



## Critical Success Factors of Motivation Factors, Entrepreneurial Competencies, and Entrepreneurial Success in Homestay Program in Sabah, Malaysia

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### ABSTRACT

The study aimed to identify and evaluate the critical success factors (CSFs) of motivation factors and entrepreneurial competencies that affect entrepreneurial success in the Sabah homestay program. Data were collected from a sample of 181 homestay entrepreneurs in Sabah using a survey questionnaire. The resource-based view was used to conceptualize the study. The study of entrepreneurial success in homestay entrepreneurs is rarely reported in the existing literature. In fact, there is limited consensus on the selection of a proper set of measurements for assessing entrepreneurial success in entrepreneurship studies. This study is to fill the gap by adding more literature on entrepreneurial success in the context of the homestay industry. The reliability analysis showed that the survey is a reliable measure of the five constructs related to entrepreneurial success. The constructs with the highest reliability are entrepreneurial success and motivation factors-pull. The construct with the lowest reliability is motivation factors-push. The findings contribute to our understanding of the relationship between motivation factors, entrepreneurial competencies, and entrepreneurial success in the context of homestay entrepreneurs in Sabah. The findings are also useful for the Ministry of Tourism, Arts and Culture (MOTAC) strategy goals 2021-2025 and solving sustainable development goals. Future research should investigate the structural relationship between motivation factors, entrepreneurial competencies, and entrepreneurial success in the Sabah homestay program.

## 1. Introduction

This paper investigates and explores critical success factors (CSFs) of motivation factors, entrepreneurial competencies, and entrepreneurial success in homestay program in Sabah. The Malaysian homestay program was initially started during the early 1980s. The primary objective of the program was to address the income differences between rural and urban regions by fostering

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new economic opportunities, particularly in the tourism sector. The initiative aimed to facilitate the participation of rural residents in the tourism industry, thereby promoting their engagement and incentivizing their involvement [1]. One of the important tourism activities is the homestay program. It offered a great potential to generate addition income for the local communities by participated in the homestay program. Based on the most recent Ministry of Culture, Arts, and Tourism (MOCAT) statistics, the data represents the Malaysian homestay experience program statistical report. The Malaysia homestays industry generated a total of RM 222,128,159.76 between years 2012 to 2021. Sabah is the largest contributor to Malaysia homestay performance, followed by Pahang and Johor [2]. Between 2012 and 2021, Sabah earned a total of RM 34,208,831.35 from homestay program itself. These are the main factors why Sabah was chosen for this study. Sabah is one of the 13 States of Malaysia offers a variety and unique cultural experiences. Sabah is home to more than 33 ethnic groups living in different parts and speaking 80 different directs of Sabah. Each district will be offering they own unique culture, beliefs, and way of life. Hence visitors would be experiencing a different lifestyle in each of the Homestay that they stayed. So, more tourists visited Sabah and these numbers continue to grow in the future. As a result, a study is needed to determine what factors influenced the performance of homestay entrepreneurs participating in the Sabah homestay program. This research has the potential to boost the income of homestay entrepreneurs in the future. Since Sabah is rich in flora and fauna. It is located on the northern part of the World's third largest island, Borneo. Kota Kinabalu city being capital is the gateway to Sabah. Sabah is strategically located in the northeast corner of Borneo, with approximately 77.1 million and 139.4 million potential tourists within a 3-hour and 6-hour flight radius respectively [3].

