THE RELATIONSHIP BETWEEN ADAPTIVE CAPACITY AND BUSINESS PERFORMANCE AMONG HOMESTAY OPERATORS IN KELANTAN

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ABBREVIATIONS

MOTAC	The Ministry of Tourism, Arts and Culture
KCD	Knowledge and capacity development
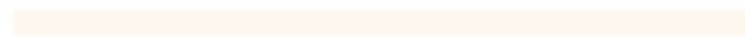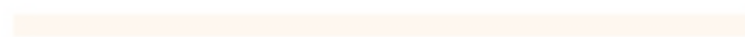
ABSTRACT

This research study will review the literature on the roles that knowledge capacity, innovation capacity, asset capacity, and digitization capacity play in sustaining business performance among homestay operators in Kelantan. A problem with knowledge capacity will always exist in some part of human life. Its capacity for knowledge refers to its capacity for information gathering, knowledge creation, knowledge dissemination, and knowledge application. Depending on a person's personality and social network, their experience with knowledge capacity can be positive or negative.

Keyword : Homestay operators, business performance, capacity

ABSTRAK

Kajian penyelidikan ini akan mengkaji literatur tentang peranan yang dimainkan oleh kapasiti pengetahuan, kapasiti inovasi, kapasiti aset, dan kapasiti pendigitalan dalam mengekalkan prestasi perniagaan dalam kalangan pengusaha homestay di Kelantan. Masalah dengan kapasiti pengetahuan akan sentiasa wujud dalam beberapa bahagian kehidupan manusia. Keupayaannya untuk pengetahuan merujuk kepada kapasitinya untuk pengumpulan maklumat, penciptaan pengetahuan, penyebaran pengetahuan, dan aplikasi pengetahuan. Bergantung pada personaliti dan rangkaian sosial seseorang, pengalaman mereka dengan kapasiti pengetahuan boleh menjadi positif atau negatif.

Kata kunci : Pengusaha homestay, prestasi perniagaan, kapasiti

CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION

This chapter will discuss the background of the study, problem statement, research question, research objective, scope of the study, significance of the study. In addition, the definition of terms will be explained in more detail and will end with a summary of this chapter.

1.2 BACKGROUND OF THE STUDY

The background of our study is related to adaptive capacity and business performance among homestay operators in Kelantan. As we know, Kelantan is very famous for its attractive natural beauty and cultural diversity. Many visitors from abroad come to Kelantan, and most of those who come here choose to stay at a homestay. The way the environment like the market reacts to the actions of the entrepreneurs determines how well a business performs. To put it another way, a company will succeed if there is a market for the goods or services it provides. Business performance therefore depends on entrepreneurial performance as well as internal factors such as staff reactions to different decisions and external factors changes in consumer relations environment action. Performance as an entrepreneur is different from performance as a business in this approach. An entrepreneur may be operating at a high level, yet unanticipated or uncontrollable factors may lead their business to perform poorly (Delmar, F. 1996).

For instance, a business owner might want to grow but find that doing so would be difficult due to fierce competition or legislative restrictions. It is more reasonable to define entrepreneurial performance as the specific tasks that can or should be controlled because, to put it another way, an entrepreneur can never control all of the aspects driving firm performance. Here, business performance is defined as the capacity for expansion or survival. This is believed to be a clear sign of entrepreneurship. Although survival alone is insufficient as a sign of entrepreneurship, it is a sign of market resilience (Delmar, F. 1996). The importance of business performance is to help you in public relations so people can know who you are, what business you do, and why you do it.

The Malaysian homestays are defined as a place "where tourists stay with the host's family and experience the everyday way of life of the family in both a direct and indirect manner" (Ministry of Tourism and Culture [MOTAC]) as cited in Ibrahim & Razzaq, 2009. A type of tourism product called homestay offers tourist accommodation services in tourist locations far from the city. Villagers have taken the initiative to provide accommodation

facilities by hosting tourists in their homes because these tourist spots are located on the outskirts/rural areas and lack accommodation facilities such as hotels, resorts and chalets. (Shukor et al., 2014). In addition, homestay owners need to be registered with the Ministry of Tourism, Arts, and Culture (MOTAC) to promote their homestays to tourists. However, homestay operators need to have some knowledge of the ins and outs of business. This is to maintain the performance of the homestay business. In Kelantan there are 8 registered homestays based on the January 2023 Statistical Report issued by the Ministry of Tourism, Arts and Culture (MOTAC). The homestays are Homestay Kg Pantai Suri in Tumpat, Homestay Renok Baru in Gua Musang, Homestay Bukit Jering in Jeli, Homestay Kg Batu Papan in Gua Musang, Homestay Kg Kubang Telaga in Bachok, Homestay Seterpa in Kota Bharu, Homestay Kg Jelawang in Dabong and Kemunchup Homestay in Machang.

The capability or capacity of a system, area, or community to adjust to the consequences or impacts of climate change is known as adaptive capacity. An effective way to deal with climatic changes and uncertainties, especially unpredictability and extremes, is to improve one's adaptive capacity. Enhancing adaptive ability decreases vulnerabilities and encourages sustainable growth in this way. (Goklany, 1995).

1.3 PROBLEM STATEMENT

The homestay development initiative had a variety of effects on local communities in terms of economic, social, cultural, and environmental perspectives. For instance, the opinions of the operators will be more accurate and trustworthy when determining how the homestay development will affect the community. The evolution of homestay in general, including operator challenges, visitor perceptions of homestay, and other general factors. As a result, research on the effects of homestay development from the operators' perspective is unquestionably required. The findings of this study may serve as a guide, particularly for stakeholders, in improving the development of the accommodation sector and ensuring its future success.

The local community is concerned about how the natural environment will be used as a result of this development. When tourism influences changes in the value system, individual behaviour, family relationships, collective lifestyle, moral conduct, creative expression, traditional rituals, and community organisation, it has an impact on social and cultural issues. The local community's cultural exchange with visitors results in both parties

gaining tolerance and understanding. The relationship with the environment refers to the physical and social surroundings, which include the earth, air, water, plants, animals, and auditory elements. Locals have become more aware of tourist development in their area as a result of realising how important environmental resources are in generating tourism demand.

