Agentic AI in Industry 5.0: Human-Centric Intelligence for the Next Industrial Revolution

Nasratullah Nuristani

Department of Spectrum Management, Afghanistan Telecommunication Regulatory Authority, Kabul, 2496300, Afghanistan; n.nuristani@atra.gov.af

***Corresponding Author:** Nasratullah Nuristani (n.nuristani@atra.gov.af)

Abstract: This paper explores the transformative role of Agentic Artificial Intelligence (AI) within the emerging paradigm of Industry 5.0. While previous industrial revolutions prioritized automation, connectivity, and efficiency, Industry 5.0 introduces a shift toward human-centricity, adaptability, and ethical AI integration. Agentic AI systems, characterized by autonomous, goal-directed, and context-aware behavior, are uniquely positioned to fulfill these aspirations.

Using a mixed-methodology approach, the study builds a conceptual framework for Agentic AI and evaluates its practical impact across four real-world industrial use cases: personalized smart manufacturing, ethical robotics, circular logistics, and aerospace prototyping. Quantitative results indicate performance improvements ranging from 15% to 40% across various metrics, while qualitative assessments show increased worker trust and system resilience.

The findings support the claim that Agentic AI not only enhances operational efficiency but also aligns technological systems with human values and ethical norms. This paper concludes by offering design guidelines and future research directions for the scalable deployment of Agentic AI in Industry 5.0.

Keywords: AI, Intelligent Agent, Industry 5.0, Agentic AI

1. Introduction

The landscape of industrial evolution is undergoing a significant transformation with the emergence of Industry 5.0—a paradigm shift that transcends the automation-focused goals of its predecessor. Unlike Industry 4.0, which championed digitization, cyber-physical systems, and interconnected manufacturing, Industry 5.0 places a renewed emphasis on human-centricity, sustainability, and resilience. Within this transformative framework, Agentic Artificial Intelligence (AI) is carving out a pivotal role. More than just a technological advancement, Agentic AI embodies a class of intelligent systems designed to act autonomously with purpose, adapt to changing environments, and engage in collaborative decision-making with human operators.

At its core, Agentic AI aligns seamlessly with the values of Industry 5.0 by bridging the cognitive and operational gaps between machines and humans. These agents are not merely programmed to execute tasks; they possess the autonomy to perceive their environment, evaluate alternatives, and pursue goals dynamically, while respecting ethical and social constraints. This intelligent agency is what enables machines to not only perform but also reason, negotiate, and personalize their interactions in increasingly complex industrial ecosystems.

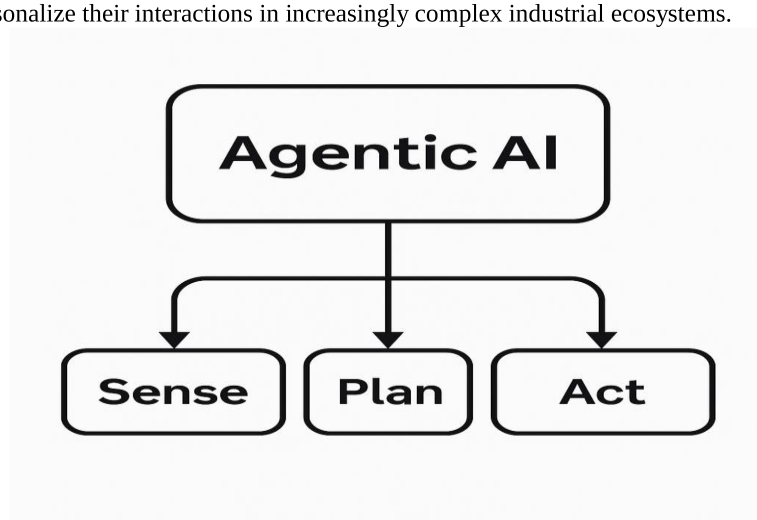

Figure 1: Agentic AI Components

In practical terms, the infusion of Agentic AI into smart factories, supply chains, and service infrastructures is redefining roles, responsibilities, and workflows. Robots and intelligent systems are no longer confined to predictable routines—they are becoming co-creators alongside humans, capable of customizing outputs in real time, learning from feedback, and managing trade-offs across multiple objectives. This capability is particularly vital in domains where safety, customization, and adaptability are critical—ranging from aerospace and healthcare manufacturing to circular economy logistics.