Since homestay entrepreneurs are registered under the Ministry of Tourism, Arts and Culture (MOTAC). They are bound with the MOTAC mission statement which is empowering an inclusive tourism and culture industry ecosystem. Therefore, this research is aligned with MOTAC strategic plan framework 2021-2025 [4]. The findings and empowerment of research holds a vital role within the broader framework of the Ministry of Tourism, Arts and Culture (MOTAC) core strategy number four: strengthening content development and infrastructure, under strategy number two: increase studies and research related to tourism and culture. The strategic plan outlines a proposed a total of 15 studies and research initiatives, along with an anticipated 100 scholarly publications, within the timeframe spanning from 2021 to 2025. In particular, the findings and insights generated by these studies and research endeavours possess the potential to significantly contribute to the realization of one of MOTAC's strategic goals, notably the "Homestay Program." Through this program, there is a measured effort to extend comprehensive exposure and knowledge to the general-public. This is achieved by leveraging the homestay experience as a medium for imparting awareness and understanding of Sabahan heritages through homestay products. It also aligns with and implements core strategy number eight: Human capital development, under strategy four, strengthen tourism and cultural education institutions under MOTAC. This strategic objective highlights the significance of prioritizing and assessing competencies through an on-going series of specialized courses, training initiatives, and up skilling programs. This intentional approach significantly contributes to the refinement of marketability within the realms of professions related to tourism and culture. The application of sustainable development goals (SDGs) is also used in this homestay research, it focused to solve goals (SDG1) end poverty, which is to eradicate extreme poverty and increase the living life of homestay entrepreneurs in the rural areas. Secondly to solve an (SDG 17) goal which is enhanced global partnerships for sustainable development which is focusing on enhancing the skill, technology, and knowledge of the homestay entrepreneurs.

The study of entrepreneurial success in homestay entrepreneurs is rarely reported in the existing literature. In fact, there were limited consensus studies in entrepreneurship on the selection of a proper set of measurements for assessing entrepreneurial success, because the definition of entrepreneurial success was very expansive. In Malaysia, previous studies from past literature in tourism fields only examined in community based-tourism [5-8], sustainable development [9,10], community development [11,12] and community perceptions [13,14]. Thus, the studies of entrepreneurship in homestay areas have been extremely limited in terms of the context of entrepreneurial success. Hence, this study only concentrates on the homestay sector in Sabah, given its rapid growth and the associated benefits it brings to the local communities. This study is to fill the gaps that previous study left behind by adding more literature review in entrepreneurial success in homestay industry context. It allowed the homestay entrepreneurs to enhance and improve the homestay business successful to satisfy the visitors. It also focused on the individual levels such as homestay entrepreneurs rather than visitors' perspective.

This study employs the resources-based view (RBV) theory as the foundation for constructing the conceptual framework. Resource-based view examines the performance differences of organizations based on their resources [15]. The theory makes two main assumptions, first the organizations within an industry may differ in their resources, and secondly, these resources may not be perfectly mobile across organizations, so organizational differences in resources can be very long lasting [16]. Similar findings also define resource-based view as anything that could be thought of as strength for an organization, normally focuses on firm level to understand business performance [17]. As a conclusion, the motivation factors and entrepreneurial competencies are the resources of strength and capabilities of the homestay entrepreneurs. By applying the two independent variables, it can help homestay entrepreneurs to increase their business performance and achieve competitive advantage. Simultaneously, they will ensure the future success of the homestay entrepreneurs in Sabah.

The literature study on homestay research in Sabah demonstrates that there is a limited amount of study in terms of entrepreneurial success. The following are critical research gaps that need to be explored: First, most of the study focuses on community participation, sustainable development, tourist perspective, homestay performances, community-based tourism, satisfaction, and services quality. Secondly, we found that previous study used a qualitative approach to analyse homestay research outcome, instead of using quantitative approach. Finally, we can see homestay research in Sabah context is still low. Hence, the primary objective of this study was to examine the factors contributing to the achievement of entrepreneurial success within the context of the homestay program in Sabah. These are the research gaps that need to be explored. Hopefully, it can give adding value to literature and provide empirical study in the future. The literature of this study was taken from 2013 to 2023. The sources of the literature review are based on Google scholar and Scopus journal. A recent finding of a systematic literature study indicate that there is a lack of content analysis in the existing studies on homestay training and development [18]. Therefore, this study examines the motivating factors, entrepreneurial competencies, and entrepreneurial success in the context of homestay entrepreneurs in Sabah homestay program.

