

# Factors Influencing Inclination toward Agriculture Entrepreneurship among Students in Agriculture Learning Institute

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Received: October 24, 2013 Accepted: November 14, 2013 Online Published: December 29, 2013

doi:10.5539/ass.v10n2p273

URL: <http://dx.doi.org/10.5539/ass.v10n2p273>

## Abstract

The study has been conducted as a response towards a lack of studies into agriculture entrepreneurship within the local setting. The main attempt of this study is to determine the factors affecting the inclination toward agricultural entrepreneurship among students in agriculture learning institute. This is a quantitative study for which, based on a simple random sampling, a total of 237 students from four agriculture learning institutes were selected as the respondents. The analyzed data has confirmed that the highest mean score was recorded for social value, followed by subjective norm, then behavioral attitude, then closer valuation and finally perceived behavioral control. Based on the data obtained, it is recommended that more studies to be conducted to examine the influencing factors and the challenges faced by the new generations in Malaysia around agriculture entrepreneurship.

**Keywords:** inclination, agriculture entrepreneurship, agriculture development, farmers' development

## 1. Introduction

The agricultural sector has been an important one in Malaysia since before the country's independence, and was the main contributor to the Malaysian economy during the First National Agriculture Policy, NAP 1 (1984-1991), which emphasized the policy of expansion and focused on commodity crops such as palm oil and cocoa. Moreover, agriculture can be a medium for overcoming poverty, one reason being that it has the ability to reduce the unemployment problem in Malaysia. The effectiveness of agriculture in combating poverty and unemployment has been proven by the success of a number of high-impact agricultural programs initiated by the Ministry of Agriculture such as Permanent Food Production Parks (or locally called as Taman Kekal Pengeluaran Makanan-TKPM), High Impact Project-Aquaculture Industrial Zone (HIP-ZIA), and Agropolitan (Faiz et al., 2010).

The Malaysian government has continuously encouraged the involvement of youths in entrepreneurship, as it is in line with the national agenda. As stated in Tenth Malaysia Plan, it is needed for the Bumiputera to enhance their involvement in Malaysian economy and it will be focusing to strengthen Bumiputera entrepreneurship to help create competitive businesses in high impact sector. Besides, in Ninth Malaysia Plan, an effective ways will be undertaken to improve income among smallholders, farmers and fisherman by improving the productivity within the agricultural subsectors. The local entrepreneurship industry has been further strengthened via the establishment in 1995 of a ministry called the Ministry of Entrepreneurship and Co-operative Development. In addition to this, there are adequate numbers of agricultural courses offered by government agencies such as the Agricultural Certificate Course in Agriculture Institute, the Youth Agriculture Entrepreneur Scheme under TKPM, agricultural skill courses with the National Agriculture Training Council etc. However, inspite of such efforts, agriculture entrepreneurship still fails to attract interest from the younger generations, and a number of causes have been identified. Norsida (2008) has highlighted that first, many youths are not properly informed about the agriculture courses, and second, entrepreneurship is commonly associated with unstable returns and profits, and that perhaps youths see agriculture entrepreneurship as being a high risk venture and are deterred by the risk of failure. Third, as William et al. (2004) highlight, there is a lack of exposure to and relevant information about the importance of agriculture entrepreneurship and food sufficiency.

Furthermore, one of the challenges facing the agricultural sector is inadequate manpower. In research conducted

by the Ministry of Agriculture (MOA) in 2002/2003 about 39 per cent of farmers interviewed for it were 55 years old and older. A local study completed by MdSalleh and HayrolAzril (2009) has proven that the average age of farmers in Malaysia is more than 46 years old. In addition, Zaleha's (2007) study found that a large number of the farmers in Malaysia were aged 55 years or older, while less than only 26 per cent of farmers were aged 18-40 years.

The main attempt of this study is to determine the influencing factors in the inclination among students toward agriculture entrepreneurship in agriculture institutes. Though at the international level, there is abundance of studies that place their interest on inclination towards agriculture (Pur et al., 2007; Laogun et al., 2000; Ugwoke et al., 2005; Ogunbameru, 2001; NDE, 2003). However, the similar scenario is hard to see in Malaysia. In response to this, the researcher has decided to fill the gap and run a research among students in Agriculture Institute of Peninsular Malaysia as these students are currently undergo two years certificate course in agriculture and entrepreneurship.

