

Transformational Leadership and Organisational Sustainability in Saudi Municipalities: A Conceptual Framework for the Moderating Role of Green Human Resource Management

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DOI: <https://doi.org/10.5281/zenodo.23338200>

Published Date: 06-October-2026

Abstract: Saudi municipalities face the challenge of improving service delivery while managing resources responsibly and responding to environmental and social demands. This conceptual paper examines how transformational leadership may contribute to organisational sustainability and proposes Green Human Resource Management (GHRM) as a moderator of that relationship. Drawing on recent literature and integrating Transformational Leadership Theory, the resource-based view and the ability, motivation and opportunity perspective, the paper develops propositions linking leadership to economic, environmental and social sustainability outcomes. It argues that leadership may be more strongly associated with these outcomes when green recruitment and selection, training and development, performance management, rewards and employee involvement provide staff with the capacity and opportunity to act on sustainability goals. The framework is situated in Saudi municipal organisations, where service obligations and administrative arrangements may shape how leadership and HR practices operate. The paper contributes a testable account of their proposed interaction and identifies measures and research designs for future empirical assessment. As a conceptual study, it does not report or claim to establish empirical effects.

Keywords: transformational leadership; Green Human Resource Management; organisational sustainability; Saudi municipalities; conceptual framework.

1. INTRODUCTION

1.1 Sustainability challenges in Saudi municipalities

Saudi municipalities are expected to maintain essential services while contributing to national goals for environmental protection, urban quality of life and effective public administration. The Saudi Quality of Life Program places urban development, integrated services and financial sustainability within the same policy agenda (Quality of Life Program, 2024). For municipalities, organisational sustainability therefore extends beyond reducing environmental harm. It also concerns the efficient use of public resources and the continuing provision of services that meet residents' and visitors' needs.

These demands are particularly visible in Makkah. The Holy Capital Municipality must coordinate sanitation, environmental health, inspections and infrastructure services during periods of exceptional demand. In its account of the 2025 Hajj season, the Ministry of Municipalities and Housing (2025) reported approximately 34,000 inspection visits and the mobilisation of more than 22,000 personnel across the municipal services system. These figures illustrate the scale and coordination involved; they do not, by themselves, establish whether the services were delivered sustainably. Assessing sustainability also requires attention to resource use, environmental effects and the quality and continuity of public services.

Public-sector sustainability depends in part on an organisation's capacity to turn policy commitments into routine practice. Borrás et al. (2024) argue that the ability of public-sector organisations to contribute to sustainability transitions depends on how they combine their roles, resources and organisational capabilities. Applied to municipalities, this suggests that formal strategies must be supported by managerial decisions, staff capabilities and operating systems. In this paper, organisational sustainability is considered across three connected dimensions: economic sustainability, understood as responsible resource use and service continuity; environmental sustainability, including the management of waste and environmental impacts; and social sustainability, including reliable services and public wellbeing. This is a proposed analytical framework for the municipal setting, rather than a claim that these outcomes have already been measured at the Holy Capital Municipality.

1.2 Research gap and purpose of the paper

Recent evidence indicates that leadership and human resource management can influence sustainability-related behaviour, but their relationships depend on the outcome and organisational setting under examination. Chen and Wu (2022), using two-stage survey data, found that green human resource management (Green HRM) practices were associated with employees' green behaviour and that green transformational leadership strengthened part of this relationship. Tu et al. (2023) reported a positive interaction between environmentally specific transformational leadership and Green HRM in predicting proactive environmental behaviour, drawing on experiments and a field study. These studies provide evidence that leadership and formal HR practices can work together. Their principal outcome, however, is employee environmental behaviour, rather than the economic, environmental and social sustainability of a municipal organisation.

Saudi research has also advanced. In a study involving 242 certified firms, Ali et al. (2024) found that Green HRM practices contributed to corporate sustainability performance through organisational culture and employee green behaviour. More recently, Alhaider and Din (2026) analysed responses from managers and employees in Saudi service industries and found both direct links between Green HRM and organisational sustainability and an indirect link through employee environmentally friendly behaviour. These findings make it inappropriate to describe the relationship between Green HRM and sustainability in Saudi Arabia as wholly unexplored. They do, however, leave a more specific question: how might transformational leadership and Green HRM operate together in a municipality, where sustainability outcomes include public service responsibilities as well as environmental performance?

