Perception of Homestay Operators towards Homestay Development in Malaysia

(Persepsi Pengusaha Inapdesa terhadap Pembangunan Inapdesa di Malaysia)

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ABSTRACT

This study aimed to analyse the perception of operators on the impact they experienced as a result of their involvement in the development of homestay. The impacts encompass the economic, social, cultural and environmental aspects. This study employed face to face survey, and a total of 333 respondents who are Peninsular Malaysia's homestay operators participated in this study. The Structural Equation Modeling (SEM) analysis utilizing simple statistical analysis software with the aid of Statistical Package for the Social Science (SPSS) and Analysis of Moment Structure (AMOS) were employed. Study results indicated that the economic and cultural aspects are significant contributors to the impact experienced by the operators in Malaysia at (0.29, t = 2.78, p < 0.00) and (0.86, t = 6.34, p < 0.00), respectively. Generally, the overall impact has positive relationship and affects the development of homestay tourism (0.30, t = 4.45 p < 0.00). In order to further improve the demand for homestay, there is a need for a strong co-operation between the operators, government and marketing agencies in sustaining Malaysia's homestay industry development.

Keywords: Homestay; tourism industry; government; Malaysia

ABSTRAK

Kajian ini bertujuan meninjau persepsi pengusaha terhadap impak yang diperoleh melalui penglibatan pembangunan inapdesa. Impak yang ditinjau meliputi impak ekonomi, sosial, budaya dan alam sekitar. Pendekatan kajian ini adalah melalui tinjauan bersemuka. Seramai 333 responden terdiri daripada pengusaha inapdesa di Semenanjung Malaysia terlibat dalam kajian ini. Analisis Model Persamaan Berstruktur (SEM) menggunakan perisian AMOS dan analisis statistik mudah dengan bantuan perisian Statistical Package for the Social Science (SPSS) telah digunakan. Dapatan kajian menunjukkan bahawa aspek ekonomi dan budaya adalah secara signifikan menyumbang kepada impak yang diperoleh pengusaha dengan membangunnya inapdesa di Malaysia iaitu (0.29, t = 2.78, p < 0.00) dan (0.86, t = 6.34, p < 0.00). Secara keseluruhan menunjukkan bahawa impak keseluruhan mempunyai hubungan positif dan mempengaruhi pembangunan pelancongan inapdesa (0.30, t = 4.45 p < 0.00). Bagi tujuan untuk meningkatkan lagi permintaan pelancongan inapdesa, perlu adanya jalinan kerjasama yang kukuh antara pengusaha, kerajaan dan agensi pemasar untuk melestarikan pembangunan inapdesa di Malaysia.

Kata kunci: Inapdesa; industri pelancongan; kerajaan; Malaysia

INTRODUCTION

Homestay is a form of tourism product which provides accommodation service to tourists. This service is provided at tourism destinations which are located further from the cities. As these tourism destinations are located in the outskirts/rural areas and have no accommodation services such as hotels, resorts and chalets, the village communities have taken the initiative to provide accommodation facilities by hosting the tourists at their homes.

The practice of providing accommodation service to tourists is not a new idea. The supply of such service had been long practiced in European countries where such tourism houses are managed by private home owners at famous holiday destinations, known as the Bed and Breakfast service (Nuntsu et al. 2004).

In Malaysia, homestay refers to the rendering of accommodation service complete with bathroom and lavatory facilities to tourists as to provide a comfortable stay with the homeowners. Homestays in Malaysia are complemented with tourism packages such as eco-tourism, agro-tourism and cultural tourism (Malaysia's Ministry of Tourism). This differs from the Bed & Breakfast's (B&B) concept where tourists do not stay with the host family but reside only in chalets. Furthermore, B&B does not provide any local program or community activities for tourists as it is requested by tourists as a stopping place before the tourists continue with their journey to destinations of their choice (SATOUR 1998).

Nonetheless, for homestay, tourists request this tourism product as their objectives are to enjoy the tourism package offered and to learn local culture. As such, the demand for homestay is specific, unlike the demand for B&B. In Malaysia, demand for homestay and the packages offered can be fulfilled as the provision of homestay in Malaysia involves local communities, where these

homestays are usually located in rural areas. The supply of homestay is clustered; whereby each homestay must have at least 10 houses located within the same vicinity, i.e. a village (Malaysia's Tourism Ministry), while B&B is privately managed (SATOUR 1998).

In Malaysia, the homestay program officially started on 3rd December 1995 at Desa Murni, Kerdau, Temerloh. Since then, homestay started has flourished as Malaysia's main tourism product. In 2008, there were 2,808 homestays operators from 142 villages. In 2010, there were 138 homestays with 2,987 operators offering 4,042 rooms at 225 villages. Up to 2012, Malaysia had 157 homestays where this figure represented 247 villages, 3,395 operators and 4,669 rooms (Malaysia's Ministry of Tourism 2012). These figures show that homestay development is thriving and has good participation rate among the local communities. The high level of acceptance is definitely a result of the benefits gained by the communities.

The benefits from tourism are in various forms; they may be in terms of economic, social, cultural as well as environmental. A study by Quinn (2007) in Venice showed that tourism activities bring in economic effects in the form of employment and business opportunities in accommodation and food services. These businesses provide supplemental income to the local communities.

Meanwhile, a study by Mbaiwa and Stronza (2011) in Setswana found that tourism activities affected the environment. Sustainable environment is important in achieving the conservation goals of the tourism destination's environment. Conservation is an important asset to environmental-based tourism. Furthermore, a study done by Kim et al. (2012) in Virginia showed that local culture will be further strengthen with the existence of various cultural groups through the development of tourism.

Related studies on the effects or benefits gained by the communities as a result of tourism development are important as they provide hints that the prevailing development does benefit communities. In fact, effects or benefits gained may be the pull factor to other communities for venturing or participating in tourism activities. The most studied effects are economic, social, cultural and environmental aspects (Andereck et al. 2005; Thompson et al. 1978; Ap 1992; Liu & Wall 2006; Prayag et al. 2012).

