RESEARCH ARTICLE

Determinant of Organizational Success in Industrial Revolution 4.0: The Role of Change's Driver in Islamic Perspective

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Abstract: Industrial Revolution 4.0 presents its own challenges for organizations, so members of organization have to prepare them self to achieve organizational success. This study uses a qualitative approach with content analysis to analyze the literature. Islamic perspective, the drivers of change must fulfill the dimensions of spiritual needs because the essence of human beings is everything that belongs to God, second, personal dimensions in the form of skills and competencies. The last is the environmental dimension in the form of leadership and cultural factors within the organization.

Keywords: *Change's Driver, Industrial Revolution 4.0, Islamic Perspective, Organizational Success.*

Introduction

The history of organizational change continues to run dynamically, before the 1970s, leaders did not give massive attention to the external environment, such as competitors and customers. At the end of the 1970s the scope of change had begun to swell, because leaders had begun to focus on organizational improvement (organizational imperatives). In the 1990s, the run to customer relationship management, LEAN, connectivity through the WEB, etc.

In the mid-1990s, change had begun to focus on conditions or external factors. Nowadays, Industrial revolution 4.0 where change is unavoidable both in the realm of business because change occurs quickly and unpredictably. Unexpected impacts on an organization are failure and decreased organizational performance. This condition give signals that the organization needs a change. Lavanya et al. [1] stated that technological progress has tremendous potential in changing the way we live and work.

The essential factor is to achieve success, namely the effectiveness of the work system that is reflected in human resources in the organization [2]. Motives or factors that influence change can be divided into two parts, namely: external and impersonal (environment, market place, organizations) and internal and personal (culture and mindset) [3]. Both of these factors cannot be separated because in order to achieve the expected change, dialectic is needed between them. Dialectics will have an impact on achieving trans formational change that directs organizations to achieve a sustainable and dynamic change process.

In the Islamic perspective an organizational success is not only driven by mere human needs, but rather towards the spiritual need. As explained by Sulaiman [2] stated that the main idea of an organization's success and blessing of God in the hhereafter is based on *sharia*. Sharia become the way of life both in society and working condition. In Islam, the importance of collective cooperation is based on *Sharia* to achieve organizational success [4].

Islam certainly has a holistic concept in seeing a change's drivers in the organization because employees are trained as human beings who need to be considered from worldly and spiritual aspects. Therefore, this article examines the drivers of organizational success in the 4.0 industrial revolution based on Islamic perspective.

Literature Review

Industrial Revolution 4.0

Characteristics of industrial revolution 4.0 are increased competitiveness through smart equipment, massive information utilization, demographic change, resources, energy efficiency, and urban production [5]. Industry 4.0 shows a significant change by utilizing latest information technology to make all industries more connected. Rublek, Mesko, & Krapez [6] states that industrial revolution 4.0 is a conceptual state related to highly dynamic technology involving various industries (IT, mobility, energy providers, construction, medicine, textiles, etc.).

Industry 4.0 is based on an integrated business approach, manufacturing process, and integration of all actors in the company's value chain [7]. Almada-Lobo [8] argues that Industry 4.0 has an important influence in industrial information because it represents progress on the following three points.

- Digitizing, production includes information systems for management and production planning.
- Automation, a system for comprehensive use of data.
- Connecting, manufacturing sites in a comprehensive supply.

Iindustry 4.0 creates smart factories that are structurally modular, monitors physical processes, maps the physical world in the virtual world, and decentralizes operational decision making [9]. Iindustry 4.0 shows a direction of shifting the industrial world which was initially dominated by the approach to physically switching to virtual. The sign of this change certainly leads to system changes in the organization, especially on the employee side.

Change's Drivers to Reach Organizational Success

Islamic Perspective

In Islam advice drivers of change are based on three aspects, namely spiritual needs, personal (skills, competencies and skills), environment (leader). Islamic scholars state that the main drivers of change are to fulfill spiritual needs [10]. Spiritual needs are shown by the basic core of Islamic community in carrying out all their activities both in relation to the social sphere and within the organization. In addition, Islam emphasizes the importance of the skills or competencies possessed by employees. So, in Islam we are required to continue to learn and improve ourselves that we can do everything to the fullest.

