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HOW A CHARISMATIC LEADER DRIVES STRATEGIC RESULTS: CASE OF GÓRNIK ZABRZE FOOTBALL CLUB

THE ENTREPRENEURIAL STRATEGIC SCHOOL – GENERAL OUTLOOK

People very often think that strategies are formally planned according to the guidelines of the planning school. First, as a result of a rigorous process, a formal plan is established on the basis of a detailed analysis of the situation. Subsequently it is methodically implemented. However, in reality the plan is usually created in the minds of creative leaders¹.

The entrepreneurial school has neoclassical origins and is rather firm focused than field focused. It proposes the dynamic approach to competition as opposed to the positioning school or the early resource-based view. The environment under this perspective is turbulent or even hyper-turbulent² and competition is very intense³.

The entrepreneurial school assumes that the strategy is formulated by an individual entrepreneur or a charismatic leader on the basis of his personal and unique vision, intuition and experience instead of precise

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¹ Huy, Q.N., Mintzberg, H. 2003. The rhythm of change. *MIT Sloan Management Review*, no. 44(4), pp. 79–84.

² Selsky, J.W., Goes, J. et al. 2007. Contrasting perspectives of strategy making: Applications in ‘hyper’environments. *Organization Studies*, no. 28(1), p. 71.

³ Ireland, R.D., Covin, J.G. et al. 2009. Conceptualizing corporate entrepreneurship strategy. *Entrepreneurship Theory and Practice*, no 33(1), pp. 19–46.

plans. The company's performance is one of the principal objectives of the entrepreneurial school and this point of view is also consistent with the overall approach of strategic management⁴.

Strategic management was initially developed for corporations, while entrepreneurship was usually associated with small firms. The entrepreneurial strategic perspective combines strategic management and entrepreneurship and is most suitable for start-ups, turnaround situations, a fierce competitive environment as well as for small and medium enterprises that tend to exploit entrepreneurial opportunities⁵.

The entrepreneurial strategic school as well as dynamic positioning regard constant disruption or circumvention as a normal business environment. This view is consistent with continual market disequilibrium proclaimed by the Austrian school and one of its proponents – Schumpeter⁶.

STRATEGIC MANAGEMENT AND ENTREPRENEURSHIP – CONTRADICTION OR COMPLEMENTATION

Strategic Management and Entrepreneurship, besides different origins, different paradigms and slightly different focus, have a lot in common. Strategic Management derives from Industrial Organisational Economics and is based on a science-logical positivist paradigm⁷. Whereas Entrepreneurship is less legitimate as an academic discipline and has no leading paradigm. However, in academia it arose from an interest group within the Academy of Management and became its separate division. Nevertheless, today is it mostly acknowledged as a major driving force of the economy rather than an entirely recognised academic perspective⁸.

⁴ Gregory A. 2007. *A systems approach to strategic management*. Proceedings of the 51st Annual Meeting of the ISSS.

⁵ Kraus, S., Kauranen, I. 2009. Strategic management and entrepreneurship: Friends or foes? *International Journal of Business Science and Applied Management*, no. 4(1), pp. 37–50.

⁶ Selsky, J.W., Goes, J. et al. 2007. Contrasting perspectives of strategy making: Applications in 'hyper'environments. *Organization Studies*, no. 28(1), p. 71.

⁷ Prahalad, C.K., Hamel, G. 1994. Strategy as a field of study: Why search for a new paradigm? *Strategic Management Journal*, no. 15(S2), pp. 5–16.

⁸ Meyer, G.D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

One of the most prominent theories of entrepreneurship is the one developed by Schumpeter: Theory of Economic Development formulated in 1934. He believed that an entrepreneur is an individual who destroys economic equilibrium with his innovation. The Schumpeterian entrepreneur is disruptive and he destroys the state of equilibrium. Schumpeter argued that the market has an entrepreneurial character in dynamic competitive processes. He believed that there is a 'perennial gale of creative destruction' that in the long-term is responsible for economical development. The entrepreneur was an individual who was able to 'break away from routine, to destroy existing structures, to move the system away from the even, circular flow of equilibrium'. The entrepreneur was seen as a leader who is innovative and his innovations, on the one hand, destroy the existing equilibrium but, on the other hand, are fundamental for economical development⁹.

Today the entrepreneur in addition needs to possess some organisational and strategic characteristics. The entrepreneurial perspective was drawn mostly on economic theories inspired by Schumpeter as well as A.H. Cole, being the main source of influence¹⁰.

Strategic Management and Entrepreneurship differ in their focus. Strategic Management is rather concentrated on performance measurement, creating competitive advantage for managers of larger firms as opposed to Entrepreneurship that first of all considers owners of small and medium sized firms and their approach to successful ventures.

Furthermore, the main objectives of entrepreneurs are usually non-monetary: need of being independent, undertaking an interesting venture, life-style profession, the major purpose of corporate managers is greed and financial results increase¹¹.

Moreover, managers and entrepreneurs are also different in their nature. Managers usually work in complex structures where they supervise their subordinates. This dyad relationship of manager-subordinate often influences

⁹ Kirzner, I.M. 1999. Creativity and/or alertness: A reconsideration of the Schumpeterian entrepreneur. *The Review of Austrian Economics*, no. 11(1), pp. 5–17.

¹⁰ Mintzberg, H., Lampel, J. 1999. Reflecting on the strategy process. *Sloan Management Review*, no. 40, pp. 21–30.

¹¹ Meyer, G. D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

the outcome of their work negatively. Often their points of view are different and they are in a cultural conflict¹².

Entrepreneurs are usually involved in a one-man business, so they work by themselves. In general they do not deal with complex organisational structures. However, the common characteristic of both is leadership which is also the focal point of the Entrepreneurial Strategic school. Leaders inspire people instead of managing them. Leaders have followers, who believe in their vision and are able to accept the sacrifices, while managers have subordinates that have to be motivated and controlled¹³. Today's challenging business environment needs charismatic leaders that are able to energise the organisation, empower people and make them more creative and innovative to outperform the competition¹⁴.

