

VALUE-BASED HR MANAGEMENT IN THE PRODUCTION SEGMENT

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Abstract

in order to improve organisational performance and employee engagement, this article examines the idea of value-based human resource (HR) management in the industrial sector. Production firms must embrace creative HR strategies that closely connect with their fundamental beliefs and goals as sectors change in response to globalisation, technological improvements, and shifting market needs. The values of value-based HR management are covered in the paper, along with ethical behaviour, stakeholder involvement, and an emphasis on how employees contribute to company values. The article illustrates how adopting a value-oriented strategy may result in increased productivity, better employee morale, and sustainable business practices using case studies and examples from top manufacturing companies.

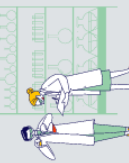
Keywords: Value-Based HR Management, Production Segment, Organizational Performance, Employee Engagement, Stakeholder Engagement, Ethical Practices, Workforce Strategies, Sustainable Business Practices, Employee Contribution.

Introduction

The modern world is facing a systemic crisis due to the completion of one major economic cycle based on industrialization and the transition to the next cycle, in which economic and social relations are defined by informatization and communication technological and communicative technologies. Owing to fundamental changes in the economy and society, the old paradigm cannot meet today’s challenges. This also applies to labour relations – there are changes in the content of work, the requirements of the individual, the methods of organization and use of work, the approach to education and even the perception of work and employment. Tendencies towards individualization of work are becoming more expressed and, on the other hand, the requirements of employers already extend not only to the skills of the staff, but also to the personal qualities of the employees and their psychophysiological characteristics.

MAIN PART

Human resources management (Human Resources Management - HRM, or simply HR) is an internal policy or internal complex function of the organization aimed at recruiting, managing and supporting people working here, and all processes and programs affecting human activity are part of HR. In an era marked by rapid industrial changes, globalization, and technological advancements, organizations across industries face emerging challenges that necessitate an



innovative approach to human resource (HR) management. The production sector, in particular, is transitioning from traditional labor-intensive practices to increasingly sophisticated systems requiring a knowledgeable, skilled workforce capable of adapting quickly to change. In this context, value-based HR management emerges as a vital strategy that aligns the workforce with the long-term objectives of the organization while promoting a strong culture of engagement, sustainability, and ethical responsibility. This article delves into the principles, implications, and strategic implementation of value-based HR management in the production segment, illustrating its role in enhancing overall organizational performance.¹

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Human resource management functions include:

A person with primary responsibility for human resources.

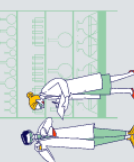
- ✓ Determining staffing requirements.
- ✓ Analysis of the problem: is it worth using the services of independent contractors or should you hire your own workers?
- ✓ Selection and training of employees.
- ✓ The best employees who provide a competitive advantage for the organization.
- ✓ The best employees are carriers of the personal brand and the brand of the organization.
- ✓ Customized activities for employee benefits.
- ✓ Educate all employees on standards and personnel policies.
- ✓ Creation and maintenance of HRM policy in the organization.

Value-based HR management represents a transformative approach in which human resources are regarded as integral to achieving sustainable competitive advantage. This philosophy transcends traditional HRM functions and embodies a commitment to innovation, ethical practices, employee engagement, and stakeholder relationship management. The core of value-based HR management lies in aligning the workforce with the organization's values and mission, ensuring that each employee contributes to the broader objectives of the enterprise. Aligning HR procedures with the mission and fundamental values of the company is the cornerstone of value-based HR management. This entails being aware of the organization's defining vision, culture, and moral principles. This might involve pledges to sustainability, safety, and quality in the industrial sector. Organisations may create a unified brand that appeals to both consumers and workers by integrating these principles into every facet of HR.²

Recruiting involves recruiting and recruiting potential employees through interviews, applications, networks, and more. Training and development is the next step in the process of

¹ Malmi, T., & Ikäheimo, S. (2003). Value based management practices—some evidence from the field. *Management Accounting Research*, 14(3), 235-254.

² Ashton, R. H. (2007). Value-creation models for value-based management: Review, analysis, and research directions. *Advances in management accounting*, 1-62.

