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Research paper



Relationship between Community Participation, Socio Economy and Organizational Capacity on Sustainable Development

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Abstract

This paper attempts to understand the influence of community participation, socio-economy and organizational capacity on the sustainability of community based tourism, focusing on homestay programs. This study has gathered data from 96 homestay's operators from northern states of peninsular Malaysia. This study used path analysis approach to determine community participation and socio-economy factors that trigger organizational capacity and sustainable development. Based on the results, community participation and socio-economy are correlated in indirect effect with sustainable development through organizational capacity. Thus the path-analysis indicates that the engagement of organizational capacity in the homestay program will correlate community participation and socio-economy toward sustainable development.

Keywords: *Community Participation; Socio-Economy; Organizational Capacity; Sustainable Development.*

1. Introduction

Tourism industry has been acknowledged to contribute vast benefit such economic diversification, profitability, and employment opportunity for a country. In [1] forecasts international tourist arrivals to grow between 3% and 4%, and growth is expected to be stronger in Asia and the Pacific and followed by other regions. Tourism industry development is a high priority agenda for nations and communities everywhere. Realizing the possibility of tourism industry to grow, Malaysia's federal government urges Ministry of Tourism and Ministry of Rural Development to engage in developing community rural tourism. In [2] claimed that community based homestay has been shown to bring immediate benefits to local community such as job opportunities and better quality of life. Statistic from Ministry of Tourism and Culture Malaysia recorded the number of participants increased to 3519 in December 2014. Although the number homestay operators increased yearly, but the revenue received by the operators are still low compared to the others types of accommodation. Thus, this study will delve into the relationship between community participation, socio-economy and organizational capacity on homestay sustainability for northern region of Malaysia.

2. Literature Review

Nowadays, sustainable issues have become vital and grasp attention among scholars to interrogate the literature on the sustainable rural tourism development. In [3] has identified the involvement of various stakeholders and local communities in decision making on rural tourism is one of the important strategies to contribute to sustainable tourism development. In [4] claimed that community participation and contribution are critical factors for successful rural tourism development. In [5] also takes into account all the different types of resources such as community participation in developing integrated rural tourism development.

Sustainable tourism can be defined as "tourism which is developed and maintained for community or environment in such a manner that it remains viable over an infinite period and does not degrade or alter the environment (human or physical) in which it exists to such a degree that it prohibits the successful development and wellbeing of other activities and processes [6].

Community participation refers to a form of voluntary action in which individuals face the opportunities and responsibilities of citizenship. Opportunities for participation, including participation in the governance process itself, responding to an authoritative decision that affects a person's life, and work co-operatively with others on issues of common interest [7]. In other words, community participation is to design and develop in such a way that aims to participate in their own development by mobilizing their own resources [8]. Community participation plays an important role in the sustainability of community based tourism because the ability of community participation to increase the values of community by enhancing the positive effects of tourism and reducing the negative effects [9]. Besides, community participation is increasingly being regarded as fundamental to the effectiveness of the planning and management of tourism [10, 11]. The community participation will aid to attain worthy decision making process and manage resource competently and effectively. It also has the probability to teach and escalate community's responsiveness by being more reliant [12].

Therefore, the implementation of community participation is needed at all stages and continuously, to attain sustainable tourism development. The support of local residents may be critical to tourism sustainability because the conservation behaviour of residents may be necessary to sustain the environmental resources that attract tourists [13].

The concept of socio economy is determined as an economic activity that focuses on the social well-being of communities and

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marginalized individuals, without being under the influence of individual or political interests and without guiding itself accordingly to the logic of the business environment [14]. Thus, the socio economic factors have been widely used by many tourism researchers to explain the resident attitudes that can influence tourism operations in the region.

In [15] indicate that socio economy could contribute to the development of tourism in three different ways: by creating a locally focused community development, establishing tourism cooperative and building a community development trust fund. Besides, the socio-economy generates profit through solidarity actions, creates quality jobs for vulnerable individuals, contributes to the development of social, economic and regional cohesion, generates social capital, encourages active citizenship and solidarity by focusing on individuals and sustainable development. In [16] emphasized that socio economy exerts a positive impact on sustainable development of tourist destinations.

Organizational capacity refers to anything that will influence an organization's performance, leadership, structure of the organization, resource mobilization, and physical resources; intellectual resources such as organization strategy, management, business approach, inter-organization linkages network and organization system [17]. Organizational capacity can be defined as the ability to perform work [18] and also a set of attributes that help or enable the organizations to fulfil its mission [19].

Organizational capacity is another influence that will help in sustaining the homestay development. Besides local communities, external organization may consist of the principal, government, local authorities and village committee which will have the same aspiration for the homestay project [20]. External support may also contribute to empowering community organization to take full advantage of opportunities for community development [21].

For instance, successful sustainability of Miso Walai Homestay in Kinabatangan Sabah is influenced by the establishment of community organization among talented and committed individuals within the community. After they established the MESCOT Project to assist the operation of Miso Walai Homestay, the MESCOT members decided to set up a local cooperative known as Koperasi Pelancongan Berhad (KOPEL Bhd) in July 2013. The establishment of Koperasi Pelancongan Berhad enables the community to diversify and venture into other rural economy sectors such as conservation project, reforestation project, agriculture, farming, retailer and Salvenia based organic fertilizer.

