

Technological Adoption, Financial Well-Being, Financial Literacy and International Entrepreneur Intention in Malaysia

Syahril Iman Faisal, Intan Maizura Abd Rashid

Faculty of Business and Management, Universiti Teknologi MARA Melaka, Malaysia,

Corresponding Author's Email: intanmaizuraar@gmail.com

Abstract

The ability of the agriculture sector to create an environment for youth people want to work in this sector are critical because the average Malaysian farmer is 50 years old, incorporating or accepting new farming technology is quite difficult, particularly as rural youths migrate to metropolitan areas in search of employment and a contemporary lifestyle. Thus, and most likely will increase the pressure on the volume outputs. By deepening our understanding of the concepts of financial literacy, financial well-being, and entrepreneurial intent in Malaysia, this research adds to our body of knowledge. This will make it possible for universities and the relevant ministries to create better educational or training programs that are centered on the growth of the students and, ideally, improve their financial literacy and well-being as well as their entrepreneurial intentions in the agricultural sector. This research tries to clarify the role of attitudes, subjective norms, and perceived behaviour controls affect on the intentions of international entrepreneurs in the agriculture sector. Additionally, this study will investigate the moderate relationship between financial well-being and technological adoption on intention in becoming international entrepreneurs in the agriculture sector by using Theory of Planned Behaviour as the main theory. Lastly, the primary findings of this study is to explore about intentions to become international entrepreneurs in the agriculture industry.

Keywords: Technological Adoption, Financial Well-Being, Financial Literacy, International Entrepreneur Intention, Malaysia

Introduction

Entrepreneurial intention is the state of mind that leads and steers a person's attention, experience, actions, goal setting, communications, commitment, organisation, and other types of effort toward the implementation of entrepreneurial behaviour, according to a generic definition (Bird, 1988; Boyd & Vozikis, 1994; Fini et al., 2012). As per Thompson (2009), entrepreneurial intention is a nomological continuum that ranges from a simple preference for self-employment over paid employment to a commitment to an entrepreneurial career, and eventually to fledgling entrepreneurship. Preference for entrepreneurship, which according to Kolvereid (1996a, 1996b); Verheul et al (2012) reflects what Ajzen and Fishbein (1980) call "choice intention," is also known as "latent

entrepreneurship," which is defined as an individual preferring to be self-employed rather than a salaried employee (Grilo & Irigoyen, 2006; Kolvereid, 1996a, 1996b; Verheul et al., 2012). Latent entrepreneurship, as the first stage in the entrepreneurial process, is a necessary but not sufficient condition for an individual to engage in the entrepreneurship paradigm, because a latent entrepreneur would have the desire and push to become an entrepreneur but does not always take real steps to establish a new firm (Atasoy, 2015; Grilo & Irigoyen, 2006; Thompson, 2009). The commitment of an individual to the entrepreneurial venture and the start-up process is the second step in the entrepreneurial process. Entrepreneurial commitment follows Ajzen and Fishbein's (1980) concept that intention is decision with commitment and is characterised by the idea that one is focused on creating a business endeavour (Welsch et al., 2003). The move from commitment to gestation, which comprises of actions associated with the start-up endeavour, is the final step in the establishment of entrepreneurial intentions, referred to as "nascent entrepreneurship" (Reynolds et al., 2005; Van der Zwan et al., 2010). Gathering expertise through entrepreneurship seminars, creating social and financial capital, preparing for buildings and equipment, and shaping and refining a concept for a new product or service are examples of such tasks (Aldrich & Martinez, 2001; Korunka et al., 2003; McGee et al., 2009; Reynolds, 1997). This dynamic perspective of entrepreneurial intention development as a time-consuming process with growing levels of entrepreneurial activity has been dubbed the "entrepreneurial ladder" (van der Zwan et al., 2010).

