

Identification of Ethical Indicators and Components of Human Resource Managers in Employee Separation and Job Placement in Medical Universities of the Western Region of Iran

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ABSTRACT

The rapid transformation of organizational environments and the necessity of achieving the objectives outlined in the country's Twenty-Year Vision Document have compelled human resource management in the public sector to reconsider its ethical policies—particularly in processes of employee separation and job placement. The present study aimed to identify the ethical indicators and components of human resource managers in employee separation and job placement in medical universities located in the western region of Iran. From the perspective of purpose, this research is applied in nature, and methodologically, it is qualitative, based on the Grounded Theory approach within the Strauss and Corbin framework. The statistical population consisted of human resource managers, experts, and faculty members specializing in administrative ethics and human resource management, from whom 12 experts were selected through purposive and judgmental sampling. Data were collected via semi-structured interviews and analyzed using open, axial, and selective coding methods. The analysis of the data resulted in the extraction of 285 basic themes, 36 organizing themes, and 5 overarching themes, which were classified under five main components: “selection and recruitment,” “motivation and communication,” “performance management,” “compensation,” and “empowerment.” Based on these findings, a conceptual model for developing ethical policymaking among human resource managers was proposed, demonstrating that managerial ethics in employee separation is not merely limited to compliance with legal formalities but is largely influenced by organizational culture, perceived justice, transparent communication, and post-separation support mechanisms. Implementing an ethics-oriented approach in university human resource management requires the formulation of participatory strategies, the establishment of a fair evaluation system, and the institutionalization of ethical behaviors at all managerial levels.

Keywords: *Ethical policies, human resource managers, employee separation, job placement, grounded theory.*

1. Introduction

In the context of modern organizational environments characterized by volatility, uncertainty, complexity, and ambiguity, the concept of *ethical leadership* has emerged as a central pillar in promoting sustainable governance, transparency, and human-centered management. Ethical leadership emphasizes moral conduct, fairness, and accountability in decision-making processes that directly influence employees' well-being, motivation, and organizational performance (Chen & Ryoo, 2025). In public institutions and health-related organizations, where human resources form the backbone of service delivery, the integration of ethical leadership principles into managerial policies—especially in sensitive processes such as employee separation and job placement—has become a vital component of organizational ethics and sustainability (Mahohoma & Sihlangu, 2024).

Ethical leadership is defined as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, alongside the promotion of such conduct among followers via communication, reinforcement, and decision-making (Shiundu, 2024). This leadership style fosters trust, justice, and empathy within organizations, encouraging managers to act as moral role models who influence both individual and collective behavior (Islam, Zulfikar, et al., 2024). As organizations face complex ethical dilemmas—ranging from restructuring and layoffs to technological transformation and data governance—ethical leadership serves as a critical mechanism for ensuring fairness and maintaining employee dignity throughout managerial actions (Sun et al., 2024).

In the healthcare and educational sectors, ethical leadership plays a particularly crucial role in balancing human values with institutional performance. The case of medical universities, where human resources management directly affects service quality and societal trust, underscores the importance of integrating ethical principles into HR policymaking. Leaders in these contexts are not only responsible for operational efficiency but also for safeguarding justice, transparency, and accountability during processes of employee separation and repositioning (Khalili & Fathi, 2024). Ethical leadership in such environments ensures that managerial decisions do not simply comply with formal regulations but also uphold moral integrity, promote fairness, and minimize

psychological harm to affected employees (Mirzaei & Abdollahzadeh Namanlou, 2024).

Recent empirical studies have provided robust evidence linking ethical leadership to positive organizational outcomes such as job satisfaction, trust, commitment, and innovative behavior. For instance, ethical leadership has been shown to enhance employees' sense of belonging, fairness, and organizational identification, leading to improved commitment and reduced turnover intentions (Albdareen et al., 2024). Moreover, it fosters an environment of psychological safety and meaningful work, which is crucial for innovation and performance sustainability (Mosquera et al., 2024). The mediating role of trust and emotional intelligence has also been demonstrated, suggesting that ethical leaders influence not only employees' behavior but also their affective states and interpersonal dynamics (Islam, Khatoon, et al., 2024; Khalili & Fathi, 2024).

