

## **PUSH AND PULL FACTORS OF SUBURBAN LOCAL YOUTH TOWARDS CAREER IN OIL PALM PLANTATION**

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### **Abstract**

The rapid expansion of oil palm plantation in Malaysia in 1990, 2.03 million hectares to 5.39 million hectares in 2014 (Malaysia Palm Oil Board 2015) caused required high labour intensive in this sector. More than 78 % of labor (Azman 2014) in this sectors mainly came from Indonesia, Bangladesh and Philippines. Malaysia has become the main attention for the foreign labours to work in this country due to the wages more competitive and generative working condition especially the plantation sector provide the conducive accommodation compared to their origin country. The pressing issue now is the rising social issues of the illegal foreign workers and influx of the foreign workers without work permit. One of the best solutions is hire the local youth to works in oil palm plantation. The main problem is compounded by the fact that it is difficult to hire the local youth workers due to the migration of local youth from government settlers scheme oil palm plantation located in the sub urban area. As a result this scheme area dominated with foreign labour. This study which was conducted in the State of Johore wants to find the push and pull factors\ towards the career in oil palm plantation which involved the repulsion, inclination and attraction based on their perceptions .A survey method through questionnaire was used to collect data from 278 of local youth between 16 years to 40 years old as focused respondents which were selected using random sampling method. Descriptive analysis was applied based on their demographic factors and the involvement of the local youth in oil palm plantation.

**Keywords:** Career in Oil Palm, Perceptions, Push and Pull Factors, Suburban Local Youth,

## **1 INTRODUCTION**

Oil palm industry is a major contributor in the export of Malaysian agriculture. As of 2014, total planted oil palm in Malaysia is about 5.39 Million( MPOB 2015) Palm oil was exported to 145 countries around the world and all thus placing it as an economic generator in the agriculture sector. The increase in this commodity is expected to continue based on its advantages and its ability to generate income to oil palm cultivation in Malaysia.

In Malaysian oil palm plantations, work force is needed when the use of mechanization and high technology is not yet comprehensive. In addition, the acceptance of mechanization among the smallholders is the cause of the high labor intensive in FELDA Scheme. Sufficient force is important to ensure the operation of the farm will be completed on schedule to meet the needs of Malaysian palm oil industry. Dominance of foreign workers in the plantation sector in Malaysia is not rather uncommon. Statistics published by the Malaysian Labor Department stated a total of 454,450 foreign workers employed in agriculture sector and industrial commodities, especially in oil palm plantations at the moment (Azman 2014) Malaysia Palm Oil Board Statistic until April 2014 recorded a total of plantation labors were 448,461 workers, which 78.08 % were foreign labor from Indonesia, Bangladesh, Myanmar and Nepal. From this total, 94.60 % were from production operation as oil palm harvesters. This fact clearly which show dangerous indication and unsustainability of oil palm plantation industry in Malaysia

Based on the Malaysia Immigration Statistic 2015, the foreign Indonesian labor in plantation has decreased from 347,659 persons in 2008 to 293,192 persons in 2014. Specifically, the number of Indonesian workers has decreased from 287,786 to 166,570 workers. Moreover, these foreign workers migrated from Indonesia to Malaysia as unskilled workers (Che Hashim Che Hassan 2009).The reduction of foreign employment is due to several factors. First, the government is trying to reduce dependency on foreign workers in the plantation sector, and secondly, migrants from Indonesia have declined following the opening of large-scale oil palm plantations in Indonesia. Low intake of foreign labor migration in the local area can further safeguard the socio-economic activities of the local population. As the plantation sector is still oriented labor force, companies need local workforce to replace the foreign labor force. Proactive measures should be taken as the opening of oil palm plantations on a large scale in Kalimantan, Indonesia.

Most of the local youths in the suburban area were preferred to work in manufacturing and retail sector which available and more choices in the sub urban area unfortunately, most of them they choose agricultural and plantation sector as the third choice after manufacturing and retail sector.(Malaysia Human Resource Statistic 2013). In addition due to influence of formulation of government policies such as Malaysia New Economic Policy (1971-1990), National Development Policy (1991-2000) and National Vision Policy (2001-2020) attracted the local youth migrate to urban areas. Based on Malaysia Youth Statistic 46.7% Malays, 17.2% Chinese, 7.8% Indian, 19.9% Kadazan, Iban and 8.9% of others ethnic migrate and work at manufacturing and retailing, servicing sector. Majority of them had Malaysia Certificates Education (MCE) to fulfill the vacancy in the manufacturing and retailing and servicing sector. Plantation sector needs to attract local youth to work in the plantation sector due to this group were the productive group and have skill in adapted the technology and mechanization in the plantation sector (Yahya and Asadul 2010). In addition the productive age to work in agriculture sector from 25-32 years old. (Rivera-Lyles, J. (2007).

