

## **EXPLORING ENTREPRENEURIAL SKILLS AND COMPETENCIES IN FARM TOURISM**

### **Abstract**

Diversification to farm tourism is increasingly seen as a viable development strategy to promote a more diverse and sustainable rural economy and to counter declining farm incomes. However, the dynamics of the modern farm tourism business and the entrepreneurial and competitive skills farmers require in making the transition from agriculture to a diversified enterprise remains limited. This article explores the range of skills and competencies that farmers in the North West of England identify as important when adopting a diversification strategy to farm tourism. The findings indicate that, whilst a range of managerial skills are valued by farmers, they lack many of the additional business and entrepreneurial competencies required for success. The article acknowledges the need to generate consensus on the requisite skill-set that farm tourism operators require.

### **Keywords**

Agritourism, business competence, diversification, entrepreneurial competence, entrepreneurial skills, farm entrepreneur, farm tourism

### **Introduction**

Farm-based recreation and tourism is acknowledged as one of a number of potential strategies for farm families who, in the context of declining farm incomes and reforms to the European Union's (EU) Common Agricultural Policy (CAP), wish to remain 'on the land'. This article outlines the findings from an empirical investigation which considers the range of skills and competencies that farmers in the North West of England identify as important for successful diversification to farm tourism. Although the context of this research is diversification to tourism in the UK, the subject is one that applies to many farm households in the developed nations of the world, where the promotion of tourism as an alternative farm enterprise has become a significant development strategy within rural and peripheral regions (Hjalager, 1996; Jones et al., 2009; Ollenburg, 2008).

The overriding trend in UK farming has been that 'total income from farming' has declined steadily over recent decades, from £8.9 million in 1973 to £4.4 million in 2010 (Defra, 2010). Moreover, these declining farm incomes and on-going CAP reform have led to increasing pressures for a reorientation from productivist to more entrepreneurial models of farming, with the result that farmers are increasingly required to become more market oriented, and to treat their 'farms as firms', in order to survive (Jones et al., 2009; Meert et al., 2005; Phillipson et al., 2004). Thus, as diversification becomes an almost expected agricultural practice, farmers are increasingly recognized as entrepreneurial, needing to develop new skills and capabilities to remain competitive (McElwee, 2006); as Smit (2004) argues, entrepreneurship is increasingly becoming the most important aspect of modern farming. Indeed, the

UK Government's own definition alludes to this, describing diversification as, 'the entrepreneurial use of farm resources, for a non-agricultural purpose, for commercial gain' (Defra, 2011:15).

Consequently, a growing literature is now emerging on rural entrepreneurship and, in particular, on the role of business enterprise characteristics and the range of skills deemed critical to the success of farm ventures (see Clark, 2009; Couzy and Dockes, 2008; Hildenbrand and Hennon, 2008; McElwee, 2006, 2008a; McElwee and Bosworth, 2010; Vesala and Vesala, 2010; Wolf et al., 2007). Not surprisingly, many of these skills reflect those more generally proposed in the entrepreneurship literature. For example, McElwee (2008a) suggests that networking, innovation, risk taking, team working, reflection, leadership and business monitoring are fundamental to developing and improving the farm business. Equally, Morgan et al. (2010) emphasise what they describe as higher order skills, namely: creating and evaluating a business strategy; networking and utilizing contacts; and, recognizing and realizing opportunities. Elsewhere, it has been proposed that farming and diversification require different skills, as McElwee (2008a: 465) notes, 'farmers are business people in that they run businesses but in practice they do not necessarily have well defined business skills'.

In the UK, this view is confirmed by Defra (2007), who acknowledge that one of the key issues that inhibit a farmer's decision to diversify, or indeed threaten the success of any diversified project undertaken, is a lack of 'business skill'. This is manifested in the apparent difficulties UK farmers have in identifying market opportunities, uncertainty about the direction in which to take their business, an inability to develop a long-term business plan, and a reluctance to take an investment risk (NAO, 2004). However, whilst Defra has evidence of specific business skills gaps, the extent to which they currently exist is not clear and warrants further research (Hill, 2007). As Defra (2007: 8) outlines:

Competence in business skills is key both to successful start-up of diversified businesses and on-going profitability. These skills also impact positively on the planning and management of the main-stream agricultural enterprises so that their acquisition provides a double benefit. Few farmers can now rely solely on their knowledge of basic commodity production. Many have already diversified or added value to produce, and need the skills required to run new businesses, including dealing directly with customers, marketing their products, and selecting and managing staff.