Malaysia is unique; it has multitude of cultures, races, languages, foods, ways of life and natural resources and these had positioned the country as one of the major international tourist destinations. In order to develop and sustain this industry, various efforts have been undertaken by the stakeholders. One of the efforts is the diversification of national tourism product including the development of homestay program. As described above, since its inception, this program is well received and has been rapidly developed.

The homestay development program had resulted in various impacts to the local communities in terms of economic, social, cultural and environmental. Effects of homestay development will be different when views from different community groups are taken into account. For example, a tourist group, members of the local community in general and the homestay operators certainly have different views about the impact of homestay development on the local community. Since the operators are directly involved in the homestay development as compared with local community members, then the views of operators will be more accurate and reliable in assessing the impact of the homestay development on the local community. Furthermore, majority of studies only discussed the development of homestay in general such as homestay development, tourist view of homestay, homestay problems faced by operators and other general aspects. There is definitely a dearth of studies that discussed the impact of homestay development on local community in detail. Due to this, the study of the impact of homestay development from the perspective of operators is definitely needed. The results of this study can may serve as a guide especially to the stakeholders to improve the development of homestay program to ensure its success in the future. Realising the importance of such study, the objective of this study is to explore the effects of homestay development and its overall impacts to the community especially in encouraging community participation. The discussion of this study is structured to encompass theoretical background, research methodology, findings and discussion as well as conclusion and policy implication.

THEORETICAL BACKGROUND

Social Exchange Theory (SET) which was introduced in the 1960s by George Homans is utilised as the theoretical premise of this study in order to understand the effect of changes on the local community as a result of a policy or program implementation. This theory is inclined to the observation of perception of those who are affected by the changes in policy, and not from the perspective of policymakers (Emerson 1962; Ap 1992; Lee 2013). The effects of changes are assessed based on the elements of benefits and costs (Homans 1958). Benefits are relationship elements that have positive values such as acceptance, support and friendship. Costs are relationship elements that have negative values such as pollution and congestion/overcrowding. If a policy change is implemented and this resulted in more benefits as compared to cost, then the change will be positively accepted, and vice versa (Skidmore 1979; Prayag et al. 2012).

The SET theoretical framework had been employed in various fields of studies among which are economics (Blau 1964; Sabatelli & Shehan 1993), psychology (Homans 1958; Lawler, Thye & Yoon 2000) as well as sociology (Emerson 1962). For the study in economics, Sabatelli & Shehan (1993) stated that rational people will try to maximise their profit. They will search for information on how economic changes bring in benefits

as a result of relinquishing certain things. Meanwhile, in a psychological study done by Lawler, Thye and Yoon (2000), it was stated that emotion plays an important role in social exchange where an individual will repeat the similar behavior if it gives satisfaction. Further, a sociological study done by Emerson (1962) stated that the relationship of social factors influence the doer in the social system. Main social value is able to attract various social events such as community internalisation and free movement of individuals.

From the perspective of tourism, SET is widely utilised by tourism researchers since the 1990s. SET is employed to observe the local communities' perception as a result of tourism development. Results of previous studies discovered that the local communities appraised their perception based on four main factors, namely economic, social, cultural and environmental factors (Blau 1964; Andriotis & Vaughan 2003; Andersson & Lundberg 2013). A study conducted by Prayag et al. (2012) in London confirmed that economic, social, cultural and environmental factors are identified as highly influential in tourism attitude towards development. This implies that these factors are the elements which influence the support towards tourism development. According to a research by Fredline and Faulkner (2000) on the residents of Sunshine Coast, Australia, it found that the local community supports development of tourism as the community gains economic, social and cultural benefits. Nonetheless, the local community is apprehensive in regard to the utilisation of natural resources as a result of such development.

Meanwhile, a study by Nunkoo and Ramkissoon (2011) showed that local community perceives responsible tourism institution as the determinant of cost and benefit as well as overall community satisfaction in sustaining development. One example of such responsibility is the provision of infrastructure for public utilisation especially to the local community. It can be concluded that the utilisation of SET is appropriate in evaluating the local community's perception on tourism development at rural areas. This is because results of perception evaluation provide the indication as to whether they support or oppose the prevailing tourism development.

RESEARCH METHODOLOGY

RESEARCH MODEL AND HYPOTHESES DEVELOPMENT

There were two main purposes of this study. The first was to observe the perception of homestay operators on the impact of tourism in terms of economy, social, culture and environment. The conclusion is derived from the mean analysis. The second was to observe the relationship between the economy, social, politics and environment against the overall impact as well as development support based on the Exploratory Factor Analysis (EFA). The general model commonly utilised by past researchers is depicted in Diagram 1.

Observing the model in Diagram 1, in terms of economic, tourism study is seen as one of the studies in improving local community's quality of living by creating employment opportunities and increasing the income of local businesses (Kim et al. 2012). It is also the main factor for tourism development in rural communities (Pizam 1978; Dyer et al. 2007). Economic variables are often the centre of concern such as employment, job distribution and income (Pizam & Milman 1984).
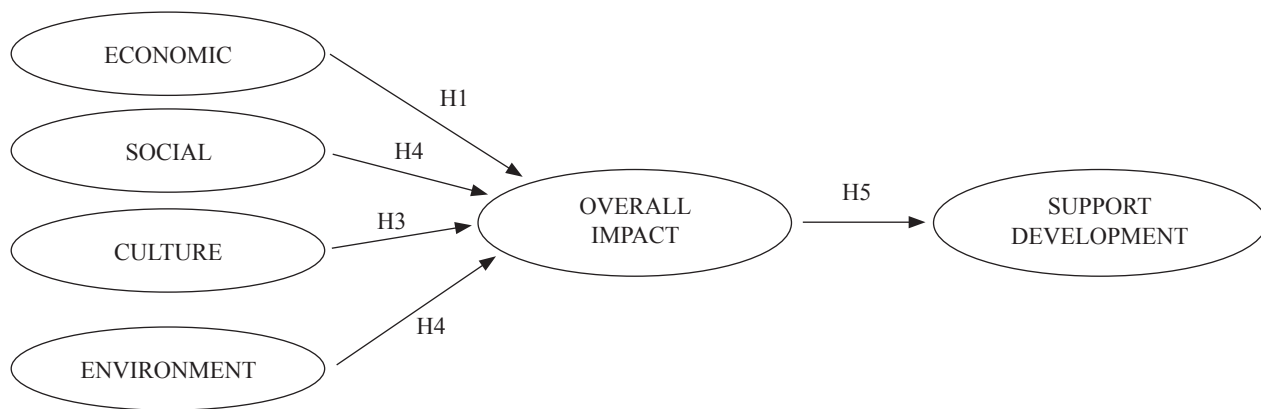

