

# Transformational Leadership in Facing VUCA (Volatility, Uncertainty, Complexity, Ambiguity) Challenges: A Case Study at PT Telkom Kediri Branch

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## ABSTRACT

Transformational leadership is key to facing the increasingly complex VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) challenges of the modern era. This study aims to analyze the role of transformational leadership in addressing VUCA challenges at PT Telkom Kediri Branch. The method used is a case study with a qualitative approach, where data is collected through in-depth interviews and observations. The results show that leaders who apply a transformational leadership style are able to create an adaptive work environment, increase employee motivation, and encourage innovation. In addition, leaders also play a role in building effective communication and collaboration between teams, which are very important in facing complexity. This study provides insights for other organizations in developing effective leadership strategies amidst VUCA challenges.

## ABSTRAK

Kepemimpinan transformasional menjadi kunci dalam menghadapi tantangan VUCA (Volatility, Uncertainty, Complexity, Ambiguity) yang semakin kompleks di era modern ini. Penelitian ini bertujuan untuk menganalisis peran kepemimpinan transformasional dalam mengatasi tantangan VUCA di PT Telkom Cabang Kediri. Metode yang digunakan adalah studi kasus dengan pendekatan kualitatif, di mana data dikumpulkan melalui wawancara mendalam dan observasi. Hasil penelitian menunjukkan bahwa pemimpin yang menerapkan gaya kepemimpinan transformasional mampu menciptakan lingkungan kerja yang adaptif, meningkatkan motivasi karyawan, dan mendorong inovasi. Selain itu, pemimpin juga berperan dalam membangun komunikasi yang efektif dan kolaborasi antar tim, yang sangat penting dalam menghadapi ketidakpastian. Penelitian ini memberikan wawasan bagi organisasi lain dalam mengembangkan strategi kepemimpinan yang efektif di tengah tantangan VUCA.



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## INTRODUCTION

In the era of rapidly evolving globalization and digitalization, organizations worldwide face increasingly complex, dynamic, and unpredictable challenges. This condition is often summarized by the term VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), which describes the modern business environment, which is full of uncertainty and rapid change. In this situation, organizations are required to adapt quickly, make decisions based on incomplete information, and maintain sustainable competitiveness.

This VUCA phenomenon is particularly evident in the telecommunications sector, including in Indonesia. This industry is experiencing significant changes due to advances in digital technology, shifts in consumer behavior, and increasing pressure from digital platform-based competitors. PT Telkom Indonesia's Annual Report (2023) states that the company faces significant challenges in maintaining performance amid digital disruption and rapidly changing industry dynamics. Furthermore, the report highlights the importance of organizational transformation across all lines, including at the branch level, to compete in an increasingly competitive business landscape (Telkom, 2023). PT Telkom Kediri Branch, as one

of the regional operational units of this national company, is also feeling this pressure. This branch is not only required to achieve corporate targets but also faces local challenges such as increasingly personalized service needs, high customer expectations, and dynamic regulatory and market changes. In this context, organizational success depends heavily on the ability of its leaders to respond to change, inspire teams, and steer the organization toward appropriate innovation and adaptation.

PT Telkom Kediri Branch is not only faced with the demands of achieving corporate targets but also faces complex local dynamics, such as customer demands for more personalized service, increasingly high service quality expectations, and rapid regulatory and market changes. In this context, transformational leadership is key to guiding the organization to remain adaptive and innovative. Qualitative research findings at PT Telkom Banjarmasin Branch indicate that transformational leadership can shape an adaptive work culture and increase employee motivation and performance amidst a changing business environment (Anwar, 2018). Meanwhile, a qualitative study at Telkom Regional VI Kalimantan found that transformational leadership was strongly correlated with employee readiness for change, demonstrated through visionary communication, team empowerment, and leadership role models (Virgianty, N. H., & Budiani, 2019). These findings indicate that transformational leadership practices at the local unit level play a strategic role in building organizational resilience to VUCA conditions. Therefore, an in-depth analysis of transformational leadership practices at PT Telkom Kediri Branch through a qualitative approach is crucial for understanding the dynamics of leadership in the local context.

Based on this background, this study aims to deeply analyze transformational leadership practices in responding to VUCA challenges at PT Telkom Kediri Branch. The primary focus of this research is to identify how branch-level leaders build vision, motivate teams, and encourage organizational adaptation and innovation in the face of changing business environments. This research is expected to provide theoretical contributions to the development of leadership literature in the Indonesian context and offer practical recommendations for organizational leaders in designing more adaptive, visionary, and transformative leadership strategies amidst growing uncertainty.

