Factors Influencing Intention to Become Agropereneur Among Youths

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ABSTRACT

The objective of this research is to examine the relationship between Realistic, Investigative, Artistic, Social, Enterprising, and Conventional (RIASEC), and Shapero’s Entrepreneurial Event Theory (SEET) on the youth’s intention to be involved in agropreneurship. The data were collected by the self-reported in-person and electronic questionnaires from 269 youth in Sabah, Malaysia. The results revealed that realistic, investigative, enterprising and SEET plays a significant role in agropreneurship intention. Research on agropreneurship is still lacking, and to date, only a few studies have been published. The findings of this study enrich the existing literature, especially in Malaysia’s context. At the same time, this study assists the government and its agencies to identify and strengthen youth participation in the agriculture sector.

Keywords: Agropreneur, Agropreneurship Intention, Agricultural Entrepreneurship, Agro-Based Industry, Entrepreneurship Intention.

INTRODUCTION

Sabah poverty rate remains the top three in Malaysia despite being rich in natural resources. Although the state is rich in resources, food is the second-highest imports of Sabah. Little effort has been taken to invest in the production of food. Sabah depends highly on Peninsular Malaysia for the import of food. This situation can be altered if the youth of Sabah embark on agropreneurship. The state has abundant land suitable for agriculture activities. Unfortunately, most of the youth rather being unemployed than giving the agriculture sector a chance. This is echoed by Sabah’s highest unemployed graduate rate in 2018. Sabah was first among the states in Malaysia with the highest number of unemployed graduates at 27, 540 (13.5%), compared to Melaka with only 5, 916 (2.9%).

Agricultural entrepreneurship or agropreneurship refers to the combination of agriculture and entrepreneurship that includes all activities within the agricultural industry value chain, such as crops, livestock, fisheries, marketing, technology, and innovation, as well as allied sectors, such as agro-
tourism and agro-based industry (Bairwa et al., 2014). Agropreneurship is imperative to this country because agriculture is one of the primary sectors, which is also one of the main contributors to the Malaysian economy. Various programs have been initiated by the Malaysian government to attract more youth to participate in the agropreneurship, such as Agro Youth Exhibition, Youth Agropreneur Grant, Agro Youth Entrepreneur Incubator Program (IUBT), and many more. The purpose of these programs is to develop agro-based businesses. Moreover, the Eleventh Malaysia Plan (EMP) sets a new direction for the agriculture sector to be a modern and dynamic sector. For the first time, the government of Sabah launched the state’s first agriculture development blueprint 2021–2030, with plans to boost output and attract youths into the sector. These government efforts indicate the importance of agriculture entrepreneurship, especially in the efforts to attract more youth to become agropreneurs.

In line with the government’s plan, investigating the youth agropreneurship intentions would provide to the policymakers and scholars some crucial insights of how to nurture more agropreneur. This could prove to be advantageous in developing countries in which, despite the agriculture growth, the youth involvement in this sector is scarce. Although a significant body of literature is devoted to entrepreneurial intentions, there is a paucity of research that investigating the concept of agropreneurship in Malaysia (Yusoff, Ahmad & Abdul Halim, 2019), especially in the context of youth in Sabah. Therefore, it is crucial to investigate the intention to become an agropreneur among youth to benefit the stakeholders (government, agencies, entrepreneurs, and scholars) in the form of employment opportunities, Gross Domestic Product (GDP), eradicate poverty, minimize the food import, and fully utilize the natural resources in Sabah. The integration of theories: Shapero’s Entrepreneurial Event Theory (SEET) and Holland’s Theory of Career (Holland, 1997) or realistic, investigative, artistic, social, enterprising and conventional (RIASEC) were used to conduct the study. Thus, the objectives of this research are to identify the effect of SEET and RIASEC on the youth intention to be involved in the agricultural entrepreneurship, which is known as agropreneurship.