It would seem that the difficulties could be very different from one homestay community to another. The goal of this study is to investigate the difficulties that Kelantan's homestay operators are now experiencing. For instance, would the host's traits, personality, and guiding principles ensure the Homestay's success? Does the community leader help make running a homestay business successful? Before the homestay operators can enjoy the benefits of their success, they must first overcome hurdles, just like any other firm. The results of this study may thus help to clarify the variables that affect the success or failure of homestay operations.

1.4 RESEARCH OBJECTIVES

1-To examine the relationship between knowledge capacity and business performance among homestay operators in Kelantan.

2 -To examine the relationship between innovation capacity and business performance among homestay operators in Kelantan.

3-To examine the relationship between asset capacity and business performance among homestay operators in Kelantan.

1.5 RESEARCH QUESTION

1-What is the relationship between knowledge capacity and business performance among homestay operators in Kelantan?

2-What is the relationship between the innovation capacity and business performance among homestay operators in Kelantan?

3-What is the relationship between asset capacity and business performance among homestay operators in Kelantan ?

1.6 SIGNIFICANT OF STUDY

The results of this study will also give subsequent researchers an advantage as they work to learn more about how homestay operators' businesses are performing. It also attempts to teach the homestay operators the value of relationships with adaptive capability and commercial performance. According to research and data on this industry's performance among homestay operators, It can and will continue to help the expansion of the tourist sector in our nation.

As a result of this study's findings, homestay operators will also benefit from improved business performance and a greater understanding of the value of homestay tourism. Additionally, it would enable the homestay providers to raise the calibre of their commercial operations.

1.7 DEFINITION OF TERMS

The effectiveness of community-based tourism was refined by the programme held in Kota Bharu, Kelantan. Homestays have been acknowledged as one approach to providing guests with affordable lodging options and as the greatest way to get to know the customs and cultures of a particular ethnic group. The success of the programme depends on the homestay operators' ability to offer a particularly special and delightful experience. By renting out one or two of their rooms in their homes to the visitors, homestay operators have inspired many new operators looking to explore potential through these programmes.

Many rural villages have opened up by allowing visitors to stay in their homes, but there are worries about the challenges homestay operators have in luring visitors. In order to develop the amenities and infrastructure for all the communities taking part in the Homestay programme, the government invested RM40 million under the Ninth Malaysia Plan (2006–2010) and an additional RM10 million under the Second Stimulus Package (Fariza, 2009). The infrastructure of rural villages was also developed in 2008 with the help of RM6.7 million from the Ministry of Rural and Regional Development.

In this research, the independent variables are knowledge and information, which can be defined as factual awareness or as useful abilities, and they can also relate to familiarity with things or circumstances. Innovation in the context of entrepreneurship refers to any fresh

concept, method, or product, as well as any improvement to an already successful method or product, and assets are evaluated to identify their fair market worth.

1.8 SUMMARY

In this chapter, we discuss generally the relationship between adaptive capacity and business performance among homestay operators in Kelantan. Establishing the capacity of communities is not a solution for transition studies; however, more study and knowledge of the idea could improve the chances of success. In the context of climate change, long-term solutions are necessary. Ability, a concept with beginnings in systems studies, has increasingly gained focus as a consequence of the environmental crisis, as recorded by the IPCC's task. Business performance is important for creating value and can continue to develop products and services that make a positive impact on society. In order to create economic value, businesses need to think long-term and determine how they can continue to be financially sustainable. This will have an impact on the tourism industry in Kelantan, as well as homestay operators. We also want to survey more about the relationship between adaptive capacity and business performance among homestay operators in Kelantan.

CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

This chapter examines literature review, knowledge and information, innovation, and asset-based tourism as independent variables, while community-based tourism is the dependent variable. Then, it also discusses the conceptual framework, hypotheses, and a chapter summary. This research could identify the challenges that homestay operators, in particular, and the community as a whole, face. By doing so, it could identify potential solutions to further establish and enhance the package of homestay programmes made available to the market.

2.2 BUSINESS PERFORMANCE

Business performance is the profit achieved by a company to obtain the purpose of the company established among homestays in Kelantan. It helps make decisions in investment and policy. In addition, entrepreneurs can know the level of marketability of their company. Business performance achieved will boost accountability for the best result. Examples of the business performance are the financial statements and revenue generated. There are many ways to verify the business performance measurement. To measure business performance, entrepreneurs in the business homestay must use the progress of the business goal. It is because they have a relationship with each other.

2.3 INDEPENDENT VARIABLE

2.3.1 KNOWLEDGE CAPACITY

Knowledge capacity is the ability to collect information, generate new knowledge, disseminate, and use this knowledge. This is the knowledge capacity of an organization. Knowledge capacity will remain the dominant economic factor in the knowledge economy. Knowledge and capacity development (KCD) involves something more than the strengthening of individual skills and abilities. Trained individuals need an appropriate environment and the proper mix of opportunities and incentives to use their acquired knowledge.

2.3.2 INNOVATION CAPACITY

Innovation is the main mechanism by which companies produce the new products, processes, and services that allow them to generate competitive advantages. The capacity for innovation allows companies to transform their knowledge into new products or processes so as to clearly improve their market position by responding to the different competitive challenges posed by the current globalised environment. It is innovation that allows companies to produce the new products, processes, and systems that are necessary in order to adapt to markets, technological changes, and new ways of competing. Innovation success depends increasingly on companies' knowledge management capabilities. This means of improving their knowledge acquisition, learning, and assimilation systems is what will generate greater competitiveness in today's companies. However, if these companies are to shape their innovation strategies, they not only need to absorb new information from the environment but also use it internally.

