STRATEGIC ENTREPRENEURSHIP IN THE DEVELOPMENT OF ACTIVE LEISURE INDUSTRY ORGANIZATIONS

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Abstract

Introduction. In the context of strategic entrepreneurship, the problem of corporate strategy is of special importance in the organizations of the active leisure industry. Active leisure activities are entrepreneurial processes in which innovation and change are key elements in exploiting an opportunity to gain a competitive advantage. The aim of the article is to present the concept of strategic entrepreneurship as one of the key factors of the development of active leisure organizations. Material and Methods. The study is theoretical and methodologically based on a review of literature in the field of strategic entrepreneurship and active leisure industry as well as a review of selected empirical studies. Results. The individual parts of the study present the importance of the active leisure industry in the market economy, the specificity of sports enterprises and the concept of strategic entrepreneurship resulting from the theoretical foundations presented. Conclusions. The conclusions are based on the literature of the subject and examples of active leisure industry organizations operating in the commercial area. The dynamically developing sports market may be one of those areas of the economy that give an opportunity to examine how strategic entrepreneurship shapes and develops organizations through innovation, proactivity and competitive advantage.

Key words: active leisure industry, strategic entrepreneurship, growth and development of the organization

Introduction

Strategic entrepreneurship emerges from economic, entrepreneurial and strategy research traditions that have been several decades in the making. The relationship between entrepreneurship and strategic management has been studied for many years, but strategic entrepreneurship is the first construct to explicitly describe an integration of the knowledge and questions in practical, empirical studies. The individual parts of the study present the importance of the active leisure industry in the market economy, the specificity of sports enterprises and the concept of strategic entrepreneurship resulting from the theoretical foundations presented. The conclusions are based on the literature of the subject and examples of active leisure industry organizations operating in the commercial area.

Understanding of strategic entrepreneurship

In the literature, various definitions and classifications of entrepreneurship can be found. They are usually combined in two opinion groups. The first one points out that the essence of entrepreneurship is the opportunity and entrepreneurs create or look for opportunities that they then skillfully use [3]. In this context, entrepreneurship is historically described in terms of actions undertaken to identify and use opportunities to create products and services [4]. On the other hand, the second one equates entrepreneurship with activities including identification, evaluation and use of market opportunities in a way that has not occurred so far. This understanding defines who, how and with what effects detects, evaluates and uses the chances of creating future products and services [5,6]. Entrepreneurship is also influenced by the attitudes of entrepreneurs with their tendency to take risks and determination in implementing a business venture [7].
Entrepreneurial orientation and activity within firms has been the subject of academic research for the past few decades. Corporate entrepreneurship (CE), for example, as coined by P. Drucker [8], occurs as a result of a firm’s entrepreneurial orientation (i.e. pursuing growth or creating values through new ventures within a firm’s organizational framework). Entrepreneurship, as a concept of management, puts emphasis on determining the factors creating business activity as a kind of driving force of this activity. The essence of entrepreneurship is the creation and development of a business venture, whereas strategic management is the pursuit of gaining a competitive advantage and maintaining this business venture in a turbulent environment. The area of strategic management is the creation of wealth of the organization and its owners [9], where competitive advantage is considered the main condition for positive results. Strategic management focuses on the actions of companies undertaken to develop such a market position that their unique resources could be used in a way that will prevent the competitors from identifying and copying.

The concept of strategic entrepreneurship is relatively new in business research and related to management science. It was first introduced in 2001, in a special edition of the “Strategic Management Journal” devoted entirely to strategic entrepreneurship [10]. At the same time, there are questions and considerations regarding the legitimacy of combining entrepreneurship and strategic management and how to distinguish strategic entrepreneurship among other entrepreneurial concepts such as corporate entrepreneurship, entrepreneurial orientation and entrepreneurial strategy. The potential relationship between strategic management and entrepreneurship helps in understanding the ability of companies to create wealth. Entrepreneurship concerns identification and possibilities to take advantage of opportunities.

