
VALUE-BASED HUMAN RESOURCE MANAGEMENT PRACTICES: A LITERATURE REVIEW

**DR. PRIYA*

***MS. MANISHA KANAUIYA*

****MR. TALHA HAKIM*

Abstract

This research is an exploration on the significant intersection of Value-based human Resource Management (VBHRM) and various other pervasive ethical challenges in the context of contemporary organizations. The study investigates how organizations can prevent ethical issues through their adoption of Vedic management together with HR-driven digital ethics and all-inclusive spiritual value-based HR practices which extend beyond profit-oriented business models. This review contributes by consolidating fragmented literature on ethics and HRM into a unified framework, positioning value-based HRM as a strategic and preventive remedy for ethical challenges rather than a reactive compliance tool. The literature analysis reveals main ethical problems which include workplace discrimination and digital era privacy issues and the corporate values "implementation gap" that exists between declared company values and actual human resource management activities. The research results demonstrate that VBHRM enables organizations to achieve "horizontal alignment" between their ethical frameworks and compliance requirements and social responsibility initiatives which results in a trustworthy environment that supports organizational equity. The study demonstrates that value-based frameworks which respect cultural differences between India and Western nations lead to higher employee retention and job satisfaction among workers. The study concludes that the relationship is symbiotic because ethical issues require strong HR solutions while value-based methods give organizations the ethical power they need to resolve those issues. The shift from transactional HRM to value-based HRM represents an essential strategic requirement because organizations need this approach to achieve sustainable growth and employee health and ethical

*Assistant Professor, Department of Management, Faculty of Management Studies, University of Lucknow

**Research Scholar, Department of Management, Faculty of Management Studies, University of Lucknow

**Research Scholar, Department of Management, Faculty of Management Studies, University of Lucknow

excellence in today's worldwide business environment. The conclusions are interpretative rather than evidence-based, highlighting the need for future empirical research to test and validate the proposed framework across different organizational contexts.

Keywords: Value-Based HRM, Ethical Climate, Organizational Integrity, HR Ethics, Ethical Leadership, Workplace Misconduct.

INTRODUCTION

Human Resource Management (HRM) has evolved within the last three decades. It was previously, primarily, about adhering to regulations and being efficient, but it has become a strategic generator of culture and performance within organizations. One of the most significant emerging concepts in the contemporary HRM research and practice is Value-Based Human Resource Management (VBHRM). An organization that values, ethics, and shared beliefs in every HR policy, practice, and decision (Bourne and Jenkins, 2013). VBHRM does not merely regard employees as resources that are optimised; it regards them as individuals with values in alignment with the companies' values can be used to achieve great levels of commitment, creativity and performance. VBHRM idea consists in the fact that the success of a company is determined by the ability of the employees to relate to a specific set of moral values. Value Based Human Resource Management (VHRM) can be said as a shift in management philosophy from considering employees merely as an Human asset to realizing that they are the main sources of competitive advantage of any Organization. VBHRM is founded on the notion that organizational success is dependent on the extent to which its human capital is able to relate to a set of ethical values.

Human resource management (HRM) has changed from an administrative task to a strategic necessity in current corporate environment. Value Based Human Resource Management, which emphasizes that human capital in accordance with general ethical norms is just as important for competitive advantage as any other asset of any Organization and Employers are increasingly viewing their workers as Value Creating Assets. Employee perceptions of any appropriate ethical behaviour are influenced by the organization's ethical climate and have a direct impact on VHRM performance. By stopping misconduct at work, fraud, sabotage etc., you can create a culture of kindness and an open workplace. Ethical leadership is necessary to make the workplace a good place to work. Good leaders set

an example for others and follow the rules of the organization by making the right choices and acting morally. Additionally, international organizations will face difficulties stemming from cultural diversity, attributable to the varying ethical standards across the globe. Individual responses to HR initiatives are influenced by factors such as individualism and collectivism; therefore, integrating cultural awareness is essential. This study will investigate the relationships among VHRM, ethical leadership, ethical climate, and cultural diversity to formulate a guideline for cultivating an ethical and productive workforce.

India and Western countries, especially the US, UK, and Western Europe, have very different cultural models. Western societies are generally known for their individualism, low power distance, and preference for autonomy and achievement. In contrast, India's organizational culture is known for its collectivism, high power distance, loyalty to family, and deep respect for hierarchical structures. These differences are not just interesting from a sociological point of view; they have real effects on how workers in each setting react to motivational strategies, leadership styles, pay structures, and relationships at work.

Today's organizations are going through a significant change in the way HRM operates and the way HRM is understood. As the weaknesses of conventional, transactionally- and economically-oriented models of HRM (many employees are disillusioned, many employees are experiencing burnout, there are many ethical failures, and there is a growing crisis regarding meaning in the workplace) have become obvious, people interested in both working in HRM and studying HRM are seeking humanistic or values-oriented solutions to managing people. One of the most notable emerging paradigms is the incorporation of spiritual values into HRM practices in order to align organizations' systems with the deeper human needs for meaning, purpose, integrity, and transcendence.

