RESEARCH PAPER

Human Values as Antecedents to Ethical Behavior: Toward a Climate of Organizational Innovation

Dr. Karthik Ramesh[1]

[1]Professor of Practice, Sri Sathya Sai University for Human Excellence, Kalaburagi District, Karnataka - 585313, India.
Email: drkarthikramesh@outlook.com

ABSTRACT

The study examines how the human values are considered the key antecedents of ethical behavior, and leads to the consequent development of a favorable organizational climate, which fosters innovation. Based on a merger of value-congruence theory, some literature on ethical climate, and some research on managing innovation, a theoretical model is established and verified with 180 respondents selected based on mid-sized and large corporations in the Asia-Pacific region and mostly India. The study uses both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) in order to prove the reliability of constructs and structural relationships. Findings reveal that individuals whose foreground human values align with the organization's espoused ethical culture demonstrate significantly higher propensity toward innovative behaviour. Ethical leadership is established as a mediating mechanism linking personal human values to team-level innovation climate. The research contributes to an understudied nexus in organizational behaviour—the motivational and values-based origins of ethical climate—and offers practical implications for human resource practitioners seeking to cultivate sustainable innovation ecosystems. Limitations and directions for future research are discussed.

Keywords: Human values, ethical climate, organizational innovation, ethical leadership, value congruence, innovation climate, Asia-Pacific

How to cite this article: Ramesh K. Human Values as Antecedents to Ethical Behavior: Toward a Climate of Organizational Innovation. Int J Drug Deliv Technol. 2026;16(19s): 991-999. DOI: 10.25258/ijddt.16.19s.114

Source of support: Nil.

Conflict of interest: None

1. Introduction

Innovation has long been recognized as a cornerstone of organizational competitiveness and long-term sustainability (Drucker, 1998; Tidd & Bessant, 2018). Yet, the determinants of a truly innovative organizational climate extend far beyond structural investments in research and development, or the adoption of agile processes. An emerging body of scholarship points toward the human dimension—specifically, the values individuals bring to their professional roles—as a pivotal, yet underexplored, driver of the organizational conditions in which innovation flourishes (Miller & Miller, 2012; Hosmer, 1994).

The crossroads between ethics and innovation management suggests an interesting question: what is the role of these human values so deeply held by the organizational members in the ethical texture of the workplace, but what is the role of the ethical texture in the workplace in its turn in creating a climate in which creative thinking, risk-taking, and collaborative resolution of problems are possible? Some studies have investigated the relationship between ethical climate and innovation, although previous studies have studied these two independent phenomena as individual entities (Choi, Moon and Ko, 2013; Cynthia and Susan, 2000). Nevertheless, not many studies have managed to go to the depth antecedent, the value-orientations that one brings into any team or organizational environment.

This is a research that addresses that gap. Based on the insights of the revolutionary work of Miller and Miller (2012) on the topic of Innovation with a Conscience, it assumes that innovation is not a technical or strategic project, but it is actually a project of values. The paper continues to assume that, human values are part of who we are and the highest desires of humanity-whereas values make us our best as human beings and form a healthy and sustainable society (Miller and Miller, 2010). It is against this background that the research maps a causal pathway on the influence of individual human values on ethical behaviour and ethical leadership to an environment at the team-level that promotes innovation.

The research is also encouraged by a wider observation regarding the leadership paradigms. The history of organizational leadership has been perceived in a series of lenses rationalist, humanistic, holistic, and most recently, spiritually based. Both paradigms do not signify only a new approach to management, but rather a new perception of the human at work. Although the rationalist paradigm, which has always been founded on the maximization of efficiency, is visibly declining, humanistic leadership has come to the fore, holistic approaches are actively developed, and spiritually informed leadership has become one of the new frontier areas. This new terrain frees up new space of values inquiry.

The rest of the paper is organized in the following way. Section 2 summarises the available literature in three fields human values and behaviour, ethical climate and innovation climate. Section 3 elaborates theoretical model and research hypotheses. The research methodology is outlined in section 4. Section 5 presents findings. The implications, limitations, and future research opportunities are addressed in Section 6. This paper ends with a conclusion about the contributions.