Strategic Management supports managers with a wide spectrum of well developed and empirically tested analytical tools, while Entrepreneurship does not offer much more than a business plan for owners of small and medium firms. Nevertheless, no business is too small to have a solid strategy and no business is too big to be more entrepreneurial. That is one of the common features of both approaches.

Both perspectives also overlap on innovation, growth and uniqueness. The company performance is a major dependent variable of both fields. Both as well are concentrated on the process of the adaptation to change and exploitation of opportunities. Meyer and Heppard present the view that both perspectives form two sides of the same coin. Entrepreneurial behaviour of firms creates value by identifying opportunities while strategic management develops competitive advantage to exploit them. Rindova, Ferrier, et al. prove that strategic actions are an important instrument to exploit market opportunities and create competitive advantage for firms or even undermine the competitive advantage of competitors.

Entrepreneurial intuition is a counterpart of a strategic vision, which forms a base for the Entrepreneurial Strategic School.

It has been argued recently that these two approaches of Entrepreneurship and of Strategic Management should merge to create a new discipline of science. Strategic Entrepreneurship Management or Corporate

¹² Jemielniak, D. 2004, *Informatycy w organizacjach. Studium kultury zawodowej programistów*. [IT professionals in organisations. Study of the professional culture of IT professionals.] Doctoral Dissertation.

¹³ Zaleznik, A. 1977. *Managers and leaders: Are they different*. Harvard Business Review.

¹⁴ Prahalad, C.K., Hamel, G. 1994. Strategy as a field of study: Why search for a new paradigm? *Strategic Management Journal*, no. 15(S2), pp. 5–16.

Entrepreneurship would combine the contributions of these approaches providing a synergy effect of their inputs.

In the new competitive environment the combination of both perspectives would be very valuable to make even mature firms more innovative and empower people to be more creative and more responsible for decisions they make. It would be primarily focused on the internal organisation of firms' structures rather than on the more complex consideration of dynamic competitive strategies. Strategic Management sets the context for entrepreneurial behaviour and stresses the importance of speed and flexibility. This composes the entrepreneurial behaviour of the corporate strategy.

Scholars still argue whether the new discipline of science will arise. However, for years in Strategic Management there has been a room for the Entrepreneurial strategic approach in one of Mintzberg's schools of strategic thought: Entrepreneurial Strategic School.

Even if two perspectives of formal corporate strategic planning and entrepreneurial strategic vision are approaching we argue that both approaches cannot be mixed in one company, because they have fundamentally different basic assumptions. Albeit we do not deny other solutions as for example altering formal corporate strategic management towards a more entrepreneurial approach or formalising of an entrepreneurial approach towards a more corporate style. We would like to propose that:

Proposition 1: Formal Planning Corporate Strategic Management and Entrepreneurial Strategic Perspective are so different in their fundamental assumptions that they cannot be combined in their basic forms in a single organisation.

THE ENTREPRENEURIAL STRATEGIC SCHOOL CHARACTERISTICS

Each of the strategy schools could be applied at a different stage of the organisational life cycle. The entrepreneurial school is the most suitable for new firms and this approach is usually not convenient for more complex ones. One single individual person would not be able to embrace the complex operations with his vision, intuition and experience. For more mature firms probably other approaches that involve more actors and more sophisticated analytical tools are more suitable.

However, in mature firms entrepreneurial school is applied when they are in a difficult, turbulent or turnaround position as well as when they face

intense competition. That is when a strong charismatic and dynamic leader should replace other manners of strategic management¹⁵.

Kraus and Kauranen argue that in today's dynamic and competitive environment strategic management has to be entrepreneurial to be successful and to survive. Firms have to exploit opportunities, adapt to changes and develop competitive advantage¹⁶. Ireland, Covin, et al. define entrepreneurial opportunities as 'situations in which new goods, services, raw materials, markets and organising methods can be introduced through the formation of new means, ends or means-ends relationships'.

The strategy of most small companies is driven by the character of the decision maker, which is contrary to large firms¹⁷. However, even mature companies develop entrepreneurial strategies to revitalise existing organisations and to make them more innovative¹⁸.

Furthermore, the character of large corporations has changed. In previous decades the multinational corporations were defined as large firms with more than \$500 million of sales, while today many small firms with less than \$10 million of sales became global players with multinational operations. It has altered both the definition of large and medium multinational firms as well as their strategy focus¹⁹.

AT THE BEGINNING GOD CREATED THE ENTREPRENEUR

A large number of firms if not almost all of them start in the entrepreneurial way. We would argue that first there is an idea or even before there is an entrepreneur who wants to undertake an interesting venture. In the midst of

¹⁵ Selsky, J.W., Goes, J. et al. 2007. Contrasting perspectives of strategy making: Applications in 'hyper'environments. *Organization Studies*, no. 28(1), p. 71; Gregory, A. 2007. *A systems approach to strategic management*. Proceedings of the 51st Annual Meeting of the ISSS; Mintzberg, H., Ahlstrand, B. et al. 2005. *Strategy safari: A guided tour through the wilds of strategic management*. Free Pr.

¹⁶ Kraus, S., Kauranen, I. 2009. Strategic management and entrepreneurship: Friends or foes? *International Journal of Business Science and Applied Management*, no. 4(1), pp. 37–50.

¹⁷ Tarraf, P., Molz, R. 2006. Competitive intelligence at small enterprises. *SAM Advanced Management Journal*, no. 71(4), p. 24.

¹⁸ Ireland, R.D., Covin, J.G. et al. 2009. Conceptualizing corporate entrepreneurship strategy. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 19–46.

¹⁹ Prahalad, C.K., Hamel, G. 1994. Strategy as a field of study: Why search for a new paradigm? *Strategic Management Journal*, no. 15(S2), pp. 5–16.

his interests a vision starts to emerge and the entrepreneur works it out. That is how the firm is started and operated.

