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## Level of Financial Management Among Young Agro-Entrepreneur

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### Abstract

Entrepreneurs need to have knowledge and skills in financial management. Therefore, this article examines the level of financial management among young agro-entrepreneur. A total of 177 agro-entrepreneur are included in this study. This study uses quantitative approaches and the data collection used purposive sampling techniques. The research instrument is a questionnaire containing five elements of financial management skills, namely knowledge, skills, attitudes, planning and experience. The financial management elements are measured based on 5-Likert scales. Descriptive statistics and correlation are used to explain the results of the study. The results show that the level of skills of young agro-entrepreneur financial management skills is varied. They have high financial knowledge, moderate financial skills, moderate financial attitudes, high financial planning and moderate financial experience. Overall, the agro-entrepreneurs' level of financial management was moderate. The implications of the study suggest that, the elements of knowledge, skills and attitudes need to be taken seriously among young agro-entrepreneurs.

**Keywords:** Financial Management, Knowledge, Skills, Attitude, Experience, Agro-Entrepreneur

### Introduction

Agro-entrepreneurs must possess business financial management skills. Business financial management skills involve a dynamic learning process influenced by the external environmental factors and internal factors. Entrepreneurs financial management is influenced by several factors such as attitude, skills, knowledge, planning, and experience. Financial management among entrepreneurs plays an important role in terms of attitude. According to Osotimehin et al (2012), record keeping is very important to business integrity because most entrepreneurs do not make any recording to avoid paying taxes to the authorities. Normally, entrepreneurs who started small businesses do not have any formal training or awareness about record keeping. This causes them to ignore records and only a few who practice it (Huda & Ramlee, 2009). In other words, entrepreneurs are still less

concerned about the importance of recording all business dealings, especially financial aspects and many businesses fail due to weaknesses in financial management.

Management capacity in an organization is important to see the extent to which a business can grow and be competitive. According to Papulová and Mokros (2007), an entrepreneur must have basic knowledge in business management from the initial stage of business to the expansion of the business. Norashidah et al (2009) found that an entrepreneur who want to succeed should have skills in management such as employee management skills and financial management skills. According to Muhamad and Zaimah (2012) there are four important factors which affect the entrepreneurial business performance, namely personal background factor, business management skills, networking skills and support from governments institutions.

Wrong financial management will result in the business experiencing problems or losses. Entrepreneurs and potential entrepreneurs must equip themselves with financial management knowledge to reduce the risk of failure. Although they will not be as efficient as an accountant, at least they are able to understand the impact and implications of the effective financial management of their businesses. According to Redmond and Walker (2008), many small enterprise owners have technical skills in their respective fields of business. Financial management skills require specific technical skills (Jumaat et al., 2012) because successful entrepreneurs need to have the knowledge and skills of managing their finances well. In fact, entrepreneurs need to have a business planning to obtain financial facilities from the financiers and government agencies (Rahamn et al., 2014).

Financial management knowledge and skills among entrepreneurs are also important in ensuring that they are able to manage the business' finances well and orderly (Norashidah et al., 2009; Wiafe & Yona, 2016). At the same time, financial management skills are also necessary for use in daily life, whether at the individual or family level (Kartikasari & Muflikhati, 2016). Having good knowledge and skills in managing finances will ensure the success of the business as well as the well-being of a family life (Makinen, 2013; Mago & Hofisi, 2016).

Additionally, the entrepreneur's experience is also the key to a successful business. An experience is important to develop the capacity and management skills in business. It is necessary to maintain the entrepreneurs' competitiveness although they do not have the technical or academic knowledge (Tarling et al., 2016). Experience can be utilized in providing each record in business, especially financial records for financial management to be more systematic (Rahman et al., 2014). Many small businesses will have problems during the first five years if they do not have sufficient experience. The experience includes experience in financial management, business structure, and human resource management.

Hence, this study attempts to measure the level of financial management of young entrepreneurs. Besides that, the study also will examine the relationship between knowledge, attitudes, skill, planning and experience among young agro-entrepreneur.