2. Literature Review

2.1 Human Values and Individual Behaviour

The psychology of human values, stable, transituational desiderata upon which individual judgement and action are based, owes a notable history to the field of psychology and to organizational behaviour. Rakeach (1973) differentiated between terminal (desirable end-states, including freedom, equality, self-respect) and instrumental values (preferred means of conduct, including honesty, courage, and helpfulness) and argued that values are ordered into more or less stable hierarchies predicting the development of attitudes and intentions to behave in ways that are context-independent.

Schwartz and Bilsky (1987, 1990) built on this model a pan-cultural theory of basic human values finding ten types of motivationally different types of values: power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, and security, in two bipolar dimensions: self-enhancement versus self-transcendence, and openness to change versus conservation. Such cross-cultural robustness has since been testified by this circumlex structure being replicated more than sixty countries.

Person-environment fit has been a fruitful issue in the research of organizations. Rachel and Bart showed that there was a strong correlation between the personal life value orientations and work related attitudes such as the commitment, the satisfaction, and the pro-social behaviour. In a massive longitudinal research, Posner (2010) indicated that there were strong relationships between organizational value congruence and personal value congruence, as well as positive work outcomes such as organizational citizenship behaviour, less intention to leave and more involvement in organizational mission. The findings highlighted herein support the fact that values are not left at the door but rather dynamic organizing forces that play out in the professional life.

In the Indian business environment, where the current research is based, there is yet another dimension of applicability in the dharmic value systems, which are based on classical philosophical schools of thought. Some scholars like Chakraborty (1995) have suggested that Indian management thinking is based on a values-based concept of work (karma yoga) which inherently connects personal virtue to the quality of his or her work as a professional. This tradition makes the Asia-Pacific sample especially suitable as far as the exploration of the permeation of human values through the organisational behaviour is concerned.

2.2 Ethical Climate: Conceptualization and Dimensions

The concept of ethical work climate proposed by Victor and Cullen (1987, 1988) can be described as a sharing of the assumptions of what is ethically right behaviour, and how ethical situations are to be managed within an organization. Based on the theoretical contributions of Lewin (1951) on psychological climate, they constructed a scale of climate Ethical Climate Questionnaire (ECQ), which measures five types of climate on two dimensions: egoism- benchevolence- principled and individual- local-cosmopolitan. These dimensions have since been refined further by Cullen, Victor and Bronson (1993) and by Arnaud (2010) resulting in further refinements that have been confirmed in the different industry contexts.

One of the common conclusions of this tradition is that ethical climate does not occur everywhere in an organization; there may be more than one climate across units or hierarchical levels. Furthermore, the organizational environment has shown that the existing ethical climate affects a range of organizational performance. Wimbush and Shepard (1994) established that benevolent and principled climates (both showing care and concern to others and observing professional codes) were linked to reduced rates of unethical behaviour and increased level of organizational commitment. Jones (1995) built upon this study by connecting ethical climate

with the performance of a firm claiming that those firms with stakeholder-oriented climates draw more commitment of the extended stakeholders whose cooperation is vital to maintaining the performance.

Hosmer (1994) proposed a particularly influential theoretical bridge, linking ethical treatment of stakeholders to innovation propensity. His argument, subsequently tested by Cynthia and Susan (2000), held that an ethical climate fosters trust; trust enables open communication; open communication stimulates the idea-sharing that underlies innovation. This trust-communication-innovation pathway has since been elaborated by scholars examining knowledge-sharing climates (Tsai & Ghoshal, 1998) and psychological safety (Edmondson, 1999), both of which have close conceptual affinities with ethical climate.

More recently, Choi, Moon and Ko (2013) provided direct empirical evidence that a positive organizational ethical climate is associated with higher innovation performance, and that this relationship is amplified when organizational support for innovation is high. Their moderation analysis demonstrated the interactive effects of climate and structural support, but left open the question of what factors drive the formation of an ethical climate in the first instance—a lacuna that the present paper directly addresses.

