Redefining Workforce Readiness: The Role of Interpersonal Skills in Industry 5.0

A Malaysian Perspective

A Dale Carnegie Malaysia White Paper

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In 2020, Satya Nadella, CEO of Microsoft, observed that the world had experienced "two years' worth of digital transformation in two months." His statement captured the speed at which technology was reshaping work and the workplace becoming less human. While technology and digitisation increased connectivity, Microsoft's internal studies revealed that employees felt more isolated and disengaged (Spataro, 2020).

This paradox defines the entry point to Industry 5.0 an era that moves beyond automation to reassert the primacy of people. Where Industry 4.0 emphasised efficiency through digitalisation, Industry 5.0 seeks to restore balance by integrating human intelligence with artificial intelligence (Ai). Its success depends on the synergy between technological capability and interpersonal skill. Machines can optimise processes, but only people can build trust, creativity and emotional connection - qualities that drive lasting innovation.

> ***"The person who has technical knowledge plus the ability to express ideas, to assume leadership and to arouse enthusiasm among people, that person is headed for higher earning power"***
> ***— Dale Carnegie***

The Forbes report in 2024 on the *What Does Industry 5.0 Mean Today* emphasised this very point, stating that the next competitive advantage will come from leaders who can harmonise human potential with artificial precision (Kyriakakis, 2024). Futurist Matt Britton author of *Ai Generation* says that **people skills are the ultimate competitive advantage.**

> ***"Ai is one of the most important things humanity is working on... but it will always work best when combined with human qualities like empathy, creativity and communication"***
> ***– Sundar Pichai, CEO Google***

As global markets transition into this new paradigm, interpersonal skills such as communication, emotional intelligence, collaboration and leadership have emerged as the defining competencies of this decade (Sariisik & Demir, 2025). They are no longer soft skills; they are core strategic capabilities that determine how well humans and intelligent systems can collaborate productively.

In **Malaysia**, this challenge is particularly relevant as the nation accelerates its digital transformation agenda under Industry 5.0 frameworks. Ongoing research highlights that while Malaysian organisations are investing heavily in automation and Ai, less attention is being given to the interpersonal dimensions that enable successful adoption (TalentCorp, 2024).

Building on insights from recent literature and expert perspectives, this article focuses on four key interpersonal skills: *Communication, Leadership, Emotional Intelligence and Collaboration* that have consistently emerged as critical enablers of effective Ai adoption in the workplace.

Figure 1 below illustrates the framework underpinning this study. The framework proposes four core interpersonal competencies ie communication, emotional intelligence, collaboration, and leadership and how they serve as key enablers of successful AI adoption in Industry 5.0 within organisations. These variables are examined in the next section to understand how human-centred capabilities strengthen technological integration and support effective implementation.

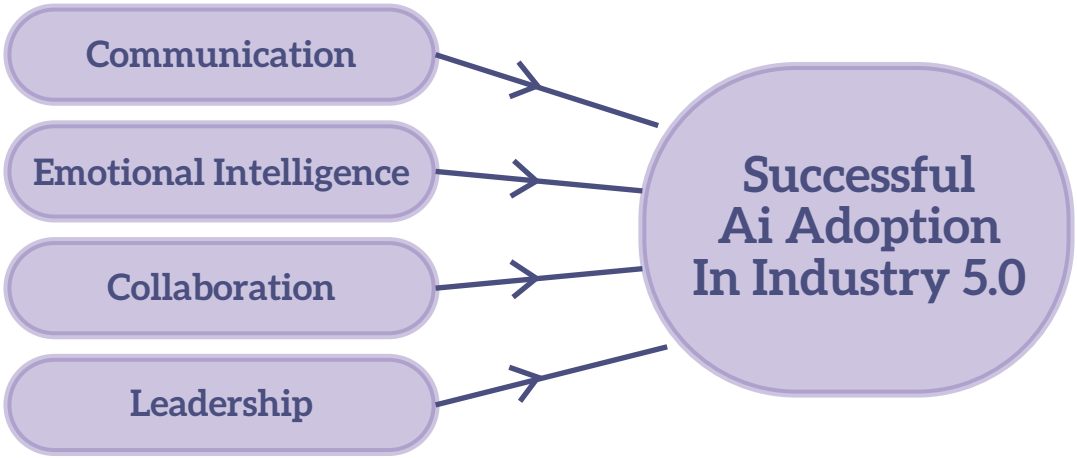


Figure 1

1. Communication: The Lifeblood of Human–Machine Synergy

Communication remains the central pillar of human connection in an increasingly digital world. In the context of Industry 5.0, communication is no longer confined to the exchange of information; it is the bridge that connects human intuition with technological intelligence (Islam et al., 2025). As workplaces adopt more Ai-assisted systems, effective communication enables employees to interpret, contextualise and humanise machine-generated insights — transforming data into understanding. *Forbes* highlights that in hybrid human–Ai teams, the ability to communicate clearly and empathetically directly influences trust and adoption rates (Wells, 2024).

