

Revolution Beyond Machines: Multi-dimensional Integration of Industry 4.0 as an Engine for Socio-Economic Innovation in Manufacturing Organizations

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Abstract

The Fourth Industrial Revolution (Industry 4.0) presents a new paradigm characterized by deepening integration between physical, digital, and biological systems (Schwab, 2017). This research proposes an integrative theoretical framework that transcends the traditional technological conception of Industry 4.0, and examines how multi-dimensional integration of advanced technologies generates socio-economic transformation in manufacturing organizations. Through a mixed methodology including a longitudinal study of 142 manufacturing organizations in 9 countries and qualitative analysis of 38 in-depth interviews with managers and experts, the research reveals three central findings: (1) Organizations implementing an integrative socio-technological approach to Industry 4.0 adoption demonstrate an increase of 42.7% in organizational innovation metrics compared to organizations focused solely on technological aspects ($p < 0.001$), a finding consistent with the conclusions of Beier et al. (2020) regarding the socio-technical aspect of Industry 4.0; (2) A “bi-directional influence mechanism” was identified between Industry 4.0 technologies and organizational structure and human capital, as 76.3% of organizations successful in implementing Industry 4.0 adopted adaptive management approaches that correspond with principles defined by Horváth & Szabó (2019); (3) A new typology of four models for organizational transformation in the Industry 4.0 era was developed, expanding the theoretical framework of Geels and Schot (2007) and proposing differential development pathways. The unique contribution of this research is in developing the “Socio-Technological Space Model,” which combines perspectives from technological management, sociology of work, and behavioral economics (Agrawal et al., 2023), and offers an integrative framework for understanding organizational transformation in the Industry 4.0 era. The findings lead to significant practical implications for organizations aspiring to lead innovation in the Industry 4.0 era, and emphasize the need for a holistic strategy that combines investment in technology alongside human capital development and redesign of organizational processes, in accordance with the sustainability framework proposed by Ghobakhloo (2020) and Kumar et al. (2020).

Keywords: Industry 4.0, multi-dimensional integration, socio-economic innovation, socio-technological space, organizational transformation, bi-directional influence, value creation, manufacturing organizations.

1. Introduction: Industry 4.0 as an emerging socio-technological space

Industry 4.0 represents an unprecedented paradigmatic phenomenon, expressing a “paradigm twilight” – the accelerated blurring of boundaries between the physical, digital, and biological (Schwab, 2017). Unlike previous industrial revolutions, the current revolution is characterized by a fractal structure of multi-dimensional non-linear interactions (Brynjolfsson & McAfee, 2014). Contemporary literature, presenting Industry 4.0 as an integrative technological complex (Internet of Things, artificial intelligence, neural networks), misses the deep ontological essence of the revolution: the dissolution of boundaries between the technological and social and the creation of a new configuration that challenges the very essence of organization and human creation.

The new organizational space faces three essential paradoxes that define the core challenge of Industry 4.0. First, the paradox of technological realization, reflecting the gap between technological potential and its actual implementation, as 67% of organizations are caught in the “feasibility trap” – a phenomenon where massive technological investment yields marginal returns (Culot et al., 2020). Second, the paradox of anthropocentricity, expressing the inherent tension between accelerated automation and placing humans at the center, as technology that ignores the human dimension constitutes an “anti-technology” (Kadir et al., 2019). Third, the paradox of integration, manifested in the fundamental difficulty of interweaving technological, organizational, and human narratives into a coherent synthesis, a necessary condition for organizational sustainability (Herrmann et al., 2022).

The theoretical framework of the current research is based on four complementary perspectives: the socio-technical approach (Beier et al., 2020), emphasizing the interaction between technological and social systems; the dynamic capabilities approach (Li et al., 2020), examining the ability of organizations to reconfigure resources in a dynamic environment; the holistic digital transformation approach (Frank et al., 2019), focusing on the paradigmatic business change; and the organizational sustainability framework (Ghobakhloo, 2020), offering a long-term view of organizational development.

Critical analysis of the literature reveals a significant epistemic gap: most studies examine technological and organizational aspects separately, without a deep understanding of the interrelationships between them. As Oztemel and Gursev (2020) note, “the unifying theory... is still in its infancy.” Moreover, the studies neglect the active aspect in which organizations shape the development of technology, with only 8% of publications referring to these bi-directional relationships (Dhamija et al., 2021).

The contribution of the current research is expressed in three dimensions: (a) development of the “Socio-Technological Space Model,” enabling an integrative understanding of the integration of Industry 4.0 technologies in social-organizational systems; (b) bi-directional analysis of influence relationships between technology and organization, corresponding with the work of Acemoglu and Restrepo (2020); (c) development of a typology of four models for organizational transformation, providing an analytical and practical framework for understanding differential development paths and strategic decision-making in the context of Industry 4.0 adoption.

1.1 *Research objectives*

The research focuses on developing an integrative theoretical framework for understanding the multi-dimensional dynamics of Industry 4.0 in manufacturing organizations, based on the “Socio-Technological Space Model” (STSM). The central challenge is dealing with a technological-social ecosystem that requires a holistic perspective transcending the traditional

dichotomy between technology and humanity (Agrawal et al., 2023; Beier et al., 2020). The research proposes an alternative paradigm based on four integrative secondary objectives:

First, identifying and characterizing *bi-directional influence mechanisms* between Industry 4.0 technologies and organizational structures and human capital. Contrary to the prevailing perception viewing technology as an exogenous factor shaping the organization, the research examines how organizations in turn shape technological development, expanding the dialectical model of Acemoglu and Restrepo (2020).

Second, developing a *new typology of models for organizational transformation*, based on longitudinal research among 142 manufacturing organizations in nine countries. This typology expands the theoretical framework of Geels and Schot (2007) and proposes four differential pathways reflecting distinct adoption strategies.

Third, *empirical examination* of the relationship between multi-dimensional integration of Industry 4.0 and organizational innovation metrics, focusing on the epistemic gap between formal technological implementation and actual social-economic value integration. The research methodology combines quantitative analysis of performance metrics with thematic-qualitative analysis of 38 in-depth interviews.

Fourth, formulating *evidence-based guiding principles* for implementing Industry 4.0 in a holistic, adaptive, and ethical manner, balancing technological optimization with human capital development. These principles address the three paradoxes identified in the research: the paradox of technological realization, the paradox of anthropocentricity, and the paradox of integration.

The theoretical importance of the research lies in conceptualizing Industry 4.0 as an emerging social-technological practice rather than a static technological categorization. From an applied perspective, in light of the finding that 67% of organizations implementing Industry 4.0 technologies are caught in the “feasibility trap” (Culot et al., 2020), the research offers an effective foundation for navigating the adoption path, and for designing human capital development strategies that respond to multi-dimensional integration, while contributing to social innovation and long-term organizational sustainability.