LITERATURE REVIEW

Prior studies indicate that intentions are the best predictor of any behavior, including the creation of new ventures (Bagozzi, Baumgartner & Yi, 1989; Krueger, Reilly & Carsrud, 2000; Schjoedt & Shaver, 2007). Several intentions models in the field of entrepreneurship have been developed over the years, such as the theory of planned behavior (Ajzen, 1991), the model of entrepreneurial event theory (Shapero & Sokol, 1982), and Holland’s theory of career choice (Holland, 1997). Agropreneurship intention is defined as the conscious state of mind that precedes action and directs attention toward entrepreneurial behaviors such initiating agropreneurship business (Moriano, Gorgievski, Laguna, Stephan, & Zarafshani, 2012; Yusoff et al. 2019). This study focuses the effect of John Holland’s Theory of Career Choice or RIASEC and Shapero’s Entrepreneurial Event Theory (SEET) in predicting the intention to become an agropreneurship.

Agricultural Entrepreneurship Intention

Entrepreneur’s intention is the same as the individual competence, which refers to a desire to perform a specific action (Ridha, Burhanuddin & Wahyu, 2017). There are numerous shreds of evidence from the previous studies that entrepreneurs are made, not born (Kuratko, 2005). Thus, recognizing individuals’ entrepreneurial intentions is vital in the development of more entrepreneurs. The earlier stage of entrepreneurship is the formation of entrepreneurial intention (Hisrich, Peters & Shepherd, 2013) and entrepreneurship is conscious and anticipated behavior (Krueger et al., 2000). Entrepreneurship intention is, therefore, assumed to precede any entrepreneurial act and be a reliable predictor of entrepreneurship. Individuals will only venture into entrepreneurship if they show a sufficient level of intent for entrepreneurship. Therefore, it is worth studying entrepreneurial intention
because it is a reliable predictor of entrepreneurial behavior while it is difficult to measure actual entrepreneurial behavior (Wu, 2010). In this regard, there tend to be two categories of current literature on entrepreneurship. One group of investigators focused on the understanding of entrepreneurial behavior as a function of entrepreneurial activity (Bandura, 2012). On the other hand, another group of scholars investigated how intentions contribute to the development of entrepreneurial thinking (Shapero & Sokol, 1982; Krueger et al., 2000). Entrepreneur’s intention has been proven to be a fundamental construction that explains the formation of entrepreneurial behavior (Bagozzi et al., 1989; Krueger et al., 2000).

**Realistic, Investigative, Artistic, Social, Enterprising, and Conventional (RIASEC)**

The Holland Codes or the Holland Occupational Themes (RIASEC) refers to a theory of careers and vocational choice (based upon personality types) that was initially developed by American psychologist John L. Holland. The theory has been well tested and widely used in the previous studies to predict the individual’s career choice, college majors and occupations. The theory of Holland (1997) suggests that people are attracted to work environments which correspond to their personality orientation. Holland referred to the relation, as congruence, between personality and work environment. He indicated that people whose attitudes are poorly suited to their work environments are more likely to change careers superior to their congruent counterparts (Donohue, 2006). John Holland’s theory of career choice or RIASEC is aptly important as it highlights the six individual interests. According to this theory, people who work in an environment that is similar to their personality will have a greater tendency to be more successful and satisfied. The six typologies highlighted by Holland’s theory are (1) realistic, (2) investigative, (3) artistic, (4) social, (5) enterprising, and (6) conventional. Each of the interests will determine the success of the individual depending on whether or not they are working with individuals of similar personality traits. For example, an enterprising personality type will seek for an enterprising environment. If they are working successfully in an enterprising environment, they will have a greater tendency to be successful and feeling satisfied. Consequently, this theory helps to predict those who have an intention to become an entrepreneur.

