

AGROTOURIST ACTIVITY AS AN EXAMPLE OF FAMILY ENTREPRENEURSHIP

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Abstract. This article contains an analysis of the concept of entrepreneurship in the context of conducting an agrotourist activity. The Author, based on the results of empirical studies carried out in family agrotourist farms in Międzychodzki Powiat (Wielkopolskie Region), presents a possible process of family agrotourist farms transformation into business entities providing agrotourist services. She defines the concept of the family agrotourist farms as a farm providing agrotourist services as a secondary revenue-generating activity while not conducting business activity in the sphere of providing services for tourists. The article confirms the proposed thesis that family agrotourist farms belong to a specific group of 'entities' which are alike in the sphere of personal strategy and succession, structure and organizational culture.

Key words: agrotourism, agrotourism farms, entrepreneurship, management

INTRODUCTION

Entrepreneurship may be analyzed with regard to a number of aspects. Yet, in view of the topic of the problem discussed in this article, the economic and psychological aspects of entrepreneurship seem to be particularly important. Entrepreneurship in the economic meaning should be understood as the inherent ability of man to perceive the opportunities of undertaking profit rendering business activities and to take respective risk at their implementation [Schumpeter 1960]. However, in accordance with modern theories, the entrepreneurship is often narrowed down to the specific process of management (process-based methodology) and as such does not account for the personal features of the entrepreneur to sufficient extent, nor does it account for his abilities which allow him to apply the resources surrounding him [Targalski 2006]. Entrepreneurship in the psychological aspect may be defined as one of the human features which relates to how man determines his own manner of the satisfaction of his vital needs [Grzegorzewska-Mischka 2009]. In

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order to underline the economic and psychological aspects of entrepreneurship, particularly important in rural areas, this work will refer to the theory of Robert Hisrich, where he defines entrepreneurship as “the process of creating a new and positive value through the devotion of time and effort, the acceptance of the financial, psychological and social risk involved in view of the expected material and personal satisfaction” [Hisrich and Peters 1992]. The task of the author of the article is to adopt such approach to entrepreneurship which would most reliably reflect the entrepreneurship of running a tourist farm. The provision of farm tourism services is a new aspect of an agricultural farm whose business, as a rule, focuses on agricultural production but not on the provision of services. Moreover, to start the farm tourism business means accepting not only the financial risk but also the changes in the family relations and in the relations in the local community.

According to A.P. Wiatrak [2010], depending on the manner of running the business activity, we can distinguish:

- a) independent entrepreneurship – distinguished with opening a new enterprise,
- b) corporate entrepreneurship – comprising innovation in the already existing company or its expansion via establishment of new business entities.
- c) individual entrepreneurship – limited to setting up and running one’s own enterprise,
- d) group entrepreneurship – characteristic for individual entrepreneurs acting jointly,
- e) agricultural entrepreneurship – consisting of business activities performed within the farm area,
- f) other agricultural entrepreneurship consisting of business activities performed outside the field of agriculture.

The provision of farm tourism services is therefore classified as non-agricultural business activity composed of business activities undertaken outside the field of agriculture, yet performed basing on the resources of a farm.

A family run enterprise may thus be defined as a business entity where the ownership and management functions are held by one family members [Jeżak, Popczyk, Winnicka-Popczyk 2004]. For the ownership and management criteria, farm tourism business activity can be classified as family run enterprise. However, tourist farms rarely operate as business entities, a majority of them are agricultural farms, which additionally render farm tourism services. This reluctance to set up businesses in the field of farm tourism services is certainly due to preferential financial and social conditions applicable to agricultural farms. On the other hand, it is the very factor which significantly reduces the chances for EU subsidies designated for small and medium businesses.

The analysis, in its further part, in accordance with the theory of P. Drucker [1992] assumes that not every enterprise must be characterized with entrepreneurship. Similarly, the author of this article has also assumed that not all the symptoms of entrepreneurship must be defined as running business activity.