Alhabshi et al. [11] state that the ability to do things to the fullest exceeds a predetermined before. External factors that are considered to have a strong enough role, namely leaders because leaders are a reflection of an organization. Leaders are role models and their behavior is reflected in the culture and procedures of the organization [12].

The leadership model in Islam must refer to the main foothold of the Qur'an and hadith, where Abbasi et al. [13] state that leadership in Islam must refer to the principles of humility, responsibility and accountability. Three dimension of change's driver in Islamic perspective as figure follow.
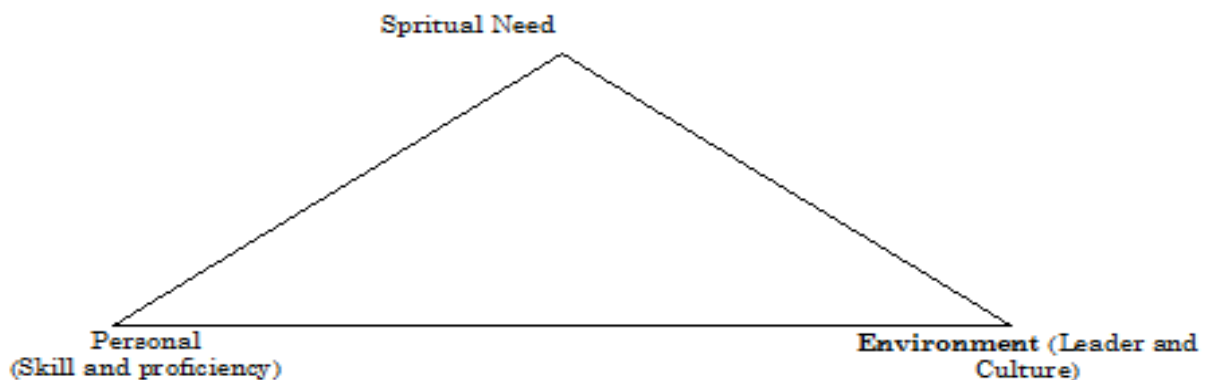

Figure 1: Change's Driver in Islamic Perspective

Ather & Sobhani [14] asserted that leadership in Islam must be based on four principles, namely loyalty, the aim of Islamic global, obedience to behavior based on

Islamic *Sharia*, and delegated trust. Leadership in Islam will never be separated from *sharia* principles and humanitarian principles. This balance shows that the concept of Islamic leadership is holistic.

Western Perspective

The driver of change is a dynamic phase sequence and divides it into seven categories. They are divided into two main categories, namely four categories classified as traditional and three modern components, seven dynamic model in the organization [3].

Environment

Which is a dynamic movement that occurs in a broader context in organizations and operations people? Including: social, business and economy, government, technology, demography, natural environment, etc.

Marketplace Requirement for Success

Is a set of tools required by customers that determine policies in achieving business success to bring and meet customer needs.

This fact is driven by changes in the environment and society, because the change will certainly have an impact on changes in consumption and customer demand, so the company must be able to answer these changes in order to exist and be able to retain customers.

Business Imperative

Is related to actions that must be carried out by companies as strategic to achieve success. Modern business systems are manifested in systematic thinking, such as: changes in mission, strategy, goals, business models, products, services, and branding.

Organizational Imperative

Is related to changes that occur in organizations, such as structures, systems, processes, technology, etc. to implement and achieve a strategic business system.

Culture Imperatives

Is a norm, a collection of ways or way of life for organizations to encourage and shape new organizational designs, operating systems, and organizational strategies. This is found in the work culture of the team that is built in the company to support the renewal of business processes, strategies, and improve customer response.

Leader and Employee Behavior

Which is related to changes in leaders and followers that can reflect organizational culture, because behavior is a different thing compared to over action? The alignment of behavior between leaders and followers will form organizational culture to implement new organizational designs.

