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How Inclusive Leadership Supported GenAI Digital Transformation in an Indonesian Chemical Trading Company: Case Study of PT TJI

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Abstract

This research aims to explores the role of inclusive leadership in supporting Generative AI (GenAI) -based digital transformation at an Indonesian chemical manufacturing company. The research examined employees' perceptions of inclusive leadership during GenAI adoption, focusing on how empowerment, accountability, and empathic leaders influenced success. Data were collected through six in-depth interviews and three focus group discussions (FGDs) involving 15 participants from the Human Resources, Marketing, and Production departments. Data analysis was conducted using thematic analysis with NVivo software. Findings reveal that empowerment enabled employees to confidently apply GenAI tools by granting them autonomy and encouraging experimentation; accountability built trust by ensuring leaders were transparent and set clear expectations around GenAI adoption goals; and empathy from leaders reduced resistance by addressing employee anxieties about change, creating a supportive environment. Additionally, the study highlights that leader visibility strengthened the employees' engagement with GenAI initiatives. Based on these findings, the study recommends that PT TJI implement structured inclusive leadership training focused on developing empowerment, accountability, and empathy skills. A phased approach is advised, starting with pilot projects before scaling GenAI across departments. Moreover, the company should appoint GenAI champions within teams to provide peer support, invest in continuous digital upskilling programs, and cultivate an open communication culture to sustain long-term transformation success.

Keywords: Inclusive leadership; digital transformation; generative AI; employee engagement

1. Introduction

Indonesia aims to achieve *Indonesia Emas* (Gold Indonesia) in 2045, one hundred years after its independence in 1945. This means the country will have achieved economic superiority equaling its rich Asia-Pacific neighbors. According to Telkomsigma (2021), Indonesian digital transformation has grown rapidly especially after the pandemic, which increased the demand for digitalisation in both public and private sectors. The Indonesian government is therefore adopting various kinds of policies and investments that facilitate digitalisation in education, industries as well as public and private organisations. One program supportive of this vision is the *Indonesia Digital Vision 2045*, that aims to make Indonesia a digital economy leader in Asia by the year 2045 (Digital 2045.id, 2021).

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Generative Artificial Intelligence (GenAI) can drive business sectors' efficiency, and has the capacity to accelerate decision-making, reduce operational costs, and create new products and services that better meet the demands of the market. GenAI enables users to generate new content and creative solutions, like text, and images. For the chemical manufacturing industry, GenAI can be used to optimise manufacturing processes, analyse operating data, and develop more efficient and environmentally-friendly products (Lv, 2023). However, most organisations find it hard to embrace GenAI technologies, especially in industries with intricate production activities, and employees lacking skills in digital operations. This is where leadership in leading digital transformation comes in; it plays an important role in driving change while motivating workers to adapt to advanced technologies.

Inclusive leadership is a leadership approach that emphasises empowerment and engagement of all members of the team in decision-making and change efforts. Inclusive leadership can increase organisational competitiveness and company's reputation by establishing a work environment that fosters a safety culture, diversity and collaboration (Kusumawardani, et al 2023; Rahayu et al, 2025). Inclusive leaders are able to see individual differences and provide room for everyone's voice in the company, something very crucial when an organisation implements a drastic change, such as digital transformation.

PT Tynox Jaya Indonesia (TJI), a chemical trading firm, is currently at the crossroads of digital transformation, particularly in the adoption of GenAI into its operations. It is struggling to adapt to this new technology and does not yet have the organisational culture willing to embrace the change. The company needs tech-savvy leaders who can manage change and supported by engaged employees in this transformation process. In the case of PT TJI, having such inclusive leaders will make employees feel cared for throughout the transformation process; they can provide positive feedback for continuous improvement, and empower employees to be fully invested in digital transformation and the utilisation of GenAI.

This research aims to answer the research questions: a) How do employees perceive the role of inclusive leadership in the implementation of the GenAI initiatives; b) What were the employees' experiences with empathy, caring and nurturing leadership behaviors during the GenAI digital transformation? and c) and what recommendations do stakeholders suggest would enable PT. TJI to successfully undergo the GenAI transformation? The research will expand the application of inclusive leadership theory in the manufacturing industry space. By analysing the effects of inclusive leadership behaviours such as empathy, diversity commitment, and empowerment on digital transformation initiatives, this study will show how the theory of inclusive leadership can be translated into practice in GenAI implementation and organisational digital transformation environment, paving the way for the potential application of the theory in non-traditional organisational environments.

