Malaysian Journal of Social Sciences and Humanities (MJSSH) (e-ISSN : 2504-8562)
2022, Volume 7, Issue 4, e001430
DOI: https://doi.org/10.47405/mjssh.v7i4.1430

The Relationship between Perceived Social Status and Job Security towards Agribusiness Entrepreneurial Intention

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KEYWORDS:
Agribusiness entrepreneurial intention
Perceived social status
Job security
Entrepreneurial education

CITATION:
Humaira Mat Taib, Zaki Aman, & Abd. Rahman Abd. Rahim. (2022). xxxxxxxxxxxxxx. *Malaysian Journal of Social Sciences and Humanities (MJSSH), 7*(4), e001430.
https://doi.org/10.47405/mjssh.v7i4.1430

ABSTRACT

Agribusiness entrepreneurship has become an important component for economic development due to its significant role in creating job opportunity and improving the livelihood of a community. This study aims to investigate the role of perceived social status, job security on agribusiness entrepreneurial intention as well as to examine the moderating role of entrepreneurial education. Quantitative research design was applied using university students as the sample. The result of this study demonstrated that moderating effects of entrepreneurial education on the relationship between perceived social status and agribusiness entrepreneurial intention was not established, thus, called for exploring this moderating effect in other contexts. However, this study revealed that entrepreneurial education moderates the relationship between job security and agribusiness entrepreneurial intention. As an implication to the policy, the government needs to promote agribusiness entrepreneurship as a money-spinning career and uplift the status of agribusiness in aiming to attract the Gen Y to participate in this sector.

Contribution/Originality: This study contributes to the existing literature and fills the gaps that exist in agribusiness entrepreneurial intention in Malaysia. Such research can be used to provide guidance to policymakers, academicians, and students in learning more about agribusiness entrepreneurial intention. It can be used as a reference for other researchers in the future.

1. Introduction

Agribusiness has been defined as an area of combination of business, economy and agriculture (Bairwa et al., 2014). Agribusiness is a complex and diverse subsystem of the economy that includes food production, processing, and distribution, as well as other related services (Kozera-Kowalska & Uglis, 2021). Goldberg (1999) conceptualized

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agribusiness into three important elements which are agricultural input sector, production sector and processing and manufacturing sector. Due to its contribution to gross domestic product (GDP), agribusiness has been one of the current sectors that are focused by Malaysian government. Among the aims of government intervention is to develop young generation of Malaysian modern agribusiness entrepreneurs who will adopt and adapt high technological technique in their productions. Besides, the government believes that training university students to become modern agribusiness entrepreneurs will contribute to dynamic economics, alleviate the rate of unemployment and raise the prestige of agricultural sector. Unfortunately, the number of agribusiness entrepreneurs is still low among Generation Y. In addition, Malaysia's strategy to increase the number of agribusiness entrepreneurs has yet to be successful.

Although agriculture has been positioned by the government through its related agencies as a profitable business (Sukanya, 2018), the percentage of participation among young generation in agribusiness is very low. Even young graduates from higher educational institution who enrolled in agricultural-related course are away from pursuing careers in agriculture (Rashid et al. 2020). Most young graduates have doubt in choosing agriculture as their future career (Chinsinga & Chasukwa, 2012; Ridha & Wahyu, 2017; Humaira et al., 2019). Recent studies have shown that young generation's interest in agribusiness is declining globally, particularly in Asia and Africa (Ojebiyi et al., 2015; Zaremohzzabieh et al., 2021).

There are several programs offered by government agencies such as Ministry of Plantation Industries and Commodities (MPIC), Federal Agricultural Marketing Authority (FAMA) and Ministry of Agriculture and Agro-based Industry (MAFI) to attract and encourage young generation to participate as agribusiness entrepreneur. MPIC through Institute of Malaysian Plantation and Commodities (IMPAC) has trained 2,000 youths to develop and prepare them as agribusiness entrepreneur that will focus in oil palm plantation between 2014 and 2016. However, only 10% (ten percent) of them became agribusiness entrepreneurs after the completion of the courses (MPOB, 2021). It is feared that the lower youth participation in agriculture is likely to threaten the long-term future of agricultural sector, as the youth represents the link between the present and the future (Ovharhe & Gbigbi, 2016). Hence, several researchers (for example, Soon et al., 2014; Dony et al., 2015; Talib et al., 2015) insisted the exploration and understanding of such situation by conducting more studies to recognise the predictors of agribusiness entrepreneurial intention especially among young generation. Findings of the study are expected to support the relevant authorities to strategise more appropriate programs in order to boost Generation Y's awareness and participation towards agribusiness entrepreneurship.

