

A Systematic Literature Review of Agile Leadership and Talent Management in Developing Workforce Agility

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ABSTRACT

The increasing pace of digital transformation and the growing complexity of today's business environment have highlighted the importance of agile leadership in enabling organizations to manage talent effectively and sustain workforce agility. Traditional approaches to leadership are no longer adequate to address the challenges of volatility, uncertainty, complexity and ambiguity (VUCA) and adaptive, collaborative, and people-centered leadership has become essential. The purpose of this study is to survey and synthesize the literature regarding the current state of agile leadership research; and the relationship between agile leadership and talent management, agility of the workforce, and innovation performance. A systematic literature review (SLR) was carried out as per the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines and the relevant studies published (2020-2026) were in the major academic publication databases. After application of the predefined inclusion and exclusion criteria, 16 high quality studies were selected, and analyzed using thematic synthesis. The results show how agile leadership styles, namely servant, shared, empowerment, emotional intelligence and adaptability play a major role in building psychological safety in the organization, employee engagement, workforce agility and organizational innovation. The strategic use of talent management, such as AI-empowered recruitment, the DHRM (digital HRM), continuous learning, and inclusive leadership, plays a crucial role in boosting organizational resilience and competitiveness. Some of the implementation issues identified in the review are cultural resistance, the agility-stability paradox, gaps of digital capability and the challenges of dealing with remote and hybrid workforces. Although the findings show that agile leadership has great potential to enhance talent management, agility in the workforce and organizational innovation, these abilities depend on the organizational context, industry specificity, and change readiness. Further investigations into the agile leadership in various industries, organizations, and cultural contexts in the future will help to increase the amount of evidence and improve the external validity of existing results.

INTRODUCTION

The modern, hyper-connected and fast evolving global economy presents organizations with a host of unprecedented challenges, including digital transformation, technology expectations that shift, and evolving workforce expectations. AlNuaimi et al. (2022) proposes a new paradigm of leadership that can live with the constant change in the environment and who can generate innovation at speed (VUCA: volatility, uncertainty, complexity and ambiguity). The traditional management mode of 'command and control' has become less effective in a highly complex digital era working environment, especially in its highly cross functional and autonomous, and iterative approach to work with teams (Alsuhaimi, 2024).

In such a situation, human capital management is the key. Because employees are the key drivers of innovation and value creation, agility of the workforce, which involves adapting quickly and in collaboration, becomes a significant enabler of a competitive advantage (Costa et al., 2024). Empirical evidence on the other hand shows

that almost 70% of digital transformation projects will fail, not due to technical reasons but to human factors including misaligned talent and gaps in leadership (Heriyanto et al., 2026). The findings underscore the importance of agile leadership for managing and developing talent in agile teams.

Unlike the traditional leadership, Agile Leadership focuses on empowerment, servant leadership, and a shared leadership mindset which enables teams to self-organize and be agile and adaptable while continuing to fulfill the strategic goals (Agile Leaders Project Management Services, 2021; Gren & Ralph, 2022). At the same time, strategic talent management practices should undergo changes to enable this new leadership. That includes AI-supported proactive recruitment, maturing HR practices digitally, and HR antecedents that are based on a psychological mindset that is favorable to agility (Costa et al., 2024; Suwandi et al., 2026). This has resulted in many new working practices and people are more engaged with remote and hybrid work arrangements, putting pressure on traditional talent retention programs and the need for better ways to promote workplace engagement and team satisfaction, even when physically away from work (Adzgauskaite et al., 2025).

Furthermore, also considered in this review are the new type of leadership that has been in force since the emergence of agile leadership, namely the servant leaders and shared leaders, and the newfound value of emotional intelligence, compassion and inclusivity. Today, it is more widely accepted that a 2- to 3-dimensional factor describing leadership attributes is essential for the promotion of psychological safety, motivation and team cohesion, particularly in distributed/hybrid work settings (Agile Leaders Project Management Services, 2021; Gren & Ralph, 2022). This inclusion of elements gives a fuller picture of how leadership works towards developing workforce agility and innovations in organizations today.

An extensive literature search was carried out to investigate studies between 2020 and 2026, focusing on studies addressing the intersection of agile leadership practices and talent management's impact on workforce agility and innovation performance. It raises psychological, cultural and technological topics that affect the agile team dynamics, discusses empirical evidence of agile team performance, and delves into issues and challenges such as the agility-stability paradox and the digital exclusion. Lastly, the synthesis leads to practical strategic implications that both practitioners and human capital professionals can use to take practical steps to overcome the odds of a successful talent management in today's agile organizations.