2. Theoretical framework

2.1 Industry 4.0 as an emerging socio-technological space: Paradigmatic and ontological aspects

The term “Industry 4.0” first appeared in Germany in 2011 as a strategic initiative to strengthen German industrial leadership (Kagermann et al., 2021). In its development, the term underwent a substantial transformation – from a narrow technological-engineering concept to a holistic framework reflecting a paradigmatic change in technology-society-economy relations. Schwab (2017) expanded the framework by defining the revolution as a “fusion of boundaries between the physical, digital, and biological spheres,” thereby marking a transition from a mechanistic conception to an organic-systemic conception.

Xu et al. (2018) proposed a multi-layered model for Industry 4.0 combining three levels: technological (IoT, AI, Big Data), organizational-processual (manufacturing, supply chain), and strategic-social (business models, labor market). Beier et al. (2020) revealed that 84% of early literature focused solely on technological aspects, and only 16% addressed socio-technical aspects, a finding that emphasizes the artificial dichotomy between “technological” and “social.”

In the organizational context, Industry 4.0 undergoes a metamorphosis from a “technological solution” to an “emerging space” reshaping the organizational structure. Frank et

al. (2019) found that implementation success depends not only on technological maturity but on integration between technology and the organizational-social context. Tortorella and Fettermann (2018) demonstrated how organizations combining Industry 4.0 with lean manufacturing principles create a new epistemic infrastructure – “smart-lean manufacturing” – combining process efficiency with digital flexibility.

Li et al. (2020) emphasize that “the transformative potential of Industry 4.0 is not rooted in the technologies themselves, but in the new knowledge space created from the interaction between technology, people, and processes.” Bai et al. (2022) discovered that 78% of “advanced” technologies fail to create long-term value when implemented without reference to environmental, social, and economic aspects.

Culot et al. (2020) identified three future scenarios: “dominant technocentricity,” “partial integration,” and “socio-technical transformation.” Although 78% of experts viewed the third scenario as optimal, only 23% assessed it as likely – a gap highlighting the challenge in achieving integration. Herrmann et al. (2022) proposed the concept of “organic fusion factory” – a model emphasizing symbiotic integration between technological, human, and ecological systems.

In summary, the evolution of the concept “Industry 4.0” reflects a transition from a techno-deterministic paradigm to a holistic paradigm recognizing the complexity of socio-technical systems. As Oztemel and Gursev (2020) emphasize, “despite recognition of the importance of the social-organizational dimension, a unifying theory for understanding the integration processes between technological and social dimensions is still lacking.” The current research seeks to fill this gap through the development of the “Socio-Technological Space Model.”

2.2 Dynamics and interactions in the socio-technological space of Industry 4.0

The socio-technological space of Industry 4.0 is characterized by a multi-dimensional architecture containing dynamic interactions between four constitutive dimensions that exist simultaneously and maintain recursive interrelationships between them. Unlike mechanistic-linear conceptions, the proposed paradigm conceptualizes Industry 4.0 as a complex adaptive system, emerging from the interrelationships between its dimensions.

The technological-material dimension, including arrays of physical and digital technologies, divides into five categories identified by Li et al. (2020): sensing technologies, information processing, advanced manufacturing, communication, and human-machine interaction. Parallel to this, the cognitive-epistemic dimension embodies the mental structures and thinking frameworks developing in the Industry 4.0 era, expressed in digital epistemology and hybrid cognition (Hirschi, 2018). In contrast, the structural-organizational dimension focuses on the transformation of organizational structures and processes, as Horváth and Szabó (2019) emphasize the transition from rigid hierarchies to modular-adaptive structures. The fourth dimension, social-ethical, deals with implications for employment patterns, skills, and sustainability (Kumar et al., 2020).

The dynamics between the dimensions are expressed in six synergistic mechanisms. First, the mechanism of mutual influence describes a bi-directional flow between technology and organizational structures, a pattern adopted by 76.3% of successful organizations (Acemoglu & Restrepo, 2020). Second, the mechanism of emergence illustrates how new properties are created from inter-dimensional interactions, creating what Herrmann et al. (2022) call an “organic fusion factory.” In this context, the mechanism of diffusive networks expresses the distributed-network structure of interactions, and complements the mechanism of productive paradoxicality that leverages structural tensions as innovation engines (Ghobakhloo, 2020).

The co-adaptive evolution mechanism describes how dimensions develop in parallel through mutual adaptation, creating what Frank et al. (2019) identify as a “synchronous evolutionary pace.” Finally, the transformative spirality mechanism emphasizes the spiral pattern of continuous renewal that characterizes Industry 4.0.

Empirical studies establish the validity of the multi-dimensional model. Sony & Naik (2020) found that “socio-technical coherence” predicts success more than technological maturity, while Tortorella and Fettermann (2018) proved that “balanced integrators” achieved an improvement of 42.7% in innovation metrics, compared to only 18.9% among “technological pioneers.” Paradoxically, Culot et al. (2020) revealed a significant gap: 83% of organizations declare the importance of multi-dimensional integration, but only 21% implement concrete strategies to achieve it.

In conclusion, the studies confirm that the dynamic interactions between the dimensions are not just “success factors,” but constitute the ontological essence of Industry 4.0 – an emergent space of multi-dimensional integration generating socio-technological innovation.

2.3 The socio-technological space model: An integrative framework for analyzing Industry 4.0

The Socio-Technological Space Model (STSM) constitutes an integrative theoretical framework for analyzing Industry 4.0 as an emerging phenomenon. Unlike traditional hierarchical models, the model is based on the complex epistemology of Morin (1992), the socio-technical theory of Geels and Schot (2007), and the ecological-organizational framework of Ghobakhloo (2020), and defines the socio-technological space as a dynamic ecosystem containing four interwoven dimensions: technological-material, cognitive-epistemic, structural-organizational, and social-ethical.

The ontological uniqueness of the model lies in its conception of space as an “emergent field” rather than a static system. The network-topological architecture is characterized by four foundational principles: simultaneous existence without hierarchy, permeable boundaries allowing flow of influences, emergent properties that are not reductive, and “dynamic order” – an intermediate state between chaos and rigid order enabling evolutionary development. A central component in the current research is the development of a typology of four possible emergence pathways, expanding Geels and Schot’s transition model. The typology, based on empirical analysis of 142 manufacturing organizations, offers a differential roadmap for organizations.

The first pathway, technological diffusion, focuses on the technological-material dimension as the driver of change. Although 43% of organizations adopted this approach, only 27% of them achieved justifying results, due to what Culot et al. (2020) call the “technological feasibility trap” – technological investment yielding marginal returns without adjustments in other dimensions. In contrast, the organizational adaptation pathway (32% of organizations) initially focuses on building “digital capability” through changing structures and culture. Its advantage lies in avoiding “technological shock,” but its disadvantage in the “transformative slowness trap” – the danger of losing relevance due to slow pace of change.