Through the analysis of employees' perceptions and experiences of leadership, the research will highlight the factors that can make or break the implementation of GenAI technology adoption. More specifically, the findings can help organisations like PT TJI develop better strategies to break change resistance so that the transition to digital tools and practices is smoother. More importantly, the research will provide actionable recommendations on how leaders can adopt inclusive leadership behaviours to foster a more caring and creative environment during times of digital transformation.

2. Literature Review

2.1 Inclusive Leadership

Inclusive leadership refers to a leadership approach and style that acknowledges, appreciates, and respects the unique value each person in an organisation can contribute despite race, gender, background, or other

aspects of diversity. Inclusive leaders are not just committed to diversity; they build a culture where people are listened to, valued, and empowered to participate in decision-making. Roberson and Perry (2022) contend that inclusive leadership promotes belongingness and sense of contribution towards organisational goals. Inclusive leaders make a conscious effort to focus on the deliberate actions necessary for each worker to feel included, valued, and committed to organisational processes. Inclusive leadership, according to Korkmaz et al. (2022) involves fostering a space where all the workers feel that their contribution is appreciated. Inclusive leaders recognise the strengths, experience, and perspectives that employees bring to the table and leverage these differences to drive organisational performance. Inclusive leadership have core characteristics that distinguish it from other leadership style. These characteristics are crucial in creating an inclusive culture where employees feel comfortable being themselves and contributing to organisational growth. These characteristics are:

2.1 Characteristics of inclusive leaders

2.1.1 Empathy

One of the key qualities of inclusive leaders is empathy. Empathetic leaders put themselves into the shoes of their employees, understand their problems, and provide necessary support. Empathy is also active listening and understanding employees' emotional and psychological needs (Shore and Chung, 2022). Compassionate leaders can make choices in the best interests of their staff and appreciate that they need to remove any form of barrier to inclusion that could exist in the organisation. Empathy produces a higher level of closeness between the leader and employee, which is the basis for developing trust, motivation, and job satisfaction.

2.1.2 Supportiveness

Inclusive leaders allow their employees to comfortably ask for support and guidance, be it for professional growth or work assignments. Such a leader enables consistent learning, improvement, and development. They can engage in mentorship, coaching, and constructive critique that aid employees in career growth, motivating employees to innovate, experiment, and challenge the status quo, something required when the era demands digital transformation (Bourke & Espedido, 2019). Inclusive leaders must be flexible and responsive (Ahn, 2023). Being supportive also means being visible (Edmondson, 1999; Kotter, 1996). Inclusive leaders make themselves visible and accessible to employees at all levels of the organisation (Schein, 2010). They engage with employees regularly, show interest in their well-being, and ensure that diverse perspectives are heard and considered in decision-making. This visibility helps to build trust and makes employees feel valued and included. Živković (2024) describes this as humanising leadership where a leader's actions are seen as congenial, not about fear and resistance. Such leaders also recognise employee fears and are their to reassure them not to be afraid (Feigenbaum).

2.1.3 Authenticity

By being themselves, inclusive leaders form a genuine connection with their employees. They are transparent, honest, and promote an open and trusting environment within teams. Being authentic involves leaders not wearing a mask or leading through artificial power but showing vulnerability and humanness, enabling them to connect deeply with their teams. Genuine leaders are considered more credible and will find it easier to gain loyalty and commitment from employees (Atewologun and Harman, 2020).

2.1.4 Accountability

Inclusive leaders do not only hold employees responsible for what they do; they are also accountable for creating and maintaining an inclusive culture. They monitor and adjust their behaviour and evaluate organisational practices to ensure that they are applying inclusive values (Effendy and Arquisola, 2022; Roberson and Perry, 2022). Inclusive leaders are able to acknowledge mistakes and learn from them, again highlighting a culture of improvement and growth.

2.1.5 Cultural Competence

Cultural competence is a term that describes leaders' ability to navigate and appreciate cultural differences in a diverse workplace. Also known as “cultural intelligence” (Bourke et.al (2020), inclusive leaders are open to new perspectives and understand how cultural differences affect communication, decision-making, and teamwork. They can adjust their behaviour to fit a diverse group effectively (Bourke et al., 2020). They show the ability to lead without racial or ethnic bias and lead a gender-diverse workforce along the diversity continuum. They can recognise and address any disparity or bias which might occur in cross-cultural interactions and ensure that all are included.

