

## Transformational Leadership Style And Human Resource Management Challenges In The Society 5.0 Era

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### Abstrak

Era Society 5.0 ditandai dengan integrasi teknologi canggih seperti kecerdasan buatan, Internet of Things, dan big data ke dalam berbagai aspek kehidupan dan dunia kerja. Kondisi ini membawa tantangan signifikan bagi manajemen sumber daya manusia, terutama dalam menjaga keseimbangan antara pemanfaatan teknologi dan nilai-nilai kemanusiaan. Artikel ini bertujuan untuk menganalisis peran kepemimpinan transformasional dalam menghadapi tantangan manajemen sumber daya manusia di era Society 5.0. Metode penelitian yang digunakan adalah pendekatan kualitatif dengan studi literatur, dengan mengkaji berbagai artikel jurnal, buku referensi, dan publikasi ilmiah yang relevan dalam lima tahun terakhir. Hasil kajian menunjukkan bahwa kepemimpinan transformasional berperan penting dalam meningkatkan motivasi, komitmen, dan kinerja karyawan, sekaligus menjadi penghubung antara kemajuan teknologi dan nilai humanis dalam organisasi. Gaya kepemimpinan ini mampu mendorong adaptasi digital, pengembangan kompetensi, serta pembentukan budaya kerja yang inovatif dan beretika. Dengan demikian, penerapan kepemimpinan transformasional menjadi strategi yang relevan dan efektif bagi organisasi untuk meningkatkan daya saing dan keberlanjutan di era Society 5.0.

**Kata Kunci :** *Kepemimpinan Transformasional, Manajemen Sumber Daya Manusia, Society 5.0.*

### Abstract

*The Society 5.0 era is characterized by the integration of advanced technologies such as artificial intelligence, the Internet of Things, and big data into various aspects of life and the workplace. This situation brings significant challenges for human resource management, particularly in maintaining a balance between the use of technology and human values. This article aims to analyze the role of transformational leadership in addressing human resource management challenges in the Society 5.0 era. The research method used is a qualitative approach with a literature study, reviewing various journal articles, reference books, and relevant scientific publications from the past five years. The study results show that transformational leadership plays an important role in enhancing employee motivation, commitment, and performance, while also serving as a bridge between technological advancement and humanistic values within organizations. This leadership style can*

*drive digital adaptation, competency development, as well as the creation of an innovative and ethical work culture. Thus, the implementation of transformational leadership becomes a relevant and effective strategy for organizations to enhance competitiveness and sustainability in the era of Society 5.0.*

**Keywords :** *Transformational Leadership, Human Resource Management, Society 5.0.*

## **Pendahuluan**

The Society 5.0 era is the next development. In this era, technologies such as artificial intelligence (AI), the Internet of Things (IoT), big data, and robotics are deeply integrated into human life to create a super-smart society focused on solving socio-economic problems. This concept, first introduced by Japan, emphasises that cyber and physical systems must work well together to improve quality of life, work efficiency, and sustainable innovation. This progress, however, brings complex challenges for human resource management. Some of these include the need to reskill many employees to cope with job automation and the management of a hybrid workforce amid digital disruption.

In the era of Society 5.0, human resource management faces an important issue: how to maintain the essence of humanity amid the dominance of increasingly predictive and individualistic technology (Noviani, et.al, 2024). One of the main challenges is the lack of digital skills, which requires millions of employees to adapt to AI-driven tools, and the issue of work-life balance due to unlimited remote working. In addition, younger generations such as Gen Z and Alpha demand a flexible, inclusive work culture that is oriented towards sustainability values. On the other hand, in big data-based behavioural analysis, employee data privacy has become an urgent ethical issue. (Putra Ardinata et al., 2022)

This is where transformational leadership emerges as a strategic pillar to address these issues. Transformational leadership, developed by James MacGregor Burns and enriched by Bernard Bass, distinguishes itself from transactional leadership, which focuses on short-term rewards, and enables leaders to inspire profound change through long-term vision, intrinsic motivation, and the development of each individual's potential. The transformational approach fosters a spirit of innovation and emotional commitment among employees, making it ideal for dynamic work environments.