> ***"Ai is really the extension of human intelligence... the question is how deeply we communicate with it" — Elon Musk***

Empirical studies confirm that effective communication positively impacts team performance and psychological safety during digital transformation (Wong & Sariah, 2024). This finding is particularly relevant to **Malaysia's** Industry 5.0 landscape, where cross-functional collaboration between humans and Ai is emerging as a strategic capability. In their study of Malaysian technology firms, Mohd Razali et al. (2024) found that communication skills were among the top three predictors of successful Ai adoption. As Malaysia moves deeper into Industry 5.0, this skill will determine how well leaders and employees can articulate vision, navigate complexity and maintain human connection in a digitally intelligent world.

2. Emotional Intelligence: The Anchor of Trust and Adaptability

As organisations accelerate toward automation, one truth remains: machines may enhance efficiency, but only humans can inspire trust. Emotional Intelligence (Ei), the ability to recognise, understand and manage emotions in oneself and has emerged as the defining competency for leadership and workforce adaptability in the age of Industry 5.0 (Goleman & Cherniss, 2024). Research indicates that while technical expertise drives performance, Ei sustains organisational health by managing relationships, fostering trust and engagement (Posillico & Edwards, 2024).

"Trust is the strongest currency in any organisation" — Dr. Amina Kayani, Executive Director

Research assert that Ei is a strategic differentiator, enabling individuals to adapt more readily to Ai integration by cultivating empathy, ethical awareness and self-regulation. Luger et al. (2025) found that leaders with high Ei tend to exhibit superior decision-making, as they balance data-driven logic with moral judgment. Similarly, Moropa et al. (2025) demonstrated that emotionally intelligent professionals play a vital role in reducing resistance to Ai adoption, as they foster trust and empathy between human and machine collaborators.

In the **Malaysian** context, studies by Mohamed Zainal et al. (2020) and Wong & Saraih (2024) revealed that employees who possess strong emotional awareness are better equipped to navigate the stress of digital transformation. The ability to manage emotions positively influences team cohesion and openness to technological change critical elements in Malaysia's growing digital economy.

3. Collaboration: The Power Skill for Intelligent Workplaces

Collaboration has evolved beyond teamwork and it now signifies synergy between humans and intelligent systems. The most progressive organisations no longer view Ai as a separate entity but as a collaborative partner that enhances human creativity and innovation (Padovano et al., 2024). Industry 5.0 calls for a collaborative intelligence, where machines handle routine processing while humans contribute judgment, empathy and contextual reasoning (Beke & Tick, 2024). This interplay creates a dynamic feedback loop of learning between people and systems. The findings of Santos et al. (2025) show that when teams perceive Ai as a cooperative ally rather than a competitor, performance outcomes and innovation potential increase significantly.

"We are entering a world where we will learn to coexist with Ai, neither as its masters nor servants but as its collaborators."
— Ibnu Hidayat Ishak,
CEO & Accountable Manager

From a **Malaysian** perspective, the need for collaborative intelligence is becoming increasingly urgent. According to Mohd Razali et al. (2024), Malaysian firms transitioning toward digital ecosystems often struggle with siloed communication and fragmented processes that hinder effective dialogue and collaboration. To thrive in Industry 5.0, local organisations must adopt flatter, more agile structures that enable cross-functional and cross-generational collaboration. This means building workplace cultures that value openness, mutual respect and continuous learning.

4. Leadership: Guiding Humans and Machines with Purpose

Leadership in Industry 5.0 has entered a new frontier that demands far more than strategic vision or technological literacy. Today's leaders must guide their organisations through a dual transformation: embracing automation while preserving humanity. In this landscape, leadership is no longer defined by control or hierarchy but by connection, empathy and adaptability (Mohammed & Ozdamli, 2024). Industry 5.0 reframes the role of leadership from directing people to enabling synergy between people and intelligent systems. Leaders who succeed in this environment are those who can interpret data with discernment, make ethically grounded decisions and communicate effectively. Similarly, Gulati et al. (2025) highlight that emotional awareness and social intuition are now critical leadership competencies, helping executives navigate digital complexity and human relations.