## Literature Review

### ***Muda Agricultural Development Authority (MADA)***

The Muda Agricultural Development Authority (MADA) was established in 1982 to operate and maintain the Young Irrigation Plan. The MADA was authorized to design and implement programs to improve the livelihood of 63,000 farmers' families at that time. Presently, the field of entrepreneurship is also monitored by MADA (MADA, 2019b). This area of entrepreneurship is aimed at increasing farmers' income. This is accomplished through additional activities, increasing farmers' involvement in the food production industry, creating job opportunities, developing successful entrepreneurs and producing competitive products. The MADA's attention is also focused on the young entrepreneur, the young agro-entrepreneurs.

The young agro-entrepreneur Program began in 2014. The aim is to produce young agro-entrepreneurs of various ability to raise high income in the agriculture and agro-based industries. According to the MADA report, they managed to produce 2,650 entrepreneurs comprising 1,300 agro-based industry entrepreneurs and 1,350 agro-entrepreneurs. In order to increase the income of entrepreneurs and farmers, various projects have been implemented by MADA, including MADA Farm Entrepreneur Development Program, Young Agro-entrepreneur Program and Agro-tourism in the MADA area. The project was created to produce more efficient, competent and committed entrepreneurs in managing the business. This attitude needs to be instilled in an entrepreneur so that they are able to carry on a well-run business and have broad input and output values in the field of entrepreneurship. As such, MADA also undertakes various activities such as human capital development, capacity building and modernization of infrastructure, certification and accreditation, product research and development as well as promotion and marketing.

### ***Agro-entrepreneur***

An entrepreneur is the most dynamic individual and one who is able to face the risk in running their businesses to pursue their dreams. Azlizan et al (2012) defines entrepreneurs as a unique activity carried out by an individual to become a profitable career and requires a combination of basic elements such as personality, behavior, experience, thinking ability, capital, and knowledge. Farhana (2013) defines entrepreneurs as individuals who set up businesses, manage them and make improvements for the well-being of the organizations. What is meant by agro-entrepreneurs? In everyday language, the term entrepreneurs are often used alternately with business owners, self-employed individuals, single entrepreneurs or farmers.

According to Lans et al (2013), there are several discussions explaining the meaning of agro-entrepreneurs as a whole. First, agro-entrepreneurs do not limit agricultural entrepreneurship to specific situations only to the creation of new ventures because most agricultural businesses have been around for decades. Second, learning and development are the starting point for entrepreneurship, farmers exploit entrepreneurial opportunities due to lack of personality traits and experience. Third, agro-entrepreneurs recognize the greater interests. Interpretation, understanding of work, creativity and core processes in the development of opportunities occur together and are also influenced by the farmer's partner, employees, competitors, network and service partner.

The Government of Malaysia through the Ministry of Agriculture (MOA) established a young agro-entrepreneur program in September 2013. The objective of the program is to attract youth between the ages of 15 and 30 to enter agriculture, changing the perception of young people in the agricultural sector as an industry viable, increase the income of young agro-entrepreneurs through increased production productivity, quality, technology and innovation as well as competitive markets and make the agro-food industry a viable future career path in line with the National Agro-Food Policy (2011-2020) (MOA, 2019a). In short, agro-entrepreneurs are entrepreneurs involved in agriculture and their chains. They have dynamic nature, personality and thinking, and dare to face the risk of pursuing their dreams.

### ***Financial Management***

Management is a conscious and continuous practice of forming an organization or individuals towards achieving goals, while finance is a science and art of money management (Daft, 2016). Financial management is a science and art and of money management which involves various uses of economic theory and accounting goals to achieve the firm's goals (Brigham et al., 2014). In addition, financial management is also referred to as planning for the future of the firm's business to ensure a positive cash flow (Fatoki, 2012). Financial management is one of the most important aspects of managing a firm. A good and well-planned financial management comes through prudent and efficient expenditure management.

