



ANALYSING THE MOTIVATIONAL FACTORS OF HOMESTAY ENTREPRENEURS: A CASE STUDY OF BENTOTA DESTINATION SITE, SRI LANKA

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Abstract

At present, concept of homestay is getting popular in Sri Lanka due to growing demand for tourist accommodations. This paper was aimed to analyse the motivational factors of Homestay entrepreneurs using the Bentota destination site as a case study. This research was based on structured questionnaire and in depth interviews conducted along the research process. The findings suggested that women participation is high among the homestay entrepreneurs. Therefore, promoting homestay among women is a pathway to the sustainable development. And for the majority of the respondents, operating a homestay was a supplementary income source. In addition, the findings revealed that initiation of homestay venter is influenced by both extrinsic factors such as opportunity to earn income and family encouragement and intrinsic factors such as opportunity for skill development and to gain experience.

Keywords: Homestay entrepreneur, Motivation, Extrinsic and Intrinsic motives

1. Introduction

A homestay is a popular form of tourism experience whereby tourists pay to stay in private homes to interact with a host or local family. At present, it is becoming an increasingly popular accommodation option for both international and domestic tourists. During the last few years, the number of homestay facilities has multiplied worldwide. Not only a homestay provides a cost-effective accommodation facility but, also it gives an authentic experience to the visitors. By staying with a local family, tourists can have an original idea of local culture and lifestyle. Moreover, tourists will be able to taste local cuisine and participate in local traditions.

The concept of the homestay was introduced to Sri Lanka in 2009 to fulfill the growing demand for tourist accommodations. In 2011, the Sri Lankan Tourism Development Authority (SLTDA) initiated a “Homestay program” to create more homestay entrepreneurs. The ultimate objective of this program was to create more entrepreneurs in the rural area and that to direct the benefits of tourism to the rural communities (Mubarak, 2019). According to SLTDA



statistics, the number of tourist nights stayed during the period from 2011 to 2019 has increased by 139% among foreign tourists and 38% among domestic tourists, respectively¹.

Homestay is classified under community-based tourism (CBT). CBT related activities can encourage people to involve in income-generating activities that remain the benefits within the community. Moreover, these activities can contribute to economic development by increasing employment opportunities, social unity, improving the skills and knowledge of the entire community (Kaldeen, 2019). Hence, promoting the concept of homestay in Sri Lanka is a sustainable strategy to develop rural communities. For that, it is both practical and theoretically important to understand the motivational factors of homestay entrepreneurs.

2. Literature review

Motivation is a cornerstone of the entrepreneurial process. It is the energetic force that originates within individuals to initiate behaviors. According to the literature, entrepreneurial motivations are divided into two groups; Extrinsic motives (economic and financial incentives, social equity, ecological preservation, and work and family balance) and intrinsic motives (identity, moral values, and emotions).

A number of studies have focused on the motivational factors of homestay operators from developing countries. A study by Salleh et al. (2014) found that gaining new experiences, spending their leisure time, and improving skills have motivated individuals to participate in the Malaysian Homestay programs. Furthermore, this study found that exploring a new experience as the most important factor that has influenced peoples' participation in the homestay programs.

Osman et al. (2009) in their study on Women Homestay Entrepreneurs in Malaysia found that personal satisfaction, passion, and encouragement by friends as major motivational factors to start a homestay establishment. In addition, dissatisfaction with former jobs also has influenced people to move to Homestay business. Moreover, women are mostly driven to engage in the homestay due to passion and desire to pursue something they enjoy (Kaldeen, 2020). For them, homestay facilities provide not only an additional source of income or personal satisfaction but also an opportunity to become key players in the tourism industry in the country.

