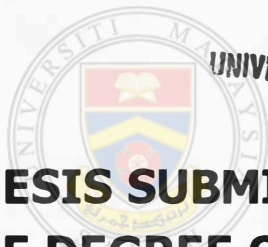


**DETERMINANTS OF ENTREPRENEURIAL
SUCCESS AMONG HOMESTAY OPERATORS
IN SABAH**

KELVIN YONG



PERPUSTAKAAN
UNIVERSITI MALAYSIA SABAH

**THESIS SUBMITTED IN FULFILLMENT FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY**

**FACULTY OF BUSINESS, ECONOMICS AND
ACCOUNTANCY
UNIVERSITI MALAYSIA SABAH
2020**

UNIVERSITI MALAYSIA SABAH

BORANG PENGESAHAN STATUS TESIS

JUDUL : **DETERMINANTS OF ENTREPRENEURIAL SUCCESS AMONG
HOMESTAY OPERATORS IN SABAH**

IJAZAH : **DOKTOR FALSAFAH**

BIDANG : **KEUSAHAWANAN**

Saya **KELVIN YONG**, Sesi **2014-2020**, mengaku membenarkan tesis Doktoral ini disimpan di Perpustakaan Universiti Malaysia Sabah dengan syarat-syarat kegunaan seperti berikut:-

1. Tesis ini adalah hak milik Universiti Malaysia Sabah
2. Perpustakaan Universiti Malaysia Sabah dibenarkan membuat salinan untuk tujuan pengajian sahaja.
3. Perpustakaan dibenarkan membuat salinan tesis ini sebagai bahan pertukaran antara institusi pengajian tinggi.
4. Sila tandakan (/);

SULIT

(Mengandungi maklumat yang berdarjah keselamatan atau kepentingan Malaysia seperti yang termaktub di dalam AKTA RAHSIA 1972)

TERHAD

(Mengandungi maklumat TERHAD yang telah ditentukan oleh organisasi/badan di mana penyelidikan dijalankan)

TIDAK TERHAD


Disahkan Oleh,

ALBERTO ANING

PUSTAKAWAN KANAN

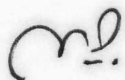
UNIVERSITI MALAYSIA SABAH

(Tandatangan Pustakawan)



KELVIN YONG
DB1411011T

Tarikh : 18 DECEMBER 2020



(Dr. Ramraini Ali Hassan)
Penyelia Utama

Ruj. Kami : UMS/PASCA8.4/600-3/16/1 [DB1411011T]
Tarikh : 02 November 2020

KELVIN YONG

Fakulti Perniagaan, Ekonomi dan Perakaunan
No. HP: 016-8127011| Emel : kelvinyong83@gmail.com

Saudara,

KEPUTUSAN JAWATANKUASA PEPERIKSAAN PASCASISWAZAH (SIDANG VIVA VOCE) PUSAT PENGAJIAN PASCASISWAZAH BIL. 180/2020

Dengan segala hormatnya perkara di atas adalah dirujuk.

2. Sukacita dimaklumkan bahawa Jawatankuasa Peperiksaan Pascasiswazah yang bersidang pada **02 November 2020 (Bil. 180/2020), jam 9 Pagi** secara atas talian (google meet) bersetuju memperakukan bahawa saudara layak dianugerahkan **Ijazah Doktor Falsafah** dalam bidang **Keusahawanan** tertakluk kepada pembetulan dan penambahbaikan ke atas tesis saudara sepertimana yang telah dicadangkan oleh ahli Jawatankuasa Pemeriksa. **Pembetulan dan penambahbaikan adalah WAJIB dibuat melalui perbincangan bersama Penyelia serta diperakukan dalam Borang Penyerahan Tesis Selepas Pembetulan (PPPS/HEA-Pep/004 [Pindaan 2017]).** Tesis yang telah dibaiki akan disemak dan diperiksa oleh **Pemeriksa Dalam, Dr. Noor Fzlinda Binti Fabeil** sebelum diperakukan oleh Dekan, Fakulti Perniagaan, Ekonomi dan Perakaunan.