In an age of digital transformation, ethical leadership must extend beyond traditional managerial boundaries to address challenges associated with data ethics, artificial intelligence, and virtual governance. Studies have shown that ethical leadership enhances digital transformation initiatives by fostering transparency, responsibility, and adaptive decision-making (Bian & Wang, 2024). Leaders who integrate ethics into digital governance ensure that technology serves as a tool for empowerment rather than control, creating a climate where innovation coexists with moral accountability (Chen & Ryoo, 2025). Similarly, e-ethical leadership—leadership exercised through digital means—has been found to mitigate emotional exhaustion among employees by promoting autonomy and digital fairness (Santiago-Torner et al., 2024).

From a theoretical perspective, ethical leadership is grounded in social learning theory and moral management principles. According to social learning theory, employees observe and emulate leaders' ethical behaviors, internalizing moral norms that shape their professional identity and work ethics (Shiundu, 2024). Ethical leaders act as role models whose integrity and fairness establish organizational legitimacy and moral capital, which, in turn, reinforce collective responsibility and ethical climate (Kim & Lee, 2024). This dynamic relationship between ethical leadership and organizational culture enhances trust-based cooperation and reduces incidences of unethical decision-making,

particularly in situations involving employee transitions or disciplinary actions (Nwafor & Okoye, 2024).

In higher education institutions, ethical leadership also contributes to academic excellence and student engagement. By promoting fairness, respect, and empathy, ethical academic leaders strengthen the teacher–student relationship and foster a growth mindset, which are essential for the academic and moral development of learners (Zhang et al., 2024). This finding underscores the universality of ethical leadership principles across both administrative and academic domains, highlighting their relevance for medical universities that simultaneously function as centers of learning and service delivery.

A systematic analysis of global research on ethical leadership reveals its multidimensional nature, encompassing psychological, organizational, and societal dimensions. Ethical leaders are not only moral agents but also catalysts of systemic integrity, guiding their organizations through crises, conflicts, and change processes (Alay, 2024). In public-sector institutions, where ethical accountability and transparency are fundamental to public trust, leaders who adhere to moral principles are better equipped to prevent corruption, favoritism, and abuse of power (Mahohoma & Sihlangu, 2024). The interplay between ethical leadership and governance capability therefore becomes essential for fostering sustainable, people-centered institutions (Bian & Wang, 2024).

Moreover, ethical leadership has been associated with the enhancement of employees' work engagement, creativity, and well-being. Through mechanisms such as trust in leaders, harmonious work passion, and perceived organizational support, ethical leaders create a motivational environment that stimulates proactive and innovative behavior (Islam, Khatoon, et al., 2024; Islam, Zulfiqar, et al., 2024). In particular, their focus on justice and open communication reduces uncertainty and enhances organizational citizenship behaviors, which are vital during restructuring or separation processes (Sun et al., 2024).

Research also highlights the significance of ethical leadership in mitigating organizational politics and emotional exhaustion. When leaders act ethically, they minimize ambiguity, enhance clarity of purpose, and align employee motivation with collective goals (Mosquera et al., 2024; Santiago-Torner et al., 2024). This relational transparency fosters psychological well-being, empowering employees to navigate organizational transitions with resilience and commitment (Jin et al., 2024).

In the context of developing nations and transitional economies, ethical leadership takes on added importance due to institutional fragility and governance challenges. For example, in African public organizations, ethical leadership has been found to significantly influence the quality of service delivery, transparency, and stakeholder satisfaction (Mahohoma & Sihlangu, 2024). Similarly, in Middle Eastern contexts, ethical leadership improves employees' quality of work life and fosters emotional intelligence, which together enhance performance and social responsibility (Khalili & Fathi, 2024). These findings reinforce the necessity of cultivating ethical leaders who not only follow procedural fairness but also demonstrate genuine moral commitment to their employees and the public.

In the field of human resource management, ethical leadership provides a normative framework for guiding policies related to recruitment, performance evaluation, compensation, and employee separation. It ensures that HR decisions are not merely transactional but grounded in moral reasoning and respect for human dignity (Bajpai et al., 2024). Ethical HR leadership also contributes to building trust-based relationships between management and employees, thereby facilitating cooperation and reducing conflict during organizational changes (Nwafor & Okoye, 2024). Furthermore, integrating ethical leadership into HR policymaking enhances organizational resilience and adaptability, particularly in turbulent environments where uncertainty and moral ambiguity prevail (Shiundu, 2024).