METHODOLOGY

For the purpose of this analysis, the author has adopted a research hypothesis which assumes that family run tourist farms make up a specific group of ‘entities’ which show similarities in the field of personal strategies and succession, organizational structure and

culture. For the requirements of further analyses, the author of this article has defined a family run tourist farm as an agricultural farm which renders farm tourism services for additional profits [Art. 3 the Act... 2004] and which does not run business activity consisting in the provision of services to tourists. The empirical research was carried out in 2010, the research focused on owners of tourist farms located in Międzychód powiat. Questionnaires were carried out in the form of an interview and were extensive in their nature. The selection of the research area was motivated with high attractiveness of the powiat for the development of farm tourism and with the highest concentration of tourist farms in Wielkopolskie region. Owners of 41 tourist farms operating within the area of Międzychód powiat were invited to take part in the research. 3 farms refused to participate in the research, 2 other farms did not meet the criteria adopted for the purposes of this article for the definition of a family run tourist farm because income generated from this type of activity was the basic source of living of the family. Having accounted for the plausible conditions for carrying out the research, the respondents were limited to 36 owners or joint owners of the tourist farms and the research was effected in July 2010 via the application of the standard interview method.

RESULTS OF THE RESEARCH

According to J. Sikora [2008] “organizational structure is an internal structure of an organized entity, which concerns the layout of components and their interrelations (bonds)”. It may be assumed that in such a specific entity as a family run tourist farm the scope of organizational bonds shall depend upon the size of the business and the presence of persons unrelated to the owners on the farm. According to Duczkowska-Małysz K. and Duczkowska-Piasecka M. [2006] the more the enterprise is focused on the agricultural farm, the closer its relations with local resources and most frequently the created work places are taken up by the members of the owners’ family.

The provision of farm tourism services, even run on a small scale (renting up to 5 rooms) most often, however, requires the division of tasks and maintenance of a certain hierarchy in a family. The carried out research proved that among the tourist farms operating in the area of Międzychód powiat, the organizational structure similar to a radial structure prevailed (Figure 1). In the course of time, it may evolve into a linear structure if the farm owners can indicate the farmer playing the dominant role in the provision of farm tourism services and also if they can transfer part of the duties and supervision over them to other family members. Analyzing the research results it may be concluded that the allocation of certain tasks in the organizational structure of a family run tourist farm and scope of the duties falls mainly from the relations with regard to the farm owners.

Organizational culture is a group mind programming, which distinguishes members of one organization from the other [Hofstede 2000] provided that the process of creating the way of thinking and acting shall be accepted by the members of these organizations [Bolesta-Kukułka 1993]. As it has been mentioned earlier, in the case of tourist farms, the services rendered for the benefit of the tourists are mainly rendered by the persons related to the farm owners and the place of the services provision is the very place of residence of the owners and at least some of the co-workers. Therefore, accounting for

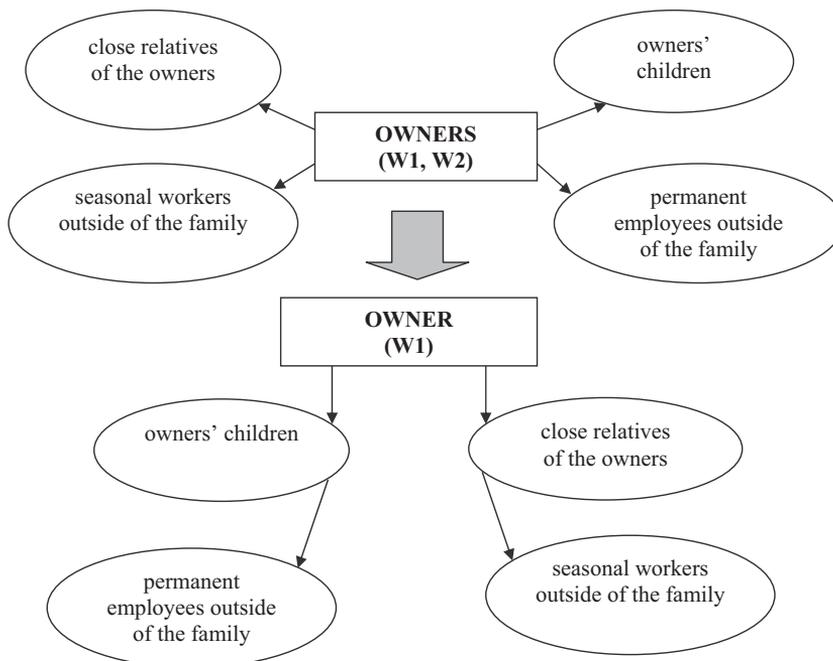


Fig. 1. Structural model of a tourist farm evolution in time

Rys. 1. Model struktury gospodarstwa agroturystycznego ewoluujący w czasie

Source: Own elaboration.

