OWN BUSINESS ENTERPRISE IN THE PROFESSIONAL PLANS OF TOURISM AND RECREATION STUDENTS

Own business in professional plans of students

MAŁGORZATA SKIERT, KRYSZYNA BUCHTA

*The Josef Pilsudski University of Physical Education in Warsaw,
Faculty of Physical Education and Sport in Białą Podlaską, Department of Marketing and Statistics*

Mailing address: Małgorzata Skiert, Faculty of Physical Education and Sport,
Department of Marketing and Statistics, 2 Akademicka Street, 21-500 Białą Podlaską,
tel.: +48 83 3428784, fax: +48 83 3428800, e-mail: malskiert@o2.pl

Abstract

Introduction. This study deals with the issue of career plans of tourism and recreation students. The aim of this study was to determine the degree of willingness of the respondents to take on business proprietorship, and to identify determinants of their behaviour in this regard. The research focused on the preparation of students in the course of their education to take on business initiatives their own. **Material and methods.** The study was conducted in the 2010/2011 academic year, using the method of diagnostic poll and the auditorium survey technique. It included 167 first-year full time students majoring in Tourism and Recreation of the University of Physical Education in Warsaw (Faculty of Physical Education and Sport in Białą Podlaską). **Results.** The results of studies have showed that students express a great deal of interest in business proprietorship. They are primarily motivated by desire to maintain independence of decision-making, the need to develop their own interests and the expected high incomes. The main obstacle in this respect appears to be the lack of necessary funds to run own company. The assessed their professional business entrepreneurship skills relatively low, pointing to the lack of proper preparation in the course of the studies. Particularly low assessment was given to their skills regarding the raising funds necessary to start and run a business.

Key words: tourism and recreation, students, academic entrepreneurship

Introduction

An own company is recently becoming an increasingly attractive form of pursuing career and life, giving young people a chance for independent action and implementation of plans and intentions. Often it protects them against unemployment or inconveniences associated with the need to undertake employment, which not always corresponds to their expectations.

Graduates of tourism and recreation courses starting their professional careers have great chances to start their own business. The general tourism industry provides a number of business choices, many of which do not require significant interment expenditure. The tourist market in Poland is based mainly on micro, small and medium-sized enterprises, for which more and more favourable growth conditions are provided. Particular importance should be given here to EU funds supporting the growth of entrepreneurship, as well as the tourism industry itself [1].

Opportunity of setting up an own company is provided for tourism and recreation graduates by the existing education standards. At the undergraduate level, universities are obliged to prepare students to conduct independent business activity. On the other hand, master's degree studies should develop competencies necessary to acquire a number of managerial skills [2].

According to the guidelines of the Bologna Declaration, development of entrepreneurial attitudes among students becomes a priority for the university.

This study deals with the issue of career plans of master's degree tourism and recreation students studying at the Faculty of Physical Education and Sport in Białą Podlaską (WWFiS) of the Warsaw University of Physical Education (AWF). The aim of this study was to determine the declared degree of willingness of respondents to take on business proprietorship, and to identify determinants of their behaviour in this regard. The research focused on the preparation of students in the course of their education to take on business initiatives their own.

Material and methods

The study included full time first-year master's degree students in tourism and recreation of the Faculty of Physical Education in Białą Podlaską (WWFiS) of the Warsaw University of Physical Education (AWF) (N=167). The selection of the sample was purposeful and comprehensive. The study was conducted in the 2010/2011 academic year. It involved the method of diagnostic poll and the auditorium survey technique.

The sample of students consisted in 53% of men. The respondents were mainly people living in cities (67%), declaring average (54%) or good (43%) financial situation (less frequently – difficult – 3%). The students came from families, where the father was a high school graduate (55%), university graduate (31%) or primary school graduate (14%). Taking into account the GPA, obtained in the preceding semester (grading scale 1-5 with 5 – max), the respondents turned out to be mostly

good students, as more than half of the group (51%) had GPA above 4.0, with 41% indicating GPA of 4.1-4.5 and 10% above 4.5.

In pursuing the main aim of the study, based on the opinions of the students, the authors sought to answer the following research questions:

1. Are the respondents planning to take on business proprietorship of their own upon graduation?
2. What motivates them to take this course of action?
3. What factors discourage them from undertaking own business initiatives?
4. How do the respondents rate their own preparation to take on business proprietorship?

To quantitatively express the obtained results of the study percentage values were used, and in situations where the respondents made qualitative assessments, a 5-point scale (1-5, 5 – max) was used. Comparative analyses were performed using the t-Student test and chi-square test (differences at $p < 0.05$ were assumed to be statistically significant).

Results

Willingness of the respondents to take on business proprietorship

Willingness of young people to start their own businesses is an important issue, both looking at it from the perspective of the needs of the economy, as well as the difficult situation of graduates in the labour market. In the course of research the attempt to determine to what extent graduates are willing to consider the possibility of working within businesses of their own was made.