3. Saudara diberi dalam tempoh **enam (6) bulan** dari tarikh surat ini dengan menyerahkan **satu (1) salinan tesis (Ring Binding)** bagi tujuan **semakan format berserta borang PPPS/HEA-Pep/004 [Pindaan 2017]** yang telah lengkap disahkan dan tesis versi akhir hendaklah diserahkan **sebelum atau pada 03 Mei 2021 (Isnin) sebelum jam 4.00 Petang** di Kaunter Perkhidmatan Pusat Pengajian Pascasiswazah. Sehubungan itu, pihak Pusat Pengajian Pascasiswazah akan membawa keputusan di atas ke Mesyuarat Jawatankuasa Pascasiswazah untuk diperakukan.

Sila maklum bahawa kegagalan menyerahkan tesis dalam tempoh yang ditetapkan akan menyebabkan saudara diberikan status gagal dan diberhentikan.

Sekian, terima kasih.

Yang ikhlas,

[Surat ini adalah cetakan komputer]

PROF. MADYA DR. CHRISTINA PETER LIGADU

Pengerusi Viva Voce
b.p Dekan, Pusat Pengajian Pascasiswazah

- s.k.:
- ▣ Timbalan Naib Canselor (Akademik & Antarabangsa)
 - ▣ Dekan, Pusat Pengajian Pascasiswazah (PPPS)
 - ▣ Dekan, Fakulti Perniagaan, Ekonomi dan Perakaunan (FPEP)
 - ▣ Pemeriksa Luar, Prof. Madya Dr. Zailin Zainal Ariffin (UPNM)
 - ▣ Pemeriksa Dalam 1, Dr. Noor Fzlinda Binti Fabeil (FPEP)
 - ▣ Pemeriksa Dalam 2, Dr. Arif @ Kamisan Pusiran (FPEP)
 - ▣ Penyelia, Dr. Ramraini Bte Ali Hassan (FPEP)
 - ▣ Fail Pelajar

:dd



CERTIFIED TO ISO 9001:2015
CERT. NO: QMS 01200

DECLARATION

I hereby that the material in this thesis is my except for quotations, summaries and references, in which have been duty acknowledged. It is genuine my works and mine alone.

2 November 2020



KELVIN YONG

DB1411011T



UMS
UNIVERSITI MALAYSIA SABAH

CERTIFICATION

NAMA : **KELVIN YONG**
MATRIK NO : **DB1411011T**
TOPIC : **DETERMINANTS OF ENTREPRENEURIAL
SUCCESS AMONG HOMESTAY
OPERATORS IN SABAH**
DEGREE : **DOCTOR OF PHILOSOPHY**
FIELD : **ENTREPRENEURSHIP**
VIVA DATE : **2 NOVEMBER 2020**



SINGLE SUPERVISOR

SUPERVISOR

Dr. Ramraini Ali Hassan

CERTIFIED BY;

UMS
UNIVERSITI MALAYSIA SABAH

Signature

A handwritten signature in black ink, appearing to be 'r!', is written above a horizontal line.

ACKNOWLEDGMENTS

First of all, I would like to express my deepest and sincere gratitude to my supervisor Dr. Ramraini Ali Hassan, Universiti Malaysia Sabah, for the continuous support of my Ph.D study and journey. She has been patient, encouraging, motivating, competent and professional in guiding me throughout the entire process of completing my thesis. I would like to acknowledge the contribution to the people that helped me in this study, especially my fellow friend such as Rafidah Nordin and Rudy Ansar for helping and motivate me during my Ph.D journeys. Most importantly, I would like thank you for my fellow examiners Dr. Arif @ Kamisan Pusiran and Dr. Noor Fzlinda Binti Fabeil that helps me during my thesis write up. They gave me positive and critical comment, so that I can improve my thesis report. Last but not the least, I would like to thank my beloved family especially my father and mother for their boundless support.