Emerging scholarship has also emphasized the link between ethical leadership and sustainability. Leaders who prioritize ethics promote socially responsible behavior, environmental stewardship, and long-term strategic vision (Alay, 2024). They recognize that ethical governance is not an optional moral luxury but a strategic necessity for ensuring the legitimacy and endurance of organizations in an era of stakeholder activism and global accountability (Bian & Wang, 2024). By fostering cultures of fairness, transparency, and shared values, ethical leadership becomes a driver of sustainable organizational excellence (Kim & Lee, 2024).

Despite the growing recognition of its significance, the practical implementation of ethical leadership in public organizations—particularly in higher education and healthcare institutions—remains inconsistent. Factors such as bureaucratic inertia, political interference, and inadequate ethical training often undermine leaders' capacity to make morally sound decisions (Shiundu, 2024). Consequently, there is a pressing need to identify the ethical indicators and

behavioral components that define effective human resource leadership in public universities, particularly in processes as delicate as employee separation and repositioning. Such a framework can help align organizational policies with ethical imperatives while reinforcing social trust and institutional integrity (Mahohoma & Sihlangu, 2024).

This study, therefore, seeks to identify and conceptualize the ethical indicators and components that should guide human resource managers during the processes of employee separation and job placement within the medical universities of western Iran. Drawing upon the grounded theory approach, the research develops a conceptual model of ethical HR policymaking that integrates organizational justice, transparent communication, post-separation support, and empowerment as central elements of ethical governance. By aligning with international evidence on the transformative role of ethical leadership (Bian & Wang, 2024; Chen & Ryoo, 2025; Islam, Zulfiqar, et al., 2024; Kim & Lee, 2024), this investigation contributes to the global discourse on ethical leadership and provides contextually relevant insights for strengthening moral integrity and social responsibility in higher education management.

In summary, ethical leadership has evolved from a theoretical construct into a strategic imperative for modern organizations. It bridges the gap between moral philosophy and managerial practice, ensuring that organizational success is achieved without compromising ethical values or human dignity.

2. Methods and Materials

The present study was conducted within a qualitative paradigm using the thematic analysis method. The statistical population consisted of experts and specialists in the field of human resource management, including faculty members of medical universities in the western region of Iran (Hamedan, Kermanshah, Kurdistan, Ilam, and Asadabad), as well as managers and experts from departments such as

Management Development, Administrative Transformation, Performance Evaluation, Human Resources, and Compensation, along with doctoral students in Human Resource Management. The selection of participants was carried out through purposive sampling using the snowball (chain) technique, and the interview process continued until theoretical saturation of the data was achieved. The data collection instrument at this stage was a semi-structured interview guided by open-ended questions, designed to obtain in-depth and comprehensive perspectives regarding the ethical principles governing human resource decision-making.

To ensure the validity and reliability of the qualitative data, the indices of credibility, confirmability, transferability, and dependability were applied based on the Lincoln and Guba framework (Lincoln & Guba, 1985). In addition, the Holsti inter-coder agreement coefficient was used to measure coding consistency between two coders, which yielded a value higher than 0.7, indicating satisfactory reliability of the data. The interview data were analyzed using the thematic analysis approach with the aid of MAXQDA software (Version 12), leading to the extraction of basic, organizing, and overarching themes, which were subsequently used to design the initial conceptual model of ethical policymaking for human resource managers.

3. Findings and Results

As shown in Table 1, the components of the model for developing ethical policies of human resource managers in employee separation and job placement at medical universities in the western region of Iran were categorized—based on the opinions of 12 experts—into 285 basic themes, organized into five overarching themes: Selection and Recruitment, Motivation and Communication, Performance Management, Compensation, and Empowerment. Each of these main themes also comprised several related organizing themes.

Table 1

Organizational Structure for Developing Ethical Policies of Human Resource Managers in Employee Separation and Job Placement

B	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	What is the appropriate organizational structure for developing ethical policies for HR managers?	A matrix (network) structure that strengthens interdepartmental interaction.	Interdepartmental collaboration, organizational flexibility	Matrix (network) structure	Motivation and Communication
2		A structure that adapts to a dynamic environment and unexpected changes.	Adaptability to dynamic environments	Fair and participatory structure	Selection and Recruitment