The distinction between *transformational leadership* and *green transformational leadership* also matters. Much of the interaction evidence concerns leaders who explicitly promote environmental goals (Chen & Wu, 2022; Tu et al., 2023). The proposed doctoral framework examines the broader transformational leadership dimensions of idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. It asks whether Green HRM practices might provide an organisational condition that helps translate these leadership behaviours into sustainability outcomes. Evidence from studies of explicitly green leadership offers a rationale for examining this possibility, but it cannot establish that the same relationship holds for broader transformational leadership or for Saudi municipalities.

The purpose of this paper is therefore to develop a conceptual framework linking transformational leadership to organisational sustainability in Saudi municipalities and proposing Green HRM as a moderator of that relationship. The first proposed relationship is that transformational leadership may support organisational sustainability by shaping direction, commitment, innovation and staff development. The second is that this relationship may be stronger where recruitment, training, performance management, rewards and employee involvement reinforce sustainability goals. These are theoretical propositions for subsequent empirical testing, not findings about the Holy Capital Municipality.

1.3 Scope and approach to the literature

This paper uses a focused narrative synthesis to develop and assess those propositions. It draws primarily on peer-reviewed research published between 2021 and 2026 concerning public-sector sustainability, transformational or environmentally specific leadership, Green HRM and organisational outcomes. Recent Saudi government publications provide context for municipal responsibilities and national priorities. The synthesis gives particular attention to each study's setting, research design and outcome: evidence about employee green behaviour in a firm is relevant to the proposed mechanism, but is not treated as direct evidence of municipality-wide sustainability.

The review is conceptual and does not claim exhaustive retrieval or a pooled estimate of effects. It brings together evidence that has often examined leadership, HR practices and sustainability through different outcomes and in different sectors (Ali et al., 2024; Alhaider & Din, 2026; Tu et al., 2023). The resulting framework is intended to clarify what should be tested in

the Holy Capital Municipality and to identify where evidence from other settings may have limited transferability. Later sections examine the three sustainability dimensions, the leadership and Green HRM constructs, and the theoretical basis for the proposed direct and moderating relationships.

2. LITERATURE REVIEW

2.1 Organisational sustainability in municipal organisations

Organisational sustainability in a municipality concerns its ability to maintain public services while managing resources and environmental impacts responsibly over time. The familiar economic, environmental and social dimensions remain useful, but their meaning changes in a public organisation. Financial return is not the principal measure of economic success, and social benefit is part of the municipality's purpose rather than an optional addition to it. The dimensions are also interdependent: a waste-management decision may affect operating expenditure, environmental conditions and public health simultaneously. Research across six Swedish municipalities shows that local sustainability priorities are shaped by organisational circumstances and by how officials perceive connections and trade-offs between goals (Gottenhuber et al., 2025).

Measurement presents a further difficulty. In an analysis of publicly available reports from Portuguese municipalities, Calazans et al. (2025) found that only 28 of 308 municipalities published a sustainability report. The reports more often addressed economic and environmental information than social information. Reporting is not equivalent to performance, but this imbalance shows why a study that uses a single environmental indicator could overlook important aspects of municipal sustainability. For the present framework, economic, environmental and social sustainability are therefore treated as related but distinguishable outcomes.

2.1.1 Economic sustainability

For a municipality, economic sustainability refers to the capacity to use public funds, assets, equipment and staff time effectively while maintaining services over the long term. It cannot be reduced to expenditure cuts: a lower-cost service may cease to be sustainable if its quality, coverage or reliability deteriorates. Sinervo and Laihonon (2024) show that financial and social sustainability in local government are connected through budgeting decisions about both the amount spent and the purposes for which funds are allocated. Their analysis supports an assessment of economic sustainability that considers resource efficiency alongside the consequences of resource allocation.

This distinction is relevant to municipal sanitation, inspections and infrastructure maintenance. Investments in equipment, staff development or preventive work may raise immediate costs while improving service continuity or reducing future demands on resources. Conversely, an apparently efficient short-term decision may transfer costs to another department or to the public. The proposed framework therefore interprets economic sustainability through responsible resource use, operational efficiency and the capacity to sustain essential services. Whether particular leadership or HR practices improve these outcomes remains an empirical question.

2.1.2 Environmental sustainability

Environmental sustainability concerns the municipality's capacity to limit the adverse environmental effects of its activities and services. Relevant activities include waste handling, environmental sanitation, maintenance practices and the efficient use of materials and equipment. The scale of these responsibilities is evident in Makkah: the Ministry of Municipalities and Housing (2025) describes the Holy Capital Municipality's role in cleaning operations, environmental sanitation and inspections during Hajj. The ministry's account establishes the operational scope of these services, although activity counts alone cannot show whether environmental impacts have fallen.

