Chapter 5

Enhancing Human Resource Development and Practices in Industry 4.0 With Charismatic and Transformational Leadership

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ABSTRACT

In the Industry 4.0 arena, human resource management and development are important tasks for public and private sectors to prepare adequate skilled human resources for organizations' daily work, company operations, and agencies' management and administration activities. Long-term investment on an organization's employees to upgrade their knowledge, abilities, and skills will in turn increase their productivity and the organization's performance. Employees with new technological knowledge and technical skills will be able to contribute to their organization and hence to the nation to boost its economy. This chapter discusses charismatic and transformational leadership that can enhance human resource development and practices and proposes some recommendations to overcome the challenges faced in human resource development.

1. INTRODUCTION

This is a conceptual paper that discusses insight into the importance of charismatic and transformational leadership and innate leadership characteristics in enhancing human resource development and practices in the Industry 4.0 era. Before we go further to the leadership, we have a look of the industrial revolution. The industrialization starts in UK when the steam-powered locomotives replaced humans' power to run the iron production since year 1800. Starting with the first industrial revolution which was focused on weaving looms for manufacturing textiles, the second industrial revolution centred on steel

and iron production as well as automobile industries in Europe countries, such as UK, France, Germany, Denmark, etc. with the advancement of steam-powered locomotives which moved forwards the production's units and operation.

The third industrial revolution started in 1950 when electrical, electronic, semiconductor and computer industries began to boom up during mid of 1950s and continue to grow drastically in 1960s to 2000. The benefits of the industrial revelation included large scale of production which prompted to produce more units and achieved economic of scale, transformed some of the countries' economy from agricultural based to manufacturing based and generated more income for the nations, also brought in machines and equipment which improved the productivity, efficiency, effectiveness of production and process.

The fourth industrial revolution, or in other words 'Industrial Revolution 4.0' started after 2000 with the focus on industrial internet of things or smart manufacturing which emphasize on the applications of internet and digital tools in the industries and business activities. Many countries have shifted their economy to digitalization and data science application in manufacturing, industries and business sectors to achieve globalization. Under the Industrial Revolution 4.0, the focus is on application of digital tools in digital marketing and business model through digital platforms, such as big data, data analytics and automation, robotics, artefactual intelligent (AI) implementation in production, etc. to achieve optimum outcomes.

Leadership is defined as the aura a person owns which helps to lead the organization to achieve its vision and mission (Taylor, 2012). Leadership is a process where a person has the characteristics to influence others to follow his/her instructions, orders, guidance or advice (Ahmad et al., 2014). A good leadership enables a leader to build closer working relationship between the leader and his/her subordinates and their commitments towards duties and responsibilities (Naile & Selesho, 2014). The reciprocal relationship build between leader and subordinates gives more freedom to subordinates to carry out their duties and responsibilities.

A capable leader is able to turn around a company that is facing a loss in sales to a profitable situation. A good leader has visions to lead the employees to achieve success together with the company. To achieve success, first and foremost, the leader needs to have positive characteristics or personalities, such as being visionary, hardworking, honest, reliable, empathetic, open minded, etc. Leadership theories to support the statements. For a first-time leader, there are substantial challenges to overcome. For example, winning a full support from the subordinates, managing different individuals with different personalities, motivating subordinates with different rewards which are appropriate for each individual, turning around the company's losing account into a profitable and productive account, etc. Therefore, for the first-time leader, he/she needs to study in depth the reasons behind a problem that exists in the company and focus on the root cause to solve the problem. This needs variety of different management skills, such as decision-making, listening and communication, analytical and technical, time-management and self-management, etc.

In the Industry 4.0 era, leaders face more challenges and threats under the globalization trend. For example, manufacturers compete with each other in the globalized markets for price, product's quality and market share. The products need to fulfil the international standards to be marketed in the other countries. The leaders and managers of these manufacturing companies need to make themselves familiar with different countries' laws and regulations, as well as their cultures to lead and manage people who work for them in these different countries. Furthermore, the leaders and managers need to lead their companies to fulfil the corporate social responsibilities (CSR) under the global watch. Leaders alert for the responsibilities of their organisations to the society and community. Every decision or movement

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