

## Factors Influencing Inclination Towards Agro-Food Entrepreneurship Among Kelantan Youth

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### Abstract

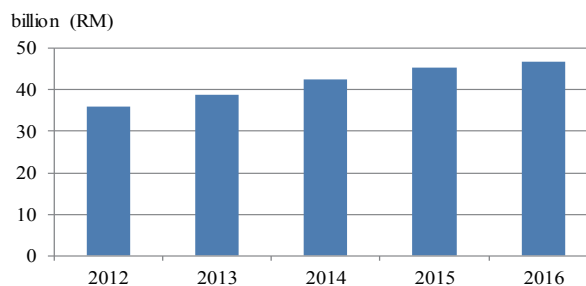
The National Agro-food Policy is an opportunity for agro-entrepreneurs to increase their revenue and it also provides job opportunities for unemployed youth. However, the agricultural sector is not attractive to convince the youth and young generations to engage in the agro-food sector because of the perception. This study was aimed at identifying the factors influencing inclination towards agro-food entrepreneurship among Kelantan youth. The study used a non-probability sampling technique and 100 questionnaires were distributed to youth in Kelantan. In order to achieve the aim of study, a descriptive analysis was employed to analyse the data. The findings demonstrated that attitude was the most significant factor influencing the inclination of youth towards agro-food entrepreneurship. Future research should focus on respondents who have a background in agriculture, such as agricultural students or people who are involved in the agro-food sector in order to acquire a greater understanding of factors that influence the inclination towards agro-food entrepreneurship.

**Key words:** Agro-food; Entrepreneurship; Theory planned behaviour; Youth

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### INTRODUCTION

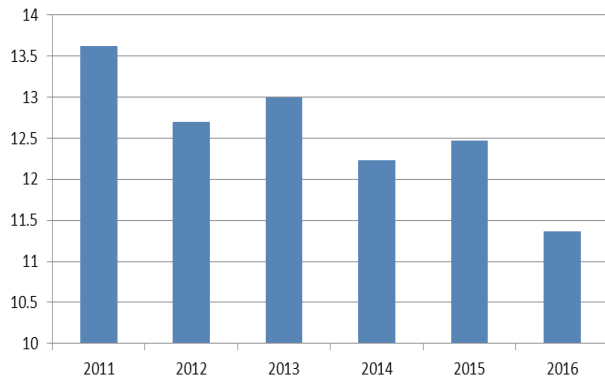
Presently, Malaysia is concerned about food security due to the annual increase in the value of total imported food in Malaysia (Figure 1) and the increasing awareness of healthy food among Malaysian citizens. Therefore, the National Agro-food Policy (2011-2020) was developed to emphasize the efficiency of the agro-food industry in Malaysia, especially in producing a sufficient amount of food that is safe for consumption. Besides that, the National Agro-food Policy also aims to ensure that the agro-food industry can be a more competitive and sustainable industry and can eventually increase the income of agro-entrepreneurs.



**Figure 1**  
Import value of food in Malaysia from 2012 to 2016  
Source: The statistic Portal, 2018.

Agro-food entrepreneurship is one alternative way to ensure Malaysia can sustain the food supply and reduce the percentage of imported food. However, only 1.1% of Small Medium Enterprises (SMEs) participate in the agricultural sector (DOSM, 2017), and based on The World Bank (2018), percentages of total employment in agriculture have decreased from 11.37% in 2016 to 11.01% in 2017 (Figure 2). This problem has become more serious because today's youth are not interested in being involved in agro entrepreneurship activities (Yusoff, Ahmad & Halim, 2017) even though Malaysia's government has allocated a substantial budget to encourage

youth involvement in agro-entrepreneurship. Hence, this study attempts to determine the factors influencing inclination towards agro-food entrepreneurship among the youth of Kelantan. In response to this, the researcher decided to focus on the youth aged 15 to 40 years old in Kelantan due to youth unemployment rate in 2017 which has increased by 0.12% from 2016 (DOSM, 2018).



**Figure 2**  
**Malaysia: Employment in agriculture, % of total employment**  
*Source:* The World Bank, 2018.

## LITERATURE REVIEW

Entrepreneurship can drive economic development by encouraging innovation and growth as well as by reducing poverty (D'Silva, Shaffril, Uli & Samah, 2009). Involvement of youth in agro-food entrepreneurship can help to increase the supply of food and reduce unemployment. Furthermore, agro-food entrepreneurship opportunities are unlimited because it covers many industries like food processing, product farming, and livestock (D'Silva, Shaffril, Uli & Samah, 2010). Even though many studies on the factors influencing the inclination towards agricultural entrepreneurship have been completed, data for the factors influencing inclination towards agro-food entrepreneurship is still lacking.