This review, which links theory and practice, makes a contribution to understanding how the leadership models in use can be used as a strategic tool to manage talent for optimal innovation performance and agility in the VUCA era.

LITERATURE REVIEW

Evolution and conceptualisation of Agile Leadership

Although this review primarily focuses on studies published between 2020 and 2026 to capture recent developments in agile leadership, the concept remains grounded in earlier strategic management literature. The Dynamic Capabilities Theory suggested by Teece, Pisano and Shuen (1997) is the idea that organizations develop sustainable competitive advantage by their capacity to integrate, create and reorganize internal and external capabilities to meet the needs of rapidly changing business environments. Based on this base, agile principles at a slow pace extended their roles to software development to other areas of organization administration. Rigby, Sutherland, and Takeuchi (2016) have shown that the agile methods have the potential to positively transform other functions like human resources, operations and executive leadership by increasing the cross-functional collaboration, fast decision making and continuous improvement. Likewise, Denning (2018) pointed out that new organizations need leadership strategies based on empowerment, value to customers, flexibility and lifelong learning as opposed to conventional management through command and control. These pioneering views form the theoretical foundation of modern research in agile leadership and underpin the increased acknowledgment of talent management, agile workforce, and agile organizational innovation.

Digital change, complexity, volatility, uncertainty and ambiguity (VUCA) have taken the leadership paradigm by storm today. In the evolving environment, however, agile leadership is one of the most crucial frameworks

that has been embraced to meet the demands. It emphasizes flexibility, rapid decision making and the leadership to drive change, not via power, but through influence. Top-down, command and control models are becoming less effective as they impede responsiveness and creativity as enablers of digital-age competitiveness.

There are a few lenses through which Agile leadership is seen, and all of these lenses show the concept of Agile Leadership is dynamic. According to Alsuhaيمي (2024) there are five different lenses:

Personal perspective, namely focus on personal characteristics and attitudes of the leader. Stress is on humility, emotional intelligence and lessons learned from failures. Good agile leaders, for example, display attributes of a good servant leader, such as empathetic and humble, which help to create trust and safety in the team, as Gren and Ralph (2022) illustrate.

This objective perspective focuses the leader's attention on the team's cohesive and flexible vision, which allows the leader to take charge of the team without being responsible for the results of the team's activities.

The criteria used for measuring leadership effectiveness are the team performance which involves the results that the team can produce, the team's ability to innovate, and the team's engagement based on the results (Prasetiawan et al., 2025).

The positional view implies that there is still formality, but not as important, and it could be many responsible who can be influential in an agile team.

Based on process-based approach, leadership is an ongoing dynamic, processual and emergent with continuous loops of feedback, negotiation and adaptation at the last instance (Alsuhaيمي, 2024).

This is a multi-faceted concept, and includes some elements different from more traditional concepts, as well as some new concepts from organisational psychology and agile practice. For example, Agile Leaders Project Management Services (2021) developed a complete competency model which included four areas of the leadership framework, such as context setting, stakeholder engagement, creative agility and self-leadership, as well as the HAVE leadership profile (humility, adaptability, vision, engagement). This profile represents the cultural agility that sets "being agile" apart from "doing agile" (Neumann et al., 2024). Technical agility is the capacity to enact agile practices and processes, cultural agility is the mindset adjustment to accepting uncertainty without fear and innovating.

These views highlight a change in the concept of leadership as a team-level rather than an individual, localised attribute (Gren & Ralph, 2022). This is backed by the shared leadership theory which places mutual influence as an integral part of keeping the teams agile, as well as the role of each team member in this process. The whole of this shift fits with the requirements of digital organisations, namely adapt-fast and become resilient.

Strategic Talent Management Practices in Agile Contexts

As the context of work becomes agile, the practices of talent management also change and adapt to the challenges imposed on human capital that is viewed as the main driver of success in digital transformation (Suwandi et al., 2026). A significant development is the increasing use of AI tools in recruitment and HR analytics, which helps organizations identify candidates who bring to the table more than just technical skills, it helps them recruit candidates with a flexible mindset for workforce agility (Costa et al., 2024).