The results showed that almost half of students (just over 47%) at the time of the research had no precise professional plans, thus not considering the possibility of setting up businesses of their own a new business. A similar percentage of the respondents (almost 45%) intended to start businesses of their own, while one in ten of the respondents declared that they had clearly defined plans in this regard. The group included 1% of respondent who have already conducted their own business. Only nearly every fifteenth respondent stated that they definitely did not take into account the possibility pursuing businesses of their own (Fig. 1).

Figure 1. Own business undertaking in career plans of students (%)

Further analysis based on data obtained on the basis of the basic survey showed that gender and financial situation of the respondents influenced their views in the area under consideration. Therefore women less often than men excluded the possibility of starting businesses of their own, while those with better financial status more often than others have indi-

cated that they had specific plans businesses of their own (the relationship was statistically significant, $p < 0.05$).

Factors influencing willingness of the respondents to take on business proprietorship

The study also attempted to establish factors determining the statements made by the respondents, regarding undertaking of business initiatives. When performing analyses in this regard, the respondents were divided into two groups. The first one consisted of people who took into account the possibility of starting businesses of their own or already were involved in such activities. While the other group consisted of people who did not have any clearly defined career plans, or definitely rejected the possibility of pursuing businesses of their own.

The respondents who considered their own business proprietorships were mainly motivated by the opportunity of maintaining independence of decision-making in their own businesses (52%). A major role in the decisions of students was played by willingness to pursue their own interests (48%). 42% of respondents also indicated financial motives. When considering own businesses the respondents expected higher income than the case of employment. Good business ideas as well as the desire to freely manage their time were important arguments for undertaking own initiatives in the case of one third of the respondents. Own business appeared to be necessity for every fourth respondent, resulting from the expected lack of opportunities to find alternative employment. The least significant were family traditions, passion for risk and willingness to use their existing capital (Fig. 2).

Figure 2. Reasons why respondents were willing to undertake own business enterprise (%) (multiple choice)

More than half of the sample group of students did not show interest in their own businesses. An important element of this study was therefore to determine the reasons for this. The factor that mostly discouraged the students to conduct their own business was the lack of capital (more than half of the respondents pointed to the cause). Other elements to a much lesser extent, contributed to the lack of interest in own business. Nearly one in four of the respondents feared financial risk. A similar percentage of the sample group had defined plans of other nature, which resulted in lack of interest in running a business. One in five of the respondents considered that they were not sufficiently prepared to undertake such initiatives and had no idea for a specific project. The least important reasons included the lack of predispositions for such activities, as well as the fear of excessive time burden (Fig. 3).

Figure 3. Factors discouraging respondents from undertaking own business enterprise (%) (multiple choice)

Further statistical analysis showed that the gender, place of residence, financial situation, or academic performance made no significant difference as to the opinions of the respondents with respect to the motives underlying the conducting of own business. Some differences can be seen in the statements made by the respondents with respect to disincentives for such initiatives. Men more often than women pointed to the lack of ideas for own business. People with higher financial status more often than others declared other (already specified) career plans, while respondents who were in inferior financial situation more often pointed to the lack of adequate capital and fear of too complex laws and forms of taxation, as barriers to the opportunity to run own business (X^2 – statistically significant, $p < 0.05$).

Preparation of the respondents for running own businesses

Starting a business involves the risk of certain liabilities and financial consequences. Therefore, it should be thoughtful and based on proper preparation and substantive knowledge of the market where a company intends to operate. Decision on starting own business, therefore, must be supported not only individual desires to succeed and passion for action, but also business management skills and relevant economic and legal knowledge.

Figure 4. Respondents' assessment of skills gained through the course of their studies to undertake own business enterprise (%)

Given the above, during the course of the study it was attempted to determine whether the university education in the minds of the respondents, provided them with adequate preparation, allowing them to safely undertake their own business initiatives.

The results showed that most of the respondents (60%) felt that the university education prepared them adequately to conduct their own businesses, with almost 57% of the respon-

dents recognizing some shortcomings in this area, and only a little over 4% felt their preparation to be fully sufficient. In turn, almost 40% of the group expressed the opposite opinion, stating that they did not feel that the university education prepared them adequately to run their own companies, while 34% admitted that some (but insufficient) knowledge was communicated to them, and almost 5% stated that no such knowledge was communicated to them (Fig. 4).

Analyzing the statements made by the respondents according to the basic variables, no statistically significant differences were noted in this regard. It is worthwhile noting that no such differences were revealed by the opinions of the students declaring a different level of academic performance (GPA the previous semester).

The study also attempted to determine to what extent the knowledge acquired by the respondents during the course of their studies (in their opinion) was useful for running a business. Ratings were made on a five-point scale (from 1 to 5, with 5 – max). Arithmetic averages were calculated for these ratings.

When assessing their competences, the respondents gave the highest rating to their specific knowledge, i.e. the knowledge directly related to tourism and recreation (average rating reached almost 4.0). Quite high ratings (above 3.5) were also given to the quality of marketing preparation. Knowledge assessed at a sufficient level, was to do with general economic issues as well as legal, financial and management issues. However the students gave very low ratings to their abilities of obtaining financial resources, perceiving them as deficient (Fig. 5).