2.3.3 ASSET CAPACITY

Asset capacity is a network capacity planning tool that provides network visualisation, capacity management, and scenario planning from start to finish. There are four types of asset capacity. For example, short-term assets, financial investments, fixed assets, and intangible assets It is a measure of the amount of work that can be accomplished by a business within a fixed amount of time.

2.4 HYPOTHESES

A hypothesis should be valid and acceptable in light of the knowledge and tools at hand. Moreover, a hypothesis is a testable statement about the relationship between two or more variables or a proposed explanation for some observed phenomenon. It implies that there is a predictable relationship between an independent variable and a dependent variable. Consequently, the research has suggested

H1

There is a relationship between knowledge capacity and business performance among homestay operators in Kelantan.

H2

There is a relationship between innovation capacity and business performance among homestay operators in Kelantan.

H3

There is a relationship between asset capacity and business performance among homestay operators in Kelantan.

2.5 CONCEPTUAL FRAMEWORK
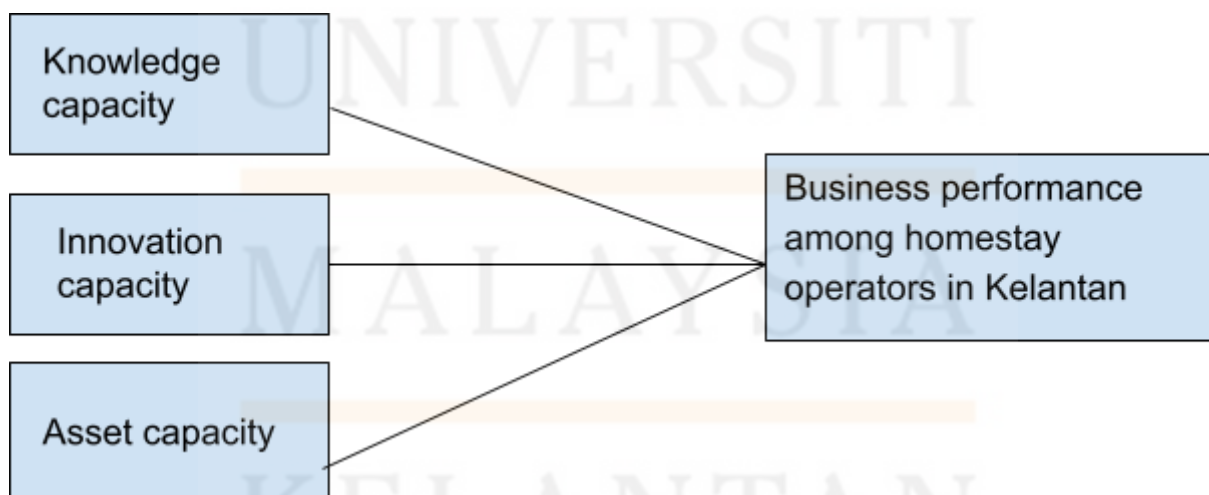
2.5.1 Conceptual Framework

2.6 SUMMARY

This chapter has discussed knowledge and information, innovation, and asset-based tourism as independent variables, while community-based tourism is the dependent variable. The relationship between each independent variable and the dependent variable, the conceptual framework, and the hypothesis are all crucial. It could denote the direction for community development by homestay operators, as well as some guidelines for new homestay operators to follow before entering the industry. to get over the problems with latency and evaluation that came from using the vulnerability and resilience frameworks separately to understand adaptive capacity and business performance among homestay operators in Kelantan.

CHAPTER 3
METHODOLOGY

3.1 INTRODUCTION

This chapter is about the method for analysis. Obviously, this chapter describes the type of analysis used to smooth out a case study. The research methodology used for this report includes the research design, population, sample size, sampling method, data collection procedure, research instruments, and data analysis. In short, the approach used in this study has been clarified. This section describes the whole process involved in implementing this study session.

3.2 RESEARCH DESIGN

The overall approach you select to integrate the many elements of the study in a cogent and logical manner is referred to as the research design. It will then successfully handle the research challenge. It will also be able to create a plan of action for gathering, measuring, and analysing data. The design of this study is focused on factors influencing the commercial performance of Kelantan's homestay operators. Additionally, data will be gathered from Kelantan's homestay operators using the questionnaire approach. The association between adaptive capacity and business success among homestay operators in Kelantan is closely related to descriptive research on knowledge capacity, innovation capacity, and asset capacity. A descriptive research design makes it simpler to respond to research questions and accomplish research goals. The researchers decided on a quantitative methodology for this investigation. Data collection and analysis must be done quantitatively. Quantitative approaches can be used to prove or disprove any notion.

3.3 POPULATION

Whether it be a nation, community, or individual, a population is defined as a particular group of individuals who have the same characteristics (Momoh, 2021). The group of individuals from which the statistical sample is drawn for the statistical study is referred to as a population. As a result, a population can be thought of as a group of people who are similar to one another. The target population's subset, from which the actual sample is selected, is the population that is the subject of the study (Shu Hu, 2020). The study's participants will be entrepreneurs serving as host families under the homestay programme.

3.4 SAMPLE SIZE

The number of participants or observations in a study is referred to as the "sample size." The method developed by Krejcie and Morgan (1970) will be used to create a demand for an efficient sample size calculation technique. The table illustrates that N refers to the population and S is the sample size. There are 92 homestay operators in Kelantan who provided overall sample sizes for the research study.

Table 3.1

Table for Determining Sample Size of a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size   Source: Krejcie & Morgan, 1970

Table 3.4.1 Determining Sample Size from a given population.

3.5 SAMPLING METHOD

Sampling is a method for choosing an adequate number of constituents from a population (Kumar, 2013). A particular subgroup of the population chosen by the researcher serves as the sample subject for the sampling procedure. a selection made using probability and other criteria. There are two different sampling techniques: sampling and random sampling. In this investigation, non-probability sampling will be used. Purposive sampling is a sort of non-probability sampling in which researchers choose members of the community to participate in a survey based on their own opinions. It is also referred to as judgmental, selective, or subjective sampling. The sample that will be collected is from homestay operators in Kelantan. The researcher randomly chooses a sample of homestay providers. Any sample of respondents that is easily accessible and convenient for the researcher must be chosen since the sample is available to the researcher. Researchers will sample the study's target population using non-probability and purposeful sampling techniques.