Problem statement in this study, the homestay program continues to flourish in Sabah. However, homestay entrepreneurs still face some difficulties, problems, and are unable to sustain income. Secondly, it is inconsistent with previous findings in literature and Sabah statistical homestay reports, which indicated that homestay programs generate income. As a basis for the study, it needs to be investigated. For example, the main problem that homestay entrepreneurs face is their inability to sustain consistent revenue for their homestay business each month. This is primarily due to a low number of visitors, which creates financial challenges for homestay

entrepreneurs in managing their business [19]. Another study claimed that many homestay entrepreneurs withdraw from homestay programs due to lack of demands from visitors and not generating enough income [20]. Nevertheless, there is still a lack of empirical study about the withdrawal of Sabah homestay participants from the homestay program and have difficulty sustaining their homestay business. But, a study conducted in Sabah identified challenges including lack of village community involvement and lack of exposure to knowledge about homestay concepts in the community make it impossible to attract them to join the homestay program [21]. The objective of the study is to investigate whether the motivation factors influence the entrepreneurial success of homestay entrepreneurs in Sabah. Second objective is to investigate whether the entrepreneurial competencies influence the entrepreneurial success of homestay entrepreneurs in Sabah. To help ensure entrepreneurial success, there are several critical success factors (CSFs) that should be considered. The purpose of this article is to provide homestay entrepreneurs with an understanding of entrepreneurial success and its potential value. It examine the critical success factors (CSFs) of motivation factors, entrepreneurial competencies are important to consider when striving for a successful homestay business. This study presents the key performance improvement attributes, known as critical success factors (CSFs), within the context of the homestay program in Sabah.

### *1.1 Entrepreneurial Success*

There were no specific definitions for entrepreneurial success because it has many definitions in the literature. Entrepreneurial success is often linked to a grammatical form when talking about success in the context of entrepreneurship [22]. A meta-analytic review indicates that many entrepreneurial success variables include profit, income, sales growth, and employment growth [23]. According to past study [24], suggested that financial and nonfinancial measures match each other and provided a richer description of actual performance. However, there has been important research to use subjective measures of performance, by considering how entrepreneurs evaluate dimensions of entrepreneurial success. This study hopes to contribute to this important dimension of entrepreneurial success on measuring the small business enterprise [25], which is the homestay business in Sabah. It clear that, the available literature suggests that measuring success in business firm is still not clear and has control issue given the inherent disagreement among scholar in defining performance and success [26].

### *1.2 Motivation Factors*

Motivation factors are often defined as fitting into push or pull categories. Early study of motivation, motivation consists of two factors which are pull and push factor which make people start their own business. Push factors are related with the negative desire to start their business idea, while pull factor is influenced by the positive development to start a business venture [27]. Similarly, findings suggested that the motivational factors include both push and pull factors. The study indicated that entrepreneurs were not motivated by a single factor, but mostly described that there are multiple motivations factors for starting a new business [28]. By using multiple paradigm research methodologies to gain new insights in motivations, motivation for entrepreneurship can be considered complex and intertwined [29]. Recent studies view entrepreneurial motivation as a combination of pull and push factors, with pull factors scoring higher among female entrepreneurs. [30]. Previous findings indicate that entrepreneur's personal motivation and goals influence their assessment of success. The result is consistent with previous findings where entrepreneurial

motivation is significant with entrepreneurial success [10,19,31-33], where the study explores the potential impact of motivation on the business performance of homestay entrepreneurs.

### 1.3 Entrepreneurial Competencies

Entrepreneurial competencies are defined as underlying characteristics such as specific knowledge, motive, skills, social roles, and self-image regarding the result in venture birth, survival, and growth [34]. However, some studies showed three categories of competencies, including: attitudes or traits, knowledge or experience and skills or abilities [35]. Hence, it can conceptualizes entrepreneurial competencies as the total sum of entrepreneurs attributes such as attitudes, beliefs, knowledge, skills, abilities, personality, expertise and behavioral tendencies needed for successful and sustaining entrepreneurship [36]. Hence, there are very few studies on homestay and entrepreneurial competencies, because most studies on entrepreneurial competencies are conducted in large organizations and SME businesses. This study focuses more on knowledge and skills because these are the fundamental competencies required of homestay entrepreneurs. Significantly, entrepreneurial competencies positively influence entrepreneurial success [37-39]. It also enhances homestay entrepreneurial skill and knowledge in managing the homestay business [39,40].

