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Post Covid-19: Developing A Homestay Business
By Adopting A Social Entrepreneurship Approach

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Abstract
Purpose: The main objective of this study is to make the homestay industry more competitive after the coronavirus disease (COVID-19) outbreak by adopting a social entrepreneurship approach.
Design: Data is obtained from ministries, government agencies and private travel agencies involved in the national tourism industry. In addition, due to restrictions on movement control orders caused by COVID-19, in Malaysia, homestay entrepreneurs are approached by phone call interview or video-conferencing.
Methodology: This study uses qualitative methods that take a holistic perspective that preserves the complexity of human behaviour. It is more likely to use unstructured interviews and observations as a method of data collection.
Approach: In the context of social entrepreneurship, the involvement of university students and travel agents is regarded as boosting the homestay entrepreneurs’ economy. The Ministry of Tourism and Culture Malaysia (MOTAC) and its agency responsible for developing the home stay industry, will be the target of obtaining materials and inputs for this study.
Findings: The findings will later be implemented as a model for the homestay industry to improve their economy, thus becoming more competitive.
Originality of the Research: It is rare when it comes to developing a homestay entrepreneur’s economy with the involvement of multiple parties, and furthermore using social entrepreneurship methods.
Keywords: Homestay, Social Enterprise, COVID-19, MOTAC, Malaysia
Introduction

According to the data available in Tourism Malaysia (tourism.gov.my), for the period between January to September 2019, the total number of tourists that visited Malaysia was 20.109 million, an increase of 3.7% as compared to the same period in 2018. They spent RM66.14 billion in 2019, an increase of 6.9% (RM4.29 billion) as compared to 2018. Tourists arriving in the country usually stay in hotels, or at friends’ and relatives’, and quite a number even stay at homestays. Homestay entrepreneurs should seize the opportunity to attract more tourists to stay in their homes.

The homestay programmes is one of those community-based tourism activities that has the potential to grow and develop the rural community (Hussin & Kunjuraman, 2017). Soh (2014) in his article, mentions that the homestay program is well known and refers to the accommodation of tourists living with adoptive families, dining out and engaging in traditional activities with the local community. However, the homestay program has theoretically been a catalyst for economic development of the local community, but in Malaysia there is not much viable homestay competitive or sustainable in nature (Soh, 2014).

The state of the homestays programme will be affected for the duration of the Movement Control Order (MCO) as announced by the Prime Minister of Malaysia from March 18, 2020 to an undetermined date. During the MCO, the premises that cater to tourists are required to vacate the premises. This includes homestay entrepreneurs. While these homestay entrepreneurs are in their own premises and in unproductive circumstances, a study related to increasing their competitiveness should be made viable soon. In the short term, the involvement of various parties in the development of the homestay industry will boost the economy of homestay entrepreneurs. Community participation and local involvement can have an impact on a business. It is the empowerment of the local community through the process of engaging in ideas and providing solutions to the end of the value chain (Ericsson, 2016). The involvement of all parties in the successful economic agenda can be accomplished through social entrepreneurship.

Social entrepreneurship can create communal impression and entrepreneurship because of its unique composition. Social entrepreneurship can solve major problems that are often overlooked at the national and global levels. The role of the social enterprise sector is not to replace existing ones. Social entrepreneurship connects and strengthens the traditional sector to provide economic, social, and environmental value to all involved. This combination takes advantage of the opportunities and synergies that exist in the traditional sector to fulfill their social or environmental mission (MSEB, 2015). Synergy can help entrepreneurs get more customers and develop proficiency in the use of information technology.

Homestay entrepreneurs are seen to develop the industry on their own or in groups. Soh (2014) has raised the issue that the homestay program may not be able to last for a long time and most of them have to rely on external assistance for a long time. External assistance here, is referring to the assistance by the government or its agencies. The entrepreneur must not depend on the government since there are still many available external sources but they are not invited to join the industry. Homestay entrepreneurs can use social entrepreneurship methods to expand their businesses. One of the reasons social entrepreneurship is being recognized is that the traditional sector is becoming obsolete and ineffective (MSEB, 2015).

