

THE CHALLENGES THAT SME NEEDS TO FACE IN ORDER TO KEEP SUSTAIN IN THE INDUSTRIAL REVOLUTION 4.0

Nur Athirah Nor Azmi¹ and Faisal Zulhumadi²

¹⁻² *School of Technology Management & Logistics, College of Business, Universiti Utara Malaysia, 06010 Sintok, Kedah*

nurathirahazmi0@gmail.com¹, faisal@uum.edu.my²

Abstract: This study aims to identify the challenges that Small and Medium-sized Enterprises (SME) face in the implementation of Industrial Revolution 4.0. SME is the major contributor to the economic growth in Malaysia. However, it is hard for them to keep their businesses sustain in the industry that are now implementing the Industrial Revolution 4.0. Thus, this study focused on identifying the types of challenges, level of knowledge and the possible solutions in facing the Industrial Revolution 4.0 in SME. This study design used qualitative research method. The respondents are top management from Now Food Sdn. Bhd. which located in Kubang Menerong, Tasek Gelugor, Pulau Pinang. The results have shown that there are many types of challenges which is skilled worker, financial, management and the community support. Meanwhile, the lack of knowledge of workers also would cause the technology could not be used by the business and it will become a waste. The results of this study provide a solution to the challenges faced by the SME which is hire the skilled workers and gives incentives to the excellent workers, implement the right system to replace the manual data storage system, get the higher certificates of the food and beverages industries which HACCP, and keep on improving product in order to gain trust from the market. As implications, this study have resulted to the increment of SME's level of knowledge towards Industrial Revolution 4.0 in order to help them to compete and sustain their businesses in the industry and implement the technology and system that can help them sustain.

Keywords: Industrial Revolution 4.0, SME, challenges, knowledge, Pulau Pinang

1. INTRODUCTION

Many challenges have caused the difficulties in the implementation of Industrial Revolution 4.0 in SME. This challenges will become a problem to the SME to sustain themselves in the industry. Therefore, this paper comes with the idea to identify the challenges of the Small and Medium-sized Enterprise in sustaining their business, investigate the level of their knowledge and to recommend the possible solutions in facing Industrial Revolution 4.0. According to Rymaszewska (2014) the challenges faced by the SMEs are insufficient technology and infrastructure, business and environment regulations, taxes and labours, the poor of management talent, political involvement, unproductive site of work and restricted chance to approach and go to global markets and problems to go through finance. Thus, Sevinç, Gür, & Eren (2018) stated that by seeking the problems in the changing process of SME's to industrial revolution 4.0, the firms provide the right resolution of the strategic steps to receive the better outcomes. This study uses qualitative research method to collect data. The results show that Now Food has taken the measures in their management in other to help them to keep sustain and solve the problem.

2. METHODOLOGY

This qualitative research have included past research data (secondary data). Moreover, semi-structured interview which two respondents from Now Food Sdn. Bhd., Kubang Menerong,

Tasek Gelugor, Pinang have been conducted to acquire data using voice recording (primary data). After that, the collected data have been transcribed and analyzed.

3. RESULT AND DISCUSSION

Table 1
Interview from Now Food

Respondents/ Questions	First Respondent (R1)	Second Respondent (R2)
Challenges of SME in sustaining their business in facing Industrial Revolution 4.0	Skilled workers, financial, community, management	The manual system use in keep in the data made by the management not efficient.
Level of their knowledge towards Industrial Revolution 4.0.	They try to train and acknowledge their workers about the revolution.	They always trying to adapt with the Industrial Revolution 4.0 by keep updating with the latest information.
Possible solution for SME in other to face the Industrial Revolution 4.0.	Hire the skilled workers that can utilize the technology effectively and efficiently.	Implement system that can replace the manual system of data storage to help management becoming more effective.

According to the results in Table 1, challenges for SME is the workers, financial, community, and management. They are trying to adapt and learn about the Industrial Revolution 4.0. The solution are to hire the skilled workers and implement the automation system in data storage.

4. CONCLUSION

The most important of the study, it provides much information to the Small and Medium-sized Enterprises. This study could increase their knowledge about how they can solve their problem and improve their management in order to sustain in the Industrial Revolution 4.0 and gain the competitive advantage to compete with others. It could also help in improving the management with replacing the automation system in the business to make sure the management work efficiently and effectively. This study could raise the level of their knowledge towards the Industrial Revolution 4.0 and they are aware to the changes.

5. REFERENCES

- Rymaszewska (2014). *The challenges of lean manufacturing implementation in SMEs*. Retrieved from <https://www.emerald.com/insight/content/doi/10.1108/BIJ-10-2012-0065/full/html>
- Sevinç, A. I., Gür, S. & Eren, T. (2018). *Analysis of the Difficulties of SMEs in Industry 4.0: Applications by Analytical Hierarchy Process and Analytical Network Process*. Retrieved from https://pdfs.semanticscholar.org/ed54/effece385e2484dc23557f9d39fa44bdeae3.pdf?_ga=2.153412347.218687878.1575258948-2034916164.1574602611