## 2. Methodology

The purpose of this study is to examine the instrument in entrepreneurial success, motivation factors (pull and push factor), and entrepreneurial competencies (skill and knowledge). Questionnaire surveys are commonly used by researchers to obtain research data. This study focuses on homestay entrepreneurs in Sabah that registered under the Ministry of Culture, Art, and Tourism (MOCAT). This study also employed a quantitative approach. The population of the study consists of homestay entrepreneurs in Sabah. The respondents were selected using a purposive sampling technique. The survey questionnaire was distributed using Google Forms and hardcopy survey questionnaires. The data collection was gathered between years 2018 to 2019. Self-administered surveys questionnaire was used in this study, which consist of 42 items of question. The questions were adopted and modified for the purpose of this study to construct the questionnaire. The questionnaire used the five-point Likert scale type to which degree they agreed or disagreed on the specific item anchored by 1 (strongly disagree) to 5 (strongly agree). For this study, researchers approach each homestay coordinators in Sabah to distribute the survey questionnaire. Second alternative were contact the Institute of Rural Advancement (INFRA) and set a meeting to distribute the survey questionnaire to homestay entrepreneurs. This is because INFRA is the government agency responsible for approving homestay licenses and providing training to both new and experienced homestay entrepreneurs.

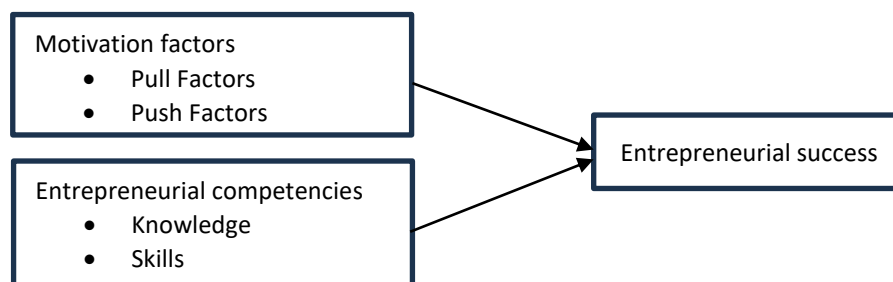


Fig. 1. Proposed conceptual framework

## 2.1 Survey Questionnaire Design

Based in Table 1 demonstrates how the survey questionnaire was changed and adapted by the constructs of entrepreneurial motivation, entrepreneurial abilities, and entrepreneurial success in literature.

**Table 1**  
 Survey questionnaire design

Constructs	Framework/models studies
Motivation factors	[10]
Entrepreneurial competencies	[10,40]
Entrepreneurial success	[10,24,39]

## 2.2 Reliability Analysis and Validity

Table 2 shows the results of a reliability analysis of a survey that measures five constructs related to this study such as entrepreneurial success, motivation factors-pull, motivation factors-push, entrepreneurial competencies – skills, and entrepreneurial competencies - knowledge. The construct is the underlying concept that the survey is trying to measure. The items are adopted and adapted from previous literature, refer Table 1. The Cronbach's alpha is a measure of the internal consistency of the scale, which indicates how well the items are related to each other and measure the same construct. A Cronbach's alpha of 0.70 or higher is considered acceptable, and an alpha of 0.80 or higher is considered good [41]. In this case, all the constructs have acceptable or good reliability. The construct with the highest reliability is entrepreneurial success (alpha = 0.817), followed by motivation factors-pull (alpha = 0.885) and entrepreneurial competencies – skills (alpha = 0.896). The construct with the lowest reliability is motivation factors-push (alpha = 0.765). A high reliability indicates that the items in the scale are measuring the same construct consistently. This means that the scale is a reliable measure of the construct and can be used to make inferences about the participants' scores. In conclusion, the reliability analysis shows that the survey is a reliable measure of the five constructs related to entrepreneurship. The constructs with the highest reliability are entrepreneurial success and motivation factors-pull. The construct with the lowest reliability is motivation factors-push.

**Table 2**  
 Reliability analysis

No	Construct	Items	Cronbach Alpha
1	Entrepreneurial success	5	0.817
2	Motivation factors-pull	10	0.885
3	Motivation factors- push	7	0.765
4	Entrepreneurial competencies – skills	10	0.896
5	Entrepreneurial competencies - Knowledge	10	0.848