## 2. Literature Review

Many studies into entrepreneurship have been completed, with some researchers having applied the theory of planned behavior to their studies. This theory has been applied by Kolvereid (1996) to forecast employment status choice intentions at Norwegian business schools among first year undergraduate students. Kolvereid (1996) has accentuated on attitude, subjective norms and perceived behavioral control as the main impingement factors for intentions. Such findings have been supported by Tkachev and Kolvereid (1999) which confirmed the similar impingement factors for intention of employment status. Further analysis performed by them have determined that demographic factors were not correlated significantly to intention of employment status.

Furthermore, Autio et al. (2001) applied the theory of planned behavior to analyze the factors that influence entrepreneurial intention among university students in Finland, Sweden, the United States and the United Kingdom. Interestingly, findings by Autio et al. (2001) were in line with studies done by Kolvereid (1996) and Tkachev and Kolvereid (1999) where attitude, subjective norms and perceived behavioral control were influential on intention of employment status. Further analysis performed by Autio et al. (2001) have confirmed that perceived behavioral control have the strongest relationship with intention compared to the other two factors.

A local study carried out by SitiHawa (2009) into inclination toward entrepreneurship among engineering students in universities located at the northern region of Peninsular Malaysia has proven that attitude, subjective norm, perceived behavioral control, closer valuation and social valuation were significant and had a positive relationship with inclination toward entrepreneurship.

Based on the aforementioned study, theory of planned behavior has been applied in many entrepreneurship studies. Thus, in this study, the researcher has decided to apply theory of planned behavior and use five determinants, namely behavioral attitude, subjective norm, perceived behavioral control, social valuation, and closer valuation as the independent variable.

According to theory of planned behavior, there are three determinants-behavioral attitude, subjective norm and perceived behavioral control-, with an additional determinant, namely social valuation. Behavioral attitude is an important element that can be assumed to be a person's interest, which leads them to be inclined toward entrepreneurship (Santos, 2007). This means that behavioral attitude is dependent on the individual themselves, and that influences come from the person's own intentions or interest, without any influences from others.

The second determinant is subjective norm. Subjective norm refers to the social pressure felt by a person, a pressure that they will either want to act on or not (Ajzen, 1991). Perceived behavioral control, on the other hand, is a situation in which a person has felt it to be either easy or difficult to perform a behavior. Besides, 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 behavior (Ajzen, 1991).

The last determinant is social valuation. According to Zahra et al. (1999), culture plays an important role in predicting the entrepreneur's behavior. Social valuation also becomes a basis in a system of a group or community (Thomas & Muller, 2000). Thus, a system which is based on any values which related to a specific group can develop the personality of a community with their own ability, normative modeling and perceptions towards entrepreneurial activity. (Thomas & Muller, 2000).

Social valuation is an added determinant by Linan et al. (2011b) as one of the environmental factors. Based on social learning theory, Bandura (1997) has stated that behaviors might be resulted from the person surrounding. North (2005) has provided a different perspective where he accentuated on the environmental factors that

consists of formal and informal elements have influence on individual intention to involve in agriculture entrepreneurship. Furthermore, scholars across the globe have looked into the role of cultural variations is to explain the difference of entrepreneurial behaviors (Davidsson, 1995; Mueller & Thomas, 2000), while Spilling (1991) stated that culture to be the common ideas, values and norms inside a community. Hence, these values can influence the entrepreneurial intention among a community to promote a positive attitude toward establishing a firm (Davidsson, 1995). Thus, the researcher has chosen to add social valuation as one of the determinants in this study.

### 3. Methodology

A total of 237 students from four agriculture institutes namely Serdang in Selangor, Ayer Hitam in Johor, TitiGantung in Perak, and Bumbong Lima in Penang were selected as the respondents for this study. The pilot study was conducted at Serdang Agriculture Institute, and involved 32 student respondents. However, those students who were involved as the respondents in the pilot study will not be involved in the actual survey Based on the pilot study, the Cronbach Alpha values for each construct, namely behavioral attitude; subjective norm, perceived behavioral control and social valuation are 0.530, 0.760, 0.762 and 0.523 respectively. For every constructs with the value of Cronbach Alpha less than 0.7, the researcher has restructuring the items to ensure a clearer sentence. Simple random sampling was applied in this study so that each student has an equal chance of being selected as a respondent. The instrument used comprised of eight sections, namely as demographic profile, perception of entrepreneurial course, inclination toward agriculture entrepreneurship, behavioral attitude, subjective norm, perceived behavioral control and social valuation. Furthermore, the researcher has used the established instruments by Linan et al. (2011a) and dohas made some adaptations to fit with the current research on agriculture entrepreneurship while all items are measures using Likert Scale range 1 to 5 which represent from strongly disagree to strongly agree. In addition, this research is a quantitative study, thus SPSS was used to run the appropriate analysis. Selected descriptive statistics were performed to describe the general data of the study.

