990:325-329) and thus needed labour. There is an on-going debate about in and outside of Russia about the actual numbers, but the historian Anne Applebaum (2003: 515-522) estimates 18 million, of whom perhaps 2.75 million perished in their incarceration. The labour produced minerals and metals that supplied Soviet industry, but were also sold on world markets for hard currency. The harshness of the Gulag system has become legend. To cite one example, with reference to Kolyma, 'It is intensely cold: the temperature may go down to -70˚C. Outside work for prisoners was compulsory until it reached -50˚C. In spite of this, in 1938, fur was banned in the Dalstroy camps, and only wadding permitted; felt shoes were replaced by canvas' (Conquest, 1990: 326).

In the Soviet era, the Communist Party became an early "personnel manager" of every kind of productive enterprise, whether industrial enterprise, collective farms or labour camps.

Grim as all this is, we should not forget that in the 1920s, levels of unemployment in 'the dead lands [of] Britain's failing industry' were 'hideous' (Marr, 2009, 306, 307), perhaps the Party was instead a major employment booster. Yet it is clear that Soviet workers, who were the expected beneficiaries of the Russian Revolution, endured their own hardships, willing or not, as part of the great social experiment of communism.

The nazification of the dark side

In the 1930s, the Soviet Union had a kind of correlate in Hitler's Germany. The Nazi Party was keen to promote its ideals in the German workplace. An example was the Gerhard Fieseler Aircraft Company in Kassel, where the management system, 'as in all enterprises in Nazi Germany, was also reinforced daily with the visual symbols of Nazism: uniforms, flags, the Hitler salute, the parades, the public oath-taking.' Fieseler himself described management (*Führung* in German) in his company as 'firm-handed, goal-centred and authoritarian' (*straff, zielbewusst, autoritär*) (Wiederhold, 2003: 129). But the key to understanding this kind of management lies in its commitment to creating and maintaining 'an enterprise community' (*Betriebsgemeinschaft*), which was ultimately at the disposal of the National-Socialist movement under Adolf Hitler. This community was a mythic concept sustained by the all-powerful language of Nazism' (Holden, 2014, forthcoming). For his part Fieseler allowed himself to be become a kind of mini-Führer. Yet, paradoxically his workers before the outbreak of war were enjoying working conditions that were among the highest in the world at that time. When. however, the company took on foreign labour from Nazi-occupied territory as of 1940, these workers were forced to work a 60-72 hour week on minimum wages and degrading conditions (Holden, 2014, forthcoming). This is dark, calculated, inhumane HRM.

Beyond Hitler's Germany, the Second World War had other types of influence on 'personnel management' in the priority placed on the welfare of workers in munitions factories and other producers of work materials as being critical for the war effort. Women again entered the workforce in Great Britain and the USA in support of manufacturing equipment for the war. In the U.S. alone, the number of women working during the war was estimated at 18 million, some 3 million of whom worked directly on the war effort in factories and manufacturing facilities.

Unlike women entering the war effort in the Allied countries, thanks to Hitler's view that German women should not soil their hands doing factory work, another approach emerged in Germany. As German male industrial workers were drafted into the Nazi war machine, they were replaced by forced labour from occupied countries, becoming almost slaves to the German effort. Such forced labour led to serious drops in quality and efficiency.

From post-1945 personnel management to HRM

In 1945, when the conflict was over, employment management and welfare work in companies was more fully integrated under the general terms 'personnel management.' But the new function had a pronounced bureaucratic character, a legacy of wartime responsibilities for 'implementing the rules demanded by large-scale, state-governed production' (CIPD, op. cit). Personnel management of that heritage certainly had little impact on the UK's chronic industrial relations record in the first two decades after the Second World War. In 1968, an official report on the state of industrial relations 'was critical of both employers and unions; personnel managers were criticised for lacking negotiation skills and failing to plan industrial relations strategies' … 'these deficiencies' were said to be a consequence of management's failure to give personnel management sufficiently high priority' (CIPD, op. cit).