For example, in the automotive industry in Indonesia, companies that adopt AI-powered recruitment systems have reported significant improvements in productivity and innovation, highlighting the effectiveness of integration between data-driven strategies and agile talent management approaches (Heriyanto et al., 2026). The shift in recruitment has led to a shift in companies from reactive hiring to strategic talent acquisition to align talent acquisition to the digital transformation agenda.

Onboarding has become a different way of doing business in the distributed and hybrid workforces. As mentioned by Adzgauskaite, Tam, and Martins (2025), the psychological attachment employees feel to the

organizational values (attachment) is a better indicator of retention in remote teams over one to one support from the supervisor. Six months ago, he discovered that the Pandu Quack US unit has opened a job for which he is interested and for which he applied. It was informed to him six months ago that the Pandu Quack US unit was searching for somebody for a specific position, and he applied for the position.

Another aspect of talent management is that of e-HRM or digital talent management maturity. An organization that has a developed eHRM system (which includes an integrated system for digital recruitment, employee performance tracking, learning management system, and analytics data) has nearly twice as many employees retained, and 2.5 times as many in terms of innovation rates, compared to an organization with less-developed eHRM systems (Suwandi et al., 2026). With this maturity, it can foster agility, facilitate data-driven decision making and create personalized employee experiences and continuous employee skill development based on the essential needs of the organization.

Thus, strategic talent management in agile environments is not just the work of an HR administrator and must be integrated with organizational culture, technology use and with psychological supports that promote the agility of the workforce jointly.

Psychological Antecedents and Group Dynamics in Agile Teams

Widespread psychology (individual and collective) is an important part of the functioning of an agile team. Epistemic curiosity, positive affect (joy) and low rumination are very important psychological antecedents of adaptability (Kalluri, 2024). All of these encourage team members to act with a positive attitude to seek out learning, to embrace challenge, to take on problems with joy, and not to think about them in a manner that is negative and that stalemate agility (making things happen).

A team's psychological safety, or its perception that the team is safe for interpersonal risk-taking, is critical to team autonomy and innovation (Prasetiawan et al., 2025). Servant leadership behaviors, specifically around empowering, listening, and being humble, set the stage for safe spaces to experiment, fail, and try again, all necessary for agile iterative cycles (Gren & Ralph, 2022). These processes encourage not only the flexibility of thinking but also emotional strength in complex projects.

Moreover, Organizational Citizenship Behavior (OCB) is a crucial intervening variable between good leadership and productivity, and it is defined as unmandated job-related behaviors, which exceed the formal job description (Prasetiawan et al., 2025). Agile leaders build trust that fosters OCB, thus increasing collective efficacy and adaptive capacity needed in uncertain contexts.

Such psychological mechanisms when integrated become multidimensional cognitive, behavioural and collaborative capacities (skills) that enable the team to be the best possible responders to a disruptive stimulus while maintaining performance.

Task, Adaptive and Contextual Impact on Performance.

Significant quantitative studies have been published that relate agile leadership practices to greater performance results related to task, adaptive and contextual aspects. Even in traditionally bureaucratic environments, Tacconelli et al. (2005) give leadership the credit for more than 56% ($R^2 = 0.564$) of the difference in productivity between software development project teams in the public sector.

Regarding innovation performance in the automotive manufacturing industry, Suwandi et al. (2026) find that the combination of agile leadership and HR strategies account for 74.5% of the variance in innovation performance, highlighting the dynamic interplay between these two. In addition, an interesting finding that Neumann (2021) reports in her tertiary analysis is that agile teams finish projects 33% faster and 61% fewer missed deadlines than antiquated hierarchical teams.

These initiatives underscore the fact that the performance improvements are not just the result of agilities, but of leaders who create agility. Employees' active involvement and robust response to challenges are important

factors for a successful digital transformation.

Fusing Leadership Styles and Agile frameworks

The recent literature has begun to shift to look at the different leadership styles and agile methodologies and how these can affect talent management and team performance. For example, aspects of servant leadership, which means putting the needs of the team first and safeguarding them against self-serving, are highlighted for fostering psychological safety and autonomy of the team (Gren & Ralph, 2022). This style of leadership resonates with the agile values and principles as it speaks to empowerment and humility which studies have shown are essential to encourage innovation and agile workforce (Agile Leaders Project Management Services, 2021).