Financial management is a decision-making process involving planning, procurement, and use of resources to ensure that the objectives of the organization are met (Siti Alawiah et al., 2008). The ability to manage finances well is the essence of the success of an institution as it can affect the operation of an institution (Hydzulkifli et al., 2015). According to Nangkula and Hafshah (2011), a firm is not able to withstand if the firm's assets and liabilities are not managed efficiently. Similarly, if a firm does not have strong financial resources, all activities involving financial flows in the firm cannot be done properly. Financial management in this study is discussed from several elements, namely knowledge, skills, attitudes, planning, and experience.

### ***Financial Knowledge***

Knowledge is related to the financial management level of an organization (Norsyahidah & Norasmah, 2017). Weakness and lack of knowledge in financial management can result in a failure of managing the organization. However, a study by Yasmin and Anuar (2017) found that there was no significant relationship between the level of education and the level of financial literacy. Whereas Norsela et al (2016) have outlined four aspects of knowledge needed by small entrepreneurs, namely:

- i. Knowledge of business management such as marketing strategies, computer application, quality management, Islamic way of management, business ethics, relationship and communication, business documents preparation, human resource management, competitiveness capacity building, and an internal and external business environment that attracts customers,
- ii. Knowledge of financial management encompassing of the aspects of getting circulating capital, finance administration, expenditure management and prudent expenditure,
- iii. Knowledge of accounting in business such as profit and loss calculation, business assets calculation, recording sales and detecting loss of assets, and



- iv. Vocational skills training related to their businesses.

Besides that, Ndofirepi (2020) found that the effects of entrepreneurship education variable had a positive and statistically significant relationship with need for achievement, risk-taking propensity, internal locus of control and entrepreneurial goal intentions.

### ***Financial Skills***

Financial management skills are an important element in disciplining an individual to achieve quality life (Noor Atiqah et al., 2017). Financial skills are also important for small business owners to run their businesses (Samkin et al., 2014). Financial skills require good financial literacy as it will build the capacity to understand and manage financial risks (Kefela, 2011). Financial literacy also helps entrepreneurs in decision making such as investments and loans (Njoroge, 2013). Taft et al. (2013) stated that all losses, profits, and daily financial activities depend on financial management skills practiced. In other words, efficient financial management skills can control the all day-to-day financial activities.

### ***Financial Attitude***

Attitude or behavior plays an important role in organizational financial management. Financial behavior is closely related to the objective of financial planning (Khoong, 2016). According to Jumaat et al. (2012), there are entrepreneurs who were not separating the business income with personal income. It happens because when there is an urgent need for personal necessity, it is forced to take and spend part of the organization's income, and vice versa. Such case can cause failure to the firms' financial management. While Vamvaka et al. (2020) show that affective attitude and perceived self-efficacy are by far the strongest predictors of intention, thus highlighting the role of emotions in the entrepreneurial process.

### ***Financial Planning***

According to PWC (2008), many experts agreed that planning is a requirement for business and it can improve business performance. Verreynne (2006) in his study found that SMEs which implemented formal and strategic business plans exhibited better financial performance than those who did not. Firms that do not have business planning showed low performance and are heading towards failure (Birley & Niktari, 1995; Saad et al., 2014). Although many researchers have proven that entrepreneurs who implemented business planning are more successful, but there are also researchers who find the situation to be vice versa (Saad et al., 2014). In fact, there are researchers who stated that it is better for the small entrepreneurs to focus on more profitable activities such as marketing and finance strategies rather than planning (Corner, 2001; Saad et al., 2014).

### ***Financial Experience***

Experience is a mechanism that must exist in an entrepreneur. According to Rahman et al. (2014), experience usually becomes the key to business success in the world. Experience can be divided into three categories, namely, family business, work experience, and experience of others. Experience in an entrepreneur can guide them to manage and solve problems, both in terms of administration, decision-making or financial management. Most small businesses will not succeed in the first five years if they do not have enough experience. Experience is necessary to develop the management capacity and skills in business and remain competitive even without technical or academic knowledge (ibid.). Vice versa, Kraus et al. (2019) found

that young ventures have a higher application of open innovation activities compared to large firms as it boosts their innovation performance enabling them to overcome the liability of smallness and newness.