### 4. Results and Discussion

The majority of the respondents are male (58.2 per cent) and most of the respondents' age is between 19-21 years old. On the other hand, there is a large number of the respondents comes from rural areas with 72.6 per cent. Furthermore, 63.7 per cent of the respondents have experience in entrepreneurship and majority of them had experienced 1-12 months in entrepreneurship (Table 1).

Table 1. Demographic profile of respondents

Variables	Frequency	Percentage	Mean	SD
Male	139	58.2		
Female	99	41.8		
Age (years)				
19-21	169	71.3	20.75	1.66
22-24	61	25.7		
25-27	7	3.0		
Place of origin				
Rural	172	72.6		
Urban	65	27.4		
Experience in entrepreneurship				
Yes	151	63.7		
No	86	36.3		
Experience in entrepreneurship (months)			9.42	8.85
No experience	86	36.3		
1-12	114	48.1		
13-24	28	11.8		
25-36	8	3.4		
≥37	1	0.4		

Table 2 demonstrates the actual scores for each factor that affects inclination in agriculture entrepreneurship. Social valuation is the highest mean score ( $M = 4.31$ ,  $SD = 0.58$ ), followed by subjective norm ( $M = 4.05$ ,  $SD = 0.67$ ), behavioral attitude, and closer valuation-the lowest mean score was recorded by perceived behavioral control ( $M = 3.61$ ,  $SD = 0.61$ ).

Social valuation 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. One of the programs launched by the Ministry of Agriculture is My Agrosis Club. This program is commonly known as '*Kelab Usahawandan Siswazah Tani*', and it encourages university students to participate in the field of agriculture during their study; currently, My Agrosis Club has been extended to the Agriculture Institute in order to further encourage this. Thus, having such a program has benefitted students and given them valuable experience in agriculture entrepreneurship.

The next score after social valuation is subjective norm. Based on the score level, it can be concluded that the majority of students from these four agriculture institutes are encouraged by their social environment to get involved in agriculture entrepreneurship. The third-highest score is behavioral attitude. Behavioral attitude refers to the individual's attitude without any other influences. Besides, there are lots of students whose interest in agriculture entrepreneurship has developed as a result of the effective courses they attended at their agriculture institute. Thus, it is proven that the intention to get involved in agriculture entrepreneurship after completion of their courses are only by themselves and not by other influences.

Lastly, perceived behavioral control shows a moderate mean score of 3.61. This happens because not all students have entrepreneurial experience in the field of agriculture. Furthermore, those students who have experience in entrepreneurship are more likely to get involved in agriculture entrepreneurship.

Based on the brief elaboration and data presented in Table 2, it can be concluded that students in these four agriculture institute(s) are positively inclined to get involved in agriculture entrepreneurship once they have completed their course of study.

Table 2. Factors affecting inclination toward agriculture entrepreneurship

Factors	Frequency	Percentage	Mean	SD
Behavioral Attitude			3.97	0.64
Low (1-2.33)	4	1.7		
Moderate (2.34-3.66)	87	36.7		
High (3.67-5)	146	61.6		
Subjective Norm			4.05	0.67
Low (1-2.33)	5	2.1		
Moderate (2.34-3.66)	68	28.7		
High (3.67-5)	164	69.2		
Perceived Behavioral Control			3.61	0.61
Low (1-2.33)	7	3.0		
Moderate (2.34-3.66)	151	63.7		
High (3.67-5)	79	33.3		
Social Valuation			4.34	0.58
Low (1-2.33)	1	0.4		
Moderate (2.34-3.66)	31	13.1		
High (3.67-5)	205	86.5		

## 5. Conclusion

This study concludes that the score level of behavioral attitude, subjective norm and social valuation in inclination toward agriculture entrepreneurship is high among the respondents, with the exception of perceived behavioral control, which displayed a moderate score level. Within the scope of this study, students of agriculture learning institutes are quite positive and knowledgeable about agriculture entrepreneurship. In addition, encouragement and support from family, friends and society would also be helpful in helping youths be more motivated to move toward agriculture entrepreneurship after completing their studies, while knowledge about the field itself is also important for those who are interested pursuing a career in it. As the results show, social valuation is the most influential factor, thus it is proven that the social support and government actions, such as providing agriculture and entrepreneurship courses and introducing agriculture courses to technical and vocational schools, and support from other agencies, were helpful in attracting more youths to become involved in agriculture entrepreneurship.

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