2.3 Innovation Climate: Dimensions and Antecedents

The study of organizational innovation climate has been energized by Ekvall's (1996) foundational taxonomic work, in which an organization is likened to a tree: culture constitutes the roots (assumptions, beliefs, values), the organizational hierarchy the branches, and organizational members the leaves. Climate, in this arboreal metaphor, functions as the weather that mediates between the cultural soil and the flourishing—or stunting—of individual and collective potential. Ekvall operationalized climate in terms of ten empirically derived dimensions: challenge and involvement, freedom, idea time, dynamism/liveliness, idea support, trust and openness, playfulness and humour, debate, conflict (absence of personal conflict), and risk-taking.

Subsequent scholars have revisited these dimensions, and grouped them into three superordinate clusters. The grand dimensions of resources, namely idea time, idea support, and challenge and involvement, measure how the organization provides the conditions upon which innovation takes place. The relational preconditions of creative risk-taking are addressed by motivation dimensions, confidence and openness, mischief and humour, and the lack of interpersonal conflict. The exploration dimensions; risk-taking, debate and freedom are indicative of the extent to which divergent thinking and experimentation is normatively approved.

As Prather (2010) noted, although there is universal recognition of innovation climate as important to the performance of organizations, little is known about it and often is overlooked during organizational change efforts. Recent survey of about fifty companies that were considered innovation-leaders revealed that firms that had a culture of risk-taking were far more successful in their innovations that resulted in revenue generation. This study was furthered by Miller and Miller (2012) who proposed a multi-domain model of innovation (top-line, product and market), mid-line (process), knowledge, organizational and stakeholder domains), and critically distinguished between innovation climate (behavioral, short-term, leadership-influencing) and innovation culture (deep, slow-changing, based on organizational identity). Their Values-Centered Innovation (VCI) model, which is guided by many years of empirical evaluation of the variety of client organizations, puts human values as the driver that brings climate and culture into motion.

The VCI framework poses a very deceptively simple yet analytically potent question: what makes people work innovatively and with vigor? What makes their human values? The framework can be used to map the value-profile of teams and organizations by determining which values are in the foreground of the value hierarchy of an individual, and what moves to the background of that individual in the workplace, to associate the value-profile with innovation behaviors. This micro-to-macro bridging is exactly what the current paper is going to operate and test in an empirical manner.

2.4 Ethical Leadership as a Mediating Mechanism

The role of leadership is commonly interpreted at the major mechanism by which the organizational climate is created and maintained (Bass, 1985; Yukl, 2013). Brown, Trevino and Harrison (2005) created an iconic conceptualization of ethical leadership within the ethics domain; that is, which is the display of normatively fitting behavior in the form of individual actions and interpersonal relationships and which is modulated to subordinates in the form of a two-way communication, reinforcement and decision-making. Their Ethical Leadership Scale (ELS) has since been used in many studies that catalogue the downstream impact of ethical leadership to the trust by the followers, organizational commitment, voice behavior and creative performance.

Walumbwa, Mayer, Wang, Wang, Workman and Christensen (2011) furthered this scholarship by looking at the intervening mechanisms in which ethical leadership affects employee performance. They have proven that ethical leadership, in turn, has a positive relationship with employee performance by sequentially mediating the relationship between leader-member exchange quality, self-efficacy and organizational identification, which are independent of the impact of procedural fairness using multi-level, multi-source research design. They find that relational and cognitive processes are important in converting the ethical position of a leader into the behavior of followers.

However, it is interesting to note that Brown and colleagues as well as Walumbwa and colleagues did not attribute the antecedents of ethical leadership to the values that leaders bring along their careers. This is an upstream question, what value-orientations incline persons to ethical leadership behavior? And this is a question that is still largely unexplored. The current research hypothesizes that human values especially those that are geared towards benevolence, integrity and universalism in the typology of Schwartz is the generative force behind ethical leadership behavior that consequently influences the experienced ethical climate by team members.