3	A structure adaptable to rapid changes and new opportunities in a competitive environment.	Exploiting opportunities, adaptability	Fair and participatory structure	Performance Management
4	A structure that allows all employees to participate in decision-making.	Participation in decision-making	Fair and participatory structure	Motivation and Communication
5	A structure that is responsive and transparent to employee concerns.	Transparent responsiveness, effective communication	Fair and participatory structure	Motivation and Communication
6	A transparent structure that makes the separation and placement process understandable to everyone.	Process transparency	Fair and participatory structure	Compensation

Table 2

Relevant Regulations and Directives for the Employee Separation and Job Placement Process in Medical Universities of the Western Region

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	What is an appropriate performance evaluation system for developing ethical policies?	Existence of objective indicators, continuous feedback, and transparency in evaluation.	Objective indicators, continuous feedback	Fair evaluation	Performance Management
2		Dialogue sessions between managers and employees about ethical behavior.	Two-way interaction	Mutual interaction	Motivation and Communication
3		Use of 360-degree evaluation for realistic understanding.	Multi-source evaluation	Multi-source feedback	Empowerment

Table 3

Strategies for Ethical Training of Human Resource Managers

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	Appropriate methods for developing ethical policies	Utilizing legal consultation to ensure the legality of procedures.	Legal consultation	Delegation of authority	Empowerment
2		Respecting employees' privacy during the separation process.	Protecting employee privacy	Organizational support system	Compensation
3		Transparent communication and accountability regarding separation reasons.	Honest communication, transparency	Interpersonal communication	Motivation and Communication
4		Supporting employees in planning their future careers.	Organizational support for career development	Organizational support system	Compensation
5		Fair behavior of senior managers during separation.	Managerial justice	Fair management	Performance Management

Table 4

Specific Ethical Policies for Human Resource Managers in Employee Separation and Job Placement

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	What ethical policies exist in medical universities?	Separation decisions are based on fair criteria and transparent justification of reasons.	Process transparency, lawful decision-making	Recruitment and contract regulations	Selection and Recruitment
2		Observing human dignity, maintaining confidentiality, and respecting employees.	Human dignity, mutual respect	Effective and lawful communication	Performance Management
3		Documenting decision-making stages for review purposes.	Documentation	Organizational culture	Empowerment
4		Empathy, effective communication, active listening, and information sharing.	Human interaction, personal respect	Organizational communication	Motivation and Communication
5		Providing accurate information without damaging reputation.	Preserving employees' reputation	Fair management	Performance Management
6		Continuous consultation among managers and fair decision-making.	Fair decision-making	Interpersonal communication	Motivation and Communication

Table 5

Role of Information Technology in Developing Ethical Policies for Human Resource Managers

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	To what extent is information technology effective in developing ethical policies?	IT can facilitate real-time data exchange and ethical decision-making.	Facilitating ethical decision-making	Modern organizational communication	Motivation and Communication
2		Using databases to examine employee records and identify behavioral patterns.	Behavioral database	Organizational data mining	Performance Management
3		Enabling daily performance monitoring and reducing human error in ethical decisions.	Precise performance monitoring	Technological evaluation	Performance Management
4		IT promotes information transparency and documentation of managerial decisions.	Transparency and documentation	Organizational ethical automation	Selection and Recruitment
5		Big data analysis of employee behavior to predict ethical challenges.	Behavioral data analysis	Defining measurable goals	Performance Management
6		Predicting future challenges and facilitating two-way communication between managers and employees.	Ethical risk forecasting	Interpersonal communication	Motivation and Communication
7		IT provides employees with access to professional ethics training and labor laws.	Digital ethics training	Employee training and development	Empowerment

Table 6

Type of Organizational Culture Influencing the Development of Ethical Policies

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	Which organizational culture is more effective in developing ethical policies?	A participatory culture creates a sense of responsibility and belonging.	Employee participation in decision-making	Participatory culture	Performance Management
2		Open communication, honesty, trust, and respect for diversity strengthen ethical culture.	Open and transparent communication	Organizational trust and empathy	Motivation and Communication
3		Shared values and managers' role-model behavior are institutionalized in participatory culture.	Establishing shared organizational values	Participatory culture	Motivation and Communication
4		Participation of individuals with varying expertise levels leads to more accurate decisions.	Multi-level participation in decision-making	Collective organizational thinking	Selection and Recruitment
5		Strengthening a sense of ownership toward policies increases productivity.	Organizational sense of ownership	Participatory culture	Motivation and Communication