### **Method of Study**

The study was conducted among the young agro-entrepreneurs of the Muda Agricultural Development Authority (MADA). The design of the study is quantitative using survey method. The purposive sampling technique was used in this study. A total of 177 young agro-entrepreneurs were analyzed in this discussion. Questionnaires was used as the data collection instrument in this study. The questionnaires consist of two information, namely demographic and financial management. Financial management contains five elements, namely knowledge, skills, attitudes, and behaviors, planning and experience. The five elements were measured using the Likert scale, which is (1) strongly disagree, (2) disagree, (3) less disagree, (4) agree and (5) strongly agree.

A pilot study involving 10 agro-entrepreneurs was conducted to identify the relevance of the questionnaires. The value of each Cronbach's Alpha obtained were recorded; financial knowledge (0.997); financial skills (0.969); financial attitude (0.960); financial planning (0.974); and financial experience (0.808). The study uses descriptive statistical analysis and inference. Levels of knowledge, skills, attitudes, planning and experience were measured based on average, low (1.00-2.33), medium (2.34-3.67) and high (3.68-5.00) (Landell (1997), whereas correlation tests were used to examine relationships between knowledge, skills, attitudes, planning and experience. The strength of correlation between variables was measured based on Chua (2009); no correlation (0.00), very weak (0.01-0.30), weak (0.31-0.50), modest (0.51-0.70), strong (0.71-0.90) and very strong (0.91-1.00).

### **Finding and Discussion**

#### ***Respondent's Background***

Table 1 shows the background of the respondents. The women respondents recorded a higher percentage (53.1%) compared to the men respondents (46.9%). The vast majority of the respondents were married (77.4%). The respondents had varied education levels, namely primary school (6.8%), secondary school (46.9%), Diploma/STPM (26.0%) and Degree (20.2%). The respondents' monthly income varies with each recorded less than RM1000 (24.3%), RM1000-RM1999 (24.3%), RM2000 to RM2999 (20.9%), RM3000 to RM3999 (16.4%), RM4000 to RM4999 (6.8%) and only 7.3 percent respondents earn RM5000 or more. It means that the target of ensuring that the agro-entrepreneurs earn at least RM5000 income has not yet been fully achieved.

**Table 1: Respondent's background**

Respondent profile	Freq.	Percent
Gender:		
Men	83	46.9
Women	94	53.1
Marital status:		
Single	31	17.5
Married	137	77.4
Divorce	9	5.1
Education level:		
Primary school	12	6.8
Secondary school	83	46.9
Diploma/Upper six	46	26.0
Degree	36	20.2
Monthly income:		
<RM1000	43	24.3
RM1000 - RM1999	43	24.3
RM2000 - RM2999	37	20.9
RM3000 - RM3999	29	16.4
RM4000 - RM4999	12	6.8
≥RM5000	13	7.3

***Financial Knowledge***

Table 2 shows the level of respondents' financial knowledge. On average, the respondents have high levels of knowledge when they know the difference between personal expenses and business expenses (M=4.21). This finding is a relief because they have the high ability to differentiate between personal/family expenses and business expenses. Such ability gives a positive sign that they are capable of managing the business finances. Respondents also have a high level of knowledge regarding on expenditure (M=4.10), yield (M=3.98), revenue (M=3.98), assets (M=3.85), cash flow (M=3.85), business resource documents (M=3.80), liabilities (M=3.75), balance sheets (M=3.73) and ledger (M=3.69). This proves that the respondents have a basic knowledge of items in the financial statements. Somehow, the rest of the respondents have a moderate knowledge regarding owner's equity (M=3.63) and journal (M=3.62).