The term "workplace spirituality", which is different than but usually informed by religion, describes the recognition that all employees have an inner life that can be both nourished and nourished by doing meaningful work in community (Ashmos & Duchon 2000). This understanding has begun translating into spiritual value-based HR practices through the way that people are recruited, developed, evaluated, rewarded, and led. The HR systems embedded in spiritual value-based HR practices are not just driven by efficiency and performance metrics, but by values of compassion, integrity, service, humility, and respect for the dignity of every person.

This paper examines the conceptual foundations, theoretical frameworks, and empirical evidence surrounding spiritual value-based HR practices. It explores how spiritual values have been operationalized within HRM systems and what organizational benefits and challenges are associated with their implementation.

The concept of values in organizational life is not new. Early management theorists such as Chester Barnard (1938) and later Selznick (1957) recognized that organizations are more than rational, goal-seeking structures—they are repositories of purpose, character, and belief. However, it was not until the late twentieth century that HRM researchers began to systematically examine how values could serve as a foundational architecture for managing people. Seminal works by Legge (1995), Beer et al. (1984), and Storey (1992) laid the groundwork by distinguishing between 'hard' HRM (resource-oriented, instrumentalist) and 'soft' HRM (employee-centered, humanistic), with VBHRM firmly rooted in the latter tradition.

Accelerating globalization, demographic changes, a migration towards knowledge work and increased demand for corporate responsibility have enhanced the significance of VBHRM in the 21st century. Organizations are becoming increasingly aware that achieving sustainable competitive advantage can no longer simply be accomplished through structural or technological mechanisms, but now also necessitates an intrinsically motivated, ethically based and culturally compatible workforce (Pfeffer, 1998; Collins and Porras, 1994). As such, VBHRM has seen an increase in scholarly interest within numerous disciplines including organisational behaviour; strategic management; business ethics; and Industrial-Organisational Psychology.

Value-Based Human Resource Management (HRM) can be viewed as an overarching way of managing people that intentionally incorporates organizational principles into all aspects of the HR function (e.g., recruitment and selection, training and development, performance management, compensation, etc.) (Bourne & Jenkins, 2013; Wiener, 1988). The idea being that through the internalization of and alignment with organizational values, employees create a self-controlled, high-commitment workforce, with little or no need for excessive bureaucratic regulations to maintain compliance. This thinking aligns with Meyer & Allen's (1991) three-component model of commitment to their organization; affective commitment—through emotional connection resulting from having common values—being the most significant antecedent to positive employee outcomes.

Although it's a popular notion, VBHRM has many issues. For example, some believe values-based strategies are generally deceptive; they take an organizationally defined identity and force this identity upon employees while simultaneously restricting diversity of thought (Willmott, 1993). There are also issues with being able to take abstract values and create a practical HR system (for instance, creating a 'discrepancy between espoused values and actual values', as noted by Argyris & Schön, 1978). Furthermore, the literature indicates there are large differences in how companies use VBHRM (e.g. different ways of understanding and different levels of adoption) between cultural, sectoral, and organization types (Farndale & Paauwe, 2007).

Today's organizations are undergoing a major change in both the philosophy and practice of HR management as they are beginning to transition away from the limitations of the traditional transactional/economical based HR models, as evidenced by employee disconnection, burnout, failure of ethics, and the growing crisis of meaning being experienced by many people in their work environments, towards more of a humanistic view, which focuses on the valued nature of an employee as a person rather than a worker. One of the modern approaches towards the management of employees is incorporating spirituality into HR policies where spirituality is infused within the organization, and at the same time, spirituality gives a purpose and integrity to the employees. Since the new HR approaches are more inclined towards compassion, integrity, humility, and respect towards individuals.

BACKGROUND OF THE STUDY

VBHRM incorporates various different mixed types of traditions into organizational and management theory that are important for organizations to function effectively. For example, the resource-based view (RBV) of the firm identified by Barney (1991) contends that firms develop sustainable competitive advantages on the basis of different types of advantages related to their resources (e.g. valuable, rare, inimitable and non-substitutable). Furthermore, therefore, VBHRM can be perceived as a strategic mechanism for developing the most appropriate form of organizational capital; an employee with shared values with the organization. Consequently, the organization may benefit from competitive advantage.

As per social identity theory (Tajfel and Turner, 1979) which states that people make their concept on the fact that they are part of a particular of groups, such as the organization they

work in. Organizational identification is increased when employees feel that their values are consistent with those of the organization, which might increase efforts, citizenship actions, etc. to rival job opportunities (Dutton, Dukerich and Harquail, 1994). According to Stone, Stone-Romero, and Lukaszewski, the manner by which the various organizations perceive various cultures impacts the extent to which HRM practices that have been adopted by the organization will be effective in terms of other HRM practices within this organization, as well as within the different cultural contexts of the employees. Findings of this study reveal that HR initiatives need to become more culturally sensitive than the ones existing today.