Table 7

Appropriate Organizational Strategy for Developing Ethical Policies in Employee Separation and Job Placement

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	Which type of strategy (aggressive, conservative, passive, competitive) is more appropriate?	Pilot implementation of policies in a small department and gradual application of changes.	Pilot implementation, gradual change	Conservative strategy	Selection and Recruitment
2		Conducting surveys and collecting employee feedback before policy formulation.	Organizational survey, risk assessment	Conservative strategy	Performance Management
3		Forming committees of union and faculty representatives to gather stakeholders' opinions.	Formal participation of representatives	Conservative strategy	Empowerment
4		Avoiding tension and making decisions with organizational caution.	Cautious implementation	Conservative strategy	Selection and Recruitment

5	Considering employees' psychological well-being and training during the separation process.	Employee welfare, cultural development	Conservative strategy	Empowerment
6	Training managers to handle separation-related issues.	Training of HR managers	Aggressive strategy	Selection and Recruitment
7	Conducting continuous performance evaluations to prevent ethical problems.	Continuous performance assessment	Conservative strategy	Performance Management
8	Observing fairness, cooperating with employees, and ensuring mutual benefits.	Justice and employee satisfaction	Conservative strategy	Compensation
9	Engaging employees in policy development based on the organization's real conditions.	Participatory approach	Conservative strategy	Performance Management
10	Ensuring transparent and fair processes and supporting separated employees.	Decision transparency	Conservative strategy	Performance Management
11	Focusing on precise and comprehensive policymaking.	Comprehensive ethical policymaking	Aggressive strategy	Selection and Recruitment
12	Ensuring compliance with labor laws and university regulations.	Compliance with labor laws	Conservative strategy	Selection and Recruitment

Table 8

Appropriate Organizational Design for Developing Ethical Policies of Human Resource Managers

No.	Question	Participant Response	Basic Themes	Organizing Themes	Overarching Themes
1	What organizational design is appropriate for developing ethical policies?	Forming a committee consisting of representatives from HR, unions, ethics, and law.	Formation of multidisciplinary committee	Team building	Empowerment
2		Establishing an independent HR unit with experts in ethics and labor law.	Independent HR unit	Clear and measurable objectives	Performance Management
3		Training managers on labor laws and organizational ethical behavior.	Manager training	Employee training and development	Empowerment
4		Hiring HR experts with fairness and adherence to the law.	Fair recruitment	Recruitment laws and regulations	Selection and Recruitment

As shown in Tables 1 to 8, each participant identified components of the ethical policymaking framework for human resource managers in the processes of employee separation and job placement within medical universities in the western region of Iran. Furthermore, based on these

tables, both conceptual (abstract constructs) and axial (interrelationships among constructs) components of the model for developing ethical policies of human resource managers in these universities were analyzed.

Figure 1

Components of the Model for Developing Ethical Policies of Human Resource Managers in Employee Separation and Job Placement in Medical Universities of the Western Region of Iran



4. Discussion and Conclusion

The findings of this study provide a comprehensive conceptual model of the ethical components and indicators that should guide human resource managers in the processes of employee separation and job placement within medical universities in the western region of Iran. Using the grounded theory approach, five overarching themes emerged from the qualitative data: *selection and recruitment*, *motivation and communication*, *performance management*, *compensation*, and *empowerment*. These themes collectively represent a multidimensional ethical framework for human resource policymaking that integrates organizational justice, moral responsibility, and sustainable governance. The results reveal that ethical leadership in HRM is not limited to legal compliance or procedural correctness; rather, it involves a deep commitment to fairness, respect, transparency, and post-separation support as moral imperatives within organizational life (Chen & Ryoo, 2025).

The study's findings are consistent with previous empirical research emphasizing that ethical leadership serves as a critical driver of trust, justice, and cooperation within organizations (Islam, Zulfikar, et al., 2024).

Specifically, participants underscored the role of transparent communication, participatory decision-making, and moral accountability as ethical anchors that shape managerial behavior in separation and placement processes. This aligns with the theoretical assertion that ethical leaders act as moral exemplars who influence followers through fairness, integrity, and respect (Shiundu, 2024). The presence of ethical leadership within HR practices enhances organizational commitment and mitigates negative emotional consequences associated with separation, as employees perceive managerial actions as just and empathetic (Mosquera et al., 2024).