Whilst the increased attention on farmers as entrepreneurs and on the necessary entrepreneurial and managerial skill-set amongst diversified farm ventures is welcomed, the skills and characteristics outlined above relate to farm diversification generally. As a result, such skills have yet to be fully explored in the context of diversification to service-based farm tourism in particular and, consequently, their consideration in the tourism literature is conspicuous by its absence. Indeed, Busby and Rendle (2000) highlight the absence of studies that discuss the role of entrepreneurship within the dynamics of the modern farm tourism business although this is, perhaps, unsurprising given the distinct lack of attention paid to theories of entrepreneurship within tourism scholarship generally (Li, 2008), the entrepreneur being described as 'the overlooked player in tourism development' (Koh and Hatten, 2002: 21).

However, whilst the farm tourism literature remains fragmented and somewhat limited, a number of studies have begun to explore the characteristics and profile of farm tourism operators, albeit usually as subsidiary findings within larger studies associated with farm tourism motivations. Often, these findings

focus on the transfer-ability of existing skills and knowledge in operating a farm's core operation, the implication being that any management skills acquired here provide the foundation for operating a successful tourism enterprise. For instance, Butts et al. (2005), discussing a successful 'Maize Maze' attraction in Cornwall, argue that the basic business principles the farm family had established from their core farming operation readily formed the basis for their later successful diversification. Conversely, others argue that different skill-sets when diversifying from agriculture are needed (see Pyysiainen et al., 2006).

Elsewhere, the discussion centres on the absence of specific competencies, with business planning and marketing skills frequently cited as deficient amongst farm tourism ventures (McGehee, 2007; Sharpley and Vass, 2006; Wilson, 2007) whilst, more generally, it is accepted that diversification to farm-based recreation does require mastery of a new set of skills. The challenge facing farmers is succinctly articulated by Getz et al. (2004: 125), who observe that 'farming is supply-driven, tourism is market-led; farmers are cost-cutters, tourism businesses are revenue maximisers; farmers produce single standardised products at a given price, tourism businesses diversify into many products and offer a range of prices'.

Thus, it is evident that, despite contemporary policy directed at incentivizing farm diversification to tourism and the prevailing view amongst many farmers as to its suitability, there is little consensus on the range of entrepreneurial and management skills that farmers require or, indeed, if these skills differ from those required in other non-service-based diversification ventures or in agricultural management more generally. This suggests a theoretical weakness within tourism discourse, with subsequent implications for rural areas and farm households alike. Therefore, the following sections will briefly review the entrepreneurial skills and competencies identified in the literature as essential to venture success before identifying the skills, revealed in the research, that farmers in the North West of England identify as important for successful diversification to tourism enterprise.

### **Introducing entrepreneurial skills and competencies**

As outlined above, entrepreneurs require a variety of skills in order to successfully manage an enterprise. Wickham (2006:100) defines skill as 'simply knowledge which is demonstrated by action', before going on to add that 'entrepreneurial performance results from a combination of industry knowledge, general management skills and personal motivation'. Rae (2007) concurs that both an entrepreneurial and a managerial skill-set are required to run a successful venture and conceptualizes these as 'entrepreneurial management capabilities'. This capabilities approach extends the list of skills already cited, to include: leading and managing people, managing finances, personal organization, innovation, strategic planning and investigating opportunity. However, in contrast to skills and capabilities, the 'competency approach' has emerged as an increasingly popular means of studying entrepreneurial characteristics. Man et al. (2002: 133) describe competencies as 'higher level characteristics, representing the ability of the entrepreneur to perform a job role successfully'. Therefore, both entrepreneurial skills and entrepreneurial competencies represent appropriate frameworks for the subsequent research amongst farmers who have diversified to tourism in the study area.