**Table 2: Financial Knowledge**

Financial knowledge	Mean	Level
I know how to differentiate between personal expenses and business expenses.	4.21	High
I know about expenditure.	4.10	High
I know about yield.	3.98	High
I know about revenue.	3.98	High
I know about asset.	3.85	High
I know about the cash flow.	3.85	High
I know about business resource document.	3.80	High
I know about liability.	3.75	High
I know about balance sheet.	3.73	High
I know about the function of ledger.	3.69	high
I know about owner's equity.	3.63	Moderate
I know about the function of journal.	3.62	Moderate
	3.85	High

Note: Low (1.00-2.33), Moderate (2.34-3.67), High (3.68-5.00).

Overall, the agro-entrepreneurs' level of financial knowledge was high (M=3.85). Papulova and Mokros (2007) also stated that entrepreneurs need to have the basic knowledge of business management. This finding implies that the young agro-entrepreneurs need more exposure on the functions and uses of those elements. This is necessary because having the knowledge and skills to manage finances will guarantee the success of an enterprise (Makinen, 2013). In fact, the relevant knowledge and skills are able to make a family life prosperous (Mago & Hofisi, 2016).

### **Financial Skills**

Table 3 shows the level of respondents' financial skills. Respondents are highly skilled in six skills. They can determine the selling price per unit of product produced (M=4.15), they can record transactions in cash book (M=3.90), they can use Microsoft software (M=3.85), they can provide income statement (M=3.83), they can provide business resource document (M=3.73) and they also can record transactions in the ledger (M=3.68). The rest of the respondents only have two simple skills, which they can record transactions in journals (M=3.64) and they can provide balance sheet balance (M=3.62).

**Table 3: Financial Skills**

Financial skill	Mean	Level
I can set the selling price per unit of my product.	4.15	High
I can record transactions in cash books.	3.90	High
I can use Microsoft software.	3.85	High
I can set up an income statement.	3.83	High
I can provide business resource documents.	3.73	High
I can record transactions in ledger.	3.68	High
I can record transactions in journals.	3.64	Moderate
I can provide a balance sheet.	3.62	Moderate
	3.38	Moderate

Note: Low (1.00-2.33), Moderate (2.34-3.67), High (3.68-5.00).

This finding shows that the average young agro-entrepreneurs has moderate financial skills (M=3.38). In reality, financial management skills are important and needed by every entrepreneur, especially young agro-entrepreneurs. Financial management skills are essential for an entrepreneur. This is in line with Norashidah et al. (2009) who stated that entrepreneurs who want to be successful need to have skills in management. In fact, personal factors, management skills, network skills, and Government support are important in affecting the performance of entrepreneurs (Muhamad Asri & Zaimah, 2012).

### **Financial Attitudes**

Table 4 shows the level of financial attitudes of the respondents. The respondents recorded moderate financial attitudes in all items relating to financial attitudes. This proves that the young agro-entrepreneurs have moderate financial attitudes in recording their financial transactions. Overall, respondents have moderate financial attitudes (M=3.35). Respondents have high financial attitude in five related matters. They recorded the transaction (M=3.95), they recorded the transaction in the cashbook every day after the sale (M=3.93), they issued a receipt every time the transaction is done (M=3.89), they prepared the income statement every time of the expiry of the financial period (M=3.77) and they also recorded the transaction in journals every day after the sale (M=3.68). In contrast, respondents have moderate financial attitude in three related matters. They prepared the balance sheet every time of the expiry of the financial period (M=3.67), they had a time to complete the business documents (M=3.63) and they also recorded the ledger every day after the sale (M=3.62).

**Table 4: Financial Attitudes**

Financial attitudes	Mean	Level
I recorded a transaction.	3.95	High
I recorded a transaction in the cashbook every day after the sale.	3.93	High
I issued a receipt every time the transaction is done.	3.89	High
I prepared the income statement every time of the expiry of the financial period.	3.77	High
I recorded a transaction in journals every day after the sale.	3.68	High
I prepared the balance sheet every time of the expiry of the financial period.	3.67	Moderate
I had time to complete my business documents.	3.63	Moderate
I recorded the transaction in the ledger every day after the sale.	3.62	Moderate
	3.35	Moderate

Note: Low (1.00-2.33), Moderate (2.34-3.67), High (3.68-5.00).