Formula for determining sample size

$$s = X^2 NP(1-P) \div d^2(N-1) + X^2 P(1-P)$$

$s =$ required sample size.

$X^2 =$ the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

$N =$ the population size.

$P =$ the population proportion (assumed to be .50 since this would provide the maximum sample size).

$d =$ the degree of accuracy expressed as a proportion (.05).

Source: Krejcie & Morgan, 1970

3.5.1 Sampling Method

3.6 DATA COLLECTION PROCEDURE

This study uses a survey to gather information from respondents about their goals or to obtain firsthand data from homestay operators in Kelantan on the relationship between flexibility and company performance. Primary data can be found in studies, assessments, surveys, and arguments. An evaluation form includes a series of questions that are designed to gather data from respondents for statistical or research purposes. A survey also used Google Forms and sent to owner homestay in Kelantan via email or Whatsapp group. So this question will be sent using Google Forms via email or Whatsapp groups. A survey will be made using Google Forms and sent to owner-run homestays all around Kelantan. These questions were created and sent using Google Forms. The respondents' demographic data is provided in Section A. Five Likert scale questions were included in Section B, and Section C. The study's Section C focused on adaptive capacity and business performance. We asked the participants about the adaptive capacity and business performance when they were running the homestay in Kelantan. The results of this method might be used to show the connection between Kelantan homestay operators' financial performance and adaptability.

3.7 RESEARCH INSTRUMENTS

In order to get all the information required to conduct this research, we used the survey approach with online questions via Google Form to collect the data. Additionally, because it is standardised, this method of investigation is typically less expensive and simpler to administer than alternative ones. Researchers used this method to obtain data and information because it is an effective way to do so and because this study included a large number of respondents.

There are three sections in the questionnaires. The first component, Section A, contains questions about the respondent's demographics, including gender, age, race, income level, status, and level of education. Section B will ask about the business performance of homestay in Kelantan, while Section C includes questions about knowledge capacity, innovation capacity, and asset capacity. While sections B and C employ the Likert scale, section A is structured using nominal and interval scales.

The 5-likert scale is being used in this study because the responses may be practically quantified and abstract enough for scientific calculation. As a result, responses range from 1

(strongly disagree) to 5 (agree), using the Likert scale as a reference (strongly agree). Since it merely employs the distribution of questions for the responders to answer, it is actually simpler to obtain feedback and outcomes this way.

3.8 DATA ANALYSIS

Data analysis is the act of collecting, modelling, and analysing data to produce insights that can be applied to decision-making. Depending on the industry and the objective of the research, there are numerous methods and strategies for doing analysis. These approaches all have two types of research as their fundamental pillars: quantitative and qualitative research.

3.8.1 DESCRIPTIVE ANALYSIS

Descriptive analysis is the act of finding patterns and connections in both recent and historical data. It is generally referred to as the most fundamental form of data analysis because it emphasises trends and associations without going deeper. The data utilised to describe the fundamental aspects of the research were also defined using descriptive analysis. The descriptive analysis was given a basic virtual representation of any quantitative study using the simple graph analysis technique.

The first step in conducting statistical research is descriptive analysis. It enlightens researchers on data distribution and facilitates the identification of anomalies and mistakes. The researcher can also use it to find correlations between different variables. It thus equips the researcher to carry out further analyses in the future. Because of this, the researcher for this study prepares a sample on Google Forms and sends it to participants after they respond to the questions.

3.8.2 RELIABILITY ANALYSIS

Investigating the characteristics of measuring scales and the elements that go into them can be done using reliability analysis. A variety of well-known analytical talent scales are constructed using the reliability analytical approach, together with information on the correlations between the scale components themselves. Intraclass associations could be used to establish interrater reliability. 124 respondents will take part in the test, which academics will conduct using the results of the pilot study. In order to prevent scientists from beginning a measurement and estimate, a small-scale proposed framework known as a "pilot test" is

used to evaluate different aspects of the processes that will be used in a larger, more in-depth, or confirming inquiry (Lowe, 2019). Following the pilot test, the Statistical Package for Social Sciences (SPSS) will be used to assess the data's reliability.

3.8.3 PEARSON CORRELATION

Pearson's correlation will be used to ascertain the link between the dependent and independent variables. Researchers use Pearson's correlation to determine how closely the two variables are related. A researcher's hypothesis can be developed from the data analysis. The theory can be accurate or inaccurate. The dependent variable in this study is the financial performance of homestay operators in Kelantan, and the independent factors are knowledge capacity, innovation capacity, and asset capacity. This test aims to determine the correlation's statistical significance. Another application is deciding whether to accept or reject a hypothesis.

3.9 SUMMARY

Through this chapter, the analyst will be clearer about the thinking as determined by the investigation plan, population and test, examination strategy, instrument, and data analysis. From these considerations, the analyst may know how to use the research design, work, and other components. This chapter will further explain how questionnaires are conducted and how surveys can be used in these considerations.

CHAPTER 4

RESULT AND DISCUSSION

4.1 INTRODUCTION

This chapter will examine the results of the analysis done on the information gathered from the questionnaire sent via phone calls and social media platforms like Whatsapp. A summary of the respondents and statistical findings is given in this chapter. Answering the study's goals and putting the hypothesis to the test are the goals. Statistical Package for the Social Sciences (SPSS) was used to analyse the data that was provided. 97 people who own homestay businesses in Kelantan provided the data.