### **Establishing an entrepreneurial skills-set**

Lazear (2004, 2005) maintains that an entrepreneur is not necessarily required to be an expert in any single skill but, instead, is required to be a Jack-of-all-trades (JAT). He argues that, in order to be successful, one must be 'sufficiently skilled in a variety of areas to put together the many ingredients required to create a successful business' (Lazear, 2005: 676). Moreover, the JAT view of entrepreneurship is supported by Wagner (2003, 2006) and Astebro and Thompson (2011) who suggest that having a balanced skills mix stimulates entrepreneurship. In contrast, Silva (2007) proposes a more cautious interpretation of the JAT approach, having found in a longitudinal study of Italian entrepreneurs that acquiring a wider skill-set was not significant. Here, Silva speculates that would-be entrepreneurs purposefully invest in an intentionally broad skills mix which, in turn, increases the likelihood of running a business. Although Astebro and Thompson (2011) are more broadly in favour of the JAT approach, they do extend their argument and propose that those with a greater taste for variety are more likely to become entrepreneurs, suggesting that a more varied education and employment history (and thus, skill-set) is a likely expression of this taste. These later considerations aside, the implication of the JAT approach to entrepreneurship is that those with a broad and balanced skill-set are more likely to become entrepreneurs. Moreover, Lazear (2004) proposes that if a nascent entrepreneur does not possess a complete skill-set, then any additional skills can be acquired.

The idea that skills can be acquired also underpins the work of Lichtenstein and Lyons (2001) who developed a skills-based framework termed the Entrepreneurial Development System (EDS). The EDS framework has been applied to rural areas of the United States to establish both the quantity and quality of a region's entrepreneurial capital and is based on three main premises: (1) ultimate success in entrepreneurship requires the mastery of a set of skills; (2) these skills can be developed; and (3) entrepreneurs do not all come to entrepreneurship at the same skill level (see also Lyons, 2003). This system has also been utilized by Schallenkamp and Smith (2008), who present the skills framework under the headings of technical, managerial, entrepreneurial and personal maturity skills. Under the EDS approach, respondents are asked to rank the skills they consider most useful in their practice as well as perform a self-evaluation of their own ability against each of the entrepreneurial skills presented.

The self-assessment allows facilitators to gauge the level of entrepreneurial capital present and to establish whether this can be enhanced or maximized over time, following peer-support and entrepreneurial development education, amongst other interventions.

Rather than allowing respondents to self-evaluate, Chell (2008) employs a list of skills as practical indicators for judging the existence of entrepreneurial behaviour through textual analysis of a series of entrepreneurial cases. Whilst acknowledging that the individual constructs being assessed are 'complex and multifaceted', Chell identifies the expert term 'alertness' as the indicator of the ability to recognize an opportunity as an entrepreneurial behaviour. Conversely, 'leadership' denotes the ability to manage other people, whilst 'social' and 'strategic' competencies indicate networking and the ability to grow and sustain an enterprise. Chell identifies and scores these 'behaviours' and 'expert terms' and, whilst acknowledging that some may find the approach subjective, she suggests that the expert terms (see Table 1), which elsewhere would be labelled simply as skills, 'are being used as tools to indicate the form of life rather than an inherent trait within the individual' (2008:214). Thus, the selection and identification of appropriate entrepreneurial skills as criteria, expert terms or markers would seem to hold some practical value for the study of entrepreneurship.

**Table 1.** Practical criterion for judging the existence of entrepreneurial behaviour (Source Chell, 2008:211)

Creativity	Resourcefulness	Judgment	Resilience
Alertness	Persuasiveness	Risk Propensity	Flexible
Perception And Interpretation	Self Efficacy	Social Competence	Manipulative
Business Acumen	Self-Confidence	Political Astuteness	Stamina
Social / Market Awareness	Leadership	Adeptness	Strategic Competence

### Conceptualizing entrepreneurial competencies

Aligned to the use of the terms entrepreneurial skills or entrepreneurial capabilities outlined above, a growing body of literature emphasizes the role of entrepreneurial competencies (Bird, 1995; Man, 2006; Man et al., 2002; Mitchelmore and Rowley, 2010). The competence-based approach is one that has been popularized in the field of human resource development (HRD), along with the vocational education and training literatures. Yet, despite this, there remains considerable confusion surrounding the term and as such it has been labelled a 'fuzzy concept', not least because, for some, competencies are the equivalent to skills and knowledge (Hayton and McEvoy, 2006) whilst for others, competence is the modern terminology for ability (Bridge et al., 2009). Certainly, two key uses of the term 'competency' exist, firstly, competency as the behaviour one demonstrates and, secondly, competency as minimum performance standard (Mitchelmore and Rowley, 2010).

Following a review of the meanings associated with the term, Le Deist and Winterton (2005) propose a typology of competence. For them, the areas of 'knowledge and understanding' are captured by the heading of cognitive competence, 'skills' are considered functional competencies, and 'behavioural and attitudinal competencies' are inclusive in what they term social competence. Within the typology, meta-competence is a fourth and more complex dimension, in that it is concerned with 'facilitating the acquisition of the other substantive competencies' (2005: 39).