## RESEARCH METHOD

The research reviewed implemented qualitative research methodology and a case study of the Kediri Branch of PT Telkom for the purpose of understanding transformational leadership practices while dealing with VUCA challenges in the local organization. The branch Office was taken as a regional operational unit that experiences constant shifts in the telecommunications industry because of the corporate targets and customer expectations. It was also the best fit for assessing the transformational leadership style. The study participants included branch managers, service/functional managers, and employees who were relevant regarding information and practices of the leadership and were a total of 8 people. The informants were Branch Manager (5 years), Deputy Manager of Operations (2 years), Deputy Manager of Customer Service (3 years), Technical Support Supervisor (4 years), Marketing and Sales Supervisor (5 years), Customer Care Senior (4 years), Network Operations Senior (3 years), and Customer Service Officer (3 years). These backgrounds were enough in order to ensure the informants were representative enough of the different levels of the organizational structure, and the informants were selected using purposive sampling, which was supplemented with some elements of snowball sampling to reach other participants.

In-depth, semi-structured interviews, direct observation, and document analysis served as the primary means of data collection. Within the informants' roles and availability, interviews were carried out in November and December 2024 and lasted 45 to 90 minutes. The observation of operational managers, daily operational routines, and leader-employee interfaces were also set between 60 to 120 minutes. The document reviews pertained to internal reports, organizational schematics, evaluation reports, and documents pertaining to leadership principles; thus, triangulation of data pertaining to the leadership phenomena in the PT Telkom Kediri branch was accomplished.

A semi-structured interview guide was used to ensure focus during data collection. Examples of key interview questions included:

1. How does your leader provide strategic direction to you in facing the increasingly rapid changes in the telecommunications industry?
2. Does the leader provide motivation or appreciation when the team achieves a target?
3. When there's a network outage, does the leader provide detailed instructions or does he or she give the technical team free rein?
4. Do leaders also pay attention to employees' personal circumstances that could impact their work?
5. How do leaders communicate new competitive conditions and regulations to the entire team or employees?

## RESULTS

This study examines how transformational leadership is applied by the leaders of PT Telkom Kediri Branch to face the challenges of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). Interview data analysis indicates the existence of four dimensions of transformational leadership according to (Bass, 1990): idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, as well as additional adaptive leadership practices (Heifetz, 1994).

### 1. Strategic Vision and Digital Transformation (Idealized Influence)

Leaders have the ability to convey a clear vision to their subordinates. In every meeting, leaders consistently emphasize the importance of digital transformation and a focus on customer service. This direction provides firm guidance and keeps all work units on the same page.

Researcher's Question:

"How does your leader provide strategic direction to you in facing the increasingly rapid changes in the telecommunications industry?"

Interview Excerpt:

"In every meeting, our leader consistently emphasizes the importance of digital transformation. He directs all units to focus on customer-centric services. This gives us a clear sense of purpose."

From the interview excerpt above, the researcher can conclude that there is a dimension of idealized influence, where leaders serve as role models and are

able to present a clear vision (Bernard M. Bass, 2006). At PT Telkom, leadership is seen directing efforts to strengthen customer-centric digital services, enabling work units to withstand market volatility and technological demands.

2. Employee Motivation and Appreciation (Inspirational Motivation)

In conditions of uncertainty, leaders maintain work motivation by offering appreciation, whether in the form of simple rewards or words of thanks. This method keeps employees motivated despite challenging work targets.

Researcher's Question:

"Does the leader provide motivation or appreciation when the team achieves a target?"

Interview Excerpt:

"When we achieve a target, the leader always gives appreciation, sometimes in the form of small rewards, sometimes just words, but it keeps you motivated even though the work situation is full of uncertainty."

From the researcher's quote above, PT Telkom reflects inspirational motivation, namely the leader's ability to provide emotional support to keep the team optimistic (Bass, 1990). At Telkom Kediri, simple rewards are implemented to encourage and maintain work enthusiasm amidst regulatory uncertainty and industry competition.

3. Innovation and Freedom of Thought (Intellectual Stimulation)

To address complexity (technical problem complexity), leaders provide space for technicians to find their own solutions. This fosters creativity and self-confidence.

Researcher's Question:

"When there's a network outage, does the leader provide detailed instructions or does he or she give the technical team free rein?"

Interview Excerpt:

"When there's a network outage, the leader gives us the freedom to find solutions. Not every decision has to wait for our superiors. That makes us feel trusted and more creative."

From the researcher's interviews above, the leaders of PT Telkom demonstrate intellectual stimulation, which is encouragement from leaders to encourage employees to think creatively and find new solutions (Bass, 1985). At PT Telkom, this is evident in the policy of technician autonomy in handling network outages, enabling the team to respond quickly to technical complexity without having to wait for instructions from the leader.

4. Individualized Consideration

When faced with ambiguity, leaders also demonstrate personal attention to employees. This is important so that employees feel supported even when facing personal issues that impact their work.

Researcher's Question:

"Do leaders also pay attention to employees' personal circumstances that could impact their work?"

