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Entrepreneurs choice in business venture: Motivations for choosing home-stay accommodation businesses in Peninsular Malaysia



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ABSTRACT

Tourism is an important industry for Malaysia, and home-stay accommodation businesses play a significant role in aiding the success of the tourism industry. The aim of this paper is to analyse the start-up motivation factors and business challenges for home-stay accommodation businesses. The data were gathered from a survey of 1250 home-stay entrepreneurs in the country with a usable response rate of ($n=853$) or 68.24 per cent was achieved, and was analysed descriptively. To get more in-depth understanding of the phenomenon, interviews with selected 35 home-stay accommodation entrepreneurs were also conducted. It was found that the main motivations of home-stay entrepreneurs are different to those of small- and medium-sized enterprises (SMEs) business in other sectors. The identification of motivational factors in this study provides a clearer account of what actually motivates entrepreneurs to ventures into home-stay accommodation businesses – an under researched area. The paper propose a revised model of motivations factors of home-stay accommodation entrepreneurs, which incorporates two distinct sets of push and pull factors – one that applies to the entrepreneurs of SMEs in other industry and one applies to entrepreneurs in home-stay accommodation tourism industry. The data also present the result of several key business challenges in this unique niche industry such as lack of service orientation, lack of facilities, safety concern, competition with incompliance unregistered home-stay operators and difficult to maintain optimum levels of cleanness. In addition to developing the theory on home-stay accommodation businesses, the findings of this paper will have relevance for policy making and supportive measures at the federal or state government levels to create an environment that will stimulate the competitiveness of SMEs in home-stay accommodation businesses in their attempts for business growth and key strategy for economic improvement.

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1. Introduction

The tourism industry in Malaysia has witnessed a robust growth in recent years. Indeed, the tourism industry has become an important source of revenue and contributes to sustainable development for Malaysia's economy (Tenth Malaysia Plan, 2011–2015, 2011). Malaysia Government sees tourism as one of the main providers of employment, a key foreign exchange earner, contributing to economic growth, attracting investments as well as strengthening the services account of the balance of payments (Ninth Malaysia Plan, 2006–2010). In 2011, tourist arrivals increased by 137,128 to 24,714,324 compared to 24,577,196 in 2010, while receipts increased by RM1.8bil to RM58.3bil compared to RM56.5bil the previous year (The Star Online, 2012). Most tourist come from more than 80 countries but among the top 10 tourist markets for 2011

(in rank order) were Singapore (13,372,647), Indonesia (2,134,381), China (1,250,536), Australia (558,411), United Kingdom (403,940), and Japan (386,974) (ibid).

In an effort to position Malaysia as a premier tourist destination in the region, the Government in collaboration with the private sector and local communities intensified promotional and marketing activities. Local authorities and communities are encouraged to be more actively involved in promoting the country's traditional advantage, namely its cultural and natural heritage. Culture becomes a tourist attraction and also gives a sound argument for the preservation of a given region (McKercher et al., 2005). Therefore, the government has developed and diversified many new tourism products, and one of the efforts is to introduce community-based home-stay accommodation tourism. Home-stay accommodation is rural cultural tourism that has been developed in efforts to diversify cultural tourism product, contribute economically to the rural population. Rural cultural tourism such as the home-stay accommodation business has been shown to bring immediate benefits such as successfully providing job opportunities for local communities and improves qualities of life for local people

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(Bhuiyan et al., 2011). In line with this observation, Liu (2006) claimed that home-stay businesses provide not only an alternative choice for cheaper accommodation to the tourists but also a supplementary source of income to the operators. Currently, 159 communities throughout Malaysia with more than 3424 participants are registered to operate home-stay accommodation businesses in the Malaysian Homestay Programme, forming an important tourism product for the country (Ministry of Tourism, 2013). The establishment of Ministry of Culture, Arts and Tourism on 19 May 1987 (now known as Ministry of Tourism Malaysia) brought many significant changes in promoting Malaysia as a tourism destination. The effort to promote greater local participation in tourism was emphasised further in the Seventh Malaysia Plan 1996–2000. The Ninth Malaysia Plan, 2006–2010 has continued the country's efforts in rural tourism through Malaysia's domestic programme which includes the Rural Residents Tourism Programme and the Homestay Tourism Programme (Ninth Malaysia Plan, 2006–2010, 2006). This ministry with the assistance of other ministries and related agencies such as Ministry of Rural and Regional Development, Ministry of Health, Local Authority or Local Government, Homestay Association Malaysia, and Homestay Coordinator has implemented many strategies to promote home-stay accommodation businesses at the national and international level. The Malaysian government views the home-stay accommodation programme as a unique tourism product enabling the tourists to experience a lifestyle and cultural different from their country of origin. It is closely related to nature, culture and local custom and is intended to attract a certain segment of the tourist market that desires authentic experiences. The home-stay tourism sector is characterised by the provision of economic services from and in the entrepreneur's home and represents a relatively rare economic phenomenon (Stringer, 1981). For this reason, the rural households and micro-, small- and medium-scale entrepreneurs are encouraged to participate. Thus, this raise question of what motivates entrepreneurs to start-up or be involved in community-based home-stay accommodation businesses in Malaysia becomes an interesting topic to be investigated.