Figure 5. Respondents' assessment of the adequacy of knowledge gained throughout the course of their studies for undertaking own business enterprise (scale 1-5; 5 – max)

Deeper statistical analyses revealed discrepancies arising in the evaluation of students declaring different levels of academic performance. And so, people with higher GPA, gave higher ratings to the usefulness of their knowledge on tourism and recreation, and management skills necessary to run their own business (the relationship was statistically significant).

Discussion

The Polish economy needs people capable of organizing bold, rational and market-oriented business undertakings. Tourism, being a very fast growing industry, requires well-prepared, professional staff, bringing innovation and entrepreneurship skills into the business process [3].

Education in the area of tourism and recreation should be the response to the needs of the economy in this area, while

keeping pace with the changing needs of the industry. Due to the fast pace of these changes and the need for competence in tourism activities, preparation of appropriate staff is not an easy task [4, 5, 6].

In 2010, in Poland there were 78 higher education institutions offering courses in tourism and recreation, including 38 public and 40 private institutions. Master's degree courses were offered by 27 institutions. In 2009, there were 13 thousand graduates of tourism and recreation courses at both levels of education (undergraduate and graduate) (three years earlier there were just over nine thousand) [7].

Nationwide research conducted by the Ministry of Sports and Tourism has shown that in 2010 majority tourism and recreation graduates (70%) found employment immediately after graduation (within one month). It is worth noting that seven years ago this percentage was over 1/3 lower. Employment conforming to the course of study was undertaken by 37% of the respondents. These studies have also shown increasing interest in their own economic activity among the graduates of universities training personnel for the tourism industry. In 2003, only 2.8% of this group of graduates started business operations of their own (in line with professional preparation), in 2007 this figure increased up to 7% and in 2010 up to 7.4% [7].

The students of WWFIS covered by the study showed a great deal of interest in running their own businesses, although few of them had at the time of the study any defined plans in this regard. It is worth mentioning that the percentage of the respondents, who strongly rejected the possibility of running own business was very small and similar to that established in previous studies conducted among students of tourism and recreation at other universities [8].

Analyzing the motives of the respondents to start companies of their own as a career path, it was found that the main reasons included: the desire to maintain the independence of decision-making, the need to develop their own interests, followed by the expected high incomes. The dominance of these motives seems to indicate a significant need to maintain autonomy and independence, combined with the conviction that the work in own business gives better opportunities for development in chosen fields. The financial motive, although not dominant, but points to the high expectations of respondents in this regard.

According to a study conducted on a national scale, the possibility of growth and independence in action, are the factors determining the attractiveness of career paths pursued by graduates of tourism and recreation. It is also worth noting that studies have shown rapidly growing importance of these factors over the last few years [7].

The lack of interest in running own business demonstrated by a large group of respondents is mainly the result of the lack of adequate financial resources necessary to undertake such initiatives. Similar findings were produced by studies conducted between 2005 and 2006 in the area of Lublin, where the lack of capital, was stated as the underlying cause rejecting the possibility of involvement in business operations [9].

The WWFIS students surveyed also pointed to other factors discouraging them from running own businesses. While their significance appears to be much smaller, it is worth mentioning here that every fourth-fifth responded declared the lack of adequate business preparation.

The ability to fulfil business plans, defined as starting own, well-functioning business undertaking, usually depends on three key elements: capital, knowledge and work [10]. A university providing students with the knowledge bases its teaching activities on the existing educational standards in the field. The guidelines provided for the tourism and recreation course of study at the undergraduate level point to the need of preparing graduates to operate their own businesses.

This part of the study, which aimed to establish the contribution that brought the university (studies) in preparing students to undertake their own economic initiatives, has revealed shortcomings in this regard. When assessing the usefulness of the knowledge acquired during individual subjects, considered the respondents rated it only as a sufficient. The possibility to raise funds was rated even lower, while the competencies gained in this field can be regarded as inadequate. Only their preparation specialist knowledge (in tourism and recreation) was considered by the respondents as good.

This state of affairs is confirmed by the results of previous studies carried out at both levels of study – i.e. undergraduate and graduate course in tourism and recreation at WWFIS. On the one hand, they pointed to not fully satisfactory preparation of students to establish and run own business undertakings, including concurrent relatively high expectations appearing in this regard [11, 12, 13].

The causes of low competencies of tourism and recreation students in regard of establishing and running own business undertakings appear to the study programs. Analyses performed by Jaworski shows that the business related subjects offered at the Warsaw University of Physical Education account for a mere 16% of the total subject load, while physical education subjects account for up to 34% of the total subject load of undergraduate courses [14]. However, knowledge of economics is considered to be extremely important for preparation of graduates for modern business [15].

Conclusions

1. Strong interest of students in the running own business undertakings, indicates the validity the university's efforts to create better conditions to facilitate them the undertaking of such initiatives.
2. University support, based on better preparation of graduates to run business undertakings of their own could promote the undertaking of this type of activity.
3. The range of subjects with economic contents, offered within tourism and recreation courses seems to be insufficient for the needs and expectations of the students.

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