FIGURE 1. Model proposed to study

As for communities that is highly depended on tourism as their source of income, they appreciate development in tourism as tourism is the main contributor to their family earnings (Kuvan & Akan 2005). Furthermore, tourism provides the opportunity for part-time job to the community. As such, this provides a mean for the community to earn supplemental income (Besculides et al. 2002). This shows that income variable is the most important influence in the perception of tourism impact.

Moreover, tourism encourages handicraft industry, i.e. small and medium (SME) industry. A study conducted by Mitchell and Reid (2001) at the Taquile Island, Peru discovered that tourism offers business opportunities in the handicraft industry for all local communities. This positive

impact brings in support to the development in tourism. According to a study done by Dyer et al. (2007) at Sunshine Coast, Queensland, Australia, positive economic impact highly influences the local community's support towards future tourism development. For local communities which depend on tourism activities, economic element emerges as an important variable.

Local communities anticipate that the optimum growth rate and economic benefits from tourism be evenly distributed to all the local communities (Murphy & Watson 1995; Dyer et al. 2007). A balanced distribution of income may reduce income gap (Andereck et al. 2005). Besides, tourism can also improve individual skills. In conclusion, economic factor affects and directly impacts the development in tourism. To test the relationship between economic impact and support to development, the following hypothesis is proposed:

H_1 There is positive relationship between economic factor and overall impact of tourism

The impact of tourism on social and culture is evident when tourism contributes to changes in the value system, individual behavior, family relationship, collective lifestyle, moral conduct, creative phrases, traditional rituals and community organisation (Pizam & Milman 1984). Development of tourism is one of the ways for the local community to preserve and conserve local culture (Besculides et al. 2002). This culture is also able to forge unity among the local communities (Murphy & Watson 1995).

Here the development in tourism is seen as preserving lifestyle, traditional arts, cultural identity, and the beliefs in culture and rituals to the future generation (Kim et al. 2012). Study by Murphy and Watson (1995) showed that community opines that tourism brings in positive changes such as proud of own culture, tolerance, stronger ethnic identity and greater unity. A study conducted by Besculides et al. (2002) showed that local community is highly concern about their culture and forms an organisation in order to sustain in a different cultural environment. Another study was also conducted by Besculides et al. (2002) at the Los Caminos Antiguos Scenic and Historic in Southwestern Colorado; it showed that the local community provides the opportunity for the tourists to learn and experience local culture, and vice versa. The culture sharing by local community with tourists results in mutual benefits such as tolerance and understanding (Kim et al. 2012). Meanwhile, social development has to fulfill the local communities' needs. A study conducted by Yankholmes (2012) in Ghana found that community requires social facilities such as schools, recreation grounds and community centers as these facilities are able to improve their standard of living.

Nonetheless, there are also research findings which suggested that tourism brings in negative changes. A study conducted by Haralambopoulos and Pizam (1996) in Samos showed that the social changes among the community due to tourism includes drug addiction, vandalism, sexual harassment and crimes. However, results of a study by Smith and Krannich (1998) at the United States Rocky Mountain West found that the local community does not support the claim that higher tourism development causes higher crime rate. Furthermore, a study conducted by Sindiga (1996) in Kenya found that there are negative effects as a result of western tourist arrivals; it causes alcohol consumption in public places, prostitution, sexy dresses and kissing in public places. As such the community is facing social problems with the development of tourism. In conclusion, tourism brings in negative and positive effects to local community. Thus, it is proposed:

H_2 There is direct relationship between social factor and overall impact of tourism

H_3 There is direct relationship between culture and overall impact of tourism

Much of tourism developments depend on the environment. The relationship with environment is related to the physical and human surroundings which are consisted of air, water, earth, flora and fauna as well as auditory factors. Tourism development must protect the intrinsic value of resources of the current and future (Murphy & Watson 1995). Tourism development at the community's neighborhood has created awareness among the locals; this is because they notice that the value of environmental resources creates tourism demand (Kuvan & Akan 2005). A study by Kuvan & Akan (2005) at the Mediterranean coast of Turkey showed that local community has good attitude towards tourism development; however, they are highly apprehensive in regard to the effects on forest at the area.

Meanwhile, according to a study by Mbaiwa and Stronza (2011), the local community's negative perception towards tourism development is due to deterioration in conserving the environmental resources. High-volume tourism causes congestion at recreation areas (Harvey et al. 1995). As a result, there are traffic congestion and air pollution; causing lesser support to tourism development (Pizam & Milman 1984). These cause the local community to fear for their health (Kim et al. 2012). This anxiety is shared by the community of Danish-Osu, Ghana (Yankholmes 2012) and a community in Arizona (Andereck et al. 2005).

