

Conceptualising Value-Based Leadership for Leadership Effectiveness

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DOI Link: <http://dx.doi.org/10.6007/IJARBS/v16-i3/27968>

Published Date: 14 March 2026

Abstract

Purpose: The objectives of this study are twofold: Firstly, to synthesize existing literature on leadership and identify the common foundational elements shared across major leadership theories. Secondly, to conceptually examine the relationship between value-based leadership and leadership effectiveness. **Design/methodology/approach:** This study adopts a qualitative research design grounded in an extensive systematic literature review to examine the nature of value-based leadership and its influence on leadership effectiveness. **Findings:** The review reveals that major leadership theories while diverse in orientation converge on a fundamental premise that effective leadership is consistently anchored in core values that guide leaders' attitudes, behaviours, and decision-making. This indicates that values are not peripheral attributes but central determinants of leadership effectiveness. **Practical implications:** This study emphasizes that leadership effectiveness must be grounded in values, urging organizations to prioritize values assessment in selection, promotion, and succession planning. Practical strategies include values-based training, reflective coaching, ethics simulations, and 360-degree feedback to cultivate ethical, self-aware, and value-based leaders. **Originality/value:** The novelty of this study lies in its positioning of value-based leadership not just as another leadership style, but also as the essential core of effective leadership itself. While past research has examined value-based leadership separately without linking it to other leadership styles such as ethical, authentic, servant, or transformational leadership, this paper advances a unifying argument by considering values are not an optional dimension of leadership, but the defining quality that all effective leaders must embody.

Keywords: Value-Based Leadership, Leadership Effectiveness, Values

Introduction

With the challenges facing employees and leaders in organizations, from external environmental changes characterized by volatility, uncertainty, complexity, and ambiguity (VUCA) to evolving employee work behaviors, an enduring question arises: *What leadership styles are most effective?* Leadership effectiveness is critical not only for organizational survival but also for achieving a range of employee-related outcomes, including high job satisfaction, organizational commitment, motivation, and job performance, as well as reducing absenteeism, turnover, and unethical behavior. Despite its importance, many studies rarely focus on identifying which leadership styles are essential for leadership effectiveness within organizations. Previous research has primarily examined individual styles in isolation, such as servant and transformational leadership (Shi & Zhou, 2023), authentic leadership (George et al., 2007), charismatic leadership (Hu & Dutta, 2022), transactional leadership (Cai et al., 2023), and democratic leadership (Woods, 2004). Few studies have explored these styles collectively to identify the common features that inspire trust and confidence in leaders.

It is important to note that all leadership theories hold little practical value if they do not lead to leadership effectiveness. This underscores the critical role of leadership effectiveness as a benchmark for determining which leadership styles leaders should adopt. A review of the literature reveals that most leadership theories agree on one principle: leaders must embody core values essential for effective leadership. These include personal values such as justice, trust, honesty, and compassion, as well as leadership-related values such as integrity, fairness, and consultation. According to Chang et al. (2021), value-based leadership (VBL) emphasizes integrity, transparency, and moral responsibility, the elements vital for building trust and sustaining long-term organizational success. Broadly, VBL is defined as a leadership approach grounded in moral, ethical, and personal values that guide behavior and interpersonal influence (Copeland, 2014). Value-based leaders demonstrate integrity, authenticity, and consistency between personal values and organizational goals (Saran et al., 2023). VBL focuses on leaders' personal values as determinants of leadership behavior and style. Values are fundamental to individual behavior; as according to Rokeach (1973), values represent enduring beliefs that a specific mode of behavior or end-state of existence is preferable to its opposite. These values underpin leadership theories that prioritize integrity, fairness, and accountability. Homer and Kahle (1988) argue that values exert a causal influence on subsequent behaviors, and differences in values have been shown to relate to significant variations in attitudinal and behavioral outcomes (Williams, 1979). Thus, leaders' values significantly shape their behaviors, making VBL a critical driver of organizational success (Hemingway & Maclagan, 2004).

VBL is not a single unified theory but rather an umbrella concept encompassing ethical leadership (Brown & Treviño, 2006), authentic leadership (Walumbwa et al., 2008), and servant leadership (Greenleaf, 1977). Across these models, shared assumptions include the centrality of morality, the internalization of values, and the leader's role in creating ethical and meaningful work environments. This study aims to review the literature on several critical leadership theories to determine their commonalities and to understand how these shared principles contribute to leadership effectiveness.

