

Transformational Leadership and Strategic Human Resource Management as Enablers of Change in a Dynamic Business Environment

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Abstract. *This article examines the interaction between transformational leadership and strategic human resource management in enabling organizational change in a dynamic business environment. The study is based on the assumption that organizations can no longer rely only on formal structures, administrative HR procedures, or short-term managerial reactions. Under conditions of digitalization, competitive pressure, changing employee expectations, and organizational uncertainty, leadership behavior and HRM systems become central instruments for building change readiness. The scientific novelty of the article lies in interpreting transformational leadership and strategic HRM as mutually reinforcing mechanisms of organizational transformation in the Azerbaijani business context. The findings show that training and career development activities are positively associated with HRM effectiveness, while learning motivation and training opportunities demonstrate the strongest explanatory role in the regression model. The article concludes that Azerbaijani companies need integrated HR systems that develop employees' abilities, strengthen motivation, and create real opportunities for participation in change.*

Keywords: *transformational leadership, strategic HRM, organizational change, SOCAR, training, career development, dynamic business environment*

Introduction

The contemporary business environment is marked by volatility, uncertainty, digital acceleration, global competition, and continuous changes in the labor market. These conditions force organizations to reconsider how they plan, lead, and develop their people. In previous periods, companies could often operate through relatively stable strategies and incremental improvements (Aksu, 2022; Gerçek, 2023). In the current environment, however, stability is no longer sufficient (Boselie, Dietz, & Boon, 2005; Combs et al., 2006). Organizations must develop the internal capacity to learn quickly, interpret external signals, and adapt their structures, processes, and workforce capabilities (Horney et al., 2010; Sanders et al., 2024).

Research

They are created through leadership behaviors and HRM systems that mobilize employee knowledge, commitment, and participation (Ulrich et al., 2024; Apascariței & Elvira, 2022; Boselie et al., 2005; Maity, 2019).

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Table 1*Results of reliability analysis of the survey dimensions*

Dimensions	Item number	Cronbach Alpha (alpha)
Training and career in human resource management	30	0.94
Training opportunities received	4	0.62
Management support for training	5	0.89
Co-workers' support for training	5	0.60
Learning motivation in training programs	5	0.94
Expected individual gains from training	6	0.85

Source: Compiled by the author based on the SOCAR employee survey results.

This is important because strategic HRM cannot function effectively if training access is perceived as unclear or uneven (Noe et al., 2014; Maity, 2019).

Table 2*Standard deviations and arithmetic means of training and career dimensions*

Dimension	Standard deviation	Arithmetic mean
Training opportunities	0.80	3.10
Managerial support for training	0.92	3.73
Co-worker support for training	0.61	3.62
Learning motivation in training programs	0.83	4.16
Expected individual gains from training	0.81	3.82
Career expectations related to training	0.91	3.44

Source: Compiled by the author based on the SOCAR employee survey results.

Table 3*Selected highest and lowest mean values from the survey results*

Survey area	Highest evaluated statement	Mean	Lowest evaluated statement	Mean
Training opportunities	The company determines the policy on the number and type of trainings.	3.52	I have advance information about future trainings.	2.31
Managerial support	My supervisor treats mistakes as learning experiences.	4.03	My manager supports me in mastering training knowledge and skills.	3.59
Co-worker support	My colleagues help me when I need support in my work.	3.91	I established good friendships as a result of trainings.	3.22
Learning motivation	I am ready to make the effort needed to develop my skills.	4.30	I tend to learn more from training programs than others.	4.02
Career expectations	Training helps me achieve my career goals.	3.76	Training helps me increase my salary.	2.68

Source: Compiled by the author based on the SOCAR employee survey results.

The selected item results show a practical gap between learning motivation and career expectations. Employees are motivated to learn and generally see training as useful for professional growth (Aksu, 2022; Gerçek, 2023).

Table 4

Correlation values between selected variables

Relationship	Correlation coefficient (r)	Significance	Interpretation
Training opportunities and total training-career scale	0.566**	$p < 0.01$	Moderate positive relationship
Managerial support and total training-career scale	0.781**	$p < 0.01$	Strong positive relationship
Co-worker support and total training-career scale	0.741**	$p < 0.01$	Strong positive relationship
Learning motivation and total training-career scale	0.835**	$p < 0.01$	Strong positive relationship
Expected individual gains and total training-career scale	0.887**	$p < 0.01$	Very strong positive relationship
Career expectations and total training-career scale	0.786**	$p < 0.01$	Strong positive relationship
Training-career activities and HRM effectiveness	0.695**	$p < 0.01$	Strong positive relationship

Source: Compiled by the author based on the SOCAR employee survey results

These results support the AMO logic: employees contribute more effectively when they have the ability to learn, the motivation to improve, and the opportunity to apply newly acquired skills (Combs et al, 2006; Subramony, 2009)

Table 5

Results of regression analysis on HRM effectiveness

Independent variable	Beta	Standard error	t value	Sig.	VIF
Training opportunities	0.217*	0.074	2.793*	0.007	1.498
Management support for training	-0.021	0.076	-0.222	0.827	2.058
Co-worker support for training	0.102	0.106	1.193	0.237	1.787
Learning in training and career programs	0.523*	0.094	5.135*	0.000	2.579
Motivation	0.256*	0.112	2.169*	0.034	3.466
Expected individual gains	-0.179	0.078	-1.914	0.058	2.173

Source: Compiled by the author based on the SOCAR employee survey result.

The regression results highlight a central practical conclusion: the effectiveness of HRM depends not only on whether training exists, but also on whether employees experience it as a real learning and career mechanism. The largest beta value belongs to learning in training and career programs (Deng, et al., 2023; Potocnik 2018, Combs et al., 2006). This means that when employees perceive training as a meaningful learning process, their evaluation of HRM effectiveness increases substantially. Motivation also has a positive effect, confirming that HRM systems must encourage employees to invest effort in their own development (Noe et al., 2014; Maity, 2019).

Transformational leadership is directly relevant to this process. Leaders can reduce resistance to change by communicating a clear purpose, supporting experimentation, and treating mistakes as learning opportunities (Deng et al., 2023; Khaw et al., 2022). This requires competency-based recruitment, systematic training needs analysis, transparent career paths, digital HR analytics, and stronger cooperation between companies, universities, and training institutions (Radonjić, Duarte, & Pereira, 2024; Raman, Venugopalan, & Kamal, 2024).

Conclusion

The study shows that transformational leadership and strategic human resource management are closely connected mechanisms of organizational change. In a dynamic business environment, organizations need leaders who can create vision, motivate employees, encourage learning, and reduce fear of change. At the same time, they need HRM systems that transform this leadership direction into practical mechanisms such as recruitment, training, performance management, career planning, employee participation, and talent development (Ulrich et al., 2024).

On the basis of the research results, the following recommendations can be proposed:

1. HR departments should participate in strategic planning and identify future skill needs before transformation programs are implemented.
2. Training programs should be supported by mentoring, coaching, feedback, and practical project-based learning.
3. Career development systems should clearly explain the connection between competencies, training results, promotion, and internal mobility.
4. Managers should be trained in transformational leadership behaviors, especially vision communication, employee support, constructive feedback, and change facilitation.
5. Digital HR analytics should be used to monitor workforce capabilities, employee expectations, and the effectiveness of development programs.
6. Azerbaijani companies should align HRM systems with national goals such as digital transformation, professional skill development, inclusive employment, and sustainable organizational growth.

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