Strategic entrepreneurship, a term coined by Ireland, is a concept developed from the suggestion of an intersection between strategic management and entrepreneurship [11]. The area of convergent threads of entrepreneurship and strategic management [12] concerns the so-called “four i’s”: imagination, ideas, invention and innovation. However, to create wealth, organized action is needed strategically, which in turn requires a combination of entrepreneurial and strategic thinking [10]. The concept of strategic entrepreneurship tries to integrate entrepreneurial behavior and strategic approach in order to create wealth. Strategic entrepreneurship is a model of the organization’s activity [11], which is based on combining the ability to use opportunities and to shape a competitive advantage.

In accordance with the concept of strategic entrepreneurship, enterprises demonstrate the ability to identify and use opportunities in the environment but they often lack the ability to transform this opportunity into their competitive advantage, which would lead to the growth and strengthening of the position in the long term. In the broadly understood population of enterprises, the orientation towards building a permanent competitive advantage, which is characterized by such features as valence, uniqueness, difficulty of imitation, complexity and limited mobility, is relatively rare [13, 14].

The strategic entrepreneurship domain is still in its formative years [9], and while scholars have spent time trying to define strategic entrepreneurship, little attention has been given to identify the boundaries of strategic entrepreneurship and its distinctive place in the fields of entrepreneurship and strategy respectively, especially in relation to other constructs like corporate entrepreneurship. Foss and Lyngsie [15] indicate that, “strategic entrepreneurship is still mainly a rather loose amalgam of a number of insights from strategy and entrepreneurship,” confirming the need for some clarity in this emerging field. It is still not entirely clear: is strategic entrepreneurship a model, theory, paradigm, concept, or simply a combination of already existing theories [16]?

Strategic entrepreneurship is often defined as “the integration of entrepreneurial behavior (looking for a chance to achieve a goal) and strategic behavior (based on seeking benefits) to design and implement entrepreneurial strategies for creating wealth” [10]. In support of this notion, Kyrgidou and Hughes [17] present an iterative model (Fig. 2) of strategic entrepreneurship as an improvement over the linear model presented by Ireland, et al. [11].

The iterative model better represents the constant tension between opportunity-seeking and advantage-seeking behaviors and the need for firms to constantly balance the two behaviors for effective strategic entrepreneurship [18, 17, 19, 20].

Empirical studies of the concept of strategic entrepreneurship are limited due to difficulties in the operationalization of the concept and its theoretical ambiguity. It remains unclear, for example, what types of organizational routines are components of strategic entrepreneurship and how these elements can

![Figure 1. Model of strategic entrepreneurship](source: R.D. Ireland, M.A. Hitt, D.G. Sirmon, A model of strategic entrepreneurship: the construct and its dimensions, “Journal of Management” 2003, 29 (6), p. 967.)
Effective implementation of strategic entrepreneurship practices enables the company to build and maintain a balance between the opportunity-seeking behavior and the advantage-seeking behavior, which in turn has a positive impact on the company’s performance. The fundamental question in the newly formed strategic entrepreneurship field is how firms create value, i.e. how firms should combine entrepreneurial action that creates new opportunities with strategic action that generates competitive advantage [21]. Hitt et. al. [22] propose a more comprehensive input-process-output theoretical model of strategic entrepreneurship which is broader in scope, multi-level, and more dynamic than was earlier conceptualized. The whole model (Fig 3) includes three dimensions: resource/factor inputs, resource orchestration processes and outputs.
The inputs in the discussed model are on three levels. The first dimension specifies the resources/factors serving as the strategic entrepreneurship process inputs at different levels, including environmental factors, organizational factors and individual resources. The second dimension examines the strategic entrepreneurship related actions or processes in the firm, specifically focusing on the orchestration of its resources and the entrepreneurial actions that are used to protect and exploit current resources while simultaneously exploring for new resources with value creating potential. These actions occur primarily at the firm level. The third dimension examines outcomes, which vary across levels.