Firstly, realistic prefers to handle tools, machine and loves animals. Nevertheless, a realistic person tends to avoid social activities. An individual with realistic is considered a handyman, values practical things, and see themselves as practical, mechanical, and realistic. Secondly, investigative interest loves to study and solves science and mathematics problems. However, they avoid things such as persuading people, leading, and enterprising. The investigative types of people see themselves as precise, scientific, and intellectual. Thirdly, artistic individuals value their creative arts, such as crafts, dance, music, and drama. They are very original, independent, and expressive. However, artistic avoids highly ordered and repetitive activities. Fourthly, social loves activities that involve helping people, such as social responsibility, support, teaching, nursing, first aid, information, and counselling. They are eager to helping others and solving social problems. An individual holding this interest sees themselves as helpful, friendly, and trustworthy. Nonetheless, they avoid using machines, tools, or animal to meet their objectives. Fifthly, enterprising sees themselves as energetic, ambitious, and sociable of which they love to lead the community, organization, and family. Moreover, they love to persuade people to sell things and ideas. They have a greater tendency to be successful in politics, leadership, and business. Lastly, conventional interest loves numbers, records, or machines related to a set, orderly manner. Those who hold these values themselves in business and orderly, which is a good set of plans. However, this individual avoids ambiguous and unstructured activities (Holland, 1997).
Relationship between RIASEC and the Intention to become an Entrepreneur

Holland (1997) suggests the six major types of occupational environment and people working under the respective setting: realistic (doers), investigative (thinkers), artistic (creators), social (helpers), enterprising (persuaders), and conventional (organizers), or RIASEC. This framework explains the individual's personality that is articulated as preferences for work activities, and work environments are defined in terms of the activities performed by the people who work in them (Armstrong, Allison, & Rounds, 2008). Therefore, it is essential to examine the effect of RIASEC on the intention to become an entrepreneur particular in the agriculture sector. Besides, there is very limited research conducted in this area. Significantly, entrepreneurial activity (i.e., the recognition and exploitation of opportunities, innovation, and value creation) is a function of individuals' personality (Kuratko, 2018). Previous research found that enterprising and creative personality is more likely to be involved in entrepreneurship as compared to the other personality (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2013). Therefore, in accordance with the arguments above, it is hypothesized:

H1a: Realistic interest will significantly predict the agropreneurship intention among youth.
H1b: Investigative interest will significantly predict the agropreneurship intention among youth.
H1c: Artistic interest will significantly predict the agropreneurship intention among youth.
H1d: Social interest will significantly predict the agropreneurship intention among youth.
H1e: Enterprising interest will significantly predict the agropreneurship intention among youth.
H1f: Conventional interest will significantly predict the agropreneurship intention among youth.

Shapero’s Entrepreneurial Event Theory (SEET)

Shapero’s Entrepreneurial Event (SEET) theory or Entrepreneurial Event model (SEE) developed by Shapero (1975) and extended by Shapero and Sokol (1982), explains that human behavior is guided by “inertia”; when a person is doing something, he or she will continue doing it unless it is interrupted by an external force. According to SEET, the intention to be an entrepreneur is triggered by two major factors; the perception of desirability and feasibility. SEET is one of the intention-based models that are widely recognized. The model points out that the intention to start a business is derived from the perception of desirability and feasibility. Perceived desirability (motivation to exploit) is defined as the degree to which starting a new business is perceived as a desirable and attractive career option. It relates to the individual attitude towards income, risk, and decision-making autonomy (Krueger et al., 2000; McGee et al., 2009). Perceived feasibility is the degree to which one feels personally capable and confident of starting a business (Krueger, 1993). Typically, perceived feasibility is measured by self-efficacy (Douglas, 2013; McGee et al., 2009).