According to Norsida (2008), the local youth claimed work in agricultural sector as burdening and tiring work. This supported by Walsh and Makaravy (2011) the perception of local youth, plantation job were 3D jobs (Difficult, Dirty and Dangerous). Past studies have indicated negative perceptions and attitudes among the local youth as to why they are not interested to work in oil palm plantation (Gidakakou 1999). Lack of knowledge or skill is found to be another factor affecting the interest of youth to involve in the agriculture sector (Frick et al., 1995). Simultaneously, the alarming social issues among unemployed local youth in Settlers Scheme such as hanging culture, drug addicts and free sex cases has brought attention of the government (Husin Junoh 2011). Based on Ann Wang Seng (1994), the hanging culture contributed negative impact on attitude due to unemployment. Hence, unemployment give personal implication such as psychology, social and financial factor (Shadare and Tunde 2012).

Thus, this plantation sector and the government need to find solution regarding the local youth as they could be the finest substitute to decrease the dependency on foreign labour. While sustaining the oil palm plantation sector, and they can boost their economy. Oil palm plantation companies would enhance the social-economic value of the local youth people who work in the field. All benefits and facilities required by the workers as a high basic salary, housing, water and electricity, allowance, Employees Provident Fund (EPF), medical benefits, school aid, insurance and others should be given to local people and should be reviewed (Selvakumaran and Shanmugam, 1995). The previous study in Sabah basic facilities such as electricity, clinic and EPF were the pull factor of local people to work in oil palm plantation (Mohammad Amizi *et al* 2014) This paper aims to identify factors affecting the participation of local youth in suburban

areas in Settlers Scheme in State of Johor to work in oil palm plantation. In other words, the purpose of this paper is to study the participation of local youth in suburban areas in Settlers Scheme State of Johor, Malaysia in terms of their perception towards the career in oil palm plantation

## 2 METHOD

A survey research using the descriptive analysis approach was applied in this study. The dependent variable is the participation of local youth to work in the plantation. The independent variables include the perceptions of the respondents on the economic profitability, working environment, social infrastructure and status, government policy and happiness to work in the plantation.

A sample consists of 278 local youth which were selected randomly between age 16 to 40 years old staying within the location 5 kilometers radius within the Settlers Scheme in Johor Malaysia. Questionnaire was designed to be used as in data collection method through personal interviewes. The respondent's population involved were in district of Kota Tinggi, Simpang Rengam and Kulai which the distance from Johor Bharu City within 25km to 60 km. The demographic factors information was identified based on the 278 respondents of local youth in the three districts in Johor.

The significant to select focused respondents in Johor due to most of the oil palm plantation located at suburban and near with manufacturing area which the is the competitor in labor market with plantation sector. The involvement of and the participation of the local youth in plantation also had been identified from the questionnaires.

Descriptive analysis was conducted to analyses the demographic factor information study which include residential area, age, gender, marital status, education, race, occupation, religion, parents background and involvement in plantation sector. The independent variables using the Likert skills which represented the six independents variables which consisted economic profitability, working environment, social infrastructure, social jobs status, government and employer policy and working happiness.

Reliability analysis was done to estimate on the consistency of the data and the Cronbach Alpha was used as the index for reliability of the data. (Tavakol and Dennick 2011). As suggested by Nunnaly (1978), the Cronbach's Alpha reliability test should have a minimum value of 0.6 for the data to be considered as consistent in the early stage of research. These data were further analyzed the factor analysis consist the dependent variables and independents variable in this study. The hypothesis from this study showed has positive relation on perception of local youth in suburban area towards the push and pull factors towards career in oil palm plantation.

## 3 ANALYSIS OF DATA

Based on the study by Houghton (1993), the distance affects the availability of labour market within the industry, hence the radius within 5 km will attracted the local youth to work in plantation. Thus this study Among the 278 respondents, a total of 191 respondents from district of Kota Tinggi, followed by 45 respondents from Simpang Rengam and 42 respondents from Kulai District. Table 1 presents the complete profile of respondents.