Some potential customers find it difficult to obtain information about their interested homestays and the products or services that the homestays have to offer. Subsequently, when potential customers do have the required information, another obstacle presents itself in the
form of difficulty to book homestay rooms. According to a survey of social entrepreneurship among youth, their marketing by using the internet was 61.8% and 2.9% of the use of electronic media respectively. The remaining 35.3% used print media, in-store promotions and other methods (IYRES, 2016). The internet is fast becoming an important factor in marketing media and channels for service providers from the beginning. The superior electronic services (e-service) enable the company to meet customer needs and preferences, increase loyalty, and maintain long-term profitable relationships (Theodosiou, Katsikea, Samiee, & Makri, 2019). As information technology evolves, young people today are more innovative and independent. Today’s marketing is at the tips of the fingers especially for customers in wanting to find information by simply resorting to their fingers. As conception and novelty improve, people will race to improve their education levels and create innovations to improve technology efficiency (Paim, 2017). The problem of homestay entrepreneurs is not so innovative that they cannot attract more visitors to their homes by using information technology. The problem of getting more tourists becomes more complicated when homestay operators’ illiteracy in computers and information technology are glaringly evident throughout their business struggle.

The main objective of this research is to develop a homestay business by adopting a social entrepreneurship approach. In other words, to make the homestay industry more competitive after the COVID-19 outbreak with a social entrepreneurship approach. To address the economic crisis following the COVID-19 outbreak, various government policy responses are needed in the short term and the coming years. In the face of real and financial pressures, there is an important role for the government to undertake (McKibbin & Fernando, 2020). This article is very important to the Government of Malaysia as they can make proper planning and implementation. Its implementation is expected to come at a very low cost, but it has a high impact. McKibbin and Fernando (2020) expect that there will be a reduction in spending on activities, and a reduction in overall spending. Society is expected to save money on future spending. However, there are some members of the community who want to entertain and assuage the atmosphere. This study can help the tourism industry increase their revenue especially in times of economic uncertainty. The results of this study can have a huge impact on homestay entrepreneurs and volunteers. Room sales and services are expected to increase with the help of volunteers and travel agents.

At the time of this study, Malaysia had recorded more than 6,000 patients infected with COVID-19. Movement control orders are being implemented with over 4,000 people being cured and released from the hospital (moh.gov.my). For the short term, Malaysia has introduced the Prihatin Rakyat Economic Stimulus Package (PRIHATIN) to ensure that Malaysians can continue to be helped throughout the COVID-19 outbreak. Malaysia is planning to revive the economy but the economic planning plan has not yet been released (treasury.gov.my). It is not possible to determine whether studies related to the development of homestay entrepreneurs after the COVID-19 outbreak were conducted. On the other hand, studies on the relevance of community participation and entrepreneurship success are limited. Previous studies on community participation have focused on tourism and community-based economic development (Kelvin Yong & Hassan, 2019). Although previous studies have linked the community to the economic development of the homestay industry, the study is not related to social entrepreneurship. Usually community involvement refers to corporate social responsibilities or volunteering activities. The study by Kelvin et al. (2019) conclude that government agencies involved in the homestay business can design the most effective programs for the cottage business to succeed. With this proposal, there is definitely
a lot to learn in order for the homestay industry to improve. The social entrepreneurship approach is unique and can add value to the country’s homestay industry. Studies by Rashid et al. (2018) related to factors that influence students’ involvement in social entrepreneurship, suggest that future researchers are more likely to increase the intention of others to learn about social entrepreneurship from different perspectives (Rashid et al., 2018). The social entrepreneurship approach is likely to be one of the different approaches that are being proposed.