Shapero’s Entrepreneurial Event Theory (SEET) and Intention to become an Entrepreneur

A study by Rai, Prasad and Murthy (2017) revealed that Entrepreneurial Event Theory is one of the effective models to measure the binary outcome of displacement as an entrepreneurial event. This model could identify if the course of entrepreneurship is taken by a person, and whether or not an outcome is an entrepreneurial event. In this case, it could advise the policymaker to produce a framework that could promote and encourage people to be involved with the entrepreneurship. This study also consistent with the study conducted among youth in the United Arab Emirates (Eid et al., 2019). Another recent study among tourism students in Bangladesh also found that perceived feasibility and desirability predict entrepreneurial intention (Ahmad et al., 2019). Moreover, SEET predicts the green entrepreneurial intention among Malaysian university students who belong to Gen Y stratum (Ramayah, Rahman & Taghizadeh, 2019). Therefore, it is hypothesized:
H2: Shapero’s Entrepreneurial Event Theory (SEET) will significantly predict the agropreneurship intention among youth.

RESULTS

Participation and Sampling

Self-administered questionnaires were distributed using convenience sampling to the youth in Sabah through self-reported in-person and electronic questionnaires. The questionnaire was distributed between November 2019 and December 2019 to youth (18 to 30 years old) to all public and private higher learning institutions in Kota Kinabalu, Sabah. There are approximately 30 higher learning institutions located in Kota Kinabalu, Sabah, Malaysia. According to the G*Power 3.1.9.2 software, the minimum sample size required for this study is 153 respondents (7 predictors, 0.15 effect size, 0.95 actual power). The final sample that was received and usable for further analysis is 269. The participants in this study consist of 74 (27.5%) males and 195 (72.5%) females. More than half of the participants, or 154 (57.2%) were between 18–24 years old. Majority of them, or 134 (49.8%) have at least a diploma.

Partial Least Square (PLS) Structural Equation modelling

The study used the PLS-SEM technique to evaluate the measurement model within the context of structural models. The PLS-SEM is a variance-based approach and has its advantage over the covariance approach. There are two major steps involved in the analysis and interpretation of the PLS model (Thompson, Barclay & Higgins, 1995). First, the measurement model must be analyzed by assessing its reliability and validity. The second step is the assessment of the structural model, wherein the relationships between constructs will be tested (Fornell & Larcker, 1981).

Convergent Validity

The measurement model was tested for convergent validity because this is the first step in the construct validation process. This was assessed through three criteria; namely, factor loading, composite reliability (CR), and average variance extracted (AVE) (Hair et al., 2006). After deleting ten items due to low loadings (<0.50), the measurement model used in this study exhibited acceptable construct validity and reliability. Internal consistency of all the constructs was measured by employing composite reliability. For this measure, the threshold criterion is 0.70 (Nunnally & Nunnally, 1978). Cronbach’s alpha and Composite reliability measure the reliability of indicators. As shown in Table 1, The model’s constructs attained Cronbach alpha and composite reliability coefficients above the recommended cut-off of 0.7. AVE values exceeded the recommended value of 0.5 (Hair et al., 2010), which ranged from 0.510 and 0.789.
Table 1: Reliability and Validity Results

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of Items</th>
<th>Deleted Items</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realistic</td>
<td>7</td>
<td>6</td>
<td>1.00</td>
<td>0.808</td>
<td>0.585</td>
</tr>
<tr>
<td>Investigative</td>
<td>7</td>
<td>3</td>
<td>0.704</td>
<td>0.817</td>
<td>0.529</td>
</tr>
<tr>
<td>Artistic</td>
<td>7</td>
<td>0</td>
<td>0.812</td>
<td>0.863</td>
<td>0.513</td>
</tr>
<tr>
<td>Social</td>
<td>7</td>
<td>0</td>
<td>0.847</td>
<td>0.886</td>
<td>0.528</td>
</tr>
<tr>
<td>Enterprising</td>
<td>7</td>
<td>0</td>
<td>0.855</td>
<td>0.891</td>
<td>0.539</td>
</tr>
<tr>
<td>Conventional</td>
<td>7</td>
<td>0</td>
<td>0.842</td>
<td>0.877</td>
<td>0.510</td>
</tr>
<tr>
<td>SEET</td>
<td>8</td>
<td>0</td>
<td>0.865</td>
<td>0.897</td>
<td>0.528</td>
</tr>
<tr>
<td>Intention</td>
<td>3</td>
<td>0</td>
<td>0.867</td>
<td>0.918</td>
<td>0.789</td>
</tr>
</tbody>
</table>

