

Factors Influencing Project Success: Human Capital And Personnel Policy

Sharipova Nodira

Master's student in Project Management at Higher School of Business and Entrepreneurship in Tashkent city, Uzbekistan

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Abstract: As the world economy increasingly operates on a project basis, the competitiveness and sustainability of organizations are becoming dependent on their ability to manage projects effectively. Project managers often speak about the importance of technological equipment, precise budgets, and strict deadlines. However, behind these crucial factors lies the main "life force" of the project – the people who bring it to life. The real success or failure of a project is largely determined by the human capital involved and the personnel policy applied to manage them. This article explores in greater depth how human capital and personnel policy have a decisive impact on project success.

Keywords: Human capital, personnel policy, project, cultural and moral factors, education, intellectual factors, concept of human capital, state policy, project management, quality of education.

Introduction: In the world's scientific community and in leading research institutes and centers, innovative studies are being carried out on the problem of human capital and on the indicators of its realization, such as biological and educational quality, scientific potential, and the healthcare system. Therefore, creating human capital on the basis of a country's internal capabilities, introducing social mechanisms for its comprehensive development, and educating a knowledgeable and intellectually advanced generation are being placed among the priority directions. In particular, in ensuring development and sustainable progress, the need is growing to study the cultural-moral, educational, and intellectual factors of human capital, the functions of social institutional systems that develop human capital, as well as such dynamic indicators as increasing young people's sense of responsibility and involvement, opening broad opportunities for their initiatives and proposals, and establishing a stable spiritual environment.

By the Decree of the President of the Republic of Uzbekistan PF-60 of January 28, 2022 "On the Development Strategy of New Uzbekistan for 2022–2026" and the Decree PF-158 of September 28, 2023 "On the 'Uzbekistan–2030' Strategy," it is noted that there is every reason to assess the large-scale democratic transformations being carried out in our

country, including reforms in the sphere of science and education, as efforts that will yield the expected results in creating the foundations of a new renaissance period in Uzbekistan, that is, the Third Renaissance. As our President has emphasized: "We have a great history that is truly worthy of admiration. We have great ancestors who are truly worthy of admiration." In this regard, it was underlined that, first of all, the development of education and upbringing, the establishment of a healthy lifestyle, and the advancement of science and innovation must serve as the main pillars of our national idea.

It should be noted that today, when we set the task of the Third Renaissance before us as an extremely strategic objective and elevate it to the level of a national idea, preschool and school education, the system of higher and secondary specialized education, as well as issues of science and cultural-enlightenment are regarded as the four integral links of the forthcoming Renaissance. In this process, kindergarten educators, school teachers, university professors, and our young scientific and creative researchers must become the four supporting pillars of the new Renaissance era. The creation of the foundations of a Renaissance does not come into being by itself; for this, above all, hundreds and thousands of talented cadres and selfless individuals are needed. Indeed, in today's

world, the development of a country is no longer determined solely by its existing natural resources or population size.

LITERATURE REVIEW

Human capital develops in a society based on science and education. No matter how any opportunity, in the form of capital, is directed toward being adapted to needs, it will still require potential. A specific form of human capital is a set of knowledge and skills that are valuable in the place where they are acquired. The socio-economic and spiritual-cultural conditions that arise as a result of numerous investments (in both their private and social forms) operating in the existing society reflect the system of advantages in income and benefit for people, as well as the patterns of their needs and abilities in their activities.

Scientific debates on the concept of "human capital" have continued for many years. L. Thurow described human capital as the ability to produce goods and services and highlighted the economic potential that affects the effectiveness of all investments. E. Dolan and J. Lindsey defined human capital as the presence of intellectual abilities acquired in the process of education or in practice. V. S. Efimov characterized human capital as an independent element of the production process that provides additional value for the product.

Furthermore, a central place in the conception of human capital is occupied by the research of prominent economists such as W. Petty and A. Smith. In particular, W. Petty, the founder of 17th-century classical bourgeois political economy, considered labor and land to be sources of value. Petty's views tended toward mercantilism; therefore, he was one of the first to attempt to assign a monetary value to "human productive forces."

In the CIS countries, the economic and demographic aspects of the topic of human capital have been studied in the works of E. Galayeva, A. Dobrinin, S. Dyatlov, E. Serenova, and P. Karelyushnikov, while its socio-cultural dimensions have been examined by scholars such as S. Abashin, V. Achkasov, Yu. Granin, L. Russkikh, K. Tuayeva, N. Antonova, N. Zhukova, and T. Stefanenko. In their research, aspects of identity directly related to self-awareness in society, socio-cultural experience, cultural-historical memory, and socio-cultural heritage have been explored.