Leader and Employee Mindset

Is a point of view, assumptions, beliefs, and mental models that make people believe in behavior and culture. The change's mindset between leaders and followers are fundamental because a change will be achieved because it begins with a change in mindset. Changes in systems, technology, and initial strategies are built because of changes in the mindset of all elements of organization. The formation of change's drivers models that can be observed from various perspectives, such as: 1).

Helping each individual to understand the scope of changes required and to broaden the views related to external dimensions; 2). As a tool that can help define the type of organizational change that must be undertaken; 3). Defines cases or reasons for changes required, and; 4). As a provider of a framework for communicating results, coverage, and changes to stakeholders.

Research Method

This study uses a qualitative approach by using descriptive techniques. Ryan & Bernard [15] states that qualitative descriptive research using the content analysis technique is used to analyze words with many categories. Various references were collected and then analyzed based on the topics of studied. Rresearch steps by using literature review, first, studying and collecting data, phrases, and sentences in the literature source. Second, describe data that has been collected using structured sentences [16].

Discussions

The main component in Islam is about change's driver, namely spiritual needs, because it is as humans principle are servants whose activities must be based on religion. In Islam, it has also been stated that an essential change must be initiated from each individual that starts from the mindset and commitment. This has been recorded in

the Qur'an. *Surely Allah will not change the state of a people before they change their own circumstances." (QS.Ar-Ra'd: 11) [17].*

Organizational change certainly will never happen if there is no intention to change. Anderson & Anderson [3] Leader and employee mindset are fundamental in making a change. This is also supported by the results of research by Herscovith & Meyer [18], stating that commitment to change is a mental attitude that must be possessed by every individual in an organization. Commitment will affect behave based on their mindset. Commitment to change is a mindset that can bring each individual to act in achieving actual success from initiatives to change [18].

The spiritual needs emphasize the mindset to change must be based on the principle of seeking the pleasure of Allah because without this it will be difficult to achieve a change. As in the Qur'an follows. *And those who strive for (seeking pleasure) Us, We will show them our ways. And really, God is with those who do good. "(QS.al-Ankabut: 69)* [17]. In the verse it has been shown that if humans have had the mindset that their actions are in order to seek the pleasure of Allah, all their activities will be given instructions for success.

In the Industry 4.0 this principle is important because the changes that occur are so fast and unpredictable, if they are not balanced with the principle of seeking Mercy from Allah and commitment will be difficult to achieve organizational success. Commitment to change is a mindset that needs to be built by each individual.

Actually, the three commitment models as source of inner power. Without the power of the mindset, a change will become an expectation, without implementation. Based on the context, this study also examined the effect of three models of commitment to change the behavior of each individual. Herscovith & Meyer [18] states that with the commitment to change will be guide the individual to act, so that the actions taken repeatedly will create behavior.

The component of the commitment model to change is also built by the correlation of multifocal or purpose work relationships.

Each individual has their own multifocals in each organization. Tend to be focused or fit each individual will later reflect the commitment to change. This study show that commitment to change is also influenced by each individual's focus. Experience based on internal strength will make individuals more committed, vibrant, and organized [19]. Abbasi et al. [13] state that skills are qualities that possessed by individuals who have extensive meaning. Islam has taught that it is important to have skill because without skills it will be difficult to achieve success.

Therefore, organizational members need to have special skills in dealing with industry 4.0; the demands of these skills include various aspects, technical, conceptual, and even interactional relationships within the organization. The Qur'an also mentions the following. *As for those who believe and do good works, their Lord will put them in His mercy. That is a real victory. "(Surat al-Jatsiah, 45:30)* [17].

Islam guides people to pursue things well and professionally because Islam expressly states that the impact will get victory. The Hadith also stated *From Aisha r.a., actually Rasulullah s. a. w. said: "Indeed Allah loves someone who when working, does it professionally". (HR. Thabrani, No: 891, Baihaqi, No: 334)* [20]. The proficiency shown by members of the organization has a positive impact, both personally and for the organization. Members of the organization that show significant proficiency will improve organizational performance [13].