Źródło: Opracowanie własne.

the factors shaping the organizational culture in an tourist farm, in accordance with the typology of cultures by Cameron and Quinn [Cameron, Quinn 2003] it may be assumed that the clan culture (team) e most often prevails in the family run tourist farms, this culture type underlines the family nature of the enterprise, based on the communal spirit and the involvement of the employees – most often the family members or friends. The basic assumption of the clan culture is the management of the enterprise via team work and continuous development of the employees as well as their involvement and loyalty [Leśniewski 2010]. Fulfillment of the said tasks is easier in an tourist farm if the owners have precise succession plans, which may pose an additional encouragement to reaching joint business plans.

As the studies have shown, personal strategy applied in over 88% of the farms under the analysis assumes the provision of farm tourism services by the members of the family only . We may thus assume that in so organized and operating tourist farms, functional, technical and informative bonds will prevail. Personal strategy based mainly on own labour resources indicates the existing, yet hidden unemployment and also shows that family run tourist farms play a very small role in direct creation of work places in rural areas (Figure 2).

According to A. Nalepka [2001] in the case of a radial structure, characteristic of the newly set up enterprises, the owner manages a group of people on his own. In the case

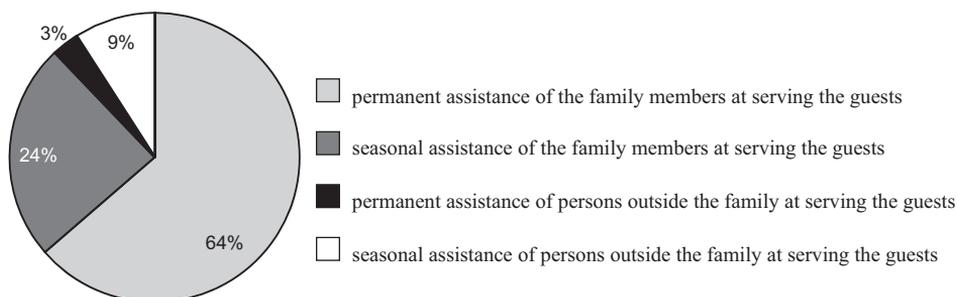


Fig. 2. Personal strategy applied in the farms under research
 Rys. 2. Strategia personalna stosowana w badanych gospodarstwach

Source: Own research.
 Źródło: Badania własne.

of tourist farms under research, the powers centralized in the hands of the owner, mostly both spouses (64%) covering the key areas of the farm operations, was the situation most frequently encountered. The powers covered such key areas of operations as: booking, guest serving, marketing activities.

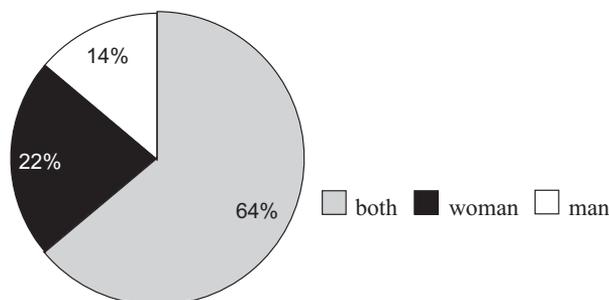


Fig. 3. Responsibility for rendering farm tourism services, accordingly to sex
 Rys. 3. Odpowiedzialność za świadczenie usług agroturystycznych, wg płci

Source: Own research.
 Źródło: Badania własne.

The research showed that traditionally understood relations husband-wife were transferred upon the tourist farm business activity and resulted in the „typical” division of duties (Figure 3). In the case of farms where both spouses were responsible for the provision of farm tourism services, the wives mainly did the cooking and cleaning and the husbands did the investments in the farm and provided leisure entertainment services for the guests (82% of respondents). Yet, despite the powers centralized in the hands of the service providers, they were quite rarely reserved for the decisions to be exclusively made by them .