Brinckmann (2007) makes the case for borrowing from the management competence literature when exploring entrepreneurship, proposing that competence consists of three fundamental domains, namely: functional, social and conceptual. In so doing, Brinckmann adapts and expands the management competence framework to retain the social and functional components with the addition of a third 'general entrepreneurial competence' domain which incorporates the earlier cited 'conceptual competence'. Moreover, Brinckmann (2007) acknowledges that the competency approach remains relatively underdeveloped within the entrepreneurship literature but can be distinguished from the traits approach (Kobia and Sikalich, 2010). Whilst the traits approach concerns attitudes or pre-dispositions, a competency-based approach takes a broader perspective in investigating competencies as antecedents to venture success.

Researchers at Wageningen University have used a self-assessment approach to assess the entrepreneurial competency of owner-managers in the horticulture and agrifood sectors of Belgium and the Netherlands (Lans et al., 2008, 2010; Mulder et al., 2007). Amongst the 21 competencies they identify, 'self-management' and 'learning orientation' are identified as the two highest scoring, with 'opportunities', 'international orientation' and 'human resource management' as the lowest (see Table 2). Subsequent assessment of the owner-manager's competence was also sought from colleagues within the firm's management structure, as well as from consultants and advisors associated with the business. Analysis of these later assessments reveals that, in the majority of instances, the owner-manager has rated their own mastery of entrepreneurial competencies significantly lower than have these third party assessors. What is also clear is that many of the competencies from the Wageningen research are recognisable from the entrepreneurship and HRD literatures and the discussions above. Additionally, the Wageningen studies conclude that the true potential of focusing on entrepreneurial competence lies in making the small-business owner aware of his/her own competence level, identifying the importance of specific competencies to business success, and in providing direction and guidance in competence and skill development (Lans et al., 2008). Thus, for these authors, identifying and measuring specific entrepreneurial competencies holds real value for the study of entrepreneurial learning and leads the authors to call for greater research on this subject in comparable, well-defined small-business sectors (Lans et al., 2010).

**Table 2.** Entrepreneurial competencies amongst small business owners in the horticulture and agrifood sector (Source Mulder et al. (2007); Lans, et al. (2010)).

Learning Orientation	Problem Analysis	Management Control
Self Management	Organising	Value Clarification
Planning	Conceptual Thinking	Judgement
Market Orientation	Negotiating	Team Work
Result Orientation	Persuasiveness	Strategic Orientation
Networking	Vision	HRM / HRD
Leadership	General Awareness	International Orientation

Bergevoet (2005), using data from Dutch dairy farmers, explores craftsmen, managerial and entrepreneurial competencies in relation to psychological variables and venture success. Bergevoet's work utilizes many of the skills and competency areas previously highlighted, including opportunity, strategic, conceptual, organising and relationship competencies, and finds a positive relationship between higher scores in these competency areas and entrepreneurial venture success. However, it must be noted that respondents were asked to self-report against their own entrepreneurial success, thereby introducing a subjective element to the process. Later work by Bergevoet and van Woerkum (2006) with extension and agricultural training programmes reveals that entrepreneurial competencies can be enhanced through farmer-led study groups, thus highlighting the potential for competency evaluation as a basis for agricultural extension programmes.

Nuthall (2006) investigates the relative importance of various management competencies amongst family farm businesses in New Zealand. Determining that, whilst a relatively broad range of skills are

deemed important, these were largely common to all farm types, age groups and educational backgrounds, with variations in farm objectives not influencing the ranking of the skills. Along with skills related to primary production (as one would expect from a study of farm management) were statements related to managerial style and entrepreneurial skills, with information seeking, forecasting and an ability to negotiate ranking highly alongside other entrepreneurial skills including recognizing opportunities, control belief and risk factors (see also Nuthall, 2010).

Many of the competencies highlighted above emerge from the work of Man et al. (2002) who have developed a model of entrepreneurial competency that attempts to cluster or categorize competency areas, including opportunity, relationship, conceptual, organizing, strategic and commitment competencies. In a similar vein, later work by Mitchelmore and Rowley (2010) proposes an entrepreneurial competency model that maintains a distinction between 'entrepreneurial' and 'business and management' competencies, along with additional clusters for 'human relations' and 'conceptual and relationship' competencies. The competency frameworks of Man et al. (2002) as well as those of Mitchelmore and Rowley (2010) are based on extensive reviews of the entrepreneurship literature by the respective authors and, along with the earlier discussion regarding the categorization of entrepreneurial skills (and the EDS approach of Schallenkamp and Smith, 2008) are presented together in Table 3.