Furthermore, there is growing empirical evidence that demonstrates the fluidity of roles and their rotation on project as per the project phase and requirement, especially in agile Scrum teams (Prasetyawan et al., 2025). As decisions were shared, the shared leadership led to a more distributed responsibility for decision making within the team, leading to higher engagement and team problem solving. This is a world away from the old leadership model and much more like what's needed in the digital age.

In addition, studies emphasize the need for a consideration of gendered views in leadership in the context of agile approaches. The Gendered-Perspective Agile Leadership (GPAL) framework additionally points to compassion and positivity as traits that have an impression on expertise retention, and psychological well-being particularly in distant and hybrid working environments (Agile Leaders Project Management Services, 2021). All the above are understandings that can be used in conjunction with other conceptual lenses used by organisations to build inclusive, resilient agile teams.

METHODOLOGY

The systematic process followed to identify, select and synthesize the literature for this review is explained in this section. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines are followed in this study to provide transparency and ability to repeat the work.

Search Strategy and Data Sources

To maintain transparency, rigor and replicability in the review process, a systematic literature search was conducted based on the Preferred Reporting Items for Systematic reviews and meta-analyses (PRISMA) guidelines (Moher et al., 2009). Between January and March 2026, six key academic sources, including Scopus, ScienceDirect, Wiley Online Library, SAGE Publications, IEEE Xplore, and Google Scholar were searched. These databases have been chosen as they have full coverage of peer reviewed literature in management, human resource management, organizational behaviour, leadership and information systems.

The search strategy used Boolean operators (AND, OR, NOT) to combine keywords such as; "*agile leadership*", "*agile management*", "*talent management*", "*workforce agility*", "*innovation performance*", "*digital transformation*", "*human resource management*", and "*organizational agility*." The search strings were adjusted where needed to accommodate the indexing needs of each database and conceptual fidelity across all searchers.

Inclusion and Exclusion Criteria (PICO Framework)

The studies included in the organizational research using PICO (Higgins & Green, 2011) were included if they met the following criteria:

Population, namely formal organisational employees, HR professionals and managers, diversifying for sectors (Heriyanto et al., 2026) including automotive, IT, Public sector sector specific dynamics (De-la-Cruz-VdV et al., 2026).

Intervention: Leadership practices that are clearly associated with an agile style of leadership (servant, shared,

adaptable) and strategic talent management aligned to digital transformation needs.

In general, studies that discussed various levels of a worker's digital maturity and/or work setting (remote, hybrid, on-site) were highlighted but not required, with the focus of moderators to provide context (Adzgauskaite et al., 2025).

Empirical measure of outcomes were workforce agility, adaptive performance, task performance, innovation measure and team satisfaction.

Additionally, to guarantee the articles are up-to-date and scientifically sound, it was limited to peer-reviewed journals, conference proceedings or scholarly reports published in 2020-2026. Non-English publications and studies that did not have any organizational behavior implications, but solely looked at technical methods of agile software development, were rejected.

Selection process and quality assessment

A multi-stage funnel process was used for the first yield of 426 records, as depicted below, and was an iterative process:

1. Identification: 426 candidate articles were generated through comprehensive database & grey literature search.
2. Screening: 312 Titles and Abstract's were screened and irrelevant duplicates and off-topic posts were removed.
3. Eligibility: The full texts for 114 articles were screened through the inclusion criteria, with 98 articles being excluded for not having adequate coverage of combined leadership-talent management constructs.
4. Inclusion: The studies were selected in terms of quality, from which 16 high-quality studies were obtained from various industries with a variety of methodological approaches (Purnomo et al., 2025; Suwandi et al., 2026).

To assess the quality, only studies published in Q1 and Q2 journals according to Scimago Journal Rank (SJR) were considered and the following aspects of the studies were taken into account: study design, sample size, reliability and/or validity of measures used, and appropriate statistical modeling as detailed in (Alsuhaime, 2024). Both quantitative (most times using Partial Least Squares Structural Equation Modeling [PLS-SEM]) and qualitative studies (case studies) were incorporated to develop in-depth understanding of phenomena.

To ensure methodological rigor, there was a quality assessment of each eligible study prior to inclusion in the final synthesis. The evaluation considered the quality of journals in terms of the Scimago Journal Rank (SJR), the methodology design, sample sufficiency, validity and reliability of used research instruments, the suitability of applied analytical methods and the relevance to the aims of this review. Only those studies which proved to have decent methodological quality and which had direct relevance towards agile leadership and talent management were retained. This strict selection process made sure that evidence used to support the findings in this review was credible and of high quality.