4.2 RESULT DEMOGRAPHIC PROFILE

When asked about the relationship between adaptive capacity and business performance among homestay operators in kelantan, 97 respondents responded, according to the survey's findings. Gender, race, age, homestay address, and homestay name are among the data in Part A. Tables and pie charts are used to illustrate the demographic characteristics of the respondents. The information regarding the homestay name and place, however, is generic and relies on the response.

4.2.1 Gender

The demographic profile for the gender of respondents shows in Table 4.1 and Figure 4.1 below.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FEMALE	38	39.2	39.2	39.2
	MALE	59	60.8	60.8	100.0
	Total	97	100.0	100.0	

Table 4.1 : Statistics Table Based on Gender

The frequency table and percentage of responders by gender are displayed in Table 4.2.1.1. 59 of the 97 responses are male, leaving 38 respondents who are female. In contrast

to female respondents, the researcher discovered that male respondents made up the majority for this study. Male respondents made up 60.8% of the total, while female respondents made up each 39.2% of the respondents. In fact, the data reveals that there are more male homestay operators in Kelantan than female ones.

Figure 4.1 : Pie Chart of Respondents Based On Gender

4.2.2 Race

Table 4.2 and Figure 4.2 below shows the demographics based on the race of respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALAY	97	100.0	100.0	100.0

Table 4.2 : Statistics Table Based on Race

The overall frequency and percentage of responders by race are displayed in Table 4.2.1.2. According to the results of the study, which had 97 responders (100%), all of the homestay operators in Kelantan are Malay. This is due to the researcher's observation that other races are more interested in operating resort and hotel businesses than homestay enterprises.
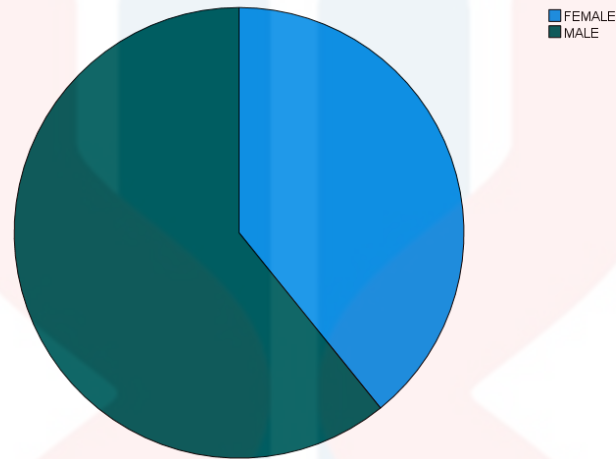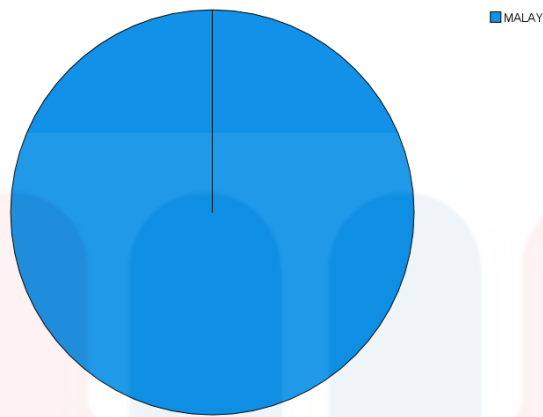
Figure 4.2 : Pie Chart of Respondents Based On Race

4.2.3 Age

Table 4.3 and Figure 4.3 below shows the demographics based on the age of respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	30-35 YEARS OLD	2	2.1	2.1	2.1
	40-45 YEARS OLD	37	38.1	38.1	40.2
	50-55 YEARS OLD	45	46.4	46.4	86.6
	60 YEARS OLD AND ABOVE	13	13.4	13.4	100.0
	Total	97	100.0	100.0	

Table 4.3 : Statistics Table Based on Age

The frequency and percentage of responders broken down by age are shown in Table 4.2.1.3. Out of the 97 responses, 2 are among the ages of 30 - 35, 37 are among the ages of 40 - 45, 45 are among the ages of 50 - 55, and the remaining 13 are among the ages of 60 and above. In contrast to respondents of different ages, the researcher discovered that respondents among the ages of 50 - 55 made up the majority of this survey. 2.1% of respondents were between the ages of 30 - 35, while 38.1% were between the ages of 40 - 45. After that, respondents between the ages of 50 - 55 made up 46.4% of the total respondents, followed by respondents 60 years of age and above at 13.4%. According to research, Kelantan's homestay operators are typically between 50 - 55 years old.
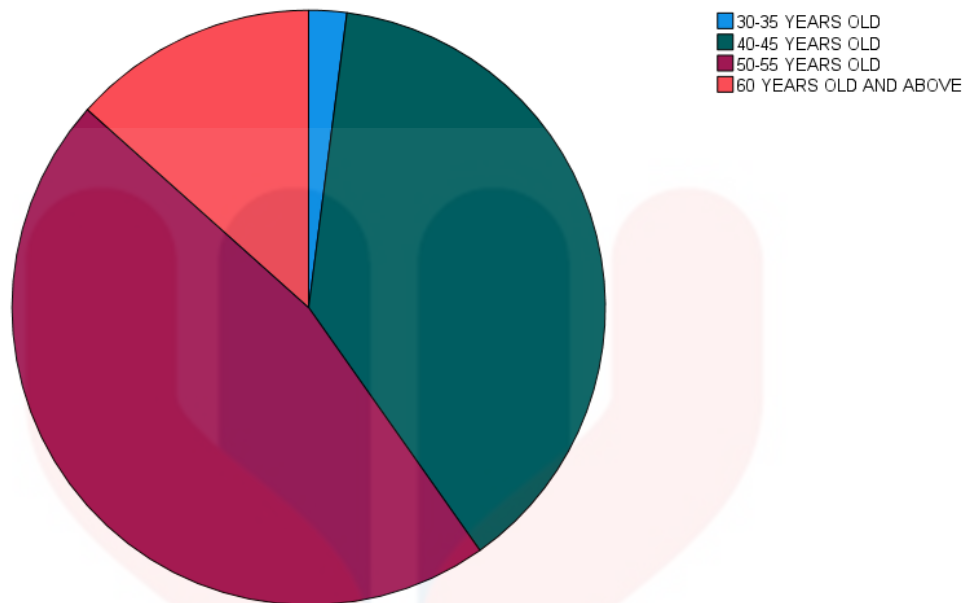
Figure 4.3 : Pie Chart of Respondents Based On Age

4.3 RESULT DESCRIPTIVE ANALYSIS

A statistic known as descriptive analysis may be used to describe trends in the centrality of a variable's 'centre' value, expectations, or even the dispersion that exists in the distribution of the variable's response. Even if the values of the central tendency and dispersion measurements are not acceptable, it will still compute.

