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OPERATIONALIZING ANTI-CORRUPTION REFORMS: THE STRATEGIC ROLE OF HUMAN RESOURCE MANAGEMENT IN SRI LANKAN ORGANIZATIONS

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Abstract: The enactment of the Anti-Corruption Act No. 9 of 2023 marks a significant move in Sri Lankan governance framework, introducing a comprehensive, prevention-oriented legal regime aligned with international anti-corruption standards. Though existing research studies have largely focused on the legal and institutional dimensions of anti-corruption reforms, limited attention has been given to their Human Resource Management (HRM) implications. Bridging this lacuna, the current study examines how HRM practices in Sri Lankan organizations are likely to be reconfigured in response to the new Anti-Corruption reforms. The study employs a directed qualitative content analysis of the Anti-Corruption Act, interpreted through established theories of strategic HRM. The analysis identifies key statutory provisions related to transparency, accountability, ethical conduct, discipline administration, and whistleblower protection that systematically maps onto core HRM domains. The findings reveal that the Act implicitly mandates a shift toward integrity-oriented HRM systems. Further, the study conceptualizes HRM as a critical mediating mechanism through which legal anti-corruption mandates are translated into professional & institutional integrity.
Keywords: Anti-Corruption; Integrity-Oriented HRM; Transparency; Accountability; Ethical Conduct; Whistleblower Protection; Sri Lanka

INTRODUCTION

Corruption has long been recognized as a critical impediment to good governance, institutional integrity, and sustainable organizational performance, mostly in developing and transitional economies (Transparency International, 2023; Kaufmann et al., 2011). Human Resource Management (HRM) systems, encompassing recruitment, selection, performance management, promotion, remuneration, and discipline administration are increasingly identified in the extant literature as both places of vulnerability to corruption and powerful mechanisms for corruption prevention (Pope, 2000; Vian, 2020). Weak HRM practices might enable patronage, favoritism, bribery, and abuse of authority, whereas integrity-oriented HRM systems can function as structural safeguards that institutionalize ethical behavior and accountability (OECD, 2017).

In Sri Lanka, concerns regarding systemic corruption within public institutions have been persistent and widely documented, mainly in relation to politicized appointments, discretionary promotions, weak disciplinary mechanisms, and inadequate accountability frameworks (Uyangoda, 2019; World Bank, 2020). These challenges are not confined to the public sector alone. Private sector organizations, especially those interacting with state agencies through procurement, licensing, and regulatory compliance also face significant corruption risks embedded within HRM-related decision-making processes (Svensson, 2005). Despite these realities, empirical and conceptual research linking anti-corruption legislation to organizational HRM transformation remains extremely limited in the Sri Lankan context.

The enactment of the Anti-Corruption Act No. 9 of 2023 represents a significant regulatory shift in Sri Lankan governance architecture. The Act repeals earlier fragmented legislation and introduces a consolidated, strengthened legal framework aligned with the United Nations Convention Against Corruption (UNCAC), emphasizing prevention, institutional accountability, transparency, and integrity systems across both public and private sector organizations.

Most importantly, the Act moves beyond a narrow criminal-law orientation by mandating preventive measures including the codes of conduct, asset and liability declarations, protection of whistleblowers, and institutional cooperation in corruption prevention through Internal Affairs Units (IAUs). These provisions have direct and indirect implications for HRM practices, mainly connecting to ethical recruitment, conflict-of-interest management, employee monitoring, disciplinary procedures, and integrity-based performance appraisal.

The extant research literature increasingly emphasizes that anti-corruption laws achieve limited success when they are not embedded into organizational systems, especially HRM frameworks that govern employee behavior (Pyman et al., 2012; Huberts, 2018). Moreover, studies in comparative public administration demonstrate that integrity reforms are most effective when HRM systems are redesigned to incorporate transparency, meritocracy, ethical competence, and enforceable accountability mechanisms (Rosenbaum, 2019; OECD, 2020). However, most of this literature is grounded in OECD or Western governance contexts, with limited theoretical adaptation to South Asian public administration systems characterized by high power distance, politicization, and informal institutional norms (Jayasuriya, 2015).