Table 1: Sample Characteristics

VARIABLE		Frequency	Percent
Age	<20 years	57	20.50
	21-30 years	134	48.20
	31 and above	87	31.30
Gender	Male	167	60.10
	Female	111	39.90
Marital Status	Married	133	47.80
	Widow	9	3.20
	Single	136	48.90
Education Level	No Formal Schooling	3	1.10
	Primary School	8	2.90

	UPSR Certificate	11	4.00
	LCE	15	5.40
	MCE	112	40.30
	Technical Certificate	29	10.40
	HCE	14	5
	Diploma	53	19.10
	Degree/Master, Phd	33	11.90
<b>Race</b>	Malay	266	95.70
	Chinese	5	1.80
	Indian	3	1.10
	Iban	2	0.70
	Bidayuh	1	0.40
	Others	1	0.40
<b>Religion</b>	Muslims	269	96.80
	Christians	2	0.70
	Hindu	3	1.10
	Buddhist	4	1.40

Majority of the respondents are male at the age of 21 to 30 years old, single and having Secondary Certificate. In terms of race, majority of respondents are representatives of Malay 95.70%. The background of the family is seen important where parents may influence the perception towards participation and career development. From Table 2, about 63.70% percent of respondents have their father working is a settlers in this government scheme. Most of the respondents' mother, on the other hand are working in other sector or not working at all and becoming full housewives when more than 73 percent of them stated that their mother do not work in this sector.

Table 2: Father and Mother Working / Not Working in Agriculture

Working in Agriculture Sector?		Frequency	Percent
<b>Father</b>	Yes	177	63.70
	No	101	36.30
<b>Mother</b>	Yes	74	26.60
	No	204	73.40

Table 3 shows the distance of the respondent's home to nearest plantation. It is found that a total of 121 (43.50%) respondents had about 0 to 1kilometer (km) of distance, 57 respondents (20.50%) had 1.1 to 3 km of distance, while only 100 (36%) respondents had more than 3km of distance. This show majority of local's youth were living within 1 kilometer in the settlers' scheme and plantation sector. In other words, transportation is not an issue when it comes to distance.

Table 3: Distance of the Plantation and their home

Distance from Plantation Sector		Frequency	Percent
<b>Up to 1km</b>		121	43.50
<b>1.1-3 km</b>		57	20.50
<b>3.1-5 km</b>		100	36

The result on working status of the respondents and their involvement in plantation sector is shown in Table 4. When ask whether the respondents are currently working, only half of respondents (28.8%) are currently working. Those not working were just finish school and still looking for jobs. In terms involvement in plantation sector, only 89(32%) respondents are currently working in the settlers' scheme and nearby plantation. A total of 27 (9.7%) respondents had worked previously in the nearby plantation sector and within the settlers' scheme in which they gain some experience in working in this particular sector but left due to several reasons. Some of them quit because of getting better job in manufacturing sector but some because they do not prefer to work in government settlers scheme and plantation sector. However the majority of respondents never work in plantation sector.

Table 4: Working Status and Involvement in Plantation Sector

Variable		Frequency	Percent
<b>Current Working Status</b>	Yes	80	28.80
	No	198	71.20
<b>Involvement in Plantation Sector</b>	Currently Work	89	32
	Previously Work	27	9.70
	Never Work	162	58.30

#### 4 RESULTS AND DISCUSSION

This study utilized 49 variables from the six components of independent variables where factor analysis was used to measure the perceptions of local's youth from their participation towards career in oil palm plantation. From Table 5, the results of Cronbach's Alpha show a positive consistency on the data when Cronbach's Alpha value estimated was higher than the index of reliability test (0.6). This shows that there is consistency among the perceptions of the local youths used in the study of participation the local youth to work in oil palm plantation and it can conclude that the study based on the questionnaires is fit for this study

Table 5: Reliability Test

Components	Cronbach's Alpha	Based No of Items
<b>Economic Profitability</b>	0.770	8
<b>Working Environment</b>	0.750	10
<b>Social Infrastructure</b>	0.881	8
<b>Social Job Status</b>	0.732	5
<b>Policy of Government / Employer</b>	0.810	8
<b>Working Happiness</b>	0.909	10

Factor analysis is done to provide a confirmatory test of measurement theory for the constructs and explains how the variables that are being measured logically and systematically represent the constructs that are involved in the theoretical model. The overall results of KMO and Barlett's Test show that the model is fit with the collected data.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.805
Bartlett's Test of Sphericity	Approx. Chi-Square	1958.014
	Df	28
	Sig.	.000

From Table 6, the Kaiser- Meyer- Olkin Measure of Sampling Adequacy (MSA ) shows a value of 0.805 which show greater than above minimum requirement (0.5 ) (Brett 2012 ). Theoretically the overall (MSA) result shows an evidence of strong and adequate correlation among the six components in this study. The economic profitability in Table 7 is one of the components from the six components. Component 2 related

to working environment shows the value 0.750, component 3 social infrastructure 0.881, components 4 social job status shows value 0.732, components 5 policy government and employer shows the value 0.810 and component six shows the value 0.909. All this value an indication that this components or factor analysis was suitable with the variables from these components. The Bartlett's Test of Sphericity in all components the value .000 shows there were significance level that's indicates that the factor analysis were useful with this components data.