In order to determine knowledge capacity, innovation capacity, and asset capacity for the independent variable and business performance among homestay operators in Kelantan for the dependent variable, the researcher has examined the mean and standard deviation for parts B and C. The researcher compared the means of the independent variable and the dependent variable for each item in the questionnaire based on the findings of the analysis. A 5-point Likert scale was used to grade respondents' responses, with 1 referring to "Strongly Disagree," 2 "Disagree," 3 "Neutral," 4 "Agree," and 5 standing for "Strongly Agree."

4.3.1 Descriptive Analysis of Independent Variables

Table 4.4: Descriptive Analysis for Independents Variables - Knowledge Capacity

No.	Knowledge Capacity	N	Mean	Std. Deviation
1.	Question 1 : I can manage the account and financial part for the homestay business.	97	3.80	.716
2.	Question 2 : I agree that knowledge in marketing can facilitate homestay marketability.	97	4.09	.678
3.	Question 3 : I agree that having knowledge of English can facilitate communication between foreign tourists in the homestay business.	97	3.85	.763
4.	Question 4 : I agree that product knowledge can improve customer satisfaction.	97	4.01	.637
5.	Question 5 : I agree that knowledge about homestay management should be encouraged.	97	4.25	.665

Source : Development from SPSS

Table 4.4 shows the descriptive analysis of the independent variable for knowledge capacity which includes the mean and standard deviation. Based on the data in the table, the highest online review that respondents strongly agree is that knowledge about homestay management should be encouraged with a value of 4.25 and followed by the statement "I agree that knowledge in marketing can facilitate homestay marketability." with a value of 4.09. The third highest value agreed by respondents is "I agree that product knowledge can improve customer satisfaction." and the value is 4.01. The next statement for a value of 3.85 is that respondents agree that having knowledge of English can facilitate communication between foreign tourists in the homestay business. And the value of 3.80 is the lowest for the statement "I can manage the account and financial part for the homestay business."

Table 4.5: Descriptive Analysis for Independents Variables - Innovation Capacity

No.	Innovation Capacity	N	Mean	Std. Deviation
1.	Question 1 : I agree that the level of innovation for homestay company owners should be increased.	97	3.88	.802
2.	Question 2 : I always introduce new products at my homestay.	97	3.84	.682
3.	Question 3 : I always give space to my employees to carry out the latest innovations.	97	3.94	.712
4.	Question 4 : I agree that new market innovations such as smart door locks can be used to attract customers.	97	4.11	.659
5.	Question 5 : I agree that new services such as the preparation of breakfast packages are given to homestay customers.	97	4.16	.745

Source : Development from SPSS

Table 4.5 shows the descriptive analysis of independent variables for innovation capacity which includes mean and standard deviation. Based on the data in the table, the highest online review that respondents strongly agree with is that new services such as the preparation of breakfast packages are given to homestay customers with a value of 4.16 and followed by the statement "I agree that new market innovations such as smart door locks can be used to attract customers." with a value of 4.11. The third highest value agreed by the respondents is "I always give space to my employees to carry out the latest innovations." and the value is 3.94. The next statement for a value of 3.88 is that the respondent agrees that the level of innovation for homestay company owners should be increased. And the value of 3.84 is the lowest for the statement "I always introduce new products at my homestay."

Table 4.6: Descriptive Analysis for Independents Variables - Asset Capacity

No.	Asset Capacity	N	Mean	Std. Deviation
1.	Question 1 : I agree that the existence of a homestay business website can make the management system more organized.	97	3.85	.816
2.	Question 2 : I think an asset like a house is the most important component of running a homestay business.	97	4.06	.801
3.	Question 3 : I agree that financial investment greatly influences entrepreneurs in running a homestay business.	97	4.15	.682
4.	Question 4 : I think the homestay business can open opportunities for homestay entrepreneurs to increase asset capacity.	97	4.16	.656
5.	Question 5 : I agree that proper asset management is very important to a homestay business.	97	4.39	.729

Source : Development from SPSS

Table 4.6 shows the descriptive analysis of independent variables for asset capacity which includes mean and standard deviation. Based on the data in the table, the highest online review that respondents strongly agree is that proper asset management is very important to a homestay business with a value of 4.39 and followed by the statement "I think the homestay business can open opportunities for homestay entrepreneurs to increase asset capacity." with a value of 4.16. The third highest value agreed by the respondent is "I agree that financial investment greatly influences entrepreneurs in running a homestay business." and the value is 4.15. The next statement for a value of 4.06 is that the respondent thinks an asset like a house is the most important component of running a homestay business. And the value of 3.85 is the lowest for the statement "I agree that the existence of a homestay business website can make the management system more organized."