Many studies have been carried out on the ecotourism and community-based tourism programmes: for examples in Africa (Lepp, 2007; Manyara and Jones, 2007; Kibicho, 2008), Asia (Nyaupane et al., 2006; Okazaki, 2008; Kayat, 2010; Jaafar, 2012), Oceania (Dyer et al., 2003), and Peru (Zorn and Farthing, 2007). Similar studies that examined the motives and involvement of entrepreneurs in those businesses are still lacking (Li, 2008). In Malaysia context, despite several studies focusing in home-stay accommodation businesses, this has restricted the analysis to specific gender and using small samples size, generally made up of entrepreneurs in one state or some area in the country (Abd-Halim et al., 2011; Abdul-Razzaq et al., 2011; Kayat, 2010; Osman et al., 2008; Ibrahim, 2004; Kayat, 2002). Therefore, the findings remain inconclusive (Kim, 2008; Morrison and Thomas, 1999). This paper has the advantage of helping to overcome some of the above-mentioned limitations, since it is based on a larger sample size. In this respect, the present study is probably the first one to use large number of populations to explain the entrepreneurial motivations in tourism and hospitality industry, and in particular home-stay accommodation entrepreneurs. This is, in a researcher opinion, the greatest contribution that may be expected from this paper. Attention to investigate the motivational factors in the home-stay accommodation businesses is essential as the growth of the home-stay accommodation programme has provided huge opportunities to the rural communities. By focusing on entrepreneurs who chose to venture into home-stay accommodation businesses, this study fills a gap in the literatures, which enable development of entrepreneur decision making theory and provide much needed information for strategy and marketing decision makers in

government and related agencies. This study is very relevant as it attempt to close this gap by not only providing further insights and understanding of the entrepreneurial process, but also for the more general understanding of the economic development in developing nation.

2. Research objectives

In a paper mapping the development of research in small businesses and entrepreneurship, Blackburn and Smallbone (2008) root research into motivations as the starting point in this field of research. From a theoretical perspective, this research seeks to discover whether the motivators most frequently mentioned in empirical studies employing the push–pull model of entrepreneurs in various sectors also apply to entrepreneurs in home-stay accommodation businesses. Motivated by this research gaps, this paper aims to understand what motivates individuals to be involved in tourism and hospitality businesses, an in particular home-stay accommodation operators. Specifically, the objectives of this paper are: to identify the underlying start-up motives in the small business sector namely home-stay accommodation businesses; to explore either push or pull factors as the primary factors for home-stay entrepreneurs, and the problems they faced in managing such businesses. More specifically, this study addresses the following research questions:

RQ1: What are the underlying motivational factors of home-stay accommodation entrepreneurs?

RQ2: What are the primary motivational factors that motivate the entrepreneurs to become involved in home-stay accommodation tourism businesses?

RQ3: What are the challenges entrepreneurs' or home-stay accommodation operators encounters in this unique industry?

This study contributes to a better understanding of entrepreneurial theory by providing further evidence about the primary motivations, what entrepreneurs believe they need for business start-up, and the challenges faced by the home-stay accommodation entrepreneurs. This paper is structured as follows. The paper begins by briefly reviewing the related literature on the motivations for small business start-up and business challenges. Then, the research methodology section explains the selection of the study areas, the design of questionnaires, and interview questions. Next, both quantitative and qualitative data are analysed. The final part discussed the conclusion and implication for future studies.

3. The push–pull model of business start-up in tourism research

Motivation is the reason for a behaviour (Solomon, 2009). Understanding motivation refers to recognising forces that initiate, direct, and sustain human behaviour (Iso-Ahola, 1999). Motivation is defined as the state of need that exerts 'push' on the individual towards certain types of action that are likely to bring satisfaction (Moutinho, 1987). Micro and small business researchers recommend analysing motivations for business start-up as a way of understanding the goals that entrepreneurs set for their enterprises and the criteria by which they measure their performance (Kuratko et al., 1997).

In tourism, motivational research revolves around a concept offered by Dann (1977), who distinguishes push and pull factors in tourists' motivations. These two broad categories of 'push' and 'pull' factors are not mutually exclusive and it would be more accurate to say that there are often multiple motivations as to why people

start their own businesses. 'Push' factor is allied with the negative desire into pursuing their business ideas, while 'pull' factor is attributed to positive developments to start a business venture. Thus, pull motivations tend to be more external, situational and cognitive aspects as compared to push motivations, which are more intrinsic and related with internal or emotional aspects. Unemployment, underemployment and unsatisfactory work conditions, family support, recognition and prospects are among example of pushed factors, while among the pulled factors for business start-up are including the desire to be one's own boss, self-actualisation, financial benefits, the need for approval, wanting autonomy, to use existing experience and knowledge, and the desire to achieve a more comfortable balance between family and work responsibilities. Intrinsic and extrinsic motivations are not mutually exclusive. One can be motivated by both to perform an entrepreneurial act (Elfving, 2008). Dann (1977) proposed that chronologically, push factors precede pull factors in the decision-making process. These factors are important in influencing decision to start-up business. Related studies illustrated that, due to socio-economic factors, the impact of the pull/push factors vary between developed and emerging economies (Alsos and Ljunggren, 1998). For instance, in a study of new business start-ups in 11 countries, Scheinberg and Macmillan (1988) revealed six motives leading people to become entrepreneurs. They include the need for approval, the perceived wealth, the degree for communitarianism, the need for personnel development, and the need for independence. The findings also revealed motivations for business ownership differ from one country to another. American entrepreneurs rated the need for independence as the most important reason for starting a business. Italian business owners ranked communitarianism high on the list of motivators. Entrepreneurs in Australia and United Kingdom, however, cited money as the reason for becoming business owners. The Scandinavians rated this same factor the least significant. Nevertheless, a complication arises in explaining the motivational business start-up due to the different environments combined with the different perceptions, genders, needs and attitudes of the entrepreneurs. In addition, the motivating factors may differ across countries due to differences in economic, political, social, and cultural environment in which entrepreneurs operate. Whether the motivation to start a new venture is prompted primarily by a positive or negative impulse and whether or not expectations are reinforced by experience are key factors in determining the likelihood of ongoing success: positive motivations appear more likely to lead to success in the medium-to-longer term (Robertson et al., 2003).