Among the farms under the analysis we could observe a certain regularity, namely, in the case of the farms where both spouses were equally responsible for the provision of farm tourism services, a democratic style of management prevailed, and the decisions of key importance for the farm were taken after family consultations (Figure 3). While in

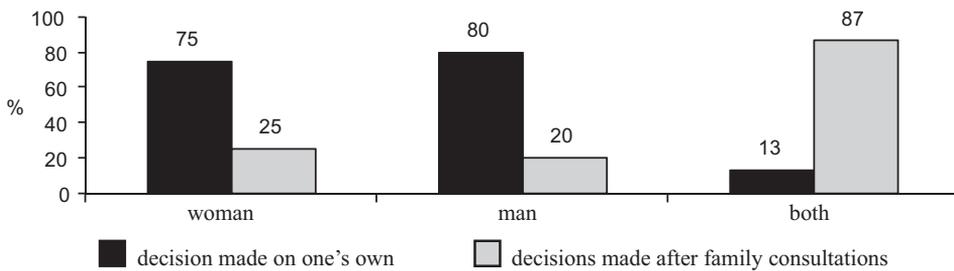


Fig. 4. Decision making process in tourist farms, depending on the person in charge of the service provision

Rys. 4. Proces podejmowania decyzji w gospodarstwach agroturystycznych, w zależności od osoby odpowiedzialnej za świadczenie usług

Source: Own research.

Źródło: Badania własne.

the case of the farms where one person was responsible for the provision of farm tourism services, an autocratic management style prevailed. It may thus be concluded that the more the powers in the farm tourism business are dispersed, the greater the influence of the family members upon the decision making process.

Succession, also called the management of the intergenerational change may pose a serious problem in a family run enterprise, especially in a family run tourist farm, where most often the place of residence of the members of the family is also the place of the service provision. Many more problems connected with the succession to the agricultural farm being the back office of the farm tourist services may arise. As the results of numerous research [Kosmaczewska 2007, Wojciechowska 2009, Balińska, Sikorska-Wolak 2009, Jalinik 2009, Kurtyka 2010] show the most frequent age group of the tourist farm owners is the age group over 40. Such age structure of the farm owners results from the manner of transferring the agricultural farm to the successor, which usually takes place when the child is over 30, which certainly is connected with the retirement age reached by the parents and which certainly offers the successor the chance to gain the experience in running the agricultural activity, this makes it easier for the farmer to take the risk connected with the commencement of the provision of the farm tourist services.

The income generated from this type of business, which may significantly increase in the course of time, may affect the decision to limit or stop entirely the plant or animal breeding and may become the scope of conflict resulting from the provision of farm tourist services. For that reason the generation gap may appear with regard to running agricultural activity rather than with regard to farm tourist services. As the research has shown, only in 2 farms, the provision of farm tourist services was commenced before the transfer of the agricultural farm to the successor. In the majority of the farms under research (94%) farm tourist services were provided by the so called 'young generation' and this was the first generation in the family starting the farm tourist business.

As the results of the research show tourist farms operating in the area of Międzychód poviát operate on the basis of the resources that are not only inherited from the agricultural farms but that are also acquired on the market. The manner how the present owners came into possession of the agricultural farm does not influence the encouragement

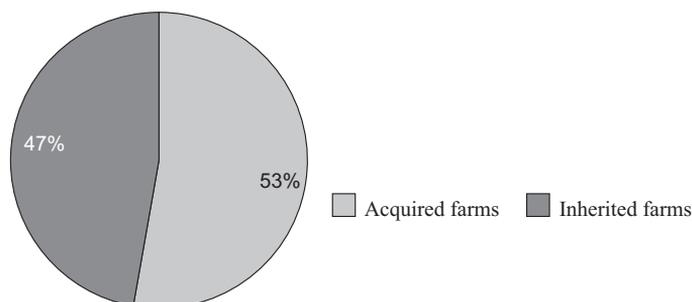


Fig. 5. Manner of the acquisition of a farm, whose resources make up the basis for operating a tourist farm

Rys. 5. Sposób pozyskania gospodarstwa rolnego, w oparciu o zasoby którego prowadzona jest działalność agroturystyczna

Source: Own research.