"Leaders must stop asking, how do we use Ai? and start asking, how do we lead humans through Ai?"
—Dr. Devinder Kaur, Associate Professor

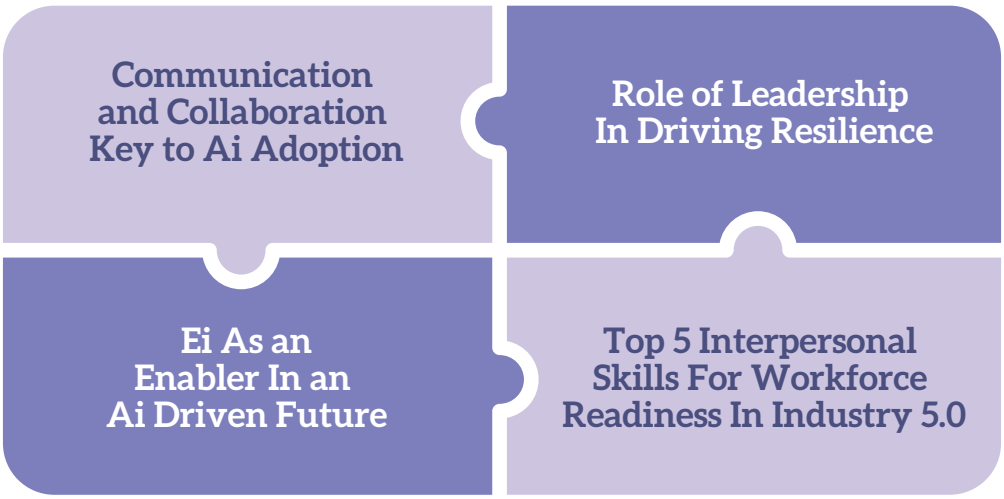
In the **Malaysian** business eco-system, leadership adaptability is becoming a defining success factor. Mohamed Zainal et al (2020) note that Malaysian organisations in manufacturing and services sectors face a pressing need to cultivate leadership mindsets that align technological innovation with people development.

As organisations reimagine leadership for Industry 5.0, those who lead with empathy, integrity and courage will shape the most enduring kind of progress one that elevates both human and technological potential.

Expert Insights

Drawing insights from four senior executives across key industry sectors such as banking & finance, engineering, education and healthcare in **Malaysia's** corporate sector, this study used semi-structured interviews to capture in-depth, experience-based perspectives.

The narratives converged around the following four key themes.



1. Communication and Collaboration Key to Ai Adoption

- Up-skilling must move beyond technical proficiency to encompass soft skill competencies.
- Communication and empathy are prerequisites for Ai adoption,
- Effective communication enables employees to engage confidently with technology while maintaining meaningful human connections.

"Technology can automate processes, but only people can build trust, creativity and collaboration which are the real drivers of Industry 5.0 success."
—Dr Jamuna Jayaraman, Director

2. Role of Leadership In Driving Resilience

- Understanding the role of leadership and collaboration in driving organisational resilience.
- Leadership is less about authority and more about fostering inclusivity, shared purpose and psychological safety elements essential for human–machine co-creation.
- Developing such leaders requires a shift in how organisations design leadership training programs. Structured simulations, mentorship and coaching initiatives and Ai-driven scenario planning can help leaders practice decision-making that balances efficiency with empathy.

"Leaders are the bridge between humans and machines. When they foster trust and curiosity, Ai adoption follows naturally. ."
—Dr. Devinder Kaur Associate Professor

3. Ei As an Enabler In an Ai Driven Future

- Ei emerged as the unifying theme across all interviews, perceived as the differentiator that enables humans to interpret, respond and adapt within complex technological environments.