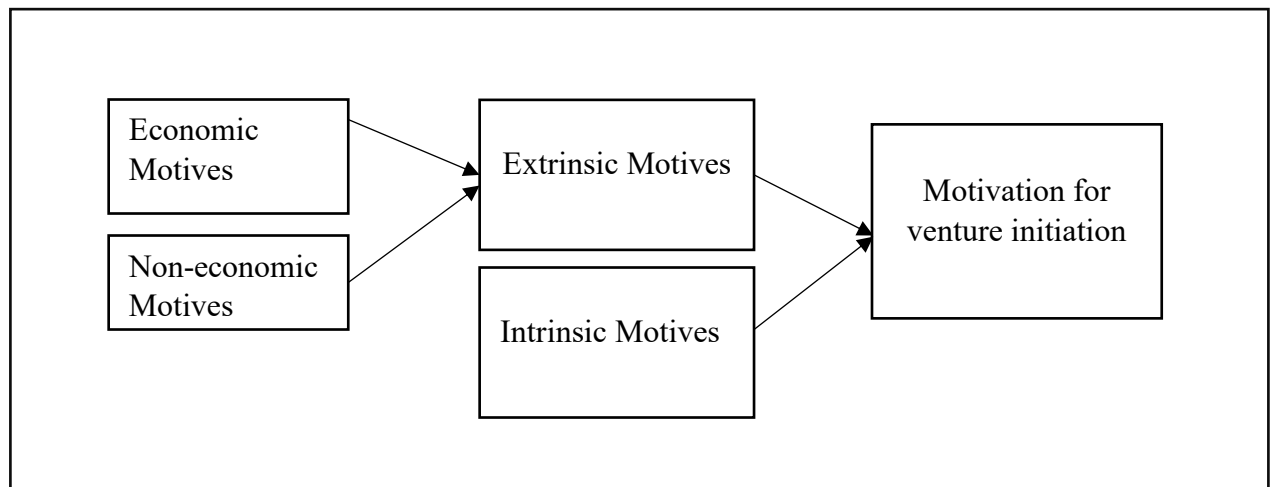
According to Ranasinghe (2015), homestay operators are motivated not only by monetary and material benefits but also from a variety of non-economic benefits. Namely, persuasion and experience, educational benefits, mental satisfaction, and strengthening of social and community interrelationships. According to Leh (2012) case study on Homestay tourism and pro-poor tourism strategy in Banghuris Selangor, Malaysia, illustrates acquiring employments and income has had impact on the participation in homestay program. In the



research done by Pusiran & Xiao (2013) found that the revenue gained by the operators gave a sort of financial motivation to the operators to venture more seriously in the programme.

Consequently, the conclusion emerging from the literature review was that homestay motivation factors are divided into two categories; Extrinsic factors (economic and financial incentives, social pressure) and intrinsic motives (Experiences, personal satisfaction, passion, personal growth).

Figure 1: Conceptual Framework



3. Research Problem

As analyzed in the above literature review there are number of researches on homestay motivational factors. However, there are less literature on its entrepreneurial aspects, especially in terms of Sri Lanka. Yet, given the considerable impact that new homestays have on the Sri Lankan economy, understanding what motivates entrepreneurs in starting a homestay is both practical and theoretically important. Therefore, this study is aiming to explore the motivational factors of homestay entrepreneurs using the Bentota Destination Site as a case study. Moreover, this study investigates the socio economic and demographic status of the homestay entrepreneurs. And the findings of this research give insights to the policy makers to develop appropriate supportive measures that help to promote the homestay accommodations.

4. Methodology

This study mainly uses primary data collected through a survey using structured questionnaire. The questionnaire includes questions related to the demographic status, socio economic status and motivational factors. Data was collected from 30 homestay operators located in the Bentota destination site. Due to the practical difficulties, a sample of respondents was selected on convenience basis. The Statistical Package for Social Science (SPSS) computer package and



MS Excel was used to analyze the data. The data was represented using charts, diagrams and tables.

5. Results and Discussion

Demographic statistics relating to the data obtained by the questionnaires are reported in the table 01 below.

Table 1: Gender, Age and Educational level

	Frequency	Percent
Gender		
Female	14	46.7
Male	16	53.3
Age Level		
20 -29	3	10
30-39	5	16.7
40-49	12	40
50-59	7	23.3
60 <	3	10
Level of education		
Primary education	1	3.3
Secondary education	9	30
Tertiary education	15	50
Degree level	5	16.7

Source: Based on questionnaire

Out of 30 participants, 53 percent of the homestay operators were males and 46.7 percent were females. Higher female participation is an interesting finding because in Sri Lanka women’s active participation in the economy is really low. According to Key indicators of Industry Trade and Services Sector Economic Census 2013/14 (Department of Census and Statistics, 2017) in Sri Lanka only 25 percent of the total establishments are run by women entrepreneurs. This low participation is mainly due to the household roles and responsibilities such as bearing and raising children, caring for the home and other family members (Jennifer et al, 2020).