The objective of this study was to understand the individual factor as the predictors of agribusiness entrepreneurial intention amongst the young generation today. The individual factors that were examined were perceived social status and job security as the independent variables and entrepreneurial education as the moderator. The specific objectives of this study were:

i. To investigate the role of entrepreneurial education as the moderator on the relationship between perceived social status and agribusiness entrepreneurial intention
ii. To examine the role of entrepreneurial education as the moderator on the relationship between job security and agribusiness entrepreneurial intention

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2. Literature review

2.1. Perceived Social Status

Social status is an individual's characteristic that is inherited from religion, wealth and by what he/she obtains and achieves for their academic level and profession title (Wan et al., 2014). Social status is also related to the kind of relation that a society makes with a person, their character and profession, career complexity and responsibility, and the view of individual in the community concerning the employee's status (Yasir et al., 2021). Previous research revealed that social status would affect an individual's entrepreneurial intention and also the company's establishment rate. Individuals from families in lower social status have less entrepreneurial intention than those from families in a higher social status (Ndala, 2019). As emphasised earlier, due to the nature of agribusiness and the lack of emphasis on agribusiness entrepreneurial intention, this study's objective was to widen the existing literature by investigating the role of entrepreneurial education as a moderator on the relationship between social status and agribusiness entrepreneurial intention.

2.2. Job Security

Job security is conceptualised as the assurance to comfort a worker's feeling about the possibility over the loss of a job or the loss of desirable job features, such as the lack of promotion opportunities, current working conditions, as well as long-term occupation opportunities (Akpan, 2013). In other words, job security is an individual's expectation about continuity in an employment scenario. The perception of job security is absolutely an imperative factor in and of subjective wellbeing (Clark et al., 2010). Job security depends on the firm's employment policies with their employees' and firm's performance (Javed & Siddiqui, 2012). Unfortunately, in Malaysia, agribusiness entrepreneurship is the least favoured career choice among Generation Y because they believe to pursue a better and secure career in the public sector, although the current situation in this sector sees fewer vacancies. This statement is supported by Munnell and Fraenkel (2013), stating that due to the environment of the public sector, employees have traditionally perceived this sector to provide better job security than private sector employees or those who are self-employed. Until today, very few empirical evidences exist documenting the role of entrepreneurial education as a moderator on the relationship between job security and agribusiness entrepreneurial intention among young generation.

2.3. Entrepreneurial Education

Entrepreneurial education is a source of entrepreneurial attitude and implants the intentions to become future entrepreneur among students (Souitaris et al., 2007). Entrepreneurial education can be seen as the total set of education and training with an objective to develop the intention of university students to become an entrepreneur (Linan, 2009). Through entrepreneurial education, students do not only gain basic knowledge and skills of entrepreneurship but also develop a positive attitude towards entrepreneurship (Cho & Lee, 2018). The introduction of entrepreneurial education in the university to promote entrepreneurship among university students is a potential panacea to deal with the lack of employable skills among graduates and the inadequate job opportunities even for those with the required skills. Many researchers have also recognised entrepreneurial education as a predictor of entrepreneurial intention (Adu

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et al., 2020; Ambad & Damit, 2016). To be a moderator, a variable must have inconsistent findings on the relationship between independent variables and dependent variables (Baron & Kenny, 1986). From the literature, about 50% of the last 20 research findings on entrepreneurial education were found to have a positive and negative relationship with entrepreneurial intention. Thus, this inconsistent empirical meets the criteria set out by Baron and Kenny (1986). Therefore, this study will provide an avenue for understanding the role of entrepreneurial education as a moderator between perceived social status, job security and agribusiness entrepreneurial intention.

2.4. Agribusiness Entrepreneurial Intention

An agribusiness entrepreneur shares various features of "generic" entrepreneur, but also has its different characteristics due to the specific context of the agricultural sector (Seuneke, Lans & Wiskerke, 2013). Wilson, Kickul and Marlino (2007) stated that university students are not interested to choose entrepreneurship as a profession because of the potential obstacles and frustrations in establishing new business. Hudu et al. (2013) argued that appropriate awareness promotions and exposures need to be done to stimulate and inspire students to be agribusiness entrepreneur in the future. As emphasised by Farah and Samah (2014) at global scenario, there are a lot of studies that focus their interest on the inclination towards agriculture but are scarce within Malaysian context. As such, more research must be carried out to understand the predictors of agribusiness entrepreneur among young generation in Malaysia. Thus, this study focused on perceived social status, job security as a predictor and entrepreneurial education as a moderator on agribusiness entrepreneurial intention.