## 3. Results

### 3.1 Respondents Profile

Based in Table 3, it shows the age distribution spans from less than 20 years old to more than 51 years old. Most of the group falls within the age range of 41-50 years old (48.6%). The least represented age group is less than 20 years old (1.1%). As for gender, 58.6% respondents are male

and 41.4% respondents are female. The dominant racial category is Bumiputra Sabah (87.8%). Malay represents 11.6% of the group, and Chinese represents only 0.6%. The most common marital status is "Married," representing 84% of the group. Other categories include "Divorced" (8.3%), "Single" (6.6%), and "Widowed" (1.1%). For income Level, most homestay entrepreneurs have no fixed income (63.5%). The income distribution is generally low, with 17.1% earning less than RM 500. Very few homestay entrepreneurs fall into the higher income categories (RM 1001 and above). Overall, the statistical summary reveals a group with a significant representation of individuals aged 41-50 years old, a dominant Bumiputra Sabah racial category, a high percentage of married individuals, and a lower income distribution, with the majority having no fixed income and a significant portion earning less than RM 500.

**Table 3**  
 Demographic profile

Demographic	Categories	Frequency	Percent (%)
Age	Less 20 year	2	1.1
	21-30 years old	6	3.3
	31-40 years old	27	14.9
	41-50 years old	88	48.6
	More that 51 years old	58	32
Gender	Female	75	41.4
	Male	106	58.6
Race	Malay	21	11.6
	Chinese	1	0.6
	Bumiputra Sabah	159	87.8
Marital status	Married	1	84
	Windowed	2	1.1
	Divorced	15	8.3
	Single	12	6.6
Income level	No fixed Income	115	63.5
	Less than RM 500	31	17.1
	RM 501 to RM 1000	1	0.6
	RM 1001 to RM 1500	22	12.2
	RM 1501 to RM 2000	8	4.4
	More than RM 2000	4	2.2

### 3.2 Ranking Motivation factors, Entrepreneurial competencies, and entrepreneurial success

In table 4, the result shows the entire mean for all critical success factors (CSF) of motivation-pull factors, motivation factors- push factors, entrepreneurial competencies- knowledge, entrepreneurial competencies- skills of entrepreneurial success used in the regression analyses. The overall mean for each factor was obtained to investigate the level of entrepreneurial success perceived by homestay entrepreneurs. The mean scores for the items in the "Entrepreneurial Success" construct range between approximately 3.4088 to 3.6961. The mean values for these items fall within an average ranged. The mean scores for "Motivation-Pull Factors" construct range between approximately 3.2044 and 3.4475. The mean values are within an average ranged. The mean scores for the items in the "Motivation-Push Factors" also show average ranged value with construct range between approximately 3.2320 and 3.5635. The mean scores for the items in the "EC-knowledge" construct range between approximately 3.2044 and 3.4144. Mean values cluster within an average ranged indicates that entrepreneurial success is given the highest score by respondents, the lowers is EC-skills. Thus, the result of reliability analysis indicates that four CSFs

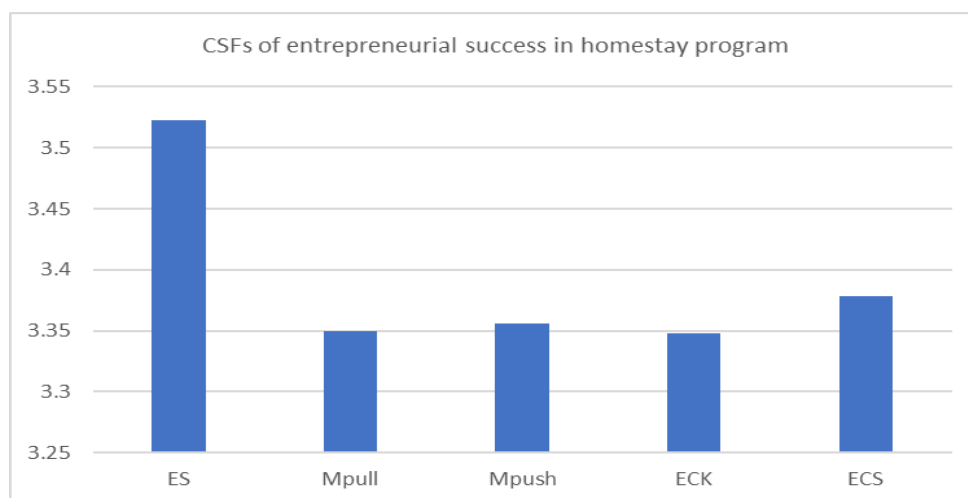
are valid and reliable for measurement CSFs of entrepreneurial success, motivation- push and pull factors, and EC- knowledge and skills in homestay program in Sabah.