Hunger et al. (2000) contend that motivations for business start-up can be grouped within three broad categories, namely opportunity-driven, internal decision-driven and external decision-drive. Kirkwood (2009) stated that among common pull and push motivations for becoming entrepreneurs in most studies include a desire for independence, monetary reward, lack of job or career prospects, and a desire for work-family balance. Schuckert et al. (2008) stated that the common motivations for business start-up including a desire for independence and financial gain, flexibility of time, to balance work responsibilities and earning potential and familial responsibilities. Bennett and Dann (2000), and Walker and Webster (2007) identify motivators such as the desire for self-fulfilment or independence, greater wealth or being one's own boss. In an extensive review of literature on business start-up factors, Vijaya and Kamalanabhan (1998) found that a number of either 'pushed' or 'pulled' motivational characteristics have been recognised in entrepreneurs. These include the need to be independent, the need to provide good products and services to people, the need to provide employment, the need to be innovative and the need to supplement the family income. Certain authors observe that entrepreneurs tend to be motivated for new business creation by

internal aspects such as the desire for independence (Gatewood et al., 1995; Hisrich and Brush, 1986; Stanger, 1990), the desire for self-realisation and internal control (Kalleberg and Leicht, 1991; Waddell, 1983), perseverance (Deng et al., 1995) and an interest in taking up the challenges posed by creating a new firm, the opportunity to develop their skills and experience, and the chance to influence their own destinies. In summary, extant research suggest a wide range of possible motivations to business start-up. There has been no consensus among researchers as to the exact motivational factors. The empirical results are mixed and warrant further investigation.

The majority of empirical studies on motivational factors of small businesses were conducted in an industry such as manufacturing and trading. Limited empirical study has so far been carried out in the hospitality and tourism industry as traditionally, tourism was placed below manufacturing and trading, since it was not seen as a significant or appropriate source of growth. In contrast, today, a "quiet but significant reappraisal" is taking place, which values tourism as a potential means of earning export revenues, generating large numbers of jobs – including for young people and women – promoting economic diversification and a more services-oriented economy, helping to revive declining urban areas and cultural activities, and opening up remote rural areas. Therefore, this study provides interesting insights that could add further to the body of knowledge regarding home-stay tourism activity from Malaysia – an emerging middle-income country that is developing. Although as explained, the basic push–pull model of business start-up is valuable as an explanatory mechanism, it does have limitations (Hunger et al., 2000). Both push–pull factors are external forces that impact on individual's behaviour and choices, but the individual preferences and personal characteristics of entrepreneurs are largely unaccounted for. Individual entrepreneurs might react to different push and pull factors different ways. The key question, therefore, is to what extent the model predicts entrepreneur's choice in the home-stay accommodation businesses and how these affect their choices. Learning more about entrepreneurs' motives could help policy makers develop appropriate programmes fostering the creation of new business and helping the existing small and medium-sized businesses flourish.

4. Strategic issues faced by small- and medium-sized tourism businesses

There are several studies done have highlighted the high number of business failure in tourism and hospitality industry. Barsley and Kleiner (1990) claimed that 80 per cent of small businesses will fail within the first 5 years, whilst Lauzen (1985) suggests that 65 per cent will do so and Keasey and Watson (1991) report that 'some 10–15 per cent of the existing stock of small firms fail per year'. There are many reasons for business failure but in the case of small enterprises in tourism business, especially those under 3 years old, issues of finance, demand forecasting, management, marketing, strategy and planning are just of the issues that suggest themselves (Beaver, 2003; Morrison and Teixeira, 2004). Reynolds et al. (1994) claimed that 73 per cent of small businesses in tourism industry in Australia close within the first 5 years of operation. Many potential reasons have been proposed for failure of business performance in small and medium-sized tourism sector. Morrison and Teixeira (2004) linked failure to the internal and external factors of business operations, such as managerial incapability, failure to managed quality, insufficient resources, etc. In relation to this, some of these failures strongly correlate with the performance of entrepreneurial leadership (Gagnon et al., 2000). In observing those views, Hoy and Vaught (1980) claimed that small business owners are envied as individuals in control of their own destiny; however, the reality

can be very different. For example, problems of a financial, marketing, administrative, economic, technical or employee-related nature, as well as government regulations and interventions are beyond owners' control (Hoy and Vaught, 1980) and can easily lead to businesses' failure. In Finland, Komppula and Reijonen (2006) find several performance determinants in small tourism business such as emphasise the importance of customer orientation, good skills in leadership, internal marketing and a good reputation of the firm and the product. According to Brotherton (2004), among critical success factors in UK budget hotel operations are hygiene and cleanliness, consistent accommodation standards, and consistent service standards. Pusiran and Xiao (2013) find that some home-stay accommodation operators in Malaysia are still lacking of basic infrastructure such as the provision of 24 h electricity supply is still limited and often distracted; lack of clean water or treated water; as well as a network of inadequate road system. As part of strategic issue in small- and medium-sized tourism sector, it has been argued that the role of government and its related agencies is crucial in creating an environment that is conducive to smaller business tourism success. For instance, many hotel operators in Canada complain that a lack of tourism promotion and tourism funding from the government and financial institutions limited their business growth (Lu and Chiang, 2003). The similar issue was also found by small tourism entrepreneurs in Ghana where the government support in term of funding were limited and insufficient (Mensah and Kojo, 2010). Consistent with this, it has been argued that government assistance, although important, should not be seen as the sole remedy for reducing the rate of business failure (Lerner and Haber, 2001). There are other important factors that small tourism business must attend to in order to ensure continued prosperity. Accordingly, scholars such as Stokes and Lomax (2002) suggest focusing on the business owner strategy as the unit of analysis in predicting business success in SMEs in tourism.