The impact of inclusive leadership on the performance of the organisation is highly prevalent in research literature. Researchers such as Roberson and Perry (2022) have indicated that inclusive leadership leads to employee engagement, satisfaction with the job, and organisation commitment. Such employees tend to dedicate time and effort towards the job, which boosts productivity, innovation, and creativity. Inclusive leadership is also directly linked to improved team performance, because inclusive leaders of diverse teams can solve complex issues and generate new ideas more easily. Inclusive leaders also play a critical role in reducing employee turnover. If employees are made to feel valued, included, and supported, they tend to remain with an organisation for the long haul. This is particularly relevant in the context of digital transformation initiatives, where organisations must retain the best talent to compete in an increasingly changing, technology-driven world (Atewologun and Harman, 2020).

Inclusive leadership also fosters organisational resilience. Organisations with inclusive leaders are better able to deal with change and uncertainty because they leverage the diverse talent and strengths of their workers. In the face of fast-changing technologies, such as the adoption of GenAI, inclusive leadership ensures that everyone in the organisation feels empowered to contribute their ideas and expertise, driving effective digital transformations.

2.2 Digital Transformation

Digital transformation is driven by competitive pressures (Tabrizi et al, 2019) which demands the adoption of digital technologies across all functions of an organisation's activities, transforming the very way it builds value for customers, functions within, and engages with external stakeholders. Digital transformation is a paradigm shift about how businesses transform their operations, products, services, and business models to be responsive. It involves embracing new ways of thinking, new systems, and processes to focus on leveraging data, technology, and innovation for growth, efficiency, and competitiveness (Majchrzak et al. (2016).

Digital transformation's primary objective is not just to improve the internal process but to innovate and deliver an improved customer experience, generating value that was not possible before. Digital transformation maturity is the extent to which an organisation has integrated digital technologies into its operations and business processes. According to Teichert (2019), digital transformation maturity can be seen through various stages of evolution, from experimentation, preparing a robust technological infrastructure, to full integration and strategic alignment. These also include an adaptive organisational culture where leaders

can reconfigure their business strategies and practices to speed up transformation (Bharadwaj et al, 2013; Buonocore et al. 2024).

2.2.1 Components of Successful Digital Transformation

At its core, digital transformation is about fundamentally transforming the manner in which a business operates digitally, connecting technological innovation to strategic business objectives. It is about affecting multiple facets of the organisation, ranging from human capital and operations to customer engagement and marketing, among others. Here are the important components of successful digital transformation:

2.2.1.1 Technological Infrastructure

One of the key elements in digital transformation is establishing a sound technological base. This entails adopting updated tools, platforms, and data systems to support the needs of digital technology (Effendy and Arquisola, 2022). Westerman, Bonnet, and McAfee (2014) elaborated on this by emphasising that companies need to ensure technological capabilities are in sync with their digital strategies. Vial (2021) highlights that infrastructure upgrades are integral to overcoming barriers and facilitating seamless integration of innovative technologies (see Fichman, Dos Santos, and Zheng, 2014). Teichert (2019) contends that for organisations to gain from digital transformation, they need to establish a sound technological base, e.g., cloud computing, data analytics, Artificial Intelligence (AI), and machine learning capabilities. They facilitate data-based decision-making, maximise operational efficiency, and enable the automation of business processes, which are critical to competitiveness in today's business era.

2.2.1.2 Leadership

Leadership is an important element of digital transformation. Leaders must not only lead the adoption of new technologies but also align technological initiatives with the overall organisational strategy (Effendy and Arquisola, 2022). Kane (2019) is of the opinion that leaders must be digital champions who create an innovation culture and align digital transformation programs with the long-term goals of the firm. This must be an end-to-end view of how technology can create business value and must have to integrate both visionary thinking and pragmatic implementation. Leadership plays a vital role in steering an organisation through the digital transformation challenges (Effendy and Arquisola, 2022). Tabrizi et al. (2019) emphasised that leaders are supposed to be visionaries, propelling their organisations into a new era where digital strengths are infused in all the business processes. They must see to it that the technological efforts of the organisation are aligned with its strategic goals, allocate resources effectively, and manage change initiatives. Furthermore, leaders have an obligation to confront issues that arise while undergoing digital transformation. These include resistance from employees, insufficient digital competences, or issues with implementing new technology into existing systems. Consistent with Nambisan et al. (2019), leadership must encourage a learning and experimentation climate where employees do not fear testing new ideas with the risk of failure. This mindset plays a key role in overcoming walls and developing a culture that endorses continuous digital growth.