KELVIN YONG

2 NOVEMBER 2020



UMS
UNIVERSITI MALAYSIA SABAH

ABSTRACT

The purpose of this study is to examine whether the entrepreneurial motivation, entrepreneurial competencies, social media marketing and community participation have positive relationship towards entrepreneurial success among homestay entrepreneurs or operators in Sabah. Secondly, it is to predict whether age and gender do moderate the relationship between entrepreneurial motivation and entrepreneurial success. The findings of the study indicated that only entrepreneurial motivation, entrepreneurial competencies, and community participation have positive relationships towards the entrepreneurial success. As for moderating roles, only age shows moderating roles in the relationships between entrepreneurial motivation and entrepreneurial success. The selections of respondents are based on purposive sampling. This study utilized the SPSS and Smart PLS 3 software to analyze the data. Resources-based view and social exchange theory were used to develop the conceptual framework for the study. In 2018, there are 369 homestay entrepreneurs registered under Ministry of Tourism, Arts and Culture (MOTAC) in Sabah. However, only 181 useful questionnaires were collected out of 369 homestay entrepreneurs in Sabah. The entrepreneurial success were measured based on the financial performance were it represented by business profitability, sales and return in investment. Since, the studies of entrepreneurial success were less study and explore in the in homestay context. Where, past studies reveal that the homestay entrepreneurs were unable to sustain the business revenue due to lack of number of tourists or visitor arrival. This is followed by competition from other accommodation such as unregistered homestay entrepreneurs. However it was contradicted with the homestay statistic performances in 2018, where the performances of the homestay program income were very profitable. The results of this empirical data will give a clear view for Minister of Tourism, Arts and Culture (MOTAC), Institute of Rural Advancement (INFRA), and Sabah Homestay Association to understand the determinants that influence the homestay entrepreneurs in sustaining their successful homestay business in Sabah. It also can contribute to the body of knowledge, theoretical, policy makers and managerial implication.

Keyword: entrepreneurial success, homestay entrepreneurs, entrepreneurial motivation, entrepreneurial competencies, social media marketing and community participation

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji sama ada motivasi keusahawanan, kompetensi keusahawanan, pemasaran media sosial dan penyertaan masyarakat mempunyai hubungan signifikan yang positif terhadap kejayaan keusahawanan di kalangan usahawan atau operator inap desa di Sabah. Kedua, ia meramalkan sama ada usia dan jantina mempunyai hubungan yang positif di antara motivasi keusahawanan dan kejayaan keusahawanan. Hasil kajian menunjukkan bahawa hanya motivasi keusahawanan, kompetensi keusahawanan, dan penyertaan masyarakat yang mempunyai hubungan signifikan yang positif terhadap kejayaan keusahawanan. Bagi peranan moderasi, hanya usia yang menunjukkan peranan moderasi dalam hubungan antara motivasi keusahawanan dan kejayaan keusahawanan. Pemilihan responden adalah berdasarkan persampelan bertujuan. Kajian ini menggunakan perisian SPSS dan Smart PLS 3 untuk menganalisis data. "Resource based view" dan Social exchange theory" digunakan untuk membuat kerangka konseptual kajian ini. Pada tahun 2018, terdapat 369 usahawan inap desa yang berdaftar di bawah Kementerian Pelancongan, Kesenian dan Kebudayaan (MOTAC) di Sabah. Walau bagaimanapun, hanya 181 soal selidik yang berguna dikumpulkan daripada 369 pengusaha inap desa di Sabah. Kejayaan usahawan diukur berdasarkan prestasi kewangan yang diwakili oleh keuntungan perniagaan, penjualan dan pulangan pelaburan. Ini kerana kajian mengenai kejayaan keusahawanan kurang dikaji dan diterokai dalam konteks inap desa. Di mana, kajian terdahulu menunjukkan bahawa usahawan inap desa tidak dapat mempertahankan pendapatan perniagaan mereka kerana jumlah pelancong yang kurang atau kedatangan pengunjung. Ini diikuti oleh persaingan dari penginapan lain seperti usahawan inap desa yang tidak berdaftar. Walau bagaimanapun, ia bertentangan dengan prestasi statistik inap desa pada tahun 2018, di mana prestasi pendapatan program inap desa sangat menguntungkan. Hasil data empirikal ini akan memberikan pandangan yang jelas bagi Menteri Pelancongan, Kesenian dan Kebudayaan (MOTAC), Institut Kemajuan Luar Bandar (INFRA), dan Persatuan Homestay Sabah untuk memahami penentu yang mempengaruhi usahawan inap desa di Sabah. Ia juga dapat menyumbang kepada pengetahuan, teoritikal, pembuat dasar dan implikasi pengurusan.