Interview Excerpt:

"I once had a personal problem that affected my work. My manager listened to my concerns and provided solutions. He even adjusted my workload to make it lighter."

From the researcher's interview above, leaders demonstrate individualized consideration, which is attention to individual needs (Burns, 1978). Its implementation at Telkom Kediri is evident in the policy of adjusting workloads for employees facing personal problems, so that employees remain productive and feel valued as individuals.

#### 5. Open Communication and Adaptive Leadership

In addition to the four transformational dimensions, leaders also implement adaptive leadership to address regulatory and competitive uncertainty. Transparency and open communication are key to ensuring all employees are prepared for change.

Researcher's Question:

"How do leaders communicate new competitive conditions and regulations to the entire team or employees?"

Interview Excerpt:

"In the face of increasingly complex regulations and competition, leaders encourage open communication. Everyone is given an understanding of the situation so that no one is surprised."

The researcher's interview results align with the adaptive leadership theory (Heifetz, 1994), which states that leaders must be flexible, transparent, and collaborative in dealing with change. The implementation at Telkom Kediri takes the form of regular meetings that explain the latest industrial conditions, so that employees are ready to adapt and not surprised by the new company policy

## DISCUSSION

The findings of this study confirm that transformational leadership plays a crucial role in addressing the VUCA challenges at PT Telkom's Kediri Branch. VUCA describes an organization full of rapid change, uncertainty, complexity, and ambiguity (Nandram & Bindlish, 2017). In this situation, leaders are required to present a clear vision, inspire motivation, encourage innovation, and foster personal care to ensure the organization remains adaptive.

#### 1. Strategic Vision in Facing Volatility

Interviews with division managers indicate that Telkom's leadership consistently emphasizes the importance of digital transformation and customer-

centric services. This reflects the dimension of idealized influence, namely the leader's ability to serve as a role model and present an inspiring vision (Bernard M. Bass, 2006). In the context of the telecommunications industry's volatility, characterized by rapid technological change and customer needs, a clear vision serves as a guideline that minimizes confusion. This finding aligns with research (Buss, 2024), which shows that in situations of high uncertainty, visionary leaders are able to maintain the meaning of work for subordinates and reduce the tendency for turnover, thereby maintaining the organization's direction despite changing business conditions.

## 2. Appreciation and Motivation in Uncertainty

In situations of uncertainty, leaders at Telkom maintain work morale through simple forms of appreciation. This finding reinforces the inspirational motivation dimension, where leaders provide emotional encouragement to maintain team optimism (Bass, 1990). Appreciation in the form of verbal or small rewards has proven effective in creating a sense of appreciation, so employees remain motivated even when facing uncertain targets.

## 3. Space for Innovation in Complexity

The complexity of technical work, particularly network disruptions, is addressed by giving technicians the freedom to find solutions independently. This finding aligns with the intellectual stimulation dimension, which is the leader's encouragement of subordinates to think creatively and innovatively (Bass, 1985; Burns, 1978). In the context of complexity, this policy accelerates decision-making because not all problems require direction from superiors. This research aligns with the theory of adaptive leadership (Heifetz, 1994), which emphasizes the importance of empowering teams to flexibly face complex challenges.

## 4. Personal Concern in Ambiguity

In conditions of ambiguity, leaders demonstrate concern for employees' personal problems. This reflects the dimension of individualized consideration, namely attention to individual needs (Bernard M. Bass, 2006). This implementation creates a supportive work environment and increases loyalty. These results align with a study by (Amin & Widya, 2022), which showed that empathetic leadership can increase employee emotional resilience and reduce stress within an organization.

## 5. Transparency as Adaptive Leadership

In addition to the four dimensions of transformational leadership, this study also identified adaptive leadership practices. Telkom's leadership encourages open communication in the face of increasingly complex regulations and competition. This transparency prevents employees from being surprised by change and is better prepared to face uncertainty. This aligns with adaptive leadership theory (Heifetz, 1994), which emphasizes the importance of flexibility, transparency, and cross-team collaboration in dealing with uncertain situations.

# CONCLUSIONS



This research demonstrates that transformational leadership plays a central role in addressing VUCA challenges at PT Telkom's Kediri Branch. Through the application of the idealized influence dimension, leaders are able to present a clear vision in the face of industry volatility. The inspirational motivation dimension is reflected in the appreciation given to employees, thus maintaining work morale amidst uncertainty. The intellectual stimulation dimension is realized by providing innovative space for technicians to solve complex problems independently. Meanwhile, individualized consideration is evident in leaders' concern for employees' personal needs in the face of ambiguity.

Furthermore, this research also found that adaptive leadership practices based on transparency and open communication contribute to strengthening organizational resilience in the face of dynamic regulations and competition. Thus, transformational leadership combined with adaptive leadership has been proven to make organizations more visionary, innovative, and responsive to changes in an uncertain business environment.

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