When firms grow and become more complex the strategy making process becomes more difficult, which exceeds the capability of only one person being responsible for it. With the maturity phase, the strategy formulation process changes. As the company's complexity increases the strategy planning process also becomes more complex and different approaches are implemented²⁰. However some scholars argue that even in the largest corporations when the strategy planning processes are well developed and implemented, they do not replace strategic thinking and strategy making. Grant examined major oil companies and demonstrated that they still use strategic planning. He analysed the evolution of the strategic planning system and concluded that besides its importance to the management system it has limited impact on the quality of strategic decisions. Mintzberg also points out that strategic planning is not strategic thinking or strategic decision-making. He also indicates that the most successful strategies are not based on the plans but on a vision, intuition and creativity of the leader. Strategic planners are still important but their role should shift from traditional planning to support strategy makers to carry out their strategic vision. Mintzberg cites the example of Polaroid – this large international corporation developed its main product as the realisation of the dream of the firm founder's three-year old daughter. She wanted to have pictures immediately and Edwin Land invented the instant camera.

The entrepreneurial school is also suitable for turbulent and difficult situations when the charismatic leadership has to act independently to inspire the firm with his vision and implement a major change. In the 1970s British Airways was among the worst airlines, which was also reflected in the poor financial results. A strong visionary leader took over the management position. Colin Marshall recovered the company's losses and in 1993 it became the most profitable airline in Europe²¹.

A similar situation took place in General Motors when Roger Smith was nominated the Chairman and CEO of the company. He was the only one responsible for strategising and he managed the company with his vision,

²⁰ Mintzberg, H., Ahlstrand, B. et al. 2005. *Strategy safari: A guided tour through the wilds of strategic management*. Free Pr.

²¹ Huy, Q.N., Mintzberg, H. 2003. The rhythm of change. *MIT Sloan Management Review*, no. 44(4), pp. 79–84.

intuition and charisma²². However, in contrast to Colin Marshall's success, Roger Smith tenure was rather considered a failure.

There are numerous leaders whose visions did not bring any success, but caused significant failures. Jean-Marie Messier promised the shareholders a great future and he got rid of the best assets and acquired largely overpriced ones bringing Vivendi S.A. almost to collapse²³. Messier's charisma and strong leadership strategic management blinded all stakeholders who let him independently take the most important but wrong and irreversible decisions.

Besides the corporate governance problems and risk management failures, the destructive power of one single person was proven by Nick Leeson who bankrupted the oldest merchant bank in London – Barings Bank. Also Iguchi Toshihide who ruined large Japanese Daiwa Bank and Hamanka Yasuo who almost overturned Sumitomo Corporation demonstrated the danger of one powerful person who can cause significant losses not only to one company, but also shake the whole economy²⁴.

These individuals were not the leaders of the organisations. However, they illustrate the huge impact of uncontrolled behaviour of one person on the entire organisation. The firm's leader role is very often even more leveraged, so his actions could be even more constructive or even more destructive.

Some leaders are very ambivalent. On the one hand, they achieve outstanding growth and successful development of the company, but on the other hand they abuse rules, procedures and even common law. Leonard Dennis Kozlowski expanded Tyco International into a mega-conglomerate through a series of strategic mergers and acquisitions. However, at the same time he defrauded millions of dollars and used the company's assets as his own. On the one hand, he was a terrific charismatic leader and, on the other hand, he was a terrible strayed person²⁵.

²² Hambrick, D.C., Chen, M.J. 2008. New academic fields as admittance-seeking social movements: The case of strategic management. *The Academy of Management Review ARCHIVE*, vol. 33, no. 1, pp. 32–54.

²³ Huy, Q.N., Mintzberg, H. 2003. The rhythm of change. *MIT Sloan Management Review*, no. 44(4), pp. 79–84.

²⁴ Tschoegl, A.E. 2005. The key to risk management: management. *Risk Management*, pp. 721–739.

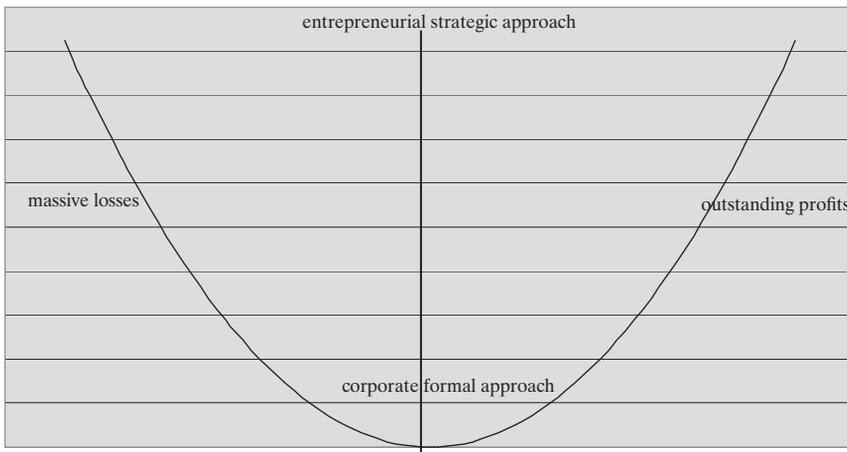
²⁵ Huy, Q.N., Mintzberg, H. 2003. The rhythm of change. *MIT Sloan Management Review*, no. 44(4), pp. 79–84.

We would like to hypothesise that the entrepreneurial school approach that sets one single person and his vision in the centre may lead to terrific or terrible results. To put it more formally we propose:

Proposition 2: The outcome of the entrepreneurial strategic perspective has a U shape polarised curve, where high importance of the leader's vision may be related to outstanding profits or may lead to massive losses or even overturn the whole organisation.