**Table 4**  
 Average rating of CSF by degree of entrepreneurial success

No	Loadings	Constructs	Means	Rank
1	3.4088	Entrepreneurial success 3	3.5227	1
	3.4365	Entrepreneurial success 2		
	3.4641	Entrepreneurial success 4		
	3.6077	Entrepreneurial success 1		
	3.6961	Entrepreneurial success 5		
2	3.2044	Motivation– Pull Factors 9	3.3492	3
	3.2818	Motivation– Pull Factors 8		
	3.3039	Motivation– Pull Factors 10		
	3.3204	Motivation– Pull Factors 3		
	3.3702	Motivation– Pull Factors 6		
	3.3867	Motivation– Pull Factors 4		
	3.3867	Motivation– Pull Factors 5		
	3.3867	Motivation– Pull Factors 7		
	3.4033	Motivation– Pull Factors 2		
3.4475	Motivation– Pull Factors 1			
3	3.232	Motivation– Push Factors 16	3.356	4
	3.2431	Motivation– Push Factors 11		
	3.3204	Motivation– Push Factors 17		
	3.3646	Motivation– Push Factors 13		
	3.3702	Motivation– Push Factors 12		
	3.3978	Motivation– Push Factors 15		
	3.5635	Motivation– Push Factors 14		
4	3.2486	EC -knowledge 10	3.3475	2
	3.2707	EC -knowledge 4		
	3.2983	EC -knowledge 3		
	3.3425	EC -knowledge 1		
	3.3536	EC -knowledge 7		
	3.3591	EC -knowledge 8		
	3.3867	EC -knowledge 6		
	3.3923	EC -knowledge 9		
	3.4088	EC -knowledge 2		
3.4144	EC -knowledge 5			
5	3.2376	EC -skills 1	3.3779	5
	3.2707	EC -skills 8		
	3.2762	EC -skills 2		
	3.2818	EC -skills 5		
	3.2873	EC -skills 3		
	3.2928	EC -skills 6		
	3.3646	EC -skills 10		
	3.5414	EC -skills 7		
	3.5801	EC -skills 4		
3.6464	EC -skills 9			



Based on the results of the CSFs factor as shown as figure 2, the following conclusions drawn that entrepreneurial success is the construct with the highest mean score (3.5227), followed by entrepreneurial competencies – skills (3.3779), motivation factors-pull (3.3492), motivation factors-push (3.3560), and entrepreneurial competencies - knowledge (3.3475). In conclusion, the descriptive analysis shows that the participants generally have positive perceptions of all the constructs related to entrepreneurship. The construct with the highest mean score is entrepreneurial success, followed by entrepreneurial competencies – skills, motivation factors-pull, motivation factors-push, and entrepreneurial competencies - knowledge. Based upon the scale of 1 to 5, the mean scores can be explained as: a mean score that is less than 2 is rated as low, a mean score between 2 to 4 is rated as average, and a mean score greater than 4 is rated as high [42]. Overall, the means for motivation factors, entrepreneurial success and entrepreneurial success in the study were found to be average.



**Fig. 2.** CSF of Homestay program in Sabah

Note: Es = Entrepreneurial success, Mpull = Motivation – pull factors, Mpush= Motivation – push factors, ECK = Entrepreneurial competencies – knowledge, ECS = Entrepreneurial competencies – Skills

#### 4. Discussion

The study investigates the critical success factors (CSFs) influencing entrepreneurial success in the context of homestay program in Sabah, Malaysia. The study focused on motivation factors, both pull and push factors, and entrepreneurial competencies, specifically knowledge and skills. The following discussion highlights key findings and their implications. First is Entrepreneurial Success Factors where this study revealed that entrepreneurial success is perceived positively by homestay entrepreneurs in Sabah. This suggests that most respondents feel that they have achieved success in their homestay businesses. This positive perception is encouraging, as it indicates that the homestay program is making a positive impact on the income and livelihoods of the local communities involved.