Overall, the finding shows that the agro-entrepreneurs have modest attitude in their business financial management. This is in line with the study conducted by Jumaat et al. (2012) who found that the entrepreneurs often practice non-segregation in business and personal income. This is also in line with Ishak dan Che Omar (2013) who found that there were entrepreneurs who do not separate business income and personal income.

### **Financial Planning**

Table 5 shows the respondents' level of financial planning. All respondents have a high level of financial planning when they recorded an average high in seven items. They have made a marketing strategy in line with customers' demand (M=4.21), they set the goals and objectives

of the business (M=4.17), they planned carefully before starting the business (4.15), they planned on production to be in line with raw material supplies (M=4.09), they made a good and detail financial plan (M=4.09), they managed the business effectively and efficiently (M=4.09) and they also planned on managing the company's human resources well (M=4.08).

**Table 5: Financial Planning**

Financial planning	Mean	Level
I am planning a marketing strategy in line with customers' demand	4.21	High
I set the goals and objectives of the business	4.17	High
I plan carefully before starting the business	4.15	High
I plan on production to be in line with raw material supplies.	4.09	High
I made a good and detail financial plan.	4.09	High
I manage the business effectively and efficiently	4.09	High
I am planning on managing the company's human resources well.	4.08	High
	4.13	High

Note: Low (1.00-2.33), Moderate (2.34-3.67), High (3.68-5.00).

Overall, the agro-entrepreneurs have a high level of financial planning with an average score of 4.15. This finding is consistent with Rahman et al. (2014) who emphasizes the importance and needs of entrepreneurs to have financial planning. Formal and strategic business planning will be able to exhibit better financial performance than those who do not plan (Verreynne, 2006).

### **Financial Experience**

Table 6 shows the respondents' level of financial experience. The respondents only recorded high level of experience in four items. They attended a business/entrepreneurship courses to learn about proper and systematic financial management (M=3.98), they obtained financial management experience through the process of formation of the entrepreneurial attitude (M=3.85), they participated in entrepreneurial education and training programs continued to gain learning experience in real business practices (M=3.84) and they also have the strength inherent in experience to manage finances (M=3.79). The rest of the findings showed that the young agro-entrepreneurs only have moderate level of financial experience in the three items related to get help in financial recording from an account officer or a related party (M=3.20), they have an academic qualification in business that can help provide financial management experience (M=3.03) and they also have a working experience in finance for several years (M=2.99).

**Table 6: Financial Experience**

Financial experience	Mean	Level
I attended a business/entrepreneurship courses to learn about proper and systematic financial management.	3.98	High
I obtain financial management experience through the process of formation of the entrepreneurial attitude.	3.85	High
I participate in entrepreneurial education and training programs continued to gain learning experience in real business practices.	3.84	High
I have the strength inherent in experience to manage finances.	3.79	High
I get help in financial recording from an account officer or a related party	3.20	Moderate
I have academic qualifications in business that can help provide financial management experience.	3.03	Moderate
I have a working experience in finance for several years	2.99	Moderate
	3.53	Moderate

Note: Low (1.00-2.33), Moderate (2.34-3.67), High (3.68-5.00).

Overall, agro-entrepreneurs have a moderate level of experience (M=3.53). In other words, some of them do not have enough experience in entrepreneurship. In reality, the experience is usually the key to a successful business in any part of the world (Rahman et al., 2014). In conclusion, young agro-entrepreneurs must gain experience from third parties, especially from successful entrepreneurs.