Environmental outcomes require both technical arrangements and consistent action by staff. Studies outside the municipal sector associate Green HRM and environmentally focused leadership with employee environmental behaviour (Chen & Wu, 2022; Tu et al., 2023). These findings suggest a possible route through which management practices could affect day-to-day environmental performance. Their transfer to a municipality must nevertheless be examined: environmental decisions may be distributed across departments, contractors and field teams, and employee behaviour is only one component of an organisation's overall environmental impact.

2.1.3 Social sustainability

Social sustainability concerns the effects of municipal decisions on people, including the reliability and accessibility of services, public health, workforce wellbeing and the treatment of communities affected by those services. It also requires attention to who receives benefits and who bears the costs of a decision. The limited social information identified in Portuguese municipal sustainability reports illustrates the risk of allowing this dimension to receive less attention than financial or environmental measures (Calazans et al., 2025).

In Makkah, sanitation, inspections and the readiness of municipal facilities have direct implications for residents and visitors, particularly during Hajj. The Ministry of Municipalities and Housing (2025) reports these activities as part of its municipal service plan. For analytical purposes, however, the number of activities undertaken should be distinguished from their social outcomes. A fuller assessment would consider service quality and continuity, responsiveness, and the effects of service delivery on public wellbeing. The relationship between social and financial sustainability also warrants attention: budgeting choices can support or constrain the municipality's capacity to serve the public over time (Sinervo & Laihonon, 2024).

Taken together, the three dimensions establish a broader outcome for this paper than employee environmental behaviour alone. They also guard against assuming that progress on one dimension necessarily represents progress on all three. The framework that follows considers how leadership and HR practices might contribute to this combined, but potentially uneven, set of outcomes.

2.2 Transformational leadership and its four dimensions

Transformational leadership is commonly examined through idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. These dimensions describe different ways in which leaders may affect employees' interpretation of organisational goals and their willingness or ability to act on them. Recent evidence provides grounds for considering leadership in sustainability research, while also showing the limits of generalisation. In a study of UAE ministry employees, Faqera and Abdul Manaf (2024) reported significant relationships between environmental sustainability and idealised influence, intellectual stimulation and individualised consideration; inspirational motivation did not significantly predict the outcome in that study. The dimensions should therefore be examined rather than assumed to have identical effects.

Idealised influence concerns the example set by a leader. In a municipal setting, a leader who consistently observes environmental and public-service standards may make those standards more credible to staff. This proposed mechanism is relevant where employees must apply organisational priorities in routine decisions, often without direct supervision. The association reported by Faqera and Abdul Manaf (2024) in UAE ministries lends some public-sector support to examining this dimension, but it does not establish its effect in Saudi municipalities or across all three sustainability outcomes.

Inspirational motivation concerns the communication of a meaningful shared purpose. Municipal leaders may be able to connect tasks such as waste collection, inspections and maintenance to broader objectives for public wellbeing and environmental protection. Yet communicating a vision may have limited effect when staff lack the time, skills or authority to change how work is performed. The non-significant finding for inspirational motivation in the UAE study cautions against treating an appealing sustainability message as sufficient evidence of improved outcomes (Faqera & Abdul Manaf, 2024). In the proposed framework, its contribution is therefore considered alongside the organisational practices that enable staff to act.

Intellectual stimulation involves encouraging staff to question established approaches and consider alternatives. This could matter when municipalities need to improve resource use or respond to changing service demands. It may support the identification of avoidable waste or more effective ways of coordinating work. Individualised consideration concerns attention to employees' development and differing needs. It may help staff acquire the knowledge and confidence required to perform sustainability-related tasks. Both dimensions were associated with environmental sustainability in the UAE ministry study, although that finding does not demonstrate the specific mechanisms proposed here (Faqera & Abdul Manaf, 2024).

Leadership evidence from other sectors further supports inquiry while limiting the conclusions that can be drawn for municipalities. Tu et al. (2023) found that environmentally specific transformational leadership and Green HRM interacted in predicting employees' proactive environmental behaviour. Chen and Wu (2022) likewise found that green

transformational leadership conditioned a relationship involving Green HRM and employees' green behaviour. These studies examine leadership directed explicitly at environmental objectives. The present framework instead considers the four dimensions of broader transformational leadership and organisational sustainability across economic, environmental and social outcomes. It uses the earlier findings to inform a proposed relationship, not as proof that the relationship exists in Makkah.

