

## THE ROLE OF INDUSTRIAL PSYCHOLOGY IN HUMAN RESOURCES MANAGEMENT IN THE ERA OF SOCIETY 5.0

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### Abstract

The emergence of the Covid-19 pandemic has harmed many companies. But apart from the company, employees as human entities also experience various problems, such as stress. Industrial psychology is then present to help understand the impacts that occur in society. This study then aims to see the role of industrial psychology in the era of Society 5.0. This research will use a qualitative approach. The research data comes from the results of previous research and studies which still have relevance to the contents of this study. The results of this study then found that the market will always continue to grow to remain efficient and effective. The emergence of a pandemic that has destroyed many industrial sectors requires a new strategy. Industrial psychology is present and actively plays a role in developing human resource management in the Society 5.0 era. Through the presence of industrial psychology, it is hoped that human resources will survive well even though the dynamics of the industrial world continue to change.

**Keywords:** *Industrial Psychology, Human Resource Management, Era Society 5.0.*

### A. INTRODUCTION

Psychology is now not new in various scientific discussions and practitioners in the industrial world. Many research results prove the role of psychology in helping to understand the impact of the Covid pandemic on society. This includes the role of psychology in determining policies for the industrial world after the Covid-19 pandemic (O'Connor et al., 2020).

Like it or not, like it or not, the pandemic caused by the Coronavirus at the end of 2019 has destroyed various aspects of human life. The industrial sector slumped, including the tourism and hospitality industry. A total of 1,033 restaurants and hotels in Indonesia were forced to close permanently due to the prolonged impact of Covid-19 (Kapecki, 2020). This data was submitted by the Chairperson of the PHRI Governing Body, Sutrisno Iwantono, based on the results of PHRI research on 4,469 respondents from 9,000 restaurants and hotels throughout Indonesia in September 2020 (Gayatri et al., 2022).

Not only the physical impact but also the psychological impact that has occurred for the community, workers, business owners and other community members who have also experienced the impact of the Covid-19 pandemic. Various psychological studies related to industrial psychology during the Covid-19 pandemic era (Dubey et al., 2020).

The description above emphasizes the role of the psychology involved in providing advice, conducting various studies, and presenting solutions for various sectors in dealing with the Covid-19 pandemic. Industrial psychology 4.0 and society 5.0 in the era of the new normal order. Through Minister of Industry Airlangga Hartarto, the government explained that industry 4.0 is a transformation effort towards improvement by integrating the online world and production lines in the industry, where all production processes run with the internet as the main support (Kwiatkowska & Gębczyńska, 2022).

The term industry, which the German government first put forward, refers to various government efforts to advance the industrial sector to the next level, involving industrial

technology and the internet. The involvement of computers already exists in the industrial era 3.0. But at that time, computers were still considered “disruptive”, something new that made it possible to create new jobs and market opportunities (Sung, 2018). After being recognized by the community and widely used, various matters related to the digital learning process and information technology (machine learning and artificial intelligence) are seriously implemented (Chen et al., 2020).

Industry 4.0, in a nutshell, is a series of activities in which various parties involved in the industrial world (government, employers, customers, information seekers, etc.) are connected technologically in terms of information, digitization, communication, collaboration, transformation, with as little as possible the number of people who meet in real life, or even, without the need to meet face to face (Butt et al., 2021). This can happen well and run smoothly with the combination of physical systems - cyber, internet of things (IoT) and internet of the system (IoS)- making industry 4.0 possible and making smart factories a reality. And Indonesia, as part of the global industry, also applies the same pattern. However, the Covid-19 pandemic has hampered this effort (Singh et al., 2022).

Industrial psychology 4.0 is present during various situations faced by the industrial world to prepare related business actors, both in the field of products and services, so that they do not experience culture shock (culture shock). Research conducted by Santi Diwyarthi shows that the development of the Covid-19 pandemic in the world and the homeland affects the situation and mental condition of the people, affects the performance of hotel employees, and influences policies issued by the government and other stakeholders. The Covid-19 pandemic in Bali made people change their living habits in a new habitual order (Donthu & Gustafsson, 2020).