Źródło: Badania własne.

process for the successors to continue the tourist farm business (Figure 5). It may, however, be assumed that farms with unsatisfactory, in the view of the owner, profitability of the farm tourist services and where the strategy is focused on breaking even but not on expansion and development, the inclination to transfer the business to the successors may be smaller. As it may be observed, at the present stage of development of farm tourism, the generational transfer rarely takes place, however, succession plans of respondents show clear intentions thereon. The owners of only 5 farms (13% of respondents) do not plan their children, after inheriting the agricultural farm, to continue to provide the farm tourist services.

In the opinion of the author of this analysis, we can observe a certain process that tourist farms showing the entrepreneurial spirit quite frequently undergo. Having reached a satisfactory level of profitability from the farm tourist services, the business quickly develops while the agricultural activity is given up. The income generated from farm tourist services becomes the basic source of living for the family. In such a case we can observe a transition from a family run tourist farm into a family enterprise running business. 59% of the owners of the analyzed tourist farms operating in Międzychód powiat said that if farm tourism was subject to taxation on the general principles they would not cease the provision of services, which, in view of the author of this paper, shows that they have reached a satisfactory level of income from this type of activity.

CONCLUSIONS

In view of progressive and unavoidable changes taking place in rural areas, the inhabitants adopt different attitudes. Some of them look upon the changes as their chance, accept them and try to take the best advantage of them for themselves and their families, adopting therefore entrepreneurial attitudes. Unfortunately, there are also some people in the local communities who view the changes as a threat to what is well tested and familiar, who do not accept the transformations and adopt a passive attitude. Commencing the

provision of farm tourism services, the farmer has to accept not only a certain level of financial risk, which falls from the decision on commencing the activity, but he also has to break the barriers posed by passive and claiming attitudes which one encounters in the local communities. Narrowing the farm tourism business just to one's own agricultural farm and to one's own labour resources dooms any chance of development for failure.

Adoption of entrepreneurial attitudes is certainly easier in the cities because for the reason of a less 'hermetic society' the failure most often has just the financial dimension and is just a spot of blemish on one's own ambition. [Zaremba 2008]. In case of entrepreneurial initiatives undertaken in rural areas, their initiators are strictly observed by the local community and when they are successful, then they become the local leaders followed by the others. Therefore, taking into account the conditions for the creation of entrepreneurial attitudes, including insufficiencies in the infrastructure surrounding the business, no wonder that the initiatives undertaken in rural areas and focused on farm tourism services are usually small scale initiatives and are limited to one's own and family funds. Yet, similarly to family run enterprises operating as business entities, they show certain similarities in the field of personal strategy and succession, in the field of culture and organizational structure. For these reasons family run tourist farms, even if they are not yet business entities face an opportunity to become them in future if the individual entrepreneurial spirit of the tourist farm initiators is strong enough to be viewed as group entrepreneurship [Sudoł 2008] which may constitute a major competitive advantage in the competition with entities with more extensive material and financial resources.

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DZIAŁALNOŚĆ AGROTURYSTYCZNA JAKO PRZEJAW RODZINNEJ PRZEDSIĘBIORCZOŚCI

Streszczenie. Niniejszy artykuł zawiera analizę pojęcia przedsiębiorczości w kontekście prowadzenia działalności agroturystycznej. Autorka bazując na wynikach badań empirycznych przeprowadzonych wśród rodzinnych gospodarstw agroturystycznych w powiecie międzychodzkiem (woj. wielkopolskie) nakreśla możliwy proces transformacji rodzinnych gospodarstw agroturystycznych w podmioty gospodarcze świadczące usługi agroturystyczne. Definiuje przy tym rodzinne gospodarstwo agroturystyczne jako gospodarstwo rolne, które świadczy usługi agroturystyczne w ramach ubocznego zajęcia zarobkowego i nie prowadzi działalności gospodarczej w zakresie świadczenia usług dla turystów. W artykule znajduje się także potwierdzenie stawianej tezy, że rodzinne gospodarstwa agroturystyczne tworzą specyficzną grupę „podmiotów”, które wykazują podobieństwa w sferze strategii personalnej i sukcesji, struktury i kultury organizacyjnej.

Słowa kluczowe: agroturystyka, gospodarstwo agroturystyczne, przedsiębiorstwo, zarządzanie

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