Kata kunci : kejayaan usahawan , usahawan inap desa ,pemasaran media social, penyertaan masyarakat ,kecekapan keusahawanan, dan motivasi keusahawanan

LIST OF CONTENTS

	Page
TITLE	i
DECLARATION	iii
CERTIFICATION	iv
ACKNOWLEDGEMENTS	v
ABSTRACT	vi
ABSTRAK	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xii
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xv
LIST OF APPENDIX	xvi

CHAPTER 1: INTRODUCTION

1.1	Background of Study	1
1.2	Problem Statement	9
1.3	Research Questions	13
1.4	Research Objectives	13
1.5	Scope of the study	14
1.6	Significance of the study	14
1.7	Definition of the Variables	18
	1.7.1 Entrepreneurial motivation	18
	1.7.2 Entrepreneurial competencies	18
	1.7.3 Social media marketing	18
	1.7.4 Community participation	18
	1.7.5 Demography Factors	18

CHAPTER 2: LITERATURE REVIEW

2.1	Introduction	19
2.2	Underlying Theories	19
2.3	Resources Based View Theory (RBV)	21
2.4	Social Exchange Theory (SET)	23
2.5	Definition of Homestay	25

2.6	Entrepreneurial Success	31
2.7	Entrepreneurial Motivation	37
2.8	Entrepreneurial Competencies	43
2.9	Social Media Marketing	51
2.10	Community Participation	62
2.11	Demographic Factor and Entrepreneurial Success	72
2.12	Gaps in the Literature Review	78
2.13	Chapter summary	83

CHAPTER 3: CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY

3.1	Introduction	84
3.2	Research Philosophy	84
3.3	Research Framework	85
3.4	Proposed Conceptual Frameworks	86
	3.4.1 Independent Variable	86
	3.4.2 Dependent Variable	86
	3.4.3 Moderator variable	86
3.5	Hypotheses	92
3.6	Sampling Design	87
3.7	Pretesting	98
3.8	Data Collection Methods	99
3.9	Data Analysis	103
3.10	Reflective measurement model assessment	107
3.11	Chapter Summary	113

CHAPTER 4: DATA ANALYSIS

4.1	Introduction	109
4.2	Data Collection and Response Rate	109
4.3	Common Method Variance	110
4.4	Missing data	112

4.5	Demographic profile of respondents	112
4.6	Descriptive Analysis	117
4.7	Normality Test	119
4.8	Stage of assessing measurement model to structural model	120
4.9	Reflective measurement	124
4.10	Collinearity assessment measurement model using the VIF	132
4.11	Assessment of Significant of the Structural Model	135
4.12	Assessment Model with Moderating Role	139
4.13	Hypothesis Test Assessment of the Model	140
4.14	Measuring Size Assessment	141
4.15	The Moderating Roles of Age in the Relationships between Entrepreneurial Motivation and Entrepreneurial Success	142
4.16	The Moderating Roles Gender in the Relationships between Entrepreneurial Motivation and Entrepreneurial success	143
4.17	Chapter Summary	144

CHAPTER 5: DISCUSSION

5.1	Introduction	146
5.2	Recapitulation of the Study	146
5.3	Discussion on Findings	150
5.4	The Relationship between Entrepreneurial Competencies and Entrepreneurial Success	150
5.5	The relationship between Entrepreneurial Motivation and Entrepreneurial Success	151
5.6	The relationship between Social Media Marketing and Entrepreneurial Success	153
5.7	The Relationship between Community Participation and Entrepreneurial Success	155
5.8	The Moderating roles of Age in the Relationships between Entrepreneurial Motivation and Entrepreneurial Success	156
5.9	The Moderating roles of Gender in the Relationship between Entrepreneurial Motivation and Entrepreneurial Success	158
5.10	Implication of the Study	158

5.11	Implication in Theoretical	160
5.12	Implication in Managerial	162
5.13	Implication in Methodological	172
5.14	Implication for Policy Makers	174
5.15	Limitation	176
5.16	Recommended for Future Research	176
5.17	Conclusion	177
REFERENCES		179
APPENDIX		206



