

Psychological Leadership and Emotional Intelligence in Senior Management: Strategic Insights for Industry 5.0

Liderazgo Psicológico e Inteligencia Emocional en la Alta Dirección: Perspectivas Estratégicas para la Industria 5.0

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Abstract. This article explores the pivotal role of psychological leadership and emotional intelligence in senior management within the framework of Industry 5.0, highlighting practical applications such as fostering cross-cultural collaboration through multinational team-building initiatives, improving decision-making under stress by implementing stress-resilience workshops, and integrating human-centric values with technological advancements in corporate governance through the adoption of ethical AI frameworks. By integrating advanced technological innovations with human-centric approaches, organizations can navigate the complexities of a rapidly evolving global business environment. This document presents strategic insights backed by recent studies, highlighting the transformative impact of emotional intelligence and leadership on industrial practices and decision-making processes in the Fifth Industrial Revolution.

Resumen. Este artículo explora el papel fundamental del liderazgo psicológico y la inteligencia emocional en la alta dirección en el marco de la Industria 5.0, destacando aplicaciones prácticas como el fomento de la colaboración intercultural a través de iniciativas de formación de equipos multinacionales, la mejora de la toma de decisiones en situaciones de estrés mediante la implementación de talleres de resiliencia al estrés y la integración de valores centrados en el ser humano con avances tecnológicos en la gobernanza corporativa mediante la adopción de marcos éticos de inteligencia artificial. Al integrar innovaciones tecnológicas avanzadas con enfoques centrados en el ser humano, las organizaciones pueden navegar por las complejidades de un entorno empresarial global en rápida evolución. Este documento presenta perspectivas estratégicas respaldadas por estudios recientes, destacando el impacto transformador de la inteligencia emocional y el liderazgo en las prácticas industriales y los procesos de toma de decisiones en la Quinta Revolución Industrial.

Keyword. Emotional Intelligence, Industry 5.0, Leadership, Psychological Leadership, Senior Management, Strategic Decision-Making.

Palabras clave. Inteligencia emocional, Industria 5.0, Liderazgo, Liderazgo psicológico, Alta dirección, Toma de decisiones estratégicas.

Introduction

The transition to Industry 5.0 emphasizes human-centric innovation, ethical decision-making, and sustainable growth (Schwab, 2023). This paradigm shift differs from Industry 4.0, which focused on automation and digitalization, by fostering collaboration between humans and advanced technologies like AI and digital twins. This collaboration enables enhanced operational efficiency, promotes innovative problem-solving, and facilitates the seamless integration of technological advancements with human decision-making processes, ultimately driving organizational growth and adaptability. Senior management plays a crucial role in this transition, requiring not only technical proficiency but also psychological leadership and emotional intelligence to navigate complex, multicultural business environments (Tao et al., 2023).

Literature Review

A comprehensive review of existing literature highlights the pivotal role of emotional intelligence and psychological leadership in senior management.

Saberi et al. (2019) examined blockchain technology and its relationships to sustainable supply chain management. Their findings reveal that blockchain can enhance transparency, traceability, and operational efficiency, which are critical in aligning technological innovation with sustainable practices. For instance, the global retail giant Walmart successfully implemented blockchain to trace the origin of its food products, significantly reducing the time required to track contaminated items from weeks to seconds. This case exemplifies how blockchain fosters trust and accountability in supply chains, aligning with both business goals and sustainability objectives.

Xu et al. (2023) investigated the impact of IoT on team dynamics and organizational resilience in the context of Industry 5.0. Their findings emphasize how IoT applications can streamline operational workflows, enhance communication, and support psychological leadership in maximizing the potential of smart manufacturing systems. The study also highlights the role of real-time data analysis in improving decision-making and fostering collaborative environments.

Grievies and Vickers (2017) examined the role of digital twins in optimizing industrial operations. The study demonstrated how emotionally intelligent leaders can effectively integrate these technologies to foster innovation and drive productivity gains.

Schwab (2023) provided a macro-level analysis of the Fourth and Fifth Industrial Revolutions, emphasizing the shift from automation-centric models to a more human-centric framework. This research underscores the necessity for leadership models that integrate technological advancements with ethical and social considerations, aligning with the evolving complexities of modern industries.

These studies collectively provide a solid foundation for understanding the interplay between emotional intelligence, psychological leadership, and technological innovation in Industry 5.0. Notably, they emphasize the transformative impact of emotional intelligence in mitigating organizational challenges, such as fostering resilience during periods of technological disruption and promoting sustainable innovation across industries. A notable insight is that emotionally intelligent leadership not only enhances decision-making but also fosters a culture of innovation, resilience, and sustainability within organizations adapting to rapid technological changes. By synthesizing insights from this literature, this article aims to offer a nuanced perspective on the strategic role of senior management in fostering sustainable growth and innovation.