Although the initial search revealed 426 potentially relevant publications, 16 studies were selected based on all predetermined inclusion criteria and quality assessment needs after the screening and eligibility steps. Although the total amount of works seems to be quite modest, it represents the incipency of the agile leadership studies in the framework of talent management and the conscious focus on the quality of methodology, instead of its quantity. As a result, the review opts to focus its attention on strong and pertinent evidence as opposed to a more extensive but, perhaps, less rigorous literature.

Data Synthesis and Analysis

Narrative synthesis with thematic coding following qualitative meta-synthesis techniques (Popay et al., 2006) was used in the review. The data gathered was reported in the following emergent themes: conceptualization of agile leadership, mediation of workforce agility, performance impacts, cultural alignment challenges, and adaptations for remote work.

Adopting this approach enabled integration of data of the multitude of sources and critical assessment of evidence while providing transparency for replication and up to-date design of studies.

DISCUSSION

Theoretical Synthesis: Dynamic Capabilities and the Resource-Based View

Agile leadership and agile human resource strategies are always portrayed in the literature that has been analysed in the present study as dynamic capabilities based on the conceptualisation of Teece et al. (1997). This is based on the assumption that under volatility conditions, organizations need to be able to scan the environment and identify opportunities, as well as reconfigure resources quickly. The agile leaders manage these capabilities, which are their ability to enable workforce agility and to flexibly deploy human capital to meet the changed needs (AlNuaimi et al., 2022; Suwandi et al., 2026).

Building on this, the Resource Based View (RBV) defines agile workforce as a “scarce and unique resource,” which leads to a sustainable competitive advantage (Costa et al., 2024). On the other hand, literature in a variety of industries, such as the Indonesian automotive industry, claims that the factor and mediator of technology readiness are necessary to support HR and leadership efficacy so that the variance in the factors accounts for more than 74% of the overall innovation measurement (Heriyanto et al., 2026). This integrated vision has corroborated that neither HC nor TC is enough, but a combination of the two results in agility.

The Full Mediation Paradox: Why Reactivity is Not Enough

A key finding in recent research, perhaps one of the most controversial findings, is that, in some situations, there is no tangible impact, whatsoever, on employee performance as a result of Agile Leadership. The study focused on regional public sector companies, and those leaders who demonstrated high ‘reactivity’ (the ability to react fast) did not result in better outcomes unless they were followed by higher ‘Workforce Agility’ (WA) of staff.

This produces what we call an HR “mediation paradox”. Results show that WA indeed will have a full mediatorial role and the speed and adaptability of the leader is also redundant when the foremost role of the leader is not “directing” performance, but “building the capacity” of the parties to be agile in the team. This is a change from monitoring to capability building of talent.

Culture Clash" and "Agility-Stability paradox"

Decentralization that agility demands and stability-minded hierarchical cultures that are common to many organizations is one of the most common impediments to agile transformation. Neumann et al. (2024) suggest that there are seven key challenges associated with this “culture clash” that do not allow “technical agility” implementation to be fully realized in the absence of “cultural agility.”

In other roles (like manufacturing or public services) where the tasks, duties and responsibilities are clearly defined and much more structured, inducement systems with very clear reward/punishment may be more useful at motivating adoption of agile behaviours than in the private sector by relying on intrinsic motivations and autonomy. On the other side, this gives insights on how the institutional contexts influence the feasibility of agile mindsets and actions, and how agile practice can be done by slightly adapting talent management practices to overcome regulatory and cultural constraints such as the dual organization for stability and agility (Purnomo et al., 2025).

Although agile leadership has numerous benefits, it may not be as efficient in all the organizational settings. Other industries, including healthcare, aviation, defence, and public administration, and manufacturing settings

with a heavy level of regulated production conditions usually need uniform operations, centralized decisions, and adherence to regulation rules. High levels of decentralization and fast experimentation can cause more operational risks or loss of consistency in such environments. As such, there should be selective leveraging of agile leadership practices to organizations in terms of balancing flexibility with governance structures that are suitable to the organizations operating environment. Instead of substituting traditional leadership, agile leadership should be used as an addition to the current management strategies in which the conditions in the organization allow more autonomy and adapting to changes.