METHODOLOGY

In this article, we take a deeper look at how human capital and personnel policy exert a decisive influence on project success. In the research, methods such as systemic and statistical analysis, scientific reflection,

analysis and synthesis, graphical interpretation, comparison, and expert evaluation were used.

RESULTS

In Uzbekistan, on the basis of improving socio-economic processes, an innovative model for the development of human capital and its driving forces, as well as new knowledge, individuals, and the overall intellectual and creative potential of society, turns human capital into a strategic resource for the country's competitiveness. Human potential has been recognized in all developed countries as the main driving force of economic growth and a key component of national wealth. Among the main principles of the strategic documents that define our country's development plans — the Development Strategy of New Uzbekistan for 2022–2026 and the "Uzbekistan – 2030" Strategy — is the realization of the potential of the Uzbek people. Some scholars and economists often consider the concepts of "human capital" and "human potential" to be synonymous, but in our opinion, these two concepts are similar yet not identical. The concept of human potential is somewhat broader and includes not only the economic dimension of investing in the individual, but also, at the macro level, the socio-economic conditions for forming, developing, and utilizing human capital, such as quality of life.

Human capital is the knowledge, skills, and health that people invest in and accumulate throughout their lives, which enable them to realize their potential as contributing members of society.

The combination of opportunities and risks for the development of human capital is fully reflected in such an important element as education. The main trend in its transformation is the increase in the population's level of knowledge. The growth in the educational level of the population is associated not only with the demand for it from the population and employers, but also with the development of the relevant infrastructure. The importance of education as a structural element of human capital cannot be overlooked. It is evident that employees' professional knowledge is the basis for the successful operation of a company. Education increases a person's efficiency not only as a worker but also as a learner, that is, it accelerates and facilitates the process of further accumulation of knowledge and skills. Moreover, domestic and foreign scholars have demonstrated that an increase in the educational level of the population, and thus in human capital, generally leads to higher employment and wages, which, in addition to economic benefits, results in favorable social outcomes.

Human capital is the totality of employees' knowledge,

skills, experience, health, and enthusiasm. It is not just the labor force, but the intellectual and creative potential necessary to drive a project forward. In the context of a project, human capital is manifested in the following aspects:

1. Competence and skills: The specific knowledge required to meet the project's technical and managerial demands (for example, programming languages, design, finance, risk management). Even with the best intentions, an unqualified team will either fail to complete tasks or allow poor quality.
2. Experience: Practical knowledge gained from previous projects. Experienced employees can anticipate potential bottlenecks in advance, solve problems more quickly, and provide valuable advice to keep the project on the right track.
3. Motivation and enthusiasm: Knowledge and skills are necessary but not sufficient. Team members who genuinely believe in the project's goals and strive to achieve them serve as the "engine" of the project. High motivation leads to extra effort, creativity in problem-solving, and resilience.
4. Team performance and communication: No project can be successfully implemented on the basis of solo performance. Effective collaboration, clear communication, and team relationships built on mutual respect facilitate the work process and reduce conflicts.

If human capital is the "seed", then personnel policy is the "soil and climate". It is the set of formal and informal rules and practices adopted by an organization for searching, hiring, training, rewarding, and retaining employees. Effective personnel policy unlocks the potential of human capital and directs it toward project goals.

The implementation of personnel policy and work must be based on the manager's ability to skillfully manage its components. However, the practical application of this approach requires specific theoretical and empirical research. When we apply the managerial function and role of the leader, we focus on their activities related to selecting personnel and placing them in appropriate positions. In implementing personnel policy, it is mainly necessary to consider functions at three stages. Systematic analysis of personnel activities, providing a specific technological description of employees' work from the standpoint of their job functions, and taking into account their psychological state and capabilities are pressing issues. Indeed, within this approach, identifying managerial functions and defining their social role, as well as examining the manager's activities in personnel

policy—particularly the selection and placement of employees and the assessment of their professional readiness—enhances management effectiveness. This is derived from a structural-functional approach based on the hierarchical organizational system of roles and statuses in social life. Dauntoun writes: "Political leadership is a position in society characterized by the ability of the person who occupies it to direct or organize the collective behavior of some or all members of society."

