COMPETENCY-BASED HRM FOR SUSTAINABLE ORGANIZATIONS

[1]Deniza Alieva, [2]Asal Dadakhonova
[1]DSc in Economics, PhD in HR Psychology, Docent of School of Business and Management, Management Development Institute of Singapore in Tashkent,[2]MBA in Marketing, Leading lecturer of School of Business and Management, Management Development Institute of Singapore in Tashkent
https://doi.org/10.5281/zenodo.15266782

Abstract. *Organizations across the globe are actively seeking to achieve sustainability objectives, and Human Resource Management (HRM) is pivotal in preparing leaders with the essential skills to spearhead these changes. This paper examines the impact of competency-based HRM in cultivating leadership that prioritizes sustainability by harmonizing hiring, training, and assessment processes with the goals of the green economy. Drawing on examples from Uzbekistan, this study pinpoints critical leadership skills needed for an effective green transition and offers strategic advice for promoting a sustainable organizational environment.*
Kalit so'zlar*: Barqaror etakchilik, Inson resurslarini boshqarish, Tashkiliy barqarorlik*
Keywords*: Sustainable leadership, HRM, Organizational sustainability*
Ключевые слова*: Устойчивое лидерство, Управление человеческими ресурсами, Организационная устойчивость*

Introduction

Shifting towards a green economy encompasses far more than merely adopting new technologies or adhering to regulations. Leaders are expected to drive sustainability both in their strategic vision and in routine operational practices, impacting everything from supply chain logistics to how employees and stakeholders engage and cooperate. This goes beyond merely establishing environmental goals; it demands a reevaluation of organizational values, skills, and behaviors that promote enduring resilience and ethical accountability. Within this framework, the importance of Human Resource Management (HRM) becomes critical.

Competency-based Human Resource Management (HRM) provides a deliberate and structured pathway for shaping leaders equipped to navigate the complexities of sustainable development. By systematically identifying, nurturing, and reinforcing competencies that align with Environmental, Social, and Governance (ESG) standards, HRM contributes to cultivating leadership that is not only aspirational in vision but also grounded in responsibility and measurable outcomes. In the context of emerging economies such as Uzbekistan, where sustainability goals are gaining national prominence, HRM holds significant potential as a transformative force. This paper examines how HRM can move beyond traditional functions to become a strategic driver of the green transition, translating broad policy objectives into tangible leadership practices that create real and lasting impact.

The role of HRM in sustainable transitions

Once perceived largely as an administrative support function focused on payroll, compliance, and recruitment, HRM has evolved significantly over the past few decades. Within the framework of the green economy, HRM holds a unique position in embedding sustainability into the core of organizational operations and human capital strategies. This requires a focused approach to identifying and fostering a specific set of leadership competencies that enable both individuals and institutions to respond effectively to complex environmental and social challenges (Umrani et al., 2022). Through these competencies, HRM can play a pivotal role in advancing the principles of sustainability from policy to practice.

A competency-based approach to Human Resource Management provides a practical and strategic framework for embedding sustainability values throughout the entire talent management cycle. By aligning individual potential with broader sustainability objectives, HRM creates the conditions for a workforce that is not only aware of environmental and social challenges but also empowered to address them. This alignment enhances an organization's capacity to adapt to shifting policy, market, and stakeholder demands, while simultaneously reinforcing its credibility in the eyes of increasingly sustainability-conscious customers, investors, and regulators (Aggarwal & Agarwala, 2023). In doing so, HRM becomes a critical lever for building organizational resilience and long-term competitiveness in the evolving landscape of the green economy.

Core leadership competencies for the green economy

An exploration of academic literature, complemented by empirical observations from practice, points to a set of core leadership competencies that are particularly vital for advancing sustainability within the green economy (Kim et al., 2017). At the forefront is systems thinking, a foundational ability that enables leaders to understand the intricate and often non-linear relationships between environmental, economic, and social systems. This competency equips decision-makers to anticipate not only the direct outcomes of their actions but also their broader and long-term consequences (Nguyen et al., 2024).

Equally central to green leadership is the capacity for ethical and inclusive decision-making. As sustainability inherently involves complex trade-offs and competing stakeholder interests, leaders are increasingly expected to act with integrity, transparency, and fairness. The green transition also demands leaders who can navigate uncertainty and drive organizational transformation with purpose and clarity (Nguyen et al., 2024). Strategic change management becomes an essential competency, requiring vision, flexibility, and the ability to sustain momentum in the face of evolving regulations, technologies, and market expectations (Al-Romeedy & El-Sisi, 2024).

Moreover, the inherently cross-sectoral and interdisciplinary nature of sustainability makes relational leadership indispensable. Green leaders must be adept at engaging diverse stakeholders building trust, facilitating inclusive dialogue, and co-creating solutions that resonate with shared values (Baquero, 2024; Wei et al., 2024). In a landscape where expectations are continuously shifting and legitimacy is increasingly tied to accountability and collaboration, the ability to foster meaningful partnerships becomes a defining characteristic of leadership success.

Leadership competencies do not emerge in a vacuum; they are continuously shaped and reinforced by the organizational culture and governance frameworks within which leaders function. In Uzbekistan, where the green economy agenda is gaining notable policy traction, aligning leadership development with national sustainability strategies is crucial. Such alignment

ensures that leadership behaviors are not only relevant to the organizational level but also responsive to the broader socio-economic and environmental aspirations of the country.