Research Objectives

General Objective

To analyze the strategic role of psychological leadership and emotional intelligence in senior management within the context of Industry 5.0.

Specific Objectives

1. Explore the impact of emotional intelligence on decision-making processes in senior management.
2. Examine case studies of successful psychological leadership in Industry 5.0.

3. Evaluate the integration of human-centric and technological approaches in leadership practices.
4. Identify key strategies for fostering innovation and sustainability through leadership.
5. Highlight the role of emotional intelligence in enhancing team dynamics and cross-cultural management.

Research Methodology

This article employs a secondary research methodology, drawing from credible sources such as Scopus, Web of Science, and IEEE Xplore. The literature review includes recent peer-reviewed articles, case studies, and industry reports published between 2022 and 2024. These sources provide a robust foundation for analyzing the intersection of emotional intelligence, psychological leadership, and strategic management in Industry 5.0.

Findings of the Study

The findings align closely with the research objectives outlined. For instance, the impact of emotional intelligence on decision-making, as seen in Tesla's adaptive strategies, supports the first objective. The Unilever case study demonstrates successful psychological leadership, aligning with the second objective. Additionally, the integration of AI and digital twins in leadership practices addresses the third objective, while strategies fostering innovation and sustainability, like emotional intelligence training, directly link to the fourth objective. Finally, the enhancement of team dynamics through cross-cultural management reflects the fifth objective. Addressing the general objective, the role of psychological leadership and emotional intelligence in senior management emerges as a critical factor in adapting to Industry 5.0 dynamics. Specific findings are as follows:

1. **Impact of Emotional Intelligence on Decision-Making:** Emotional intelligence significantly enhances decision-making by enabling leaders to manage stress, assess risks comprehensively, and foster a collaborative environment. For example, senior management at Tesla leverages emotional intelligence to implement adaptive strategies in a competitive market.

2. **Case Studies of Successful Psychological Leadership:** Companies like Unilever demonstrate how emotionally intelligent leaders drive sustainability initiatives. These leaders integrate human-centric decision-making with technological adoption to achieve both ethical and financial goals.
3. **Integration of Human-Centric and Technological Approaches:** The synergy between emotional intelligence and technologies such as AI and digital twins has proven essential. Leaders in this paradigm successfully balance efficiency and innovation while addressing ethical considerations.
4. **Strategies for Innovation and Sustainability:** Effective leadership strategies include fostering a culture of continuous improvement and aligning team goals with organizational sustainability objectives. For instance, firms that prioritize emotional intelligence training report higher innovation rates and improved stakeholder satisfaction.
5. **Enhancing Team Dynamics and Cross-Cultural Management:** Emotional intelligence enables leaders to manage diverse teams more effectively, bridging cultural gaps and enhancing communication. This competency is vital for global businesses operating in multicultural environments, promoting cohesive and productive teams.

Discussion

The findings underscore the importance of emotional intelligence in navigating the challenges of Industry 5.0. Leaders equipped with psychological insight can better manage team dynamics, foster a culture of innovation, and align organizational goals with ethical and sustainable practices. Furthermore, the integration of advanced technologies with human-centric approaches enhances operational efficiency and long-term business viability. Challenges such as resistance to change and cultural diversity require tailored strategies to maximize the potential of Industry 5.0 innovations.

Policy Recommendations and Future Directions

To optimize leadership practices in Industry 5.0, organizations should:

- Invest in emotional intelligence training programs for senior management.

- Develop frameworks that integrate technological innovation with human-centric approaches.
- Conduct longitudinal studies to assess the long-term impact of psychological leadership on organizational performance.
- Promote cross-cultural leadership initiatives to address global business dynamics.

Future research should focus on industry-specific applications of emotional intelligence and explore the role of AI-driven tools in supporting leadership development. Industries such as healthcare, where empathetic decision-making enhances patient care, and manufacturing, where IoT and emotional intelligence foster seamless team integration, stand to benefit significantly. Similarly, the financial sector could leverage emotionally intelligent leadership to navigate high-pressure environments and enhance client relationships.

Conclusion

Psychological leadership and emotional intelligence are essential components of effective senior management in Industry 5.0. By blending technological innovation with human-centric strategies, leaders can drive organizational success and foster sustainable growth. This approach positions organizations to thrive in a global business landscape characterized by rapid change and increasing complexity. Future research should further explore the practical applications of these leadership principles across various industries and cultural contexts.

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