5. Home-stay accommodation tourism businesses in Malaysia

Tourism involving home-stays activity is one of the Malaysian government's key efforts to diversify its cultural tourism product. Home-stay tourism refers to one pattern of tourism with emphasis on ecotourism and community-based tourism in which visitors will stay with foster families in rural areas, and the host families have to treat the tourists as their own family and involve them in their daily activities to share the experiences, learning life styles of the local community, learning about the local culture and their surroundings (Ministry of Culture, Arts and Tourism, 2001). Home-stay tourism creates an opportunity for visitors to get closer to the rural world, to its culture and heritage, to the notion of the countryside, to peacefulness, and to physical and spiritual rejuvenation (Peterson, 2004). The Malaysian home-stay programme can be regarded as a rural-cultural-community based tourism product (Kayat, 2002). Rural cultural tourism involves travelling to a district rural community with its own traditions, heritage, arts, lifestyles, places and values as preserved between generations (MacDonald and Jolliffe, 2003).

The home-stay programme was introduced by the Ministry of Tourism Malaysia in 1988 as an effort to diversify the tourism products through the provision of an alternative accommodation for tourists where enables tourists to stay with a host family and experience the Malaysian lifestyle and traditions throughout their stay. The first programme was the Desa Mumi Home-stay Programme which consists of five villages near Temerloh, Pahang. Local residents from these villages worked together to create a home-stay programme and the results have had a dramatic effect on the local economy. The success of Desa Murni home-stay inspired many

other communities to create their own similar programme (Kayat, 2002). In 1993, the Minister of Culture, Arts and Tourism (MOCAT) formed a special unit to oversee the growth of the home-stay programme which was officially launched on December 3rd, 1995 by MOCAT. The home-stay tourism industry has gained momentum since its official launch, and it is now a part of the economies of all 13 Malaysian states and the federal territory of Labuan. In each state, the home-stay programme has its own cultural identity, offering different landscapes, local practices, and foods (Tourism Malaysia, 2012). The villages in every state have been carefully selected and adhere to strict guidelines set by the Ministry of Tourism so as to bring out the best of Malaysia (Tourism Malaysia, 2011). The home-stay programme has received increased recognition as a tourism product with the preparation of a rural tourism master plan in 2001. Therefore, the number of home-stay operators has increased to 2808 from 142 villages nationwide during the Ninth Malaysia Plan (2006–2010). As explain earlier in the introduction section, until end of 2012, a total of 3424 home-stay operators from 159 villages throughout the country have been trained and licensed by the Ministry of Tourism. A total of 213,266 tourists participated in this programme, where 41,670 of them were foreign tourists. The total home-stay programme revenue for 2011 is RM15.74 million, which was an increase of 26.8 per cent compared to 2010 (Tourism Malaysia, 2012). The Malaysian government views the home-stay industry as an industry that has unique Malaysian appeal and thus proactively and continuously supports the growth of this sector.

6. Research methodology

Motivations can generally only be determined by asking people to state them, but people often have multiple motivations and rarely analyse them. To achieve the objectives of the study, the methods used are as under.

6.1. Questionnaire design

The survey research method was used to conduct the current study (Kerlinger and Lee, 2000). The instrument consisted of 37-items relating to entrepreneurs perception and motivations were used for gathering information for the study. Examples of items can be seen in Table 2. As studies on entrepreneurs motivation and business challenges in tourism sector and in particular home-stay accommodation businesses have to date been little studied, the literature revealed no scale that could be adopted in its entirety. Nevertheless, parts of scales were taken or adapted from various studies on entrepreneurs motivation such as Hamilton (1987), Bansal and Eiselt (2004), Walker and Webster (2004), Yoon and Uysal (2005), Harris and Gibson (2006), Chan and Baum (2007), Chan and Quah (2008), and Okpara (2011). The questionnaires were modified to take account of the particular service setting – home-stay accommodation businesses and Malaysia context. Under each construct (motivational factors) a number of statements were developed to determine the extent to which a particular construct was a motivational to home-stay entrepreneurs. Six items were used to collect data about respondents' and business profile: their gender, education, age, previous working experience, years in operations and numbers of staff. The dimensions of motivation are made up of items in the questionnaire that are evaluated in the form of a 1–5 Likert scale (where 1 is the most negative evaluation and 5 the most positive). For the issues and business challenges constructs where 5 is very serious problem and 1 is not a problem. The five-point Likert scale dealt with the areas of concern identified in the literature study. The questionnaire was pre-tested to ensure the validity of the instrument, and after the pilot test several items were reworded to improve readability, content validity

and clarity. Scale reliability was assessed using Cronbach's α . The α values ranged from 0.79 to 0.95, satisfying the minimum 0.70 recommended by Nunnally (1978). The survey questionnaire was completed by respondents using hard copies.

6.2. Respondents' criteria

The criteria of the respondents in this study must follow the home-stay accommodation features and guidelines developed by the Ministry of Tourism Malaysia. Since the purpose of home-stay accommodation is to attract tourists to stay together with host families, or namely, "adopted" families (Kayat, 2010), there are certain standards that must be adhered. Only those houses that meet the criteria set by the ministry are being considered for home-stay status. In order to regulate the homestay programme, Ministry of Tourism Malaysia will only issue a license if the house owner is able to abide to a list of selection criteria, which are as follows:

- (a) House location – the area must be suitable in terms of communication and transportation; free from environmental pollution, and able to portray the Malaysian lifestyle.
- (b) Basic amenities – the house size is suitable, own at least three separate rooms in the house, clean and comfortable bathroom, toilet, dining and living area, and provide safe and hygienic meals and other requirements to guest.
- (c) Cleanliness – the house surrounding is free from rubbish and animal diseases, and good sewage and drainage system.
- (d) Registered with Ministry of Tourism Malaysia – undergo the Rural Tourism Basic course organised by the Institute for Rural Advancement (INFRA) or the Tourism Ministry.
- (e) Successfully pass the house inspection by the Ministry of Tourism Malaysia, local authorities, Ministry of Health, Home-stay Association of Malaysia, and Homestay Coordinator.