In Sri Lanka, research attention following the enactment of the Anti-Corruption Act has thus far focused primarily on legal analysis, constitutional implications, and enforcement capacity, while the organizational and HRM consequences of the Act remain under-explored. To date, no systematic research study has examined how HRM practices in Sri Lankan organizations, public or private, may need to be reconfigured, strengthened, and transformed to align with the preventive and compliance-oriented provisions of the Act. This omission is mainly significant given that HRM departments are likely to play a central role in operationalizing legal requirements related to employee vetting, ethical training, internal controls, asset declaration compliance, and disciplinary action.

Accordingly, the current study seeks to address this critical research gap through a qualitative content analysis of the Anti-Corruption Act No. 9 of 2023, interpreted in conjunction with established HRM and integrity management literature. Rather than assessing post-implementation outcomes that remain premature, this study adopts a predictive and analytical orientation, aiming to theorize how HRM practices in Sri Lankan organizations are likely to evolve in response to the new legal environment. By doing so, the study contributes to both theoretical advancements in integrity-oriented HRM and practical guidance for policymakers, HRM professionals, and organizational leaders navigating compliance and reforms. Further, this research positions HRM not merely as an administrative function but as a strategic governance mechanism through which the objectives of the Anti-Corruption Act including transparency, accountability, and ethical conduct could be institutionalized within Sri Lankan organizations.

OBJECTIVES OF THE STUDY

Below-mentioned four research objectives are established to be achieved in the current research study.

➢ To analyze the provisions of the Anti-Corruption Act No. 9 of 2023 that have direct and indirect implications for HRM practices in Sri Lanka.

➢ To examine how existing HRM practices in Sri Lankan organizations may require modification to comply with the preventive and accountability-oriented mandates of the Act.

➢ To identify key HRM domains most likely to be transformed under the new anti-corruption legal framework.

➢ To develop theoretically grounded predictions & propositions regarding the future evolution of HRM practices in Sri Lankan organizations in response to the Anti-Corruption Act No. 9 of 2023.

The rest of this paper is organized as follows: In the next section, the adopted methodology of the current study is outlined, and the results are presented. Next, the results are discussed, emphasizing their theoretical, methodological and practical implications along with a conceptual model, and propositions for future empirical studies. The final section comprises of the concluding remarks, limitations of the current study, and the directions for similar studies in the future.

METHODOLOGY

RESEARCH DESIGN

This study adopts a qualitative research design grounded in qualitative content analysis to systematically examine how the Anti-Corruption Act No. 9 of 2023 is likely to influence and reshape HRM practices in Sri Lankan organizations. Qualitative content analysis is mostly appropriate when the objective is to interpret the latent and manifest meanings embedded in legal and policy texts, and to link them conceptually with organizational practices and theoretical constructs (Hsieh & Shannon, 2005; Schreier, 2012).

Given that the Anti-Corruption Act is newly enforced and empirical post-implementation data are not yet available, the study is predictive and analytical rather than evaluative. The methodological focus is therefore on identifying anticipated HRM transformations implied by statutory provisions, rather than measuring the outcomes. This aligns with prior governance and HRM studies that utilize legal and policy texts as primary data sources to theorize institutional change (Bowen, 2009; OECD, 2020).

DATA SOURCE AND CORPUS SELECTION

The primary data source for this study is the Anti-Corruption Act No. 9 of 2023 of Sri Lanka, that constitutes the unitary legal framework governing corruption prevention, investigation, and institutional accountability

across public and private sector organizations. The Act was selected using purposive sampling, as it represents the most authoritative and comprehensive anti-corruption statute currently in force in Sri Lanka. The analytical corpus includes:

- The full text of the Act, including all Parts, Chapters, and Schedules.
- Provisions related to corruption prevention, codes of conduct, declarations of assets and liabilities, disciplinary authority, compliance obligations, and institutional accountability.

Supplementary interpretive support was drawn from:

- Two international anti-corruption and integrity management frameworks; UNCAC, OECD integrity standards.
- Peer-reviewed HRM and public administration literature to facilitate theoretical mapping.

UNIT OF ANALYSIS

The unit of analysis in this study is the individual legal provision; all the sections and subsections of the Anti-Corruption Act that carries implications for HRM. Each provision was treated as a discrete analytical unit and examined for explicit HRM-related mandates, and implicit HRM implications. This approach is consistent with directed qualitative content analysis, where existing theory informs the identification of relevant textual units (Hsieh & Shannon, 2005).

ANALYTICAL APPROACH

The current study adopts a directed qualitative content analysis approach, guided by established HRM and integrity management theories. Directed content analysis is appropriate when prior research and theory exist but require contextual extension and refinement (Hsieh & Shannon, 2005).

