

Chapter 87

Employer's Role Performance Towards Employees' Satisfaction: A Study of SME Industry 4.0 in Malaysia

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ABSTRACT

The wave of the Fourth Industrial Revolution (IR4.0) is a phenomenon in which one or more technologies are replaced by another technology in a short amount of time. In small and medium-sized enterprises (SMEs), some internal and external problem are occurring that suggest change from classical to technological approach. Thus, this chapter aims to establish the relationship between the employees' satisfaction toward their employer's role performance. Based on the power-dependence and agency theories, this study contributes to the SMEs industry in Malaysia and will involve IR4.0 by offering a much more comprehensive theoretical perspective to aid understanding and prepare for the revolution internally. The sample of this study comprises of employees who are working in various sectors of the SMEs industry. G-power technique was employed to find the minimum sample size in this study. Meanwhile, the SPSS and PLS will be used to analyse the data. The practical implication of this research concerns the factors that can enhance employee satisfaction if their company jumps into the IR4.0. Thus, the employer should play the right role to make sure the employees are ready and well prepared for the revolution despite there being environmental uncertainty happening in the process.

1.0 INTRODUCTION

The movement towards the Fourth Industrial Revolution (IR4.0) is rapidly changing in which one or more technologies are replaced by another technology in a certain period of time. The term of "Industry 4.0" is originating from a project in the high-tech strategy which promotes digitalization of manufacturing by the German government (Kowang et al., 2019). This concept applies the current trend of automation and data exchange including cyber-physical systems, the Internet of things, cloud and cognitive computing in manufacturing technologies (Hermann, Pentek, & Otto, 2015). Thus, this on-going technology development requires organization change to keep up with the competition in industry.

There would be a problem with Small and Medium-Sized Enterprises (SMEs) to move from classical to technological approach for the changes would bring an impact on the employees whereby they might lose their job because of the digitalisation application in company (Kleindienst & Ramsauer, 2012). Some of these researchers argue with losing job when applying this revolution because by having digitalisation approach, this may help employment rates go up and more advanced (Zambon, Cecchini, Egidi, Saporito, & Colantoni, 2019). The top management should apply the change models when they want to move for IR4.0 in their manufacturing companies.

The term industrial 4.0 itself is a well-known revolution phenomenon in today's business strategy (Ghaz, 2017). This phenomenon will give direct and indirect impact to the labour market in SMEs industry. The labour market here means a place for workers and employees (to) interact with each other (Shanock & Eisenberger, 2006). For instance, employers compete to hire the best employees for their organization, while workers compete for the best satisfying job as they can. Thus, the role performance from employers is very important and become the main role in order to gain satisfaction from employees.

The dispersal of IR4.0 within companies or organization depends on their size. For instance, the large companies which are having more resources, processes and more structured tend to deploy IR4.0 technologies more advance as compared to SMEs companies (Woon, Kei, May, Yi, & Mei, 2019). However, SMEs also should be catching up with this revolution from becoming victims of large companies which are having more resources and skills compare to them (Saleh & Ndubisi, 2006). Thus, the employer of SMEs companies should play their role and guide the employees to be prepared for this revolution in terms of competition with the large companies out there.

The role performance from the employer becomes important to organization especially to deal with employees. In SMEs, (the) employer really depends on employees in terms of production and services of their companies. Some of the employees cannot understand why their companies have to apply this IR4.0 and keep changing from time to time (Safar, Sopko, Bednar, & Poklemba, 2018). To emphasize, the employer has to explain clearly and show a good behaviour in the way to change into this new revolution (Griffin & Parker, 2007). Thus, the IR4.0 in this study refers to the environmental uncertainty which is known as a moderator in this study.

In a way the employer shows a good performance to their employee, the revolution might disrupt the satisfaction from the employees (Luco, Mestre, Henry, Tamayo, & Fontane, 2018). Some of the changes will make the employees feel not satisfied and unease with that. Likewise, adopting a new technology in companies, may take some times for employees to be suit with it especially in SMEs industries. With limited numbers of resources and employees, the employer should strengthen their role to encourage their employees in these changes (Fauziah, Yusoff, Jia, Azizan, & Ramin, 2013). Thus, environmental uncertainty might strengthen or weaken the relationship between role performance or employer and employees' satisfaction in this IR4.0.

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