Having fulfilled these conditions, the home-stay will be inspected every 3 years for compliance with regulations. Inspections will be supervised by the Ministry of Tourism with the cooperation of various authorities. Home-stay entrepreneurs have to adhere to a set of strict guidelines to ensure that visitors get a real experience of living in a local culture. For the registered home-stay entrepreneurs, the ministry will provide home-stay Malaysia trademark logos. The ministry holds the copyright to the logo and prevent others, especially unregistered home-stay operators, from using it.

6.3. Sample

The study involves entrepreneurs who venture into home-stay accommodation business. The survey questionnaires were self-administered to 1250 home-stay entrepreneurs from several regions in Peninsular Malaysia: Penang, Kedah, and Perlis in the northern region; Selangor, Negeri Sembilan and Melaka in the central region, Pahang, Perak and Kelantan in the east and Johor Bahru in the south. In total, 853 usable responses were received; a response rate of 68.24 per cent permitted a representative sample of home-stay accommodation business entrepreneurs in the country. Respondents gave their answers on hard copies of the questionnaire. Fifteen questionnaires were incomplete or not suitable for use. Most of the unusable questionnaires either had whole sections with no answers or the respondent had clearly not completed the questionnaire conscientiously or with reasonable care. The entrepreneurs of home-stay accommodation were identified from a registered business directory from the Ministry of Tourism Malaysia, personally visited or contacted by telephone and networks within the Homestay Association as well as from the

homestay leaders of the selected villages. Those who agreed to take part in the study formed the research sample.

In order to obtain a comprehensive answer to the research questions, a qualitative in-depth interview was also conducted with 35 home-stay entrepreneurs. The interviews followed those used in MacDonald and Jolliffe (2003) study which include respondent observation on the development and progress of tourism in the area, and their attitudes and perceptions of rural tourism development. Questions were open ended in order to gain more spontaneous opinions. This allowed the freedom to pursue topics that were not on the list and provided interesting extra data (Ryan, 1995). Walker (1985) suggests that 20–40 in-depth interviews are necessary for qualitative research of this nature. In-depth interviews were conducted using tape recordings and they lasted an average of 45 min. A semi-structured interview protocol was employed in order to ensure that there was sufficient flexibility to enable respondents to respond freely and fulfil certain requirements for the study. Interviews were conducted using the appropriate language, mainly Malay (which is the national language). The questionnaire was translated to Malay using back-to-back translation method. The interviews were transcribed and analysed based on the context.

6.4. Data collection procedure

Thirty-five student enumerators of Malaysian public universities were trained to collect data from the identified respondents. The distribution was done this way to avoid the problems with the local mail system and to fit with local cultural issues such as the background of the researcher and purpose of the research. For example, most Malaysians will be reluctant to respond to anonymous surveys and want to know the person and the subject of the research before responding. Each enumerator was provided with a questionnaire kit with the instruction to read the questionnaire and fill in the responses from individual respondents at the selected locations within Peninsular Malaysia. Calls to the village committee heads were made before visiting the respondents who were given the study briefing and a consent letter before proceeding with the survey and interview. A strict weekly return schedule was implemented where enumerators were able to hand in the completed questionnaires. Compulsory weekly meetings with enumerators were conducted to ensure quality control. The researcher visited the enumerators at selected at mid-point of data collection sites to verify the eligibility of the returned questionnaire as well as addressing technical and human issues in the course of data collection with home-stay entrepreneurs.

7. Results

The demographic profile of the $n = 853$ home-stay accommodation business entrepreneurs indicated that (see Table 1):

- a. As can be seen, most of the home-stay entrepreneurs were female (77.26 per cent) and the remaining were male (22.74 per cent). This is consistent with the gender breakdown of entrepreneurs in this sector in which it is reported that most of them are women (Schuckert et al., 2008).
- b. More than 86 per cent had received primary and secondary education. About 3.41 per cent of respondents stated their highest qualification was a Bachelor's degree, and about 9.97 per cent were without formal education.
- c. The majority of respondents (86.75 per cent) are more than 40 years old, and about 13.25 per cent at the age of 39 years old and below. The dominant age group of the respondents indicates that they still have the energy and passion to pursue their interest in

Table 1
Summary profile of respondents.

Categories	Number	Percentage
<i>Gender</i>		
Male	194	22.74
Female	659	77.26
<i>Education</i>		
No formal education	85	9.97
Primary level	187	21.91
Secondary level	547	64.13
Tertiary level	29	3.41
Other	5	0.58
<i>Age</i>		
30 years or younger	19	2.23
30–39	94	11.02
40–49	552	64.71
50 years or older	188	22.04
<i>Previous working experience in small businesses</i>		
No working experience	569	66.71
5 years or less	219	25.67
5–7	38	4.45
8–10	27	3.17
11 years or more	–	–
<i>Years in operation</i>		
2 years or less	317	37.16
2–3	439	51.47
4–5	45	5.28
6–7	27	3.16
8–9	20	2.35
10 years or more	5	0.58
<i>Number of employees</i>		
< 5 employees	840	98.48
5–10 employees	13	1.52
11 or more employees	–	–

Note. $n = 853$.

the business and at the same time gain personal satisfaction from this endeavour.

- d. The majority of the respondents (66.71 per cent) had no previous working experience in managing small businesses. About 25.67 per cent had less than 5 years in managing small businesses.
- e. A majority of respondents in the current study had fewer than 3 years in operation of home-stay accommodation business (88.63 per cent), with 11.37 per cent having been in business more than 5 years. In terms of number of employees, 98.48 per cent had fewer than 5 employees.