Relationships between third parties in developing the tourism industry, particularly homestays are still unclear. University students, for example, want activities to fill the university curriculum and engage with the community. Travel agent companies also want their company to grow in partnership with tourism-based product owners. The use of the information system by local homestay operators is not so obvious and it seems as though homestay operators do not use it primarily in booking activities. Future investigators are encouraged to find more respondents in the use of e-service. They are also asked to look in details about the reservation service and more about the use of information technology (IT) (Theodosiou et al., 2019). Unfortunately, very few homestay services in Malaysia practice customer registration through IT.

In terms of service quality, the homestay situation must be clean and orderly. For travellers who spend a lot of time with sightseeing and activities, the bedroom environment should be a priority. Travelers need quality sleep. Malaysia’s tropical climate is hot for some tourists. Therefore, the room space should be fully air conditioned. Touring activities must be unique and not available in the country of origin. There are tourists who love the beauty of the beach, some who love the beauty of the tropics, some who love food and some who like the culture or lifestyle of the local people. These are all roles that homestay entrepreneurs need to play.

After the COVID-19 outbreak ends, homestay entrepreneurs should find customers immediately. They need to get overseas customers, but unfortunately overseas customers find it difficult to enter the country due to health imposed restrictions. There should be a mechanism in attracting to find overseas customers in Malaysia. This is where third-party involvement can help homestay entrepreneurs.

Involvement of university students can increase the number of tourists in the country living in homestays. The tourists are international students studying in Malaysia. During the semester break, international students are invited to participate in foster family activities at the homestay. Initiatives by Malaysian students with a social entrepreneurship approach can increase sales volume for homestay entrepreneurs.

Review of Literature

The tourism sector is among the sectors most affected by the COVID-19 pandemic. It affects foreign tourists so much that the government needs to provide assistance to the local tourism industry (Nicola et al., 2020). The information provided by Nicola et al. (2020) is consistent with what this study is trying to convey. However, this study provides a short-term solution, once the movement control order is ended in Malaysia.

Post COVID-19 research is very limited especially in the tourism industry in Malaysia. Most literature studies written outside of Malaysia, but do not specifically address the COVID-19 jurisprudence in dealing with tourism issues adapting social entrepreneurship approach. Gössling et al. (2020) expresses their concerns over the COVID-19 pandemic that will surely change society, the economy, and tourism. Some important research needs to understand
these changes and contribute to a more sustainable post-pandemic tourism sector. The crisis brings with it an important message about the resilience of the tourism system, which is another crisis greater than COVID-19. Gössling et al. (2020) also state that the transportation business in aviation and shipping, affects the tourism industry. The situation is worsening as almost all countries block entry of foreigners. Statistics shared in their study indicate that the tourism industry is severely affected by the COVID-19 pandemic. This includes the condition of most hotels are closed down. The domestic market is expected to revitalize the hotel industry (Gössling, Scott, & Hall, 2020). The results of this article discuss how COVID-19 compares with the previous crisis. This study does not provide insights or suggestions for increasing sales or profit in the tourism industry after COVID-19 has ended.

However, Gössling et al. (2020) insist on research into the role of domestic tourism in the long-term recovery and transformation to a more resilient destination. Lack of funds due to business interruption motivates employers to reduce workers or cut workers' wages (Gössling et al., 2020). Gössling et al. (2020) passion is in line with the aim of this study to develop the homestay industry in the country as well as to use no additional funds in business by adapting social entrepreneurship methods. Gössling et al. (2020) concern are a good thing to study, but they do not state the methods for solving tourist operators' business problems.

The Ministry of Higher Education Malaysia (MOHE) offers post-COVID-19 research grants to public universities and private higher education institutions to overcome challenges in the national economy. These include studies on tourism, agriculture and food security, transportation and medicine and health (Hossain, 2020). The initiative taken by MOHE is excellent. However, such studies must be appropriate for the development of the tourism sector, and these studies should be practical and consistent with the post-COVID-19.

Many studies, however, do not touch on two important aspects, namely the development of homestays and the use of social entrepreneurship methods to help the tourism sector.