According to Zhong et al. (2011), the rapid development of China's tourism industry since 1980 had increased the utilisation of natural environment; and causes tourism resources negatively affecting tourism destinations. Thus, environment needs to be conserved and be further improved in order to provide sufficient resources to fulfill the local community's needs. If the locals observe positive environmental impact, they might support tourism development. Thus, the following hypothesis is proposed:

H_4 There is direct relationship between environmental value and overall impact of tourism

If the results of overall impact show higher positive value than the negative value, then support to the environment will become important, and vice versa. A study conducted by Kuvan and Akan (2005) showed that the local community has good attitude towards tourism development at their area. Thus, it can be hypothesised that:

H_5 Overall impact influences the support to tourism development

STUDY LOCATION AND RESPONDENT SAMPLING

The stratified random sampling technique was employed in the selection of sample from strata frame, namely the East Coast (Kelantan, Terengganu, Pahang), Southern (Johor, Melaka, Negeri Sembilan), Central (Selangor) and Western (Perak, Perlis, Pulau Pinang). A sample size of 333 homestay operators was used. This number was chosen based on the justification that this number was felt sufficient in representing the population. Using this approach, the respondents' distribution is therefore more thorough in evaluating the impact of homestay tourism.

STUDY INSTRUMENT

A two-part survey in the Malay language was utilised as the study instrument. The first part is related to socio-demographic background of the respondent (homestay operator) which comprises of gender, marital status, education background, employment, and monthly income. The second part measures the agreement level on the impact from activities of homestay tourism. This part consists of four main factors, namely economic, social, cultural and environmental. These variables are measured using established scales from past studies using a 5-point likert scale from 1 'Highly disagree' to 5 'Highly agree.'

STUDY ANALYSIS

This study utilised Structural Equation Modeling (SEM). SEM is an analysis which has two main components; measurement model and structural model. SEM is used to analyse the relationship between the variables, may it be directly or through latent variable in the proposed model. The linear structural equation represents cause-and-effect relationships among the variables.

SEM encompasses three main analyses which are descriptive statistics (mean), Confirmatory Factor Analysis (CFA) and goodness of fit analyses. The mean value was utilised in order to explain the average value of respondents' agreement level towards the presented variables. Employing the likert five-point scale, a mean scale below 2.5 is categorised as unimportant, while a mean scale of 2.5 and above is considered as important (Salleh et al. 2011).

The EFA was employed for model-building (specification and identification models). The EFA test observes the development of independent variables in a construct cluster and each construct will be tested with the mean and reliability tests (Cronbach's Alpha); where these are performed in order to observe the strength of the developed construct. In order to develop the validity test for construct cluster in the EFA analysis, the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity, varimax rotation and factor loading were also employed.

Meanwhile, the confirmatory factor analysis (CFA) was utilised to test the model which had been developed as a result of EFA test. There are three CFA tests, namely model estimation, testing model fit and model manipulation. In order to measure the model of homestay operators' perception on the impact of tourism, several validity tests need to be conducted. Basically, a model's validity test is based on chi square value (Turner & Reisinger 2001). The chi-square is the most objective method in confirming a model.

Nonetheless, several researchers have been utilising other indices together with the chi-square test. This is because large sample size tends to yield large chi-square value (> 2.0). However, the value is still acceptable if it is less than 5.0. In order to solve validity problem of a model, researchers utilised fit index. This index encompasses the goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), parsimony goodness fit index (PGFI), normalized fit index (NFI), comparative fit index (CFI), root mean square residual (RMSR) and root mean square error of approximation (RMSEA) (Hair et al. 2007; Arbuckle & Wothke 1999).

STUDY RESULTS

As discussed in study methodology, all data will be analysed using the SPSS and AMOS. Discussion on empirical results is as follows: i) discussion on respondent demographic profile, ii) mean analysis and iii) modeling process and model evaluation.

DEMOGRAPHIC PROFILE OF RESPONDENTS

Table 1 shows the demographic profile of respondents. In this study, 333 respondents provided their feedbacks to the survey. In terms of gender, there was almost equal distribution of male (43.5%) and female (56.5%) respondents. As for race, Malay respondents recorded the highest number at 98.2%; meanwhile Chinese at 1.8%. The Malays were the majority in this study as Malay community is the most involved ethnicity in rural homestay services.

In terms of marital status, 85.9% were married, 4.5% were singles while 9.6% were divorced/widows. Most of the respondents' age was above 46 (78.1%). This is followed by 11.1% of respondents who are between 41 and 45 years old.

There were four categories of respondents' level of education. Secondary school was the highest level of

education at 57.7% (192 respondents). Meanwhile, 30.0% respondents received primary education, followed by 7.5% diploma levels. As for the rests, they were either degree holders or those with no formal education (at 4.8%).

In terms of employment, most of the respondents were self-employed (70%). There were 21.3% retirees; and those who worked in the public and private sectors

(7.5% and 1.2%, respectively). Most of the respondents earned average income. A total of 63.4% respondents earned below RM1,499. This was followed by those who earned between RM1,500 and RM2,999 (30.9%) and those who earned RM3,000-RM4,999 (4.8%). The respondents demographic profile is summarized in Table 1.

TABLE 1. Respondent demographic profile

Information	Item	Total	Percentage (%)
Gender	Male	145	43.5
	Female	188	56.5
Race	Malay	327	98.2
	Chinese	66	1.8
Marital Status	Married	286	85.9
	Single	15	4.5
	Divorce/Widow	32	9.6
Age	Below 25 years old	10	3.0
	26-30	13	3.9
	31-35	3	0.9
	36-40	10	3.0
	41-45	37	11.1
	46 and above	260	78.1
Education Level	No formal education	11	3.3
	Primary school	100	30.0
	Secondary school	192	57.7
	Diploma	25	7.5
	Degree	5	1.5
Employment	Self-employed	233	70.0
	Private sector	4	1.2
	Public sector	25	7.5
	Retiree	71	21.3
Income	Below 1499	211	63.4
	1500-2999	103	30.9
	3000-4499	16	4.8
	4500-5999	1	0.3
	7500-9000	1	0.3
	9001 and above	1	0.3

MEAN ANALYSIS

Table 2 depicts mean analysis on four factors, namely economic, social, cultural and environmental. The economic factor has 12 independent variables and all the independent variables show high level of agreement between 3.86 and 4.5. The economic variable which recorded the highest mean is the 'able to provide employment opportunity' item (4.50). The second highest is 'able to increase family's supplemental income' (4.48). Meanwhile, the lowest mean for economic variable is 'generated income can support the village's development'

(3.83); and the second lowest is 'reduction in the locals' income gap' (3.86).