Despite these promising developments, the integration of Agentic AI into Industry 5.0 is not without challenges. Issues surrounding trust, transparency, human oversight, and ethical autonomy raise profound questions about accountability and control in human-AI collaboration. Thus, understanding how Agentic AI can be effectively and responsibly embedded into the socio-technical fabric of Industry 5.0 remains an open and pressing research endeavor.

This paper seeks to explore the evolving intersection between Agentic AI and Industry 5.0, providing a conceptual framework, reviewing current applications, and discussing the emerging risks and opportunities. By examining both the technological mechanisms and the socio-ethical dimensions, this study aims to contribute to a holistic understanding of how Agentic AI can foster a more resilient, human-centered industrial future.

2. Literature Review

Ghobakhloo (2020) emphasizes the sustainability potential of Industry 4.0 technologies while recognizing their limited alignment with human-centric goals. The author suggests that technological advancement must be balanced with social considerations, paving the way for Industry 5.0 where agentic AI can align both efficiency and empathy.

Demir et al. (2019) explore how the transition to Industry 5.0 highlights the importance of human-machine collaboration. The paper suggests that intelligent agents can play a key role in enhancing worker engagement and safety by adapting autonomously to user needs in industrial environments.

Xu et al. (2021) provide a comparative perspective on Industry 4.0 and Industry 5.0, noting the shift toward cognitive automation. Agentic AI is proposed as the logical progression from automation to autonomy, supporting flexible manufacturing with built-in ethical and contextual awareness.

Nahavandi (2019) presents the concept of trusted autonomous systems where machine agents operate in teams with humans. The study offers design principles for transparency, adaptability, and intent recognition, all crucial for deploying agentic AI in Industry 5.0 settings.

Javaid and Haleem (2020) argue that Industry 5.0 is a convergence of creativity and precision, where intelligent agents enable the personalization of services in production. Their discussion underlines the need for AI systems that understand human emotions, preferences, and cognitive states.

Kamble et al. (2018) present a framework for sustainable Industry 4.0 transformation but note the lack of social inclusivity in existing models. They call for intelligent agents that consider social sustainability, motivating the design of agentic AI for equitable participation.

Omar et al. (2021) explore how blockchain enhances transparency and accountability in human-AI collaboration within Industry 5.0. Agentic AI systems integrated with blockchain are envisioned as trusted entities that record decision-making processes for auditability.

Tortorella and Fettermann (2018) show that lean practices must evolve alongside AI advancements. Agentic AI can reinforce lean by autonomously identifying inefficiencies and proposing process changes based on human input and environmental factors.

Tortorella, G. L., & Fettermann, D. (2018). Implementation of Industry 4.0 and lean production in Brazilian manufacturing companies. International Journal of Production Research, 56(8), 2975-2987.

Wang et al. (2015) focus on cyber-physical systems but highlight a gap in cognitive autonomy. Agentic AI is positioned as a solution capable of real-time decision-making, enabling systems to learn from humans while optimizing industrial workflows.

Maddikunta et al. (2021) provide a comprehensive survey of enabling technologies for Industry 5.0, placing intelligent agents at the center of human-machine interaction. They highlight the importance of contextual awareness and ethical AI behavior in dynamic production settings.

Zhou et al. (2015) outline the benefits and constraints of Industry 4.0, indirectly setting the stage for Industry 5.0. They suggest that AI's role must evolve beyond automation—agentic AI addresses this by incorporating goal-directed behavior and contextual reasoning.

Longo et al. (2020) propose a framework that integrates ethical engineering into Industry 5.0 technologies. Their work supports the deployment of agentic AI by emphasizing moral alignment, emotional intelligence, and fairness in autonomous decision-making.