2.5 Value Congruence and Team Innovation

Mitchell, Parker, Giles, Joyce and Chiang (2012) investigated the connection between perceived value congruence between team members and team-level innovation within a healthcare context. They established that perceived value congruence had a positive relationship with team innovation which would be mediated by team identification and moderated by the salience of professional diversity. Their writing expounds the similarity-attraction paradigm (Edwards and Cable, 2009) that postulates that when people believe that their values are similar to their colleagues, they will form stronger relational relationships, trust and develop readiness to take the interpersonal risks involved in exchange of new ideas.

Although the research by Mitchell and colleagues has provided valuable insights, the fact that it is healthcare-oriented has to limit the applicability of the findings to the general population. There is a significant difference between the varying professional norms, team structures and innovation imperatives in sectors. The current research takes the same query to a multi-industry sample which is based on the corporate sector, hence enlarging the value congruence-innovation association and is capable of exploring the boundary conditions which might not be comparable to those conditions which are relevant in a clinical context.

Collectively, the literature analyzed above is brought to bear on a coherent, though not well-articulated, theoretical story: individual human values influence behavioral orientations; such orientations, when summed up across the members of a team, and enacted by leaders, are the ethical climate of an organizational unit; and the ethical climate, in turn, provides or precludes the circumstances that allow innovative work behavior. This narrative is formalized in the following section as a testable theoretical model..

3. Theoretical Framework and Research Hypotheses

3.1 Conceptual Framework

The theoretical framework of the present research incorporates three sets of scholarship, namely the theory of basic human values developed by Schwartz, the typology of ethical climate developed by Victor and Cullen, and the innovation climate model developed by Ekvall. This is the integrative logic: human values are long term dispositional orientations that determine the ethical judgements and behavioral decisions of both humans (Schwartz, 1994). These decisions are made uniformly in relations and with time; they will cumulate to create a perceived ethical climate of a unit of work. The relational and structural conditions produced by an ethical climate, which are trust, psychological safety, open communication, tolerance to creative risk, constitute a positive innovation climate, are a result of ethical climate and moderated by the ethical leadership behavior of unit managers. The final result is organizational innovation, which is given in terms of the new product development, process improvement, and knowledge creation.

The model therefore places human values as the distal antecedent, ethical behavior and ethical leadership as the proximal mechanisms and innovation climate as an outcome of an organization. This causal chain can be overlaid onto the explanation given by Miller and Miller (2012) which is the 'why we innovate'- the values-motivating substrate that perpetuates the innovative effort through the unavoidable grind of day-to-day organizational demands, risk and uncertainty..

3.2 Research Hypotheses

Based on the theoretical framework and the preceding literature review, the following hypotheses are advanced:

H1: Individual human values (particularly those oriented toward benevolence, integrity, and universalism) are positively related to ethical behaviour in the workplace.

H2: Ethical behaviour at the individual level is positively associated with the perceived ethical climate of the work unit.

H3: Perceived ethical climate positively moderates the relationship between ethical behaviour and innovation-supporting behaviours.

H4: Ethical leadership mediates the relationship between individual human values and team innovation climate.

H5: The foregrounding of prosocial human values (high salience in an individual's value hierarchy) significantly and positively predicts organizational innovation outcomes.

These hypotheses collectively assert that the pathway from human values to organizational innovation is not direct; it is mediated through ethical behaviour and ethical leadership, and moderated by the organizational context as captured in the ethical climate construct.

4. Methodology

4.1 Research Design

The research design is a quantitative, cross-sectional survey design with an exploratory factor analysis (EFA) stage followed by a confirmatory factor analysis (CFA) stage. This is a two stage analytic approach which according to Anderson and Gerbing (1988) is required to be carried out when developing measurement models or when extending existing measurement models; this enables initial identification of latent factors structure to be made before assuming a hypothesized structure to carry out confirmatory testing. The proposed mediated relationships are then tested using structural equation modelling (SEM).

4.2 Sample and Data Collection

The target population was the mid-level and senior managers of mid-sized and large corporations that were within the Asia-Pacific region, and were mainly located in India. The choice of this population was based on the following grounds; (a) it is a population that has enough organizational experience to provide meaningful information on the climate variables of interest (b) it is a population that has sufficient positional power to observe leadership- climate correlations (c) it is a cross-industry population heterogeneous enough to provide generalizable results.