As recommended by Krippendorff (2018), the coding process followed a systematic, multi-stage procedure as follows.

➢ Initial familiarization: The full Act was read repeatedly to gain a holistic understanding of its objectives, structure, and governance logic.

➢ Development of initial coding framework: A coding framework was developed based on established HRM domains identified in the literature.

➢ Open coding and textual mapping: Legal provisions were coded by mapping statutory requirements to one or more HRM domains. As recommended by Schreier (2012), new codes were inductively generated when provisions implied HRM changes not adequately captured by existing categories.

➢ Categorization and thematic integration: Codes were grouped into higher-order themes representing anticipated HRM transformations.

➢ Interpretive and predictive analysis: The final stage involved theorizing future HRM practices changes by integrating statutory analysis with HRM and governance theory (Rosenbaum, 2019; OECD, 2020).

ETHICAL CONSIDERATIONS

As this study is based exclusively on publicly available legal documents & secondary academic sources, it does not involve human participants. Therefore, the study does not require ethical clearance. However, analytical integrity was maintained by avoiding normative judgments and by grounding all interpretations in statutory text and established theories (Bowen, 2009).

LINKING THE PROVISIONS OF ANTI-CORRUPTION ACT TO HRM DOMAINS

Table 1 illustrates how key provisions of the Anti-Corruption Act No. 9 of 2023 are expected to influence and reshape HRM practices in Sri Lankan public and private sector organizations.

TABLE 1 Association of the Provisions of Anti-Corruption Act to HRM Domains

Key Provisions of the Anti-Corruption Act	Governance Logic	HRM Domains Affected	Predicted HRM Changes
Mandatory codes of conduct and integrity standards	Institutionalization of ethical behavior	Ethical HRM, employee conduct management	Formalized ethics policies, enforceable conduct standards
Asset and liability declaration requirements	Transparency, and conflict-of-interest prevention	Recruitment, promotion, compliance monitoring	Integrity vetting during hiring and promotions
Expanded disciplinary authority and sanctions	Accountability, and deterrence	Disciplinary systems, grievance handling	Stronger disciplinary procedures and due process

Key Provisions of the Anti-Corruption Act	Governance Logic	HRM Domains Affected	Predicted HRM Changes
Protection of whistle-blowers and complainants	Encouragement of internal reporting	Employee relations, organizational justice	Safer reporting mechanisms, trust-based HRM climates
Monitoring and advisory powers of the Commission	Continuous oversight, and prevention	Performance management, compliance HRM	Compliance indicators embedded in appraisal systems
Application to both public and private sectors	Whole-of-society approach	Strategic HRM, governance alignment	Harmonization of HRM standards across sectors

Source: Author, 2026

Table 1 conceptualizes HRM as a mediating mechanism through which legal anti-corruption mandates are translated into day-to-day organizational practices. It positions HRM not merely as an administrative function but as a core governance instrument essential for the effective realization of the objectives of the Act.

Figure 1 presents a conceptual framework illustrating how the provisions of the Anti-Corruption Act No. 9 of 2023 function as an institutional and regulatory driver of change in HRM practices within Sri Lankan public and private sector organizations. The framework adopts a process-oriented perspective, demonstrating the transformation of legal mandates into organizational HRM mechanisms that ultimately shape employee behavior, and institutional integrity.

FIGURE 1 Proposed Conceptual Framework

Source: Author, 2026

At the macro-regulatory level, the Anti-Corruption Act No. 9 of 2023 is positioned as the primary external governance instrument, introducing mandatory requirements related to transparency, accountability, ethical conduct, asset and liability declarations, disciplinary authority, whistleblower protection, and preventive oversight. These statutory provisions represent formal coercive pressures that compel organizations to realign internal HRM systems and practices in accordance with national anti-corruption objectives.

At the meso-organizational level, HRM systems are conceptualized as the key mediating mechanism through which the legal requirements of the Act are operationalized. The framework identifies core HRM domains affected by the Act, and each domain serves as a translation point where abstract legal norms are converted into enforceable organizational rules, procedures, and practices. Further, at the micro-behavioral level, the framework highlights anticipated outcomes of HRM transformation. These outcomes collectively contribute to the development of an integrity-based organizational culture and the long-term prevention of corrupt practices.