However, according to the findings female participation in homestay is comparatively high. That is because women can easily manage their household responsibilities while running a homestay facility. According to Becker (1975) females prefer to work in organizations and jobs that offer flexible hours. And they prefer to work from home or near the home (Kono, 2008). Homestay fulfills all these requirements easily and as a result there is a tendency for women to participate in this sector. Moreover, the majority of the respondents were in the age group of 40 to



59 years (63.3 percent). That is because they have the capability and the stamina to start a homestay compared to the other age groups.

Since this is a business that requires a certain set of educational skills, the research found out that 50 percent of the respondents had an education up to tertiary level. Therefore, it was easier for them to carry out this particular business as interacting with foreigners one needed the capacity and the capability of a certain education level which the research found out that they had.

Table 2: Employment status

Employment status	Frequency	Percentage
Homestay as a primary Income Source	13	43.3
Homestay as a supplementary Income Source	17	56.7

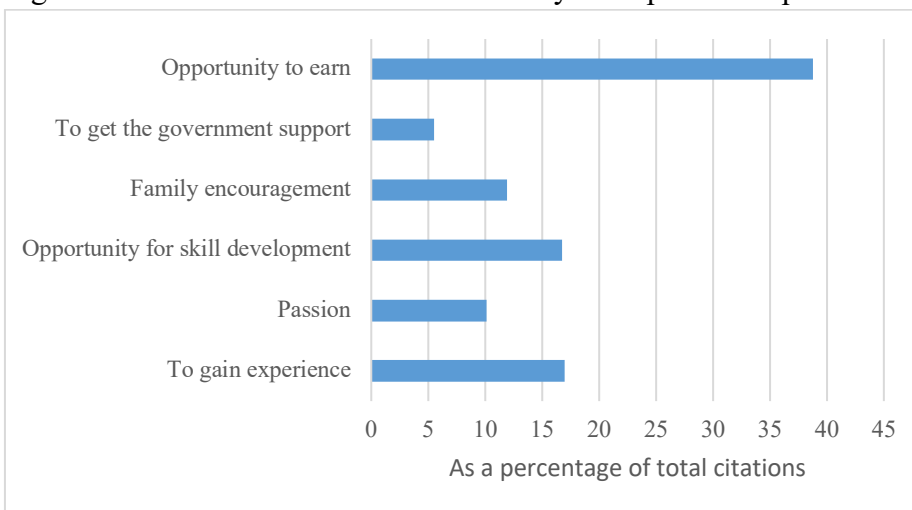
Table 2 presents the employment status of the sample. From the total respondents, homestay was the primary income for only 43 percent of the sample. Whereas the majority of the respondents (57 percent) reported it as their supplementary income source.

One unique characteristic inherent to the tourism sector is the sales instability. Tourism sector is highly volatile to the changes in the internal and external environment. And it can lead to frequent fluctuations in the sales volume of the business. Hence, for an entrepreneur, having a homestay as supplementary income source would diversify his earning portfolio and minimize the risk. Therefore, for people who have a supplementary income it is easier to bounce back from such disasters as the Easter Sunday attack and the present COVID 19 pandemic.

Motivation factors

Figure 2 below presents the factors that motivate the respondents to begin a homestay facility.

Figure 2: Motivational factors of Homestay Entrepreneurship





As a percentage of total citations, opportunity to earn is the most cited motivational factor in starting a homestay unit (38.7 percent). The second and third most cited motivational factors are to gain experience (17 percent) and opportunity to skill development (16.7 percent). Moreover, family encouragement has also cited by the 11.9 percent of the respondents. The least importance among all, as mirrored through these results are passion and government support.

According to the empirical studies, opportunity to earn income or receiving financial benefits is the most powerful motivational factor to start a homestay facility (Yassin et al, 2015). Not only for the homestay operators but also for any profit-oriented entrepreneur economic motive is the primary motive to start a business [inter alia (Shumpeter, 1934) (Knight, 1921). According to the Webler et al (2008) economic motives are necessary but insufficient conditions to start a venture. And the non-economic motives also play a significant role in increasing the salience of economic motives. According to the study, non-economic motives such as gaining experience, skill development and family encouragement has frequently cited by the respondents as their motivational factors.