In the Islamic perspective also emphasizes the importance of consistency, prevents feelings of laziness, trust, and obedience [21]. Commitment to change is not only influenced by each individual, but also influenced by managerial tactics in the organization. The commitment to change in individuals is also influenced by focus or purpose, because each individual has their own goals. Cyert & March (1963) in Herscovith & Meyer [18] suggested that the goals of each person are often different from the goals of the organization, so that it is the manager's responsibility to direct each member of the organization to be aligned with the organization's goals.

Therefore, it is important for a leader to be an example in the organization, as in the Qur'an. *Surely there is in (the) Messenger of Allah a good example for you (that is) for those who wish (the mercy) of Allah and (the coming of) the Day of Judgment and he calls Allah a lot (QS: Al-Ahdab: 21) [17].* Islam has suggested the importance of leaders to set an example.

Leaders in organizations must be able to observe the commitment to change in each individual, because the success of the process of directing individuals also manifests because of the interpersonal relationship between the leader and the individual. Jamil [22] states that leaders must be able to compete with a group of individuals to complete certain missions and arrange followers for management success. Achieving organizational success in Industry 4.0 will never be separated from the role of a leader because leaders must be able to manage individuals with love.

Furst & Cable [23] research divides managerial tactics in two parts, namely, hard tactics and soft tactics. 1). Hard tactics consists of two components, namely sanction, the manager gives a warning and will give punishment for those who violate and give rewards for awareness and negligence; legitimization, managers explain that changes remain consistent with organizational policies. 2).

Soft tactics consists of two components, namely ingratiation, managers reward and boast of every effort made by members of the organization; consultation, manager asks and gives advice to individual members of the organization to achieve change.

In Islam, prefer to soft approach, as in the Qur'an. *Therefore it is from Allah's mercy that you are gentle with them. If you are hard again, rough-hearted, they will certainly distance themselves from your surroundings. Therefore forgive them, ask forgiveness for them, and deliberate with them in that matter. Then if you have made a determination, then put your trust in Allah. Surely Allah likes those who put their trust in Him (QS: Ali Imran: 159) [17].*

Leadership in Islam adopts a humanist approach by inviting all members of the organization to be involved in achieving organizational success. The Quran has stated that leaders must take a persuasive approach to make them doing change. In the era of Industry 4.0 a persuasive approach is needed because competition is getting tougher if there is no humanist approach, organizational members can show declining performance even out of the organization. Followers have emotional attitudes to leaders as well as leaders have an emotional impact on followers [22].

Interpersonal relations between leaders and followers are implemented massively and comprehensively because of the strength of the relationship between the two parties. The results of study by Furst & Cable [23] show that managerial tactics related to hard tactics will be associated more strongly with resistance or resistance to change when the quality of LMX relationships is low. This fact shows that managerial techniques on hard tactics will make individual resistance to change stronger, because the existence of punish will not be able to change employee's resistance.

On the other hand, when the LMX is high, the use of predetermined punish will not make individual resistance higher. Leaders need to direct followers to achieve the vision and goals of the organization, besides that commitment to change cannot be avoided so that the organization still exists and can achieve its goals. Moten [24] states that leaders in Islamic perspective have vertical responsibility to God and horizontal responsibility to fellow beings for all their actions.

Thus, leaders must be able to build good relationships and positive interactions with followers. Without such a relationship it will be difficult for managers to achieve organizational goals. The increasingly stringent challenges in Industry 4.0 must be able to be faced with optimism with the role of a leader who is able to take a humanist approach.

Conclusion

The Islamic perspective in facing Industry 4.0 has dimensions that are not only limited to material but also need a dimension of spirituality. Thus, in order to achieve organizational success there needs to be a dimension of spirituality as a human basis for acting, and also the need for increased

competence so that organizational members can work professionally in accordance with the requirements. Besides that, there needs to be an environmental push manifested by the role of a leader.

In Islam, Industry 4.0 is part of a change in the business environment that must be faced because change cannot be avoided with the main goal being organizational success. The limitation of this article is that it only sees Industry 4.0 from an internal organization perspective and Islamic perspective.

The hope for further research needs to add to the demands of the market and technology so that the results of the research will be more comprehensive. As stated by Nagy et al. [9] that Industry 4.0 cannot be separated from technology and markets.

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