According to the framework, legal provisions shape HRM practices, while transformed HRM systems reinforce compliance with the Act and strengthen institutional integrity over time. By integrating legal, organizational, and behavioral dimensions, the framework positions HRM as a strategic governance mechanism rather than an administrative function.

DISCUSSION

Drawing on qualitative content analysis of the Anti-Corruption Act No. 9 of 2023, and theoretical integration with HRM & governance literature, the discussion is structured around thematic HRM domains, linking: (a) statutory expectations, (b) HRM theory, and (c) prevailing Sri Lankan organizational practices, thereby addressing the objectives of the study in a coherent and cumulative manner.

HRM as a Governance and Integrity Mechanism

A core theoretical contribution of this study lies in repositioning HRM from a traditionally administrative role toward a governance-oriented and integrity-enabling function. HRM theory increasingly recognizes that organizational controls over employee behavior are exercised not only through formal rules but also through recruitment standards, performance incentives, disciplinary systems, and ethical socialization processes (Paauwe, 2009; Boxall & Purcell, 2016). The Anti-Corruption Act reinforces this perspective by embedding legal expectations directly into organizational HRM systems. Consistent with institutional theory, the Act functions as a coercive institutional pressure that compels organizations to conform by redesigning internal HRM systems (DiMaggio & Powell, 1983). Unlike earlier anti-corruption frameworks in Sri Lanka, which emphasized post-hoc enforcement, the 2023 Act introduces a preventive governance logic, requiring organizations to proactively manage integrity risks through HRM structures.

Recruitment and Selection: From Patronage to Integrity-Based Hiring

Strategic HRM literature identifies recruitment and selection as foundational mechanisms through which organizational values and norms are reproduced (Pfeffer, 1998). Integrity-based recruitment aligns with the concept of person–organization fit, mainly ethical fit, that has been shown to reduce deviant workplace behavior (Treviño et al., 2014).

In Sri Lankan public sector organizations, recruitment has historically been vulnerable to: political influence and patronage, weak background verification, and limited emphasis on ethical competence. On the other hand, in the private sector, mainly Small and Medium Scale Enterprises, and family-owned firms, recruitment processes are often informal, relying on personal networks rather than standardized integrity screening (World Bank, 2020). However, the emphasis of the Act on transparency, asset declarations, and accountability is likely to compel organizations to formalize recruitment procedures, introduce integrity vetting, and document decision rationales. Table 2 depicts the theory-practice-change alignment of the recruitment and selection function.

TABLE 2 Recruitment and Selection: Theory–Practice–Change Alignment

Dimension	Existing Practice	Theoretical Lens	Predicted Change
Candidate screeing	Limited background checks	Ethical person organization fit	Screening for integrity and conflict of interest
Decision transparency	Discretionary	Procedural justice	Documented, auditable recruitment decisions
Meritocracy	Politicized	Strategic HRM	Merit and integrity-based hiring

Source: Author, 2026

Performance Management: Integrating Ethics into Appraisal Systems

Performance management theory emphasizes that *"what gets measured gets managed"* (Aguinis, 2019). Most of the scholars in ethical HRM argue that integrity-related behaviors must be formally embedded into appraisal systems to shape employee conduct (Mayer et al., 2010). However, performance appraisal in Sri Lankan public sector institutions is often: routine and compliance-driven, weakly linked to rewards or sanctions, and rarely inclusive of ethical or integrity criteria. But in the private sector, performance management tends to prioritize financial and productivity metrics, with limited attention to ethical conduct unless misconduct occurs. The preventive orientation of the Act is likely to encourage the inclusion of: compliance indicators, ethical conduct metrics, and accountability-related performance standards in employee performance planning, and appraisals. This marks a shift from mere output-focused appraisal to behavior and process-focused performance management.

Training and Development: Institutionalizing Ethical Competence

Human capital theory and ethical leadership literature highlight training as a primary mechanism for building ethical awareness and moral reasoning capabilities (Brown & Treviño, 2006). Integrity training is mostly effective when it is continuous and embedded rather than episodic (Kaptein, 2015). Ethics and integrity training in Sri Lankan organizations is: sporadic and compliance-oriented, largely absent in private sector firms, and often treated as a one-off awareness program. However, the focus of the Act on prevention and public education signals a shift toward: mandatory ethics training, continuous integrity capacity-building, and HRM-led compliance and ethics learning systems in a learning culture.