Industrial psychological analysis is inseparable from management due to the close connection between the business world and the physical and psychological conditions of the various parties involved, entrepreneurs, management, product users and other members of society (Liu et al., 2021). Harsono explained that management theory develops through three stages including:

1. Scientific Management Theory. This theory of management focuses on increasing job productivity. This idea claims that increasing work efficiency is the only approach to improve work performance (Sumadi & Ma'ruf, 2020).
2. Classical Organizational Theory. This concept is often referred to as administrative management theory. This traditional organizational theory focuses on establishing management principles for complex and intricate organizations (Khassawneh & Elrehail, 2022).
3. Behavior Management Theory. This theory was established as a result of the inability of the classical organizational theory to achieve a balance between production efficiency and work harmony. Every individual must adhere to the norms established by the leadership. This management philosophy explains management from a human perspective. Human relations are the process of individual contact within an organization, including the interaction between leaders and subordinates and the interplay between social and psychological elements in fostering efficient human interactions inside the organization (Wijayasekera et al., 2022).

The description of the stages of management theory illustrates that science is dynamic, following developments and changes. Likewise, industrial psychology has developed into a part of science with various applications in society. And now entering the new order era (Fu et al., 2020).

## **B. LITERATURE REVIEW**

Industrial Psychology refers to the application of psychological principles to the workplace. In a broader sense, the industry encompasses the concept of the corporation. Industrial Psychology is a scientific study of behavior, cognition, emotion, and motivation, as well as human mental processes that exist in an industry that is oriented towards a coordinated activity system of a group of people working cooperatively to achieve the same goals under certain authority and leadership (Rudolph et al., 2021).

According to Muchinsky, industrial psychology is the study of the relationship between humans and the world of work, which includes research on humans about the goals of individuals working, the people they meet, and the work done to meet their needs. Industrial psychology is the simple application or deepening of psychological facts and principles relating to humans in business and industry (De Klerk et al., 2021).

Included in the definition of the industry is the concept of business (company). Industrial psychology evolved from general, experimental, and specialized psychology. Now, human behavior in relation to industrial activity is examined to generate broadly recognized new psychological theories, laws, and principles (Balzer et al., 2019). In addition, tools are being created to boost the accuracy of psychological assessments for selection, placement, self-introduction, vocational counseling, and career advancement by measuring human differences. The practical part of industrial psychology lends credence to the notion that psychology is advantageous for management, leaders, and business owners, but harmful for workers and consumers (Kuo et al., 2019).

Industrial psychology is a body of knowledge consisting of facts, norms, and concepts pertaining to the behavior of individuals at work. This information can be misapplied to the detriment of all involved parties. Utilization of industrial psychology expertise must be demonstrated to be beneficial to all parties concerned, including the corporation and its personnel (Favaretto et al., 2020).

Industrial psychology is a science that studies human behavior:

- a. In its role as labor and as consumers
- b. Individually and collectively, with the purpose of applying the findings to industry and organizations for the welfare and welfare of humans and their organizations (Li et al., 2019).

According to Blum and Naylor, industrial psychology is the application of psychological facts and principles to a problem in business and industry. According to A. S. Munandar, industrial psychology is a scientific field that studies human behavior that has something to do with their role as workers and consumers, both individually and in groups (Kell, 2022).

From an understanding of the descriptions described above, it can be concluded that industrial and organizational psychology is a science that studies human behavior in the world of work where humans have a role as workers, either individually or in groups (Chien et al., 2020).

## **C. METHOD**

This research is research that will use a qualitative approach. The descriptive analysis method will be used in this study to process research data. The research data used is secondary data obtained through literature studies by searching for and finding different results of previous studies and studies that still have relevance to the content and discussion of this research. Research data that researchers have successfully collected will be processed so that later the results of this study can be found by researchers (Abdussamad & SIK, 2021).

## D. RESULT AND DISCUSSION

### 1. The Role of Industrial Psychology in the Management of the New Order Era

The management concept of the new order era is a challenge in implementing sustainable management with a commitment to environmental sustainability issues amid the Covid-19 pandemic. This requires mastery of psychology in achieving the company's vision and mission regarding management, employees, customers who use services and products and the wider community.