In order to know the reaction of the employees towards HR initiatives according to whether their culture is either individualistic or collectivistic, there is a need for cultural sensitivity. With the aim of formulating guidelines on creating a productive and ethical workplace, this study seeks to examine the link between VBHRM, ethical leadership, ethical climate, and cultural diversity. Further, literature shows that while making decisions, every organization needs to use certain heuristics in all organizational levels. Therefore, by just focusing on specific features of management control systems, VBHRM cannot be understood in real context; rather, an understanding of decision-making processes is needed Ikäheimo, S., and Malmi, T. (2003).

Burke and Ng (2006) examined how demographic shifts, technological advancements, and globalization are transforming the nature of work and reshaping human resource management practices. They highlighted the problems, which require more flexible and strategic HR tactics, including skills gaps, diverse workforce, the rise of knowledge workers, and evolving employee demands. The paper notes that to remain competitive in a rapidly changing international market, organizations should focus on flexibility, life-long learning, and effective management of human resources. In a study by Schwartz (1999) there was an exploration of how cultural value orientations determine the behaviour of organizations and individuals across different societies. The paper highlights the fact that differences in values influence significantly decision-making, cross-cultural interactions, and practices at the workplace. This paper has noted that value differences have a great impact on workplace practices, decision-making, and cross-cultural interactions within organizations. To effectively introduce the organizational change and culture of flexibility in the workplace, the study finds the value of ethical leadership, employee engagement, and value driven practices in the Organization. The

results show that ethical leadership, employee engagement, and value oriented practices in the organization create a flexible work.

The concept ethical climate was proposed by Victor and Cullen (1988) and they discovered that the role of shared perceptions of ethical norms as determinants of decision-making and behaviour in organizations. The results states that ethical climates can be defines as egoism, benevolence, and principles that influences how employees react to ethical dilemmas.

According to the research by Al Halbusi et al., ethical leadership promotes good ethical behaviours among the employees because it creates a favourable ethical environment. Engelbrecht et al. (2017) demonstrate that ethical leadership significantly enhances organizational effectiveness by cultivating a robust ethical climate, which serves to reduce workplace deviance. Their findings suggest that when leaders model integrity and fair treatment, they establish a shared psychological environment that aligns employee behaviour with organizational goals.

VBHRM PRACTICES ACROSS THE EMPLOYEE LIFECYCLE

Embedded in each phase of the employee life cycle is an intention to integrate organizational values into every form, or stage, of the employee journey. For example, during recruitment/selection, using a values-based selection process will take into account the person-organization fit as much as the competency fit between the individual and the organization. According to Cable and Judge (1996), both applicants and recruiters will be affected by the perceived congruence of the employer's and the employee's values during selection; therefore, they suggest that one way to predict job satisfaction, commitment, and retention. Some examples of how organizations have utilized these approaches include implementing a values-based interview framework, providing a realistic job preview that articulates the organizational values, and using situational judgment tests to measure value-related behaviours (Highhouse, 2008).

Socialization/onboarding, or bringing a new employee into the organization, represents another key point for VBHRM. According to Van Maanen and Schein (1979), socialization is the primary mode through which organizations communicate their norms and values to new employees. Investing in structured, value-clarifying socialization, such as mentoring,

storytelling, and experiential learning about the organization's history and purpose, has been linked to quicker adjustment, increased commitment, and decreased turnover in the early stages of an employee's career (Klein & Weaver, 2000). Zappos and Southwest Airlines are frequently cited examples of organizations that have developed intentional, value-centered onboarding practices (Hsieh, 2010).

VBHRM (Values-Based Human Resource Management) presents a challenge to traditional performance appraisal systems, which are predominantly results-oriented, by arguing that the values, ethics, and relational competence with which outcomes are achieved are equally as important as the outcomes themselves (Aguinis 2013). Aguinis (2013) proposes a multidimensional approach to performance management, encompassing value-driven behavioural indicators in addition to quantitative measures. Corporations increasingly adopt measures such as 360-degree feedback, behavioural competency frameworks, and culture-add criteria into performance evaluations; thus, embedding value assessment into the evaluation process. The focus of Learning and Development (L&D) programs is moving away from skills alone toward what Garavan (1991) referred to as "Strategic Human Resource Development", or the development of values, identity, and purpose along with capacity. This shift in focus on L&D to values-based interventions includes leadership programs based on an organization's values, ethics training, cross-functional communities of practice, and organizational storytelling initiatives that reinforce the organization's cultural narrative (Swap et al. 2001). Watkins and Marsick (1993) developed the concept of the learning organization, which emphasizes creation of a shared value framework as the foundation for organizational learning.

In VBHRM, acknowledgement and encouragement systems are comprised of a combination of meaningful and financial incentives. The theoretical framework from which these systems are created comes from the Self-Degree Theory {Deci & Ryan, 2000}. By supporting autonomy, competence, and relatedness as expressed through the deeper values that arise from these three factors, intrinsic motivation can be developed. As recognition programmes celebrate value-based behaviours, organisations will continue to build rapport with their employees via the supplementary monetary rewards they provide and through values programme assignments and flexible work arrangements that consider the employees' value system concerning family and well-being. (Grant, 2008).