Redefining Leadership as a "Team Property".

One paradigm shift that was found in the sources is the shift in leadership functions from a one man show to a "property of the team". Agile Scrum teams have a dynamic approach to leadership and effectiveness requires team members to embrace the team, share responsibility and be attuned to cultural challenges.

But Humility, Adaptability, Vision and Engagement (HAVE) are the new characteristics of the "agile leader profile". Furthermore, the processes to increase team autonomy (Servant Leadership, Empowerment, and Humility) are shown to have the greatest effect on inciting the conditions for psychological safety for team autonomy. Intriguingly, there have been a number of new models that have sprung up, including Gendered-Perspective Agile Leadership (GPAL), which introduces new skills, including 'compassion' and 'optimism' in addition to the standard qualities necessary to manage talent in the post-pandemic era.

Remote and Hybrid Agile Teams: Satisfaction, Tools, and Retention

Agile talent management also has some complexities about location dynamics. In remote software teams, evidence from Adzgauskaite et al. (2025) indicates that team satisfaction is a much better predictor of project success than top management support, and technological complexity. This brings human aspects of motivation in distributed contexts forward.

The need for user-centric, easy to use, communication and collaboration tools are emphasized as well. Suwandi et al. (2026) expound the reasons complex, mandated, digital solutions frequently create "digital waste" or frustration and inefficiency amongst employees, working against agility. Cognitive ease has a great deal to do with workforce agility, if leaders encourage intuitive, grassroots technology adaption, which helps to cut down on mental strain and allows for seamless communication. In addition, in the virtual workplace, values and a sense of belonging to the organization play a key role in retention, not the support of the supervisor.

Addressing Gaps: Age Diversity and Digital waste

Even though organizations are excited about digital transformation, fundamental ethical issues still exist. This is an unintentional risk of marginalization of older employees in the process of attracting talent from the digital space, where younger "digital natives" are privileged, Costa et al. (2024) argue. This exclusion opens the possibility to lose knowledge and intergenerational disconnection. Therefore, inclusive practices such as reverse mentoring (mentoring of less tech-savvy older workers by younger workers) and reskilling become very important to maintain institutional knowledge and workforce locks.

In addition, there is also a notion of "digital waste" that points to organizational misalignments resulting from poorly designed digital HR efforts that impact employee engagement and agility (Suwandi et al., 2026). Digital Waste minimisation involves mindful investments in technology and a talent-inclusive approach.

Methodological Critique: The Need for Longitudinal Evidence

Several studies, such as Alsuhaime (2024) and Suwandi et al. (2026) -- across the 16 synthesized studies -- have used mostly quantitative, cross-sectional survey designs, frequently utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM) to explore connections among leadership, agility, and performance. While these are helpful, they are correlative evidence, and fail to capture the causal processes or changes over longer periods of digital workforce transformation.

Further, Asia-Pacific and Europe are the regions where research is geographically focused, increasing restrictions on the applicability of research across locations. Contexts from Africa and Latin America are not yet well captured, thus limiting the comprehension of cultural and institutional differences and their effect on agile leadership and talent management.

There are also ethical and strategic mistakes. Digital talent programmes, for example, can inadvertently overlook the "digital natives", namely older people, as a source of valuable expertise, and miss the opportunity of senior workers (Costa et al., 2024).

Expanding the Role of Emotional Intelligence and Compassion in Agile Talent Management

Given recent advances, there is a growing reason to embrace emotional intelligence (EI) for agile leadership particularly in a world of more distributed teams and cultures. EI also contains interpersonal skills which enable leaders to engage with others in an effective and productive manner, as well as empathy and self-awareness that helps to ensure the team remains cohesive through the complex interpersonal interactions (Gren & Ralph, 2022). Compassion, a dimension of EI was associated with psychological safety, trust, which are the building blocks of agile team autonomy and innovation (Agile Leaders Project Management Services, 2021).

Optimism and compassion are emergent leadership qualities that are emphasized in the Gendered-Perspective Agile Leadership (GPAL) model, especially during the pandemic when there is a greater virtuality in teams (Agile Leaders Project Management Services, 2021). These characteristics allow a leader to identify remote workers' emotional and cognitive issues and keep the team agile, despite different physical locations.