Literature Reviews

Malaysia is a developing country with increasing population and its estimate to be increased by 41.5 million by 2040 (DoSM, 2020). Malaysia is endowed with fertile grounds, consistent rainfall, ample sunlight, and a humid climate that conducive to agriculture. Agriculture in Malaysia were occupying around 20% of total land (78, 390 sq km). Commercial crops such as oil palm, rubber, and coca, were accounted for 75% of all farmland. However, paddy, fruits, vegetables, and coconut account for 16% of agricultural land. Although Malaysia is producing a lot in terms of food supply, Malaysia still imported agriculture product from outside which showed an increased from RM93.5 billion in 2019 to RM98.0 billion in 2020 (DoSM, 2021). Food import have been steadily increasing for the past 50 years and it was due to rising population and the capability from individuals to purchase more foods (Moniruzzaman et al., 2021). Agriculture sector is an important component for the country's economic growth, and it was one of the most talked-about topics during Tun Abdullah Ahmad Badawi's tenure as Prime Minister of Malaysia. He was strongly certain that agriculture business might generate riches and alleviate poverty, particularly in rural areas. Rural area development has been and been continues to be a significant thrust of Malaysian economic development since the country's independence in 1957, which this development is critical towards the country's economic, social, and political development. In the early stages of development, Malaysian economy totally relied on the rural sector for agricultural production, which accounted for the majority of the country's export earnings in the 60's and 70's. Like in another developing countries, the expanding economic importance of the manufacturing sector suggests that rural sector has completed its duty as a source for labour, land, and money for industry. Agriculture sector has contributed to Malaysia's economic growth and one of the major source for national income and export earnings. Also, it has seen as critical to Malaysia's economy due it can help to varying the economy and protect it from external shocks. With the increase revenues of important commodities, such as palm oil as food commodity, it

allows the sector to keep its workforce and hold out against the economic downturn. Other than that, it needs for diversification in order to increase Malaysia's economic activities (Khor and Teoh, 2021). According to data from World Bank and Department of Statistics Malaysia (2020), agriculture sector only contributes a tiny percentage of Malaysia's GDP, ranging between 6% and 13% on average in the past 2 decades. Although the share of GDP on agriculture sector is declining, it still continues to play an essential role in contributes significantly on poverty reduction that growth compared to another sector. In Malaysia, the agricultural sector traps the majority of the poor (34 percent of the entire poor), making it evident that this is the 'core' sector in terms of poverty reduction in the Malaysia's economy (Ationg et al., 2020).

Problem Statements

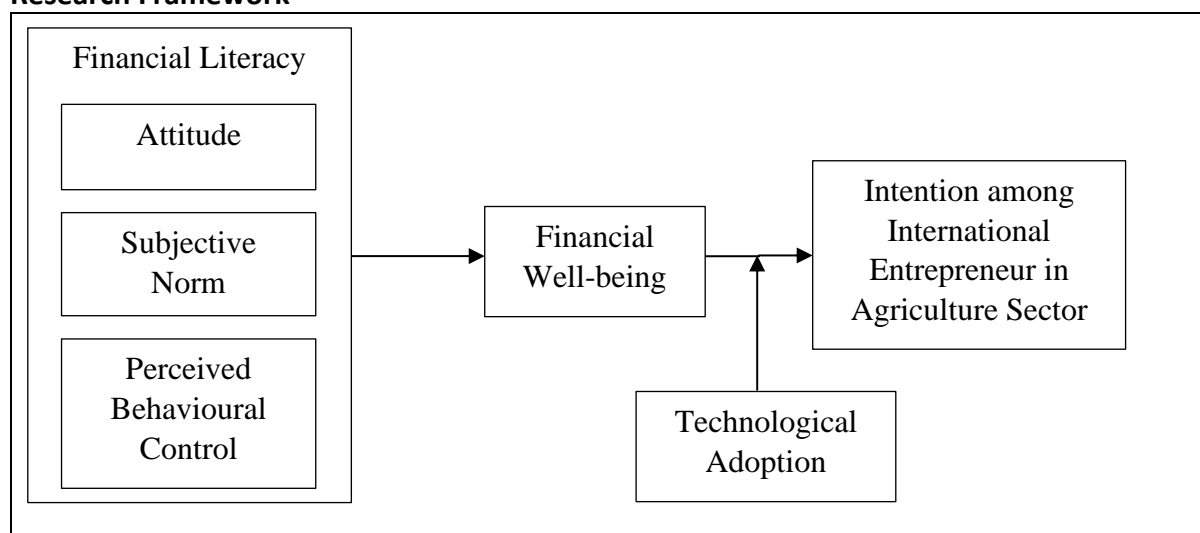
Agriculture and food security specialists recently argued that the 2021 Budget does not address the country's agriculture sector's long-standing concerns (Nordin, 2021). The Malaysian Ministry of Agriculture and Food Industries is expected to announce more target-specific policies and strategies to help accelerate the transformation of the agriculture sector into dynamic, cutting-edge and globally competitive sector, particularly in the sub-sector of agricultural entrepreneur development and agro-based processing activities. And farmers are expected to boost their output by using green innovation that ensures their social and environment friendly. Malaysia has established the Malaysia 2020 strategy to improve agriculture by transitioning from additional to technological forms. Decades of inattention to the sector that are scarcely considered benign neglect. Until recently, Thailand and Malaysia have both had coast lines, but Thailand's agricultural has grown even faster than Malaysia's due to the use of modernisation and higher technology. During the global financial crisis in 2008, severe incidences of poverty, food insecurity, and income disparity in various countries, including Burkina Faso, Jordan, Morocco, Niger, and Yemen has resulted in civil unrest and riots. Therefore, political, and economic instability had direct impact on these countries. Other than that, young people lack the understanding necessary to manage their finances, save for retirement, make sensible investments, use credit cards, and pay off debt. Young people still lack financial literacy, as evidenced by their answers to questions about risk diversification, inflation, and interest rates. Teenagers have been perceived as being unable to work for their own financial prosperity because they were never taught how to set aside money and plan for the future, making it hard for them to do so. Additionally, a rise in young people's excessive purchasing has contributed to credit card debt, personal bankruptcy filings, and other money problems. Furthermore, Malaysian Finance Minister said that financial well-being among youths is crucial in making any related financial decision that may affect the individuals (Radhi, 2021).