3. Methodology

A cross-sectional method was utilised in this study. The respondents were university students from public universities across Malaysia. A total of 316 university students participated in this study. The questionnaire consisted of five sections including the demographic, two independent variables, a moderator and the dependent variable. The Likert scale with 1 representing “strongly disagree” and 5 representing “strongly agree” was utilised in this study. Section 1 comprised the questions eliciting demographic background namely the gender, race and age. Agribusiness entrepreneurial intention was adopted and modified from Linan and Chen (2011), perceived social status was adopted and adapted from Wan et al. (2014) and ‘job security’ was adopted and adapted from Akpan (2013), Correspondingly, ‘entrepreneurial education’ was made up of six items adopted and adapted from Farah and Samah (2014). PLS-SEM version 3.0 was employed to compute the research model. To test the significance of path coefficients a bootstrapping method of 5000 resamples was applied (Hair et al., 2021).

4. Results and Discussions

Table 1 demonstrates the information of university students’ demographic. The sample consisted of 174 male respondents and 142 female respondents. In terms of age, as shown in Table 1, respondents’ age mostly ranged from 22-35 years, which represents the Gen Y group. As for their ethnicity, Malay ethnicity constituted 74.4%, Chinese 7.6%, Bajau 2.5%, Dayak 4.4%, Melanau 0.3% and others 5.7%.

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Table 1: Profile of Respondents

Variables	Categories	Frequency	Percentage (%)
Gender	Male	174	55
	Female	142	45
Ethnicity	Malay	235	74.4
	Chinese	24	7.6
	Indian	3	0.9
	Bajau	8	2.5
	Kadazan	14	4.4
	Dayak	13	4.1
	Melanau	1	0.3
	Others	18	5.7
Age	20-25	303	95.9
	26-30	11	3.5
	31-35	2	0.6

This study used SmartPLS 3.0 software to analyse the measurement model and the structural model. To confirm the consistency of each measurement, its reliability was determined using Cronbach's alpha and composite reliability value (Sarstedt et al., 2011). As depicted in Table 2, all Cronbach's alpha values are higher than 0.708 as suggested by Hair et al. (2021). As such, the researcher concluded that the measurement of this study is reliable. This study also applied composite reliability (CR) to assess internal consistency reliability. The results revealed that the composite reliability values ranged from 0.91 to 0.95. This suggests that the CR values for all studied variables are satisfactory (Hair et al., 2021).

To confirm the convergent validity value, this study examined the average variance extracted (EVA) values. As depicted in Table 2, convergent validity was also achieved as AVE values for all constructs were more than 0.5. This indicates that all the studied constructs had satisfactory convergent validity which allows for next level of analysis.

Table 2: Internal Consistency and Average Variance Extracted

Constructs	Cronbach Alpha	Composite Reliability	AVE
Agribusiness Entrepreneurial Intention	0.94	0.95	0.8
Job Security	0.89	0.92	0.7
Perceived Social Status	0.88	0.91	0.6

The coefficient determination (R^2) of the model was 0.443 which implied that perceived social status and job security and agribusiness entrepreneurial intention collectively explained 44.3% of the changes or variations in agribusiness entrepreneurial intention among young generation. As suggested by Chin (1998) who categorised the R^2 of 0.19, 0.33 and 0.67 as weak, moderate and substantial respectively. Thus, R^2 in this study can be categorised as moderate.

This study investigated the moderating role of entrepreneurial education on the relationship between perceived social status, job security and agribusiness entrepreneurial intention. Figure 1 presents the two moderating effects (PSS*EE->AEI and JS*EE->). The results of the structural model are shown in Table 3.