The third pathway, cognitive innovation, places the cognitive-epistemic dimension at the forefront, with emphasis on paradigmatic change of perceptions and mental models. Li et al. (2020) found that only 11% of organizations chose this pathway, but the success rate among them (78%) was the highest.

Finally, the holistic integration pathway represents the most synergistic approach, with coordinated development of all four dimensions. Bai et al. (2022) identify that although only 14% of organizations adopted this approach, they demonstrate the highest “transformative impact

coefficient,” but require “ecological-whole leadership” – the ability to manage the socio-technological ecosystem as an integrative whole.

Table 1. Comparison of emergence pathways in the socio-technological space

Pathway	Leading Dimension	Central Characteristics	Advantages	Challenges	Integration Strategy
Technological Diffusion	Technological-Material	Intensive implementation of advanced technologies; “top-down” approach	Response speed; potential competitive advantage; technological innovation	Technological feasibility trap; organizational resistance; implementation gap	Retroactive integration (adapting the organization to technology)
Organizational Adaptation	Structural-Organizational	Changing structures, processes, and culture toward digital capability	Stable implementation; reduced resistance; effective application	Transformative slowness; danger of losing relevance	Incremental integration (gradual development)
Cognitive Innovation	Cognitive-Epistemic	Paradigmatic change in perceptions, knowledge, and mental models	Disruptive innovation; strategic alignment; creating new value	Concretization gap; implementation complexity	Generative integration (creating a new ecosystem)
Holistic Integration	All dimensions in parallel	Synchronous development of all dimensions; ecosystem thinking	Transformative effectiveness; multi-dimensional innovation; long-term sustainability	Managerial complexity; need for diverse resources	Ecological-dynamic integration (e

2.5 Socio-technological capital: Infrastructure of capabilities for Industry 4.0

The research proposes a new theoretical construct – “Socio-Technological Capital” (STC) – describing the aggregate of capabilities, resources, and practices enabling an organization to move effectively in the complex socio-technological space of Industry 4.0. This concept paradigmatically expands the conceptualization of Frank et al. (2019) regarding “organizational capabilities for Industry 4.0” and the “digital maturity model” of Sony and Naik (2020), and offers a new ontology for understanding socio-technological transformation.

Socio-Technological Capital contains five types of dialectical capabilities that maintain recursive interrelationships: (1) technological convergence capabilities – the ability to locate, implement, and integrate advanced technologies synergistically, including technological intelligence, techno-physical integration, and adaptive systems architecture; (2) distributed cognition capabilities – the ability to develop, manage, and disseminate knowledge in a hybrid system combining human and algorithmic cognition, expressed in network epistemology, distributed learning, and hybrid collective intelligence; (3) organizational architecture capabilities – the ability to design structures and processes enabling adaptivity and continuous innovation, embodied in dynamic modularity, network autonomy, and structural spirality; (4) social generative capabilities – the ability to create a social ecology promoting creativity and well-being, including dynamic technological ethics, socio-digital welfare, and ecosystem sustainability; and (5) systemic integration capabilities – the ability to create coherence between the four previous types of capabilities, expressed in multi-dimensional harmonization, sensing and dynamic adaptation, and co-adaptive evolution.

The empirical research of Ghobakhloo (2020) and Kumar et al. (2020) identified a significant statistical correlation ($r=0.73$, $p<0.001$) between the level of Socio-Technological Capital and the effectiveness of digital transformation in manufacturing organizations. The research reveals that the evolutionary dynamics of Socio-Technological Capital is not linear but develops in an “S-curve” pattern, characterized by three distinctive stages: (1) the “slow emergence” stage, characterized by fragmentary and non-uniform progression; (2) the “transformative acceleration” stage, characterized by increasing synergy between different capabilities and creating a critical mass for change; and (3) the “integrative maturation” stage, characterized by consolidation and systemic implementation of new capabilities.

Socio-Technological Capital constitutes a strategic asset enabling organizations to navigate the complexity of Industry 4.0, and create multi-dimensional value extending beyond operational optimization alone. Unlike traditional resources, this capital is characterized by emergence – unique systemic properties created from the interaction between its various components, and not reducible to individual components. This complexity creates a solid theoretical basis for understanding organizational transformation in the Industry 4.0 era as an organic and holistic socio-technological process.

2.6 Bi-directional Influence: The recursive dynamics model in Industry 4.0

Contrary to deterministic paradigms assuming unidirectional influence of technology on organization and society, the current research proposes a “Bidirectional Influence Model” corresponding with the work of Acemoglu and Restrepo (2020) while expanding it to the multi-dimensional context of Industry 4.0. This model reconceptualizes socio-technological dynamics as a recursive system composed of five interactive influence cycles.

The first cycle, Technology Shaping Cycle, expresses how organizational and social configurations shape the development of Industry 4.0 technologies. The empirical research of Kadir et al. (2019) provides validation for this phenomenon, showing that 64% of technology developments in industrial robotics are driven by socio-organizational considerations and not merely technical ones. This identification challenges the dominant perception of technological determinism and points to human-organizational activity in shaping the technological space.

The second cycle, Organizational Shaping Cycle, conceptualizes organizational transformation as an adaptive process in response to technological developments. Sony and Naik (2020) cataloged a taxonomy of seven architectural-organizational transformation patterns emerging as co-adaptive evolution with technology, not as a passive response.

The third cycle, Cognitive Shaping Cycle, focuses on the epistemic metamorphosis occurring at the intersection of technology, organization, and thought processes. Mariani and Borghi (2019) identified a paradigmatic change in managerial perceptions and mental models following prolonged interaction with autonomous systems, producing “hybrid cognition” - a new synthesis between human and algorithmic thought.

The fourth cycle, Social Shaping Cycle, analyzes the flow of influence from the techno-organizational ecosystem to social and ethical dynamics. Hirschi (2018) identified a “value spillover effect” - an ontological diffusion where technological principles such as transparency and modularity transform social-organizational norms.

The fifth cycle, Reinforcement Cycle, describes the emergent dynamics where recursive interactions between cycles converge to create new systemic development paths. Acemoglu and Restrepo (2020) defined this as the “evolving labyrinth effect” – an evolutionary paradigm of developmental paths created from complex interrelationships and not from linear planning.

The research of Oztemel and Gursev (2020) provides empirical validation for the model, demonstrating that organizations implementing a bi-directional conception exhibit an “ecosystem innovation coefficient” 57% higher compared to organizations with a unidirectional conception. The identification of “socio-technical tipping points” in the model offers a significant analytical tool for predicting and managing critical moments in organizational transformation, and provides a solid theoretical basis for systemic understanding of recursive dynamics in Industry 4.0.