Despite growing awareness of the need for green leadership, converting this awareness into robust and consistent HRM practices remains a considerable challenge. One of the most persistent obstacles lies in limited organizational capacity (Abdelhamied et al., 2023).

Another significant barrier is the challenge of measurement. Unlike traditional technical or operational competencies, sustainability-related traits – such as ethical discernment, systems thinking, and inclusive stakeholder engagement – are inherently complex and context-dependent. Their intangible nature makes them difficult to evaluate using conventional HR metrics, which can lead to their underrepresentation in leadership assessments and development programs. Consequently, these vital competencies often receive insufficient recognition, diminishing their influence on decision-making and career advancement.

These challenges are particularly acute in settings where sustainability is still perceived as a compliance-driven responsibility rather than a strategic asset. Overcoming such barriers requires more than technical solutions; it calls for a cultural shift in how leadership is understood and valued. Strategic commitment at the highest levels of management, the redesign of evaluation systems, and the integration of sustainability into the organizational ethos are all necessary steps in redefining leadership for a green economy. Only through such deliberate and holistic efforts can organizations begin to unlock the transformative potential of green leadership (Ameer & Khan, 2023).

Conclusions and practical recommendations

Closing the gap between sustainability ambitions and leadership practice demands purposeful, system-wide engagement that reaches across all levels of organizational development. At the heart of this transformation lies the need to embed sustainability into the expectations placed on organizational leaders. This entails a reconfiguration of leadership roles and competency models to ensure that environmental stewardship and social responsibility are no longer positioned as supplementary concerns but are recognized as central to leadership performance.

Leadership development must likewise evolve to meet the demands of this new paradigm. Traditional training programs, often rooted in short-term efficiency or conventional management logic, frequently fail to address the complex realities of sustainability-driven leadership. Developing leaders for the green transition requires more than a surface-level introduction to environmental issues. It calls for targeted, immersive learning experiences that cultivate practical tools and critical thinking. These programs should form part of a larger, ongoing learning ecosystem, supporting leaders as they navigate the multidimensional and evolving challenges posed by climate change, regulatory shifts, and stakeholder expectations.

Beyond individual capability-building, fostering a culture of cross-functional collaboration is crucial. Sustainability challenges are inherently interdisciplinary and rarely conform to organizational hierarchies or departmental boundaries. Importantly, green leadership does not emerge solely from within organization. External collaboration plays a vital role in enabling sustainability transitions, particularly in emerging economies such as Uzbekistan. Public-private cooperation can also catalyze the diffusion of best practices and create shared platforms for advancing sector-wide sustainability goals. For companies seeking to strengthen their

sustainability leadership, such partnerships offer a strategic means of bridging internal gaps and situating organizational efforts within a broader ecosystem of change.

As Uzbekistan and other developing nations advance their commitment to the principles of a green economy, the cultivation of sustainability-oriented leadership emerges not only as a strategic imperative but also as an ethical responsibility. In this evolving context, competency-based Human Resource Management offers a structured and forward-looking mechanism for embedding green values into the heart of organizational life.

References

1. Abdelhamied, H., Elbaz, A., Al-Romeedy, B., & Amer, T. (2023). Linking green human resource practices and sustainable performance: The mediating role of job satisfaction and green motivation. *Sustainability, 15*(6), 4835.
2. Aggarwal, P., & Agarwala, T. (2023). Relationship of green human resource management with environmental performance: Mediating effect of green organizational culture. *Benchmarking: An International Journal, 30*(7), 2351–2376.
3. Al-Romeedy, B., & El-Sisi, S. H. (2024). Is green performance affected by green transformational leadership in travel agencies? The mediating roles of green organizational identity and green innovation. *Journal of Human Resources in Hospitality & Tourism, 23*(3), 508–530.
4. Ameer, F., & Khan, N. (2023). Green entrepreneurial orientation and corporate environmental performance: A systematic literature review. *European Management Journal, 41*(5), 755–778.
5. Baquero, A. (2024). Linking green entrepreneurial orientation and ambidextrous green innovation to stimulate green performance: A moderated mediation approach. *Business Process Management Journal, 30*(8), 71–98.
6. Kim, A., Kim, Y., Han, K., Jackson, S. E., & Ployhart, R. E. (2017). Multilevel influences on voluntary workplace green behavior: Individual differences, leader behavior, and coworker advocacy. *Journal of Management, 43*(5), 1335–1358.
7. Nguyen, T. H., Van, H. V., Afifa, M. A., & Nguyen, N. M. (2024). Environmental corporate social responsibility and environmental performance: The role of green human resource management and green transformational leadership. *Global Business Review*, 09721509241226576.
8. Umrani, W. A., Channa, N. A., Ahmed, U., Syed, J., Pahi, M. H., & Ramayah, T. (2022). The laws of attraction: Role of green human resources, culture and environmental performance in the hospitality sector. *International Journal of Hospitality Management, 103*, 103222.
9. Wei, S., Wang, L., Jiang, W., & Feng, T. (2024). Environmental leadership and green intellectual capital: the roles of green human resource management and environmental climate. *Journal of Intellectual Capital*, *25*(5/6), 1062-1082.