Literature Review

Value-based leadership (VBL) has emerged as a response to the growing concern over the absence of values among leaders, which creates gaps in organizational management and employee behavior, leading to ethical, moral, and performance-related issues. The importance of leader values should never be overlooked when appointing individuals to leadership roles, as most leadership frameworks emphasize qualities such as trust, justice, fairness, responsibility, honesty, and integrity. Prominent leadership styles including authentic, servant, ethical, and the widely studied transformational leadership consistently highlight the significance of leaders possessing strong personal values. Although the literature on these leadership styles focuses on different features and elements, they share a common foundation: effective leadership is rooted in the presence of sound personal values.

Authentic Leadership

The concept of authentic leadership (AL), developed by Avolio and Gardner (2005) and rooted in positive psychology (Luthans & Avolio, 2003), emphasizes genuineness, transparency, and alignment between a leader's values and actions. Walumbwa et al. (2008) define AL as *"a pattern of leader behavior that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with subordinates, fostering positive self-development."* This leadership style aims to build trust and meaningful relationships with followers, not only to enhance commitment and performance but also to increase confidence in leadership, improve job satisfaction, reduce unethical tendencies, and foster responsibility and moral commitment. According to Walumbwa et al. (2008), AL comprises four key dimensions, namely self-awareness (understanding one's strengths, weaknesses, and values), relational transparency (open and honest communication with followers), balanced processing (objective analysis of information before decision-making), and internalized moral perspective (acting consistently with internal values rather than external pressures). These dimensions indicate that AL is grounded in genuine values, guiding leaders to do what is right and avoid wrongdoing in their relationships with followers.

Studies by Avolio and Gardner (2005), Copeland (2014), and Zhang et al. (2022) suggest that AL emerged as a response to widespread ethical failures and corporate scandals, highlighting the need for leaders who are genuine and morally anchored. As Chang et al. (2021) argue, authentic leaders do not merely espouse values, they embody them in decision-making and interpersonal relationships. Without values, AL is no longer authentic, and leaders cannot genuinely uphold the principles of doing good and avoiding harm.

Ethical Leadership

Ethical leadership (EL), developed by Brown et al. (2005), is grounded in social learning theory, which suggests that followers learn ethical norms by observing and emulating the behavior of role models (Bandura, 1977). By acting as moral role models, ethical leaders create an ethical climate that reduces misconduct and fosters trust, citizenship behavior, and organizational performance (Treviño et al., 2003; Al Halbusi et al., 2021; Ogunfowora et al., 2021). Although EL shares similarities with authentic leadership, its primary focus is on leaders behaving ethically to influence followers to adopt and practice ethical behaviors. According to Brown et al. (2005) and Al Halbusi et al. (2021), ethical leaders demonstrate normatively

appropriate conduct through personal actions and interpersonal relationships, promoting such behaviors among followers through two-way communication, reinforcement, and ethical decision-making. In EL, followers learn ethical standards by observing leaders' behaviors (Wang et al., 2021). Thus, leaders' internalized values such as justice, trustworthiness, and transparency are critical in shaping ethical behavior. These values influence followers' trust in leaders' credibility and encourage followers to practice ethical conduct.

Kerns (2003) and Xu et al. (2016) indicate that ethical leaders display value-related behaviors such as honesty, fairness, accountability, respect, compassion, and justice. These behaviors stem from internalized values, without which leaders cannot consistently act in alignment with ethical principles (Zheng et al., 2022). Research on emotional dissonance further indicates that behaviors inconsistent with personal values can lead to psychological strain (Gregory-Smith et al., 2013). Collectively, EL underscores the critical role of leader values in shaping ethical behavior, demonstrating that values are foundational to ethical leadership.