The *selection and recruitment* component of the model reflects the necessity of fairness, equal opportunity, and transparency at the entry point of organizational relationships. Participants emphasized the importance of structured, law-abiding, and participatory recruitment systems that minimize bias and uphold ethical integrity. These results corroborate findings by (Khalili & Fathi, 2024), who found that ethical leadership strengthens the quality of work life by ensuring that HR decisions are guided by both procedural and distributive justice. Similarly, (Bajpai et al., 2024) demonstrated that ethical leadership

enhances job performance through fair evaluation and recognition systems. In the context of public institutions, such as medical universities, the ethical recruitment process not only ensures competency alignment but also reinforces institutional legitimacy and public trust (Mahohoma & Sihlangu, 2024).

The second theme, *motivation and communication*, highlights that ethical leadership cultivates a climate of open dialogue, empathy, and mutual respect. Participants viewed transparent communication and participatory structures as mechanisms that reinforce moral cohesion and psychological safety within organizations. These findings align with (Islam, Khatoon, et al., 2024), who demonstrated that trust in leaders mediates the relationship between ethical leadership and work engagement, and with (Nwafor & Okoye, 2024), who confirmed that ethical leadership improves the organizational climate in educational settings. Similarly, (Kim & Lee, 2024) emphasized that transparent communication under ethical leadership not only fosters moral awareness but also enhances organizational performance by aligning individual motivation with collective goals.

In the *performance management* dimension, participants stressed the necessity of fair evaluation systems, constructive feedback, and the inclusion of ethical criteria in performance appraisal. This result resonates with the conclusions of (Islam, Zulficar, et al., 2024), who identified the importance of ethical leadership in building trust and promoting engagement through fair assessment mechanisms. Ethical performance management helps prevent favoritism, promotes accountability, and reduces employees' uncertainty about evaluation outcomes (Sun et al., 2024). Moreover, consistent with (Jin et al., 2024), the study found that ethical leadership mitigates the reluctance to share knowledge and enhances collaboration, particularly when employees perceive the performance evaluation system as just and transparent.

The *compensation* component represents the moral obligation of organizations to provide equitable rewards and post-separation support. Participants emphasized the ethical necessity of maintaining fairness in compensation systems and providing supportive structures for employees affected by separation decisions. This finding corresponds with the work of (Albdareen et al., 2024), who identified organizational commitment as a mediating factor between ethical leadership and employees' innovative behavior, demonstrating that fair and ethical treatment sustains long-term motivation. Additionally, (Bian & Wang, 2024) argued

that ethical leadership enhances governance capability and strengthens employees' confidence in the institution by linking justice-based compensation to sustainable development goals.

The *empowerment* dimension emerged as a defining component of ethical human resource management. Participants noted that empowering employees through ethical education, professional development, and participatory decision-making fosters moral autonomy and shared accountability. This result supports findings by (Alay, 2024), whose bibliometric analysis highlighted that ethical leadership and sustainability research converge on empowerment and education as critical mechanisms for institutional integrity. Likewise, (Mirzaei & Abdollahzadeh Namanlou, 2024) confirmed that ethical leadership fosters job attachment and trust, which in turn strengthen employees' resilience during organizational changes. Empowerment not only serves as an ethical imperative but also as a strategic lever for organizational innovation and adaptability (Bajpai et al., 2024).

Another key outcome of this study relates to the role of *organizational culture and digital transformation* in promoting ethical policymaking. Participants consistently emphasized that a participatory, learning-oriented, and transparent culture is necessary to institutionalize ethics within HR functions. This is in line with (Kim & Lee, 2024), who found that ethical leadership enhances organizational culture and performance by embedding ethical norms within everyday practices. Furthermore, with the growing digitalization of HR processes, participants noted that information technology can promote ethical transparency through real-time monitoring, data integrity, and employee education. These findings echo those of (Chen & Ryoo, 2025), who argued that fractal artificial intelligence can be leveraged to improve ethical leadership in sustainable public health governance. Likewise, (Santiago-Torner et al., 2024) emphasized that e-ethical leadership mitigates emotional exhaustion, especially when digital interactions are guided by fairness and autonomy principles.