## Descriptive Analysis

The groups of suburban local youth which not involve work in the plantation choose the highest mean on the perceptions on based on the six components of independents variables compared to the other two dependents variables of suburban local youth which involved still work in the government settler's scheme and plantation and the other group of suburban local youth which had an experience work in the plantation. The group of suburban local youth of still working in plantation chooses the social infrastructures component to work in the plantation based from the highest mean compared to local youth group which had an experience to work in the plantation. This shows this suburban local youth needs similar infrastructures in urban areas in government settlers' scheme and plantation to attract more suburban local youth to work in this plantation sector. Based on the analysis the perception of local youth showed the p-value of 0.392 which not significance with working happiness. The component which involved in the working environment shows a p-value of 0.028 and social infrastructure components shows p-value 0.015, and this components significance with the perception of suburban local youth in government settlers' scheme. The other components also shows a p-value >0.5 which shows the non-significant level with the perceptions of local youth towards the career in oil palm plantation.

Table 7 shows the knowledge of the local youth on minimum wage policy set by the government's guidelines of RM1000 per month. The result shows that about 75.90% percent of respondents know the minimum wages offered from the government. Moreover, a total of 183 respondents (65.8%) agreed with the minimum wages rate.

Table 7: Knowledge Level of Minimum Wages

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	211	75.90	75.90	75.90
No	67	24.10	24.10	100.0
Total	278	100.0	100.0	

Based on the answer given by the suburban local youth who are currently working in the plantation on why they still work in the plantation, the respondent rank 'no suitable job' as the first answer, 'close proximity with family member' as second, followed by 'the infrastructure awarded by the plantation sector' as third, 'not interested to work in urban area' as fourth, no qualification as fifth 'social influence' as the sixth, 'limited choice of work' as seventh, 'distance to work place' as eight and other factors as the last ranking.

The financial benefits appear to be the main reason why the suburban local youth are still working in the plantation based on the ranking 1 to 9. They rank 'compensation' as the first choice followed by 'fully furnished accommodation'; 'transportation for school children'; 'employee provident fund and social security organization fund'; 'medical benefits'; 'preschool subsidies' 'water and electricity utilities'; and finally the 'community hall'. These results are as expected because these amenities can attract the local youth to stay in their neighborhood and participate in the plantation sector.

The suburban local youth that are not working in the oil palm plantation but had some experience stated that they are not interested to work in the plantation because of several factors. Based on the questionnaire designed and ranking from 1-10, majority of the respondents stated 'transferring to manufacturing sector' as their first ranking, followed by 'instability of income'; 'social influence from family and friends' 'no future'; 'no entertainment'; 'transferring and getting new job in public sector'; 'getting and transferring in private sector'; 'plantation sector policy'; and lastly the 'competition among working mates'.

Based on the local youth groups which never work in the plantation, they ranked several factors as to why they are not interested to work in oil palm plantation. The description items which incurred in this questionnaire includes low wages, no future, instability of income, social influence, no entertainment, work difficulties and burden of work, no attraction of working environment, occupational hazard, isolated areas, no

glamorous job and other factors. As expected, these group ranks 'low wages' as the first factor, followed by 'instability of income'; 'no future' and 'burden of work' as their fourth factor of why they refuse to work in plantation sector. Based from this study the local youth in Johor need to be more concerned with other factors such as free accommodation, electricity, water supply which be provided by oil palm plantation as pull factors due to high cost of living in Johor. According to Josephine (2012) the clear picture needs to be justified to local people in term of total living cost even though low wages offered by plantation sector.

## 5 CONCLUSION

This study provides the evidence that three dependent variables regarding the involvements in plantation sector, which is local youth groups that currently working, not-working, and had previously worked in the plantation have relationships with the six components of independent variable based on the factor analysis and the descriptive analysis. The KMO shows strong evidence on the correlation with the six components of the perceptions. This finding also supported the frequency analysis on plantation sector needs to give a higher priority on the perceptions of local youth on the career in the plantation. In terms of minimum wage policy, the descriptive analysis contributed a positive indicator of benchmarking when majority of respondents agreed with the minimum wage rate offered. This is supported by the finding that most of the respondents agreed that low wages is the main factor why the local youth do not interested to work in the plantation. The suburban local youth who work in plantation and government settlers' scheme felt that no suitable job and close with the family is factors why they still work in plantation and this scheme. Those who work previously in government settlers' scheme and plantation prefer to work in manufacturing and retail sectors due to the workplace nearby with their location in government settlers' scheme.

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