UMS
UNIVERSITI MALAYSIA SABAH

LIST OF TABLES

	Page
Table 1.1 : Statistic Homestay Program in Malaysia	5
Table 1.2 : Malaysia homestay income and tourist arrival according to state level (until year 2017)	6
Table 1.3 : Homestay entrepreneurs in Sabah until August 2018	7
Table 1.4 : Statistic of Sabah Homestay performances until 2017	9
Table 2.1 : Homestay concept in several countries	28
Table 2.2 : Homestay Rules	29
Table 2.3 : Indicator of business success	36
Table 2.4 : Type of community participation	67
Table 2.5 : Homestay Entrepreneurs in Sabah until August 2018	73
Table 2.5 : Literature Review of Homestay Research in Malaysia (2013- 2019)	78
Table 3.1 : Selection of the variables	85
Table 3.2 : List of Register Homestay Entrepreneur in Sabah	93
Table 3.3 : Sources of Questionnaire Development	94
Table 3.4 : Survey Questionnaire with Homestay Entrepreneurs	102
Table 3.5 : comparison PLS –SEM and CB- SEM	104
Table 4.1 : Common Method Variance	111
Table 4.2 : Table of Respondent Profile	115
Table 4.3 : Descriptive Analysis	117
Table 4.4 : Reflective measurement model assessment	121
Table 4.5 : Assessment of the structural model	124
Table 4.6 : Reflective Model Assessment	126
Table 4.7 : Deleted item for each construct items	127
Table 4.8 : Guideline and indicator for measurement model analysis using PLS-SEM	129
Table 4.9 : Fornell and Larcker’s criterion	130
Table 4.10 : Heterotrait- Monotrait Ratio (HTMT)	130
Table 4.11 : Loadings and Cross Loading factors	131
Table 4.12 : Inner VIF Values	133
Table 4.13 : Outer VIF Values	134
Table 4.14 : Indicates of structural model analysis using PLS-SEM	135

Table 4.15	: Assessment of significant of the structural model with moderator	136
Table 4.16	: Summary of Hypothesis Test	140
Table 4.17	: Effect Size Assessment	141
Table 5.1	: Descriptive Analysis of Entrepreneurial motivation	151



UMS
UNIVERSITI MALAYSIA SABAH

LIST OF FIGURES

	Page
Figure 2.1 : The OECD/EUROSTAT framework for Entrepreneurship	21
Figure 3.1 : Conceptual Frameworks	86
Figure 3.2 : G-Power Analysis	92
Figure 3.3 : Processing the data	105
Figure 4.1 : States of assessing measurement model to structural model	120
Figure 4.2 : Reflective of assessment model	128
Figure 4.3 : Structural Model with Moderating Roles (Full model)	139
Figure 4.4 : moderator effect of age in the relationships between entrepreneurial motivation and entrepreneurial success	142
Figure 4.5 : Moderator effect gender in the relationships between entrepreneurial motivation and entrepreneurial success	143
Figure 5.1 : Final proposed conceptual frameworks	158



UMS
UNIVERSITI MALAYSIA SABAH

LIST OF ABBREVIATIONS

KEPKAS	-	Kementerian Pelancongan, kebudayaan , dan Alam Sekitar
STB	-	Sabah Tourism Board
SHA	-	Sabah Homestay Association
INFRA	-	Institute of Rural Advancement
OECD	-	Organisation for Economic Co-operation and Development
MOTAC	-	Ministry of Tourism, Arts and Culture
MARA	-	Majlis Amanah Rakyat



UMS
UNIVERSITI MALAYSIA SABAH

LIST OF APPENDIX

Appendix 1 : Example of Questionnaire

Page

206



UMS
UNIVERSITI MALAYSIA SABAH

CHAPTER 1

INTRODUCTION

1.1 Background of Study

The study of entrepreneurial success in homestay entrepreneur is rarely reported in the existing literature. In fact, there were limited studies in entrepreneurship on the selection of a proper set of measurement and assessing entrepreneurial success, because the definition of entrepreneurial success was very broad. Previous literature used many terms such as business success and business performance. In fact, the dependent variable of entrepreneurial success is still controversial discussed among the academicians (Genty, Idris, Wahizat, Wahat, & Kadir, 2015).