The Theory of Planned Behaviour (TPB) is one of the most significant theories to determine the factors influencing inclination towards entrepreneurship through three main determinants. These are attitudes, subjective norms and perceived behavioural control (Ajzen, 1991). Based on the study done by Abdullah and Samah (2013), factors like attitude, knowledge, government and family support play an important role in influencing youth involvement in agricultural activities. There is a high potential for youth to get involved in agricultural entrepreneurship when they have an agriculture background. Other than that, according to Brandth and Haugen (2014), women shows less positive attitudes towards agricultural activities compared to men. Contrast with the study by Keat, Selvarajah and Meyer (2011), both women and men tend to have the same inclination towards agricultural activities.

In addition, family influence is also an important factor as it provides the background experience and motivation for the youth to lead entrepreneurial activities (Bagheri and Pihie, 2010). Bennett, Bratton and Robson (2000) also agree that families and friends can be a good source of advice. Basically, new graduate entrepreneurs rely on informal sources such as family members, colleagues and social networking as well as universities for support and guidance in undertaking business (Greene and Saridakis, 2007). Moreover, the individual's previous experience has a big impact on that individual and influences whether or not they are going to be compelled to perform a particular behaviour (Ajzen, 1991). Based on the study of Mushtaq, Niazi and Hunjra (2011), the intention of the youth to get involved in entrepreneurship has a relation to perceived behaviour control. Perceived skills and ability are important variables that influence the inclination of youth towards entrepreneurship (Keat et al., 2011).

## METHODOLOGY

A total of 100 youth age between 15 to 40 years old in Kelantan were selected as the respondents for this study. The pre-test data were collected among 30 youth in Kelantan in order to obtain information from the respondents. The collected data were then utilized for reliability test to measure the reliability of the questionnaire. However, the youth who were involved as the respondents in the pilot study will not be included in the actual survey. For the data analysis, SPSS was employed to run the appropriate analysis of this study. In addition, this research is a quantitative study, thus SPSS was used to run the appropriate analysis of Non-probability sampling which is the purposive sampling in this study. The best advantage of non-probability sampling is it is easy to use compare to the probability sampling and other forms of sampling. Each youth ranged from 15 – 40 years old in Kelantan have an equal chance to be chosen in this study by using the simple random sampling (Kline, 2005). Based on the pilot study, the Cronbach Alpha values are 0.942 which included all the construct attitude, subjective norms, and perceived behavioural control. The value was detected to be reliable. For every constructs with the value of Cronbach Alpha less than 0.7, the researcher has restructured the items to ensure the clarity of the sentence. The instruments used are comprised of five sections, namely as demographic profile, attitude toward the behaviour, subjective norms, perceive behavioural control, and entrepreneurial intention towards agriculture fresh produce preservation. All items were measured using Likert Scale range 1 to 5 which is represented from strongly disagrees to strongly agree. The researcher had also used the establishment's instruments by making some adaptations to fit with the current research on agriculture entrepreneurship.

## RESULT AND DISCUSSION

Most of the respondents were female which 65 per cent in total is. This can be supported by the Institute of Malaysian Youth Development Research (2016), which indicates that the population of female youth in Kelantan is higher than male. The most participated race in this study was Malay which comprised of 85 per cent of the respondents. Furthermore, the majority age of respondent is between 21-30 years old (88 per cent). Pertaining to the educational level, degree level (66 per cent) shows the highest percentage that contributed as respondents. On the other hand, student shows the highest percentage (55 per cent) answered questionnaire. Besides that, because most of the respondents are students, the highest percentage for level of income is “others” (46% per cent.)