Whilst any attempt at a direct comparison between the three competence/skills taxonomies remains problematic, the framework in Table 3 attempts to align these clusters to highlight shared themes and, in so doing, also presents the associated underlying skills and functional competencies associated with these clusters. However, as Luken (2004) cautions, just as the definition of competence is not homogeneous, any attempt at competence assessment remains subjective and should ideally take account of the context as well as the individual they are applied to. Furthermore, as Bird (1995) also notes, whilst some entrepreneurial competencies have been empirically supported, others remain at best theoretical and speculative. An additional limitation of the competency approach is that it is not definitive, with Bridge et al. (2009) highlighting that there are few competencies possessed by all entrepreneurs —just as some are possessed by non-entrepreneurs. Nevertheless, the clusters and their underlying skills in Table 3 provide a useful framework to support the research that now follows.

**Table 3.** Aligning competence clusters and their underlying skills

Skill and Competence Clusters			Underlying Skills / Functional Competencies
Technical Skills			<ul style="list-style-type: none"> <li>⊕ Operational / production skill</li> <li>⊕ Match needs to availability</li> <li>⊕ Industry specific skill</li> <li>⊕ Financial / budgeting skills</li> </ul>
	Business Competencies	Organising Competencies	<ul style="list-style-type: none"> <li>⊕ Legal skills</li> <li>⊕ Operational skills</li> <li>⊕ Marketing / Sales skills</li> <li>⊕ Learning orientation</li> <li>⊕ General awareness</li> </ul>
Managerial Skills	Human Relations Competencies	Strategic Competencies	<ul style="list-style-type: none"> <li>⊕ Planning / organisation</li> <li>⊕ Strategic orientation</li> <li>⊕ Business plan preparation</li> <li>⊕ Goal setting skills</li> <li>⊕ Result orientation</li> <li>⊕ Management control</li> <li>⊕ HRM / HRD</li> <li>⊕ Leadership skills</li> <li>⊕ Ability to motivate others</li> </ul>
	Relationship Competencies	Commitment Competencies	<ul style="list-style-type: none"> <li>⊕ Teamwork</li> <li>⊕ Communication</li> <li>⊕ Persuasiveness</li> <li>⊕ Negotiation</li> <li>⊕ Networking</li> </ul>
Entrepreneurial Skills		Relationship Competencies	<ul style="list-style-type: none"> <li>⊕ Idea generation</li> <li>⊕ Recognise opportunities</li> <li>⊕ Environmental scanning</li> <li>⊕ Conceptual thinking</li> <li>⊕ Innovation</li> <li>⊕ Problem analysis</li> <li>⊕ Vision and judgement</li> <li>⊕ Analytical skills</li> <li>⊕ Reflection / self-aware</li> <li>⊕ Accountability</li> <li>⊕ Emotional coping</li> <li>⊕ Creativity</li> </ul>
	Entrepreneurial Competencies	Opportunity Competencies	
Personal Maturity Skills		Conceptual Competencies	
(Schallenkamp and Smith, 2008)	(Mitchelmore and Rowley, 2010)	(Man, Lau and Chan, 2002)	



## **The research: Skills and competencies for farm tourism**

Having reviewed the clustering of skills as outlined in the framework in Table 3, an exploratory study was undertaken to explore the range of skills and competencies that farmers in the North West of England identify as important for successful diversification to tourism enterprise. This exploratory study took the form of a postal questionnaire, drawing on the EDS work of Schallenkamp and Smith (2008) outlined earlier. Following the review of skills and competencies, it proved necessary for the researchers to identify a smaller—more salient—set of the most critical skills to present to respondents. Additionally, for the purposes of this study the selection needed to acknowledge the competencies considered most relevant to the rural, land-based and tourism and hospitality industries, as identified by the UK Sector Skills agencies for these areas (see Lantra, 2005; People1st, 2007). In so doing, it must be accepted that some bias may have entered the final skills selection; although to counter this, the selection (Table 4) was pre-tested with farmers and those in farm tourism and business support roles, for instance, with the regional tourist boards for the North West. The self-completion questionnaires were mailed to 387 farm tourism enterprises in the region, who were each selected using a purposive sampling frame, an effective type of non-probability sampling, which utilized data generated from the national Farm Stay directory, regional tourist board membership listings and an online search. Moreover, the online search utilized key-words derived from existing typologies and classifications of farm tourism products and services (see Cox and Fox, 1991; Phillip et al., 2010; Sznajder et al., 2009). In total, 118 useable fully completed questionnaires were returned, representing a response rate of 30 per cent. As well as answering preliminary questions regarding the farm and tourism venture, the respondents were asked to rate the importance of the 15 selected skills, from (1) unimportant through to (5) very important; and subsequently asked to self-assess their own abilities against the skills and competencies cited as either (1) low, (2) medium or (3) high.