This expanded emotional and social competency model helps to demonstrate that the effective leader of this digital world relies not only on technical or strategic skills, but on interpersonal skills that foster resilience, inclusion and motivation in the complexities of digital workplace settings. Therefore, the inclusion of EI development in leadership trainings has been an integral piece of advice to talent managers to keep them agile and innovative.

Limitations

Despite its many advantages, agile leadership may not be equally effective across all organizational contexts. Industries such as healthcare, aviation, defence, public administration, and heavily regulated manufacturing environments often require standardized procedures, centralized decision-making, and strict compliance with regulatory requirements. Excessive decentralization and rapid testing can be a source of elevated operational hazards or may jeopardize uniformity in these environments. As such, agile leadership practices must be adopted selectively by the organizations by balancing the flexibility factor with the governance structure that is suitable to the context of their operation. Agile leadership must not be oriented towards substituting traditional leadership but as a complementary to current management styles in which the organizational environment allows more autonomy and flexibility.

CONCLUSION AND RECOMMENDATION

Conclusion

This article confirms that agile leadership is an important strategic enabler that helps to manage talent during the ups and downs of digital transformation. The notion of leadership has evolved from a directive role to one of humility, adaptability, vision and deep relationships with teams as collective agents of change (Gren & Ralph, 2022; Agile Leaders Project Management Services, 2021). This view of leadership is one that is distributed throughout the team, where leadership is an emergent characteristic of the group, and where team members' psychological safety helps drive innovation and agility in the workforce (Prasetiawan et al., 2025).

The evidence-based findings keenly indicate that the enhancement of the attributes of IT service management is not only linear but also is mediated by workforce agility and digital readiness, which are supported by an empirical study (Heriyanto et al., 2026). This underscores the importance of information-based combined system

of HRM by utilizing information analytics to anticipate the requirement of talents, manage continuous learning and retention that is supportive of agile organization goals (Suwandi et al., 2026).

In addition, recent research indicates that to establish trust and psychological safety in a remote and culturally diverse team, a leader needs to be attuned to the emotional intelligence aspect of their traits, including their empathy, compassion and optimism (Agile Leaders Project Management Services, 2021). Adding inclusive leadership styles such as servant leadership and shared leadership, and its impact on increasing engagement and resilience of employees, has an intertwined relationship with talent management and contributes to sustainable talent management for organizational agility.

However, the evergreen agility-stability paradox, namely the tension between change and stable operations, is essential to get right within the organisation and culture. In more traditionally stable industries, it is recommended that reward systems and governance structures need to be adapted to the context to enable the implementation of agile behavior and incentives (Neumann et al., 2024).

But there are new leadership styles that can come into play, such as Gendered-Perspective Agile Leadership (Agile Leaders Project Management Services, 2021), and change the repertoire of behaviors to include compassion and positivity that are vital for leadership in the hybrid and distributed world of this post-pandemic era. Traditionally, work happiness is extremely overlooked as a topic of conversation, yet its significance is more pronounced than ever in the context of remote working. First, team satisfaction, which was once in question in traditional workplaces, is now a key element in the telework context, altering the way leadership and talent management are understood.

Although the evidence synthesized in this review mostly proves the positive impact of agile leadership on talent management and organizational performance, the fact remains that agile leadership cannot be considered a universal solution to all organizations. Its success relies on the organizational culture, industry factors, digital maturity, the ability of top managements and willingness of the organization to change. This means that agile leadership practices ought to be implemented carefully by organizations to enhance their effectiveness based on the context of their operations.

Companies that can successfully combine agile leadership and strategic talent management, to prepare their employees for agility, will be more likely to stay innovative and competitive to keep the momentum going.

Strategic Recommendations for Human Capital Practitioners

Based on this extensive literature synthesis in the realm of agile leadership and talent management in the context of digital transformation, the following strategic pillars are recommended to increase the agility of the workforce and the innovation performance they provide:

Institutionalizing a “Servant-Agile” Leadership Development Model

Organisations must develop a humble, empowering and visionary profile of leadership, through a shift from the old ‘command and control’ leadership training. Many resources note that agile leadership is not so much a set of working tools but a characteristic of the team. It can only be developed through known behaviours.

- Actionable Step: HR should shift the focus of leadership development programs to experiential learning and to “Agile Leadership Training”, by shaping and targeting the four common leadership competencies: context setting, stakeholder engagement, creative agility, and self-leadership.
- Justification: Empirical data reveal that the "Forgiveness and Courage" dimension of a servant leadership profile positively influences the creation of more psychologically safe environments, as a necessary precondition for a team to become more autonomous and to have successful projects.