For example, previous study demonstrates that the concept of success can hardly be separated from performance, mainly because success can be defined with a certain element of performances (Simpson, Padmore & Newman, 2012). In fact, the business success or entrepreneurial success is similar with the business performances (Brush & Vanderwerf, 1992). However, some researchers are now looking for softer indicators, such as non-financial indicators, for example like personal satisfaction (Ahmad & Seet, 2009). In this study, quantitative measurements were used to assess entrepreneurial success; it is based on the satisfaction of homestay entrepreneurs towards financial performance. The financial performance were represented by business profitability (Eklof et al., 2018; Saeidi et al., 2015) and personal satisfaction towards their financial income such as profit, return on investment and sales (Solymossy, 1998). These measures also can be brought together to measure business success such with financial performance (Ahmad, 2007).

The key objective of this study is to investigate the relationship between entrepreneurial motivations, entrepreneurial competencies, social media marketing and community participation towards the entrepreneurial success through the theoretical lenses of resource-based view (RBV) and social exchange theory (SET). In fact, these variables will be the determinants that lead to entrepreneurial success. Secondly, these study also to investigate the moderating roles of age and gender of demographic factors, in the relationship between entrepreneurial motivation and entrepreneurial success. Where, the key performances of the homestay business success were evaluated based on the arrival of the visitors and incomes level. Since, the elements are the indicator that the government used to measure the performances of homestay program in Malaysia. Hence, the entrepreneurial success in this study was measured based on the level of satisfaction of respondents towards the financial-related performances.

In general, the Malaysian homestay program was introduced in the early of 1980. Its main purpose was to reduce the income imbalances between the rural and urban areas through the creation of new economic activity, specifically tourism, where the program allowed participation by the rural resident, enabling and encourage them to be involved on the tourism sector (Kasim, Kayat, Ramli, & Ramli, 2016). Furthermore, the Malaysian homestay programs have been considered as a community-based tourism (CBT) which employs a different concept than the region. The main purpose of homestay tourism is to accommodate visitors in a village with a local family or host, enable the visitors to discover local lifestyle, nature environment and culture (Kayat, 2009). It means the visitors stayed with the chosen host family and experiences the daily routine, including cultural and economic activities (Ministry of Tourism & Culture Malaysia, 2016). The homestay entrepreneur were registered and monitored by the governments under the homestay program. It gave the opportunity to the local communities as to contribute to local economic and poverty reduction (Kasim et al., 2016).

Basically, the homestay business programs were run by homestay entrepreneurs under the homestay program that registered under the Ministry of Tourism, Arts and Culture (MOTAC). The homestay entrepreneurs are the homestay operators that provide services to allow visitors to stay in their home by paying

some portion of fees for their accommodation. In general, the definition of entrepreneur is to create a new business by facing risks and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them (Zimmer & Scarborough 1998). In this case, homestay entrepreneurs are commercializing their home into homestay business to accommodate visitors to stay at their homes. For example, Lynch (2005b) refers commercial home as a types of accommodation where visitors pay to stay in their private homes, where the host or family usually living upon the premises, there is an interaction between the host and visitors. The commercial home embraces in wide range of accommodation types including bed and breakfast, renting private space, host family accommodation and do social settings. In other word, homestay entrepreneurs receive money from visitors that staying in their homes and sharing lifestyle experience to visitors (Lynch 2005).

Previous study by Yusnita, Amin, and Muda (2012) indicated that homestay are part of tourism products and tourism has become a major source of income and also a mechanism for the economic development in Malaysia. This is because tourism sector is an important sector and has great potential to grow in the future. Thus, there is a huge potential in tourism sector in Malaysia, the government has formulated tourism transformation plan for 2020. This is to promote creativity and innovation in tourism industry to achieve the target 36 million tourist arrivals and revenue RM 168 billion by year 2020 (Amin & Ibrahim, 2015). The tourism industry is a fast growing sector; contribute greatly to the national income. Therefore, tourism has been a key factor for economic tools to attract domestic and foreign tourists to grab a glimpse of the region attractive natural and cultural attraction (Bhuiyan, Siwar, Ismail, & Islam, 2011). It encouraged homestay entrepreneurs to participate in the homestay program, so they can develop and improve the standard of living in the rural areas.