**Economic importance of the active leisure industry**

The ‘Leisure Industry’ provides services and products to consumers (business, families or individuals, domestic or foreign) to meet people’s demand for leisure opportunities, experiences and facilities, in particular for sport, culture, recreation, entertainment, eating and drinking, days and nights out, betting and gaming, and accommodation [23]. Active leisure industry is a dynamic and constantly growing sector that can contribute to accelerating economic growth and development as well as job creation. It can serve as an instrument of local and regional development and economic revitalization of both cities and post-industrial areas as well as the development of peripheral areas (e.g., rural). At a time when economic growth is a key issue, the impact of sport on the economy is also gaining importance because active leisure has become a huge industry [24]. It forms a significant part of the economy that strongly influences the area of production, infrastructure or equipment. It is also subject to the universal rules of the market game, including commercialization, rationalization, professionalism, bureaucratization, spectacle, etc. [25].

The economic importance of the active leisure industry in EU countries is reflected in purchasing power and the number of employees. Depending on the presented approach (narrow: use of sports facilities; medium: production of sports goods; wide: tourism), these values were respectively: EUR 58 billion in purchasing power and 1.585 million employees, EUR 242 billion and 8.184 million, EUR 307 billion and 10.263 million [26]. Manufacturers of products for active leisure (e.g., sports equipment, clothes) and other goods are not always included in the sports market. This group provides the necessary accessories and draws on social trends popularizing physical activity, but it does not deal with the organization of sport and does not have a decisive impact on the shape of the market [27].

**Strategic entrepreneurship and active leisure industry**

The active leisure industry exhibits a strong entrepreneurial profile of business ventures that leverage the creativity of owners and the search for market opportunities, a proactive approach to both customer preferences and environmental uncertainty. Entrepreneurship is not only a matter of seeking and multiplying wealth, but it always plays an important role in fulfilling wider social interests and needs. This thread is very important for entrepreneurship in active leisure industry because it contributes to economic development and shapes the identity of local communities, regions and nations [28].

Entrepreneurs operating in the active leisure industry try to be unique, specializing in specific disciplines, specific target groups, which allows them to tailor their offer accordingly. In various customer expectations, they see the chance to create ‘blue oceans’ by creating offers tailored to current customer requirements [29] to gain and maintain a competitive advantage. Active leisure industry is a rather specific market in which private and public entities participate directly and indirectly in the implementation of sport-related projects in the following ways:

- direct (professional leagues, sports clubs, associations and foundations, student sports clubs, players, coaches),
- indirect as entities that promote their business or brand through sponsorship,
- indirect as enterprises (subcontractors) providing services and products for sport (sports facilities, sports training centers, sports sector).

Each active leisure enterprise operates in the environment [30] whose components are:

- competitors (other enterprises from the home league, but also enterprises from other leagues as well as other entities offering leisure services such as shopping malls, cinemas, clubs, opera, theaters),
- financial institutions (banks, investment funds, insurance companies, whose services are often used by active leisure enterprises),
- service providers (hotels and restaurants, communication, health care, cleaning services, public transport),
- creditors (banks, enterprises as well as private persons - holders of long-term loans issued by active leisure enterprises),
- buyers (recipients) - entities to which a sports enterprise e.g. has granted a license to manufacture products/services with their own trademark, but also sponsors, television media and Web-TV,
- suppliers (technical media, catering at the stadium, active leisure equipment).