2.3 Green Human Resource Management and its five practices

Green Human Resource Management (Green HRM) refers to the incorporation of environmental objectives into the policies and practices used to manage employees. A review by Joshi et al. (2023) identifies a growing literature connecting Green HRM with organisational sustainability, while showing variation in the theories, practices and outcomes examined. Green HRM is relevant to the present framework because it may give employees the capabilities, incentives and opportunities needed to act on sustainability priorities. The five practices considered here are green recruitment and selection, training and development, performance management, rewards and compensation, and employee involvement.

Green recruitment and selection incorporate relevant environmental responsibilities or competencies into attracting and appointing staff. In a municipality, this could include communicating sustainability responsibilities in appropriate roles and assessing the skills needed for environmental or resource-management tasks. Its potential contribution is mainly prospective: recruitment can influence the capabilities entering an organisation, but it does not establish how existing employees will perform. Alhaider and Din's (2026) Saudi service-sector study identifies recruitment standards among the structural pathways through which Green HRM was associated with organisational sustainability. The suitability of particular recruitment measures for municipal roles still requires examination in the applicable public-sector setting.

Green training and development aim to equip employees to recognise environmental implications in their work and carry out relevant tasks effectively. Training may be especially pertinent when staff in different functions contribute to the same outcome, as in sanitation, inspection and facility operations. In a study of 397 employees of Saudi government agencies, Al-Turki (2026) reported that green training and development were perceived as more widely practised than several other Green HRM activities. This establishes evidence of reported practice in government agencies; it does not show that training alone produces municipal sustainability. For the proposed framework, training is expected to matter when it connects general sustainability aims to the decisions employees actually make.

Green performance management involves making relevant environmental responsibilities visible in objectives, assessment and feedback. It could help a municipality establish whether expected practices are being followed and where support or improvement is needed. Performance measures must be chosen with care: rewarding the volume of work completed, for example, may give a different account of success from assessing resource use and service quality together. Al-Turki (2026) found that green performance management was among the practices reported at a moderate level in Saudi government agencies. This finding supports its relevance to public organisations but leaves its relationship with municipal outcomes open to testing.

Green rewards and compensation recognise or encourage contributions to environmental objectives. Their purpose is to align what an organisation values with what it acknowledges in employees' work. Evidence from Saudi government agencies associates reported green compensation practices with employee green behaviour, while indicating that their application was moderate (Al-Turki, 2026). The form of recognition available to a municipality may differ from that used by a private firm. Accordingly, the proposed framework treats rewards as a potential source of motivation without assuming that a particular financial incentive is necessary or effective.

Green employee involvement gives staff opportunities to raise problems, share knowledge and participate in improvements. It may be important where front-line employees encounter waste, service difficulties or impractical procedures before these become visible to senior managers. Evidence from Saudi firms suggests that Green HRM can be associated with sustainable performance through organisational culture and employee green behaviour (Ali et al., 2024). Alhaider and Din (2026) also identify both structural and behavioural pathways between Green HRM and sustainability in Saudi service industries. Neither study isolates the effect of employee involvement in the Holy Capital Municipality; its role in the present framework remains a proposition.

The five practices are analytically distinct, but their possible value lies partly in their alignment. Recruitment and training can develop capability; performance management and rewards can clarify priorities; involvement can provide a route for employees to apply their knowledge. This interpretation is consistent with recent Green HRM research, yet the strength and

direction of each practice's relationship with sustainability may vary by organisation and outcome (Joshi et al., 2023; Alhaider & Din, 2026). The framework should therefore allow for an integrated HR system without assuming that every practice has an equal effect.

2.4 The need for an integrated framework in Saudi municipalities

The reviewed evidence provides a rationale for examining leadership and Green HRM together, but it does not support a claim that their interaction has never been studied. Tu et al. (2023) found a leadership–Green HRM interaction for employee environmental behaviour. More directly relevant to the public sector, Gede (2026) reported that leadership enhanced the relationship between Green HRM initiatives and organisational sustainability in selected Ethiopian public organisations. These studies strengthen the case for considering an interaction while demonstrating why the contribution of the present paper must be specified more narrowly.

That contribution lies in bringing together the four dimensions of transformational leadership, five Green HRM practices and three dimensions of organisational sustainability for the Saudi municipal context. Saudi evidence already links Green HRM with sustainable performance in firms and service industries, and with green employee behaviour in government agencies (Ali et al., 2024; Alhaider & Din, 2026; Al-Turki, 2026). Those findings cannot determine whether Green HRM strengthens the relationship between broader transformational leadership and municipal sustainability in Makkah. Nor can evidence focused on employee environmental behaviour establish effects on economic and social outcomes.