Another important aspect of personnel policy is that it must also take into account changes, that is, quantitative and qualitative aspects. In this regard, it is possible to use the principles of direct replacement, reassignment, or complementarity.

The situational principle arises from the relativity and diversity of leadership. Leadership is a specific function. As R. Stogdill writes, "Leadership is the relations that exist among people in certain social situations; a person who is a leader in one situation may not be such in another." Leadership qualities are relative in different situations. One person may display leadership traits at rallies, another in day-to-day political organizational work, and a third in interpersonal communication.

There are several types of personnel policy: dependent, reactive, preventive, and activity-based:

- In a dependent personnel policy, there are no clear programs regulating personnel activities, and the task of personnel policy is mainly aimed at eliminating negative outcomes. Its main work comes down to hiring or dismissing employees.
- A reactive personnel policy monitors conflicts, low work motivation, weak cohesion at work, and a lack of qualifications. The subjects of personnel work in this type of policy possess the resources necessary to implement it. However, the level of forecasting in their activities is low.
- A preventive (cautious) personnel policy is characterized by a high forecasting function, the rational use of scientific knowledge, and flexible actions that adapt to changes in personnel processes.
- In an activity-based personnel policy, the personnel service experiences a need for necessary resources. The leaders of the organization focus primarily on employees' knowledge, potential, and abilities. If we compare these characteristics, activity-based personnel policy has a more pronounced acmeological character.

An important part of personnel policy is the formation of a "personnel reserve." The personnel reserve represents the potential, active, and trained segment of an organization's employees. Therefore, it is

essential to identify their capabilities and abilities, correctly position them, and ensure their psychological preparedness. Such employees can later be appointed to higher positions. Thus, the personnel reserve possesses great potential and offers favorable opportunities for professional achievement.

The main components of personnel policy that influence project success include:

1. Policy of selecting and placing the right personnel.

At the initial stage of a project, the policy of attracting the most suitable specialists to the project is of decisive importance. This includes the following:

- A clear list of competencies: Determining in advance what specific knowledge and skills are required for the project before announcing vacancies.

- Balance between internal and external recruitment: Maintaining a balance between hiring new external employees and using internal reserves, taking into account the motivation and development opportunities of existing staff.

- Project-adapted interview processes: Assessing not only technical skills, but also compatibility with the team environment, problem-solving ability, and enthusiasm for the project.

2. Development and training policy. As technology and market requirements are constantly changing, continuous development of the project team is essential.

- Pre-project training: Familiarizing employees with new technologies, methodologies (for example, Agile, Scrum), or tools to be used in the project.

- Career development opportunities: Promising employees that through participation in the project they will be able to enhance their skills and knowledge. This is a powerful source of motivation.

- Mentoring and coaching: Guidance from experienced employees to new members and helping them integrate into the team more quickly.

3. Motivation and Reward System

Employees work not only for a salary, but also to feel that their contributions are valued.

Project-based rewards: When a project is successfully completed, team members or individual participants are rewarded with financial and non-financial incentives (bonuses, recognition, vacations).

Goal-oriented indicators: Rewards are linked to specific project outcomes (timely completion, adherence to the budget, customer satisfaction).

Non-financial encouragement: Public recognition before the team, publishing information about project

success in corporate newsletters—all of these enhance employees' sense of purpose.

CONCLUSIONS

As emphasized in the article, "human capital and personnel policy are among the most indispensable and crucial factors for the success of any project." The overall knowledge, skills, experience, motivation, and potential of the employees involved in a project—that is, human capital—serve as the main driving force for high-quality project implementation, effective problem-solving, and the development of innovative solutions.

At the same time, an "effective personnel policy" ensures a systematic approach to accumulating, developing, managing, and retaining human capital. Through proper staff selection, skills enhancement, motivation, performance evaluation, and the creation of development opportunities, personnel policy maximizes the effectiveness of the project team.

In short, human capital is the "heart" of a project, while personnel policy is the "circulatory system" that ensures this heart beats strongly and healthily. Only when these two factors function in harmony and complement each other can a project achieve its set goals, deliver the expected results, and even exceed anticipated success. Conversely, if insufficient attention is paid to them, achieving success becomes difficult, no matter how well other aspects of the project are organized. Therefore, for any project leadership, developing a clear and effective policy for valuing and managing human capital is a vital task.

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