## **Farmers' perception of the desired skills and competencies**

The mean rankings against each of the skills deemed most applicable by the farmers sampled are shown in Table 4 and range from a high of 4.52 for customer service to 2.98 for the supervision and management of employees. The skills and competencies have been grouped into business and managerial skills, along with entrepreneurial and personal maturity skills, to allow for ease of analysis. With respect to business and management competencies, 'customer service' skills are clearly identified by the respondents as being the most important attribute, with a mean ranking of 4.52 and a standard deviation of 0.86. Indeed, 23.7 per cent of farmers who responded, categorized service skills as important and 67.8 per cent as very important, in managing their farm tourism ventures. Additionally, high mean values were recorded for 'financial' (4.28), 'marketing and sales' (4.14) and 'organization skills' (4.13). Of slightly less significance to respondents was the fifth-ranked business and management variable of 'small business regulations' (3.95). This may be considered more of a knowledge competency than an actual skill and was included in the final skills selection, given its prominence in the policy literature for both farming and leisure enterprises generally (see Defra, 2007; Lantra, 2005; People1st, 2007). Of least importance was the supervision and management of employees (2.98) although, as many of the farms surveyed were family owned and operated, the anticipated roles of recruitment, training and appraisal were unlikely to be deemed relevant by respondents. Amongst the remaining skills and competencies, considered entrepreneurial—or conceptualized as higher order or personal maturity skills and competencies—'accountability' and 'emotional coping' are ranked highly at 4.39 and 4.31. The remaining entrepreneurial and higher order skills, from the ability to 'think critically' to 'persuasive

negotiation skills,' are ranked from 3.91 to 3.58, suggesting that they remain of importance in diversifying from the farmers' perspective, but less so than a number of the management skills acknowledged above.

**Table 4.** Farmers perception of the importance of selected 'skills and competencies for farm tourism enterprise'

	M	SD
<b>Business &amp; Management Skills / Competencies</b>		
Customer Service: <i>Handling service expectations and dealing with problems</i>	4.52	0.88
Financial: <i>Managing financial resources, accounting, budgeting</i>	4.28	0.95
Marketing/Sales: <i>Identifying and reaching customers/ distribution channels</i>	4.14	1.02
Organisational Skills: <i>Day to day administration, managing yourself and your time</i>	4.13	0.97
Small Business Regulations: <i>. i.e. H&amp;S, risk assessment, disability legislation</i>	3.95	1.16
Supervision: <i>Manage/ supervise employees and their needs</i>	2.98	1.59
<b>Entrepreneurial &amp; Personal Maturity Skills / Competencies</b>		
Accountability: <i>Ability to take responsibility for solving a problem</i>	4.39	0.81
Emotional Coping: <i>Emotional ability to cope with a problem</i>	4.31	0.89
Critical Evaluation: <i>The ability to think critically</i>	3.91	1.09
Networking: <i>Co-operation with others, networking and utilising contacts</i>	3.81	1.14
Self Awareness: <i>Ability to reflect and be introspective</i>	3.75	1.14
Environmental Scanning: <i>Recognise market gap, exploit market opportunity</i>	3.68	1.16
Business Concept: <i>Business and strategic planning</i>	3.66	1.13
Goal Setting: <i>Ability to set personal goals, reach them and set new ones</i>	3.64	1.14
Negotiation: <i>Persuasive communication and negotiation skills</i>	3.58	1.12

Within this selection, it is important to note that two competencies frequently associated with entrepreneurship—namely 'environmental scanning' (elsewhere termed opportunity recognition) and 'business concept' (or planning)—are revealing. Both have very similar mean values (3.68 and 3.66) though wide distributions. Indeed, closer analysis identifies that 38.1 per cent of those surveyed rated 'environmental scanning' in the categories unimportant through to moderately important, whilst 37.3 per cent rated 'business concept' in the same unimportant to mid-importance range. Taken at face value, this indicates that, for a number of farm businesses, entrepreneurial competencies are not deemed to be as significant as those management—or functional competencies—identified.