The proposed integrated framework addresses this specific question. It treats leadership as a potential source of direction, example, problem-solving and employee support, and Green HRM as a set of practices that may help embed those influences in organisational routines. The Holy Capital Municipality offers a relevant setting because its sustainability responsibilities involve substantial operational coordination and public-service demands (Ministry of Municipalities and Housing, 2025). The framework does not presume that all leadership dimensions or HR practices will be effective, or that benefits in one sustainability dimension will necessarily extend to the others. Its direct and moderating relationships require empirical assessment.

3. THEORETICAL FOUNDATIONS

The proposed framework draws on three complementary perspectives. Transformational Leadership Theory explains how municipal leaders communicate and sustain organisational priorities. The resource-based view (RBV) explains why the capabilities developed around those priorities may matter for organisational performance. The ability, motivation and opportunity (AMO) perspective explains how human resource practices enable employees to put sustainability goals into practice. Together, these perspectives provide a rationale for examining whether Green Human Resource Management (GHRM) strengthens the proposed relationship between transformational leadership and organisational sustainability.

3.1 Transformational Leadership Theory

Transformational leadership concerns a leader's capacity to influence employees through a shared vision, exemplary conduct, encouragement of new approaches and attention to individual development. Its four commonly examined dimensions are idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. Applied to a municipality, these behaviours may help employees understand how resource efficiency, environmental protection and service quality relate to their everyday responsibilities. Leaders can also encourage staff to identify improvements across departments and support the development needed to carry them out.

The theory offers a plausible explanation for the proposed link between leadership and sustainability, but the link should not be assumed to operate uniformly. In a study of employees in United Arab Emirates ministries, Faqera and Abdul Manaf (2024) reported significant relationships between environmental sustainability and three transformational leadership dimensions—idealised influence, intellectual stimulation and individualised consideration—while inspirational motivation was not significant. More directly relevant to municipal organisations, Jakobsen et al. (2026) found that general transformational leadership was only weakly related to lower-level managers' climate leadership in a Danish municipality. Their findings indicate that communicating a vision may be insufficient when managers must reconcile climate goals with other service obligations.

Transformational Leadership Theory therefore identifies a potential source of direction and commitment, while leaving open a question central to this paper: what organisational arrangements allow that direction to become consistent practice? Research on environmentally specific transformational leadership offers evidence of interaction with GHRM. Tu et al.

(2023) found that leadership and GHRM jointly predicted employee pro-environmental behaviour in experimental and field studies. Their outcome was employee behaviour rather than the economic, environmental and social sustainability of a Saudi municipality; applying the finding to the present framework remains a theoretical extension.

3.2 Resource-Based View

The RBV explains organisational outcomes in terms of resources and capabilities that an organisation develops, combines and uses effectively. In the present context, relevant capabilities include employees' environmental knowledge, managers' ability to coordinate across functions and routines for identifying and implementing service improvements. GHRM may help build these capabilities through recruitment, training, performance management, rewards and employee involvement. Recent meta-analytic research uses the RBV to interpret the contribution of GHRM to green innovation, while acknowledging that findings vary across organisational settings (Bindeeba et al., 2025).

The RBV requires careful adaptation to a public organisation. A municipality's purpose is to deliver public value under legal, budgetary and service obligations, rather than to secure a competitive advantage over other municipalities. Accordingly, the relevant theoretical question is whether its people and management routines improve its capacity to use resources responsibly, maintain service quality and respond to environmental demands. The mere presence of trained employees or written policies does not establish such a capability; employees must be able to apply their knowledge within operational decisions.

Evidence from Saudi firms illustrates both the promise and the limits of this argument. Ali et al. (2024) found that GHRM was associated with sustainable corporate performance through green organisational culture and employee behaviour, using data from 242 ISO 14001-certified firms. The study supports the importance of organised human capabilities, but its corporate sample cannot establish the same relationships in municipalities, where mandates, staffing arrangements and performance criteria differ.

3.3 Ability, Motivation and Opportunity Perspective

The AMO perspective explains how human resource practices may influence performance by developing employees' ability to act, their motivation to act and their opportunity to contribute. It provides a more specific account of how GHRM could support the sustainability priorities advanced by municipal leaders.