Servant Leadership

Servant leadership (SL) is the leadership style that prioritizes serving others, including their followers, customers, and the broader community before focusing on organizational or personal gain (Meuser & Smallfield, 2023; Irving & Berndt, 2017). This SL was introduced by Greenleaf (1977) which refers to leaders' main focus is to act as a servant to followers, customers, and society, emphasizing humility, stewardship, and community building. The core idea and the primary goal is that leaders exist to serve and thus, they empower and develop their followers to achieve their fullest potential (Van Dierendonck, 2011). Thus, based on the perspective of the followers as the ones to be inspired, leaders need to serve followers first before leading them. Instead of using power, authority, or hierarchical status to influence others, servant leaders focus on empowering, developing, and elevating followers, fostering their growth and well-being (Gotsis & Grimani, 2016; Sousa & Van Dierendonck, 2017). The central belief is that leadership should begin with an ethical and genuine desire to serve others, creating a more human-centered, caring, and morally grounded approach to leadership. To be effective, servant leaders must embody values such as honesty, trust, justice, compassion, accountability, and sincerity, then they can act as a servant leader to serve the followers. Otherwise, they cannot genuinely serve others which require pure and honest, sincere commitment to serve followers. Without these values, leaders cannot genuinely commit to serving others, empowering followers, or demonstrating humility nor can they create a culture of trust and fairness that SL advocates (Liden et al., 2008; Mittal & Dorfman, 2012; Meuser & Smallfield, 2023).

Empirical studies found that SL could enhance enhances organizational citizenship behaviors, ethical climate, and employee well-being, and have positive effects on followers' job satisfaction, OCBs and team effectiveness (Harmen et al., 2025; Ngah et al., 2023). Studies such as Lemoine et al. (2024) and van Dierendonck (2011) also found that SL focus on improving followers' moral characters, well-being and greater good of society. This shows that the effectiveness of servant leaders is because of their leader values which influence their behaviours towards serving their followers, improving their moral characters and these also reflect the leader values of altruism, humility, responsibility, just as the guiding force behind leader behaviour (Kraemer, 2011).

Transformational Leadership

According to Givens (2008) and Begum et al. (2022), transformational leadership (TL) inspires and motivates the followers to exceed expectation by transferring their attitudes, beliefs and values toward a shared vision. According to Bass (1985) and Bass and Avolio (1990), transformational leaders exhibit four core components, often called “*four I’s*”, first is idealized influence which refers to acting as role models with integrity and strong values; second is inspirational motivation which refers to articulating a compelling vision that inspires followers; third is intellectual stimulation involving encouraging creativity and challenging assumptions and last is individualized consideration refers to attending to followers’ motivation and morality, creating commitment to organizational goals beyond self-interest. Bass (1999) emphasizes that transformational leaders require trust, commitment, ethical behavior by succeeding inspiring and intellectually stimulate followers. Without demonstrating values such as integrity, trust, transparency, leaders may fail to fulfill the idealized influence component, undermining their ability to inspire followers. Bass and Steidlmeier (1999) further distinguish authentic transformational leadership rooted in morality and promoting fairness, justice, and responsibility from pseudo-transformational leadership, which manipulates followers for self-serving ends. Studies by Groves (2005) and Toward and LaRocca (2011) found that leaders’ deontological ethical values (e.g., fairness, universal rights) strongly correlate with transformational leadership behaviours, reinforcing the role of leader values in transformational leadership effectiveness.

Method

This study adopts a qualitative research design grounded in an extensive systematic literature review to examine the nature of value-based leadership and its influence on leadership effectiveness. Because the objective of this paper is conceptual rather than empirical, a qualitative approach is most appropriate for synthesising existing theories, examining empirical patterns, and integrating fragmented scholarship into a coherent conceptual argument. The literature review method enables this study to explore value-based leadership in depth, identify its defining characteristics, and explain the mechanisms through which leaders’ values shape their effectiveness.

The literature review draws on peer-reviewed journal articles, seminal leadership theories, and contemporary research published in the fields of leadership studies, organisational behaviour, human resource management, and business ethics. Major academic databases including Scopus, Web of Science, JSTOR, and Google Scholar were consulted to ensure a comprehensive coverage of relevant scholarship. Keywords such as “*value-based leadership*,” “*leadership effectiveness*,” “*servant leadership*” “*authentic leadership*” “*ethical leadership*,” “*transformational leadership*,” “*leader values*,” and “*organisational outcomes*” guided the search and selection process.

The selected literature was reviewed, analysed, and synthesised using a thematic analytical approach. This involved identifying recurring patterns, conceptual linkages, and theoretical mechanisms that explain how leaders’ values influence follower behaviour, organisational culture, decision-making processes, and overall effectiveness. The review also integrates insights from related value-driven leadership theories, such as ethical leadership, authentic leadership, and servant leadership, to highlight their conceptual overlaps and their collective contribution to understanding value-based leadership.