Figure 1

Illustration of proposition 2



CASE STUDY

Methodology and sample selection

Methodology: case study

Although some scholars argue that good social science is problem driven and not methodology driven²⁶, others insist on rigour, strict following of the

²⁶ Flyvbjerg, B. 2006. Five misunderstandings about case-study research. *Qualitative inquiry*, no. 12(2), p. 219.

methodological rules and defining ontological assumptions²⁷. That is why we would like to present explicitly and transparently our methodological assumptions to avoid any confusion and confirm that we followed analytic tenets.

The purpose of this study is to gain insight into the process of strategic formulation as well as strategic management of an organisation as a representation of the entrepreneurial strategic school. In this regard a qualitative approach and in particular a case study, involving both the analysis of primary and secondary data was seen to be the most appropriate research strategy. Eisenhardt argues that a case study is a useful method to understand the dynamics present within single settings, which fits well the entrepreneurial strategic perspective.

Grant points out that the majority of studies in the area of strategic planning use questionnaire data which are convenient for statistical analysis, but do not present richness and complexity of the subject of the study. The comparative case study approach is better fitted to study commonalities and differences between various concepts.

Some scholars criticise the fact that strategic management relies on situational case analyses that cannot be generalised. Albeit at the same time they admit that strategic management needs better methodological tools to capture the complexity and to discover unusual regularities and patterns of real-life management. Strategic management has to develop creative methodologies to describe the reality. Qualitative methods are the most answerable to capture the dynamism and complexity²⁸. That is why we believe that a case study is the most applicable approach for our study.

Scholars involved in the inductive approaches have to admit their personal bias and reveal their world-views as well as assumptions taken into account²⁹. Both researchers of this study are not great football supporters. One of them, despite living in-between two important Polish stadia, has never watched any football match throughout and the other researcher is not a great football fan either. Nevertheless, the researchers are absolutely not football disregards. They have just never found it very interesting to look at this sport discipline.

²⁷ Suddaby, R. 2006. From the editors: What grounded theory is not. *The Academy of Management Journal*, no. 49(4), pp. 633–642.; Eisenhardt, K.M. 1989. Building theories from case study research. *The Academy of Management Review*, no. 14(4), pp. 532–550.

²⁸ Hafsi, T., Thomas. H. 2005. The Field of Strategy: In Search of a Walking Stick. *European Management Journal*, no. 23(5), pp. 507–519.

²⁹ Suddaby, R. 2006. From the editors: What grounded theory is not. *The Academy of Management Journal*, no. 49(4), pp. 633–642.

Because of this background both researchers considered the object of the study as independent social phenomena with a possibly objective attitude.

In-depth interviews with different stakeholders were carried out to determine the strategic management mode as well as the characteristics of the process. These individuals represent different groups involved in GZ. They participated in different stages of the strategic management process, they were the direct observers of the process or they were at least involved in this organisation and had deep understanding of the internal processes of strategic management.

All of the interviews were conducted in person and took place after the change of all CEOs of our interest, so all actors looked at the organisation from the perspective of the 'past', which gave a consistent point of view and a similar perspective. The interviews took place in Polish, in the informal settings to let the interviewed freely and openly talk about the subject of our interest.

The first interview with a GZ supporter and also an expert in Polish football had a very exploratory character. It was an unstructured interview, the main purpose of which was to investigate the phenomenon and prepare the structure of other interviews. At the same time the questionnaires were developed following a comprehensive review of the literature and suggestion from an expert in the field.

Other interviews had semi-structured character with open-ended questions. The interview questions were modified as a result of the responses of the first explanatory interview, to incorporate some of the developing themes.

Respondents were free to use their own words and associate any other issues that they considered important. With the consent of the participants all the interviews were tape-recorded, subsequently transcribed and coded. The categories were created according to the approach to strategic management and our coding technique relied upon distinguishing different approaches to strategic management. We concentrated on the collision of planned corporate formal strategic management with the entrepreneurial strategic approach³⁰.

We interviewed two CEOs of the club and an independent Financial Manager nominated by the club owner that accompanied the first CEO in the implementation of corporate and financial procedures as well as the change from first to CEO to the next one and most of the tenure of the second CEO.

³⁰ Suddaby, R. 2006. From the editors: What grounded theory is not. *The Academy of Management Journal*, no. 49(4), pp. 633–642.

Furthermore, to increase the validity of our data, documentary evidence was collected in the form of specialised press articles, general press articles, financial statements and football clubs analyses.

The validity of the data was guaranteed through the use of many sources of information.

Even if Siggelkow showed that it might be more effective to group the data differently from the chronological order, we decided to keep the time sequence and follow the study in the chronological order.

We followed the advice of Suddaby and the data collection stopped when we felt that there was no further evidence available. In this way that we saturated the categories that were investigated.

We have also developed a qualitative measure to understand better GZ's relative sport position against other teams and place it on a time line. We called it the 'sport performance index' (SPI) as it was derived directly from result of games. Details on how the index was created can be found in appendix I.

SPIs were used by us to understand how different GS's CEOs were influencing results of the team. We think this method allowed us to better monitor and understand how different types of strategic management could affect the performance of a sport organisation such as GZ.

Sample choice: $N = 1$

Flyvbjerg recognises that the case study methodology can be used for theory building as well as for hypotheses testing. Our hypotheses were inspired by the literature and practical examples and the purpose of the research was to test them in the organisation that fits the characteristics of the entrepreneurial strategic school. Flyvbjerg also admits that hypotheses testing is closely related to generalisability and strongly depends on the case selection. Atypical and polar type cases are the most suitable selection because they provide the richest information.

We chose only one organisation as a unit of the analysis to enhance the impact of different outcomes of various leaders who managed the same organisation with their own vision. On the one hand, we studied only one organisation (one case), but on the other hand we scrutinised two different approaches to strategic management of three different leaders. This constitutes the polar-type comparison, since they embody different management styles. Eisenhardt presents the view that in the case study approach the random selection of cases is not a good solution. Instead 'extreme situations and polar types in which the process of interest is transparently observable' represent a better case study approach. The organisation of our choice is probably not

the Siggelkow ‘talking pig’, but it represents a well-marked example of the phenomenon of the study. Just as Mintzberg and McHugh chose only one organisation, because it fitted the description of their concept of adhocracy, we chose the sport club Górnik Zabrze because it describes the phenomenon of our studies: the impact of the entrepreneurial strategic approach.