8. Motivational factors for home-stay accommodation entrepreneurs in Peninsular Malaysia

8.1. Quantitative analysis

Table 2 highlights the key motivating factors which participants described as being important to their starting a home-stay accommodation business. The motivational variables are in descending order of importance. The higher the score the stronger motivation factor for the entrepreneur.

Most studies on business start-up indicate that entrepreneurs start their business with strong economic motivations such as generating extra income (OECD, 1998; Dahles, 2000). However, the results of this study show that economic motivations, such as generating extra income were not the primary reason for home-stay accommodation entrepreneurs. Collectively, the respondents felt that they were running successful businesses and that non-financial measures of this success were more important than money. On the contrary, when asked to choose up to two reasons for starting their own business, most of them cited personal satisfaction ($M = 4.79$) and enjoyable things to do in the home-stay

Table 2
Push and pull motivational factors of entrepreneurs to entered home-stay accommodation businesses.

Item	Mean	SD
Personal satisfaction	4.79	1.65
Enjoyable things to do in the home-stay accommodation business	4.65	1.67
Desire to generate additional income	4.58	1.59
Family encouragement to start home-stay business	4.42	1.63
Flexibility of lifestyle	4.35	1.57
Community members' motivations to participate.	4.23	1.72
Need for supplementary family income	4.13	1.69
To work for myself	3.98	1.53
Ability to make own decisions	3.86	1.64
Desire for independence	3.54	1.71
Continuation of family businesses	3.49	1.55
Preparing for retirement	3.45	1.62
Current market demand in the tourism industry	3.38	1.60
New market potential and opportunity	3.31	1.66
The home-stay business had tremendous opportunity	3.28	1.64
Inspired by friends' success in the business	3.14	1.59
To apply experience, knowledge and expertise in the field	3.02	1.71
Availability of resources in strategic area for home-stay business	2.93	1.53
Previous job experience in similar business	2.76	1.60
Gain a personal sense of accomplishment and grow business	2.31	1.57
To achieve something and get recognition in this business	1.74	1.55
Dissatisfaction with previous job	1.41	1.52
Unemployment	1.22	1.59
Job insecurity	0.98	1.61

Notes. All items used a five-point rating scale, where 5 = extremely important; 4 = very important; 3 = mildly important; 2 = not very important; 1 = unimportant.

accommodation business ($M = 4.65$) emerged as the main push factors. This is in contrast to some other studies done in other Western countries (Schuckert et al., 2008) that found that the economic factor was the most salient in driving entrepreneurs towards such ventures. It is also inconsistent with previous literature, which indicated that Asian entrepreneurs tend to think making more money is the most important force leading to business ownership (Mann and Thorpe, 1998).

The variable 'desire to generate additional income' ($M = 4.58$) were found to be next important for the home-stay accommodation entrepreneurs. Home-stay tourism, like any other form of rural tourism, provides an economic alternative to rural communities, many of which require a second or third source of income (Embacher, 1994). Family-driven factors, which had mean score of 4.42 strongly influence the decision to run home-stay business. The present study indicates that participation in community-based tourism is influenced by family and community members' motivations to participate. These motivations, in turn, may be explained by several factors such as their awareness about the benefits from such programme to themselves, families and their community, their social/affiliation need, and their personality type which seem to play an important role in explaining their participation in this home-stay programme. An examination of pertinent literature indicated the community participation in the home-stay accommodation business is contributing intrinsic value to society (Abdul-Razzaq et al., 2011).

Other major reasons for respondents to go into home-stay accommodation business were: to able to make own decision ($M = 3.86$), desire for independence ($M = 3.54$), and continuation of family business ($M = 3.49$). Significant proportion respondents also indicate that they went into because they saw an opportunity in the tourism market ($M = 3.38$) and new market potential in home-stay accommodation business ($M = 3.31$). It is important to note that the intrinsic factors: dissatisfaction with previous job ($M = 1.41$), unemployment ($M = 1.22$) and job security ($M = 0.98$) have been rated very low as the reasons to engage in home-stay business. These findings are inconsistent with previous studies which have shown

Push Factors (Negative Circumstances)	Pull Factors (Positive Opportunities)
"This is part of my retirement preparation" (Interview informants 15 and 30)	"Some of my friends told me that this business can create extra income to my family" (Interview informants 5, 7 and 18)
"I do have eight kids and my current paid job is not sufficient to raise them. I need extra income for family" (Interview informant 2)	"Actually, I enjoyed this business opportunity and I do see the potential of this industry" (Interview informants 4, 23, 34)
"This industry is unique. We deal with people especially foreigners. It's fun and exciting. We share cross-cultural experience with the guests" (Interview informant 30)	"I can have quality time with my family" (Interview informants 9 and 14)
"I just completed my tertiary studies and find difficult to find job" (Interview informant 1)	"Having my own business is my dream, therefore I decided to start this business" (Interview informants 1, 8 and 16)
"Most of the people here in this village running this business and its create my interest to venture into the business too" (Interview informant 33)	"I want to be independent and do something worthwhile" (Interview informant 24)
	"I grew up in business environment. My father was an entrepreneur. Business is part of my blood" (Interview informant 1)
	"I saw the opportunity in this business and take a challenge" (Interview informant 19)
	"I have a small business experience in the past" (Interview informants 22, 29, and 35)
	"We have other family members run the similar business and encourage us to do the same" (Interview informants 22 and 34)
	"I like to meet with people from all over the place, and share with them our Malaysian life and cultural, particularly Malay tradition. I still in contact with them" (Interview informant 6)
	"Malaysia is rich with cultural customs and unique characteristics. I enjoy participate in this unique programme. This programme important not only for us but for the development of our village specifically, and the country generally" (Interview informants 9 and 11)

Fig. 1. Summary qualitative analysis of push and pull start-up factors for home-stay accommodation businesses in Peninsular Malaysia.

redundancy, unemployment, frustration with previous employment, the need to earn a reasonable living and the need for a flexible work schedule were the main pull factors (Alstete, 2003; Orhan and Scott, 2001).