Findings



Figure 1: The Venn Diagram of Value-based Leadership

Based on the Venn diagram in Figure 1, all four major leadership styles share one critical commonality that leaders consistently embody values essential for effective leadership. These values are not only instrumental in driving performance but also in earning respect and trust from followers, as leaders demonstrate alignment between their values and actions (Copeland, 2014). Contemporary scholarship increasingly conceptualizes effective leadership as a values-driven, relational process rather than a hierarchical exercise of authority (Andrews, 2023; Macpherson, 2025). Evidence across major leadership paradigms converges on the principle that leaders who authentically live their values expressed through ethical, servant-oriented, and transformational behaviors are more likely to build trust, sustain legitimacy, and mobilize collective performance.

For example, authentic leadership establishes values through credibility by promoting self-awareness and value congruence, reinforcing that consistency between espoused and enacted values strengthens trust, moral reasoning, and follower identification with a leader's vision (Klenke, 2016; Bryman, 2004). Ethical leadership emphasizes values such as integrity, fairness, and accountability, linking principled conduct to perceived legitimacy, governance quality, and enhanced team cohesion critical antecedents of collective effectiveness (Lawton & Páez, 2015). Servant leadership focuses on leaders' internalization of values, enabling them to genuinely serve followers' needs through a follower-centric ethos, demonstrating that empowerment, stewardship, and community building foster stronger cultural alignment and shared organizational commitment (Sun, 2013; Liu, 2019). Transformational leadership operationalizes inspiration into performance by articulating an engaging vision, providing individualized support, and stimulating innovative thinking, all shown to positively influence sustained team performance, particularly when grounded in moral and communal values (Wu & Cormican, 2021).

At the intersection of these leadership styles lies value-based leadership, an integrative orientation in which leaders embed meaningful, shared values into decision-making, governance practices, and cultural systems. Evidence from qualitative syntheses and empirical studies indicates that value-based leaders exhibit a greater capacity to clarify decision rights, model ethical judgment, prioritize others' development, and foster service-oriented cultures. These practices, in turn, enhance team viability, strengthen relational coordination, and yield measurable performance outcomes (Wu & Cormican, 2021; Mujeeb et al., 2021).

This theoretical convergence underscores a fundamental insight: values are not peripheral attributes of leadership but core mechanisms driving leadership effectiveness. Authenticity builds trust, ethics safeguard legitimacy, service inspires commitment, and transformation provides direction, together forming an aligned, value-based leadership system capable of activating shared purpose, mobilizing collective action, and sustaining organizational effectiveness over time. By synthesizing these intersecting theoretical logics, this literature-based qualitative study strengthens conceptual clarity and offers a compelling argument for positioning value-based leadership as a critical determinant of long-term leadership and organizational success.

Discussion and Conclusion

Value-Based Leadership and Leadership Effectiveness

Drawing on these four leadership theories, it is evident that effective leaders embody authentic values that inspire followers' trust and confidence in their leadership capacity. Consequently, leader values emerge as a critical driver of leadership effectiveness. Building on these foundational styles, value-based leadership (VBL) requires leaders to be anchored in a clear and stable set of personal values (Buchko, 2007). Similar to authentic leadership, which relies on "*deeply held beliefs, values, and convictions*" to guide behavior (Gardner et al., 2005), VBL positions leaders' personal values as the primary force shaping decisions and actions. Likewise, ethical leadership emphasizes behaviors aligned with moral principles; VBL extends this logic by focusing on leaders' values as determinants of behavior, thereby strengthening followers' trust in leader credibility and enhancing commitment and motivation. At its core, VBL centers on values such as integrity, honesty, justice, responsibility, and accountability, hallmarks that not only reinforce trust but also inspire followers to act ethically (Kalshoven et al., 2011).