Based on previous findings from (Set, Yaakop, Zatul, Hussin, & Mohd, 2015) concluded that motivational factors encourage the ecotourism entrepreneurs to engage in ecotourism business. Meanwhile (Yassin & Ramlan, 2015), concluded that most people involve in homestay entrepreneurship business is highly motivate by improving their financial status. Both of these studies summarized that people

were searching to improve their financial sources of income. This are the main factor that encourages entrepreneurs to start a business especially homestay business. This study provides valuable insights of entrepreneurial competencies into the role of homestay entrepreneurs' knowledge and skills in enhancing the homestay business (Kimaiga, Kihima, & Pepela, 2015). Hence, this leads the homestay program to be success among the homestay entrepreneurs in Sabah.

Despite that, the homestay program in Sabah has been growing rapidly. But most tourists did not realized about the programs and its benefit to rural areas residents. It showed that there were some weaknesses of the program that did not have the chance to improve since there were lack of promotion (Kasuma, Esmado, Yacob, Kanyan, & Naha, 2016). Some researchers demonstrated that organizational performance can be improved through social media usage. It gave clear understanding factors that enabled managers and decision makers to understand the real importance of social media. It also helps them to identify which proper and effective use of social media will improve the performance of the organization in various areas, as suggested by Ainin, Parveen, Moghavemi, Jaafar, & Shuib, (2015). By using social media marketing as marketing tools, it can helps homestay entrepreneurs to generate more profitable income and grow in the homestay industry, especially in Sabah. For example, firm that adopt social media technology is expected to have a positive effect on performance (Alarcon et al., 2015).

Past studies on community participation reveals that the success of the community based tourism or homestay programs is depending on the local community participation (Kayat, 2002 ; Kayat 2009 ; Ramli, Kasim, Razamin, Kayat & Razak ,2014). Therefore, community participation is crucial in enhancing the success of the homestay program business in Malaysia. Homestay program alone has contributed a total of RM 177,721,963.86 which attracted 2,447,705 tourists from 2010 to 2017. This number will continue to grow in the future. It means there is some opportunity for sustainable development in the homestay program bringing economic benefit for the participation (Kamisan & Xiao, 2013).

The study of entrepreneurial success among the homestay are important to the stakeholders as to monitor the effectiveness and efficiency of community based

rural homestay in rural community development, there are many factors that may influence the performance of the homestay, one of them is entrepreneurial skills (Kayat, Farrah, Zainuddin, Ramli, & Mat, 2016). Thus, it assumed entrepreneurs in tourism have unique goals and performance measurement to evaluate their success (Reichel & Haber, 2005). The issues on this study are based on previous literature, where it reveals homestay entrepreneurs are not performance well. There is still homestay program finds difficulty to sustain their business as mentioned by (Ismail, 2010). In fact, it was contradicted with the current data of statistics homestay performances in Sabah in 2018, where the statistics has show that Sabah has become the second largest contributor to national revenues under the homestay program with a total of RM 3,795,065.36 (Ministry of Tourism, Arts and Culture (MOTAC), Statistics, 2018). The statistic indicated that the growing number of new participations registering and joining the program as entrepreneur has given a good indicator.

Table 1.1 Statistic Homestay Program in Malaysia

Year	No of Homestay program	No.of host family	Tourist Arrival Domestic	Tourist Arrival Internati onal	Total Tourists Arrival	Income (RM)
2010	139	3,005	130,038	31,523	161,561	12,407,227.90
2011	150	3,211	147,346	49,126	196,472	15,736,277.60
2012	159	3,424	195,324	59,657	254,981	18,545,656.00
2013	166	3,431	259,423	65,835	325,258	21,570,949.20
2014	172	3,519	288,107	62,847	350,954	23,229,559.50
2015	181	3,653	296,439	71,034	367,473	28,392,933.50
2016	193	3,800	353,344	57,178	410,522	27,714,894.10
2017	206	3,994	318,638	61,846	380,484	30,124,466.06
					2,447,705	177,721,963.86

Source: Ministry of Tourism, Arts and Culture (MOTAC), Statistics, (2018)

Based in Table 1.1, it illustrates that the statistic of homestay program in Malaysia since 2010, the criteria been evaluate was number of host family, the total tourists arrival domestic and international and the total income starts from years 2010 to 2017. In 2017, the homestay program in Malaysia has contributed a total of RM 30,124,466.06 to the nation's income.