With the sample of only one organisation our findings certainly cannot be generalised, but Flyvbjerg points out that generalisation is overvalued as the main source of scientific progress, while the powerful examples are usually underrated. There are many other ways to gain and accumulate knowledge and case studies are used to generate the best theory. None of our ambitions was to provide a paradigmatic case to prove a general grand or predictive theory. Our purpose was to propose and develop our hypotheses.

The football sport club Górnik Zabrze (GZ) operates within a very dynamic environment, however the rate of technological and regulatory changes is very low, which eliminates other potential impacts on the club results. It is almost an isolated alpha-test of managerial impact on the club results. We exclude from our study the areas of corporate governance and corruption in Polish football. Both themes are very interesting and could provide a complementary view of the subject of the study, but our main objective in this research was to examine the strategic management approaches. Furthermore, the study of both these areas would require a different methodology of data collection and that would limit our findings on the entrepreneurial strategic school.

Górnik Zabrze was also chosen because of an interesting situation of this football club. This organisation had been in chronic financial problems for years before starting the cooperation with today’s owner and sponsor Allianz Polska. Allianz helped the club financially and as a majority shareholder was supposed to support GZ. However, Allianz did not engage officially in the management either strategic or operational, but left all the managerial responsibilities in the hands of the club CEOs. Allianz along with other club owners assumed only the supervisory responsibilities³¹.

In the course of the four-year cooperation between Allianz and GZ there were four different CEOs. Allianz changed them almost every year blaming them for the club financial and sport performance failures. Each of them had a different management style and a different strategic management vision. Albeit the official ultimate purpose of being a champion of the Polish football league was the same for all of the stakeholders, each CEO had a different

³¹ Ziach, M. 2011. Allianz płaci Górnikowi tylko za reklamę. [Allianz pays Górnik only for advertising.] *www.SportoweFakty.pl* 8 April 2011.

approach to strategy formulation. Moreover, two of them had characteristics of charismatic leaders materialising their own vision.

In our study we would like to collide these strategic management styles at the club performance background.

The purpose of this case study is to test the theory drawn on the entrepreneurial school of strategy³², implied by Gregory that the outcome of leaving strategic management only in the hands of a strong visionary leader could produce dichotic, bipolarised results. It could produce a terrific success or a terrible failure.

The data were triangulated using different data source: interviews, archives, press articles, results of the organisation considered both in terms of sport results as well as in terms of financial results. The financial results are probably less important to this kind of organisations, in spite of the contrary declaration of the owners. However, just like every organisation, a sport club needs some resources to survive and financial results, even if not the main source of financing, should attract potential sponsors or at least not push them away.

The football sport club literature review

Football literature review

Football has a long history and in some countries it accounts for multi-million euro operations with several million of sport fans involved³³.

The football industry is very interesting from the strategic management standpoint, because very often despite of being managed by professional entrepreneurs, despite of large amount of money put into it by investors, sponsors, fans, even the best performing clubs lose money and are in chronic financial crises. Clubs managers and owners pay most of their attention to sport performance neglecting financial performance even though they are closely related³⁴. Most of the clubs are financially insolvent if to apply the same criteria as to firms. However, in football there are a lot of benefactors

³² Mintzberg, H., Ahlstrand, B. et al. 2005. *Strategy safari: A guided tour through the wilds of strategic management*. Free Pr.

³³ Elliott, D., Smith, D. 1993. Football stadia disasters in the United Kingdom: learning from tragedy? *Organization & Environment*, no. 7(3), p. 205.

³⁴ Senaux, B. 2008. A stakeholder approach to football club governance. *International Journal of Sport Management and Marketing*, no. 4(1), pp. 4–17.

involved whose motivations are mostly based on sentimental reasons³⁵. The football industry has very high labour costs due to highly competitive players' market. However, sport performance of the club is closely related to players' salaries. The sport results influence the most important streams of revenues (television rights, sponsorship, etc.)³⁶ and sport managers are focused on the maximisation of the financial results increasing the number of sport fans who provide the financial income³⁷.

Due to this industry structure-performance relationship the selection of skilled players and the price paid for them are the key components of club strategic management and they account for an important part of the financial and operational performance.

In the football industry the key strategic variables are the players and team selection. Players are contracted for a couple of years, the prices paid for them are very high. Furthermore, the cost of earlier termination of the contract is very high and plays a key role in the financial and operational results of the club. Moreover, players are the most important assets for the club. Especially in Poland the clubs are not the owners of the stadia, so in their balance sheets the assets are composed mostly of the players' contracts amortised through their length.

Elliott and Smith cited Sloane that football clubs are not focused on profits maximisation, but on utility maximisation. However, sponsors and owners have different perspectives.

The involvement of firms in football sponsorship has increased in the last decade. Corporate sponsors usually apply more formal and professional approaches to the management of football clubs. Corporate sponsors do not think strategically and have a short-term vision of football clubs and that is the principal reason of sponsorship failure. Furthermore, corporations do not

³⁵ Elliott, D., Smith, D. 1993. Football stadia disasters in the United Kingdom: learning from tragedy? *Organization & Environment*, no. 7(3), p. 205; Grundy, T. 2004. Strategy and financial management in the football industry. *Strategic Change*, no. 13(8), pp. 405–422.

³⁶ Szymanski, S., Smith, R. 1997. The English football industry: profit, performance and industrial structure. *International Review of Applied Economics*, no. 11(1), pp. 135–153.