2.2.2. GenAI

Artificial intelligence (AI) is a multidisciplinary field of computer science that focuses on creating intelligent machines capable of performing tasks that would typically require human intelligence (Khairul Hisham and Abdullah, 2024). Evolving from AI is Generative Artificial Intelligence (GenAI), perhaps the most significant technological advancement leading digital transformation in the modern business

environment. GenAI is short for an Artificial Intelligence models that generate new content or knowledge from large databases. GenAI is used in a wide range of functions, including content creation, data analysis, product development, and customer experience. The role of GenAI in digital transformation is critical. It provides companies with the means to create new business insights, enhance decision-making, automate repetitive tasks, and build extremely customised customer experiences.

For example, customer service departments would feature GenAI-driven chatbots that respond to and resolve customer issues on their own, respond to customer inquiries in real time, and leave the human agents free to engage in other complex issues. In Malaysia, AI-powered virtual shopping assistants make the shopping process more convenient, efficient, and personalized, even if their future prevalence and impact is uncertain (Khairul Hisham and Abdullah, 2024). In manufacturing, GenAI can analyse vast amounts of data, resulting in less downtime. For organisations to utilise GenAI efficiently as part of digital transformation, they must possess the appropriate infrastructure, including cloud computing-based data storage, data analytics software, and AI models, to efficiently process large volumes of data. Management must also ensure that employees have the requisite skills to implement and support AI systems.

The first phase is usually where fundamental digital technology such as customer relationship management (CRM) or enterprise resource planning (ERP) software is being implemented that streamlines processes and enables more efficiency. In more advanced organisations, phases are reached wherein digital technology is integrated fully in their operations, enabling better data analysis, automation, and creation of new business models. At the highest level of digital transformation maturity, organisations leverage technologies like GenAI, machine learning, to create new business models, customer experiences, and market strategies. The final goal is a digitally integrated enterprise that is evolving and innovating continuously.

Furthermore, Sato et al. (2024) proposed a framework for ensuring fairness and equity in AI-driven systems, which resonates with the organisation's efforts to maintain objectivity and prevent bias in GenAI deployment. This framework emphasises the importance of inclusive assessments and equitable AI models. Similarly, Zowghi and Bano (2024) explored the theme of inclusivity in AI, advocating for diversity and inclusion strategies that enable AI technologies to serve all demographics effectively. Their work supports the idea that AI should be developed and implemented with a focus on inclusivity and equity, aligning with organisational values.

3. METHOD

3.1 Research Design

This study used a qualitative research design to explore how inclusive leadership supported the digital transformation process through GenAI at PT TJI. The qualitative method was most appropriate because the focus of the study was to understand human experiences, behaviours, and perceptions in a natural setting and in a detailed manner. According to Tisdell, Merriam, and Stuckey-Peyrot (2025), qualitative research is particularly effective in exploring complex phenomena that could not be reduced to quantitative observations. Qualitative research allows for a meaningful examination of human behaviour and enhances understanding of underlying dynamics that underpin these behaviours. For PT TJI, the approach allowed for research on how inclusive leadership affected the integration of new technology and organisational culture in the process of digital transformation.

3.2 Research Location

PT Tynox Jaya Indonesia is a specialised company engaged in the development, manufacturing, marketing,

and distribution of chemical products, including Titanium Dioxide (TiO_2), Opacifier, and TiO_2 replacers such as X-PAQUE and X-PURE. Established in 2007, PT TJI is in Kawasan Industri Delta Silicon 2, Lippo Cikarang, Indonesia, and currently employs over 120 people. With its extensive expertise and strong commitment to quality, PT TJI has successfully expanded its market reach across Southeast Asia, Asia Pacific, the Middle East, and Africa (Asia Pacific Coatings Show, 2024; Tynox International, 2024).

3.3 Research Participants

A total of fifteen (15) employees comprising three (3) managers from Production, Marketing, and HRD units as well as twelve (12) staff participated in this study. For qualitative research Kvale and Brinkman (2009) contend that 5-25 respondents are sufficient to gauge depth of responses, while Hennick and Kaiser (2021) argue that 9-17 interviews would be the right number before reaching saturation. The managers were crucial in understanding how leadership strategies, decision-making processes, the challenges in integrating new technologies, and the management of change in digital transformation. The staff members (from Production Unit and HR Unit) were invited because of their experiences with the transformation process, and how they interact with new technologies like GenAI, which offered valuable insights and data. Employees' feedback helped measure the success and challenges of inclusive leadership during digital transformation.