Furthermore, social factor encompasses of 8 variables and mean values of between 3.65 and 4.31. The highest agreement level is 'living quality from homestay tourism development will encourage unity among family and society members' (4.32). The second highest mean is 'society members may be able to improve co-operation among themselves' (4.28). The lowest mean for social variable is youth migration to the city (3.65) and the second lowest is reduction in crimes and social illness at the village (3.89).

TABLE 2. Mean analysis of variable

Variable Items	Mean	Std. Deviation
Economic		
1. Provide employment opportunity.	4.508	0.652
2. May increase family's supplemental income.	4.484	0.661
3. Improve the locals' standard of living.	4.414	0.700
4. Reduce the locals' income gap.	3.862	0.928
5. Generated income may contribute to village development.	3.835	0.908
6. Encourage local handicraft industry.	4.192	0.744
7. Encourage varieties in economic activities (grocery store, souvenirs, cyber cafe, etc.).	3.988	0.818
8. Improve purchasing power and result in better living quality.	4.057	0.748
9. Eradicate poverty among the locals.	4.207	0.819
10. Improve public facilities.	4.072	0.833
11. Improve individual skills and knowledge.	4.168	0.762
12. Improve management capability.	4.219	0.734
Social		
1. Each family has its own responsibility.	4.051	0.788
2. Create responsible society.	4.201	0.719
3. Improve co-operation among society members.	4.279	0.696
4. Living quality from homestay tourism development will encourage unity among family and society members.	4.318	0.664
5. Reduce youth migration to the city.	3.655	3.005
6. Improve communication skill.	4.189	1.214
7. Improve security.	3.919	0.762
8. Reduction in crime and social illness at the village.	3.895	0.763
Cultural		
1. The locals' way of life is preserved.	4.153	0.794
2. Identity/customs of a family is handed down through socialisation process.	4.117	0.815
3. Local culture is commercialised to fulfill tourist demand.	4.210	0.767
4. Development of cultural group.	4.249	0.765
5. Creates culture loving society.	4.114	0.783
6. Know outside culture.	4.066	0.785
7. Increase awareness of local culture among locals.	4.090	0.790
8. Preserve local traditional house.	3.895	0.860
9. Preserve traditional /folk sports	4.117	0.770
10. Restoration of historical sites	3.940	0.793
11. Preserving society's cultural identity	4.120	0.801
Environment		
1. Encourage conservation of environment	4.166	0.799
2. Improve the village's image and scenery	4.282	0.755
3. Improve the village's cleanliness level	4.210	0.805
4. Air quality is compromised due to heavy traffic	2.583	1.352
5. Improvement in rubbish/waste management	3.423	0.901
6. Encourage recycling activities	3.366	0.904
7. Protection of the wildlife such as migrating birds.	3.411	0.865
8. More gardens and recreational areas	3.679	0.833
9. Increase in traffic congestion	2.276	1.073
10. Excessive noise in neighborhood	2.087	1.087
11. Cause water pollution	2.027	1.082

There are eleven variables in explaining cultural factor with mean values of between 3.89 and 4.24. The respondents agreed that development in homestay tourism may develop local cultural group (4.25) and local culture may be commercialized in fulfilling demand from tourists (4.21). The cultural variables recorded the lowest agreement level in preserving local traditional houses (3.89) and the second lowest is restoration of historical sites (3.94).

The environmental variable mean values are between 2.03 and 4.28. From the eleven environmental variables, majority of the respondents agreed that development in tourism has improved their villages' image and scenery (4.28) and improve the cleanliness level of their villages (4.21). Meanwhile, the most disagreed environmental variable is that it causes water pollution (2.021) and excessive noise in neighborhood (2.09).

From the results of this study, it can be concluded that local community is inclined to agree that tourism development has positively affected them. They felt that this industry improves employment opportunity, improves community ties, preserves local community's cultural tradition and results in better cleanliness at the villages. They are not apprehensive on the threat of environmental degradation as reported by past researchers (Andereck et al. 2005; Fredline & Faulkner 2000).

MODELING PROCESS AND MODEL EVALUATION

Based on Table 1, Kaiser-Meyer-Olkin (KMO) test on all the factors shows that the values are acceptable; where the acceptable value for KMO should exceeds 0.5. Meanwhile the acceptable value for Bartlett's test is where p is less than 0.001 (Kaiser 1974). The purpose of the test is to ascertain as to whether the analysed data is acceptable according to the distribution value terms and to determine as to whether the correlation matrix is identity matrix. The said test's results indicated that further test can be conducted on this study's data.

For the purposes of developing dependent variables, principal component factor analysis with varimax rotation was utilised on 12 economic variables, 8 social variables, 11 cultural variables and 11 environmental variables. All the dependent variables fulfilled the requirement of eigenvalue of 1.0 and above; while the factor loading value (≥ 0.4) for each item of independent variables (Hair et al. 1998). The dependent variables and item of variables will be eliminated if it exhibits a value lower than the said value (Fornell & Larcker 1981). Please refer Table 3.

Based on Table 3, varimax rotation found that economic factor is divided into 3 dependent variables, namely welfare, additional/supplemental income and small and medium industry. For the social factor, dependent variable is divided into kinship and security. For the cultural factor, there is only one variable. Further, the environmental factor is divided into 2 dependent variables, namely *environmental improvement* and *environment degradation.*

The variance cumulative test explained in Table 3 found that all the factors fulfilled the requirements suggested by Fornell and Larcker (1981) and Hair et al (1998) where the sufficient value is 50 percent of the overall variance. The test was conducted as to ascertain whether the variance is in central position, i.e. at good position.