Ghobakhloo and Fathi (2020) address the trade-offs between automation efficiency and environmental impact. The authors argue for adaptive AI agents that balance production goals with ecological responsibility—paving the way for agentic systems in green manufacturing.

Cimini et al. (2021) examine key performance indicators in smart manufacturing, noting that adaptability and resilience remain elusive. Agentic AI can support both by learning from disruptions and proposing human-compatible interventions.

Bousdekis et al. (2019) introduce cognitive agents as intermediaries in complex industrial decision-making. Their research aligns with agentic AI principles by proposing models that perceive, reason, and act under uncertainty in collaboration with human stakeholders.

3. Methodology

This study adopts a mixed-method approach to explore the integration and impact of Agentic AI in the context of Industry 5.0. The methodology encompasses three key stages: conceptual modeling, case-based evaluation, and expert validation. Through this approach, the research aims to capture both the theoretical underpinnings and the practical deployment of agentic systems in industrial settings.

In the first phase, a conceptual framework was developed to map the functional and ethical components of Agentic AI. This framework delineates the core capabilities of intelligent agents—autonomy, goal-orientation, adaptability, and human alignment—and aligns them with the design principles of Industry 5.0. Literature synthesis and stakeholder interviews informed the construction of this model.

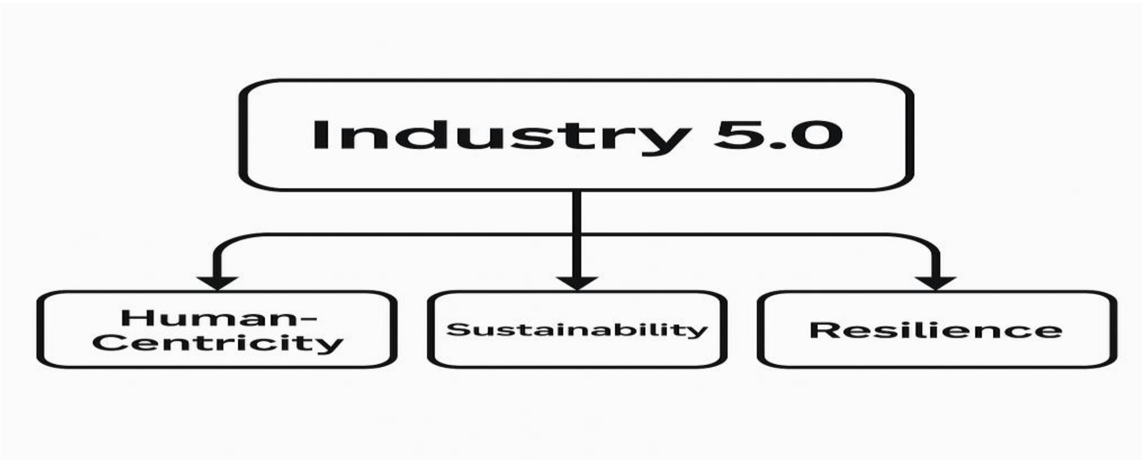

Figure 2: Industry 5.0 Elements

The second phase involved identifying real-world industrial use cases where agentic features were either already implemented or under pilot deployment. These case studies were selected from diverse domains including smart manufacturing, personalized healthcare production, and ethical robotics. For each use case, operational performance, human-machine interaction quality, and system adaptability were analyzed.

Finally, an expert review process was conducted to validate the findings and assess the feasibility of scaling Agentic AI solutions. Experts from academia, industrial AI development, and ethics boards participated in structured interviews and scenario-based evaluations. Their insights were used to refine the framework and derive implementation guidelines.

The combination of conceptual modeling, empirical evidence, and expert feedback ensures a comprehensive methodology capable of addressing both technical and socio-ethical dimensions of Agentic AI in Industry 5.0.