³⁷ Elliott, D., Smith, D. 1993. Football stadia disasters in the United Kingdom: learning from tragedy? *Organization & Environment*, no. 7(3), p. 205; Grundy, T. 2004. Strategy and financial management in the football industry. *Strategic Change*, no. 13(8), pp. 405–422.

place sponsorship in their larger marketing vision and the decisions in this area are spontaneous and do not fit in the other marketing actions³⁸.

The football industry fits well into the characteristics of entrepreneurial school strategic management, because of its characteristics. Very often clubs are managed by professional entrepreneurs³⁹.

Football clubs face intensive competition and are very often in a hyper-turbulent situations. As it will be highlighted in our case study, football clubs require dynamic strategic management, because key decisions have to be taken in short periods of time. Often in player transfer windows, the choice has to be made within an hour, not in days or weeks. For these reasons the football industry fits well in the frame of the strategic entrepreneurial perspective.

Górnik Zabrze brief historical outline

History of GZ

The club was created as a merger of four local sports clubs in December of 1948. From the beginning GZ was one of the most important sport clubs in Poland. Although at the beginning it was a multisport club with football team constituting an important part of it. Today it is mostly know as a football club.

In the first season GZ won the championship of Silesia but was not promoted to the second Polish league until 1950. [www.gornikzabrze.pl] At that time GZ had 20,000 fans which even today accounts for a significant number and even today the most popular football clubs cannot show this range of commitment of fans. GZ supporters from the inception of the club were very powerful strategic stakeholders and contributed to the successes and even the survival of the club. It was also mentioned by one of the interviewed CEOs that such a large number of fans represents an important element and a real burden in decision-making process:

‘... in the case of such clubs as GZ, where fifteen or even twenty thousand of fans come to see the match and other several thousand follow closely the Internet to check the news about the club and each move of the Management Board is commented in the number of several thousand posts on the Internet.

³⁸ Chadwick, S., Thwaites, D. 2004. Advances in the management of sport sponsorship: fact or fiction? Evidence from English professional soccer. *Journal of General Management*, no. 30(1), pp. 39–60.

³⁹ Senaux, B. 2008. A stakeholder approach to football club governance. *International Journal of Sport Management and Marketing*, no. 4(1), pp 4–17.

So, you feel the pressure and you are in a certain way ... I believe, it's a certain burden in the decision making process...?'

In 1957 GZ won the Polish championship and afterwards repeated this success fourteen times in its history. It is together with another Silesian football club, Ruch Chorzów, the best score in Poland. Furthermore, as the only Polish team, GZ played in the final of the European Cup Championships and had many other impressing successes.

The major failure was in the 70s when for one year the club slipped off to the Polish second league, but in the following year they won the Polish championship again and proved the quality of their game. [www.gornikzabrze.pl]

First visionary entrepreneurial CEO

In 2006 and at the beginning of 2007 the club experienced a difficult situation and hardly survived in the Polish Extraclass (the most superior league in Polish football). There were grave problems in all areas of the club – especially the financial situation suffered and the club was close to filing for bankruptcy. The collapse of the club impended due to cash-flow problems⁴⁰.

Then the first visionary leader took over the management of the club mostly due to the concern of the players and the club itself. Just before this assignment he was a football players' manager and some of his players worked for GZ. When the club was not able to pay their salaries he noticed that GZ was close to collapse mostly for the financial and operational reasons. Together with his friend he started looking for a new club sponsor or even owner. They made an alphabetic list of possible companies that could be interested in investing in the club and they become the negotiations. Allianz Polska – a branch of a German insurance company was the first on the alphabetic list because its name started with an 'A'.

His approach confirms Mayer's observation about non-monetary objectives of entrepreneurs. His main motivation was not to make a fortune managing the club, but to save the club and as an experienced leader, he took over the club's CEO position.

As a matter of fact, Allianz was looking for a new way of promotion in the south of Poland. The first CEO presented his vision to Allianz and persuaded its management board to invest in the club. At that time the club

⁴⁰ Szendera, K. 2011. Allianz w Zabrze – historia prawdziwa. [Allianz in Zabrze – true story.] *futbolnet.pl* 27 January 2011.

financial situation was not easy due to huge debts generated by unsuccessful performance in the previous periods⁴¹.

This leader believed that besides being one of the most popular Polish football clubs, GZ had been very poorly managed before he took over the managerial position. He refers to the management board of that time saying:

‘I had a doubtful pleasure to talk to the club managers of that time: one of them was drunk all the time and the other was a freak’.

Moreover, he mentioned very weak and unprofessional support team for the club and the players. Just to illustrate it he mentions that there was only one physiotherapist without any qualifications in this field who treated players with some unprescribed drugs.

The situation fits perfectly to the entrepreneurial strategic school, because the club was in a turnaround situation and a strong visionary leader was needed to take on management and inspire the organisation with his vision and drive it to a successful future. The football scenery also corresponds entirely to the entrepreneurial strategic perspective because of its dynamic character, turbulent environment and a key role of visionary and experienced leaders⁴².

At the beginning of his tenure the city of Zabrze was still the owner of the club and the discussions with Allianz were progressing, but no agreement was signed. He was the only person who was taking decisions and managing the club⁴³.

On the one hand, he had a long-term vision that persuaded Allianz to purchase the club and invest in it significant amounts of money but, on the other hand, his short-term vision was to assure the clubs survival due to financial and organisational problems.

The long-term vision was really gorgeous: the Polish Championship in 2012 and some even more ambitious goals in the European challenges⁴⁴, which is also confirmed by an independent financial manager. However, first he had to take care of the daily problems and ensure the survival of the club.

⁴¹ Sachs, K., Dębicki, T., Jaroszewski, R., Zawadzki, M. 2010. *Ekstraklasa piłkarskiego biznesu 2010*. [Extraclass of football business 2010.] Ernst & Young.

⁴² Selsky, J.W., Goes, J. et al. 2007. Contrasting perspectives of strategy making: Applications in ‘hyper’environments. *Organization Studies*, no. 28(1), p. 71.