Moreover, VBL's prioritization of values as the guiding force behind leadership behavior can generate outcomes comparable to those achieved through servant leadership. By emphasizing both personal and organizational values, VBL contributes to improvements in job satisfaction, organizational citizenship behaviors (OCBs), and team effectiveness, as key indicators of leadership success. Similar to transformational leadership, VBL leverages idealized influence, with leaders serving as role models who embody values such as integrity, fairness, accountability, and innovation. This influence can inspire followers to achieve high levels of performance, creativity, and OCBs (Chang et al., 2021). Consistent with studies by Zaw and Takahashi (2022) and Parry and Proctor-Thomson (2002), which highlight value orientation as a critical pillar of transformational leadership driving organizational success through integrity, fairness, and shared purpose rather than transactional exchanges, VBL is likely to produce similar effects. Furthermore, transformational leadership's inspirational

motivation, intellectual stimulation, and individualized consideration may lose impact if followers perceive a lack of essential ethical and moral values in their leaders. VBL addresses this gap by positioning values as the central mechanism for sustaining trust, legitimacy, and long-term organizational success.

Relationships between VBL and leadership Effectiveness

The effectiveness of VBL stems not only from leaders' personal values but also from the alignment between internal values and outward behaviors, which guide ethical decision-making, reinforce credibility, and promote long-term organizational sustainability. Leadership effectiveness, in general, extends beyond goal attainment; it increasingly depends on the ability to inspire trust, foster commitment, and mobilize followers toward morally sound and collectively beneficial outcomes (Brown & Treviño, 2006; Copeland, 2014). A foundational element of leadership effectiveness is trust and credibility (Koohang et al., 2017; Caldwell & Hayes, 2007). VBL emphasizes consistency between leaders' values and behaviors; leaders who act in accordance with their stated values demonstrate behavioral integrity, a quality strongly associated with follower trust, job satisfaction, and discretionary effort (Simons, 2002). Trustworthy leaders reduce uncertainty, clarify expectations, and cultivate high-quality relationships, resulting in improved performance and organizational citizenship behaviors (Dirks & Ferrin, 2002). Because values provide a stable reference point, value-based leaders are perceived as predictable and principled, making followers more likely to internalize organizational goals.

Conversely, leaders often lose effectiveness and follower trust due to unethical conduct, leading to diminished respect and credibility (Nässén & Rambaree, 2021). VBL, by prioritizing the internalization of ethical and moral values, fosters organizational responsibility and transparency, thereby strengthening trust and respect and enhancing leadership effectiveness. For followers, leaders' ethical values serve as a safeguard against opportunistic behaviors, ensuring fairness and protecting stakeholder interests (Treviño, Brown, & Hartman, 2003). These values enhance leaders' credibility and organizational reputation, motivating positive employee attitudes and reducing misconduct. This underscores VBL's essential role in building ethical, resilient, and sustainable organizations. Ethical practices significantly contribute to organizational effectiveness and trust in leaders' transparency and integrity can mitigate unethical behavior (Ahmed et al., 2023).

Leadership effectiveness becomes particularly critical in complex, uncertain, and ethically ambiguous environments where rules and procedures offer insufficient guidance. Under intense competition and rapid change, employees may feel pressured to engage in unethical practices to seize opportunities. Without internalized values and strong ethical foundations, leaders risk succumbing to corruption and moral compromise. In contrast, value-based leaders represent a strategic asset for organizations seeking long-term resilience, as they are better equipped to make morally defensible decisions and navigate turbulence with integrity. Studies indicate that value alignment or person–organization fit enhances job satisfaction, organizational commitment, and organizational citizenship behaviors (OCBs) (Tourky et al., 2023; Paauwe & Boselie, 2005), while reducing turnover, unethical conduct, and withdrawal behaviors (Shyam & Sharma, 2025; Memon et al., 2018). Organizations generally encourage leaders who embody values such as integrity, trust, honesty, and accountability. Value congruence between leaders and organizations significantly influences organizational

performance (Qu et al., 2019), whereas congruence between leaders and followers further strengthens job satisfaction, reduces turnover intentions, and enhances overall effectiveness (Kristof-Brown et al., 2005). Leaders who ground their actions in shared, meaningful values are consistently more successful in mobilizing collective effort toward organizational goals (Wu & Cormican, 2021).

In today's volatile business environment marked by uncertainty, eroded trust, and intense competition, leaders with strong principles and ethical foundations can restore confidence and steer organizations back on course. Conversely, Corrupt leaders are leaders whose values are incongruent, where words contradict actions, often precipitate scandals and governance failures. VBL, which emphasizes values as the philosophical foundation of leadership, is therefore critical for organizational sustainability and survival (Kuşakcı & Busatlic, 2022). Many organizations that achieve sustainable competitive advantage attribute their success to ethical values and robust governance practices, underpinned by leadership styles that prioritize values in organizational management (Othman & Abdul Rahman, 2014).