#### ***Relationships between financial knowledge, skills, attitudes, planning and experience***

Table 7 shows the Pearson correlation of the relationship between financial knowledge, skills, attitudes, planning and experience of agro-entrepreneurs. Overall, the results of correlation test were positive and significant. There was a strong and positive relationship between knowledge and skills ( $r=0.887$ ,  $p<0.01$ ). Meanwhile, the correlation between knowledge and attitude ( $r=0.693$ ,  $p<0.01$ ), planning ( $r=0.617$ ,  $p<0.01$ ) and experience ( $r=0.593$ ,  $p<0.01$ ) was also positive. The correlation between skills and attitudes was strong and positive ( $r=0.701$ ,  $p<0.01$ ). In contrast, the correlation between skills and planning ( $r=0.601$ ,  $p<0.01$ ) and experience ( $r=0.628$ ,  $p<0.01$ ) was modest and positive. Meanwhile, the correlation between attitude and planning ( $r=0.577$ ,  $p<0.01$ ) and experience ( $r=0.646$ ,  $p<0.01$ ) was positive and moderate. Lastly, the correlation between planning and experience was positive and weak ( $r=0.445$ ,  $p<0.01$ ).

**Table 7: Pearson Correlation**

	Knowledge	Skills	Attitudes	Planning	Experience
Knowledge	1	0.887**	0.693**	0.617**	0.593**
Skill		1	0.701**	0.601**	0.628**
Attitude			1	0.577**	0.646**
Planning				1	0.445**
Experience					1

\*\* Correlation is significant at the 0.01 level (2-tailed).

The results of this study show that there is a strong and positive relationship between knowledge and skills among MADA young agro-entrepreneurs. This finding is consistent with Makinen (2013), and Mago and Hofisi (2016) statement that knowledge and skills will help an

entrepreneur to manage their enterprise. The relationship between skill and attitude also shows a strong relationship. Therefore, these three elements need to be considered by stakeholders, including agro-entrepreneurs themselves to enhance the skills of financial management among young agro-entrepreneurs.

Meanwhile, the relationship between knowledge and attitude, planning and experience is modest. The relationship between skills and planning and experience is also modest. Also, the relationship between attitude and planning and experience is also modest. In contrast, the relationship between planning and experience is weak. Overall, elements of knowledge, skills, attitudes, planning and experience are intertwined in shaping an entrepreneur's internal and external strengths. This has been acknowledged and validated by previous researchers (Mago and Hofisi 2016; Muhamad Asri and Zaimah 2012; Ishak and Che Omar 2013; Rahman et al. 2014).

Agro entrepreneurs need to have the financial management skills of an enterprise. In fact, the failure of some entrepreneurs arises from the weaknesses in financial management and the unfavorable level of financial knowledge. The level of financial management skills is influenced by various factors, including knowledge, skills, attitudes and behaviors, planning and experience.

### **Conclusion**

The agro-entrepreneurs' financial management level was measured based on five elements, namely knowledge, skills, attitudes, planning and experience. The agro-entrepreneurs' level of financial management is diverse, that is, high financial knowledge, moderate financial skills, moderate financial attitudes, high financial planning and moderate financial experience. Based on the diversity of these levels, the overall level of agro-entrepreneurs' financial management was moderate.

This study recommends that elements of attitudes and financial behaviours need to be seriously addressed among the agro-entrepreneurs. These elements are closely related to the personality of the agro-entrepreneurs themselves. At the same time, the agro-entrepreneurs still require the input of knowledge and financial skills in order to improve the procedures for handling and managing their businesses. Additional input on financial statement management knowledge and skills needs to be done more frequently so that they are more efficient and capable.

In the meantime, the role and support of the stakeholders in improving the agro-entrepreneurs' financial management are undeniable but need to be further enhanced. Nevertheless, the young agro-entrepreneurs themselves need to have a positive attitude in their efforts to improve and enhance their financial management skills. Completely these are necessary because it is a guarantee to the success or failure of a business.

In fact, they also need to gain experience and emulate from entrepreneurs who have been successful. Although the agro-entrepreneurial financial planning element recorded a high level, it remains to be given attention. In future studies, assessing the effectiveness of entrepreneurship programs attended by young entrepreneurs should also be investigated.

This is necessary, to ensure that the input of these programs is beneficial to their financial management skills.

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