

PERCEPTION OF SABAH LOCAL YOUTHS ON SOCIO –ECONOMIC PROSPECT TOWARDS CAREER IN OIL PALM PLANTATION

Mohammad Amizi A.^{1*}, Norehan Abdullah², and Jamal Ali ²

¹ Faculty Agro Based Industry University Malaysia Kelantan Jeli Campus 17600 Jeli Kelantan

² School of Economic, Finance and Banking College of Business
Universiti Utara Malaysia 06010 Sintok Kedah

*Corresponding Author: *amizi@umk.edu.my*

ABSTRACT

Sabah is the biggest state in contributing to the oil palm commodity in Malaysia with 1.54 million hectares of oil palm plantation and contributing 27.4 % of the total oil palm area in Malaysia. The potential and the opportunity of vacancy in this sector were very wide for local people in Sabah especially for the local youth. However the local youth in this state prefer to work in urban area especially most of them migrate to West Malaysia which offered more jobs in manufacturing and services sectors. Due to this reason the more than 78 % of labour in this sectors mainly were foreign labour. The rising social issues of the illegal foreign workers and influx of the foreign workers without work permit work in Sabah. In addition another problem arises when the local youth migrate back to Sabah without job due to high of cost of leaving in urban area. This resulted social problem among the youth due to unemployment issue. This study was done in order to analyse the pull or push factors in constructing a particular pattern of perception among the selected respondents on socio economic prospect toward career in oil plantation. A survey method through structured questionnaire was used to collect data from 156 of local youth between 16 to 40 years of age as focused respondents which were selected using random sampling method. Descriptive statistic was applied in order to rank the factors according to demographic factors that affecting the factor of perception of local youth on socio- economic prospect towards career in oil palm plantation.

Keywords: *career prospect, local youth, perceptions, socio economic, oil palm*

INTRODUCTION

Oil palm industry is a major contributor in the export of Malaysian agriculture. As of 2015, total planted oil palm in Malaysia is about 5.64 million hectares and the state of Sabah has the most extensive area of oil palm cultivation in Malaysia. The total of 1.54 million hectares represents about 27.4 percent of the total area of oil palm cultivation in Malaysia (MPOB, 2016). Thus rapid expansion of palm oil industries due to high demand of vegetable oil and fats to cater the world population demands.

As a result this sector contributes the job opportunities to the local youth to participate work in plantation sector. However the acceptance of mechanization in oil palm plantation due to high cost of machineries and acceptance of local youth to work in plantation. Based on Azman (2014), 78.8% of plantation workers dominance by foreign workers which majority were Indonesian workers. The rural youth prefer to work in urban area which provides cozy environment rather than work in the agriculture or plantation sector which exposed with sunlight. Unfortunately, most of them not interested to work in plantation when they choose agricultural sector as the third choice after manufacturing and retail sector (MOHR, 2016).

According to Aman *et al.* (2015), the plantation job are 4D job (Difficult, Dangerous, Dirty and Demeaning). This is supported by past studies by Norsida (2008) the local youth claimed work in agricultural sector as burdening and tiring work. 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 (Junoh 2011). Based on 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 oil palm plantation sector and the government need to find the ways to substitute the foreign workers with local youth by upgrading the socio economic factors. 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). Based on Alangseri et.al. (2010) the EPF and better facilities will be attracted the locals to work in oil palm plantation. This paper aims to identify factors affecting the perception of Sabah local youths on socio –economic prospect towards career in oil palm plantation.

RESEARCH METHOD

A survey research using the descriptive analysis approach was applied in this study. The dependent variable is the perception of local youth on the socio economic prospect to work in the oil pam 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 156 local youth which were selected randomly between age 16 to 40 years old staying within the location 5 kilometers radius within the plantation in Sabah. Questionnaire was designed to be used as in data collection method through personal interviews. The respondent's population involved were in Kunak, Sandakan and Lahad Datu. The demographic factors information was identified based on the 156 respondents of local youth in the three districts in Sabah. 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 analysed the factor analysis consist the dependent variables and independents variable in this study.

RESULTS AND DISCUSSION

Characteristics of the respondents

Based on the study by Houghton (1993), the distance affects the availability of labor market within the industry; hence the radius within 5 km will attracted the local youth to work in plantation. Thus this study among the 156 respondents, a total of 94 respondents from district of Sandakan, followed by 32 respondents from Lahad Datu and 30 respondents from Kunak District. Table 1 presents the complete profile of respondents.

Majority of the respondents are male at the age of 21 to 30 years old, single and having Secondary Certificate. In terms of race, more than half of respondents are representatives of Bugis. The background of the family is seen important where parents may influence the perception towards participation and career development. According to Anderson (1994), the parents influence and molded their children for their future. From Table 2, about 41 percent of respondents have their father working in the agricultural sector. 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 75 percent of them stated that their mother do not work in this sector.

Table 3 shows the distance of the respondent's home to nearest plantation. It is found that a total of 55 (35.5%) respondents had about 0 to 1kilometer (km) of distance, 64 respondents (41%) had 1.1 to 3 km of distance, while only 37 respondents had more than 3km of distance. This shows that majority of local youth is living the furthest up to 3 kilometers from the plantation sector. In other words, transportation is not an issue when it comes to distance.

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 (55.1%) are currently working. Those not working were just finish school and still looking for jobs. In terms involvement in plantation sector, only 18 respondents are currently working in the plantation sector. A total of 26 respondents had worked previously in the plantation sector 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 other sector but some because they do not prefer to work in plantation sector. However the majority of respondents never work in plantation sector.