Disciplinary Systems and Grievance Handling: Strengthening Accountability

Organizational justice theory in HRM emphasizes that fair, consistent, and transparent disciplinary systems enhance trust and compliance (Colquitt et al., 2013). Thus, weak disciplinary enforcement normalizes corruption. Both public and private sector organizations in Sri Lanka currently exhibit delays in disciplinary actions, selective enforcement, and fear of retaliation among complainants. These issues undermine internal accountability and reinforce a culture of silence (Kaptein, 2015). In such a background, the strengthened

disciplinary authority and whistleblower protection provisions of the Act are likely to: enrich HRM role in investigations, standardize disciplinary procedures, and enhance procedural fairness and documentation.

Whistleblowing and Employee Relations: From Silence to Voice

Employee voice theory posits that safe reporting mechanisms are essential for institutional integrity (Morrison, 2014). Whistleblower protection strengthens perceptions of organizational justice and psychological safety. Whistleblowing remains culturally stigmatized in Sri Lankan organizations, often perceived as disloyal and risky, mainly in hierarchical public institutions. By legally protecting complainants, the Act is expected to legitimize internal reporting, encourage HR-managed reporting channels, and gradually shift organizational norms around voice and dissent.

Integrative Discussion: HRM as the Mediator

Synthesizing across domains, the findings demonstrate that the Anti-Corruption Act does not directly regulate HRM but implicitly mandates HRM transformation. This aligns with the conceptual framework developed in this study, wherein HRM systems mediate between legal mandates and ethical behavioral outcomes. Table 3 shows the summary of predicted HRM transformations.

TABLE 3 Summary of Predicted HRM Transformations

HRM Domain	Direction of Change	Governance Contribution
Recruitment & Selection	Integrity-based formalization	Prevention of entry-level corruption
Performance Management	Ethics-integrated appraisal	Behavioral accountability
Training & Development	Continuous ethics capacity-building	Ethical competence
Disciplinary Systems	Strengthened procedural justice	Deterrence and trust
Employee Relations	Protected voice mechanisms	Organizational transparency

Source: Author, 2026

The study extends HRM theory by empirically grounding integrity-oriented HRM within a South Asian governance context, responding to calls for non-Western institutional perspectives in HRM research (Cooke et al., 2019). Contextually, it provides the first systematic, theory-driven analysis of how post-2023 anti-corruption regime of Sri Lanka is likely to reshape organizational HRM systems.

PROPOSITIONS FOR FUTURE EMPIRICAL RESEARCH

The propositions conceptualize the Anti-Corruption Act No. 9 of 2023 as an exogenous institutional driver, integrity-oriented HRM systems as mediating mechanisms, and ethical employee behavior and institutional integrity as organizational outcomes. The propositions are grounded primarily in institutional theory, strategic HRM, organizational justice, and ethical leadership literature.

Proposition 1: Legal–HRM Alignment

P1: The degree of alignment between organizational HRM practices and the Anti-Corruption Act No. 9 of 2023 will be positively associated with perceived organizational integrity in Sri Lankan organizations.
Justification:
Institutional theory posits that organizations respond to coercive pressures from the regulatory environment by restructuring internal systems to maintain legitimacy (DiMaggio & Powell, 1983). When HRM practices are explicitly aligned with anti-corruption legislation, employees are more likely to perceive the organization as legitimate, ethical, and trustworthy (Tyler, 2006; Paauwe, 2009). Empirical studies show that perceived organizational integrity is strongly influenced by the consistency between formal rules and actual HR practices (Kaptein, 2015).

Proposition 2: Integrity-Based Employee Recruitment

P2: Integrity-based employee recruitment & selection practices will be negatively related to employee deviant and corrupt behaviors.
Justification:
Strategic HRM and person–organization fit theory argue that recruitment systems shape the ethical composition of the workforce (Pfeffer, 1998; Kristof-Brown et al., 2005). Integrity screening reduces the entry of individuals prone to opportunistic and unethical behavior, thereby lowering corruption risk at its source (Vian, 2020). Empirical evidence suggests that ethical fit during hiring is a strong predictor of reduced counterproductive work behaviors (Treviño et al., 2014).