METHODOLOGY

The present study is based on Systematic Literature Review (SLR) using PRISMA model and top 10 cited publications has been reviewed for the purpose of the study. In order to achieve the objectives following research questions have been formulated:

1. How organizations prevent ethical issues through adoption of value based HRM Practices?
2. How can fragmented literature on ethics and Human Resource Management (HRM) be consolidated into a unified conceptual framework?
3. Which year shows highest publication in the related area?
4. Which academic field (Business, Management, Psychology, Social Sciences etc.) and type of publication are most prevalent in this field?
5. Which countries are the leading contribution to research on related field?
6. What are the most cited publications in this domain?

Objectives of the Study:

1. To examine how organizations prevent ethical issues through the adoption of value-based Human Resource Management (HRM) practices.
2. To develop a unified conceptual framework by consolidating the fragmented literature on ethics and Human Resource Management.
3. To identify the year with the highest number of publications in the area of ethics and HRM.
4. To analyse the most prevalent academic fields (such as Business, Management, Psychology, and Social Sciences) and the dominant types of publications in this domain.
5. To determine the leading countries contributing to research in the field of ethics and HRM.
6. To identify and review the most cited publications in this area of study.

Data Extraction

Data is extracted from the Scopus on 27th March 2026. The strings used in this study are Value-Based HRM, Ethical Climate, Organizational Integrity, HR Ethics, Ethical Leadership, Workplace Misconduct. Only 43 publications are available on database, that may attract the

scholars to explore more on this. The emphasis on number of citations as a selection criterion was given which focused on influential and impactful research.

RESULTS & DISCUSSION-

Annual Trend Analysis

Figure no. 1 shows a highly fluctuating trend in the number of documents published from 2003 to 2027, with very low and inconsistent output in the early years. Although there are occasional increases after 2010, but the pattern remains irregular till 2018 as there is a clearer rise observed after 2018 in the documents. Highest increased in publication started between 2019 and 2023, with the highest surge around 2025, indicating a sharp but temporary increase in research activity, which is followed by a decline. The trend suggests growing interest in recent years, but with significant inconsistent growth (Objective 3).

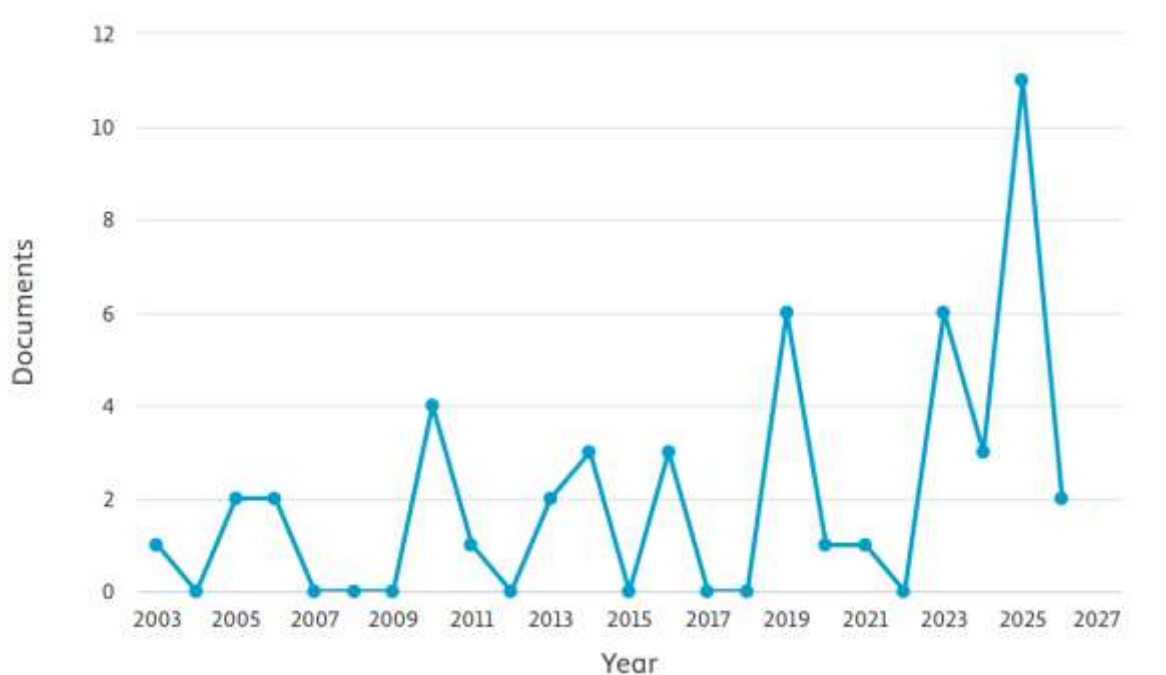


Figure 1: Trend Analysis

Documents by Types

The figure no. 2 illustrates the distribution of document types. It shows that journal articles dominate the dataset adding upto 66.7% of the total data, indicating that most of the research output is published in article form. Book chapters make up the second largest share at 16.7%, followed by review papers at 10.4%, which suggests a moderate level of analysis in this field. Conference papers represent the smallest number that is 6.3%, indicating comparatively limited representation through conferences. The chart highlights a strong preference for journal publications over other forms of scholarly output.

