

Driving Organization Performance: Agile Leadership in Ho Chi Minh City's SMEs

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Abstract

Today's turbulent business landscape demands bold leaps beyond traditional leadership styles. Agility and Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) adaptability, not rigid formulas, are the new keys to navigating this ever-shifting world. Traditional leadership practices are no longer enough. Agile leadership, defined by flexibility, adaptability, and teamwork, serves as the savior that enables organizations to navigate uncertainty and thrive. This study scrutinizes the relationship between agile leadership and organizational performance in small-medium businesses (SMEs) in Ho Chi Minh City. One hundred SME companies underwent a survey, and the research delves into four pivotal dimensions of agile leadership:

- **People Management:** It nurtures good collaborative work and empowers teams to have self-management.
- **Strategic Agility:** Flexibility in strategy and structure, adapting to changing market situations.
- **Adaptability:** Timely decisions made with good information in the midst of ambiguity.
- **Communication culture:** Establishing open, transparent communication channels across all levels in the organization.

The findings reveal an efficient link between strategic agility in the framework of agile leadership. This dimension significantly contributes to improved performance in the organization. Corroborating existing research illustrates the crucial role of agile leadership in success. Particularly for Vietnam, the study holds special relevance, as SMEs are the backbone. By embracing agile principles of leadership, Vietnamese SMEs can unlock their full potential, driving economic growth in this dynamic Southeast Asian market. Moreover, the research implications extend to practitioners and researchers alike. For practitioners, the findings suggest a tangible path to enhancing organizational performance by integrating agile leadership practices. On the other hand, researchers gain an addition to the growing collection of evidence on the importance of agile leadership in understanding the complexities of the VUCA world.

Keywords: Agile Leadership, Organizational Performance, VUCA, SMEs, HCM, Vietnam.