Proposition 3: Ethics-Integrated Performance Management

P3: The integration of ethical and compliance-related criteria into performance management

systems will be positively associated with ethical employee behavior.
Justification:
Performance management theory emphasizes that appraisal systems communicate organizational priorities (Aguinis, 2019). When ethical conduct is formally evaluated and rewarded, employees are more likely to internalize integrity norms (Mayer et al., 2010). From a behavioral control perspective, ethics-based appraisal mechanisms reduce ambiguity and discretionary abuse, mainly in public sector institues (OECD, 2020).

Proposition 4: Ethics Training and Moral Awareness
P4: Ethics and anti-corruption training will be positively associated with ethical awareness and moral reasoning capabilities of employees.
Justification:
Human capital theory conceptualizes training as an investment that enhances cognitive and behavioral capacities of employees (Becker, 1964). Ethics training strengthens moral awareness and ethical decision-making, especially when delivered continuously rather than episodically (Kaptein, 2015). Moreover, studies across governance contexts confirm that ethics training is associated with higher ethical sensitivity and reduced tolerance for offences and corruption (Brown & Treviño, 2006).

Proposition 5: Procedural Justice in Disciplinary Systems
P5: Perceived fairness and consistency of disciplinary procedures will be positively related to employee compliance with anti-corruption norms.
Justification:
Organizational justice theory states that fair procedures enhance rule acceptance and voluntary compliance (Colquitt et al., 2013). When disciplinary systems are transparent and consistently enforced, employees are more likely to view anti-corruption rules as legitimate rather than punitive (Tyler, 2006). This proposition is mostly relevant in Sri Lankan organizations where selective enforcement has historically undermined trust in disciplinary processes.

Proposition 6: Whistleblowing Protection and Employee Voice
P6: Perceived whistleblower protection will be positively associated with employee voice behavior and internal reporting of corruptions.
Justification:
Employee voice theory argues that psychological safety is a prerequisite for speaking up about corruption (Morrison, 2014). Legal and organizational protections reduce fear of retaliation and increase the likelihood of internal reporting of corruptions (Near & Miceli, 2016). In hierarchical and high power-distance contexts like Sri Lanka, formal whistleblower protection is especially critical for enabling the voice of employees and citizens (Jayasuriya, 2015).

Proposition 7: HRM as a Mediating Mechanism
P7: Integrity-oriented HRM practices will mediate the association between anti-corruption regulatory pressure and ethical employee behavior.
Justification:
While laws create external pressure, HRM systems operationalize compliance at the employee level (Paauwe, 2009). This mediating role aligns with strategic HRM theory, which views HRM as the primary mechanism through which institutional demands influence organizational behavior (Boxall & Purcell, 2016). This proposition directly reflects the conceptual framework developed in the present study.

Proposition 8: Sectoral Variation
P8: The strength of the relationship between integrity-oriented HRM practices and ethical outcomes will differ between public and private sector organizations.
Justification:
Public and private sector organizations differ in governance structures, accountability mechanisms, and performance motives (Rainey, 2014). Institutional constraints and political oversight might intensify the impact of HRM reforms in the public sector, whereas market pressures may moderate effects in the private sector. This proposition enables a comparative empirical testing across sectors.
Table 4 depicts an integrative summary of the advanced propositions.

TABLE 4 Summary of Predicted HRM Transformations

Proposition(s)	Key Relationship
P1–P2	Legal alignment → Integrity-based HRM
P3–P5	HRM practices → Ethical employee behavior

P6	HRM → Employee voice and reporting
P7	HRM as a mediating mechanism
P8	Public–private sector differences

Source: Author, 2026

CONCLUSION

The current study was conducted to address a critical and underexplored research gap by examining how the Anti-Corruption Act No. 9 of 2023 enforced in Sri Lanka is likely to reshape HRM practices in Sri Lankan public and private sector organizations. Using a qualitative content analysis of the Act, interpreted through established HRM and governance theories, the study provides a forward-looking, theory-driven analysis of anticipated HRM transformations in a post-legislative context. The findings demonstrate that the Act represents a paradigmatic shift in anti-corruption approach in Sri Lanka, from a predominantly enforcement-oriented model toward a preventive, integrity-based governance framework. Though the Act does not explicitly prescribe HRM reforms, its provisions on transparency, accountability, ethical conduct, disciplinary authority, and whistleblower protection implicitly require organizations to reconfigure their HRM systems. In this respect, HRM emerges as a central mediating mechanism through which legal anti-corruption mandates are translated into organizational practices and employee behavior.