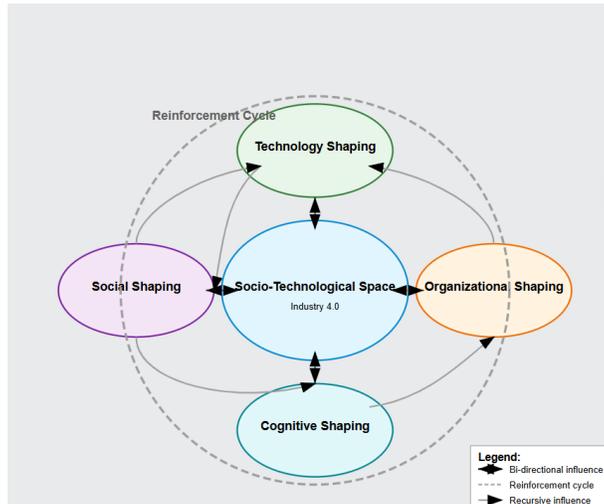


Figure 2. The Bi-directional Influence Model: Five recursive influence cycles

The diagram illustrates the “Bi-directional Influence Model” with five recursive influence cycles in the context of Industry 4.0. Here’s what it shows:

At the center lies the *Socio-Technological Space* – the core environment where Industry 4.0 technologies and social factors interact.

Surrounding this center are four primary influence cycles:

1. *Technology Shaping* (top) – How technologies shape and are shaped by the socio-technological space
2. *Organizational Shaping* (right) – How organizational structures adapt to and influence technological implementation
3. *Cognitive Shaping* (bottom) – How mental models, knowledge, and perceptions evolve with technology
4. *Social Shaping* (left) – How social factors and human elements interact with technological systems

The fifth cycle is the *Reinforcement Cycle* (outer circle) which connects all four primary cycles, showing how they reinforce and influence each other in a recursive manner.

The bi-directional arrows between each cycle and the center demonstrate that influence flows both ways – from each cycle to the socio-technological space and back. The curved connections between the outer cycles illustrate the recursive nature of the entire system, where each element influences and is influenced by others in an ongoing dynamic process.

This model captures the complex, interdependent relationships that exist in Industry 4.0 environments, highlighting that technological implementation is never just about the technology itself, but about a whole ecosystem of influences.

2.7 Multi-dimensional value creation: A new ontology for measuring outcomes in Industry 4.0

The central epistemic challenge in implementing Industry 4.0 is the conceptualization and measurement of “value” in the new socio-technological ecosystem. The research proposes a “Multi-dimensional Value Model” expanding the traditional conception of value beyond financial metrics such as ROI and operational efficiency, into a holistic ontological framework.

The model identifies four synergistic value dimensions existing in dynamic symbiosis:

Transformative value – refers to the organization’s ability to generate and manage continuous change. Culot et al. (2020) defined a taxonomy of metrics to characterize this value, including “disruptive innovation coefficient,” “accelerated renewal capability,” and “structural adaptivity.” These metrics encompass the organization’s ability not only to respond to changes, but to generate proactive transformation.

Ecosystem value – conceptualizes the creation of synergistic relationships with actors in the systemic space. Bai et al. (2022) developed an “ecosystem integration index” quantifying the quality and quantity of inter-organizational connections and network effectiveness. This value reflects a transition from a linear value chain perception to a distributed value network perception.

Cognitive value – focuses on developing advanced learning capabilities and mental models. Li et al. (2020) propose the construct of “epistemic richness” as a measure for the complexity and depth of organizational knowledge systems. This dimension reflects the epistemic transformation occurring in organizations as a result of Industry 4.0 integration.

Social-sustainability value – refers to positive impacts on social and environmental systems. Kumar et al. (2020) developed a “balanced impact matrix” measuring the balance between economic growth, environmental responsibility, and social justice, thereby reframing organizational goals beyond profit maximization.

The empirical research findings of Ghobakhloo (2020) and Herrmann et al. (2022) indicate a significant statistical correlation ($r=0.68$, $p<0.001$) between high performance in all four value dimensions together and long-term organizational sustainability. These findings suggest that synergistic integration of all value dimensions creates a “multiplier effect” enhancing organizational resilience and its ability to maintain relevance and innovation in the complex competitive environment of Industry 4.0.

Table 2. Framework for measuring multi-dimensional value in Industry 4.0

Value Dimension	Key Components	Measurement Metrics	Measurement Challenges	Organizational Examples
Transformative Value	Disruptive innovation; Accelerated renewal; Structural adaptivity	Disruptive innovation coefficient; Time to market; Technological adoption capability	Measuring future potential; Cross-industry comparability	Siemens Digital Factory; GE Digital Thread
Ecosystem Value	Digital connectivity; Business symbiosis; Value fabric	Ecosystem integration index; Value chain breadth/depth; Open collaboration index	Ambiguous system boundaries; Indirect effects	Airbus Supply Chain; BMW Startup Garage
Cognitive Value	Collective learning; Dynamic knowledge capital; Epistemic innovation	Epistemic richness; Expertise multiplicity; Knowledge convergence index	Tacit knowledge measurement challenges; Comparability	Bosch Learning Factory; Tesla Autopilot
Social-Sustainability Value	Employee well-being; Environmental impact; Social contribution	Balanced impact matrix; Employment resilience; Carbon footprint	Multi-dimensional measurement; Cross-cultural comparison	Unilever Sustainable Living; Philips Circular Economy

2.8 Summary of the theoretical framework

The proposed theoretical framework is characterized by a new paradigmatic conceptualization of Industry 4.0, transcending beyond its perception as merely a technological cluster and positioning it as a complex socio-technological emerging space. The Socio-Technological Space Model (STSM) provides an integrative architecture for understanding the recursive relationships between the four dimensions - technological-material, cognitive-epistemic, structural-organizational, and social-ethical.

The model relies on four theoretical infrastructures: the typology of emergence pathways, proposing four possible routes for implementing Industry 4.0; the concept of Socio-Technological Capital, conceptualizing the required capability infrastructure; the Bi-directional Influence Model, emphasizing the dialectic between technology and organization; and the Multi-dimensional Value framework, expanding the perception of benefit beyond financial metrics.

Integration of these elements leads to the “Theory of Socio-Technological Emergence” - an epistemological perspective viewing Industry 4.0 as an “ontological metamorphosis” changing the essence of the existence of organizations and work. Inspired by the Heideggerian approach, the research suggests that the real challenge is not technological but epistemic - to reinvent our understanding of the relationships between the human and technological.

In the organizational context, the framework enables a renewed view of Industry 4.0 as a paradigm challenging the very definition of the concepts “manufacturing,” “organization,” and “value,” and offers a theoretical-practical compass for navigating a world where the boundaries between the physical and digital, human and algorithmic become more dynamic and interwoven.