**Methodology**

This study uses qualitative methods. One homestay was selected for the interview, but was made by phone call. Views from universities involved in volunteering are also given priority. It is very imperative to get the essential information from these key players as they are directly involved in tourism and volunteer activities. The data was obtained through interviews with entrepreneurs and representatives of government agencies related to tourism. Secondary data were obtained through periodicals, publication materials and government reports as well as studies by previous researchers. Face to face interviews will definitely present instant feedback and consequently also assess participants' honesty (Zainudin Awang, 2014). Zainudin (2014) is right, but during the period of the Movement Control Order (MCO), this was not possible. Face-to-face interviews really do require a lot of money when researchers have to go to different places. (Sekaran, 2016). There is not much use of funds as every interview is conducted either by phone call or video conference. This study also interviewed those involved in tourism activities as well as volunteers from universities.

Five participants were interviewed. Representatives from the Tourism sector who are directly involved in promoting tourism, including the homestays’ operators were approached. The Senior Deputy Director of Tourism Malaysia, was asked about the statistics of tourists staying at the homestays, as well as the homestays’ running mechanism process. He was also asked to comment on the homestays in Malaysia. One homestay operator was also asked
about the tourism registration process and its tourist activities at the homestay. The homestay in the village of Kampung Bangguris Sepang is the most organized village with the highest number of entrepreneurs, with about 80 people (MOTAC, 2019, Darwish, Ahmed, & Pahi, 2020). It has been recognized as one of the best homestays in the country by Tourism Malaysia. The views of a Deputy Dean in one of the universities in Southern Peninsular Malaysia who has been involved in volunteer activities, and the former President, Student Representative Council were also obtained. They presented views on the process of volunteering at the university as well as the views of the university or student whether the student is involved in a volunteer activity involving homestay. A manager at one of the private travel agencies in Kuala Lumpur was interviewed to ask for her views on the cooperation of travel agencies to develop homestays in the country. All participants cooperated well and each question was answered plainly and clearly by them.

Findings

In 2019, ending December 31, there were 219 homestay clusters involving 4,210 participants. Total number of rooms available are 5,956 rooms. In terms of income earned by homestay entrepreneurs, ending December 31, 2019 totalled RM29.662 million. Meanwhile, in 2018, it registered RM27.637 million. In 2019, the number of tourists staying at Malaysian homestays was 458,899. Of these, 373,558 were domestic tourists and 85,341 were international travellers. Compared to 2018, the number of tourists was 372,475 represented by 290,153 domestic and 82,322 international tourists (MOTAC, 2019).

Table 1.0: Revenue and number of tourists of homestay industry in Malaysia

<table>
<thead>
<tr>
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<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Revenue (million ringgit)</td>
<td>27.637</td>
<td>29.662</td>
</tr>
<tr>
<td>Total number of tourists</td>
<td>372,475</td>
<td>458,899</td>
</tr>
<tr>
<td>International tourists</td>
<td>82,322</td>
<td>85,341</td>
</tr>
<tr>
<td>Domestic tourists</td>
<td>372,475</td>
<td>375,558</td>
</tr>
</tbody>
</table>

According to a report in 2017 by the Ministry of Higher Education Malaysia, there were 133,860 international students studying at various universities in Malaysia. They pursue undergraduate, graduate, and doctoral studies. The three major countries that send students to study in this country are Bangladesh (23%), China (11%) and Nigeria (10%) (MOHE, 2018). The Malaysian government took the initiative to introduce the concept of voluntourism among Malaysians to help the country's tourism industry. Voluntourism is a new terminology that connects volunteers and tourism. There are 5 special initiatives in the 1Malaysia Tourism Force, namely Volunsharing, 1Malaysia Event, 1Malaysia Voluntutoring, 1Malaysia Culture & Heritage, and 1Malaysia Green, 1Malaysia Clean. In this initiative, volunteers share holiday experiences, assist in the conduct of tourism activities, help promote tourism, clean and beautify tourist spots and share knowledge with industry players including homestays operators and rural community involved in the tourism industry (www.tourism.gov.my). The existing sources, on the relationship between the number of tourists entering Malaysia, the number of international students studying in Malaysia and the volunteer programs developing the country's tourism industry, are enough to boost the tourism industry, particularly in relation to homestays in the country after the COVID-19 pandemic.