Within the five GHRM practices identified in Section 2, environmentally informed recruitment and selection, together with green training and development, primarily address *ability*. Green performance management and rewards can clarify expectations, provide feedback and support *motivation*. Employee involvement creates *opportunity* by allowing staff to raise concerns, suggest improvements and participate in implementation. These are primary associations rather than exclusive ones: training may also increase motivation, and performance discussions may reveal new opportunities to act. The effectiveness of the practices depends on how they operate together (Bindeeba et al., 2025).

Empirical studies lend support to this behavioural logic. In Ghanaian small and medium-sized enterprises, Adu Sarfo et al. (2024) found that green employee empowerment helped explain the association between GHRM practices and environmental performance. In Saudi firms, Ali et al. (2024) found pathways through organisational culture and employee green behaviour. These studies support the proposition that formal HR practices can help turn sustainability priorities into employee action, although neither tests the complete framework proposed here in a municipal setting.

The AMO perspective also exposes a practical boundary condition. A municipality may train employees and encourage environmental responsibility, yet provide limited scope to change established procedures. Conversely, opportunities to propose improvements may yield little if employees lack relevant knowledge or see no institutional support for their efforts. For this reason, the proposed moderating role of GHRM concerns a functioning set of practices, rather than the nominal adoption of individual green policies.

3.4 Integrating the Three Perspectives

The three perspectives describe different parts of a proposed process. Transformational leadership may establish a credible sustainability direction and encourage employees to engage with it. GHRM may develop the knowledge, incentives and opportunities needed to act on that direction. Over time, repeated action may contribute to organisational capabilities and, potentially, to economic, environmental and social sustainability outcomes. This sequence is a theoretical account to be examined; it is not a claim that each link has already been demonstrated in Saudi municipalities.

The integration provides the basis for the paper's central moderation proposition: the proposed positive relationship between transformational leadership and organisational sustainability is stronger where GHRM practices are more developed and consistently implemented. Existing interaction research makes this proposition credible, but does not settle it. Tu et al. (2023) examined leadership and GHRM in relation to employee pro-environmental behaviour. Gede (2026) studied leadership as a moderator of the GHRM–sustainability relationship in Ethiopian public-sector organisations. The present framework specifies the reverse moderation arrangement—GHRM as a condition affecting the leadership–sustainability relationship—and extends the outcome to all three sustainability dimensions in the Saudi municipal context. Its direction and strength require empirical testing.

Integration also helps define the framework's limits. Municipal departments may differ in how readily sustainability goals fit their primary services; the Danish municipal evidence suggests that competing obligations can weaken the practical effect of a general leadership vision (Jakobsen et al., 2026). GHRM may also have a direct association with sustainability or transmit part of leadership's effect, alongside the proposed moderating role. These alternatives should remain visible when developing the propositions and interpreting any later empirical results.

4. CONCEPTUAL FRAMEWORK AND PROPOSITION DEVELOPMENT

4.1 Transformational leadership and organisational sustainability

Transformational leadership may contribute to municipal sustainability by helping employees connect broad objectives to the decisions made in their departments. Idealised influence can establish a credible example; inspirational motivation can communicate a shared purpose; intellectual stimulation can encourage improvements to established procedures; and individualised consideration can support employees as they acquire new skills. These behaviours provide a theoretical basis for expecting an association with organisational sustainability across its economic, environmental and social dimensions.

The proposed outcomes require a municipal interpretation. Economic sustainability concerns the responsible use of budgets, assets and staff time while maintaining services. Environmental sustainability concerns matters such as resource consumption, waste and environmental management. Social sustainability concerns accessible, reliable services and the wellbeing of employees and communities. Leadership could affect each dimension through different activities, so an association with one should not be treated as evidence of an association with all three.

Recent findings warrant a qualified proposition. Faqera and Abdul Manaf (2024) reported significant associations between environmental sustainability and three transformational leadership dimensions in United Arab Emirates ministries, but found no significant association for inspirational motivation. In a Danish municipality, Jakobsen et al. (2026) found that general transformational leadership was only weakly associated with lower-level managers' climate leadership. The evidence supports examining transformational leadership in public organisations while allowing its dimensions and outcomes to differ in strength.

4.2 The moderating role of Green HRM

This paper proposes Green Human Resource Management (GHRM) as a *moderator*: the association between transformational leadership and organisational sustainability is expected to vary according to the extent to which green practices are implemented. A leader may encourage employees to improve resource use or environmental performance, for example, but those intentions are more likely to inform routine work when employees receive relevant training, performance feedback, recognition and opportunities to participate. Recruitment and selection may also help develop the capabilities needed over time.