Importance of The Study

Policymakers, financial professionals, and academics in the field of study should all find this research to be useful. This study adds to the body of knowledge in the field and has numerous applications. Overall, this study may have an impact on individuals individually, universities organizationally, and nations generally (Ministry of Finance, Ministry of Higher Education and Ministry of Agriculture and Food Industries). Insight into entrepreneurial intention can be gained from the interaction of attitude, subjective norm, and perceived behavioral control. By utilizing financial well-being and technological adoption as indicated to expand entrepreneurial intention, this ensures that projected entrepreneurial intention is met.

By deepening our understanding of the concepts of financial literacy, financial well-being, and entrepreneurial intent in Malaysia, this research adds to our body of knowledge. This will make it possible for universities and the relevant ministries to create better educational or training programs that are centered on the growth of the students and, ideally, improve their financial literacy and well-being as well as their entrepreneurial intentions in the agricultural sector. Introducing new equipment or technology into the agricultural industry in order to boost output is known as technological adoption. Technology advancements have increased the size, speed, and productivity of farming equipment, enabling more land to be more effectively farmed (Goedde et al., 2020). In addition, developing technologies like artificial intelligence, analytics, linked sensors, and others could boost yields even more, increase the effectiveness of water and other inputs, and foster sustainability and resilience in both agricultural production and animal husbandry. Universities that offered courses in business or agriculture, as well as other regulatory bodies, (Ministry of Finance, Ministry of Higher Education and Ministry of Agriculture and Food Industries) would find the study useful. Increased financial literacy, financial well-being, and technological adoption may help the general public better grasp the changes that these factors have on entrepreneurial intent. By examining how the theories of planned behaviour on entrepreneurial intention by Ajzen (1991), psychological well-being theory by Ryff (1989), and technology acceptance model by Davis (1989), theories are applied in the process of financial literacy and entrepreneurial intention, the researcher builds on an already established body of knowledge. Since this research was unable to find an integrative model that combined the mediating role of financial well-being and the moderating role of technological adoption, the theoretical framework for this study was derived from the literature on the theory of planned behaviour, psychological well-being theory, and technology acceptance model.

Research Framework



In order to fulfil the intentions of international entrepreneurs in the agriculture sector, financial literacy (attitude, subjective norm, and perceived behavioural control) functions as a personal resource that interacts with other personal resources such as financial well-being and technological adoption first. In contrast, the theory of planned behaviour in Figure 3.1a states that an individual's perception of their own resources - their attitude, subjective norm, and perceived behavioural control - predicts their purpose. Additionally, a person's well-being plays a cognitive part in observing the circumstances and ideas that come before breaching

the law. To find out whether an individual contributes more from the cognitive, behavioural, and affective domains to the intention or not, the interaction continues with additional personal resources (Technology Acceptance Model theory) of technological adoption and the strengths (Uppsala Internationalization Model theory) of the individuals to achieve their goals. As a result, the result of international entrepreneurs' intentions in the agricultural sector serves as a sort of personal motivation. Additionally, this highlights the significance of the Theory of Planned Behavior in the current framework, where it serves as the underlying theory and is supported by the theories of Technology Acceptance Model and Psychological Well-Being Theory.