Collectively, the study demonstrates that ethical leadership within HRM contributes to sustainable organizational performance by harmonizing moral values with strategic decision-making. The interplay among justice, empowerment, and transparency forms the foundation of an ethical HR framework that is capable of managing complex transitions, such as employee separation, without compromising human dignity. This aligns with the conclusions of (Mahohoma & Sihlangu, 2024), who

highlighted the significance of ethical leadership in improving service delivery and maintaining public trust in local government institutions. Similarly, (Mosquera et al., 2024) argued that ethical leadership overcomes organizational politics by unlocking meaningful work and reinforcing moral coherence.

The integration of ethical leadership into HR policymaking also has implications for sustainability and innovation. The results corroborate (Bian & Wang, 2024), who demonstrated that ethical leadership enables dynamic capabilities within government digital transformation, and (Islam, Zulficar, et al., 2024), who revealed its positive impact on innovative behavior through psychological well-being and organizational support. In this study, the empowerment of HR managers to make ethically informed decisions was identified as a strategic necessity for balancing efficiency and compassion in employee management. Similarly, (Zhang et al., 2024) found that ethical leadership enhances relational quality and growth mindset among academic staff, suggesting that ethical HR practices contribute not only to administrative performance but also to educational and social outcomes.

Moreover, the findings indicate that conservative and participatory strategies are most effective for developing ethical HR policies, a conclusion that aligns with the theoretical propositions of (Shiundu, 2024). By prioritizing gradual implementation, feedback loops, and stakeholder involvement, organizations can institutionalize ethics in a manner that is both stable and adaptive. This conservative strategic approach reflects the ethical commitment to prudence and respect for stakeholders' dignity while avoiding disruptive and reactive policymaking. Furthermore, the participants' emphasis on creating multidisciplinary committees and specialized HR units for ethical governance resonates with (Alay, 2024), who identified cross-disciplinary collaboration as essential for sustaining ethical leadership research and practice.

Taken together, these findings confirm that ethical leadership acts as a meta-capability that integrates moral, psychological, and organizational processes into a coherent system of ethical governance. Ethical HR leaders serve as moral agents who balance individual well-being with institutional demands, fostering both performance and integrity. As (Kim & Lee, 2024) noted, ethical leadership is instrumental in building a cohesive organizational culture that enhances trust and productivity. The conceptual model developed in this study thus offers a localized yet generalizable framework that bridges the global discourse on

ethical leadership with the contextual realities of higher education management in Iran.

Despite its contributions, this study has several limitations that should be acknowledged. First, as a qualitative study based on interviews with HR managers and experts in medical universities of western Iran, the findings may not be fully generalizable to other institutional or cultural contexts. The interpretation of ethical leadership is often shaped by organizational culture, religious norms, and regulatory environments, which can vary significantly across regions. Second, while the grounded theory method provided depth and contextual richness, it relied on self-reported data that may reflect social desirability bias or subjective interpretation. Third, the study did not include longitudinal analysis to examine how ethical leadership practices evolve over time, particularly during periods of organizational change. Finally, the scope of analysis was limited to HR managers and experts; incorporating perspectives from employees who experience separation or placement processes could yield more holistic insights into ethical HR dynamics.

Future research could expand the current framework by integrating quantitative validation and cross-sectoral comparison. Studies may explore how ethical HR leadership interacts with organizational outcomes such as innovation capability, digital transformation readiness, and social responsibility across different institutional settings. Longitudinal studies are also recommended to examine the long-term impact of ethical policymaking on employee trust, retention, and organizational resilience. Furthermore, comparative studies between public and private sectors could shed light on contextual differences in ethical HR practices. Incorporating emerging technologies, such as AI-driven ethics monitoring systems, may also offer new dimensions for studying digital-era ethical leadership. Finally, integrating employees' lived experiences and emotional responses into ethical policy models could enrich understanding of the human side of ethical decision-making in HRM.

For practitioners, the results highlight the importance of embedding ethical principles in every stage of HR processes—from recruitment to separation. HR departments should institutionalize transparent communication mechanisms, participatory decision-making structures, and fair performance evaluation systems. Establishing ethics committees and training HR managers in ethical reasoning can strengthen moral accountability and reduce conflicts. Moreover, adopting technology-driven transparency tools,

such as digital ethics dashboards, can enhance fairness and communication during sensitive transitions. Finally, universities and public organizations should foster a culture of empathy and post-separation support to ensure that ethical leadership not only sustains organizational performance but also protects human dignity and institutional credibility.

Authors' Contributions

Authors contributed equally to this article.

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In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

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Declaration of Interest

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