Evidence for a joint role exists, although it does not establish the proposed municipal relationship. Tu et al. (2023) found a synergistic relationship between environmentally specific transformational leadership and GHRM in predicting employee pro-environmental behaviour. Gede (2026) found that leadership strengthened the association between GHRM and sustainability outcomes in Ethiopian public-sector organisations. These studies demonstrate that leadership and HR practices can interact; the present paper specifies GHRM as the proposed condition affecting the leadership–sustainability relationship in Saudi municipalities. That specification remains to be tested.

GHRM may also be associated with sustainability independently of leadership. Recent Saudi studies have examined GHRM in relation to organisational sustainability across the three sustainability dimensions and to employees' perceptions of sustainability (Baakeel, 2026; El-Tahan et al., 2026). Alhaider and Din (2026) additionally found both direct and employee-behaviour pathways in Saudi service organisations. An empirical test of the proposed moderation must therefore account for GHRM's own association with the outcomes; otherwise, a direct association could be mistaken for evidence that GHRM changes the effect of leadership.

4.3 Proposed research propositions

The preceding arguments yield the following propositions. They are expectations for future empirical assessment, not findings of the present conceptual paper.

Proposition 1 (P1). Transformational leadership is positively associated with organisational sustainability in Saudi municipalities.

Propositions 1a–1c (P1a–P1c). Transformational leadership is positively associated, respectively, with the economic, environmental and social dimensions of municipal organisational sustainability.

Proposition 2 (P2). The positive association between transformational leadership and organisational sustainability is stronger where GHRM practices are more fully implemented.

Propositions 2a–2c (P2a–P2c). The proposed moderating association of GHRM can be observed separately for economic, environmental and social sustainability, although its strength may differ across the three dimensions.

Proposition 3 (P3). The four dimensions of transformational leadership differ in the strength of their associations with municipal organisational sustainability.

P3 deliberately does not rank the four leadership dimensions in advance. The differing results reported in recent public-sector studies provide insufficient grounds for a fixed ordering across all municipal services and sustainability outcomes (Faqera & Abdul Manaf, 2024; Jakobsen et al., 2026).

4.4 Conceptual framework figure

Figure 1 depicts the two central relationships. The solid arrow represents the proposed association between transformational leadership and organisational sustainability (P1). The dashed arrow represents the proposed moderating role of GHRM (P2). The leadership and sustainability dimensions can be examined separately as specified in P1a–P1c, P2a–P2c and P3.

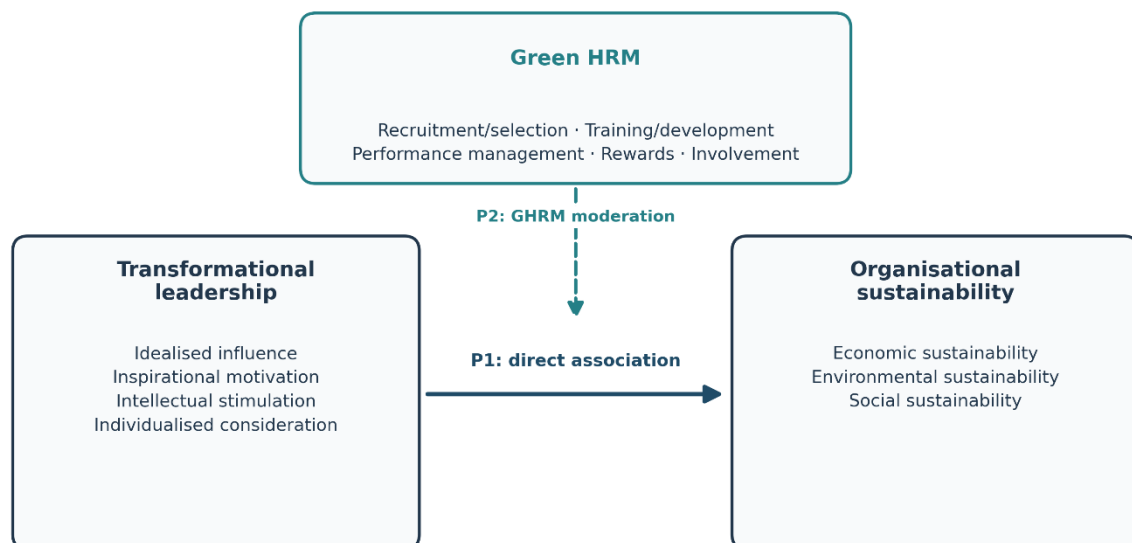


Figure 1. Proposed conceptual framework. The arrows represent propositions for empirical testing; they do not represent estimated effects.