4.3.2 Descriptive Analysis of Dependent Variables

Table 4.7 : Descriptive Analysis for Business Performance Among Homestay Operators In Kelantan

No.	Asset Capacity	N	Mean	Std. Deviation
1.	Question 1 : I think that in the last 2 years, my company has a very good performance.	97	3.65	.734
2.	Question 2 : I am interested in following any course that can increase my knowledge in this field of homestay business.	97	3.98	.918
3.	Question 3 : I agree that good customer feedback can maintain the quality of the homestay business.	97	3.88	.690
4.	Question 4 : I get a high profit in running a homestay business.	97	3.84	.650
5.	Question 5 : I believe that my homestay business has a high performance to thrive in the future.	97	4.09	.830

Source : Development from SPSS

Referring to table 4.7, the table shows the mean, standard deviation and level of Business Performance Among Homestay Entrepreneurs In Kelantan which is the dependent variable for this research. Respondents strongly agreed that my homestay business has a high performance to thrive in the future with the highest score of 4.09. In addition, respondents also agreed with the statement that I am interested in following any course that can increase my knowledge in this field of homestay business with a value of 3.98. The third statement "I agree that good customer feedback can maintain the quality of the homestay business." has a value of 3.88. Next, the fourth statement "I get a high profit in running a homestay business." has a value of 3.84. And the lowest value is 3.65 for the statement "I think that in the last 2 years, my company has a very good performance."

4.4 RESULTS OF RELIABILITY ANALYSIS

The correctness of the research process and the accuracy of the research findings may be demonstrated and communicated via reliability analysis. If research is to be helpful, it should not mislead its users. This accuracy depends on a number of study characteristics, including the original research topic, when and from whom the data was acquired, how it was analysed, and what conclusions were reached.

Table 4.8 : Reliability Analysis of Independent Variables and Dependent Variables

Variable	Number of Questions	Cronbach's Alpha Coefficient	Strength of Associations
Knowledge Capacity	5	0.804	Good
Innovation Capacity	5	0.732	Good
Asset Capacity	5	0.873	Good
Business performance among homestay operators in Kelantan	5	0.842	Good

Source : Development from SPSS

The reliability analysis findings for the independent and dependent variables are presented in Table 4.8. The findings demonstrate the validity of Cronbach's alpha coefficient. Asset capacity has a Cronbach's alpha score of .873, which is the highest in this investigation. Business Performance Among Homestay Operators in Kelantan comes in at .842 and is followed by Knowledge Capacity at .804. Innovation Capacity had the lowest Cronbach's alpha in this sample, at .732. The results of this analysis's SPSS data demonstrate the significance of both independent and dependent variables. The questionnaire has been acknowledged as valid and approved.

4.5 RESULTS OF INFERENTIAL ANALYSIS

Inferential analysis was carried out in this study using the Pearson's correlation test. Research goals may be quantitatively addressed by using correlation analysis, which provides information on both the strength and the direction of relationships (Schober, Boer, & Schwarte, 2018). The strength of the association between the dependent variable (business

performance among homestay operators in Kelantan) and the independent variable (knowledge capacity, innovation capacity, and asset capacity) was assessed in this study using Pearson's correlation. Guidelines for interpreting correlation coefficients are shown in the table below.

Table 4.9: Pearson's Correlation Table

Correlation Coefficient	Interpretation
0.00 - 0.10	Negligible correlation
0.10 - 0.39	Weak correlation
0.40 - 0.69	Moderate correlation
0.70 - 0.89	Strong correlation
0.90 - 1.00	Very strong correlation

Source: Schober, Boer, & Schwarte (2018)

H1 : There is a relationship between knowledge capacity and business performance among homestay operators in Kelantan.

Table 4.10 : Correlation of first hypothesis

		IV 1
DV	Pearson Correlation	1
	Sig. (2-tailed)	0.00
	N	97

**.Correlation Is Significant At The 0.01 Level (2-tailed)

Table 4.10 shows a significant relationship between knowledge capacity (IV1) and business performance among homestay operators in Kelantan (DV) (r=1.000p<0.01). The relationship between knowledge capacity and business performance among homestay operators in Kelantan has been shown by a positive Pearson Correlation value of 1.000. At the same time, the significance level of 0.000 for both variables shows that it is very

significant, with a strong significance level. The researcher concluded from the results of the study that there is a positive relationship between knowledge capacity and business performance among homestay operators in Kelantan. As a result, the researcher accepts the alternative hypothesis and rejects the null hypothesis.

H2 : There is a relationship between innovative capacity and business performance among homestay operators in Kelantan.

Table 4.11 : Correlation of second hypothesis

		IV 2
DV	Pearson Correlation	.480**
	Sig. (2-tailed)	<.001
	N	97

**.Correlation Is Significant At The 0.01 Level (2-tailed)

According to Table 4.11, there is a significant correlation between innovation capacity (IV2) and business performance among homestay operators in Kelantan (DV) (r=0.480,p<0.01).The positive Pearson Correlation value of 0.480 indicates a correlation between innovation capacity and business performance among homestay operators in Kelantan. At the same time, the 0.01 level of significance for both variables indicated that the two are both highly significant, with a moderate level of significance. As a result, the researcher accepted the alternative hypothesis and rejected the null hypothesis.

H3 : There is a relationship between asset capacity and business performance among homestay operators in Kelantan.

Table 4.12 : Correlation of third hypothesis

		IV 3
DV	Pearson Correlation	.470**
	Sig. (2-tailed)	<.001
	N	97

**.Correlation Is Significant At The 0.01 Level (2-tailed)

Table 4.12 shows a significant relationship between asset capacity (IV3) and business performance among homestay operators in Kelantan (DV) (r=0.470p<0.01). The relationship between asset capacity and business performance among homestay operators in Kelantan has been shown by a positive Pearson Correlation value of 0.470. At the same time, the significance level of 0.01 for both variables shows that it is very significant, with a moderate significance level. The researcher concluded from the results of the study that there is a positive relationship between asset capacity and business performance among homestay operators in Kelantan. As a result, the researcher accepts the alternative hypothesis and rejects the null hypothesis.

4.6 DISCUSSION BASED ON RESEARCH OBJECTIVES

An analysis of the literature on the relationship between adaptive capacity and business performance among homestay operators in kelantan. The results of this study look at how asset capacity, knowledge capacity, and innovation capacity relate to business performance among homestay operators in kelantan.