"Humanity is the new differentiator"
—Dr. Amina Kayani, Executive Director

4. Top 5 Interpersonal Skills For Workforce Readiness In Industry 5.0

I. Leadership
II. Communication
III. Emotional Intelligence
IV. Collaboration
V. Adaptability

Strategic Action Plan

1. Prioritise Soft Skills Training as a Core Organisational Strategy

- Make soft skills training a core part of the organisational strategy, focusing on developing clarity, empathy and digital literacy.
- Training programs should include practical, scenario-based exercises that mirror real situations that help employees build confidence, improve understanding and communicate effectively even in uncertain or rapidly changing situations.
- Employees to participate in simulated workplace scenarios to improve collaboration with employees working remotely. These hands-on exercises provide clarity and builds empathy within the organisation.

- Embed Ai-enabled coaching analytics to assess team sentiment and provide managers with personalised feedback on engagement and communication quality.

"The future of learning isn't about replacing human coaching with algorithms, but enhancing it through insight"
— Ibnu Hidayat Ishak,
CEO & Accountable Manager

- Hybrid teaching approach, where educators blend curriculum delivery with the assistance of Ai, through interactive learning platforms. For example **Dale Carnegie**'s on-line learning platform with its integrated *Dalebot feature*. DaleBot is an Ai-powered coaching tool that provides on-demand, real-time guidance, which helps learners sustain and apply their skills by offering personalised support whenever they face communication or leadership challenges.
- For organisations, it delivers scalable, consistent coaching that enhances engagement and long-term skill retention.

2. Embed Ei into Leadership and Learning Frameworks

- Ei was consistently recognised as the factor that distinguishes technical achievement from long-term organisational sustainability.
- As machines grow more advanced, leaders must increasingly rely on distinctly human qualities such as empathy, self-awareness and moral judgment

"Ei is the new organisational glue. In the rush toward automation, Ei is what keeps teams grounded, connected and willing to adapt"
— Dr. Jamuna Jayaraman, Director

- Integrate Ei assessments, coaching and training into leadership pipelines and succession planning in order to foster team engagement, innovation and trust.

3. Leverage Ai for Human Development

- Use Ai-driven learning tools to provide real-time feedback on communication, empathy and collaboration dynamics during meetings or virtual interactions. For instance, platforms like *Microsoft Viva Insights* and *Reclaim Ai* analyse communication patterns to help employees balance workload, improve focus time and strengthen relational awareness without replacing human judgment.

4. Model and Build a Continuous Coaching Culture

- Foster psychological safety, where experimentation, questioning and even failure are seen as part of growth. *Google's Project Aristotle* demonstrated that high-performing teams create psychological safety allowing members to take risks and express ideas without fear of embarrassment or punishment.
- Include rotational assignments across departments, peer-learning platforms and reflective team debriefs where lessons learned are openly shared.
- Leaders themselves to demonstrate humility, celebrating curiosity and recognising progress over perfection in order to nurture an environment where learning fuels growth and innovation.

5. Measure Human-Centric Metrics

- Success can no longer be measured solely by output efficiency.
- A truly future-ready workforce demands human-centric metrics that assess collaboration, emotional wellbeing and adaptability. These measures reveal how well teams function in hybrid environments a dimension often not captured in traditional KPIs.
- Building a team health dashboard gives organisations visibility into the often-hidden interpersonal dimensions of workforce performance. By linking measures such as clarity of communication, trust, collaboration frequency and emotional climate with more traditional technical KPIs. For example, *Salesforce* uses its *Employee Success Index* to monitor trust, collaboration and engagement levels alongside performance data.
- Organisations should pilot internal *team health dashboards* that measure interpersonal competencies as part of their KPIs.

Concluding Remark

The insights from this study reaffirm that Industry 5.0 is not defined solely by intelligent systems but by intelligent relationships between people, between departments and between humans and machines. As the experts in this study articulated, the future of work will belong to organisations that cultivate human depth alongside digital intelligence. Strategic investment in interpersonal skills will thus not only enhance Ai adoption but also ensure that technological progress remains anchored in empathy, ethics and shared purpose.

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Dato' Wan Hisham is the Chief Executive Officer of Dale Carnegie Malaysia, recognised for his leadership and strong commitment to business excellence. With a distinguished track record in corporate government and community development he is widely respected for his integrity, vision and dedication to empowering people and organisations.

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Dale Carnegie is a global training and development organization specializing in leadership, communication, human relations and sales training solutions. More than 9 million people around the world have graduated from Dale Carnegie training since it was founded in 1912. Through franchises in over 90 countries and in all 50 states, Dale Carnegie's mission is to empower organizations to create enthusiastic and engaged workforces by fostering confidence, positivity, and productive, trust-based relationships.

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