⁴³ Płatek, P. 2007. Górnik Zabrze – ubezpieczą się od porażek? [Is Górnik Zabrze insuring itself against defeat?] *Gazeta.pl* 28 May 2007.

⁴⁴ Szendera, K. 2011. Allianz w Zabrzu – historia prawdziwa. [Allianz in Zabrze – true story.] *futbolnet.pl* 27 January 2011.

In fact GZ lost most games in the season 06/07. However, before he took over the managerial position the results had been worse and he was able to survive in the Polish Extraclass with ‘...the worst team in the league’. He refers to this as to one of his biggest successes.

The overall corruption problems in Polish football of that time played an important role. Another important factor that helped GZ not to slip off out of the Extraclass was the downgrade of other clubs as a corruption penalty. So GZ took their place and kept the last position in the Extraclass.

In June 2007 Allianz took over the majority shareholding in Górnik Zabrze outlining the bright future for this football club. A very ambitious objective was set of winning the Polish championship in 2012⁴⁵. Allianz kept the CEO at his position and dominated the supervisory board of the club which was shared with the city of Zabrze representatives. However, the effective power of the supervisory board was in the hands of Allianz.

As a part of corporate procedures Allianz implemented the budgeting process of planning the clubs activity and expressing it in numbers in the Allianz financial format. In the club at that time there was no appropriate person for financial management, so the organisation signed an agreement with independent audit and consulting company that appointed a dedicated person for this assignment. The new independent financial manager’s responsibility was to help the CEO with the budgeting process and implement the financial management at the club.

When the agreement with the new investor was finally signed and Allianz helped the club financially, the CEO was able to make some significant changes in the team of players and implemented some structural changes in the club to materialise his long-term strategic vision. Even though he was criticised by the press for the selection of players⁴⁶, the club started to win the following matches and significantly improved the sports results.

However, Allianz did not allow for the entrepreneurial way of management and insisted on changes to more corporate strategic planning with the strong role of planning tools mostly focused on financial and cash-flow measures. The CEO of that time believed that it was inappropriate for the sport club that operated in a very dynamic organisation in the complex or even turbulent environment. The decisions have to be taken quickly and very often even if

⁴⁵ Ziach, M. 2011. Allianz płaci Górnikowi tylko za reklamę. [Allianz pays Górnik only for advertising.] *www.SportoweFakty.pl* 8 April 2011.

⁴⁶ Płatek, P. 2008. Górnik Zabrze – upada z Kasperczakiem. [Górnik Zabrze is falling with Kasperczak.] *Gazeta.pl* 23 November 2008.

they are not planned in advance they could be very beneficial for the club and profitable for the owners. He refers to this situation:

‘In the sport club the situation and events happen quickly and the situation is dynamic. I’ll tell you as a curiosity that there was a marketing person from Allianz in our club for one day. And at the end of the day he came to me and so ... you know, heavily tired just by watching and he says: “Is it always like this in here?” And I say “Sir, it was a calm day”. He said that would be too much for him’.

This proves the difference in the perception and in the business activity between the corporate and entrepreneurial approaches. Allianz operated in a much more stable environment. Furthermore, Allianz was a part of a multinational company that was managing strategic issues in a formal planned corporate way. At GZ the CEO was not used to this kind of strategic management. For him it was more important to exploit arising opportunities than to plan operations in advance because of the dynamic settings of the club. He had a perception that even if we plan, the life in a dynamic football club will show a different future, so the plans only indicate various scenarios. On the other hand, Allianz viewed the plans as a formal commitment. That was one of the first fundamental misunderstandings between these two perspectives.

There was a major disagreement concerning the most important performance indicators. Allianz insisted on short and medium-term financial results while the CEO on sport results. The CEO believed that financial aspects were also very important, but it was a kind of by-product of sport results. Sports results were the major driver of financial results, so the club should have concentrated on its game activity.

These cross-purposes were aggravated by increasing formality of club management imposed by Allianz. The new owner was used to working according to different management standards and the formal procedures were something obvious for Allianz. The interviewed independent financial manager recalls that the purpose of her project was to

‘...adjust GZ to the Allianz’s structures, which meant implementing the systematisation of work in the club, to make the CEO respect the legal procedures and let the supervisory board approve the most important contracts’.

Before she started to work for the club there was a very limited flow of information to Allianz because the CEO kept everything to himself. She refers to his way of management as a ‘very spontaneous and artistic mess’. She described him as an entrepreneur with a vision who did not understand

finance and who was not a 'team player' type of manager, but rather worked alone. This is a common feature of many entrepreneurs⁴⁷.

His strategic vision was to purchase new players and in two or three years be in top three in Polish football and also take part in the European football cup. That is why he signed long-term contracts with some new players. Those contracts were not easy to terminate before their expiry and in case of earlier contract termination severe penalties had to be paid.

At that time the struggle of the corporation with the visionary manager begun. On the one hand, Allianz wanted to make management much more transparent but, on the other hand, the decision validation procedures were taking too much time, which significantly decreased the clubs flexibility. The club operated in a very dynamic setting and the lack of flexibility and the slow decision making process constituted significant strategic disadvantages, because they disabled grasping arising opportunities in the entrepreneurial and strategic way. The CEO said:

'As far as the Allianz period is concerned, all the rigour, habits, procedures of the corporation were implemented, which paralysed the decision making process in a remarkable way. ... it's not that I had to be controlled... but sometimes in the sport club decisions have to be taken within an hour – especially within the players transfer periods. When I had an offer (author: for a player), and I had to take the decision quickly to contract the player, I was not allowed to do this, because I had to send 40 emails and I had to receive 30 answers, and then I had to persuade someone orally. The outcome often was that another club acquired this player and the result was that we were not efficient on the market. ... Afterwards it rose to paradoxical dimensions'.