Table 1. Sample characteristics

| Variable | Frequen- cy | Percent |
|------------------------|----------------|---------|
| Age | | |
| <20years | 40 | 25.6 |
| 21-30 years | 94 | 60.3 |
| 31-0 years | 22 | 14.1 |
| Gender | | |
| Male | 110 | 70.5 |
| Female | 46 | 29.5 |
| Marital Status | | |
| Married | 49 | 31.4 |
| Single | 106 | 67.9 |
| Widow | 1 | 0.6 |
| Education Level | | |
| No Formal Schooling | 2 | 1.3 |
| Primary School | 16 | 10.3 |
| UPSR Certificate | 5 | 3.2 |
| LCE | 13 | 8.3 |
| MCE | 40 | 25.6 |
| Technical Certificate | 6 | 3.8 |
| HCE | 17 | 10.9 |
| Diploma | 18 | 11.5 |
| Degree/ Master, Phd | 39 | 25.0 |
| Race | | |
| Malay | 33 | 21.2 |
| Chinese | 5 | 3.2 |
| Kadazan | 37 | 23.7 |
| Iban | 1 | 0.6 |
| Bugis | 80 | 51.3 |
| Religion | | |
| Muslims | 99 | 63.5 |
| Christians | 51 | 32.7 |
| Buddhist | 3.8 | 3.8 |

Table 2. Father and mother working / not working in agriculture

| Working in agriculture sector? | Frequency | Percent |
|--------------------------------|-----------|---------|
| Father | | |
| YES | 64 | 41 |
| NO | 92 | 59 |
| Mother | | |
| YES | 3 | 24.4 |
| NO | 118 | 75.6 |

Table 3. Distance of the plantation and their home

| Distance from plantation sector | Frequency | Percent |
|---------------------------------|-----------|---------|
| Up to 1KM | 55 | 35.5 |
| 1.1-3KM | 64 | 41 |
| 3.1-5KM | 37 | 23.7 |

Table 4. Working status and involvement in plantation sector

| Variable | Frequency | Percent |
|---|-----------|---------|
| Current Working Status | | |
| YES | 70 | 44.9 |
| NO | 86 | 55.1 |
| Involvement in Plantation Sector | | |
| Currently Work | 18 | 11.5 |
| Previously Work | 26 | 16.7 |
| Never Work | 112 | 71.8 |

Factor analysis

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.

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.

From Table 6, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA) shows a value of 0.814 which show greater than above minimum requirement (0.5) (Williams et al., 2010). 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 6 is one of the components from the six components. Component 2 related to working environment shows the value 0.708, component 3 social infrastructure 0.863, components 4 social job status shows value 0.755, components 5 policy government and employer shows the value 0.809 and component six shows the value 0.773. 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 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 local youth which involved still work in the plantation and the group of local youth which had an experience work in the plantation. The group of local youth of still working in plantation chooses the working happiness 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 local group had higher expectation to work c in oil palm plantation based on socio economic factors. Based on the analysis the perception of local youth showed the p-value of 0.327 which not significance with economic profitability. The second component which involved in the working environment shows a p-value of 0.002 and significance with the perception of local youth on working environment in oil palm plantation. 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 RM900 per month. The result shows that about 63.5 percent of respondents know the minimum wages offered from the government. Moreover, a total of 119 respondents (73.6%) agreed with the minimum wages rate.

Based on the answer given by the 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, 'limited choice of work' as second, followed by 'the infrastructure awarded by the plantation sector' as third, 'not interested to work in urban area' as fourth, 'close proximity with family member' as fifth, 'social influence' as the sixth, 'no qualification' 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 local youth are still working in the plantation based on the ranking 1 to 9. They rank 'fully furnished accommodation' as the first choice followed by 'compensation'; '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.

Table 5: Reliability test

| Components | Cronbach Alpha | Based No of Items |
|---------------------------------|----------------|-------------------|
| Economic Profitability | 0.769 | 8 |
| Working Environment | 0.720 | 10 |
| Social Infrastructure | 0.866 | 8 |
| Social Job Status | 0.738 | 5 |
| Policy of Government / Employer | 0.806 | 8 |
| Working Happiness | 0.850 | 10 |

Table 6: KMO and Bartlett's test

| KMO-Measure of Sampling Adequacy | Bartlett's Test of Sphericity | | |
|----------------------------------|-------------------------------|----|------|
| | Approx. Chi-Square | Df | Sig. |
| 0.814 | 305.77 | 28 | 0 |

Table 7. Knowledge level of minimum wages

| | Freq. | Per-cent | Valid Per-cent | Cumm. Percent |
|-------|-------|----------|----------------|---------------|
| Yes | 99 | 63.5 | 63.5 | 63.5 |
| No | 57 | 36.5 | 36.5 | 100.0 |
| Total | 156 | 100.0 | 100.0 | |

The 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 'no future' as their first ranking, followed by 'instability of income'; 'social influence from family and friends' 'transferring to manufacturing sector'; '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 'no entertainment' as their forth factor of why they refuse to work in plantation sector.

CONCLUSION

This study provides the evidence that three dependents 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 independents 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 socio economic factors to participate working in plantation. In terms of minimum wage policy, the descriptive analysis contributed a positive indicator of bench marking when majority of respondents agreed with the minimum wage rate offered. This findings showed with the minimum wages can fulfilled the household. Most importance elements were the social infrastructure which more modernize environment in the plantation sector to retain the local youth to work in oil palm plantation.

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