Table 3: Motivational factors for homestay initiation by gender

	Females (as a percentage of total citation)	Males (as a percentage of total citation)
To gain experience	14.9	18.7
Passion	10.0	10.2
Opportunity for skill development	18.7	15.0
Family encouragement	12.8	11.2
To get the government support	5.8	5.3
Opportunity to earn	37.7	39.6

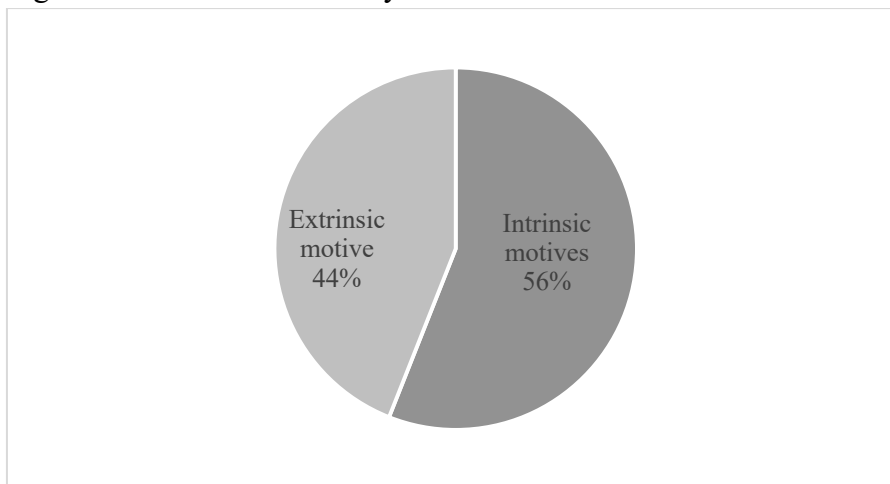
Table 3 reveals the motivation factors by gender. Both males and females have expressed opportunity to earn as the highest motive. For females second most cited factor is opportunity for skill development and for males it is gaining experiences. In the sample majority of the female owners have received education up to the tertiary level. However, due to the family responsibilities they have not been able to enter to the workforce. For them, homestay is a good opportunity to develop their skill and to gain new experience. In addition, according to the results males, value gaining experience more important compared to the females. This is because males are more willing to take risk compared to women. Moreover, most male owners have previously employed in tourism sectors. Therefore, they wanted to apply the knowledge they have gained previously by starting a homestay unit.

Family encouragement is also a frequently cited motivational factor for both gender and it is slightly high for females. Due to the high number of tourism arrivals to the Bentota

destination area there had been a growing demand for homestay facilities during last few years. To fulfil this demand new homestays has been popup within the areas. This trend has encouraged the family members to motivate our respondents to start a homestay.

To analyze further, the factors mentioned in the table 03 were categorized in to intrinsic and extrinsic factors. Opportunity to earn income, family encouragement and to get government support are divided as extrinsic factors whereas opportunity for skill development, passion and to gain experience are divided as intrinsic factors. Figure 03 shows the classification of motivation factors according to the intrinsic motives and extrinsic motives.

Figure 3 Motivation factors by classification



Even though the opportunity to earn income is the most cited motivational factor when considering this division intrinsic motives have the largest impact on starting a homestay unit.

6. Conclusion and Policy implications

The study was carried out with the aim of identifying the motivational factors of homestay entrepreneurs. The results indicated that women participation is high among the homestay entrepreneurs. And for most entrepreneurs, homestay is a supplementary income source due to the sales instability. Moreover, findings from this study indicated that initiation of homestay venter is influenced by both extrinsic factors such as opportunity to earn income and family encouragement and intrinsic factors such as opportunity for skill development and to gain experience.

Based on the findings of this study, the following policy direction could be proposed. First promoting the homestay among women is important for women empowerment. Homestay can take the skilled but underutilized women back to the earning capacity and a to a satisfactory entrepreneurship. It will secure the income generation avenue for women but also it can promote



sustainable community development by promoting gender equity. Secondly, the government can encourage homestay entrepreneurs by providing necessary training programs and financial incentives. At present, Sri Lankan homestay facilities are demanded by low budget tourists who need minimum facilities. However, in other countries homestay provides not only accommodation but also cultural experiences and it attracts even the wealthy and high-end tourists. Government can introduce the same concept in Sri Lanka, but for investors to do these structural adjustments they need a considerable investment. Therefore, most homestay providers cannot bear that because that cost is high compared to their earnings. For that, the government can provide concessionary loans to the homestay operators to do the necessary structural adjustment such as building AC rooms, tiling the floors etc. It would be conducive for the government to introduce the homestay program on their websites as a wonderful way to integrate with local culture where they will be able to learn and eat about local cuisines as well as the very rich diverse culture of the many ethnic groups in Sri Lanka.

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