Further, the final test is the reliability test of Cronbach Alpha (CA); for all the correlations among the measured items are the same in each construct. Based on Table 3, the CA results show that all the dependent variables' values are between 0.622 and 0.931. However, there are 2 items of independent variables being eliminated (namely reducing youth migration to the city and improving communication skills) from the dependent variable security as those variables weigh down the CA even though they fulfill the loading factor's test requirement. The CA value indicated that all the correlations of dependent variables are very strong as suggested by Hair et al. (2007); where Cronbach Alpha (CA) value of 0.6 is considered as sufficient; ≥ 0.9 as excellent; between 0.8 and < 0.90 as very good; between 0.7 and < 0.8 as good; and CA between 0.6 and < 0.7 as medium (Table 3).

The homestay operators in Malaysia felt that tourism has positive influence on the economy and helps local economy such as improves welfare (4.034), supplement income (4.380) and small and medium industry (4.090). They also felt that it helps to improve the community in terms of kinship (4.213) and security (3.907). The operators are also convinced that in fulfilling demand from tourist, local culture can be commercialised, local traditional houses and the society's way of life are preserved (overall mean of 4.098). Meanwhile, improvement in the local environment (3.791) can help to alleviate the village's image and scenery, encourage conservation of natural environment and improve waste management. The operators opined that the negative impact on the environment is not too apparent as the purpose of development in homestays is to take care of the natural environment, as well as being the main product of homestay program.

The EFA test results found that economic impact is divided into 3 factors, namely welfare, income, and small and medium industry (SMI). Meanwhile, social is separated into 2 factors, namely kinship, and security. Further, environment is divided into 2 factors, namely environmental improvement, and degradation. Thus, the following hypotheses can be stated:

H_{1a} There is positive relationship between welfare factor and economic value

H_{1b} There is positive relationship between income factor and economic value

H_{1c} There is positive relationship between SMI factor and economic value

H_{2a} There is direct relationship between kinship factor and social value

H_{2b} There is direct relationship between security factor and social value

TABLE 3. Factor loading analysis (Exploratory Factor Analysis, EFA)

Construct/Indicator	Eigen Value	% of Variance Explained	Cumulative Variance Explained	Factor Loading	Cronbach's Alpha	Mean Construct
		Explanatory Factor Analysis –EFA (Varimax Rotation)			Reliability	
Economic (Welfare):	5.406	45.051	45.051		0.809	4.034
1. Improve public facilities for the locals				0.771		
2. Poverty eradication among villagers				0.758		
3. Improve purchasing power and better quality of life				0.744		
4. Improve individual skills and knowledge				0.734		
5. Improve management skill				0.658		
6. Reduce income gap among villagers				0.540		
7. Generated income may be used towards village development				0.488		
Economic (Income Supplement):	1.230	10.246	55.297		0.622	4.380
1. Able to increase family's supplemental income				0.820		
2. Increase locals' quality of living				0.801		
3. Provide employment opportunity				0.750		
Economic (Small and Medium Industry):	1.005	8.379	63.675		0.659	4.090
1. Encourage variation in economic activities (grocery store, souvenirs, cyber cafe and others)				0.696		
2. Encourage local handicraft industry				0.663		
Social (Kinship):	3.413	42.664	42.664		0.837	4.213
1. Create responsible society				0.855		
2. Society members may improve co-operation among themselves				0.824		
3. Living quality as homestay development will encourage unity in family as well as society				0.783		
4. Each family has its own role				0.760		
Social (Security):	1.254	15.674	58.338		0.838	3.907
1. Improve village security				0.798		
2. Reduce crime and social illness at village				0.785		
3. Reduce youth migration to the city				X		
4. Improve communication skill				X		

Continued

Continue

Construct/Indicator	Explanatory Factor Analysis –EFA (Varimax Rotation)				Reliability	
	Eigen Value	% of Variance Explained	Cumulative Variance Explained	Factor Loading	Cronbach's Alpha	Mean Construct
Cultural						
Culture 1:	6.549	59.537	59.537		0.931	4.098
1. Increase awareness of local culture among villagers				0.833		
2. Create culture loving society				0.803		
3. Preserve the folks/traditional sports of local community				0.803		
4. Local culture is commercialised to fulfill to tourists' demand				0.783		
5. Preserve local traditional house				0.778		
6. Develop cultural group				0.773		
7. Local community's way of living is preserved				0.762		
8. Preserve society's cultural identity				0.758		
9. Identity/customs of a family is passed-on through socialisation process				0.757		
10. Restoration of historical sites				0.738		
11. Discover outside culture				0.691		
Environmental						
Environment (Environmental Improvement):	3.938	35.798	35.798		0.851	3.791
1. Improve village's image and scenery				0.772		
2. Encourage conservation of natural environment				0.771		
3. Improve village cleanliness level				0.750		
4. Development of more gardens and recreational areas				0.734		
5. Encourage recycling activities				0.683		
6. Improve waste management				0.682		
7. Protection of wildlife such as migrating birds				0.682		
Environment (Environmental Degradation):	2.997	27.245	63.043		0.845	2.243
1. Excessive noise in neighborhood				0.900		
2. Cause water pollution				0.848		
3. Increase traffic congestion				0.795		
4. Air quality is affected due to increase in traffic volume				0.715		

Kaiser-Meyer-Olkin (KMO): environment (0.879), economic (0.772), social (0.933), culture (0.820) and Bartlett's Test of Sphericity: 0.000.
X: Deleted

H$_{4a}$ There is positive relationship between improvement and environmental value

H$_{4b}$ There is negative relationship between degradation and environmental value