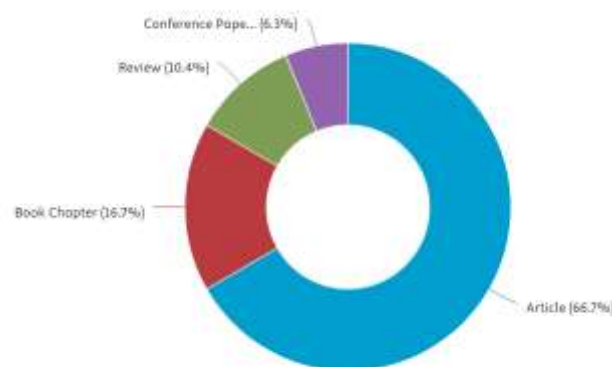


Figure 2: Document Types

Document by Subject Area

The figure no. 3 shows the distribution of research across different subject areas, with the Business and Management having the highest at 36%, indicating that the majority of studies are concentrated in this field only. Social Sciences at 16.3%, and Economics at 11.6%, showing a strong inclination toward related disciplines. Nursing (7.0%) and Psychology (5.8%) also hold notable shares, reflecting interdisciplinary engagement in the particular fields. Smaller contributions come from Arts and Humanities (4.7%), Computer Science (4.7%), and Engineering (4.7%), Decision Sciences (3.5%), Environmental Science (2.3%), and other areas (3.5%) (Objective 4). The chart shows a primary focus on management and social science domains, with moderate or low-level diversification other fields like technical and health related fields.

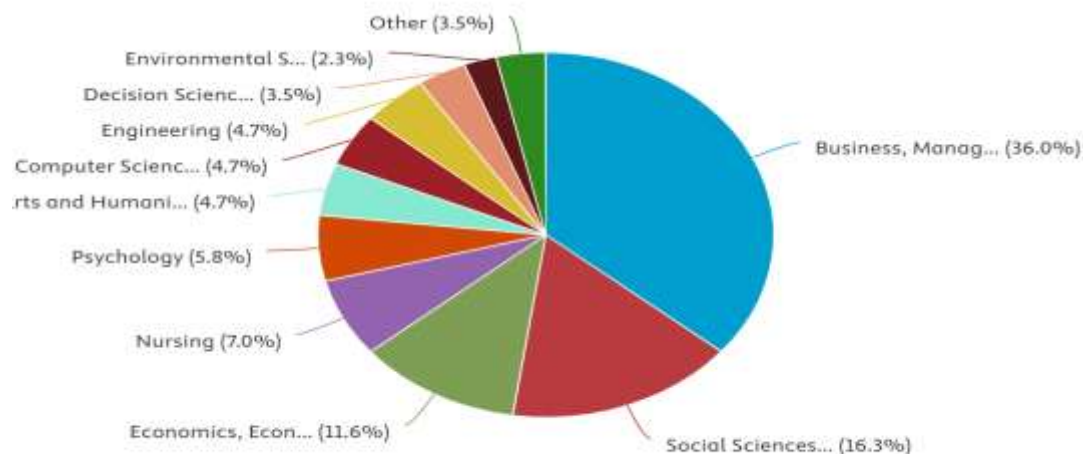


Figure 3: Documents by Subject Area

Document By Country

In addition, figure no. 4 presents (Objective 5) the number of documents produced by different countries, with the United States leading significantly at 11 documents, indicating a dominant contribution compared to others countries. India is at the second with the United Kingdom both having 5 documents each, showing moderate but notable output from both the countries. China ranks next with 4 documents, while Norway, Saudi Arabia, and Spain each contribute 3 documents, reflecting a normal level of productivity from all. Belgium, Canada, and Egypt are at the lower end, having 2 documents each. The distribution suggests a clear concentration of document production in a few leading countries, particularly the United States, India and United Kingdom, with a gradual decline among the other remaining countries.