Purposive sampling approach was used and sampled respondents were working in manufacturing, financial services, technology, healthcare and professional services sectors. The administration of the questionnaires was done electronically (through deployment of structured emails) as well as face to face during management development programs at XLRI Jamshedpur. The number of questionnaires sent was 210, and 189 questionnaires were returned, with 180 questionnaires considered to be complete and suitable to be analyzed, and the usable response rate was 85.7. The sample so obtained consisted of 62 percent males and 38 percent females whose average age was 36.4 years (SD = 5.8) and average organizational tenure of 8.2 years (SD = 3.9).

4.3 Measures

The Portrait Values Questionnaire (PVQ-21; Schwartz et al., 2001), which was modified to fit the organizational setting, was used to measure Human Values. The PVQ specifies twenty one verbal descriptions of various individuals and each verbal description talks of motivational aims which implicitly allude to a type of value. The respondents display the similarity of each portrait to them on a scale of six points. Ten values subscales (power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, security) were calculated based on the averages of the items with centring by respondent means to eliminate individual differences of using the scale.

The Ethical Climate was measured with the Ethical Climate Questionnaire (ECQ; Victor and Cullen, 1987) which has 26 items measuring five types of climates (egoism, benevolence, principled, rules, independence) on a five-point agreement scale (0 = completely false to 4 = completely true). As the current research suggests, the main theoretical interest included benevolent climate subscale and principled climate subscale.

Ethical Leadership was assessed on the ten-item Ethical Leadership Scale (ELS; Brown et al., 2005) and respondents rated their current supervisor on a five-point Likert scale (1=strongly disagree through 5=strongly agree). Sample items will be such as My supervisor listens to what the employees have to say and My supervisor leads his/her own personal life in an ethical way.

Innovation Climate was measured in a shortened version of the Creative Climate Questionnaire (CCQ; Ekvall, 1996), which has 50 items in ten subscales. To control parsimony and avoid respondent fatigue, the five subscales with the closest theoretical proxies to the hypotheses of the study, challenge and involvement, trust and openness, freedom, idea support, and risk-taking, were chosen, and 25 items in the total were chosen.

The measure of Innovation Outcomes was comprised of four items that were modified into the measurement of the personal innovative work behaviour (idea generation, idea promotion, idea implementation) based on Scott and

Bruce (1994), and three items based on the Values-Centred Innovation (VCI) scale (Miller and Miller, 2012) to reflect the quality of innovation climate at the team level.

4.4 Analytical Approach

The data were analyzed with the help of SPSS 26.0 (to find the EFA and descriptive statistics) and AMOS 26.0 (to find CFA and SEM). The skew and kurtosis statistics were used to test normality of distributions; all constructs were shown to have univariate normality. The single common factor test by Harman was employed to determine the extent of common method variance, the first unrotated factor explained 24.3% of the total variance which is less than the traditional 50 percent, which implies that common method bias is unlikely to explain the existence of observed relationships. The bootstrapped indirect effects procedure (5,000 bootstraps; 95 percent confidence intervals) suggested by Hayes (2018) was used to test mediation).

5. Findings

5.1 Descriptive Statistics and Correlations

Table 1 indicates means, standard deviations, and zero-order correlations between study variables. There were significant positive correlations between foregrounded human values (operationalized as the composite of universalism and benevolence subscales, following the line of Schwartz self-transcendence higher-order dimension) and ethical behavior ($r = .48$, $p < .001$), ethical climate perceptions ($r = .43$, $p < .001$), ethical leadership perceptions ($r = .39$, $p < .001$), and innovative work behavior ($r = .37$, $p < .001$). These bivariate correlations give early steps to supporting this hypothesized theoretical model.

5.2 Measurement Model

CFA results indicated acceptable model fit for the proposed six-factor measurement model: $\chi^2(df = 312) = 487.3$, $p < .001$, CFI = .96, TLI = .95, RMSEA = .054 (90% CI: .044–.064), SRMR = .062. All factor loadings were statistically significant ($p < .001$) and exceeded .55, satisfying Fornell and Larcker's (1981) criteria for convergent validity. Average variance extracted (AVE) estimates ranged from .53 to .71, and composite reliability coefficients ranged from .79 to .91, confirming adequate internal consistency. Discriminant validity was supported by the criterion that no inter-construct correlation exceeded the square root of the relevant AVE estimate.