Schubert and Kandainpully explained that there are various indicators of public perception in green human resources management, including investors, employees, suppliers, customers and regulators. Masri & Jaaron explained that green human resources management refers to using human resource management practices, emphasizing sustainable environmental practices or applications and increasing employee commitment to various environmental sustainability issues. This includes environmental management (EM) consideration and assessment in the implementation of human resource initiatives capable of producing greater efficiencies, as well as better environmental performance (EP) needed to reduce the carbon footprint of companies or employees.

“Green human resources management (GHRM) refers to using human resources management (HRM) practices to reinforce environmentally sustainable practices and increase employee's commitment to the issues of environmental sustainability” (Ansari et al., 2021).

The description above shows that industrial psychology helps company managers through various situations companies face, such as the Covid-19 pandemic. Together with the resources owned and the surrounding community as well as customers. This change in awareness regarding the importance of green human resources management explains the role of industrial psychology in managing the new order era that companies do not only exploit business space by increasing production capacity as much as possible and ignoring environmental aspects. Industrial psychology organizes corporate commitment, involving management and society, to build a company's industrial presence that cares for the environment, saves energy, and controls corporate waste.

### 2. The Role of Psychology in Society 5.0

The history of Psychology's long journey explains that dynamics will always occur, affecting society's physical and psychological conditions. And vice versa, a person's physical and psychological condition can affect that person's work performance, as well as other people around him. Society 5.0 describes a dynamic society's situation and conditions, experiencing changes and developments from a traditional society to a modern society.

The dynamics that occur in society show the role of industrial psychology in society 5.0. Mashur and Nastiti explained that people must prepare themselves as well as possible to face various situations and conditions that occur, both in the educational, economic, social, industrial and other fields. Lumban Gaol recognizes that industry 4.0 and society 5.0 have a mutually beneficial relationship and need each other. Society 5.0 is a community that lives at the industrial 4.0 level, and they already feel comfortable being at that level with a domain at the smart city level. Smart cities need people who have reached the society 5.0 level. The government wants every city in Indonesia to reaching the smart city level. The keyword for a smart city is the city's ability to carry out information system processes in the city concerned.

Industrial psychology has a role in maintaining the alignment of existing resources. If a country only focuses on developing industrial technology and ignores the role of human resources, culture, norms, enthusiasm and effort, then this development will be in vain. Likewise, suppose only the aspect of human resources develops. In that case, there is no effort to establish collaboration and coordination that is supported by technology, and then there are only empty human beings who work without feeling and ethics.

The continuous development of management studies shows that management is the dynamics of various organizational activities that never stop. Management aims to provide job satisfaction for leaders and employees, making experts conduct various studies.

a. Henry Fayol

Fayol spoke of five management functions within an organization which include:

- 1). Planning. Planning is the company's vision and mission accompanied by a strategy to achieve goals.
- 2). Organizing. Organizing is an effort to unite various components so that the company runs smoothly internally and externally.
- 3). Commanding. Briefings are clear instructions that can be understood by various parties so that each department works according to its respective area of expertise.
- 4). Controlling. Control is an effort so that every part of the company runs according to standard operating procedures and does not violate the authority of obligations so that everything runs smoothly.
- 5). Coordinating. Coordination is a step to synchronize activities, so there are no conflicts or vacancies in work activities.

Fayol's description of the function of management remains relevant today. When one function is disrupted, other functions are also disrupted. For example, organizational productivity has been disrupted in the global Covid-19 pandemic situation, requiring strict regulations and the cooperation of various parties in carrying out work according to health protocols. Starting from tightening the budget and cost efficiency that is not needed, monitoring the level of cleanliness and safety at work and distributing production properly. All need good cooperation. This can help maintain employee and customer trust in the company, that all efforts will be made for the good of employees, the company and customers.

b. Lyndal Fownes Urwick

Lyndal explained that management functions include staffing, planning, organizing, controlling, commanding and coordinating. If one function is disrupted, the other functions will also be affected.

The description above shows that management cannot run smoothly without the involvement of various other components within the company. Various complex problems encountered by the company can be overcome together if each component can work actively and continuously. The Covid-19 pandemic has shown that companies that refuse openness and involvement from other parties will be sidelined. Companies that are reluctant to keep up with the times and ignore information technology and connectivity will be left behind and lose opportunities for major growth.