Second, the study identified both pull and push factors as significant motivators for individuals to participate in the homestay program. Pull factors, which represent positive incentives, were rated slightly higher than push factors, which encompass negative motivations. This suggests that the desire to be part of the homestay program, driven by the potential for income and cultural exchange, outweighs concerns or challenges faced by homestay entrepreneurs.

Third, the study found that entrepreneurial competencies, both in terms of knowledge and skills, are perceived positively by homestay entrepreneurs in Sabah. This indicates that respondents believe they possess the necessary knowledge and skills to effectively manage their homestay businesses [39,40]. This is crucial for the long-term sustainability and success of these ventures.

Fourth, the demographic profile of the homestay entrepreneurs revealed interesting insights. Many respondents fell within the age range of 41-50 years old, indicating that middle-aged individuals are actively engaged in the homestay program. The relatively even gender distribution and the dominance of the Bumiputra Sabah racial category reflect the program's inclusivity and diversity. However, the income distribution revealed that a significant portion of homestay entrepreneurs has no fixed income or earns less than RM 500, highlighting the need for strategies to improve income levels in these homestay industries.

Thus, the study's findings have several implications for the homestay program in Sabah. Firstly, the positive perception of entrepreneurial success suggests that the program is achieving its goal of generating income for rural communities. However, efforts should be made to further enhance the income-generating potential of homestay businesses. Enhancing motivation, the positive perception of both pulls and push factors indicates that motivation is a key driver of entrepreneurial success [10,19,28], especially the participation in the homestay program. To attract more entrepreneurs, efforts should focus on promoting the program's benefits, such as cultural exchange, income generation, and community development, organize talks about homestay program, while addressing any perceived challenges.

In term of strengthening competencies, the belief in possessing the necessary knowledge and skills is crucial. However, continuous training and capacity building should be provided to homestay entrepreneurs to further improve their competencies and ensure the sustainability and quality of their services. This is where local universities or Institute for Rural Advancement (INFRA) provides training to enhance the skills and knowledge of homestay entrepreneurs in this area. For example, offering English language for social media, foreign language teaching such Korea, Japanese, and Chinese language, and application of AI software for homestay business use in the homestay program.

Additionally, income enhancement seems given the low-income levels reported by a significant portion of respondents, strategies should be developed to increase the income potential of homestay businesses. This could involve marketing and promotion, diversifying services, and connecting with broader tourism networks.

This study also highlighted research gaps in the entrepreneurial success of homestay entrepreneurs, especially in the Sabah context. Future research should explore these areas in greater depth to provide a comprehensive understanding of the factors influencing success and challenges faced by homestay entrepreneurs.

In conclusion, this study sheds light on the perceptions and factors influencing entrepreneurial success in the homestay program in Sabah. The positive outcome on success, motivation, and competencies promises well for the future programs, but there is room for improvement to ensure that it continues to benefit local communities and contributes to the broader tourism industry in Sabah. This paper also to solve the SDGs goals number 1, to reduce poverty and SDGs goals number 17 goals which is enhanced global partnerships for sustainable development. The findings are useful for MOTAC strategy goals 2021-2025, strategy number four, which is to strengthening content development and infrastructure as well as eight human capital developments.

## 5. Conclusion

This study aims to identify and evaluate the critical success factors (CSFs) of motivation factors, including pull and push factors, and entrepreneurial competencies, such as knowledge and skills, affecting entrepreneurial success in the Sabah homestay program. Data for the study were collected from a sample of 181 homestay entrepreneurs in Sabah. Based on reliability analysis, all factors of entrepreneurial success were accepted as valid and reliable for the study. The resource-based view was used to conceptualize the relationship between motivation factors, entrepreneurial competencies, and entrepreneurial success. Based on the empirical data survey, the two factors of motivation factors - push and pull factors, and entrepreneurial competencies, knowledge, and skills, have been shown to be extremely important for entrepreneurial success in the homestay program. The findings are useful for the Ministry of Tourism, Arts and Culture (MOTAC) strategy goals 2021-2025, particularly strategy number four: (1) strengthening content development and infrastructure, and (2) human capital development. The study contributes to solving SDG1, which aims to end poverty, and SDG17, which aims to enhance global partnerships for sustainable development. Future research should investigate the structural relationship between motivation factors, entrepreneurial competencies, and entrepreneurial success in the Sabah homestay program to further explore the outcome of the study.

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