**Table 1**  
**Demographic Profile of Respondents**

Characteristics	Frequency (n=100)	Respondents (%)
Gender		
Male	35	35.0
Female	65	65.0
Race		
Malay	85	85.0
Chinese	10	10.0
Indian	5	5.0
Religion		
Islam	85	85.0
Buddhism	9	9.0
Hinduism	4	4.0
Others	2	2.0
Age		
15-20 years	4	4.0
21-30 years	88	88.0
31-40 years	8	8.0
Marital Status		
Single	83	83.0
Married	16	16.0
Others	1	1.0
Educational Level		
PMR	0	0
SPM	9	9.0
Certificate	1	1.0
Diploma	18	18.0
Degree	66	66.0
Master	5	5.0
Others	1	1.0
Occupation		
Government	24	24.0
Private sector	8	8.0
Student	55	55.0
Unemployed	4	4.0
Self-employed	9	9.0
Income		
RM1000 and below	19	19.0
RM1001-RM3000	21	21.0
RM3001-RM5000	11	11.0
RM5000 and above	3	3.0
Others	46	46.0

Table 2 demonstrates the actual scores for each factor that affects inclination in agriculture entrepreneurship. The dependent variable which is the inclination of youth towards agro food entrepreneurship has the highest mean score (M = 4.05, SD = 0.575), followed by attitude (M = 3.88, SD = 0.611), subjective norm (M = 3.72, SD = 0.704), and closer valuation-the lowest mean score was recorded by perceived behavioural control (M = 3.64, SD = 0.724). The inclination of agro food entrepreneurship among youth in Kelantan recorded the highest mean score due to the influence of not only the community but also the government by way of its encouragement of youths' involvement in agriculture entrepreneurship. Agropreneurship Youth Incubator Program (IUBT) was introduced to encourage the youth inclination towards agro food entrepreneurship. Besides that, the business support systems for financial aids such as Agrobank provide loan for the youth under Skim Belia Niaga (SBN) and Skim Belia Tani – I (SBT) to facilitate them in starting the business.

The next score is attitude. Based on the score level, it can be concluded that the majority of youth were interested to involve in agro food entrepreneurship. Most of the youth believe that the agro food industries can improve skill and have big opportunities in economy of scale. Supported by Abdullah and Samah (2013), attitude is one of factors that can influence youth involvement in agricultural activities. Third-highest score is subjective norms. It can be concluded that the majority of youth in Kelantan involve in agro food entrepreneurship are encouraging their social environment such as friends, community and support systems to get involved in agriculture entrepreneurship. Similar with Greene and Saridakis (2007) study which indicates that most of new graduate entrepreneurs get support from informal sources like family members, colleagues and social networking.

Lastly, perceived behavioural control shows a moderate mean score of 3.64. This is because most youth does not have an entrepreneurial experience in the field of agriculture. However, youth were approximately agreed that they have an ability to get involved in agro-food entrepreneurship if they have knowledge in that industry. Study of Mushtaq, Niazi and Hunjra (2011) and Keat et al., (2011) also agreed that perceived skills and ability could influence the inclination of youth towards entrepreneurship. Based on the brief elaboration and data presented in Table 2, it can be concluded that the number of youth are positively inclined to get involved in agriculture entrepreneurship once they have knowledge, skill, and ability in the course attended.

**Table 2**  
**Factors Influencing Inclination Towards Agro Food Entrepreneurship**

Factors	Frequency	Percentage	Mean	SD
<b>Attitude</b>			3.88	0.611
Low (1.00-2.33)	0	0		
Moderate (2.34-3.67)	32	32		
High (3.68-5.00)	68	68		
<b>Subjective Norm</b>			3.72	0.704
Low (1.00-2.33)	3	3		
Moderate (2.34-3.67)	36	36		
High (3.68-5.00)	61	61		
<b>Perceived Behavioural Control</b>			3.64	0.724
Low (1.00-2.33)	6	6		
Moderate (2.34-3.67)	41	41		
High (3.68-5.00)	53	53		
<b>Inclination of Youth towards Agro-food Entrepreneurship</b>			4.05	0.575
Low (1.00-2.33)	2	2		
Moderate (2.34-3.67)	23	23		
High (3.68-5.00)	75	75		

## CONCLUSION

Parallel with the National Agro-food Policy (2011-2020), youth involvement in the agro-food industry is hoped to be able to improve the efficiency of the food supply and reduce unemployment. This was proven by the result of this study which indicated that the score level of attitudes and subjective norms in the inclination towards agro-food entrepreneurship is high while perceived behavioural control displayed a moderate score among respondents. This shows that agro-food entrepreneurship has been accepted by the youth, but it must be supported by attitude, perception, family, friends and society to encourage youth involvement in agro-food entrepreneurship.

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