### Farmers' personal skills and competency evaluation

In the follow-up section of the questionnaire, farmers were asked to rate their own abilities against each of the 15 competencies selected as either (1) low, (2) medium or (3) high. The results of this analysis are presented in Table 5, whilst the skills that respondents evaluated as both the lowest and highest abilities are presented in Tables 6 and 7. With regards to the skills in which the respondents considered themselves proficient, 'customer service' emerges as the strongest, with a mean ranking of 2.69. Moreover, 72.9 per cent of farmers surveyed identified that they had a high 'customer service' ability and only 3.4 per cent considered scoring themselves low in their self- assessment. This is followed closely by 'accountability', 'critical evaluation' and 'emotional coping', which are again reflected by a very high number of respondents ranking themselves with high ability (mean scores of 2.54 to 2.65). Given the

earlier results, which indicated that farmers considered these competencies as essential, the relatively high scoring of these ‘higher order’ and ‘personal maturity skills’ is encouraging. However, ‘financial’ and ‘marketing’ skills, previously identified as important for successful diversification, ranked quite low in the self-assessment exercise. More specifically, marketing, which farmers earlier highlighted as an important management competency, is self-assessed as a high-level competency by only 33.9 per cent of those surveyed.

**Table 5.** Farmers self- assessment: Mean rankings

	M	SD
Customer Service: <i>Handling service expectations and dealing with problems</i>	2.69	0.53
Accountability: <i>Ability to take responsibility for solving a problem</i>	2.65	0.54
Critical Evaluation: <i>The ability to think critically</i>	2.62	0.73
Emotional Coping: <i>Emotional ability to cope with a problem</i>	2.54	0.63
Organisational Skills: <i>Day to day administration, managing yourself and your time</i>	2.47	0.64
Financial: <i>Managing financial resources, accounting, budgeting</i>	2.31	0.60
Goal Setting: <i>Ability to set personal goals, reach them and set new ones</i>	2.31	0.69
Marketing/Sales: <i>Identifying and reaching customers/ distribution channels</i>	2.19	0.68
Networking: <i>Co-operation with others, networking and utilising contacts</i>	2.19	0.74
Self Awareness: <i>Ability to reflect and be introspective</i>	2.19	0.71
Negotiation: <i>Persuasive communication and negotiation skills</i>	2.14	0.67
Business Concept: <i>Business and strategic planning</i>	2.13	0.66
Small Business Regulations: <i>i.e. H&amp;S, risk assessment, disability legislation</i>	2.02	0.78
Environmental Scanning: <i>Recognise market gap, exploit market opportunity</i>	2.02	0.75
Supervision: <i>Manage/ supervise employees and their needs</i>	1.94	0.78

**Table 6. Farmers self- assessment:  
Skills ranked at ‘low’ ability**

	f	%
Supervision	39	33.1
Environmental Scanning	32	27.1
Small Business Regulations	30	25.4
Networking	23	19.5
Self Awareness	21	17.8
Negotiation	19	16.1
Business Concept	19	16.1
Marketing/Sales	18	15.3
Goal Setting	15	12.7
Critical Evaluation	10	8.5
Financial	9	7.6
Emotional Coping	9	7.6
Organisational Skills	5	4.2
Customer Service	4	3.4
Accountability	4	3.4

**Table 7. Farmers self- assessment:  
Skills ranked at ‘high’ ability**

	f	%
Customer Service	86	72.9
Accountability	81	68.6
Emotional Coping	73	61.9
Organisational Skills	65	55.1
Critical Evaluation	52	44.1
Goal Setting	51	43.2
Financial	46	39.0
Networking	45	38.1
Self Awareness	43	36.4
Marketing/Sales	40	33.9
Negotiation	35	29.7
Business Concept	34	28.8
Environmental Scanning	34	28.8
Small Business Regulations	32	27.1
Supervision	32	27.1

Of greater interest are those that have previously been identified as entrepreneurial competencies yet which clearly represent very low mean rankings in respect to the respondents' personal skill evaluation. For instance, only 28.8 per cent of respondents self-assess as possessing a high personal ability in both 'business concept' and 'environmental scanning' competencies. Moreover, an almost comparable number self-assess as low ability against 'environmental scanning' (27.1 per cent), though fewer respondents do so for 'business concept' (16.1 per cent). Thus, it is evident that, by asking farm respondents to self-evaluate their own competencies, one can readily identify that a number of managerial and personal maturity skills dominate at the expense of those which are widely identified as entrepreneurial competencies.