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Figure 1: Structural Model

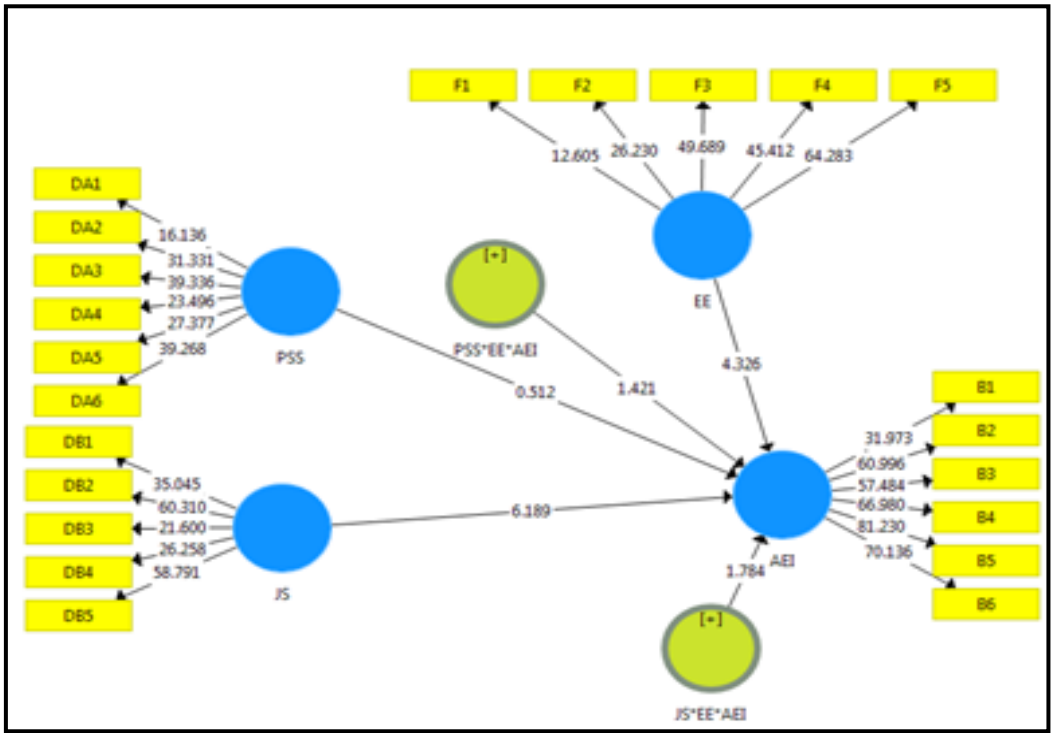


Table 3: Path Coefficients for hypothesis testing

Hypotheses	Beta	Standard Deviation	T Statistics	P Values	Decision
EE*JS -> AEI	0.116	0.065	1.784	0.07*	Accepted
EE*PSS-> AEI	0.078	0.055	1.421	0.15	Rejected

**p<0.01, *p<0.1

As suggested by Hair et al. (2021) the *p* value 0.15 (above than 0.1) and *t* value 1.421 (lower than 1.64) indicate that entrepreneurial education does not moderate the relationship between perceived social status and AEI. This suggests that entrepreneurial education exerts a non-significant moderating role between perceived social status and AEI. In other words, entrepreneurial education fails to moderate the relationship between perceived social status and agribusiness entrepreneurial intention. The nature of agribusiness sector is associated with 3Ds namely difficult, dirty and dangerous works; subsequently the intention of individuals to be an agribusiness entrepreneur might distort. In addition, university students may believe that agriculture sector is still short of reputation in the eyes of the community.

Finally, as shown in Table 3 and Figure 1, the analysis result of the moderating effects of entrepreneurial education between job security and AEI is demonstrated. The *p* value 0.07 (lower than 0.1) and *t* value 1.784 (above than 1.64) indicate that entrepreneurial education moderates the relationship between job security and AEI. In other words, university students who believe that agribusiness entrepreneurship is able to provide high job security, he/she may be more likely to become an agribusiness entrepreneur in the future. The respondents felt that the exposure to entrepreneurship during internship level amplifies their views on job security in agribusiness.

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5. Conclusion and Recommendation

This study investigated the moderating role of entrepreneurial education on the relationship between perceived social status, job security and agribusiness entrepreneurial intention. The results revealed that moderating effect of entrepreneurial education on the relationship between perceived social status and agribusiness entrepreneurial intention was not established in this research. Thus, this study suggests the exploration of entrepreneurial education as a moderator in other contexts. Moreover, future research should look into other moderating effects such as in risk-taking, self-determination and locus of control to investigate their influence on the intention to perform agribusiness entrepreneurial activity and their relationship with the variables of this research. Moreover, the context of social status is another area to be explored as status emerges as the response to the social context (Zaki et al., 2017). What may influence the society in shaping the perceived social status may need to be further understood.

Acknowledgement

Part of this article was extracted from a doctoral thesis submitted to Universiti Teknologi MARA, Shah Alam, Selangor

Funding

This study received no funding.

Conflict of Interests

The authors declare no conflict of interest in this study.

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