Registration for a stay at the homestay is via direct tourist contact through WhatsApp messages, emails, and phone calls. Almost all homestay operators in Malaysia create their
own reservation system this way. All homestay operators registered with MOTAC provide comfortable accommodation for travellers. They also provide appropriate food and drink. Various compulsory side activities are provided such as village visits, paddy fields, rubber farms, hills and beaches. There are also activities such as tasting local fruits such as durians, mangosteens, rambutans and many other attractive fruits. Tourists are also entertained by traditional events such as singing and dancing and participating in traditional games such as ‘Congkak’, Top spinning and Wau kite flying among others. Tourism definitely involves the daily lives of local people. Homestay operators are less involved with volunteers and travel agents in marketing their products and services. University students are strongly encouraged to participate in volunteer programmes. They are required to register with the Student Affairs at their respective universities. In addition to the university knowing the student’s agenda and activities, this activity is covered by insurance. Such activities make students more mature as they approach and deal with the general public, community leaders and the government.

Usually, university students who are interested in helping the public in their outdoor activities should apply through their respective associations. The Student Affairs Division accepts their application under certain conditions, and assists students in logistics. Universities need to be aware of student travels as well as assisting community members. For university-approved activities, certain accidents or injuries will be covered by the insurance policy. Usually, these students are interested in helping members of the community, which is why they join the association. For each activity, they sometimes earn credit in their subjects and co-curriculum activities. Sometimes students need to show off or display proudly their associations, and sometimes it’s fun to help members of the community. The university welcomes student involvement in helping members of the community as it makes students more mature and enhances their university image.

Homestay occupancy rates in Malaysia were 40.1% (2019) and 36.2% (2018). The 2019 report (www.tourism.gov.my) estimates that 30 million tourists will visit Malaysia by 2020 with a revenue of RM100 million. Unfortunately, the unforeseen and unexpected COVID-19 plague, has thwarted the ministry's goals and plans as many countries do not allow its people to leave, and Malaysia has prevented foreign tourists from entering. The Ministry of Higher Education had targeted almost 200,000 international students to pursue their studies in Malaysia (www.mohe.gov.my). Again, this figure is impossible to achieve.

It is known that many university students have been involved in MOTAC's voluntourism programmes. Alas, very few are involved in the activity of promoting or marketing a homestay. The marketing activity is to get customers to stay and enjoy all the facilities and services provided at the homestay. For each homestay village, there is one Chairman representing a few cluster villages. Regrettably, there are cases where village chairmen only promote their own village. This shows that between one village and another village there is no cooperation. Some even abuse the concept of homestays and turn the houses into rental homes.

For customers who wish to book a stay at the homestay, they will need to deal directly with the operator or homestay. The use of email and telephone makes it difficult for customers and has a negative impact on homestay operators. There is no single computer system that MOTAC can refer to for accommodation statistics on future planning purposes.

Travel agents seem to focus on the influx of tourists who have become friendly and accommodating with them. There are very few travel agents who directly assist homestay operators. Extensive promotional activities on a homestay are not well implemented. While the answer is up to the customer, most of the time the product or service at a homestay needs to be improved.
Conclusions and Recommendations

No one can predict the end of the COVID-19 outbreak. However, once it is over the economy should be generated and propelled immediately. Homestay entrepreneurs should be helped by using existing resources. The involvement of MOTAC, universities and travel agents can ease homestay entrepreneurs. As a government agency leading the country’s tourism industry, MOTAC must lead a social entrepreneurship project to advance the country’s homestay industry. From Figure 1 below, travel agents and universities are seen carrying out social entrepreneurship activities. While MOTAC deals with travel agencies or universities and acts as facilitators, MOTAC can also use voluntourism funds to facilitate homestay assistance activities. At the same time, MOTAC, travel agents and universities can deal directly with homestay entrepreneurs.