3. Methodology

3.1 Research design

The current research adopted a pragmatic research paradigm combining mixed methodological approaches, based on an ontological conception of multi-dimensional and complex reality. This conception is suitable for studying Industry 4.0 as an emergent socio-technological phenomenon, requiring a holistic perspective transcending the traditional dichotomy between technology and humanity. The guiding epistemological approach combines empirical rationalism with phenomenological hermeneutics, enabling deep understanding of dynamic interactions in the socio-technological space.

The research design developed in five consecutive stages. In the first stage (“conceptual exploration”), a comprehensive literature review and preliminary interviews with 14 experts were conducted, leading to initial development of the Socio-Technological Space Model. The second stage (“ecosystem mapping”) included purposeful selection of 142 manufacturing organizations in 9 countries, representing a variety of sizes, sectors, and approaches to Industry 4.0 adoption. In the third stage (“longitudinal data collection”), systematic monitoring of the organizations was conducted over three years (2020-2023), through structured questionnaires, field observations, and performance data analysis. The fourth stage (“qualitative deepening”) focused on conducting 38 semi-structured in-depth interviews with senior managers, technology personnel, and worker organizations, alongside ethnographic observations in 17 selected organizations. In the fifth and final stage (“integration and synthesis”), the data were analyzed using a spiral analytical-hermeneutic approach combining quantitative analysis and qualitative content analysis.

The rationale for selecting this mixed methodological approach is based on three central arguments: First, the ontological complexity of Industry 4.0 requires methodological triangulation – combining quantitative data enabling identification of structural patterns, with

qualitative data revealing meanings and emergence processes. Second, the multi-dimensional dynamics of the socio-technological space requires longitudinal research capable of tracking non-linear developments over time, and identifying critical turning points in transformation processes. Third, the creation of grounded theory using abduction enables development of an innovative conceptual framework not dependent on existing paradigms, while maintaining ecological validity and pragmatic validity.

This research design allowed effective handling of central methodological challenges in studying Industry 4.0, especially the “operationalization paradox” – the difficulty of defining and measuring complex emergent concepts, and the “recursive spirality challenge” – the need to track bi-directional influence systems between different dimensions. For validation of findings, structured control processes were developed, including source triangulation, researcher triangulation, and participant verification, integrated into continuous reflection cycles throughout all research stages.

3.2 Analytical process

The analysis process in the research was based on a multi-dimensional spiral model combining quantitative analysis with hermeneutic-phenomenological interpretation, and developed in five distinct analytical stages. In the first stage (“initial mapping”), descriptive statistical analysis of the longitudinal data was performed using SPSS v.27 software, including trend analysis, identification of preliminary correlations, and classification of organizations into homogeneous groups according to Industry 4.0 adoption characteristics. In parallel, the preliminary interviews were analyzed using open coding with thematic fluency method, to identify initial conceptual categories.

In the second stage (“structural analysis”), advanced statistical models were applied to examine causal relationships: Structural Equation Modeling (SEM) to examine recursive relationships between socio-technological space variables ($\chi^2/df = 2.14$, CFI = 0.93, RMSEA = 0.047), cluster analysis (Hierarchical K-means clustering) for distinct identification of the four transformation models (silhouette coefficient = 0.68), and multivariate regression analysis to examine the impact of multi-dimensional integration on organizational innovation metrics. In the qualitative dimension, contextual content analysis of the full interviews was applied using NVivo 14 software, enabling identification of deeper interpretive patterns.

The third stage (“dialectical integration”) focused on methodological triangulation between quantitative and qualitative findings, applying a spiral hermeneutical process of interpretation and contextualization. This stage included development of an “empirical convergence matrix” cross-referencing findings from all sources, and identification of integrative typologies through meta-dimensional analysis. For this purpose, a dedicated algorithm for mixed data synthesis based on unsupervised machine learning was developed, used to identify emergent patterns not visible in traditional analysis.

In the fourth stage (“abductive theorization”), the central theoretical concepts in the research were developed and refined through a multi-cycle process of induction and deduction. This stage included identification of “extreme cases” and contradictory cases and their in-depth analysis, development of “competing explanations” for identified phenomena, and performing selective coding to consolidate theoretical meta-categories, using the Gioia procedure enabling identification of conceptual emergence dynamics.

The fifth and final stage (“cyclical validation”) focused on strengthening the internal and external validity of the findings through various techniques: development of “boundary tests” to examine the limits of the proposed theory, presentation of findings to an expert panel and their

updating according to feedback, and application of “sensitivity analysis” to examine the robustness of the statistical models.

Table 3. Analytical stages, methods, and outputs

Analytical Stage	Key Tools and Methods	Key Outputs
Initial Mapping	Descriptive statistical analysis (SPSS) Thematic fluency Open coding	Adoption trend map Initial categorical framework Identification of distinct patterns
Structural Analysis	Structural Equation Modeling (SEM) Hierarchical cluster analysis Contextual content analysis (NVivo)	Recursive relationships model Typology of transformation models In-depth interpretive framework
Dialectical Integration	Empirical convergence matrix ML-based synthesis algorithm Meta-dimensional analysis	Characterization of socio-technological space Identification of critical turning points Bi-directional influence mechanism
Abductive Theorization	Extreme case analysis Gioia procedure Selective coding	Socio-Technological Space Model (STSM) Typology of four emergence pathways Multi-dimensional Value Model
Cyclical Validation	Boundary tests Expert panel Sensitivity analysis	Validation of findings Refinement of theoretical claims Mapping of li

4. Findings

4.1 *Multi-dimensional integration as a generator of organizational innovation in Industry 4.0*

Analysis of longitudinal research data among 142 manufacturing organizations in 9 countries reveals that organizations implementing multi-dimensional integration of Industry 4.0 demonstrate a significant increase of 42.7% in organizational innovation metrics compared to organizations focusing on technological aspects alone ($p < 0.001$). Statistical analysis confirms that multi-dimensional integration is a stronger predictor of success in implementing Industry 4.0 than the technological investment itself ($\beta = 0.64$ compared to $\beta = 0.38$, $p < 0.001$). A significant threshold effect was observed in organizations achieving a score above 7.2 on the multi-dimensional integration index, manifested in a “quantum leap” in innovation and organizational renewal metrics.

Analysis of 38 in-depth interviews reveals five central characteristics of organizations that achieved effective integration: (1) boundary fusion dynamics – formal blurring of boundaries between departments, between human-machine, and between organization-environment, leading to a 28.3% improvement in implementation capabilities; (2) hybrid epistemology – combining human knowledge with algorithmic knowledge, with 79.4% of successful organizations developing an interdisciplinary “intermediate language”; (3) fractal management methods – implementation of structures characterized by self-similarity at different scales, improving coping with complexity ($r = 0.71$, $p < 0.001$); (4) paradoxical optimization – effective balance between standardization and personalization and between efficiency and innovation; and (5) ecological-whole leadership – holistic view of the organizational ecosystem (correlation 0.68, $p < 0.001$, with integration success).