5. DISCUSSION AND IMPLICATIONS

5.1 Contribution to leadership, Green HRM and sustainability research

The framework's contribution is its specification of how leadership and an HR system may work together in a municipal organisation. Transformational Leadership Theory explains the communication and support of sustainability goals. The resource-based view focuses attention on the organisational capabilities developed to pursue those goals. The ability, motivation and opportunity perspective explains how GHRM practices may enable employees to act. Bringing these explanations together directs attention to the conditions under which leadership is associated with organisational outcomes.

The contribution must be stated precisely in light of recent research. Saudi studies already link GHRM with organisational sustainability, including economic, environmental and social dimensions (Alhaider & Din, 2026; Baakeel, 2026; El-Tahan et al., 2026). Research outside Saudi Arabia has examined interactions between leadership and GHRM, including in the public sector (Gede, 2026; Tu et al., 2023). The proposed extension concerns GHRM as a moderator of the transformational leadership–sustainability relationship in Saudi municipalities, while retaining the four leadership dimensions and three sustainability outcomes. The framework is conceptually specific, but its empirical contribution will depend on subsequent testing.

The framework also encourages a more discriminating account of sustainability. An improvement in waste management does not, by itself, establish improved financial stewardship or more equitable services. Examining the three dimensions separately would allow future research to identify where leadership and GHRM appear most relevant, where trade-offs arise and where other explanations are needed.

5.2 Implications for Saudi municipal management

For municipal managers, the framework suggests aligning sustainability messages with the systems through which work is assigned, learned and assessed. Managers could translate broad objectives into responsibilities relevant to particular services, provide staff with training appropriate to those responsibilities, include feasible sustainability criteria in performance discussions and create routes for employees to raise operational improvements. Recognition and participation should fit the municipality's applicable employment and administrative arrangements.

The Holy Capital Municipality provides a pertinent setting because its services must operate across routine work and periods of intense seasonal demand. The Ministry of Municipalities and Housing describes coordinated inspection and service activity involving the municipality during the Hajj season (Ministry of Municipalities and Housing, 2025). In such a setting, possible measures should be considered alongside continuity, public health and service quality. For example, a waste-related initiative would need to be assessed for its effect on timely collection and sanitation as well as on resource use.

These are implications derived from the framework, rather than demonstrated interventions. Managers would need to establish whether a proposed HR practice is within their authority, whether staff have the time and resources to use it and whether the intended improvement is visible in service outcomes.

5.3 Directions for empirical testing

A future study should define its *unit of analysis* before collecting data. Within one municipality, employees may be grouped in departments or service units, with leaders and HR practices experienced differently across those units. A study covering several municipalities could additionally examine differences between municipalities. A single-municipality study, however, should not infer that its results apply across Saudi municipal organisations without further evidence.

Measurement should distinguish the constructs clearly. Transformational leadership can be assessed through its four dimensions; GHRM through the five practices identified in this paper; and organisational sustainability through separate economic, environmental and social measures. Employee surveys can capture perceived leadership and HR practices, but should be supplemented, where feasible, by administrative records or other independently recorded indicators of performance. This distinction matters because a recent Saudi study explicitly measured *perceived* organisational sustainability rather than independently verified sustainability outcomes (Baakeel, 2026).

To assess P2, analysis should include transformational leadership, GHRM and their interaction, then examine whether the leadership–sustainability association changes at different observed levels of GHRM. The three outcome dimensions should be assessed separately before any overall sustainability measure is interpreted. Where respondents are grouped within departments or municipalities, the analysis should account for that structure. A pilot of the measures, attention to Arabic–English equivalence where relevant and data collected from more than one source or time point would improve the credibility of the test. Any observational results would establish associations under the study design, rather than prove that leadership or GHRM caused later sustainability outcomes.

6. CONCLUSION

This paper proposes that transformational leadership is associated with organisational sustainability in Saudi municipalities and that more developed GHRM practices strengthen that association. By combining leadership, resource-based and AMO perspectives, it explains why a municipal sustainability vision may depend on employee capabilities, incentives and

opportunities to participate. The propositions and figure provide a defined basis for empirical research across economic, environmental and social outcomes. The proposed relationships remain untested in the municipal setting and should be evaluated with measures that distinguish employees' perceptions from recorded organisational performance.

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