Discriminant Validity

Discriminant validity indicates the degree to which one construct differs from the others. The measurement model’s discriminant validity is assessed by using three measures: a) Fornell and Larcker’s (1981) criterion, b) cross-loading discriminant assessment, and c) heterotrait-monotrait (HTMT) ratio correlations (Henseler, Ringle, & Sarstedt, 2015). Thus, the measurement model is considered having discriminant validity when it fulfils these conditions:

i) Fornell and Larcker’s (1981) criterion - the square root of the AVE exceeds the correlations between the measure and all other measures. The constructs in this study fulfilled these conditions because the diagonal elements were greater than the off-diagonal elements in the corresponding rows and columns. Thus, it can be concluded that the measurement model demonstrated adequate Fornell and Larcker’s criterion.

ii) Cross-Loading Discriminant Assessment- the indicators’ loadings are higher against their respective construct compared to other constructs. Therefore, in this study, all indicators loaded high on its construct but low on the other constructs. This indicates that discriminant validity is achieved as the constructs are distinctly different from each other.

iii) Heterotrait-monotrait (HTMT) ratio – HTMT value must be lower than 0.85. All HTMT values are lower than the required threshold value of 0.85 by Kline (2011) and HTMT of .90 by Gold and Arvind Malhotra (2001), indicating that discriminate validity is valid for this study.

Table 2: Hypotheses Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direct Effect (β)</th>
<th>Standard Error</th>
<th>T-statistic</th>
<th>P-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a: Realistic &gt; Intention</td>
<td>0.163</td>
<td>0.071</td>
<td>2.301*</td>
<td>0.011</td>
<td>Yes</td>
</tr>
<tr>
<td>H1b: Investigative &gt; Intention</td>
<td>0.159</td>
<td>0.074</td>
<td>2.138*</td>
<td>0.017</td>
<td>Yes</td>
</tr>
<tr>
<td>H1c: Artistic &gt; Intention</td>
<td>0.027</td>
<td>0.062</td>
<td>0.437</td>
<td>0.331</td>
<td>No</td>
</tr>
<tr>
<td>H1d: Social &gt; Intention</td>
<td>0.025</td>
<td>0.077</td>
<td>0.327</td>
<td>0.372</td>
<td>No</td>
</tr>
</tbody>
</table>
H1e: Enterprising -> Intention  
0.197  
0.097  
2.036*  
0.021  
Yes

<table>
<thead>
<tr>
<th>H1f: Conventional -&gt; Intention</th>
<th>-0.015</th>
<th>0.070</th>
<th>0.220</th>
<th>0.413</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2: SEET -&gt; Intention</td>
<td>0.232</td>
<td>0.069</td>
<td>3.352**</td>
<td>0.00</td>
<td>Yes</td>
</tr>
<tr>
<td>R square</td>
<td>34.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DISCUSSION

Holland’s (1997) theory or RIASEC posited that a person pursues to experience person–environment fit or a work environment that fits their personality. The six RIASEC types assist the individual in selecting their career that is most likely suitable for their abilities, interest, skills, and traits. In this study, it is found that youth who possessed realistic, investigative, and enterprising interest are more likely to choose agropreneurship as their career. Realistic interest or doers involved manual, technical, agricultural, electrical, or technical skills (Lent, Brown, Nota, & Soresi, 2003). This is in congruence with the practical nature of the agriculture activities, such as handling tools, machine, plants, and animals. On the other hand, investigative interest or thinker prefers to solve science and mathematical problems. Although investigative interest avoids persuading, leading, and enterprising, youth who possessed this type of interest has a significant positive effect on agropreneurship intention. This is because the agricultural sector has been modernized via the adoption of technologies following Industry 4.0. Furthermore, youth can choose various agro-based activities that suit them. Consistent with the theory, enterprising interest has a positive effect on agropreneur intention. Youth with enterprising interest see themselves as energetic, ambitious, and sociable that they love to lead a community, an organization, and family. Moreover, they love to persuade people to sell things and ideas. Therefore, they have a greater tendency to be successful in business.