3.4 Data Collection Techniques

3.4.1 Interviews with Managers

In-depth Interviews were conducted to understand the Managers' personal insights and opinions, i.e., those of managers, leaders, and experts of the organisation (Wilson, et al, 2016). Through interviews, the researchers sought to understand how inclusive leadership was applied in the organisation and its influence on the GenAI adoption. The interviews also asked about the problems of leaders in digital transformation and how they managed change and overcame challenges in the adoption of new technologies. The interviews with Managers were semi-structured, permitting the researcher to discuss main points while being flexible enough to explore participants' perspectives in greater depth. Each interview was conducted for approximately 45-60 minutes, either face-to-face or via online, depending on the participants' availability and convenience. All interviews were audio-recorded (with participants' consent) and transcribed for subsequent analysis.

3.4.2 Focus Group Discussion with Staff

The Focus Group Discussions (FGD) were arranged with Staff employees working in various departments of PT TJI to understand the perception of employees regarding inclusive leadership and use of GenAI. The FGD environment provided a forum for participants to share experiences (Carey and Ashbury, 2016) and its impact on them during this digital transformation. FGDs were conducted separately for various departments, i.e., the Production, Marketing, and Human Resource (HR) departments. Five members from HRD and Production departments were invited in each FGD to obtain specific inputs regarding the difficulties and experiences faced by employees in pursuing digital transformation. The discussion elicited a diversity of opinions among departments about the inclusive leadership role. The FGDs were also semi-structured with open-ended questions that allowed spontaneous talk. Each FGD session ran for 60-90 minutes and was tape-recorded for analysis purposes with staff members' consent.

3.5 Data Analysis Techniques

The data collected from in-depth interviews and focus group discussions was analysed using thematic analysis. This is a technique that involves identifying and analysing patterns or themes within the data. The data in this study was analysed using the software NVivo 12Pro. NVivo 12 Pro effectively organises, processes and analyses qualitative data to facilitate the research process, especially as qualitative research data tend to be extensive, unstructured and complex. Furthermore, the software helped to produce a comprehensive report, which ensured a more systematic and structured presentation of the results.

The process involved were transcribing the audio recordings of the interviews and focus group discussions. The transcripts were carefully reviewed to familiarise with the content and identify key points. After this process, the researchers created initial codes from the transcribed data. These codes represented meaningful units of data related to inclusive leadership and GenAI adoption, such as leadership behaviours, challenges, and GenAI adoption. The identified themes were reviewed to ensure they accurately reflect the data. This step involved checking for overlap or ambiguity in the themes and ensuring that each theme clearly represents the data. Each theme was then clearly defined, and a label was given to summarise the essence of the theme. This step ensured that the themes are concise and meaningful. The final step was to write up the findings, incorporating illustrative quotes from the interviews and FGDs to support each theme. The analysis addressed the research questions and provided insights into how inclusive leadership contributed to the success of GenAI adoption at PT TJI.

3.6 Data Validation - Triangulation

Triangulation was used to enhance the credibility of the findings. By employing both in-depth interviews and focus group discussions, the study cross-checked data from multiple sources. The following processes of triangulation were conducted:

3.6.1 Member Checking

To ensure the accuracy and validity of the findings, member checking was performed. After the interviews and FGDs were transcribed and analysed, the key findings and themes were shared with the participants to verify that the interpretations accurately reflected their views. This step allowed participants to provide feedback, clarify any misunderstandings, and confirm the validity of the data.

3.6.2 Peer Review

The researcher also engaged in peer review by consulting with colleagues or experts in the field of digital transformation, leadership, and qualitative research. The peer review process helped ensure that the analysis and interpretation of the data were rigorous, reliable, and based on sound methodology.

4. Results and Discussions

4.1 RQ 1: How do employees perceive the role of inclusive leadership in the implementation of the GenAI initiatives?

PT TJI's push for digital transformation was driven primarily by competitive pressures and the broader national vision for digital leadership (Indonesia Digital Vision 2045). Managers consistently highlighted the risk of obsolescence if technological advancements like GenAI were not adopted. One manager stated, *"In two years, if we don't adapt, we risk losing major market share."* This mirrors Tabrizi et al.'s (2019) assertion

that competitive pressure is a primary catalyst for transformation, and echoing Majchrzak et al's (2016) assertion, entails a paradigm shift in mindset, and demands companies to innovate, generating value of great benefits to the organisation.

Although PT TJI had established ERP and CRM systems, participants noted a significant gap in AI-specific infrastructure readiness. Employees highlighted the need for better data integration and AI model training systems. This finding supports Teichert (2019) assertion that robust technological infrastructure is essential for successful digital transformation. Top leadership at PT TJI voiced strong rhetorical support for digital initiatives. However, employees expressed scepticism, citing slow materialisation of promised investments. This gap highlights the critical role of tangible leadership actions, supporting Kane's (2019) view that inclusive leadership must be demonstrated through visible commitments, not merely aspirational statements. Buonocore et al. (2024) emphasised this – leaders must attempt to reconfigure their business strategies to adapt quickly. A key factor in this equation is that employees feel included and empowered to contribute to the transformation process.