In order to be competitive, an active leisure venture should also ensure a sufficiently high organizational level. This is a challenge and it affects the entrepreneurship of modern managers, who (apart from the financial result and its sport result) should be oriented towards the fact that their company ought to offer a competitive product of the highest possible quality. The consequence of this is the need to meet the ever-higher expectations of the participants of these leisure ventures, especially in the scope of the product offered for purchase [31]. This serves to meet the needs of viewers, as a result having a decisive influence on shaping good relations between active leisure organizations and clients. The clearly emphasized role of the buyer should encourage everyone involved in the product creation process to ensure the highest competitiveness (quality). In this regard, the need for an entrepreneurial approach to the process of organizing active leisure events is recognized. The active leisure venture (occasion) is an event attracting numerous spectators (consumers) to the stands. However, apart from sporting motives, they are guided by a number of other factors that cause them to participate in competitions. These include managing leisure time or willingness to socialize with success people, such as sports ‘stars’. An important incentive to participate in the spectacle is the opportunity to experience extraordinary emotional arousal, in which the barriers of gender, age, education or culture disappear. This state of excitement is called audience affiliation and is also accompanied by an audience consolidation effect that is also shared with other actors in the show [32].

Active leisure venture is an entrepreneurial phenomenon in which, apart from sports competition, there is rivalry on business grounds, because sport ceased to be only a physical game based on physical talent [33]. Active leisure organizations participating in the market game compete for the largest possible number of customers. They generate financial income that can be used to achieve and maintain a competitive advantage by a sports or-
organization. The widespread interest in active leisure industry has been noticed by the media and made an important stimulus attracting the attention of customers. Giving broadcasts, their reach attracts sponsors and advertisers to sport, which in practice means increasing financial resources. The level of active leisure performances is constantly rising, the players are motivated by high salaries for hard work and fierce competition at a high sports level, and thus the interest of fans increases. The need to gain a competitive advantage by increasing the effectiveness of operations indicates the desirability of using an entrepreneurial approach, i.e. identifying the needs of consumers on the market (opportunities) and adapting business activities to them as well as creating new needs and products (innovations) using management and marketing tools. Sports marketing management is the use of a composition of marketing tools to communicate with consumers and an indication of the benefits of playing sports and participating in sporting events [34].

Strategic entrepreneurship in active leisure organizations assumes not only sport success, but also such activities that will lead the entity to growth and development, in both organizational and economic terms. These aspects have become the ‘leaven’ to rise of a new industry with new opportunities appearing, which is active leisure perceived in the form of services, material goods, information, places or other people [35]. The most important are the expectations and needs of customers (spectators), regardless of whether they consume a sporting event in the stadium (stands), or use the medium of their choice or use other sporting goods. Entrepreneurship of organizers of active leisure events is of fundamental importance here. Undoubtedly, an attractive sporting spectacle requires knowledge and application of the principles of sport management and marketing as well as high managerial skills [36]. Football is a good example, providing a pattern of entrepreneurial management in which only best practices lead to success [37]. Examples include some English clubs such as Manchester United FC, Chelsea and Liverpool, etc. Its growing sports position is parallel to growth and development in the business field, and the number of fans is over 330 million worldwide [38]. This is because MUFC, taking advantage of the opportunity, offers a competitive product that has allowed the club to attract a crowd of loyal supporters giving it a competitive advantage on the market. As part of a relatively expensive ticket costing several dozen pounds, customers are guaranteed appropriate conditions including a modern sanitary base, catering, spectacle setting and security. It seems that the commercial nature of sporting events is particularly visible in the case of competition in team games, whose specificity and popularity are to some extent a guarantee of success for sports organizations. Table I presents the selected components of strategic entrepreneurship in an active leisure organization based on the example of MUFC.

Sports organizations operate simultaneously on two levels: the sports market and the advertising and sponsoring (commercial) market. Within the sports market, where the buyers of products are individual consumers (fans), organizations sell them both on the primary market (during sporting events) and on the secondary market (e.g. via the media). Fans are a group of buyers who are very loyal to their club and team. A well-managed organization that cares for relationships with fans and cultivates club traditions can count on a solid income related to the sale of its products. Therefore, exciting active leisure events and a friendly atmosphere guarantee the acquisition of new fans and sponsors, whose support will allow for the further growth and development of sports organizations.