CFA test was utilised to evaluate the developed model. Based on Table 4, the value X^2 (8752.105) with a 741 degree of freedom has statistical significance value of 0.00. These statistics support that the estimated and real models have no significant difference. Nonetheless, the X^2 value shows that it is more than 2, thus previous researchers suggested the utilisation of other fit indices as recommended by several researchers of different backgrounds. The recommended fit index values are as follows: GFI, AGFI, PGFI, TLI, and NFI at 0.802, 0.762, 0.667, 0.851 and 0.847, respectively. These measurements exceeded recommendation, i.e. value exceeds 0.700, and 0.500 indicates appropriate model (Joreskog & Sorbom 1989). This indicates support towards the recommended model where it is appropriate to the data sample. Besides, the alternative indices utilised to evaluate the model fit are RMSEA, RMSR and CFI; as to evaluate the difference in degree of freedom of a model. Study results found that RMSEA is at 0.070, RMSR at 0.078 and CFI at 0.900. The RMSR value cannot exceeds 0.1 and the ideal value is between 0.050 and 0.080 (Turner & Reisinger 2001; Mueller 1996). Meanwhile for the CFI index fit, this alternative indicates that the model structure is acceptable and the data is appropriate for the model (Table 4).

TABLE 4. Goodness of fit indices of measurement model and the structural model (N = 333)

	Criteria	Indicators of SEM
X^2 Test		
X^2/df	< 5.000	2.609 (= 8752.105/741)
Fit indices		
GFI	> 0.700	0.802
AGFI	> 0.700	0.762
PGFI	> 0.500	0.667
TLI	> 0.700	0.851
NFI	> 0.700	0.847
Alternative indices		
CFI	> 0.900	0.900
RMSEA	< 0.080	0.070
RMR	< 0.080	0.078

FINDINGS OF THE STRUCTURAL MODEL PARAMETER

Diagram 2 and Table 5 show the relationship between the impact of economic, social and cultural factors on their support towards the tourism of homestay. Hypothesis 1 indicates that cause-effect relationship between economic value and the overall impact is significant (0.29, t = 2.78, p < 0.00). Meanwhile, for test results between the welfare factor and economic value indicated that homestay tourism positively affects the welfare of homestay operators such as provision of infrastructure and reduces the income gap among the local community (0.70, t = 5.51, p < 0.00). The test between income and economic value showed positive relationship. This is supported by estimation (0.25, t = 2.45 p < 0.00). The relationship between SMI and economic value indicated positive relationship. However, this relationship is insignificant to economic value (0.05, t = 0.45, p > 0.10). This study results support the study conducted by Kuvan and Akan (2005) which discovered that local community earned their source of income from tourism-related employment and positively changed their lives.

For the second hypothesis, it indicated that the relationship between social and overall impact is positive but insignificant (t = 0.45, p > 0.01). Nonetheless, both the hypotheses, H$_{2a}$ and H$_{2b}$, i.e. kinship, and security factors showed significant result on social value; where this is indicated by the results of estimated parameter (0.26, t = 6.72, p < 0.00) and (0.23, t = 0.23, p < 0.00), respectively. These results differ from the study conducted by Gursoy and Rutherford (2004) which discovered that social value is an important factor to the local community as the determinant of impact and support towards tourism development.

The third hypothesis showed that there is positive relationship between culture and overall impact. This relationship is significant by estimation (0.86, t = 6.35, p < 0.00). This means homestay operators felt that tourism helps to improve local environment such as preservation of culture and lifestyle. They also felt that it helps to improve community living such as solidarity and pride. The homestay operators' community is also convinced that tourism positively affects cultural image such as preservation of cultural heritage and identity. This study results are supported by a study done by Ant Besculides et al. (2002) where the Hispanics felt more cultural benefits to the local community and more receptive in preserving their culture in different environment. A study conducted by Dyer (2007) found that cultural benefits are seen as having direct significant positive effect. In other words, the locals support tourism development as a result of cultural benefits which they gained.

Hypothesis 4, the relationship between environmental value and overall impact showed positive relationship (0.07, t = 0.29 p > 0.1); but the environmental value is insignificant to the homestay operators. Nonetheless, the concept of tourism homestay is all about the involvement of existing natural environment. Hypothesis H$_{4a}$ showed that homestay tourism development improves environment (0.44, t = 9.13 p < 0.00). This indicates that tourism development benefits the environment as a result of increased awareness on the value of environmental resources (Kuvan & Akan 2005). However, homestay tourism development also negatively affects tourism areas. This negative effect is significant to homestay tourism (0.12, t = 2.78, p < 0.00). The operators' community felt that tourism brings in societal problems such as air pollution and traffic congestion.
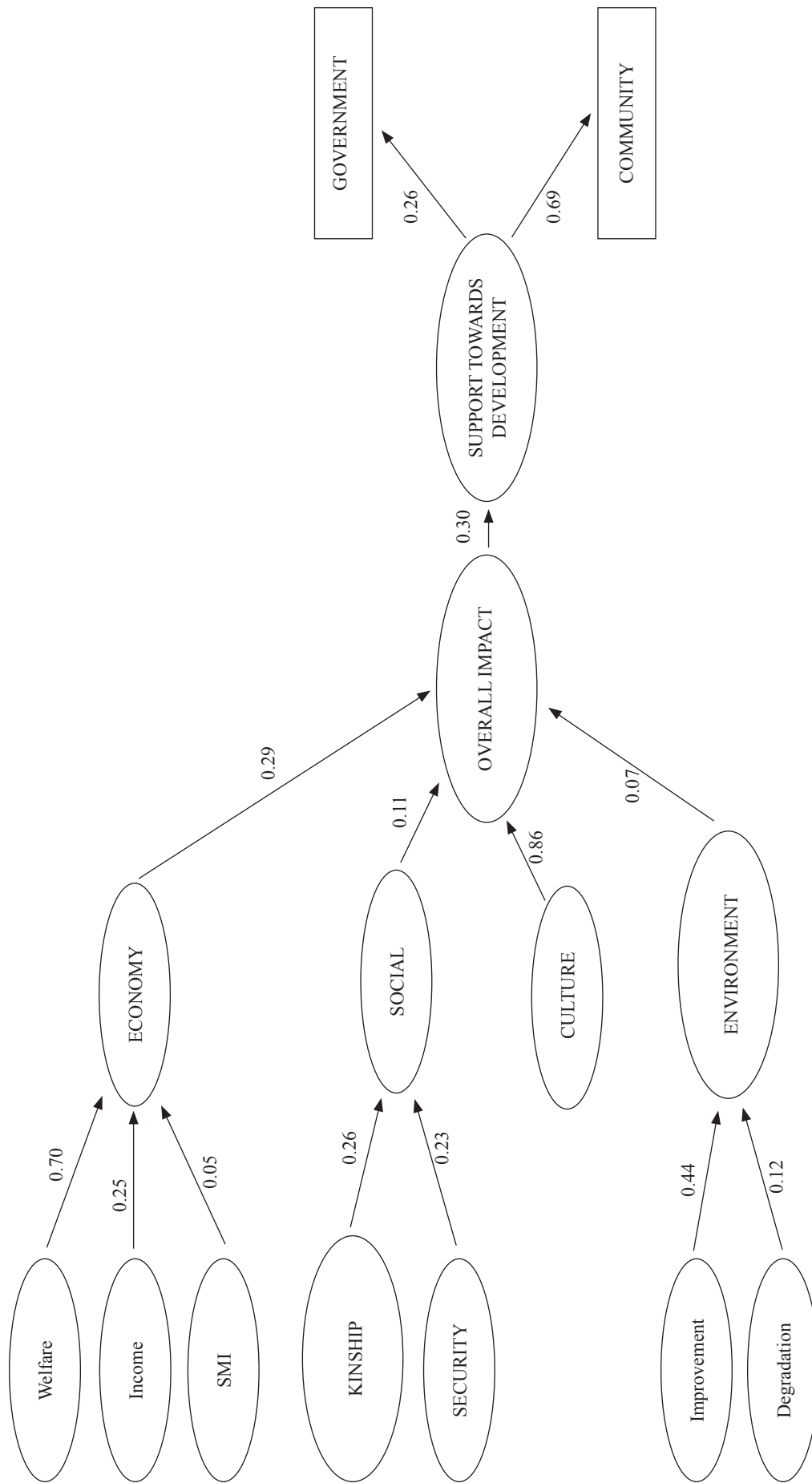
DIAGRAM 2. Standardised theoretical path coefficients