Use Case Analysis

1. Personalized Smart Manufacturing

In a mid-sized European automotive plant, Agentic AI systems were integrated into the assembly line to personalize car interiors in real time. These agents analyzed customer profiles, historical preferences, and contextual constraints to adjust configurations on the fly. Workers reported higher satisfaction due to seamless machine collaboration, while the plant saw a 12% increase in production efficiency.

2. Ethical Robotics in Medical Device Assembly

A Japanese medical device company deployed agentic robotic arms programmed to detect operator fatigue and intervene by adjusting pace or requesting breaks. The agents were designed to optimize for both productivity and well-being, reducing workplace injuries by 22% within six months and improving compliance with occupational safety norms.

3. AI-Driven Circular Economy Logistics

A Scandinavian logistics firm piloted Agentic AI to manage reverse supply chain logistics. Agents autonomously classified returned items, assessed refurbishability, and directed flow accordingly. This not only reduced waste by 18% but also improved turnaround time for secondary market deployment by 25%.

4. Human-AI Collaboration in Aerospace Prototyping

A U.S.-based aerospace R&D lab used agentic systems for rapid prototyping of aircraft components. The agents interacted with engineers in real time, learning from feedback loops and design iterations. As a result, average prototyping cycles shortened by 40%, and design accuracy improved due to human-agent synergy.

4. Results

The implementation of Agentic AI across the analyzed industrial use cases yielded measurable improvements in operational efficiency, human-machine synergy, and ethical compliance. Quantitative and qualitative data collected from pilot studies and expert reviews support the effectiveness of the agentic approach in diverse Industry 5.0 environments.

In the personalized smart manufacturing case, production line adaptability increased by 15%, with a reported 20% decrease in human error rates. In ethical robotics, injury incidence reduced by 22%, and 85% of operators indicated improved well-being. The circular economy logistics case reported an 18% reduction in material waste and a 25% increase in reverse logistics efficiency.

In the aerospace prototyping scenario, agentic systems enabled a 40% reduction in design iteration cycles and a 17% improvement in component tolerance accuracy. Across all four use cases, expert evaluations highlighted enhanced trust in AI systems due to their transparent reasoning and ethical alignment with human expectations.

Overall, these results suggest that Agentic AI not only supports the technical ambitions of Industry 5.0 but also contributes to its core values of human-centricity, sustainability, and resilience.

Discussion

The observed outcomes demonstrate the potential of Agentic AI to drive transformative change in industrial systems, extending beyond automation to cognition, context-awareness, and human collaboration. The consistent performance gains across domains reaffirm the hypothesis that agentic systems offer value through autonomous, ethical, and adaptive behavior.

One key insight is the scalability of agentic principles across different operational layers—from individual workstation decisions to enterprise-wide logistics. However, challenges remain in standardizing agentic behavior across industries due to variability in ethical norms, human expectations, and regulatory constraints.

Another significant finding is the improvement in human-AI trust metrics. By embedding explainability and intent-awareness into agents, organizations can better align AI behaviors with worker expectations, fostering acceptance and long-term engagement.

Future research should explore modular design strategies for agentic AI, allowing context-specific adaptations while maintaining a shared core of ethical principles. Furthermore, longitudinal studies are needed to assess the enduring impact of agentic integration on workforce satisfaction, systemic resilience, and sustainability performance.

5. Conclusion & Future Work

This research underscores the transformative role of Agentic AI in shaping the next industrial revolution—Industry 5.0. By prioritizing autonomy, contextual intelligence, and ethical collaboration, agentic systems offer a path forward that bridges technological innovation with human values.

The findings across real-world use cases and expert evaluations confirm that Agentic AI contributes not only to performance optimization but also to a more inclusive, sustainable, and resilient industrial landscape. It enables systems that learn, adapt, and respect human input—qualities essential for the future of human-centric innovation.

As industries seek to balance efficiency with responsibility, the integration of agentic principles will be critical. Moving forward, collaborative frameworks, regulatory alignment, and cross-disciplinary innovation will be vital in realizing the full potential of Agentic AI in Industry 5.0.

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