This study has also examined the role of Shapero’s Entrepreneurial Event Theory (SEET) concerning agropreneurial intention among youth. The results found that perceived desirable and feasible are the predictors of agropreneurial intention. If feasibility and desirability to start a business is perceived to be higher, then there will be stronger agropreneurship intention among the youth. This study supports the notion that perceived feasibility and perceived desirability plays a vital role in the development of entrepreneurial intention (Shapero & Sokol, 1982). This is also consistent with the previous studies conducted among youth in developing countries, such as the United Arab Emirates (Eid et al., 2019), Bangladesh (Ahmad et al., 2019), and Malaysia (Ramayah et al., 2019).

Implication for Practice

Overall, this study attempts to make three contributions toward understanding the factor influencing the agropreneurship intention. The agricultural entrepreneurship is essential due to its significant contribution to maintaining food security. Besides, agriculture is seen as a necessary means of assisting the rural population to come out of poverty. Agricultural activities effectiveness in combating poverty and unemployment has been demonstrated by the success of several high-impact agricultural programs launched by the Ministry of Agriculture and Food Industries (MAFI). Despite all the efforts to elevate the agricultural sector, it faces many issues and challenges, such as less participation of youths (Yusoff, Ahmad & Abdul Halim, 2019) and ageing farmers that are mostly in the average age of 50 years old. This is also one of the reasons why agricultural sectors in Malaysia is still lagging. The ability to use smart farming and new adopting new technology is limited among the senior farmers. In terms of creativity, technology, know-how and methodology and the growth of a product and value chain, Malaysia is falling behind Indonesia, Thailand, Vietnam and other regional
players such as China, Taiwan and Korea (Sentinel, 2019). There are several ways in which this issue can be approached. One of them is to identify the factors that are influencing the youth intention to become an agropreneur. The entrepreneurial intention might be the best predictor of the entrepreneurial action.

Results from this study underline that youth who possessed realistic, investigative, and enterprising interest are more likely to choose agropreneurship as their career. Therefore, the Ministry that provides an agropreneurship assistance such as Ministry of Agriculture and Food Industries (MAFI) that are currently organizing the “Program Agropreneur Muda” can choose their candidate based on these three characteristics. If the individual experience the person-environment fit or a work environment that in congruence with their personality, they are more productive, loyal, and satisfy with their job.

CONCLUSION

In conclusion, this study has successfully achieved the research objective to identify variables that determine the youth’s intention to be involved in the agricultural sector known as agropreneurship. Identifying and understanding the factors influencing the youth intention augmented our understanding of the intended behavior. Additionally, over the past decades, it has been recognized by numerous researchers that intention is the best predictor of entrepreneurial behavior (Krueger, Reilly, & Carsrud, 2000). There are two important findings in this research: firstly, the three RIASEC types of interests, namely realistic, investigative, and enterprising, significantly predict the agropreneurship intention; while the other three types - artistic, social, and conventional - did not have a significant effect on agropreneurial intention. Secondly, SEET is a stronger predictor of agropreneural intention compared to RIASEC. This study greatly contributes to the identification of factors that influence the intention of youth in becoming an agropreneur, which in turn, will increase the setting up of new ventures related to the farming sector in the effort to modernize the agricultural industry in Malaysia. The involvement of youth in the agriculture sector will help Sabah in eradicating poverty, especially in rural areas, solving the unemployment issues among youth because typically entrepreneurs are creating job opportunities in the market, and reducing the unemployment rate and boosting the primary sector as the main contributor to the Malaysian economy. In addition, the involvement of youth in agropreneurship will lessen the state dependency on imported food.

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