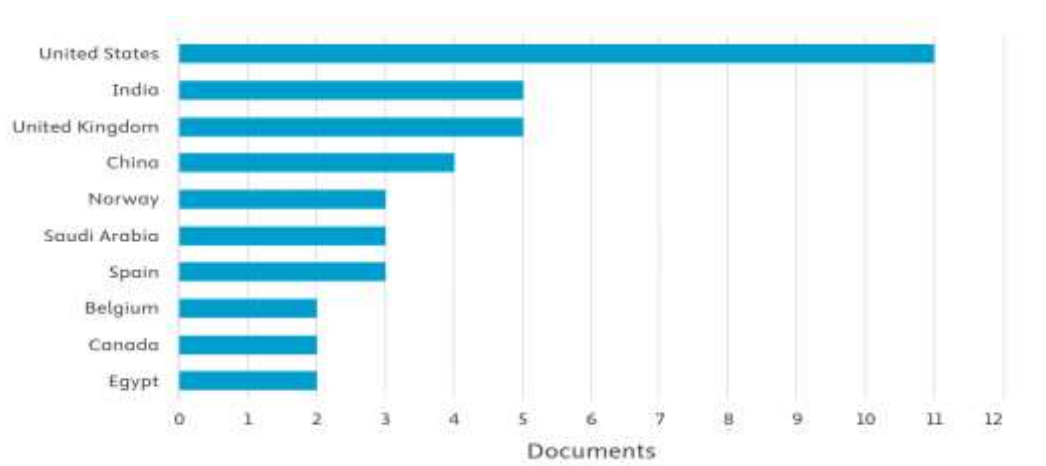


Figure 4: Documents by Country

While identify and review the most cited publications (Table 1) in this area of study (Objective 6). The existing body of literature reveals several important research gaps in the domain of ethics and Human Resource Management. **First**, many studies suffer from contextual limitations, as they are largely region-specific—focusing on particular countries such as the USA or Iraq, or confined to specific sectors like healthcare—thereby limiting the generalizability of findings. This highlights the need for more cross-cultural and comparative HRM studies to understand how ethical practices vary across different socio-cultural environments. **Second**, there is an over-reliance on self-reported data, especially when examining ethical behavior, which is inherently sensitive and prone to social desirability bias, thus raising concerns about data accuracy and validity. **Third**, the integration of HRM and ethics remains limited, with HR often being perceived as a support function rather than a strategic driver of ethical practices within organizations.

Finally, there is a notable lack of multi-level analysis in existing research, as few studies simultaneously examine the interplay between individual, organizational, and societal factors, thereby restricting a comprehensive understanding of ethical HRM practices.

Table 1: Top Cited Publications

S.no.	Authors	Title	Year	Source title	Cited by
1	Resick C.J.; Martin G.S.; Keating M.A.; Dickson M.W.; Kwan H.K.; Peng C.	What Ethical Leadership Means to Me: Asian, American, and European Perspectives	2011	Journal of Business Ethics	194
2	Al Halbusi H.; Williams K.A.; Ramayah T.; Aldieri L.; Vinci C.P.	Linking ethical leadership and ethical climate to employees' ethical behavior: the moderating role of person–organization fit	2021	Personnel Review	186
3	Sharma A.; Agrawal R.; Khandelwal U.	Developing ethical leadership for business organizations: A	2019	Leadership and	80

		conceptual model of its antecedents and consequences		Organization Development Journal	
4	LaSala C.A.; Bjarnason D.	Creating workplace environments that support moral courage	2010	Online Journal of Issues in Nursing	65
5	Gotsis G.; Kortezi Z.	Ethical paradigms as potential foundations of diversity management initiatives in business organizations	2013	Journal of Organizational Change Management	53
6	Shirey M.R.	Ethical climate in nursing practice: The leader's role	2005	JONA's Healthcare Law, Ethics, and Regulation	53
7	Suriyankietkaew S.; Kantamara P.	Business ethics and spirituality for corporate sustainability: a Buddhism perspective	2019	Journal of Management, Spirituality and Religion	52
8	Parkes C.; Davis A.J.	Ethics and social responsibility - do HR professionals have the 'courage to challenge' or are they set to be permanent 'bystanders?'	2013	International Journal of Human Resource Management	49
9	Kaptein M.; Avelino S.	Measuring corporate integrity: A survey-based approach	2005	Corporate Governance	46
10	Valentine S.; Hollingworth D.; Eidsness B.	Ethics-related selection and reduced ethical conflict as drivers of positive work	2014	Personnel Review	34

		attitudes: Delivering on employees' expectations for an ethical workplace			
11	Junaidi J.	The role of ethical leadership to employees work engagement: a social learning theory perspective	2024	International Journal of Social Economics	31
12	Rees C.J.; Johari H.	Senior managers' perceptions of the HRM function during times of strategic organizational change: Case study evidence from a public sector banking institution in Malaysia	2010	Journal of Organizational Change Management	27
13	Mkheimer I.M.; Selem K.M.; Shehata A.E.; Hussain K.; Perez Perez M.	Can hotel employees arise internal whistleblowing intentions? Leader ethics, workplace virtues and moral courage	2023	European Journal of Management and Business Economics	25
14	Eide T.; Dulmen S.V.; Eide H.	Educating for ethical leadership through web-based coaching: A feasibility study	2016	Nursing Ethics	24
15	Collins P.; Kakabadse N.K.	Perils of religion: Need for spirituality in the public sphere	2006	Public Administration and Development	24

Structured analysis of the top 10 cited papers (Table 1) in the relations with the area on *value based HRM, ethical leadership, ethics HRM and Workplace Misconduct* are synthesized for present study (Objective 1):

Thematic Analysis

Based on abstracts and keywords, the studies can be grouped into five major themes:

Table 2: Thematic Analysis

Theme	Contribution	Outcomes
Ethical Leadership and Its Dimensions	<ul style="list-style-type: none"> • Resick et al. (2011) – Cross-cultural ethical leadership • Al Halbusi et al. (2020) – Ethical leadership → employee behaviour • Sharma et al. (2019) – Conceptual framework of ethical leadership 	Ethical leadership is consistently viewed as value-driven, culturally influenced, and behavior-shaping
Ethical Climate and Organizational Context	<ul style="list-style-type: none"> • Al Halbusi et al. (2020) • Shirey (2005) • Kaptein & Avelino (Survey on integrity) 	Ethical climate acts as a mediating mechanism between leadership and employee conduct. Organizations often struggle with integrity gaps despite formal ethical systems
HRM Role in Ethics and Ethical Practices	<ul style="list-style-type: none"> • Parkes & Davis (2013) – HR as ethical steward • Valentine et al. (Ethical hiring and outcomes) 	HRM plays a critical but underutilized role in Ethical recruitment, Policy formation and embedding ethical culture. However, role conflict and organizational pressures limit HR effectiveness
Ethical Frameworks and	<ul style="list-style-type: none"> • Gotsis & Kortezi – Ethics of care, virtue ethics, dignity 	Ethics in organizations is rooted in Normative theories (Kantian, virtue

<p>Philosophical Foundations</p>	<ul style="list-style-type: none"> • Suriyankietkaew & Kantamara (2019) – Spiritual/ethical leadership (Buddhist perspective) 	<p>ethics), Spirituality and sustainability. This expands ethics beyond compliance to human dignity and long-term sustainability.</p>
<p>Ethical Behaviour, Moral Courage, and Outcomes</p>	<ul style="list-style-type: none"> • LaSala & Bjarnason – Moral courage in nursing • Valentine et al. – Ethical hiring → job attitudes 	<p>Ethical environments promote moral courage, job satisfaction and Organizational commitment. But ethical action often involves risk and personal cost.</p>

We develop a unified conceptual framework (figure 5) by consolidating the fragmented literature on values, ethics and Human Resource Management (Objective 2).

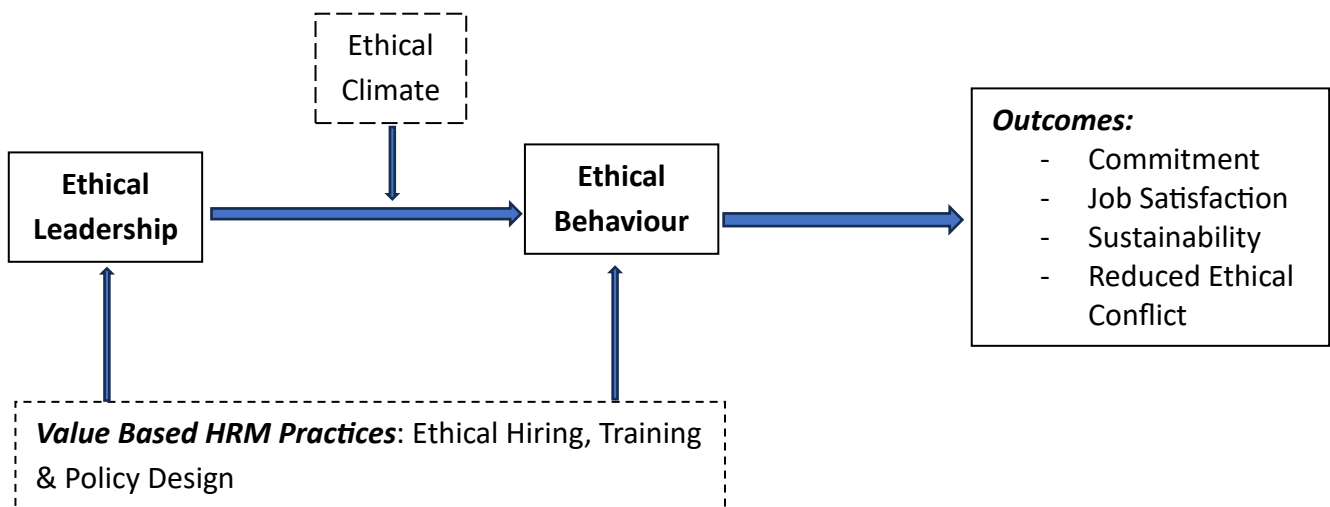


Figure 5: Conceptual Framework

The figure presents an integrated conceptual framework linking ethical leadership, ethical climate, and employee ethical behaviour, with value-based HRM practices playing a reinforcing role. At the core, ethical leadership serves as the primary driver, directly influencing employee ethical behaviour. This relationship is further strengthened through the mediating role of ethical climate, which reflects the shared perceptions of ethical norms and practices

within the organization. A positive ethical climate translates leadership values into day-to-day behavioural expectations, thereby enhancing ethical conduct among employees.

Additionally, value-based HRM practices—such as ethical hiring, training, and policy design—act as a cross-cutting mechanism that supports both ethical leadership and ethical behaviour. These practices institutionalize ethical standards and ensure consistency between organizational values and employee actions.