When organizational capacity is aligned with the strategic goals and opportunities in the external environment or market, these capacities can lead to a better performance and hence sustained competitive advantage in the market [22].

This research has identified several relevant hypotheses to determine significant relationships among the variables. The hypotheses have been formulated based on discussion of previous research between leadership and government support, commitment and community participation.

H1: Community participation is significantly related to organizational capacity
H2: Socio-economy is significantly related to organizational capacity
H3: Community participation is significantly related to sustainable development
H4: Organizational capacity is significantly related to sustainable development
H5: Socio-economy is significantly related to sustainable development

3. Methodology

Data was collected using a stratified random sampling based on number of participants in the Homestay Program which was selected from the northern region of peninsular of Malaysia. According to [23], the number of participants in the Malaysian Homestay Program was 3,264 people. A total of 96 samples were selected from the northern states of Homestay Program's operators and the data was processed and analysed using the Statistical Package for Social Science (SPSS). Among the analysis are descriptive and inferential analysis.

As well as to study the consistency and stability of the questionnaire, reliability is imperative in this study. The first run of test which was administered on 96 respondents, yielded Cronbach alpha of 9. It indicates the most of the variables that has been investigated in this study are found to be highly reliability as indicated in Table 1.

Table 1: The Alpha Cronbach's Value

Dimensions	No. of Items	Alpha
Sustainable Development	19	0.793
Socio-economic	35	0.916
Organizational Culture	12	0.803
Community Participation	26	0.913

4. Results and Discussion

4.1. Profile respondents

The total number of respondents of this study was 96. Female respondents were 56 or 58.3 percent, higher than male (40) or 41.7 percent. The age distribution with five categories of age ranges are depicted in Table 2 as follows.

Table 2: The Frequency Distribution

Age Group	Frequency	Percentage
Above 60	29	30.2
50 - 59	36	37.5
40 - 49	18	18.8
30 - 39	8	8.3
Below 29	5	5.2

Pertaining to education, 31.3 percent of respondents have completed secondary school education, 54.2 percent completed primary school education, and followed by 21.9 respondents who have completed form three secondary school education. In terms of homestay's operation, most respondents have involved in this industry less than 7 years. This was equivalent to 59.4 percent of respondents. The highest income received by respondents from the homestay program were RM300.00.

4.2. Path-Analysis

Path analysis consolidates the relationship between independent variables, intervening, and a dependent variable. This paper analyses the interrelation between three variables namely community participation, socio-economy, organizational capacity and sustainable development. This analysis of interrelation in the path model is divided into two layers. The first layer discusses on the relationship between the independent variables, which are community participation and socio-economy and the intervening variable which is organizational capacity. The second layer discusses the relationship between independent, intervening and dependent variable, which is sustainable development.

Table 3: The significance value of 1st layer

Model	Standardized Coefficients Beta	t	Sig.
(Constant)		9.595	.000
Community participation	.123	2.216	.029
Social economic	.831	14.996	.000

Dependent Variable: Organisational capacity. R square .840

Table 4: The significance value of 2nd layer

Model	Standardized Coefficients Beta	t	Sig.
(Constant)		8.009	.000
Community participation	.105	1.904	.060
Social economic	.799	14.230	.000
Organisational Capacity	.101	2.207	.030

Dependent Variable: Sustainability development. R square .848

4.2.1. First layer of path model

The R-square value of this layer shows that the result is (R_2 = .840). Table 3 explains that two variables are significant relationship with the commitment, which are community participation (b = .123) and socio-economy (b = .831). The output of the table reveals that all two variables which are community participation and socio-economy are statistically significant association with the organizational capacity. Therefore, H1, H2 are accepted. The results show that community participation and socio-economic have significant relationship with organizational capacity.

4.2.2. Second layer of path model

The results of second layer shows the R square value is higher than the first layer (R^2 = .848). This layer showed that two out of three variables are significant. There are socio-economy (b = .799) and organizational capacity (b = .101). In addition, Table 4 shows results of the relationships between independent, intervening and dependent variable. The table has illustrated that two of independents variables have significant association with organizational capacity and sustainable development. The variables are community participation (b = .123), socio-economic (b = .831) and organizational capacity (b = .101). Whereas, community participation is not significantly link to the sustainable development (b = .105) Therefore, the hypothesis H3 is rejected but the hypotheses H4 and H5 are accepted.

5. Conclusion

This finding of this study have supported the previous researchers who found that leadership, government support, commitment and community participation have to play their roles in given supportive and participative in the development of the program [24-26, 21] In contemplation of achieving sustainable tourism development in the homestay industry, the responsible authorities need to properly oversee community participation, socio-economic and organizational capacity. However, the commitment from local community is imperative to implement numerous activities that have been designed and planned by the homestay committee in the area. As suggested by [27], tourism development will be more successful with involvement of local communities whose perceptions and attitudes are important for decision makers to achieve sustainable rural tourism.

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