In the 1960s and 1970s, personnel management became of age, we might say. Books like William H. Whyte's *The Organization Man*, which appeared in 1956, considered the potential 'dark side' of working in the growing complex of large profit driven organizations. Even the more recent television series *Mad Men* hints at the tensions of structured hierarchy and workplace discrimination as well as the hard focus on profits with less attention to "welfare" of employees. By the 1970s, personnel management had started to draw upon 'theories from the social sciences about motivation and organisational behaviour; selection testing became more widely used, and management training expanded' (CIPD, op. cit).

Then, in the mid-1980s, the term ‘human resource management’ gained prevalence. The term ‘human resources’ is an interesting one: it seemed to suggest that employees were an asset or resource-like machines, but at the same time HR also appeared to emphasise employee commitment and motivation. Today’s HR profession encompasses a number of specialist disciplines, including diversity, reward (including compensation, benefits, pensions), resourcing, employee relations, organisation development and design, and learning and development.

A new model in Japan

In Japan, yet another example of a type of firm emerged. The founder of an electrical company was developing a management system that would, in the 1960s, lead to recognition in and out of Japan as ‘a god of management.’ Konusuke Matsushita was a combination of industrial visionary and inventor, marketing pioneer and proponent of workforce motivation. He founded what would become Matsushita Electric, one of the world’s major consumer electronics firms. Already by the late 1920s, he was implementing policies that today would belong to corporate social responsibility. Some 50 years later he would spell out his vision of the modern company. Addressing American and European managers who were visiting Japan, the wordily-wise Matsushita declared: ‘Only by drawing on the combined brain power of all its employees can a firm face up to the turbulence and constraints of today’s environment’ (cited in: Lorriman and Kenjo, 1996: 8)

To Western managers, surely such comments mystified, but they failed to grasp that industry and capitalism in Japan had grown up on different soil. For a start, there never was an ideological divide between managers and workers in Japan. If, in the 1980s, Japanese workers protested against their company, they would parade around it with banners, declaring that ‘we are striking during our lunch hour.’ The idea of launching strikes that would cripple entire industries (very much a British speciality) was seen as completely counter-productive. However, when Japanese firms started to employ foreigners throughout the world to help run their overseas subsidiaries and manufacturing plants, then things changed. Their companies instituted so-called ‘rice ceilings’, beyond which no foreigner, no matter how capable, could expect to penetrate. A Japanese company was one in which the Japanese worldview could only be embodied and understood by Japanese employees. However, these anti-foreigner views – Japan’s own dark side of HRM at the time - would modify after the near-implosion of the Japanese economy in 1989. More than ever before foreign managers are at the helm of

Japanese companies, one such being Sony. By coincidence 1989 was the year in which the Berlin Wall fell and the countries of East and Central Europe began to throw off their socialist masters. In 1991 the once all-powerful Soviet Union dissolved into non-communist constituents.

So what does this mean for global HRM going forward?

Until the 1960s, when multinational corporations began to gain importance, HRM and its previous incarnations had rarely had an explicit international dimension at least in the business world. By the final quarter of the 20th century, human resource management was no longer limited in the major industrial countries to domestic concerns. Already in the 1980s, Japanese corporations began to internationalise their HR departments, for they were employing workforces throughout Europe, the USA and countries in Asia and Latin America. Thirty years later it is hard to convey what was little short of a deep sense of corporate paranoia about handling different cultures. In those days the buzzword in Japan was 'internationalization' (*kokusaika*). The concern by Japanese firms about their image abroad was paramount. In fact, one of us was involved in a worldwide contract research study in the early 1980s for 200 blue chip Japanese firms on just that question: what is the image of Japanese firms in North America and Europe?

In the US, there were anxieties over 'cultural myopia' and executives operating internationally were urged to exercise 'cultural awareness', which they likely did not understand at the time. But in contrast to US corporations, the grand kaisha of Japan developed entire training systems, masterminded by their HR departments, to encourage an international frame of mind: foreign language training, cultural awareness programmes both general and country-specific. It was a kind of national crusade to find a way to compete, especially against American firms.