Summary of Hypothesis and Research Objectives

	Hypothesis	Research Objective
H1	Attitude has a positive effect on intention among international entrepreneur in agriculture sector	RO1
H2	Subjective norm has a positive effect on intention among international entrepreneur in agriculture sector	RO1
H3	Perceived behavioural control has a positive effect on intention among international entrepreneur in agriculture sector	RO1
H4	Attitude has a positive effect on financial well-being	RO2
H5	Subjective norm has a positive relationship with financial well-being	RO2
H6	Perceived behavioural control have positive effect on financial well-being	RO2
H7	Financial well-being has a positive effect on intention among international entrepreneur in agriculture sector	RO3
H7a	Financial well-being mediates the relationship between attitude and intention among international entrepreneur in agriculture sector	RO3
H7b	Financial well-being mediates the relationship between subjective norm and intention among international entrepreneur in agriculture sector	RO3
H7c	Financial well-being mediates the relationship between perceived behavioural control and intention among international entrepreneur in agriculture sector	RO3
H8	Technological adoption has a positive effect on intention among international entrepreneur in agriculture sector	RO4
H9	Technological adoption moderates the relationship between financial well-being and intention among international entrepreneur in agriculture sector	RO5

The three theories that served as the foundation for this study's premise are the Theory of Planned Behaviour, the Technology Acceptance Model, and the Uppsala Internationalization Model. The development of the theory was based on Figure 3.1d. The relationship between the variables used in this study is addressed by the hypothesis. With the mediating and

moderating effects of financial well-being and technological adoption, respectively, this study looked at the relationship between financial literacy (attitude, subjective norm, and perceived behaviour control) and intention among international entrepreneur in the agriculture sector. By putting the relationships to the test and defining the outcomes, this chapter confirms the conclusions from the literature.

Discussion and Conclusion

The concerns surrounding financial literacy and its significance as a channel for entrepreneurship intention among Malaysian accounting students are explored by Ahmad et al. (2019). In order to gather information from 238 undergraduate accounting students at four public higher education institutions in Malaysia, this study used a quantitative survey method. The survey instruments include 14 items that assess conceptions of intention toward entrepreneurship and 20 items that assess financial literacy. Research issues were investigated using descriptive statistics that assess frequency, mean, and percentage in order to get the perspective of the research sample. Findings showed that the modest degree of financial well-being among undergraduate accounting students is a reason for concern and raises major questions about young people's capacities to protect their financial stability. Additionally, it has been found that among undergraduate accounting students, increasing financial security is associated with a greater desire to pursue entrepreneurship. Business that in international level is made up of several components related to product, time, market, and operations (Chetty, 1999; Luostarinen, 1979; Welch and Welch, 1996; Ruzzier et al., 2006). Internationalisation is a complex strategy that any company can pursue (Fernández and Nieto, 2005). Small business internationalisation is a critical component of economic development and firm growth because it promotes economic growth (Jaffe and Pasternak, 1994). According to the literature, more firms are becoming involved in international activities and exhibiting previously unseen behaviour (Bell, 1995), owing in part to competition and inter-firm business rivalry (Abdullah and Zain, 2011). Many businesses have successfully established activities outside of their home markets in recent decades, and their role in contributing to future growth is becoming increasingly important (Gjellerup, 2000). When a company sells its products to foreign markets, buys products from abroad, or begins to collaborate in some area with a foreign firm, it is involved in internationalisation. This implies that international operations can be classified as inward, outward, or cooperative, demonstrating the holistic nature of internationalisation (Korhonen, 1999). According to Kandasami (2004), the internationalisation process occurs within the framework of what are known as born global firms. Kandasami proposes studying the internationalisation process in four dimensions: speed of entry, pattern of entry, mode of entry, and market coverage in terms of the number of countries covered. According to this researcher, some small businesses internationalise from the start, and the factors that may influence the internationalisation process of born-global firms are classified as firm characteristics, environmental characteristics, and the key decision maker's global orientation. Companies must recognise business opportunities and develop practical strategies to capitalise on them in order to be successful in international markets. When developing ideas, they should pay special attention to their access to required knowledge and resources. (Nummela, 2004). Lastly, the primary objective of this study is to explore about intentions to become international entrepreneurs in the agriculture industry. This research tries to clarify the role of attitudes, subjective norms, and perceived behaviour controls affect on the intentions of international entrepreneurs in the agriculture sector. Additionally, this study will investigate the moderate relationship between financial well-

being and technological adoption on intention in becoming international entrepreneurs in the agriculture sector by using Theory of Planned Behaviour as the main theory.

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