Table 1.2 Malaysia homestay incomes and tourist arrival according to state level (until year 2017)

No	State	Income(RM)	Entrepreneur	Coordinator	Domestic Visitor	International Visitor
1	Pahang	12,907,709.00	323	16	118,151	1,434
2	Sabah	3,795,065.36	345	25	24,182	23,129
3	Sarawak	2,757,687.60	594	41	20,425	3,372
4	Johor	2,309,269.50	497	24	62,046	15,094
5	Selangor	1,833,436.00	454	16	37,495	7,476
6	Melaka	1,276,535.00	137	9	10,755	6,143
7	Kedah	1,168,560.60	345	16	17,616	889
8	Terengganu	1,025,322.00	185	10	4,598	90
9	Negeri Sembilan	917,544.00	288	13	5,829	1,270
10	Perak	869,210.00	305	11	7,568	1,470
11	Pulau Penang	863,522.00	234	11	4,635	1,222
12	Labuan	316,954.00	79	3	1,441	26
13	Perlis	161,841.00	56	3	2,456	0
14	Kelantan	131,810.00	152	8	1,441	231
		30,334,466.06	3,994	206	318,638	61,846

Source: Ministry of Culture, Arts, and Tourism (MOTAC), Statistics, (2018)

Based in Table 1.2, the data represents the Malaysia homestay business income and tourist arrival up until year 2017. Sabah became the second largest state to generate revenue from the sale of homestay packages across Malaysia which contribution to homestay income RM 3,795,065.36 and followed by domestic visitor 24,182 and international visitor is 23,129 in 2017. The highest contribution is Pahang with the total of RM 12,907,709.00. The third highest is Sarawak with the total of RM 2,757,687.60 and followed by domestic visitors 20,425 and international visitor 3,372. The strength of Sabah become the second contributors to national income was because of the international visitors that visiting Sabah and its strategic location. Sabah is rich in flora and fauna, its home to more than 33 ethnic groups living in different parts and speaking 80 different dialects of Sabah. Each district will be offering their own unique culture, beliefs and way of life. Hence visitors would be experiencing a different lifestyle in each of the Homestay that they stayed. But in 2018, Sabah received tourist arrival of 3,879,413 both international and domestic (Sabah Tourism Statistic 2018).

Table 1.3 Homestay entrepreneurs in Sabah until August 2018

Year	Homestay coordinator	Homestay entrepreneur
2009	18	225
2011	16	228
2012	16	228
2013	17	242
2014	17	242
2015	21	293
2016	22	293
2017	24	316
2018	28	369

Source: Ministry of Tourism, Arts and Culture (MOTAC), Statistics, (2018)

Based in Table 1.3, there are 28 homestay location areas have been established in Sabah. Where, it is involved 28 homestay coordinators and 369 homestay entrepreneurs that providing 650 rooms for tourists accommodation. This figure may be increase in the future. Even though, the homestay businesses are booming in Sabah, but there are still face some problem and challenges. In addition, the Unit Peneraju Agenda Bumiputera (TERAJU) is aiming to upgrade the homestay industry in Sabah judging from the potential of economic in improvement the homestay industry in this state. It is to ensure the resilience and sustainability of homestay, particular in Sabah according to (New Sabah Times, 2013).

In Malaysia, previous study from past literature in tourism fields only investigated the sustainable homestay operation, sustainable development and communities based tourism based in table 2.5 (page76). It claims that homestay programs created numerous advantages since the homestay industry is growing rapidly each year. One of the important tourism activities is the homestay program. It offered a great potential to generate addition income for the local communities by participated in the homestay program. So, more tourists visited Sabah and these numbers still continue to grow in the future.

In conclusion, the study aims to investigate the relationships between entrepreneurial motivation, entrepreneurial competencies, social media marketing and community participation towards entrepreneurial success among the homestay entrepreneurs in Sabah. Secondly, it is also to examine the moderating roles of