Leader visibility is critical in fostering trust during transformation. The Production Manager said, "*I try to ensure communication remains open even though we don't often meet in person.*" Further, the HR Manager added, "*We ensure there is information transparency about GenAI in every discussion session*." This assertion aligns with Kusumawardani et al. (2023) study which found that visible and communicative leadership builds psychological safety. Kotter (1996) emphasised that leaders must be visibly engaged in transformation efforts to foster trust and sustain momentum. Similarly, Schein (2010) highlights the importance of leader presence in shaping organisational culture and fostering environments conducive to open communication.

However, Ahmad (Production staff) expressed his concerns: *"Our leaders are easy to contact, but we often feel they are physically absent."* This disconnect shows that leaders still need to be present, not only virtually but also through consistent engagement to sustain transformation momentum. Edmondson (1999) discussed how psychological safety is enhanced when leaders are actively engaged and visibly supportive, addressing the concern of perceived physical absence. Being physically absent makes leaders seem unresponsive, and in times of change or crisis, this behaviour might be perceived with distrust by employees (Ahn, 2023). Leader responsiveness will prevent confusion in times of change.

The readiness of infrastructure played a crucial role. The Production Manager highlighted, "*We've started with some basic systems that allow AI-based data analysis*." From the marketing side, a Staff said, "*We've started implementing several AI-based analytics platforms to better understand consumer behaviour.*" These comments show progress in implementation. According to Bharadwaj et al. (2013), aligning digital business strategies with infrastructure readiness is essential for leveraging new technologies effectively. Their work underscores the necessity for businesses to strategically orchestrate their infrastructure to support AI technologies effectively.

Yet challenges persist. Asep (Production staff) noted, *"Some existing tools still feel outdated and not fully compatible with GenAI."* This finding resonates with Effendy and Arquisola (2022), who argue that digital maturity is hindered when systems are not upgraded in parallel with strategic innovation, while Westerman, Bonnet, and McAfee (2014) had argued that technological infrastructure and manpower capabilities must be in sync with any proposed digital transformation. PT TJI will not gain traction if infrastructure is outdated. Research in these areas (Vial, 2021 and Fichman, Dos Santos, and Zheng, 2014) emphasised this as well - the lack of seamless integration will hinder any efforts at digital transformation.

4.2 RQ 2: What were employees' experiences with empowerment, empathy, caring and nurturing leadership behaviors during the GenAI transformation?

Many employees reported feeling motivated and involved in the organisation's digital initiatives, attributing this to the empowerment and support provided by leadership. Participation rates in AI-related

training sessions and pilot projects increased notably, with employees expressing enthusiasm about expanding their technical competencies. This aligns with Effendy and Arquisola (2022) who found that employee engagement is a critical mediator between leadership practices and successful transformation outcomes. Moreover, employees must demonstrate a proactive attitude, volunteering for cross-departmental AI innovation teams and contributing ideas for new GenAI applications. This heightened engagement suggests a cultural shift towards greater collaboration, learning, and adaptability within PT TJI, emphasising that leadership-driven empowerment and visible support are crucial to sustaining momentum during digital transformation.

Empowerment reflects how leaders give space for employees to act independently and take initiative during the digital transformation process. Interviews revealed that inclusive leaders encouraged initiative and exploration. The Production Manager stated, "*I try to give more space for supervisors and colleagues to speak directly about the ongoing transformation process."* Similarly, the Marketing Manager emphasised the role of trust, stating, "*We rely more on trust and open communication so that they feel involved."* These statements illustrate inclusive leadership practices, in line with Kusumawardani et al. (2023), who found that empowering inclusive leadership fosters active participation and ownership during times of change.

Empathy emerged as a subtle yet vital leadership trait during the implementation of GenAI. The HR Manager emphasised, *"We tackled fear of change by conducting repeated training sessions and providing space for them to ask questions and express their feelings. With a more empathetic approach and by listening to their concerns, many eventually accepted GenAI as a tool that helps, not replaces."* This statement exemplifies what Živković (2024) describes as humanising leadership, wherein empathetic responsiveness is not only about understanding emotions but also designing inclusive actions that reduce fear and resistance.

Similarly, the Marketing Manager recalled, *"Some team members were anxious that GenAI would replace their jobs. I explained thoroughly how it would make their tasks easier, not obsolete."* This indicates cognitive empathy, a leader's ability to intellectually recognise employee fears and respond with clarifying reassurance (Feigenbaum, 2022). In both cases, empathy was not expressed as abstract concern but as behavioural commitment through ongoing communication, reassurance, and psychological support.