Conclusion

Value-based leadership offers a compelling paradigm for understanding and enhancing leadership effectiveness. By grounding leadership in personal and moral values, VBL enables leaders to cultivate trust, foster ethical conduct, enhance follower engagement, and support adaptive decision-making — key ingredients for organizational success in today's complex environment. This conceptual paper highlights the theoretical significance and practical relevance of value-based leadership, positioning it as a foundational approach for responsible, ethical, and sustainable leadership. This study underscores the critical role of value-based leadership in enhancing leadership effectiveness and organizational outcomes. Values are not peripheral attributes; they are the guiding principles that shape behavior, decisions, and relationships within organizations. Leaders who internalize and consistently act upon values such as integrity, accountability, and honesty foster trust, strengthen ethical conduct, and create environments that promote job satisfaction, follower engagement, and superior performance. Such alignment reduces unethical practices, mitigates corruption, and reinforces organizational integrity. The importance of VBL becomes even more pronounced in contexts characterized by uncertainty, intense competition, and rapid change. In these volatile environments, technical competence alone is insufficient; without deeply internalized values, leaders risk succumbing to opportunism, governance failures, and ethical lapses. Conversely, leaders grounded in strong moral foundations are better equipped to navigate complexity, make principled decisions under pressure, and sustain organizational legitimacy. Ultimately, embedding values at the core of leadership is not only a determinant of effectiveness but a strategic imperative for building resilient, ethical, and sustainable organizations.

Practical and Managerial Implications

This study offers a clear and actionable message for organisations especially in order to achieve leadership effectiveness must begin with values, and leadership development should be grounded in this foundation. In practical terms, organisations should prioritize values assessment and alignment in leadership selection, promotion, and succession planning, rather than focusing solely on technical competence or charisma. HR and leadership development units can integrate values-based training that strengthens self-awareness,

ethical reasoning, service orientation, and value-congruence related behaviors including decision-making. This may include reflective coaching, ethics-based simulations, stakeholder-focused leadership projects, and 360-degree developmental feedback that evaluates not only results but also how those results were achieved. This study also serves as a reference for managers seeking to embed values into leadership KPIs by incorporating metrics for ethical conduct, team cohesion, stakeholder trust, and long-term societal or sustainability impact, not merely short-term financial results. Doing so operationalizes value-based leadership into measurable managerial practice while reinforcing a culture where values are recognized as the source of performance rather than a trade-off against it. Leaders who cultivate values-consistent, ethical, and people-first environments are better positioned to navigate disruption, sustain collaboration, and deliver outcomes that are both high-performing and socially legitimate.

Limitations and Suggestions for Future Research

Although this study offers an integrative synthesis of value-based leadership through a qualitative literature review, several limitations warrant consideration. First, the literature review method relies on secondary data, constrains findings by the scope, context, and methodological characteristics of existing studies. While this provides conceptual depth, it lacks direct empirical validation of the proposed linkages in specific organisational or cultural environments. Second, value-based leadership is an umbrella construct overlapping with related leadership paradigms such as ethical, authentic, servant, and transformational leadership, resulting in potential conceptual ambiguity despite careful synthesis.

Future research can extend this work in several meaningful directions. Empirical studies employing mixed-method or qualitative designs such as leader-follower interviews, ethnographies, or case studies are encouraged to examine how leaders operationalize lived values in decision-making and governance practices. Longitudinal and cross-cultural research should assess the durability of VBL behaviors amid evolving challenges, including digital disruption, sustainability transitions, and AI-driven management contexts. Investigating contextual moderators such as organizational climate, national culture, generational values, and person–organization fit would clarify boundary conditions under which VBL most strongly enhances effectiveness. Finally, future research should examine team-level mechanisms such as psychological safety, relational coordination, shared mental models, and collective moral engagement to deepen understanding of how leader values shape team viability and performance outcomes. Addressing these gaps will strengthen conceptual clarity and advance VBL theory with greater empirical precision and contextual relevance.

Acknowledgement

Special thanks to Universiti Sains Malaysia for the financial assistance through Bridging Grant (R501-LR-RND003-0000001608-0000)

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