Figure 1: Social Entrepreneurship Methods & Government Involvement in Developing Homestays

Travel agencies and universities can help by choosing one or two homestay villages to adopt. They can promote and market the existing homestay and help improve the quality of the homestay service. Local university students should be enrolled in the voluntourism programmes. They can form a team that will identify international students studying at all universities in Malaysia. From there, they can introduce a homestay that can be adopted. They can attract as many customers (international students) to stay and enjoy the lives of the local community. Attracting more tourists can be enhanced with traditional dance by university students, leisure activities, tours and many more interesting activities. University students, comprising young people, can provide input for the improvement of homestays.

Malaysian students who are active in voluntourism can inform the Student Affairs Division about their desire to help the country’s tourism industry. They can deal with foreign student associations found at their respective universities. They will also deal with homestay operators and express their desire to increase the number of tourists from university students. At each university, there are representatives of voluntourism who can communicate with each representative at each university. Such communication is intended to coordinate with the number of tourists according to the location of their choice. A network of voluntourism students across universities can help the marketing process for homestays nationwide. They help each other to attract more tourists to their homestays, as well as help to increase the number of tourists to other universities’ homestays. This amalgamation of coordination can be called a synergy of voluntourism. The university may study the registration system or homestay in Malaysia. This centralized system can help MOTAC to determine homestay performances. From there, MOTAC can make various plans to further enhance homestay service in the country, promote and provide grants or loans for homestay advancement. This centralized system’s link can be placed on the website of the ministry or its agencies. Most travellers do not have to waste
time contacting a homestay operator. Instead, they can see the list of homestays on the website, the services available and the environment that interests them. Tourists can continue to book their stay.

Travel agents have a slightly different role. They attract international tourists to the adopted village. They can suggest to the homestay’s operator to improve their services to increase the income. Travel agency staff can also participate in MOTAC’s voluntourism programmes. They will pay special attention to foster villages while at the same time improving their own financial position. A farming program or agricultural programmes attended by tourists staying at the homestay may attract them.

Plans to improve the local economy need to be made immediately. It is a bit late when the MCO period is over. Community life after the COVID-19 outbreak is certainly different. Fast and accurate planning can restore economic circles and help more community members recover mentally and physically.

The problem of homestay operators can be overcome by reinstating MOTAC as the governing body that coordinates the expansion of homestay with the conception of social entrepreneurship. MOTAC prepares on discussions which involves volunteers by aiding and boosting the economy of homestay operators. MOTAC will arrange and discussed with representatives of the Ministry of Higher Education, university management, local and foreign student representatives, NGOS and other relevant authorities to ensure such beneficial proposals are given due emphasis and appropriate action can be taken. Furthermore, the universities will have further discussions with their respective student representatives in order to promote the homestay concept among international students. The university will play the role of recruiting ‘potential tourists’ in collaboration with travel agencies that deal specifically with anointed homestay operations. This plan of action must be executed swiftly because it has the potential to grow rapidly and it is quite easy to be implemented.

The overall concept of social entrepreneurship in rendering help to homestay operators must continue beyond this zone. Any studies relating to the overall economic growth of the poor population which are based on social entrepreneurship models must be seriously considered. The concept must take into account on long-term income generation and the results must be achieved in a short period of time. Such beneficial studies will definitely produce a standard model and be utilized profitably by governments, NGOS and student volunteers.

Acknowledgement

We would earnestly wish to register our heartfelt and profound appreciation to Universiti Technologi MARA and our beholden wives, children and grandchild. Without whom our mission of completing this laborious task would have been stifled and somewhat smothered by the lack of genuine support. The inputs and insights presented by the many ministries and the agencies in Malaysia have truly laid down the basic structure and framework for this report. Despite the onerous and strenuous COVID-19 onslaught throughout the entire world, we sincerely wish all of us would find the courage and tenacity to overcome these challenging times.

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