By linking statutory provisions to core HRM domains, this study advances the argument that effective anti-corruption reform cannot be achieved solely through legal enforcement. Rather, it must be institutionalized through integrity-oriented HRM systems that shape everyday organizational behavior. In doing so, the study contributes to HRM theory by extending integrity-based HRM scholarship into a South Asian governance context, and to practice by offering a structured roadmap for aligning HRM with anti-corruption legislation in Sri Lanka.

IMPLICATIONS

This study makes several important theoretical contributions. It extends strategic HRM theory by empirically grounding the role of HRM as a governance instrument rather than merely a performance-boosting function (Paauwe, 2009; Boxall & Purcell, 2016). The findings reinforce the view that HRM systems mediate between external institutional pressures and internal behavioral outcomes, consistent with institutional theory (DiMaggio & Powell, 1983). Further, the study contributes to the integrity and ethics literature by conceptualizing integrity-oriented HRM as a coherent system rather than a collection of isolated practices. By integrating recruitment, appraisal, training, and disciplinary mechanisms within a single framework, the study responds to calls for more systemic approaches to organizational ethics research (Treviño et al., 2014; Kaptein, 2015). Similarly, the study enriches context-sensitive HRM research by focusing on Sri Lanka, a developing economy characterized by politicization, high power distance, and informal institutional norms. In doing so, it addresses long-standing critiques that HRM theory is overly Western-centric and insufficiently attentive to governance realities in South Asian emerging economies (Cooke et al., 2019).

On the other hand, from a practical standpoint, the findings have significant implications for HR practitioners, organizational leaders, and policymakers. For HR professionals, the study highlights the need to move beyond compliance-oriented HRM toward strategic, integrity-focused HRM. HRM departments are likely to assume expanded responsibilities in integrity vetting, ethics training, compliance monitoring, and the management of whistleblowing mechanisms. Most importantly, for public sector organizations, the findings highlight the urgency of depoliticizing recruitment, strengthening performance appraisal systems, and ensuring procedural justice in disciplinary actions. Without such reforms, the objectives of the Anti-Corruption Act risk remaining symbolic rather than substantive.

For private sector organizations, mainly those engaged in public procurement and regulatory interactions, the study signals the growing importance of harmonizing internal HRM practices with national anti-corruption standards. Integrity-oriented HRM may increasingly function as a reputational and competitive advantage rather than merely a legal obligation. At the policy level, the study suggests that anti-corruption agencies and regulators should actively engage HRM professionals when issuing guidelines, codes of conduct, and compliance frameworks. Embedding HRM considerations into national integrity strategies may significantly enhance the preventive capacity of anti-corruption initiatives.

LIMITATIONS

Despite the implications, the current study is subject to four major limitations. First, the study is conceptual and predictive in nature, relying on qualitative content analysis of legal texts rather than empirical data. As such, it does not assess the actual implementation and effectiveness of HRM reforms following the enforcement of the Act. Second, the analysis is based on a single national legal framework, which may limit the generalizability of findings beyond the Sri Lankan context. Though the theoretical insights might be transferable to similar governance environments, contextual differences must be carefully considered. Third, the

study focuses primarily on formal HRM systems and does not directly address the role of informal practices, organizational politics, and cultural norms, which are known to significantly influence HRM outcomes in South Asian organizations (Jayasuriya, 2015). Ultimately, as with all qualitative content analyses, the interpretation of legal provisions is subject to researcher judgment, although this limitation was mitigated through systematic coding, transparent analytical procedures, and extensive theoretical triangulation.

DIRECTIONS FOR FUTURE RESEARCH

Building on the current study, five major directions for future research could be identified. First, future studies should empirically test the theoretical propositions developed in this paper using quantitative or mixed-methods designs as appropriate. Survey-based studies employing structural equation modeling could examine the mediating role of integrity-oriented HRM systems between regulatory pressure and ethical employee behavior. Second, comparative research examining public–private sector differences in HRM responses to anti-corruption legislation would provide deeper insights into sectoral dynamics. Further, longitudinal studies are needed to assess how HRM practices evolve over time as organizations adapt to the Anti-Corruption Act in Sri Lanka, and whether initial compliance-driven changes mature into embedded integrity cultures in organizations. Fourth, future research could explore the micro-level behavioral mechanisms through which HRM practices influence corruption-related performance outcomes. Finally, cross-national comparative studies involving other South Asian or developing economies could help refine and generalize integrity-oriented HRM theories across diverse governance contexts.

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