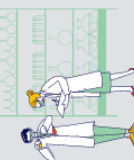


continuous development of qualified employees. Motivation is the key to high employee productivity. This function may include employee benefits, performance evaluations, and rewards. The last function - service - involves maintaining their loyalty and commitment to the organization. HRM enables human resource professionals to effectively train new employees. HRM, which emerged as a technology, is now a scientific field that requires the use of ontological descriptions. Human resources are qualified professionals working in the organization. Human resource management is actually personnel management and focuses on the employees who are the assets of the enterprise. In this regard, such employees are sometimes called human capital. The analysis shows that if the mechanisms of formation of general and private human potential are sufficiently developed, the level of human capital and resources will increase, and the competitiveness of the organization will increase.³

Adopting ethical practices is essential in value-based HR management. This includes ensuring fair treatment of all employees, fostering diversity and inclusion, and prioritizing corporate social responsibility (CSR). Ethical behavior cultivates trust among employees and builds a positive reputation within the community, which is increasingly important in today's socially conscious market. A cornerstone of value-based HR management is the commitment to employee growth and development. This goes beyond technical skills training to encompass leadership development, mentorship, and career progression. Organizations in the production segment must recognize that their workforce comprises the most significant asset; investing in employee skill enhancement translates to improved productivity, innovation, and morale. Traditional performance metrics focused primarily on financial outcomes are insufficient in a value-based approach. Organizations must establish comprehensive metrics that include employee satisfaction, retention rates, diversity, and engagement levels. By fostering a culture of accountability at all organizational levels, production companies can drive continuous improvement while reinforcing core values.

Implementing value-based HR strategies requires investment in resources—financial, technological, and human capital. Many production companies operate on tight budgets, making reallocating resources to support value-based initiatives complex. Prioritizing these initiatives and demonstrating their long-term ROI are essential for aligning resources effectively. For value-based HR management to be effective, it must be integrated into all facets of the organization. This requires collaboration among different departments, which can be challenging in operational silos typical of production companies. Cross-functional teams and collaborative projects can help bridge these gaps and ensure consistent application of HR values. Quantifying the impact of value-based HR management can pose a significant challenge. Traditional metrics may not adequately capture the nuances of employee engagement, satisfaction, or the benefits of ethical practices. Organizations must develop

³ <https://www.samdu.uz/uz/news/20725>



robust, multifaceted performance metrics that assess the qualitative and quantitative impacts of their HR policies.⁴

In Uzbekistan, in recent years, we have seen a lot of focus on HR and its adaptation to national segment. For example, the decision “On measures to improve the system of human resources management in republican and local executive authorities” of the Cabinet of Ministers was adopted in the year 2023. This Regulation defines the procedure for creating and maintaining information and documents related to human resources management in the republican and local executive authorities (hereinafter referred to as state authorities) on the electronic platform "hrm.argos.uz" (hereinafter referred to as the electronic platform). The following basic concepts are used in this Regulation:

- The interdepartmental software-hardware complex "Uniform National Labor System" (hereinafter referred to as "YAMMT" IDAC) is an organizationally regulated set of information resources, technologies and communication tools, which provides information on labor contracts and the seniority of employees. information system on storage, storage and processing;
- The single open portal of vacant positions of the State Civil Service (hereinafter - "vacancy.argos.uz") is a single centralized electronic system for holding elections for vacant positions in state bodies;
- "samaradorlik.uz" automated information system (hereinafter - efficiency.uz) is a single automated information system for evaluating the performance of managers at different levels of management;
- organization cabinet is a page of state bodies on an electronic platform for creating and maintaining information and documents related to human resources management.

Completion of documents on the results of recruitment of state bodies, collection and processing of information about the structural structure, states, positions and employees, automatic evaluation of the effectiveness of the employees, information on personnel maintaining an electronic archive, forming reserves for management personnel, and other activities related to human resources management are carried out on the electronic platform. The formation and maintenance of information and documents related to the management of human resources of state bodies on the electronic platform is carried out in accordance with the scheme attached to this Regulation.

CONCLUSION

As the production segment faces unprecedented challenges and opportunities, adopting a value-based HR management approach is not merely a strategic advantage but a necessity. By aligning HR policies and practices with organizational values, production companies can cultivate a motivated, skilled workforce that drives operational excellence and fosters a culture of ethical responsibility. The transition to value-based HR management may prove challenging,

⁴ Lueg, Rainer. "Value based management: empirical evidence on its determinants and performance effects." PhD diss., WHU-Otto Beisheim School of Management, 2008.

yet its long-term benefits—ranging from enhanced organizational performance to sustainable practices—position companies not just for short-term success but for enduring relevance in an ever-evolving industrial landscape. Through commitment, communication, and collaboration, organizations can unlock the true potential of their human capital, ensuring a prosperous and sustainable future in the production sector.

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