Human resources can be transformed into key assets for competitive organisations if they implement transformational leadership in the context of Society 5.0 (Aji & Aravik, 2023). Transformational leaders not only encourage technological advancement, but also ensure that such advancement meets human needs (Maleha, et.al, 2025). For example, they provide intellectual stimulation for artificial intelligence experiments and consider each individual for personalised career development (Awaluddin & Aravik, 2025). According to a number of studies in the public and private sectors, this method has been proven to improve organisational performance, talent retention, and adaptability. (Shalahuddin, 2016)

The purpose of this article is to explain how transformational leadership can serve as an effective bridge between the technological demands of Society 5.0 and contemporary HR management dynamics. Readers, particularly human resource management practitioners, managers, and organisational leaders, are expected to gain a practical understanding of how to build resilient and innovative teams by looking at the theoretical foundations, empirical issues, and implementation strategies. Ultimately, amid the current wave of digital transformation, visionary leadership must be combined with humanistic morals to achieve success in this era (Fadilah & Kamilia, 2025).

## Research Methods

This study employs a qualitative approach using literature review methodology to examine the role of transformational leadership in addressing human resource management challenges in the era of Society 5.0. Research data was obtained from various literature sources in the form of scientific journal articles, reference books, and academic publications relevant to the topics of transformational leadership, human resource management, digital transformation, and Society 5.0. The literature used was selected

selectively by considering the suitability of the topic, the credibility of the source, and the recency of the publication, especially from the last five years. Data collection techniques were carried out through searching scientific journal databases and academic repositories, then analysed using descriptive-qualitative methods to identify patterns, concepts, and implications of transformational leadership on organisational performance and competitiveness.

## **Results and Discussion**

### **1. Human Resource Management Challenges in the Society 5.0 Era**

As the Society 5.0 era incorporates digital technology into all aspects of work, organisations must undergo major changes in human resource management. While technologies such as big data, artificial intelligence, and automation systems open up new opportunities for efficiency, they also create new demands on human resource capabilities. Human resource management now focuses not only on administration, but also plays a strategic role in bridging technological transformation with human needs. One of the main challenges is to create HR policies and practices that are responsive to change, such as training strategies, digital-based recruitment, and adjusting work culture to meet the demands of modern work in Society 5.0 while maintaining the company's human values. (Abdulah Mubarak Dadang, Sjaiful Munir, 2024)

Skills that are not aligned with current digital needs are one of the major problems in human resource management in the Society 5.0 era. Technological demands such as the use of complex digital systems, data analysis, and machine learning leave many employees unprepared, which hinders company productivity. For this reason, human resource management must develop continuous training and development plans so that employees can adapt to the rapid changes occurring in the digital work environment (Sari, et.al, 2025). By using the right training strategies, companies can maintain their competitiveness and improve the capabilities of their human resources to face digital challenges. (Shahiduzzaman, 2025)

Changing work patterns pose a unique challenge for HR management in the Society 5.0 era, particularly due to the implementation of remote work and hybrid work. These

flexible working models change the mechanisms of supervision, internal communication, and performance appraisal, which were previously physical in nature (Rafli, et.al, 2025). HR management must ensure that these new work systems do not cause problems such as burnout or work stress due to the blurring of boundaries between work and personal life. Work policies that are responsive to the psychosocial conditions of employees need to be developed to maintain HR engagement and productivity while creating a healthy work-life balance. (Sakib et al., 2025)

It should not be overlooked that generational diversity in the workplace also presents challenges. Millennials and Gen Z expect an innovative work environment, a strong sense of purpose, and flexibility (Supriyanto, et.al, 2021). This requires a flexible and open human resource management approach to address differences in work styles, values, and cross-generational communication. In order to maximise human resource potential and prevent it from becoming an obstacle to achieving organisational goals in the new technological era, organisations must develop a work culture that values diversity and encourages intergenerational collaboration. (Jalil & Isfianadewi, 2024)

In addition to competency and work culture aspects, the use of digital technology in human resources also raises ethical issues (Aravik, et.al, 2021). If not regulated by appropriate ethical policies, the use of big data systems and algorithms in recruitment, promotion, or performance evaluation processes can pose risks of privacy violations, bias, and discrimination. To maintain human resources' trust in the company, employee data must be managed transparently, responsibly, and fairly. To create a fair and safe work environment in the Society 5.0 era, human resource management must ensure that the use of digital technology is supported by strong ethical standards and privacy protection.