## **Discussion and conclusions**

What becomes clear from the findings above is that farmers value a number of managerial competencies quite highly, notably customer service (4.52), managing finances (4.28) and marketing (4.14), as important skills for farm diversification. However, what is also clear is that in the subsequent self-assessment, whilst customer service scores highly, the farmers surveyed rank their own competency in finances and marketing rank as being much lower than other attributes. This suggests that farmers, having earlier acknowledged the importance of these skills to their business, would benefit from additional support and competency development in these areas, in farm business advisory and support services. Also prominent within the results is the implication that a range of entrepreneurial and higher order competencies are considered less important, and also self-assessed at a lower competency level, than the earlier cited management functions. Whilst acknowledging that the business and management competencies identified remain important, entrepreneurship is about much more than managing; it is increasingly centred on innovation, risk-taking and the discovery and exploitation of opportunities. Moreover, as opportunity increasingly becomes the focus for entrepreneurship research, then one must acknowledge that 'environmental scanning' (or the ability to recognize and exploit market opportunities) exists only at relatively low levels amongst farm tourism operators in this study area. Similarly, the perception amongst farmers that 'business concept', as a competency, is relatively unimportant for diversification, along with low self-evaluations of their abilities in this regard, raises additional concerns. Consequently, one is forced to question whether the farmers in this research area are entrepreneurial to the extent that the emerging literature on rural and farm entrepreneurship suggests, although it must be acknowledged that the very nature of rural entrepreneurship (and indeed entrepreneurship more generally), is a 'complex variable concept and phenomenon' (McElwee, 2008b: 319) subject to a variety of interpretations and definitional debates.

Evidently, this is an aspect that would require a greater depth of empirical work to confirm, but in the context of the introduction to this article—that farmers must develop new skills and competencies to remain competitive—then the distinct lack of many of the entrepreneurial competencies identified may have very real implications for the long-term survival of these farm tourism ventures. This is particularly so where diversification has been identified as an entrepreneurial strategy to increase farm income, reduce reliance on subsidy and provide greater farm income stability (Clarke, 2009).

As Lans et al. (2008) have highlighted, the true potential of focusing on entrepreneurial competence lies in: (1) making the small-business owner aware of his/her own competence level; (2) identifying the importance of specific competencies to business success; and (3) providing subsequent direction and

guidance in competence and skill development. The nature of the research design here does not allow for progress of this kind, but the contribution of this article lies in establishing and profiling a specific managerial and entrepreneurial skills-set deemed necessary for diversification to farm tourism and, indeed, to structural farm diversification more generally. Moreover, future progress lies in establishing a mutually agreed set of competencies and in identifying their significance for entrepreneurial ventures as a precursor to influencing farm tourism advisory and support systems. Hence, agreement on the specific skills and competence clusters required by both rural entrepreneurs and those engaged in tourism enterprise is essential and, in this respect, the authors welcome critical debate and dialogue on this issue.

Furthermore, this article establishes that there is clearly greater scope for tourism discourse to engage with the literature on entrepreneurship and entrepreneurial competence. In particular, the literature on rural and farm tourism must move beyond the currently limited and fragmented discussions regarding which characteristics (of both farms and farm households) lead to entrepreneurial success. Indeed, it is the authors' view that this is a debate overdue in respect to small tourism firms generally, a debate essential, 'to develop a framework unique to the entrepreneurship domain of hospitality and tourism research' (Li, 2008:1013). Moreover, farm diversification remains a prominent rural policy initiative in many of the world's developed economies—with entrepreneurship in turn, frequently identified as the engine of rural growth—and thus the need to understand and to appraise the entrepreneurial capital of rural ventures, households and individuals becomes all the more prominent. To this end, this article has sought to outline the potential of 'entrepreneurial competencies' as a framework for this wider debate. Nevertheless, it is evident that more work remains to be done, not least the need to now engage with more qualitative strategies of inquiry, ideally at the level of the farm and household, to better understand the requisite skill-set and entrepreneurial strategies of diversified farm ventures.

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