Furthermore, employees highlighted the freedom to explore technology. Shania (HR staff) said, "*I feel empowered because our leader gives us the opportunity to explore new technologies.*" However, Risha (Marketing staff) expressed that the lack of clear guidance sometimes led to confusion. These findings support Effendy and Arquisola (2022) argument that while empowerment is critical in fostering digital maturity, it must be accompanied by clarity and support.

In alignment with these perspectives, Qiao, Li, and Hong (2024) discuss in their study that digital leadership plays a strategic role in enhancing employee performance and organisational commitment in the digital era. This suggests that empowering leadership is not only about providing freedom but also about aligning digital strategies with leadership practices to enhance performance outcomes.

Accountability surfaced as a key dimension, especially in the implementation of GenAI. Leaders emphasised clearer evaluation mechanisms. As noted by the Production Manager, *"We strengthened internal systems by setting clearer targets and evaluations."* This aligns with previous researches (Roberson and Perry, 2022; Effendy and Arquisola, 2022) who argued that leadership enhances digital accountability when supported by measurable performance indicators.

However, staff perspectives reflected gaps. Fajar (Marketing staff) stated, *"We often feel given responsibility but without direct feedback."* Meanwhile, Shania (HR staff) pointed to a lack of transparency, saying, *"We were given responsibility to implement GenAI, but sometimes we felt there was no transparency."* These concerns align with the challenges of distributed accountability in digital transitions, as discussed by Arquisola et al. (2021), especially in flexible and hybrid working settings.

Bass and Avolio (1994) underscored the that the type of ideal leadership is one that enhances and fosters clear communication between leaders and followers, and accountability mechanisms are integrated into the organisation's DNA. Inclusive leadership responds to this call. Such an approach is essential in managing the complexities of GenAI implementation, ensuring that staff not only receive responsibilities but also the necessary feedback and transparency to drive success.

4.3 RQ 3: What recommendations do stakeholders suggest would enable PT. TJI to successfully undergo the GenAI transformation?

Although PT TJI had established ERP and CRM systems, participants noted a significant gap in AI-specific infrastructure readiness. Employees highlighted the need for better data integration and AI model training systems. This finding supports Teichert (2019), who emphasise that robust technological infrastructure is essential for successful digital transformation. The commitment to diversity was evident in leaders' efforts to ensure accessibility and inclusion in digital transformation. The Production Manager stated, *"We ensure this technology is accessible to all levels, from the most experienced to new employees."* Christie (HR staff) added, *"Using GenAI, we can reach more candidates from diverse backgrounds."* These initiatives align with Kusumawardani et al. (2023), who stress that inclusive leadership emphasises equal access to opportunities during organisational change.

On the inclusion side, the Marketing Manager remarked, *"We have an open policy for suggestions and opinions about GenAI."* Meanwhile, the HR Manager noted efforts to include voices from different backgrounds. Objectivity also emerged as a theme, where Sugito (HR staff) emphasised, *"We try to maintain objectivity in using GenAI to avoid reinforcing bias."* These practices are consistent with Kusumawardani et al. (2023), who advocate for proactive diversity and fairness in inclusive leadership, as well as Zhao's (2024) assertion that digital technologies like GenAI can be leveraged to enhance accessibility through inclusion policies across various organisational levels (Sato et al, 2024; Zowghi and Bano, 2024).

Marketing Managers and staff have a different opinion on leadership ability to navigate GenAI adoption. As shown in Figure 1, the analysis of the transcript from the discussion with the marketing manager regarding the implementation of Generative AI (GenAI) at PT TJI indicates that the key factors influencing the successful adoption of this technology include adaptability, evaluation, trust, leadership, inclusion, utilisation, and engagement. Marketing managers generally recognise the potential of GenAI to enhance efficiency and creativity in marketing. However, they also emphasise the importance of a well-planned implementation strategy to maximise its benefits for both the team and the company.