8.2. Qualitative analysis

The finding based on in-depth interviews with the respondents of pull and push factors for business start-up are presented in Fig. 1. The response from the interviews does correspond with the findings in the quantitative survey. From the interviews, in a few cases, the decision to start home-stay tourism business was based on combination of push and pull factors. For example, interview informant 19 was invited to join her family's business, after working for 3 years in IT industry. She left the IT industry because she saw no opportunity for further development. In light of her IT background, she knew the opportunity would be a major challenge, but excited to take on.

Clearly, the findings on motivational factors indicate that the pull factors play a more significant role in influencing the entrepreneurs to start-up home-stay business.

9. Key challenges for home-stay accommodation operators in Peninsular Malaysia

9.1. Quantitative analysis

It is not uncommon for entrepreneurs, business owners, and managers across the world, especially in the micro-, small- and medium-sized business sector, to experience numerous challenges in starting up, operating, and growing business enterprises. On a five-point Likert scale with '5' being very serious problem and '1'

Table 3

Issues and challenges encountered by home-stay accommodation entrepreneurs in Peninsular Malaysia.

Items	Mean	SD
Lack of service orientation	4.67	1.63
Lack of facilities	4.53	1.60
Lack of safety	4.31	1.53
Competition with incompliance unregistered home-stay operators	4.22	1.58
Difficult to maintain standard/optimum levels of cleanness	4.08	1.69
Difficult to maintain the requirement and compliance	3.96	1.61
Not enough training to manage home-stay	3.85	1.58
Lack of cross-cultural understanding	3.72	1.55
Difficult to act-and-think tourist attitude	3.60	1.71
Lack accessibility for transportation and communication	3.32	1.57
Lack of monitoring from the ministry and state government	3.19	1.55
Lack of brand image and marketing programme	3.01	1.60
Not enough guest bedroom	2.78	1.63

Notes. On a five-point rating scale where 5 = very serious problem; 4 = serious problem; 3 = problem; 2 = minor problem; 1 = not a problem.

being least problem, home-stay entrepreneurs ranked the issues and challenges that exist in the home-stay accommodation business environment. As shown by the means scores in Table 3, the four most critical challenges encountered by home-stay business entrepreneurs are (a) lack of service orientation ($M=4.67$), (b) lack of facilities ($M=5.45$), (c) lack of safety ($M=4.31$), and (d) competition with incompliance unregistered home-stay operators ($M=4.22$). Home-stay business entrepreneurs do not appear to be as constrained by financial capital as entrepreneurs in other countries (Bitzenis and Nito, 2005). This is due to the small capital for business start-up and no major expansion is required for this business.

It has also been reported that not enough training to manage home-stay accommodation and difficult to maintain standard/optimum levels of cleanness as part of the challenges in the home-stay business. A high standard of accommodation in terms of hygiene, safety and proper facilities is important and difficult to comply with the standard may lead to good and bad experience of the tourists (Akbar et al., 2002). Similarly as pointed by Keiser (1989), the uniqueness of accommodation operations lies in the fact that service, which is intangible and incapable of being stored, is its product. The business requires special human resources, and emphasises the consistency of service and high productivity.

9.2. Qualitative analysis

To gain an insight into how the entrepreneurs felt about business challenges in the home-stay accommodation business, they were asked to respond freely for every questions asked in an in-depth interviews. Fig. 2 summarised the respondents' comments. These results indicate that various issues and challenges encountered by home-stay entrepreneurs and it is ranging from the cross-cultural perspectives to the policy at the various ministerial levels. This study supports Liu (2006) who claimed that in the context of Malaysia's rural setting, where there is strong adherence to cultural and religious observations, cultural understanding, adaptability and appreciation of cultural differences are among the major issues facing the home-stay operators. Bael et al. (2002) opined that 'the main intercultural issues identified by providers were related to food, communication barriers, differences in attitudes towards family and gender roles, cultural "dos" and "don'ts", behaviour and moral values'. This could also be described as symptoms of culture clash (Seelye and Seelye-James, 1995).

Interview informants 14 and 16	"Understanding cross-cultural is deemed important". Some of us unable to understand the need of the tourists and vice versa"
Interview informant 2	"Perceptions of food often resulted in misunderstandings at home-stay. In Malaysia, we eat rice for breakfast, lunch and dinner. Some of the tourists don't aspect to eat rice in every meal".
Interview informant 8	"The food challenge also included the quality and quantity of food served at each meal. Besides the challenges caused by different perception of food, the tourists also complained that the meal they had in some home-stays were sometimes not suitable to their taste and preference as it is hot and spices"
Interview informant 10	"There are many unregistered home-stay within this area. They claimed offered almost the same type of services like us. They are not a registered home-stay. We need to compete with these operators. The Ministry can't do anything as currently we do not have specific laws to act against the unregistered home-stay operators. Because of them, our small incomes are affected".
Interview informants 3 and 15	"Lack of monitoring from the ministry, state government and home-stay association may lead to home-stay poor management. We need consistent training programmes to manage this business properly".
Interview informants 17 and 20	"The English language appeared to be another most challenging experience. We need to communicate in English language and the difficulty in this language was one of the biggest troubles in running the home-stay business".
Interview informant 31	"It is difficult to maintain higher level of service quality as we are not like hotel with large number of staff. We just run a small business operation of accommodation business".
Interview informant 35	"Lack of mutual understanding of certain requirement and cultural understanding also becomes challenges to us. For instance, when sharing household chores, some tourists do not clean the dining table accordingly and we feel disappointed with their attitudes".