As the notion of competitive advantage began to take hold among larger firms in particular, human resource management also began to be seen as a strategic element in competition. Matching HRM to strategy, bringing the HRM players into strategic decisions, and trying to view human resources truly as "assets" beyond the annual report commentary all elevated the importance and expectation of its role in global organizations as well. Also, since the bulk of research and writing tended to focus on improvement or ways to strengthen

HRM's role in helping organisational competitiveness, the perspective also seemed to be more positive, than "dark" or negative.

Yet, even our short review of history suggests that the dark side has existed, does and most probably continue to exist, perhaps in ways that are yet to be clearly investigated. People trafficking has been a more political issue but perhaps it is one that organisations face or could, given some of the reports about mining in Africa. Modern HR managers and HR scholars may think that this dark side of HRM is no longer a serious concern, especially when it concerns by-gone eras and refers to societies like Russia or China. But it still should concern both practitioners and researchers. Slavery and ideologically motivated deception of human beings may still exist, perhaps in less obvious ways, and it would be mistaken to read this chapter as an endorsement of the Western-style market economy and its HR systems vis-à-vis communist ways, defunct or still in existence.. After all recently, the IKEA example illustrates that even a well-regarded firm could be party to something "dark." Nor should we forget other abuses such as child labour in SE Asia, which blackened the reputation of various firms in the clothing and sportswear sector.

DISCUSSION: GLOBAL ISSUES OF DIRECT RELEVANCE TO HRM

HRM today encompasses a number of specialist disciplines, including diversity, reward (including compensation, benefits, pensions), resourcing, employee relations, organisation development and design, and learning and development. To that list, we can add talent management, which is now a global concern for major corporations (Scullion and Collings, 2011). These facets of HRM have emerged not only as a result of the greater professionalization of management and the globalization of world business, but also as a consequence of improvements in education, gender equality, and indeed the emphasis on the 'soft' side of management. Furthermore, also important is the appeal of employer branding, whereby firms can attract high-calibre staff by virtue of their reputation as a good employer. Indeed HRM, so viewed, is a scarcely recognizable development of its former self even, say, fifty years ago. But the employee advantages that are associated with working for companies which espouse modern HRM are only truly available to a small proportion of the world's workforce, which for the most part work in the traditional industrial countries e.g. the USA, those of Western Europe as well as Japan.

As we noted at the beginning of this chapter, firms from those countries are not above deceiving their own employees or colluding in employment practices in other countries which would be illegal in their own. This raises a serious issue: have firms, regardless of country of origin, learned how to treat their own—or foreign--employees and associates *more humanely?* Is there a persistent corporate attitude that in effect encourages less than professional treatment of 'the Other', that bad fit who can be a foreigner' or even, at times, one of their own nationals.

Holden and Vaiman (2011) quote a recent instance of a leading US-based corporation, which 'uses instruments, including individual development plans based on MBO and performance', but considers 'the talent potential for growth' in staff from East and Central Europe 'far below those of their Western European counterparts' (ibid: 186-188). The message is: 'don't automatically expect a high-flying career with that company if it is your misfortune to have been born and brought up former Communist countries.' Another example concerns the so-called emerging markets An authoritative source (Sauvant et al., 2009) recently observed that the biggest challenge facing MNCs from such markets is HRM : their managers have relatively little experience in building international production networks especially if this involves integrating acquired firms, who we might describe as 'foreign corporate Others.' But more perplexing is that corporate attitudes even encourage less than professional treatment own employees – their home-grown nationals who are sent on long-term assignments in foreign countries and find that upon completion of their assignment is in effect ostracised by those at home.