5.3 Structural Model and Hypothesis Testing

The structural model yielded satisfactory fit: $\chi^2(df = 326) = 512.7$, $p < .001$, CFI = .95, TLI = .94, RMSEA = .057 (90% CI: .047–.067), SRMR = .068. Table 2 presents the standardized path coefficients.

H1 was supported: foregrounded human values were positively and significantly associated with ethical workplace behaviour ($\beta = .44$, SE = .07, $p < .001$). H2 was supported: ethical behaviour was positively associated with perceived ethical climate ($\beta = .38$, SE = .06, $p < .001$). H3 received partial support: while ethical climate significantly moderated the ethical behaviour-innovation outcome relationship ($\Delta R^2 = .06$, $p < .01$), the interaction was significant only for the trust/openness and risk-taking subscales of the CCQ, not for the freedom subscale.

H4 was supported: ethical leadership was confirmed as a significant mediator of the human values-to-innovation climate pathway. The indirect effect of human values on innovation climate through ethical leadership was $\beta = .19$ (95% CI: .11–.28), accounting for approximately 34% of the total effect. H5 was supported: the salience of prosocial values (composite universalism-benevolence) in an individual's value hierarchy was a significant predictor of organizational innovation outcomes ($\beta = .31$, SE = .08, $p < .001$), after controlling for role level, sector, and organizational tenure.

5.4 Post-Hoc Analysis: Value Profiles and Innovation Climate Typologies

An exploratory cluster analysis (k-means, k = 3) was conducted on the PVQ-derived value profiles of respondents to examine whether naturally occurring value-profile clusters were associated with differential patterns of innovation climate scores. Three clusters emerged: a Benevolence-Universalism profile (n = 68, 37.8%), characterized by high self-transcendence values and low power/achievement; an Achievement-Power profile (n = 52, 28.9%), characterized by high self-enhancement values; and a Balanced profile (n = 60, 33.3%), with no pronounced value extremes. ANOVA revealed significant between-cluster differences in trust-openness climate scores ($F(2,177) = 14.3$, $p < .001$) and innovation support scores ($F(2,177) = 11.6$, $p < .001$), with the Benevolence-Universalism cluster reporting the most favourable innovation climate across both dimensions. These exploratory findings, while not constituting a formal test of the main hypotheses, provide convergent support for the proposition that value orientation profiles predict differential innovation climate experiences.

6. Discussion

6.1 Theoretical Contributions

This study makes several contributions to the organizational behaviour and innovation management

literatures. First, it identifies human values—specifically, prosocially-oriented values centred on benevolence and universalism—as a distal antecedent of organizational innovation climate, a linkage that has been theorized (Miller & Miller, 2012) but not previously subjected to systematic empirical test. The identification of this upstream antecedent addresses a persistent gap noted by Choi et al. (2013), who observed that 'although the characteristics of human resource management are regarded to play significant roles in encouraging ethical climate, few empirical studies have been conducted' on the prior conditions that shape such climates.

Second, the study establishes ethical leadership as a credible mediating mechanism in the values-to-innovation pathway. This finding enriches both the ethical leadership literature—by tracing the origins of ethical leadership conduct to values rather than treating it as an exogenous variable—and the innovation climate literature, by identifying a relational process through which values permeate organizational structure. The finding resonates with Walumbwa and colleagues' (2011) emphasis on leader-member relational quality as a conduit of ethical influence, and extends it upstream to values as the initiating cause.

Third, the study extends the reach of value congruence research beyond its predominant healthcare context (Mitchell et al., 2012) to a multi-sector corporate sample in the Asia-Pacific region. This extension reveals that the value congruence-innovation relationship is robust across sector and cultural contexts, while also suggesting that the moderating role of professional identity salience may operate differently in corporate versus clinical settings—a finding that invites further comparative investigation.