Therefore, it is understandable that human resource management challenges in the Society 5.0 era cannot be understood partially because they involve close

interrelationships between technological developments, human behavioural dynamics, and organisational ethical considerations. It is no longer sufficient for companies to simply adopt the latest technology; they are also required to develop human resource management strategies that are oriented towards long-term sustainability. Such strategies must be able to accommodate employees' needs for job satisfaction, psychological well-being, and opportunities for continuous competency development. In this context, strengthening talent management is crucial, accompanied by the formation of an organisational culture that encourages innovation and collaboration. In addition, humane and adaptive work policies are necessary so that digital transformation does not overlook human values as the main foundation of the organisation.

## **2. The Role of Transformational Leadership in Facing Digital Disruption**

Organisations can utilise transformational leadership to face modern challenges in the workplace, such as technological changes, organisational structures, and market demands. One characteristic of transformational leaders is their ability to create a vision that can be shared by everyone in the organisation to drive them towards strategic goals. They have the ability to increase employee motivation, help them deal with uncertain situations, and encourage a work culture that embraces creative standards. This leadership style is very important in human resource management because it helps create a collaborative work environment that is open to new learning and flexible to rapid change. Leadership influences individual engagement and collective commitment to achieving organisational goals, which makes this role very important (Aravik, et.al, 2020).

Transformational leadership has an impact on strategic human resource management practices in addition to influencing personal motivation. Through strong vision communication and a special emphasis on the progress of each team member, leaders with a transformational style can combine organisational goals with employee needs. This is demonstrated by the positive effect of this leadership style on human resource management practices such as career planning, training, performance appraisal, and competency development. Therefore, HR functions become more effective with the support of transformational leadership for broader organisational strategies, especially

in the digital age where innovation and flexibility are the keys to success. (Akmal et al., 2025)

Transformational leadership helps improve employee performance by creating a work environment that encourages innovation and creativity. Transformational leaders encourage employees to think critically, take initiative, and find new ways to solve problems. They can also foster engagement and enthusiasm through the inspirational motivation they instil. This has a positive impact on the overall work results and productivity of the organisation. This method is particularly beneficial for companies that focus on adaptation and innovation amid rapid change. (Utami & Safira, 2024).

Transformational leadership helps organisations become more innovative in addition to improving individual performance. Transformational leaders encourage new ideas, enable two-way communication between leaders and staff, and promote teamwork. These conditions enhance a company's ability to create competitive advantages and deal with external issues. Not only are new products or services created, but also innovations in processes, work structures, and ways of transforming human resources. This extraordinary leadership style plays a crucial role in encouraging organisations to become more flexible and responsive to market changes. (Akely, 2024). In the long term, transformational leadership has an impact on the strategic and short-term sustainability of organisations. Those who are led transformational tend to have higher commitment, strong self-confidence, and loyalty to the organisation. This leadership style helps build a strong organisational culture that is mutually respectful and oriented towards common goals. This has a significant impact, especially when we face challenges arising from globalisation, technological advances, and increased demand for human labour. Flexible, creative, and competitive human resources can be produced by organisations that can develop transformational leadership at all levels.

### **3. Transformational Leadership as a Bridge between Technology and Human Values**

Transformational leadership in the Society 5.0 era focuses on achieving organisational goals and how technology can be integrated with human values. The use of digital technology must be balanced with the emotional and social needs of employees so that the work process remains humane and productive. In work relationships, technologies such as HR information systems, process automation, and data analytics can cause boredom, isolation, or a loss of personal touch. To overcome this, transformational leadership promotes principles such as ethics, empathy, and respect for individual dignity. They also encourage the use of technology as a tool that adds value to humans, not replaces them. (Singhraul & Anuragi, 2024).

Transformational leadership is crucial for creating an organisational culture that prioritises health and the ability to adapt to technology. Transformational leaders are more likely to make the work environment enjoyable and value everyone's work, so that the technology used does not cause pressure or inequality. This type of leadership is important in a technology-based Society 5.0 because it helps instil the principle of putting people first, where the health and personal development of employees are taken into account when making decisions. Organisations can attract, retain and maximise the potential of their employees by creating a value-based work culture.

In the context of technology integration, the role of transformational leadership not only motivates but also encourages the development of human resource competencies relevant to digital demands. Transformational leaders enable continuous learning, reskilling and upskilling programmes, and training. These methods enhance the ability of human resources to face digital challenges while ensuring that human capabilities remain key to the company's success. A focus on human-centred learning also helps foster innovative and flexible personalities and interpersonal skills that cannot be replaced by technology.