Implementing Inclusive and Data-Driven Talent Management

Organisations need to be strategically selective towards HR digitalisation and not comprehensive. This is to overcome the “digital skills gap”. This includes moving from ‘reactive’ training to ‘proactive’ training through analysing talent acquisition.

- **Actionable Step:** HR analytics and AI-powered recruitment systems need to be used to select candidates who demonstrate the necessary “adaptive mindsets” as well as technical abilities. In addition, there are platform behaviours that need to be clearly crafted and be pleasant to all, rather than being geared towards excluding older people.
- **Justification:** Digital skill projects will in many cases be more effective by focusing on younger employees, wasting valuable experience, skill and institutional knowledge of senior employees. An inclusive approach is to make best use of the whole workforce's developable potential to increase collective agility.

Develop Workforce Agility as a Mediating Organizational Capability.

One of these significant learnings is that leadership to performance can be indirect, with workforce agility as a mediator relationship. Instead of giving employees tasks, then, leaders should seek to build their employees' capacity to be proactive, adaptive and resilient.

- **Actionable step:** Put in place concrete mechanisms of organization for the adoption of innovation, including those of "digital champions," "governance systems," or of reverse mentoring to allow junior employees to take charge of senior employees in managing digital resources.
- **Justification:** While more traditional HR theories focus on how an individual's intrinsic motivation to learn will affect their mastery of digital skills, recent evidence would almost certainly argue that a structured digital support system within an organization has a more significant impact on helping to build digital skill than a person's own interest.

Prioritize Team Satisfaction and User-Centric Digital Tools in Remote and Hybrid Work

In remote agile environments, swag and satisfaction of the teams appear more valuable than hierarchical assistance (Adzgauskaite et al., 2025), which means that it is crucial to offer user-friendly and intuitive digital collaboration platforms that are designed in conjunction with users to ensure no 'digital waste' and seamless interactions (Suwandi et al., 2026).

Shared organizational values and a sense of community are better approaches to retaining talent in more distributed workplace models than traditional styles of supervision.

Navigating the Agility-Stability Paradox through Cultural Alignment

One of the biggest challenges to change is what people refer to as a 'culture clash' between the old way of doing business, with milestones and hierarchies and a new way of working with agile thinking.

- **Actionable Step:** Balancing fast changes to the organisation with organisational stability by applying ambidextrous organisational models. This includes reducing the hierarchies and implementing designs with networks that allow for cross functional work and that do not sacrifice underlying operational efficiencies.
- **Justification:** If the sector where you want to implement agile leadership is one where standardization is high, such as manufacturing or public sector, you might need structured reward and punishment systems to be effective in motivating performance. Transformation without connecting "old" culture with "new" agile values is apt to lead to resistance and lower morales.

Foster Emotional Intelligence and Inclusive Leadership Development

Servant and shared leadership competencies are an absolute must, but understanding what matters to your employees requires developing leaders' Emotional Intelligence (EI). This encompasses self-awareness, empathy, social skills, compassion, optimism, namely all of the skills that a person has to handle the high emotional, and cognitive complexity of today's diverse, and remote teams (Gren & Ralph, 2022).

As inclusive leadership approaches acknowledge the importance of gendered perspectives as well as psychological needs, it enables developing and supporting a psychologically safe environment, team cohesiveness and better motivation, which are key building blocks to resilient and high performing agile teams (Agile Leaders Project Management Services, 2021).

Future Research

Further studies in this area need to extend the evidence base on agile leadership and talent management by conducting more empirical studies of industries, organizations of various sizes, and cultures. Comparative research backgrounds that analyze the variations in terms of small and medium-sized enterprises (SME) and multinational corporations would be beneficial in terms of delivering background information on the differences in agile leadership effectiveness in context. Longitudinal research is also suggested to assess long-run implications of agile leadership regarding agility of workforce, employee engagement, talent retention and organizational innovation. Additionally, the researchers ought to explore implementation issues in the future, such as staff resistance, leadership potential building, resource constraints, and the organizational willingness to change to agile. A combination of mixed-methods studies including both managers and employees would further reinforce the knowledge of the effects of agile leadership practices in the performance of an organization in various types of businesses.

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