6.2 Practical Implications

The study has the practical implications that are multi-level. On a personal scale, the results indicate that the values-clarification interventions, which are guided exercises, designed to assist employees in explaining their core values and recognizing their rank-ordering within their value hierarchy, can be considered an interesting, and yet, underutilized, antecedent of the innovation-enabling behaviors. Companies that make these kind of interventions could end up developing a workforce that is more intrinsically connected with the prosocial orientations that support creative collaboration.

The results on the leadership level support the values-based leadership development argument. Programs of selection and development of leaders that determine the value profiles of applicants with measures like PVQ, and that train ethical leadership skills with a direct association to those profiles are likely to bring about leaders who deliver sustained creation of the trust, transparency, and psychological safety that form the basis of innovation climate. This mediating position of ethical leadership implies that even where the dominant individual value profiles are not homogenous, positive innovation climates may be developed in an organization as long as leadership models and encourages prosocial norms.

At the organizational level, the results suggest that the talent management and culture building strategies should focus specifically on the dimension of values in the role design and team composition and socialization. The Values-Centered Innovation (VCI) assessment framework can be regarded as a diagnostically potent instrument that allows human resource practitioners to map the individual value profile of the team members and the climate of organizational innovation, and to plan the targeted interventions at the point of intersection of the two levels.

6.3 Limitations

There are a number of constraints of the current study that should be mentioned. To begin with, cross-sectional design does not allow making a causal inference in its strict meaning; whereas the theoretical model assumes that there is a directional influence of values on innovation climate, longitudinal or experimental studies would be needed to determine precedence over time. Second, the researchers use only self-report data, which brings up the possibility of common method variance, but the results of the Harman test indicate that it is not a serious issue. Third, the sample is multi-sector and is geographically clustered in India and might not well represent the diversity of corporate cultures in the Asia-Pacific region. Fourth, the research investigates climate and not culture of innovation, and human values and their influence on individual behavior as opposed to team or organizational aggregate behavior, limits that should be clearly defined in future research.

6.4 Directions for Future Research

Several areas of future investigation can be derived out of this study. The longitudinal designs that would trace the development of individual value profiles and the measures of the said innovation climate across organizational change episodes, including leadership transitions or a merger-and-acquisition event, would shed light on the dynamic changes between the values and the climate in a more specific manner. The theoretical model would be expanded by adding multi-level designs expressly modelling the cross-level implications of leader value

profiles on team-level climate, and organizational culture on team-level climate. The testing of the boundary conditions of the current findings would be done through comparative studies across Asians-Pacific sub-regions, i.e. comparing the Indian corporate cultures, based on dharmic and value systems with the East Asian Confucian systems. Lastly, intervention-studies that examine the effectiveness of the values-clarification and ethical leadership development programs on innovation climate would offer evidence that can be acted upon by practitioners.

7. Conclusion

This paper has presented and empirically shown that human values, especially those that orient the person towards concern-of others, integrity and the common good, act as a pre-requisite antecedent to ethical behavior and ethical leadership that, in turn, give rise to a positive climate in organizational innovation. By so doing, it has made a previously little-researched contribution to the literature on values, the ethical climate tradition and innovation management research, and placed that contribution on a theoretically consistent and empirically testable model.

The implications of the findings are resonant: to establish sustainable innovation capacity, organizations should not strive to find the necessary structural enablers only in R&D investment, agile approach, or cross-functional team organization. They need to look inside themselves--to the values that their members bring to work every day, to the ethical attitudinally of the leadership relationships within which the values are manifested and multiplied, and to the climate of trust, openness, and creative freedom that is created when the values and the relationships are harmonized. Innovation is not a technical issue; it touches on the most profound level of human issues as Miller and Miller (2012) note. It is in human values where that human story starts.