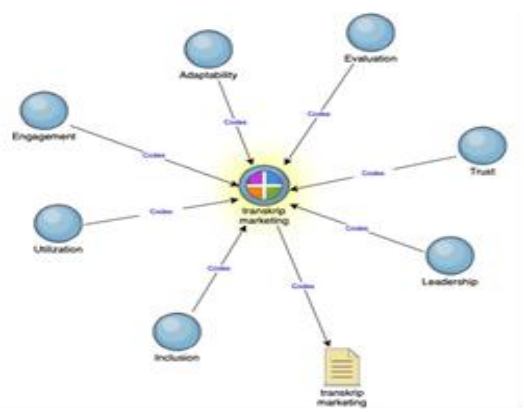

Figure 1. Coding Tree from Marketing

Evaluation relates to how marketing managers assess the effectiveness of GenAI usage. Some employees believe that while the technology offers many advantages, its impact on marketing outcomes still needs to be clarified. Therefore, employees stress the importance of establishing clear metrics to measure the success of its implementation. Trust within the team is also a critical aspect. Marketing managers highlight that trust in the technology, as well as trust among team members, influences the success of GenAI implementation. Some teams still doubt the reliability and accuracy of GenAI in generating relevant marketing content, necessitating education and concrete evidence of the technology's benefits. The discussion highlighted that when workers trust leadership and the decision-making process, they are more engaged and motivated. Trust facilitates smoother adoption of new technologies and process improvements. The transcript underscores the need for clear and open dialogue between production managers and workers to ensure alignment on goals, processes, and expectations. Miscommunication can lead to errors, inefficiencies, and delays in production.

Adaptability is a crucial factor in integrating GenAI into workflows. Marketing managers who are flexible and open to change are better able to adopt this technology and encourage their teams to keep up with new developments. However, some managers still face challenges in aligning existing work systems with the new technology, particularly in integrating GenAI into ongoing marketing strategies. Strong leadership helps teams overcome fears of change and provides guidance on effectively utilising the technology (Nambisan et al. 2019).

Additionally, inclusion is a key concern in the discussion. Marketing managers emphasise that all team members should be involved in the GenAI adoption process to prevent knowledge gaps or feelings of unfairness in the implementation of the new technology. An inclusive approach fosters a more collaborative and innovative work culture. The utilisation of GenAI in marketing strategies also presents a unique challenge. Marketing managers need to ensure that the technology adds real value rather than just being an additional tool that is not fully utilised (Bharadwaj et al, 2013; Buonocore et al. 2024). Therefore, the strategy for using GenAI should be designed with the specific needs of the marketing team in mind.

Finally, team engagement is a crucial factor in the successful implementation of GenAI. Marketing managers stressed that the more team members participate in exploring and leveraging this technology, the higher the chances of success. A collaborative approach and openness in internal discussions can help improve acceptance and understanding of the new technology. Overall, the successful adoption of GenAI in PT TJI's marketing department heavily depends on adaptability readiness, clear evaluation strategies, trust-building, proactive leadership, an inclusive approach, strategic utilisation, and active team engagement. With the right approach, GenAI can become a tool that supports innovation and enhances the company's marketing effectiveness.

Participants in the FGD emphasised the importance of open communication regarding how GenAI is utilised, the data it can produce, and the expected outcomes. Ensuring transparency builds trust among team members, helping them feel more confident in leveraging GenAI-driven tools. Additionally, clear guidelines on ethical GenAI usage and decision-making processes can mitigate concerns related to misinformation or biased outputs.

Resistance to change is a common challenge in production environments. Employees may be hesitant to adopt new technologies, workflows, or management styles due to uncertainty or fear of failure. The discussion suggests that addressing resistance through proper training, transparency, and involvement in decision-making can help ease transitions. Motivation directly impacts worker performance and overall production efficiency. The analysis reveals that recognition, incentives, and a supportive work culture can drive higher productivity and job satisfaction. Motivated employees are more likely to take initiative and maintain high standards in their work.

The key themes from the Managers' discussion highlight that evaluation, awareness, trust, and communication are crucial for smooth adoption of GenAI, while resistance, motivation, and

implementation are factors that influence the success of new initiatives. Addressing these aspects strategically can lead to higher efficiency, better employee engagement, and long-term business sustainability at PT TJI.

5. Conclusion

PT TJI successfully piloted the use of GenAI across key operational areas. In the Marketing department, GenAI tools were employed to automate the creation of digital marketing content, reducing production time and enhancing personalisation for customer campaigns. In Human Resources, AI-powered analytics were introduced to streamline data analysis, optimise recruitment processes, and enhance employee engagement strategies. In the Production department, GenAI applications supported quality checks and predictive maintenance initiatives, enabling more accurate detection of defects and minimising downtime. Employees across all departments reported observable improvements, including accelerated decision-making processes, higher operational efficiency, and better alignment between departmental goals and technological capabilities. These outcomes provide early evidence supporting GenAI's transformative potential in operational and strategic domains, aligning with existing studies that emphasise technology adoption as a catalyst for competitive advantage.

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