TABLE 5. Standardised parameter estimates for structural model

Paths Standardised	Estimate	t-Value	Hypothesis
Welfare → Economy	0.70	5.51***	Supported
Income → Economy	0.25	2.45**	Supported
SMI → Economy	0.05	0.45	Not Supported
Security → Social	0.23	5.59***	Supported
Kinship → Social	0.26	6.72***	Supported
Improvement → Environment	0.44	9.13***	Supported
Degradation → Environment	0.12	2.78***	supported
Economy → Overall Impact	0.29	2.78***	Supported
Social → Overall impact	0.11	0.45	Not Supported
Culture → Overall impact	0.86	6.34***	Supported
Environment → Overall impact	0.07	0.29	Not Supported
Overall impact → Development support	0.30	4.45***	Supported
Development support → Government	0.69	10.11***	Supported
Development support → Community	0.26	1.65*	Supported

*** significant 0.01
** significant 0.05
* significant 0.10

Results of tests on model structure found that Hypothesis 5 showed direct positive relationship between overall impact and support to homestay tourism (0.30, t = 4.45 p < 0.00). This discovery is consistent with a previous study done by Andereck et al. (2005) where the study found that they will gain support for tourism development as the local community gained economic, social, cultural and environmental benefits. Meanwhile for homestay tourism development supported by government and local community are at (0.68, t = 10.11 p < 0.00) and (0.26, t = 0.165 p < 0.10), respectively. This shows that supports from the government and local community are important towards a successful tourism destination. This study results are supported by a study conducted by Zhang and Lei (2012) where they stated that involvement of the locals is important for effective tourism management.

CONCLUSION AND POLICY IMPLICATION

Studies related to homestay operators' perception in Malaysia clearly indicate that homestay operators gained benefits/positive effects by the development of tourism product, homestay; where these effects encompass the aspects of economic, social, cultural and environmental. Clearly, in terms of economic, through the involvement in homestay, employment opportunity is increased. Moreover, with the improvement in employment opportunity, it improves the family's supplemental income.

As for the social aspect, homestay program may improve the role of each family member. The role of each family is important as it preserves local social values. The social values can be divided into two parts, namely kinship and security. In terms of kinship factor, the homestay program may improve co-operation/unity in families and communities. Meanwhile for the security factor, increase in the security of community's locality directly reduces crimes.

As for cultural aspect, through the homestay program the local community does not only preserve the locals' lifestyle but also passes down the identity and customs to family members through socialisation process. Besides, as a result of tourist arrivals at homestays, it promotes the locals' culture to outsiders.

Meanwhile, in terms of environmental aspect, it is found that environmental effects are divided into two categories: positive and negative. Among the positive effects as a result of homestay tourism are improvements in the village's image and scenery. Moreover, homestay tourism also encourages conservation of natural environment as it is part of the package for homestay tourism. Meanwhile, in terms of negative aspect, the environment is experiencing traffic congestion as a result of increased tourist arrivals. Increase in tourism also causes air pollution due to increase in vehicles.

As a conclusion from this study, it can be summarised that through participation in homestay development, the involved community may gain various benefits in the forms of economic, social, cultural as well as indirect benefit, i.e. environmental conservation. Thus, the participation of communities in the development of homestays must be improved and continued. This is due to the expected benefits which are to be gained by the communities; as well as increase in demand from within and outside of the country. In order to improve the demand for homestay tourism, a good strong co-operation between the operators, government and marketing agencies are needed to sustain homestay development. One of the strategies which can be adopted is to grant tax exemption to the marketing agencies which bring in tourists to homestays. Meanwhile,

the homestay operators are also to provide reasonable price to tourism agencies.

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