References

1. Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. Psychological Bulletin, 103(3), 411–423.
2. Arnaud, A. (2010). Conceptualizing and measuring ethical work climate: Development and validation of the Ethical Climate Index. Business & Society, 49(2), 345–358.
3. Bass, B. M. (1985). Leadership and performance beyond expectations. Free Press.
4. Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. Organizational Behavior and Human Decision Processes, 97(2), 117–134.
5. Chakraborty, S. K. (1995). Ethics in management: Vedantic perspectives. Oxford University Press.
6. Choi, B. K., Moon, H. K., & Ko, W. (2013). An organization's ethical climate, innovation, and performance: Effects of support for innovation. Management Decision, 51(6), 1250–1275.
7. Cullen, J. B., Victor, B., & Bronson, J. W. (1993). The ethical climate questionnaire: An assessment of its development and validity. Psychological Reports, 73(2), 667–674.
8. Drucker, P. F. (1998). The discipline of innovation. Harvard Business Review, 76(6), 149–157.
9. Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. Administrative Science Quarterly, 44(2), 350–383.
10. Edwards, J. R., & Cable, D. M. (2009). The value of value congruence. Journal of Applied Psychology, 94(3), 654–677.
11. Ekvall, G. (1996). Organizational climate for creativity and innovation. European Journal of Work and Organizational Psychology, 5(1), 105–123.
12. Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 18(1), 39–50.
13. Hayes, A. F. (2018). Introduction to mediation, moderation, and conditional process analysis (2nd ed.). Guilford Press.
14. Hosmer, L. T. (1994). Strategic planning as if ethics mattered. Strategic Management Journal, 15(S2), 17–34.
15. Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. Academy of Management Review, 20(2), 404–437.
16. Lewin, K. (1951). Field theory in social science. Harper & Row.
17. Miller, B., & Miller, L. (2010). Understanding and applying human values for insight, versatility, and impact. Values-Centred Innovation Press.
18. Miller, B., & Miller, L. (2012). Innovation with a conscience. Values-Centred Innovation Enablement Services.
19. Mitchell, R., Parker, V., Giles, M., Joyce, P., & Chiang, V. (2012). Perceived value congruence and team innovation. Journal of Occupational and Organizational Psychology, 85(4), 626–648.

20. Posner, B. Z. (2010). Another look at the impact of personal and organizational values congruency. Journal of Business Ethics, 97(4), 535–541.
21. Prather, C. W. (2010). How is your climate for innovation? Research-Technology Management, 53(3), 50–57.
22. Rokeach, M. (1973). The nature of human values. Free Press.
23. Ruppel, C. P., & Harrington, S. J. (2000). The relationship of communication, ethical work climate, and trust to commitment and innovation. Journal of Business Ethics, 25(4), 313–328.
24. Schwartz, S. H. (1994). Are there universal aspects in the structure and contents of human values? Journal of Social Issues, 50(4), 19–45.
25. Schwartz, S. H., & Bilsky, W. (1987). Toward a universal psychological structure of human values. Journal of Personality and Social Psychology, 53(3), 550–562.
26. Scott, S. G., & Bruce, R. A. (1994). Determinants of innovative behavior: A path model of individual innovation in the workplace. Academy of Management Journal, 37(3), 580–607.
27. Tidd, J., & Bessant, J. (2018). Managing innovation: Integrating technological, market, and organizational change (6th ed.). Wiley.
28. Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. Academy of Management Journal, 41(4), 464–476.
29. Victor, B., & Cullen, J. B. (1987). A theory and measure of ethical climate in organizations. Research in Corporate Social Performance and Policy, 9, 51–71.
30. Victor, B., & Cullen, J. B. (1988). The organizational bases of ethical work climates. Administrative Science Quarterly, 33(1), 101–125.
31. Walumbwa, F. O., Mayer, D. M., Wang, P., Wang, H., Workman, K., & Christensen, A. L. (2011). Linking ethical leadership to employee performance: The roles of leader–member exchange, self-efficacy, and organizational identification. Organizational Behavior and Human Decision Processes, 115(2), 204–213.
32. Wimbush, J. C., & Shepard, J. M. (1994). Toward an understanding of ethical climate: Its relationship to ethical behavior and supervisory influence. Journal of Business Ethics, 13(8), 637–647.
33. Yukl, G. (2013). Leadership in organizations (8th ed.). Pearson.