Table 4.13 : Shows the Summary for Hypothesis Testing in This Study

Hypothesis	Pearson's Correlation Results	
H1 : There is a relationship between knowledge capacity and business performance among homestay operators in Kelantan.	(r=1.000p<0.01)	Strong
H2 : There is a relationship between innovative capacity and business performance among homestay operators in Kelantan.	(r=0.480,p<0.01)	Moderate
H3 : There is a relationship between asset capacity and business performance among homestay operators in Kelantan.	(r=0.470p<0.01)	Moderate

Based on table 4.13, Pearson's correlation analysis was performed to evaluate the hypothesis of knowledge capacity, innovation capacity and asset capacity in business performance among homestay operators in Kelantan. At a significance level of 0.01, all the given hypotheses were accepted. All hypotheses are supported because the final results show that the independent variable that is knowledge capacity has a strong correlation. while innovation capacity and asset capacity have a moderate and positive correlation with business performance among homestay operators in Kelantan.

4.7 SUMMARY

The findings of the frequency analysis, descriptive analysis, reliability analysis, and Pearson's Correlation Coefficient analysis are defined and explained in the last section of this chapter. The relationship between adaptive capacity and business performance among homestay operators in Kelangan was found to be significant for this variable and to be positively connected with it.

CHAPTER 5

CONCLUSION

5.1 INTRODUCTION

This chapter describes three parts of statistical analysis of the result presented in Chapter 4. The first part discusses and highlights the recapitulation of findings that support the main objective of the study. The second part, explains the limitations faced by the researcher as well as recommendations to improve the business performance of operators homestay in the future. The researchers will draw conclusions regarding this study at the end of this chapter.

5.2 RECAPITULATION OF THE FINDINGS

In order to better understand how homestay operators in Kelantan, Malaysia, function on the business side, the research looked at the relationship between adaptability and performance. In Kelantan, the study discovered a link between homestay operators' adaptive capacity and financial performance. This indicates that homestay providers tend to have better business performance and are more likely to thrive if they have more adaptive capacity dimensions, such as learning capacity, resource capacity, network capacity, and organisational capacity.

The findings of the study also showed that the size of the homestay establishment was positively correlated with business performance. Homestay operators with larger establishments outperformed those with smaller establishments in terms of business performance. However, the study did not discover any significant associations between homestay operators' business performance and their age, degree of education, or number of years in business.

Overall, the research indicates that improving adaptive capacity, particularly through learning, resource utilisation, network building, and organisational growth, can ultimately result in better business performance and raise the success rate of homestay operators in Kelantan. This suggests that adaptive capacity is critical for homestay operators and other tourism sector players to remain competitive and adjust to changing circumstances and market conditions.

5.3 LIMITATIONS

Throughout the entire research, a valuable and significant process for completing the research has been experienced. However, there are certain fundamental limitations to unavoidable research to proceed as planned. There were a few limitations of the current study that need to be acknowledged. The first limitation of this study was the amount of time constraints over a time to complete the entire data collection. The researchers did their best to get the respondent quickly in a short time.

Additionally, the respondents' hesitation to cooperate in responding to the online survey. The tourism business has been seriously impacted by the covid-19 virus, which affected our nation and other countries across the world. Due to Malaysia's movement control order, it is challenging for researchers to locate owners to conduct face-to-face surveys, and all data must be submitted online. Online surveys have been spread via WhatsApp groups and phone contacts. To recruit respondents, researchers had to repeatedly request and encourage them to complete this survey.

Furthermore, our research was shown to have limitations due to the financing issue. We are unable to look at their homestay in terms of our time and finances. For instance, it will take several days to go to their homestay that is located far from each area and we must rent a car to visit the operator's homestay one by one.

5.4 RECOMMENDATIONS

Recommendation during study this research was to reduce the scope of the study to a smaller one. For example, the study was conducted in one district only. It is because the number of homestay operators in the state is very large. It will take a lot of time to study. Large-scale studies can take a lot of time to complete, and time and resources may not be unlimited. A reduced scope allows for researchers to finish the study quickly, promoting timely conclusion and reporting of results. A more focused study area allows for a more detailed and thorough evaluation. A smaller focus allows researchers to go deeply into the complicated issues and specifics, which can produce findings and insights that are more detailed.

Secondly, using the face-to-face survey method. It is because face-to-face surveys are preferable in situations when there are language or literacy limitations. Direct communication among researchers and respondents assists make sure that questions are understood and

interpreted properly. Interviewers can help respondents who struggle with illiteracy by reading and explaining survey items for them. Besides, Interviewers canIt's important to keep in mind that personal interviews could also have certain drawbacks, like higher rates, geographic limitations, and possible interviewer bias. Before choosing to use face-to-face surveys as a data collection method, researchers should carefully assess their research objectives, target population, and practical aspects. Actively monitor and manage the survey process in face-to-face surveys, ensuring that the questionnaire is distributed consistently and as planned. They can make instructions clearer, resolve any miscommunications, and maintain the standards and reliability of the data collection procedure.

5.5 SUMMARY

In conclusion, this research examined the relationship between adaptive capacity and business performance among homestay operators in Kelantan. The research's conclusions showed that homestay operators with a higher level of adaptability do better in their businesses than those with a lower level of adaptability. The research showed that there are various components that make up adaptive ability, such as gaining knowledge, resource mobilisation, relationship development, and innovation.

Additionally, the study found a number of variables, which include education, training, experience, social capital, and access to resources, that affect the ability of Kelantan homestay operators to adapt. The study also revealed that homestay providers confront a number of obstacles that limit their potential for adaptation, including scarce financial resources, a lack of government assistance, and insufficient possibilities for training and education.

The growth of the homestay business in Kelantan and other areas that are similar will therefore be greatly impacted by this study. According to the research, increasing homestay operators' capacity for adaptation may boost the sector's economic performance. As a result, policymakers and stakeholders ought to prioritise creating social capital, offering education and training programmes, facilitating access to resources, and supporting policymakers in promoting the development of adaptive ability among homestay operators.

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