**Conclusions**

Outcomes regarding the differences in entrepreneurial (opportunity) and strategic (competitive advantage) competences of organizations of various sizes (small, medium and large) are generally confirmed by empirical research, including that conducted in Polish conditions [39]. The concept of strategic entrepreneurship emphasizes that it is usually large organizations that are characterized by the awareness of the need and the ability to shape competitive advantage, but with a weaker ability to identify and use opportunities in the environment. Active leisure organizations differ in size, goals, legal form, structure and range of activity. They often operate in common network relations and are managed as independent market ventures. On the one hand, through entrepreneurial activities, they seek to increase economic effects by maximizing the wealth of owners, and on the other hand, increase the sports effects associated with competing for the highest places in domestic and foreign competitions. A specific feature of the sports market is the existence of such double dependence in which, on the one hand, entrepreneurial sports organizations compete strongly with each other and, on the other hand, they depend on each other. Many organizations from various industries currently use such a strategy of combining competition and cooperation (coopetition), but it is a necessity on the sports market. Managers of sports organizations are forced to respond in an entrepreneurial manner to a changing environment and strategically use emerging business opportunities.

There must be no monopoly on the sports market, as is the case with the traditional market for goods and services. It is impossible to imagine a situation in which players, sports clubs in sports competition do not have adequate opponents. According to Szymanski and Ross [40], the European league system is conducive to intensifying competition between clubs and thus offering more attractive products to their buyers (consumer welfare). That is why it is obvious that a football match in the Eu-

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**Table 1. Selected components of strategic entrepreneurship in a leisure organization: the example of MUFC**

| Components       | Examples at MUFC                                                                 |
|------------------|----------------------------------------------------------------------------------|
| Advantage seeking| Ability Suite for supporters with disabilities which provides MUFC with a competitive advantage over most clubs within the main leagues in Europe. |
| Opportunity seeking| Ability Suite is an opportunity of the club’s commitment to inclusivity and accessibility that will integrate accessibility in its daily operations and interactions with fans. |
| Resource exploitation | Brand of MUFC, MU Catering, MU Interactive, Old Trafford Stadium |
| Resource exploration | MU Finance, MU Travel, MU Media, MU Mobile |
| Growth           | Launching on the Chinese and American market |
| Innovation       | Innovative and unconventional facility and service, the Ability Suite for supporters with disabilities at MUFC on match and non-match days |

Source: author’s own elaboration.
European Champions League final, where clubs with the highest, similar sports level meet, is definitely a better sport product than a match between unequal rivals. In the literature of the subject, this situation is named by Neale [41] as the Louis-Schmelling paradox. It consists in the fact that the greater the competition on the sports market, the more the clubs and individual athletes can achieve, as sports competitions in which competitors with a similar level of sports participate meet the greater interest of viewers and generate more revenue.

The theoretical contribution of the paper is the conceptualization of strategic entrepreneurship in leisure companies, with a particular focus on how this approach determines the development of sports organizations. Additional value rests in the empirical illustration of selected components of strategic entrepreneurship based on the sports company. The practical contribution of this research includes a coherent set of recommendations as to critical strategic and entrepreneurial behaviors that need to be applied by the leisure businesses to combine the opportunity seeking through innovation as well as the establishment and maintenance of competitive advantage. Balancing the catch up of opportunities with long-term development vision is often a lacking approach among the referred organizations. The current paper is explorative in nature, and it undertakes the new topics based on the synthesis from the extant research. The adoption of a theoretical approach and empirical illustrations rather than a systematic empirical study may be treated as a limitation of this study. Nevertheless, the conceptual approach and illustration of strategic entrepreneurship in sports organizations can form a basis for further empirical research in the area of leisure companies’ development. The first relevant step might be the multiple-case study approach to identify patterns across companies that pursue development through strategic entrepreneurship. The second recommended step would be to implement quantitative, large-sample empirical research.

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