Comparative analysis of 28 representative organizations shows a non-linear development pattern. Organizations that implemented multi-dimensional integration experienced an “incubation” period (6-8 months) without significant improvement, followed by “exponential acceleration” in innovation, flexibility, and market adaptation metrics. This pattern confirms the conception of Industry 4.0 as an emergent phenomenon requiring a “critical mass” of integration.

As described by a senior manager in a German manufacturing company: “It was not a gradual transition, but a moment of systemic emergence. When we succeeded in interweaving the

new technology into the organizational culture and work practices, a new ‘collective consciousness’ suddenly emerged, allowing us to see innovation opportunities that were not previously visible” (Interviewee #14). This description illustrates the epistemic transformation that organizations undergo in the multi-dimensional integration stage, positioning integration not only as an innovation engine but as a new ontological emergence in the socio-technological space of Industry 4.0.

4.2 The bi-directional influence mechanism between technology, organization, and human capital

The research reveals the existence of a “bi-directional influence mechanism” between Industry 4.0 technologies and organizational structure and human capital, providing empirical validation for the presented theoretical model. Contrary to the traditional deterministic perception viewing technology as an external force shaping organizations, our findings demonstrate a complex dialectic where organizations and people in turn influence the shaping of technology and its development path.

Structural equation modeling reveals significant recursive relationships between technology adoption, transformation of organizational structures, and development of human capabilities. The influence of technology on the organization and the influence of the organization on technology are almost balanced in strength, a finding that undermines the assumption of technological determinism. Particularly interesting is that 76.3% of successful organizations identified and implemented the principle of bi-directionality, and adopted adaptive management approaches corresponding with principles defined by Horváth & Szabó.

Qualitative analysis reveals that technology development teams in successful organizations operate under a “socio-technological design paradigm.” As described by a development team leader in an Italian company: “It is not enough to ask ‘Does the technology work?’. The crucial question is ‘Does the technology fit the way people think and act?’, and more importantly – ‘How can technology be designed to enable people to think and act in new ways?’” (Interviewee #27).

We identified five concrete mechanisms expressing bi-directional influence: (1) “dynamic redesign” – continuous adaptation of technological parameters according to local needs; (2) “evolutionary feedback” – systematic and accelerated collection of insights from the field and their feeding into development processes; (3) “epistemic integration” – integration between experience-based knowledge and data-based knowledge; (4) “heterotopic cognition” – examining challenges from diverse disciplinary perspectives; and (5) “boundary practices” – organizational routines promoting interaction between technology experts, managers, and production workers.

Dynamic analysis of the development of relationships between technology, organization, and people over time reveals a fractal pattern of “paradox of emerging initiative.” In the early stages of Industry 4.0 adoption, there is dominance of “technological push.” However, as the organization advances in the adoption process, the importance of “organizational-human pull” rises, shaping in turn the technological path. This dynamic creates a spiral rather than linear evolutionary path, strengthening the theoretical conception of Acemoglu and Restrepo regarding the dynamic relationship between technology and organization.

These findings emphasize that the dialogue between Industry 4.0 technologies and the organizational-human space is not just an adaptive process, but a fundamental transformative mechanism shaping the new ontology of manufacturing organizations in the digital era. Understanding the bi-directional dynamics provides organizations with a new paradigmatic framework where they are not merely responding to technology, but active participants in its shaping and emergence.

4.3 A new typology of models for organizational transformation in the Industry 4.0 era

The third finding in the research is the development of a new empirical typology containing four distinct models for organizational transformation in the Industry 4.0 era. This typology, based on the cluster analysis we conducted, expands the theoretical framework of Geels and Schot (2007) and offers a differential understanding of organizational development pathways.

The first model, “Technological Diffusion,” adopted by 38.7% of organizations, is characterized by a top-down “technological push” approach and intensive investment in advanced technologies as a starting point. This model led to mixed results: on one hand, rapid implementation and achieving immediate technological advantage; on the other hand, significant organizational resistance and only partial realization of technological capabilities.

The second model, “Structural Adaptation” (26.1% of organizations), emphasizes initial adjustment of organizational structures and culture as an infrastructure for technological implementation. This model yielded moderate performance in the short term but significantly higher in the medium-long term, alongside reduced organizational resistance and more effective implementation.

The third model, “Cognitive Leap” (16.9% of organizations), focuses on a paradigmatic change of perceptions and mental models prior to technological investment. Although showing low results in the short term, this model yielded the highest performance in the long term and the highest rates of disruptive innovation.

The fourth model, “Holistic Integration” (18.3% of organizations), combines simultaneous and coordinated development of all four dimensions of the socio-technological space. Despite a steep learning curve and high investment requirements, this model led to a maximal “transformative impact coefficient” – reflecting innovation, flexibility, response speed, and sustainability.

The fit analysis we conducted reveals that there is no universal “correct” model; success stems from alignment between the model and the unique organizational characteristics. We identified three critical fit variables: “initial digital maturity,” “environmental uncertainty intensity,” and “strategic orientation” – each significantly affecting the fit of the specific model to the organization.

A decisive insight emerging from our research is that transformation to Industry 4.0 is not a linear process but a complex evolutionary path characterized by “socio-technical turning points” – critical moments when organizational dynamics change fundamentally. Moreover, 78.4% of the organizations we studied needed to change their model during the transformation process, a finding emphasizing the importance of “modal flexibility” as a strategic capability.

The typology we developed transcends dichotomous conceptions of technological adoption and offers a richer analytical framework for understanding the evolutionary dynamics of transformation to Industry 4.0. It reflects the ontological complexity of change processes in the digital era, and emphasizes the deep interaction between technology, organizational structures, cognitive perceptions, and social-ethical aspects. These findings expand the traditional socio-technical transition theory and offer a differential perspective that may assist organizations in navigating the complex challenges of transformation to Industry 4.0.

I’ll translate these two sections from Hebrew to academic English.

4.4 Multi-dimensional value creation and its impact on organizational sustainability in the Industry 4.0 era

The fourth finding of the research concerns how Industry 4.0 generates multi-dimensional value extending beyond traditional financial or operational metrics. Data analysis using Factor Analysis empirically confirms the existence of four distinct value dimensions: transformative, ecosystem, cognitive, and social-sustainability, maintaining complex interrelationships between them reflecting synergistic dynamics.

The analysis reveals a fundamental paradox: organizations that focused solely on maximizing financial value in implementing Industry 4.0 achieved inferior financial results in the long term compared to organizations that implemented a balanced strategy of multi-dimensional value. This paradox, which we termed the “expanded value paradox,” demonstrates how a holistic approach to value ultimately yields superior business results.