The literature on expatriates is almost unequivocal on this issue. Company executives who return with foreign knowledge, precisely what they were sent to acquire in the first place, are not greeted with welcome arms on return. Indeed, some are treated with suspicion, disregard and indifference. More than 30 years ago Nancy Adler (1981) observed 'xenophobic responses' to managers returning to the US after periods of assignment abroad. At around the same time, incidentally, Japanese executives returning to the corporate motherland after years of assignment abroad, finding it difficult to adjust to the all-enveloping embrace of company culture, found themselves being diagnosed with an alienating psychic infection called returnees malaise (*kikokubyō*). Coming up to date, Skudlarek (2010), noting that HR departments 'seem to largely neglect the issue of reentry' has suggested that such returnees in the worst cases suffer 'institutional discrimination.' What then can we conclude from all this?

In some sense, those expatriates are "the Other." They are the people who are at times deceived: they go on assignments abroad, assuming that the knowledge and experience they gain will be valued, although they find the opposite. They return to a company only to find that colleagues that consider them as outsiders. This rebuttal may even cause 'grief' (Chamove and Soeterik, 2006). While they may not consider themselves as "abused," or "deceived," many find they have expected a future with a firm but find they have none. Hence, the resulting 'failure in repatriation … often results in high attrition rated upon re-entry to the home country' (Paik et al., 2002).   In a sense, perhaps not so dramatic, they find that they are on the outside, are in a sense deceived. Like the hapless workers of the Soviet Union, they have made the unwitting transition from comrade to non-comrade. Is this not, in essence, the dark side?

CONCLUSIONS

In this wide-ranging chapter we have covered aspects of society in Great Britain, Germany, the USA and Japan from the late 19 century. We have briefly reviewed HR practices in Nazi Germany, and the Soviet Union. Beyond that we have highlighted recent and contemporary cases of deceitful and indifferent treatment by leading MNCs of their own workforces or workers in their supply change. At first glance there is so much diversity in all this material. It might be objected that 19th century experiences have no relevance for the second decade of the 21st century, that it is meaningless to contrast, however indirectly, bestial Nazi practices with modern corporations, whilst, it might be said, the Soviet experience was in any case irrelevant for the Western world and even meaningless when it comes to how some companies treat their returnee expatriate managers. It is after all not as if those companies *liquidate* their employees.

Yet, in every instance one feature persistently stands out. Those people who have been abused, deceived, mistreated (and even murdered) all share one thing in common: they all constituted 'the Other.' In the case of 19th century Britain the working classes were 'the great unwashed', whose fate it was not to born and raised in the genteel and of course moneyed world of social respectability. The victims of the Communist Party in the Soviet Union were deemed to be ideological outsiders; many of those of the Nazis were classed as ‘sub-humans’ and ‘asocials.’ The foreign employees of Japanese firms in the 1970s and 1980s were another type of racial outsider: as non-Japanese they could not be expected to really understand the Japanese way of doing things. This was their misfortune.

IKEA’s proxy workers in East German prisons were outsiders to the prevailing communist regime, a status which actually suited the Swedish company. As for Bangladeshi workers, the big Western retailers had no direct responsibility for them. They were a special kind of cheap-labour outsiders. In the case of Daimler Chrysler, its redundant workers, many of them non Germans, became outsiders as a result of company policy. As for the MNCs of the emerging economies, the fact that their greatest challenge concerns the actual of practise of global HRM suggests that these corporations too are struggling to know how their foreign employees, often ‘the Other’ from much richer parts of the world.

So, when we consider the fate of expats, those sad victims of in-house xenophobia, they too belong in their own way to a distinct human group that employers have regarded as a form of “outsider.” Once an employee has outsider status or decided that he or she for whatever reason has to receive this status, then the employers can often show shocking ruthlessness. Global HRM has a strongly strategic remit. But from the lofty heights of corporate headquarters ‘entire countries become abstractions, the inhabitants stereotypes’ (Holden & Glisby, 2010: 19), Accordingly, if companies accordingly regard other countries, their populations and even their own expatriate staff as a form of the Other, the dark side of HRM kicks in and then unpleasant decisions about a psychologically distant workforce can become conveniently less pleasant. Global HRM professionals may not like to see themselves presented in such stark terms. But it is up to them to do something about it.

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