Data ethics, automation, and artificial intelligence are key challenges in integrating technology into human resources. Transformational leaders are responsible for ensuring that technology is used transparently, fairly, and with respect for employee rights (Aravik,

et.al, 2021). Transformational leaders exemplify data management, set ethical standards, and encourage open discussion about issues employees face with new technology. Humanistic methods such as these increase employee engagement and trust and give organisations the legitimacy to implement sustainable digital innovations (Aravik, et.al, 2024).

Transformational leadership that combines humanistic principles with technology will improve HR performance and increase the organisation's competitiveness in the long term. Organisations led transformational are able to leverage technology to improve the quality of work life, open up collaborative opportunities, and encourage internal innovation through employee ideas by applying this approach to create an adaptive, innovative, and appreciative work environment. Ultimately, combining the power of technology with human values will help companies remain relevant and sustainable amid rapid global change.

#### **4. The Implications of Transformational Leadership on Organisational Performance and Competitiveness**

Because transformational leadership encourages motivation, commitment, and active involvement of employees in achieving strategic goals, organisational performance is greatly influenced by this leadership style. Transformational leaders not only set a clear vision, but they also encourage their colleagues to be more innovative, enthusiastic, and productive in their workplace. Recent literature reviews show that key components of transformational leadership, such as idealised influence and inspirational motivation, are positively correlated with organisational productivity and effectiveness. Organisations that implement this leadership style tend to be more adaptive in facing external and internal changes and have human resources that are better prepared to face competitive

challenges. This is an important foundation for organisations to maintain their competitive advantage amid global dynamics. (Adinda Zahra Septiany Rusdiono et al., 2025).

Transformational leadership helps employees gain strong intrinsic motivation. This ultimately results in increased team and individual productivity. By providing psychological rewards, inspiration, and recognition for each individual's contributions, leaders who adopt this approach have the ability to influence the way employees view their work. Employees with intrinsic motivation tend to be more innovative, proactive, and dedicated to achieving the organisation's vision. According to empirical research, high work motivation can reduce turnover and accelerate the achievement of performance targets. Therefore, transformational leadership is strategic for organisations that want to improve performance without compromising employee health. (Mualifah & Mardalis, 2024).

Organisational commitment, which is an important factor in employee performance, increases when transformational leadership is implemented. Organisational commitment results in long-term loyalty and emotional attachment of employees to the organisation. As a result, employees are more likely to maintain high work quality, reduce absenteeism, and contribute to innovation. Good transformational leadership strengthens organisational commitment by prioritising employee needs, career development, and recognition of achievements. When an organisation has strong commitment, it gains a strong, dedicated human resource that is more resilient to external changes.

Operational production and the ability to adapt to market constraints and opportunities are two factors that determine organisational growth. Intellectual stimulation and active learning within the organisation are ways in which transformational leadership encourages a culture of innovation. Employees are motivated by transformational leaders to be innovative, take risks, and try new solutions. This results in innovative work behaviour, which is one of the characteristics of an organisation's competitive strength in the computer and internet era. Those who have the ability to inspire and pave the way for new ideas to flourish usually lead organisations that are successful in developing sustainable innovation.

Transformational leadership builds a strong organisational foundation through increased competence, job satisfaction, and healthy working relationships. Therefore, organisations can survive and thrive amid rapid change by attracting top talent, retaining high-quality employees, and enhancing their reputation as excellent workplaces. Increased customer loyalty, improved operational efficiency, and greater readiness to face the global challenges ahead from Society 5.0, industrialisation 4.0, and the digital era. (Sudarmaji et al., 2025)

## **Conclusion**

With the advent of Society 5.0, human resource management has become increasingly challenging. This is primarily due to the influx of digital technologies into organizational work systems. These challenges extend beyond digital capabilities and technical skills; they also encompass changes in work patterns, generational dynamics, and moral and humanitarian issues. Therefore, organizations must strategically manage their human resources to adapt to change while balancing technological advancements with employee well-being.

To address these challenges, transformational leadership is crucial. Through an inspiring vision, individualized attention, and intellectual stimulation, this leadership style can enhance motivation, commitment, and the development of individual potential. Transformational leadership serves as a bridge between the use of technology and the humanistic values of Society 5.0, enabling technology to be used morally and humanely.

Organizational performance and competitiveness also improve due to the implementation of transformational leadership. In the era of Society 5.0, organizations that incorporate transformational leadership into their human resource management

strategies have a greater chance of achieving sustainable competitive advantage. This is because transformationally led employees have higher levels of engagement, creativity, and loyalty, which in turn contribute to increased organizational productivity and innovation.

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