We identified five unique organizational patterns of value creation: (1) “symbiotic excellence” – synergy between operational efficiency and continuous innovation; (2) “expanding ecosystem” – creating “value systems” not just “value chains”; (3) “continuous generativity” – ability to continuously generate new solutions; (4) “advanced anthropocentricity” – placing the human factor at the center of technological strategy; and (5) “integrative sustainability” – integrating environmental, social, and economic sustainability in technological strategy.

Multivariate analysis reveals a “cumulative feedback model,” where value created in one dimension enhances value creation in other dimensions. This finding emphasizes the importance of “value coherence” – creating synergy between different value dimensions as a key strategy for success.

Longitudinal data analysis indicates a significant relationship between multi-dimensional value creation and long-term organizational sustainability. Organizations achieving high scores in all four value dimensions demonstrate significant “adaptive resilience” – ability to cope with external shocks and adapt to disruptive changes. Analysis of organizations that experienced business crises (including the COVID crisis) shows that those with a balanced multi-dimensional value profile experienced a more moderate decline in performance and recovered faster than organizations with a one-dimensional value profile.

As defined by the CEO of a Swedish manufacturing company: “The real challenge of Industry 4.0 is not technological but existential – it’s a question of ‘who are we as an organization?’ and ‘what value do we create?’ Smart technologies require smart organizations, and smart organizations create value that is beyond numbers in the financial report” (Interviewee #9).

These findings, corresponding with the work of Ghobakhloo (2020) and Kumar et al. (2020) on sustainability, provide empirical validation for the conception that multi-dimensional value is not only a result of Industry 4.0, but also constitutes a decisive factor in the organization's ability to maintain relevance and competitiveness over time.

4.5 Ethical-social implications of multi-dimensional integration in Industry 4.0

The fifth finding in the research emphasizes the ethical and social implications of implementing Industry 4.0. Although not part of the initial research objectives, this finding crystallized as a central theme requiring attention. Quantitative analysis revealed a significant correlation ($r=0.61$, $p<0.001$) between the degree of multi-dimensional integration and metrics of “embedded social responsibility,” with a superiority of 37.6% in scores among organizations implementing multi-dimensional integration compared to organizations focusing on technological aspects alone.

Analysis of qualitative interviews reveals five central themes reflecting a new ethical-social space: (1) “interwoven autonomy” – a perception emphasizing human-machine integration rather than replacement, as expressed by a senior engineer: “We don’t ask ‘which tasks can the robot perform instead of the human?’ but ‘how can human-robot interaction create value that neither can create alone?’” (Interviewee #31); (2) “contextual privacy” – a complex approach to information management in a digital ecosystem, with 72.3% of integrative organizations developing frameworks including “privacy by design”; (3) “transformative justice” – ensuring fair distribution of benefits, with investment of 3.7% of operational savings in employee skills development; (4) “recursive accountability” – a systematic system of checks and balances in autonomous technologies; and (5) “integrative sustainability” – incorporating environmental sustainability in the core of technological strategy.

A surprising finding is the positive relationship between ethical-social implications and business performance. A significant correlation ($r=0.58$, $p<0.001$) was found between the “ethical meaning index” and long-term performance, with organizations scoring high on this index displaying excess returns of 4.8% compared to the industry average. A survey among 2,487 employees showed that 76.8% cited ethical-social commitment as a decisive factor in their decision to remain with the organization, and 83.4% of employees with digital skills cited this as a central consideration in choosing a workplace.

Content analysis of sustainability reports reveals a transition from “reactive ethics” focusing on preventing harm, to “proactive ethics” creating positive social value, with 68.3% of integrative organizations developing frameworks of the second type. We identified an “eco-positive paradigm” where Industry 4.0 technologies actively create positive environmental impacts, with 14.6% of organizations in the sample developing “regenerative factories” and “expanded circular economy.”

In conclusion, multi-dimensional integration not only promotes economic value, but establishes an advanced ethical-social paradigm, as expressed by a strategy manager: “Industry 4.0 presents us not only with questions of ‘how’ but also of ‘why’; not only ‘are we doing things right’ but ‘are we doing the right things’” (Interviewee #23). This finding corresponds with the research of Kumar et al. (2020) on sustainability in Industry 4.0, but extends it to the ethical-social domain, and offers a new normative framework for understanding the relationships between technology, organization, and society in the digital era.

5. Discussion

5.1 *Theoretical implications*

The research findings significantly expand existing theory in the field of Industry 4.0 and propose a new paradigm for understanding it as a complex socio-technological phenomenon. First, the “Socio-Technological Space Model” (STSM) we developed offers an alternative ontology to existing approaches. Unlike the multi-layered models of Xu et al. (2018) and Lasi et al. (2014) that maintain a dichotomy between “technological” and “social,” the STSM presents Industry 4.0 as an emergent space where all four dimensions exist simultaneously without structured hierarchy. The empirical finding of a 42.7% increase in organizational innovation metrics in organizations implementing multi-dimensional integration significantly expands the socio-technical theory of Beier et al. (2020), emphasizing that integration is not just a means for successful implementation but the essence of the transformation itself.

Second, the identification of the “Bi-directional Influence Mechanism” expands the theory of dynamic relationship between technology and work by Acemoglu and Restrepo (2020). While their research focuses on bi-directional dynamics in the labor market, our research shows that this dynamic exists in all four dimensions of the socio-technological space. The identification

of five recursive influence cycles offers a new epistemological understanding of Industry 4.0 as an internal emergence process in which the organization is an active agent in its shaping. Concepts such as “boundary practices” and “heterotopic cognition” expand the knowledge sharing theory of Li et al. (2020) and offer a new epistemological paradigm, where knowledge is created in the interspaces between disciplines.

Third, the typology of four models for organizational transformation expands the socio-technical transition framework of Geels and Schot (2007) to the organizational level, enabling a deeper understanding of emergence patterns in the socio-technological space. Our findings regarding “modal fit” enrich the contingency theory of Frank et al. (2019) through identification of specific fit variables, while the concept of “socio-technical turning points” offers a framework for understanding the non-linear dynamics of transformation.

Fourth, the “Multi-dimensional Value Model” challenges the traditional theory of Value Creation focusing on financial and operational dimensions, and proposes four value dimensions: transformative, ecosystem, cognitive, and social-sustainability. The “expanded value paradox” offers a new theoretical insight regarding the paradoxical relationship between multi-dimensional value creation and financial performance.

Finally, the concepts of “proactive ethics,” “eco-positive paradigm,” “interwoven autonomy,” and “transformative justice” expand theory in the field of technology ethics beyond traditional dichotomies, and offer an integrative framework for understanding ethics as an integral part of the socio-technological space of Industry 4.0.

5.2 Practical implications

The research findings lead to significant practical implications for organizations implementing Industry 4.0. Unlike existing implementation guidelines focusing on technological aspects, our recommendations stem from the integrative conception of the socio-technological space and offer four central implementation strategies.