The framework ultimately leads to key organizational outcomes, including enhanced employee commitment, increased job satisfaction, improved sustainability, and reduced ethical conflict. The model highlights how the alignment of leadership, organizational climate, and HRM practices fosters a strong ethical foundation that drives positive individual and organizational outcomes.

Organizational Outcomes of VBHRM

The empirical literature on VBHRM outcomes is broadly supportive, though it is complicated by measurement challenges and endogeneity concerns. At the individual level, studies consistently find that perceived values congruence is positively associated with job satisfaction (Meglino, Ravlin & Adkins, 1989), organizational commitment (O'Reilly, Chatman & Caldwell, 1991), organizational citizenship behaviour (Netemeyer, Boles, McKee & McMurrian, 1997), and negatively associated with turnover intention (Kristof-Brown et al., 2005). Organizational identification, trust in leadership and perceived employee support from the organization have been identified as potential mediators for the above factors.

An eleven-year longitudinal study has demonstrated that organizations with high-value adaptive cultures tend to achieve greater success than those without high-value adaptive cultures. Further, a separate study examining psychological safety among teams showed that when team members shared values with other team members and the team as a whole, they created an environment that encouraged risk taking and challenging assumptions. Researchers have found a strong relationship between psychological safety and both team learning and team performance. Google's Project Aristotle concluded that psychological safety - reflected in many different forms, including shared values and norms - was the most significant factor determining team effectiveness.

In a study by Houston (2006), it was found that of all the variables predicting employee performance and commitment to the organization, the strongest single predictor of job performance and organizational commitment is public service motivation, which constitutes a value-based theory of commitment to both social welfare and civic duty. Furthermore, Perry and Wise (1990) state that the development and implementation of an HRM system should provide for the recruitment, development, and retention of personnel according to the values of ethics as defined by basic values of VBHRM.

CONCLUSION

According to the findings of this literature review, Value-Based Human Resource Management, or VBHRM, is not only an indication of a departure from classical, transactional human resource management (HRM) methods, but rather is indicative of a move towards a more ethical, humanistic, and strategic approach to HRM, and indicates that aligning HRM practices with (organisational) values (i.e., the beliefs held by a company about "how we should be as an employer") can potentially assist in remedying long-held concerns of organisations such as workplace violations, dishonesty, and discrimination; as well as the "gap" that often exists between (stated) and (actual) (organisational) values.

Furthermore, VBHRM offers an opportunity for an organization to develop a corporate culture, which is an indicator that providing higher levels of commitment to the employees, higher levels of job satisfaction, higher level of trust towards employees, and offering value-based development across the entire lifespan of an employee by embedding values in all processes in the employee's lifespan can result in. It can thus be observed that VBHRM is not only about complying with organizational regulations but also offers a forum to ensure sustainability for organizations in the future through value-based leadership, cultural sensitivity, and spirituality.

From the above discussion, it can be seen that the findings of this study have been interpretive and conceptual in essence. The empirical testing of the proposed (VBHRM) framework has been quite limited in scope. However, future researchers can still validate the findings in several ways.

Practical Implications

For organizations, it is essential to promote value-based leadership training, strengthen the ethical climate through well-defined policies, and integrate ethical considerations into core HRM systems such as recruitment and performance appraisal. For HR professionals, there is a need to transition from a predominantly administrative role to that of an ethical steward, ensuring that HR practices are closely aligned with the organization's core values. For leaders, demonstrating ethical behavior is critical; they must act as role models and ensure consistency between stated values and actual actions, thereby fostering trust and reinforcing an ethical organizational culture.

Limitations and Future Directions

VBHRM is slowly becoming well known around the globe while simultaneously receiving much negative feedback; one of the most negative aspects of VBHRM is that it seems to be a type of indoctrination, for example, forcing people to act according to the values of their organisation, i.e. restricting personal freedom through organisation's value system. As such, VBHRM restricts every employee's moral decision when they work for an organisation.

Additionally, many companies that utilise VBHRM have ethical value statements. Therefore, if an organisation does not maintain consistency in their values, the organisation could lose credibility faster than if they did not have a formal value system at all (Trevio et al., 2006; Schein, 2010). Furthermore, research calls into question the validity and reliability of the criteria and instruments used to define and assess value congruency. Numerous authors employing previous works to create comparative employee-to-organisation values have relied on antiquated, unfriendly forms of data collection through indirect static, non-measurement-based surveys and therefore have behaved without considering how employees experience their organisation's value system in its ever-changing and interpretive forms (Edwards & Cable, 2009). Employee values will continue to evolve based on their experience in the workplace; likewise, organizations will evolve based on the ongoing evolution of their employees' experiences and outside factors that have changed; therefore, VBHRM needs to utilize flexible/adaptable as well as fixed approaches for the same period of time (static) within any given period of time when acquiring new technology or knowledge. The possibilities for future value-based HRM are plentiful because of the significance of VBHRM in developing DEI.

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