### **3. Industrial Psychology Steps In Empowering Management Resources**

Success in dealing with the problems encountered by management is employee empowerment. According to Cook & Macaulay, empowerment includes an organizational assessment based on the culture that has been going on so far in the organization. By making in-depth observations, the errors and deficiencies of the organization or company concerned can be seen, as the changes and developments that must be made and how far the company has carried out empowerment. For example, a company that refuses to develop digital marketing saves company energy, establishes partnerships with other companies, and is likely to encounter problems in the future.

Efforts to mobilize human resources within the company require the application of industrial psychology. The same goes for efforts to get involved with people outside the company. For example, a company has employees who are very fast and thorough at work but experience panic when they have to work with others or work outside the company. Companies

that try to conduct market surveys on products favored by mothers, products favored by families, etc.

Industrial psychology 4.0 and society 5.0 explains that human resource management cannot only rely on the company's internal strengths with old application patterns that have been going on consistently. Well-developed industrial management is industrial management that is developing dynamically, keeping up with the times, and collaborating with various parties, including its competitors. This also involves maximally empowering human resource management.

Tjiptono believes that today's effective and efficient companies are companies where the various components of human resources work together dynamically, with high morale and enthusiasm, produce high productivity, trust each other and support one another.

Steps to empower human resource management include: creating a framework accompanied by the duties and authorities of each section (authority), confidence, competence, trust, opportunity, responsibility and support from various other parties (support) or can be abbreviated as Actors. Whitmore emphasized that management empowerment steps will be effective if each resource understands the weaknesses and strengths of each, that empowerment lasts a lifetime and that knowledge and experience are personal but very valid in determining the effectiveness of empowerment.

Based on these assumptions, empowerment includes a clear vision and mission and values of the company, direction through the role models of leadership, active communication with various parties, both internal and external to the company, reviewing the organizational structure that has been in effect so far, building teamwork and performance.

- a. Relationship to the vision and mission, and values of the organization. A vision and mission give the company a clear direction in achieving targets and setting goals to be achieved.
- b. Leaders provide direction through action examples, not just words. Employees and colleagues always monitor the actions of other colleagues within the company. This makes the need for leaders to be role models of good behavior for various parties in the company. Good human resource management is management that is sustainable and consistent with action.
- c. Intensive communication with various parties. Building intensive communication, developing smooth communication with colleagues, leaders and subordinates, including users of company products or services and the wider community. Knowing the trends in the community will also help companies develop good marketing and sales methods.
- d. Review the organizational structure. A flexible and sustainable organizational structure can help companies survive and thrive through changing times.
- e. Building team performance. There are no individual results, and cooperation and achievements are achieved together. Each component of human resources within the company moves together to achieve the company's targets.
- f. Encourage the personal development efforts of each employee. Employees who are happy at work become capital for the company in achieving performance. Employees need encouragement and assistance in developing self-confidence. One way to be done is to trust these employees to act and to make decisions.
- g. Focus on customer satisfaction by providing satisfactory services. The pattern of establishing a relationship with consumers can be made with after-sales guarantees or insurance. Thus, customers have trust and satisfaction with the services provided.
- h. Employee and organizational performance measurement system. A sustainable company has complete data regarding the performance of each employee and team within the company. The measured performance can be used to plan for the next period.

## E. CONCLUSION

The description above shows the dynamics of sustainable human resource management in the current era, always moving dynamically, following the existing market and the situation as well as the condition of the company, making every component involved efficiently and effectively, starting from internal and external aspects of the company. The COVID-19 pandemic has destroyed many sectors globally in various parts of the world. The business world cannot run optimally based on the previous pattern. The company has implemented various steps to survive, including applying the concept of green human resources management. Industrial psychology plays an active role in developing human resource management in the new normal era. Human resource management in the era of the new normal order maximizes the empowerment of the company's internal and external human resources. Employees are invited to move together and develop opportunities for innovation, technology, information, and collaboration with various aspects that are maximally sustainable and green, with an environmentally friendly concept.

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