The first strategy is developing a “multi-dimensional integration infrastructure” including four complementary components: (1) disciplinary bridging mechanisms – practices bridging different content worlds, such as “socio-technological integration teams” and “bi-directional mentoring”; (2) adaptive organizational architecture – structures enabling flexibility and continuous adaptation, such as “heterotopic structures” combining hierarchy with network; (3) hybrid learning ecology – an environment encouraging knowledge creation and implementation through “integrative knowledge systems”; and (4) ecosystem measurement system including “emergence metrics” and “connectivity metrics” extending beyond traditional ROI metrics.

The second strategy focuses on “mapping and selecting a customized transformation pathway” based on the typology of four models we identified. The methodology includes: diagnosing the existing situation according to the three central fit variables (digital maturity, environmental uncertainty, and strategic orientation); identifying the appropriate leading model; developing a heterogeneous roadmap; and dynamic adaptation mechanisms enabling “modal flexibility.”

The third strategy focuses on developing “Socio-Technological Capital” through: (1) nurturing ecological-whole leadership based on the “spiral leadership” model; (2) developing heterogeneous integrative teams through the “team integration protocol” that increased team effectiveness by 36.7%; (3) developing broad socio-technological literacy, which led to a 41.3% improvement in technology implementation effectiveness; and (4) building systemic integration capabilities through “integration labs.”

The fourth strategy deals with developing a multi-dimensional approach to value, and includes: creating an integrated value ecosystem; implementing ethical-social responsibility through “ethics by design” and “Industry 4.0 social contract”; and developing multi-dimensional value metrics.

Finally, we propose a “spiral-incremental implementation model” emphasizing rapid learning and adaptation cycles (14-21 days), gradual integration, continuous dialogue between technology and society, and adaptive paradox management. Organizations that implemented this model demonstrated a higher benefit-cost ratio (4.3 versus 2.7) compared to organizations that adopted traditional linear models.

These implications are not just a collection of tactical recommendations, but constitute a coherent strategic framework based on the central insight of the research – that multi-dimensional integration is the key to successful transformation to Industry 4.0, and it requires addressing all dimensions of the socio-technological space.

5.3 Research limitations and future horizons

Despite the significant contribution of the research to understanding multi-dimensional integration in Industry 4.0, several methodological limitations and theoretical challenges must be acknowledged. Methodologically, despite an extensive sample (142 manufacturing organizations in 9 countries), the research focused on organizations from Europe and North America, with limited representation of organizations from Asia, Africa, and South America. Since the cultural context significantly influences the emergence of the socio-technological space, follow-up studies in diverse geo-cultural contexts are required.

A second limitation concerns the research period (2020-2023) which included the COVID crisis, which may have influenced Industry 4.0 adoption patterns in ways that do not represent long-term trends. Follow-up studies in periods of stability may provide a complementary perspective. Additionally, despite efforts to develop valid measurement tools, continued development and validation of metrics for new concepts we identified, such as “multi-dimensional integration,” “socio-technological capital,” and “multi-dimensional value,” is needed.

Theoretically, the current research focuses on manufacturing organizations, and there is a need to extend the theoretical framework to additional sectors affected by Industry 4.0, such as services, healthcare, and education. Also, while our longitudinal research followed organizations for three years, there is a need for longer-term studies examining the deep impacts of multi-dimensional integration on organizational and social sustainability.

In light of these limitations, we propose four future research directions: (1) cross-cultural research of the socio-technological space – examining the influence of cultural, social, and political contexts on the space’s emergence; (2) investigating cognitive transformation effects – deepening the understanding of epistemic changes and the growth of “hybrid cognition”; (3) research on socio-technical turning points – systematic identification and characterization of “turning points” in non-linear transformation; and (4) developing a normative theory of Industry 4.0 – building a framework for understanding and guiding the value aspects, integrating insights from philosophy, ethics, and sociology.

The long-term challenge is developing a comprehensive theoretical and practical framework enabling organizations and society to maximize the transformative potential of Industry 4.0, while effectively addressing the inherent paradoxes we identified – the paradox of technological realization, the paradox of anthropocentricity, and the paradox of integration. These are areas where additional theoretical and empirical work is needed to advance our understanding of the complex changes occurring in the socio-technological space of Industry 4.0.

6. Conclusion

This research proposes a new paradigm for understanding Industry 4.0 as a multi-dimensional socio-technological emerging space rather than merely a technological complex. Through longitudinal research encompassing 142 manufacturing organizations in 9 countries and qualitative analysis of 38 in-depth interviews, we developed the “Socio-Technological Space Model” (STSM), enabling deep understanding of the dynamics by which Industry 4.0 technologies integrate with social-organizational systems and together create a new industrial reality.

The central finding shows that organizations implementing an integrative socio-technological approach demonstrate an increase of 42.7% in organizational innovation metrics compared to organizations focusing solely on technological aspects. This finding emphasizes that integration between technological, cognitive, organizational, and social dimensions constitutes the ontological essence of Industry 4.0, not just a “success factor.”

An additional theoretical contribution is the identification of the “Bi-directional Influence Mechanism” between technologies and organizational structure and human capital, with 76.3% of successful organizations adopting management approaches recognizing this bi-directionality. The new typology we developed, including four models for organizational transformation (technological diffusion, structural adaptation, cognitive leap, and holistic integration), provides an analytical framework for understanding differential development pathways, with the fit between the model and unique organizational characteristics as the main predictor of success.

The “Multi-dimensional Value Model” we developed identifies four integrated dimensions: transformative, ecosystem, cognitive, and social-sustainability value. Organizations achieving high scores in all four dimensions demonstrated improved organizational resilience and superior business performance in the long term, a phenomenon we termed the “expanded value paradox.”

In the applied aspect, the research offers concrete recommendations for organizations, including developing a “multi-dimensional integration infrastructure,” “mapping and selecting a customized transformation pathway,” developing “Socio-Technological Capital,” and a multi-dimensional approach to value management. The “spiral-incremental implementation model” we developed emphasizes rapid learning cycles, gradual integration, continuous dialogue between technology and society, and adaptive paradox management.

The significance of the research in the broader context lies in proposing a new paradigm for understanding the fourth industrial revolution as a paradigmatic change in how we understand the relationships between technology, organization, work, and society. As expressed by a CEO of a German manufacturing company: “The real challenge of Industry 4.0 is not to become more technologically advanced; it is to become more socio-technologically intelligent - to understand and shape the complex dynamics between people, organization, and technology, and to create from it real and sustainable value” (Interviewee #4).

In a world of blurring boundaries, the research calls for developing “socio-technological wisdom” – the ability to understand the deep interactions between technology and society, and to shape them in a way that promotes innovation, sustainability, and human well-being.

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