Fig. 2. Summary of qualitative analysis on the business challenges of home-stay accommodation business in Peninsular Malaysia.

10. Discussion and conclusions

This study has addressed the reasons why individuals ventures into tourism business activity in Peninsular Malaysia. In particular, it provides an insight into and understanding of what motivates individual to start-up home-stay accommodation business. A motive for starting business is an important tool to identify and explore the various reasons that motivate home-stay entrepreneurs to start business ventures. The interrelationship between push and pull factors has been demonstrated in several previous studies (Amit and Muller, 1995; Segal et al., 2005; Kirkwood, 2009). Unlike other studies that portrait the motivational factors of small enterprises associated with the medium sized ones in manufacturing industry, this study deals solely with home-stay accommodation business in tourism sector.

Home-stay is rural cultural tourism that has been developed in efforts to diversify cultural tourism product, contribute economically to the rural population and to a certain extent enrich the foreigners on Malaysian culture and practices. Such condition is also supported by Bhuiyan et al. (2013) and Jamal et al. (2011) findings, which found that the guests who participated in the home-stay programme has learned directly or indirectly from each other by exchanging culture, adding experiential value, tradition, and life style. Involvement of entrepreneurs in Malaysia home-stay programme is one of the government's continuous efforts to develop tourism in rural areas in order to achieve the target of reducing the economic disparities of rural and urban as well as empowering the village community. It suggests the Malaysian Government, and in particular Ministry of Tourism must look seriously into the development of community-based tourism product with reference to the identified start-up factors of home-stay accommodation business. This observation was also recorded by Chan and Quah (2012) on the importance of government and related agencies to aggressively promote the programme internationally as Malaysia home-stay

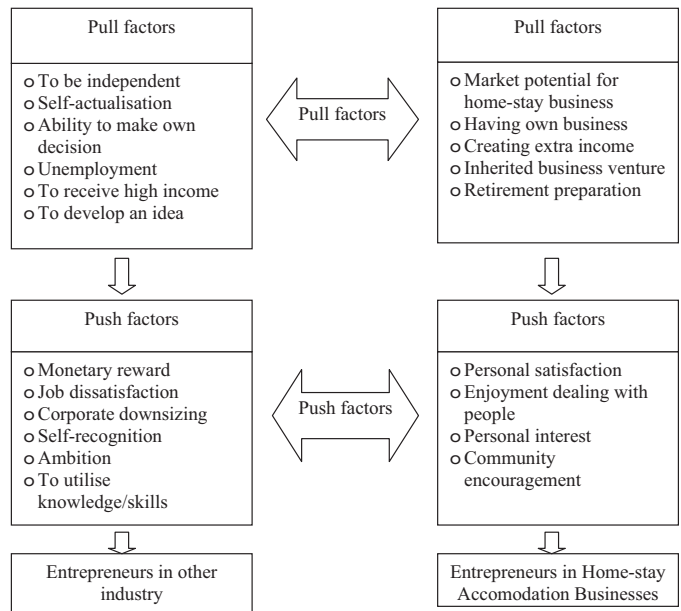


Fig. 3. Push-pull model of home-stay accommodation business entrepreneurs in Malaysia.

programme has great potential to be an alternative tourism product to attract international and domestic tourists.

The value of the current study lies in its effort to identify the 'push' and 'pull' factors of business start-up in the context of Malaysian small and medium-sized business in tourism industry and in particular home-stay accommodation businesses. This exploratory study offers an initial step in uncovering the underlying motivational factors in relation to home-stay entrepreneurs decision-making and their behaviour. This research is considered timely, given that the emphasis on motivational has always been in specific business sector, i.e. manufacturing industry where the results may not be apply in the tourism and hospitality services. There are crucial elements that form motivational factors of entrepreneurs in home-stay accommodation business. According to the findings of this study, the main motivations of home-stay entrepreneurs are somehow different to those of entrepreneurs in other business industries. It is conclude, therefore, that many of the motivators found in previous empirical studies that employed the push-pull model of SMEs may not apply to entrepreneurs in home-stay accommodation businesses in Malaysia, although there is also an overlap in factors. Thus, based on the results, it is propose a revise model of entrepreneur venture, which incorporates two distinct sets of push and pull factors – one that applies to the small and medium-sized entrepreneurs in home-stay entrepreneurs and one that applies to small- and medium-sized entrepreneurs in other industry (Fig. 3). In sum, it is hoped that the findings of the current study could be used to provide better insights into the dynamics affecting tourism and hospitality small- and medium-sized business development.

11. Limitations and future research

11.1. Limitations

This research is not without limitations. First, the present study is limited to studying entrepreneurial motivation in the tourism management sector. Results cannot be extrapolated to the entire Malaysian small- and medium-sized businesses landscape. Second, the data collection was limited to one industry and one country, thus it suggests comparative work in similar context in different

sectors and countries. Third, it would be interesting to explore the socio-economic impact of this home-stay accommodation businesses from the perception of operator's which is ignored in this study. Fourth, it must be stress that the study is a snapshot in time. The home-stay accommodation businesses are fast changing business and industry demand and expectations can alter quickly. Thus, the motivators in the push–pull model for the home-stay entrepreneurs are liable to change over time.

11.2. Future research

Future research on push and pull motives for starting business across industries, regions and genders can provide meaningful insights and hence aid researchers and policy makers to design policies and programmes that would attract more individuals to join the entrepreneurial path, particularly in tourism and hospitality businesses. Also it would be interesting to undertake a cross-country comparison, particularly among emerging markets. Perhaps future studies should collect data on a longitudinal basis in order to help to draw causal inferences and validate the findings of this study.

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