It proves, on the one hand, the entrepreneurial way of management – especially strategic management, since the players are one of key strategic variables of the football club due to their long-term commitment and impact on the club results, both sport and financial ones.

On the other hand, it showed that this entrepreneurial strategic way of management is the most suitable for football clubs due to their dynamic character and arising opportunities that have to be explored in very short-time frames⁴⁸.

⁴⁷ Zaleznik, A. 1977. *Managers and leaders: Are they different*. Harvard Business Review.

⁴⁸ Ireland, R.D., Covin, J.G. et al. 2009. Conceptualizing corporate entrepreneurship strategy. *Entrepreneurship Theory and Practice*, no 33(1), pp. 19–46.; Selsky, J.W., Goes, J. et al. 2007. Contrasting perspectives of strategy making: Applications in 'hyper'environments. *Organization Studies*, no. 28(1), p. 71.

Allianz as a very large corporation was not able to let only one person manage the club and insisted on formal procedures. The CEO of that time confirmed that:

‘... it was an attempt of putting the sport club in the corporations rigour which brought more bad than good’.

He also added that:

‘This implementing (author: of the formal procedures) was the biggest mistake of Allianz, that they imposed the corporation standards on the sport club, where they are just impossible’.

This wrestle of two different ways of management resulted in the deterioration of the sports results. Besides the fact that the club lost a series of games in this period, GZ ended the 2007/2008 season with a relatively high ranking score (8). The high final ranking score resulted from a positive impact of first part of the season influenced only by the entrepreneurial strategic approach and a strong negative impact of mixed strategic management styles of the second part of the season.

At the beginning of the following season GZ followed the trend from the end of the previous year and it did not win any match. Allianz decided to change the CEO because of the unsatisfactory sport results⁴⁹.

Just to summarize the tenure of the first CEO, his main goal was to rescue the club from the bankruptcy and closure. The only way to do this was to find a new owner or a sponsor who would help the club to solve its urgent financial problems. In the subsequent period he developed a long-term vision and he rebuilt the team of the players to attain this vision. The inevitable friction of two different ways of management ended up with sport performance deterioration⁵⁰.

Second political CEO and charismatic coach

The next CEO had a political background and his main objective cited in the press interview was to ‘adjust GZ to corporate circumstances required by the Allianz companies’⁵¹. Allianz also nominated a very famous football coach. The first CEO cites this fact as the main reason of departure.

⁴⁹ Płatek, P. 2008. Prezes Szuster zrezygnował, Kasperczak u bram. [President Szuster resigned. Kasperczak at the gate.] *Gazeta.pl* 10 September 2008.

⁵⁰ Płatek, P. 2008. Prezes Szuster zrezygnował, Kasperczak u bram. [President Szuster resigned. Kasperczak at the gate.] *Gazeta.pl* 10 September 2008.

⁵¹ Łukasz Mazur prezesem Górnika Zabrze. [Łukasz Mazur – the CEO of Górnik Zabrze.] *WirtualnaPolska* 1 March 2010.

At that time Allianz was still present only in the supervisory board, but with a strong focus on the validation of all decision as well as making some strategic choices, such as new coach selection or CEO nomination. The new CEO objective was to implement Allianz procedures and follow the Allianz corporate way of management. Nevertheless, the new coach turned out to be a visionary and charismatic leader. The new CEO did not manage the club alone but left all important decisions in the hands of the charismatic and experienced trainer⁵². Instead of strategically manage the club, the CEO made many populist operational decisions, for example giving the raises to the staff of the clubs, buying new nice-looking office equipment, etc. Things which were not necessary for the club success.

The new trainer was very famous for his track record in his football assignments in Africa and there were rumours that he could be proposed the position of Polish National Team coach. That was one of the major negotiation points, because in the case of this proposition he wanted to be excused from working for GZ. As a matter of fact the power structure was similar to the one before, but the leader was stronger, more charismatic and nobody questioned his decisions.

The previous CEO says that:

‘They (author: Allianz) knew that if they hired this coach he would be given the entire power. That means he would be making all the decisions concerning the transfers of the players, club policy, concerning who wears which shirt. If I’m the CEO and I’m responsible for the organisation, the coach in my club will be in charge of training and nothing more. Every coach has the proneness to making money on transfers – EACH’.

This suggested that it is one of the football characteristics that whenever a coach has too much power he will have some vocations for illegal money making on player transfers, because this process is never transparent and the large sums of money are involved. Taking into consideration the corruption scandals in Polish football and opportunistic nature of people it could be a reliable suggestion.

One of the other stakeholders involved reluctantly admitted this coach had been called informally ‘Steve small coin’ in his previous assignment, which confirms this assumption. It is just a supposition and furthermore it falls in the areas of governance and corruption in Polish football which are excluded from this study. Albeit the fact is that he made seven transfers

⁵² Płatek, P. 2009. Kasperczak tylko czarował – grzechy główne Górnika Zabrze. [Kasperczak was only misleading – deadly sins of Górnik Zabrze.] *Gazeta.pl* 31 May 2009.

for the largest sums in Polish football at that time⁵³. Furthermore, as the interviewed independent financial manager highlights:

‘All the propositions of the player transfers came not from the CEO but from the coach. The CEO was just a mediator between the coach and Allianz’.

First of all, this proves the power structure: the CEO with the political background leaving the major decisions to the strong coach. So, in fact, the coach was the leader of the club.

Secondly, it shows that the coach alone was responsible for the most important decisions, so in fact he should be responsible for the club failures and successes⁵⁴.

The coach was a charismatic type of leader that could blind others with his decisions. Despite of some unfavourable voices in the press about poor players management in his previous club⁵⁵ and in spite of a very poor track record in GZ, he was chosen by football fans ‘the Coach of the year’ in the local newspaper. The charismatic coach through the series of game failures was leading the club to its major disaster and all stakeholders were expressing the support for his decisions as well as they were approving his way of management. It was completely different from Allianz’s previous approach.

It proves the leadership skills of this coach and partially confirms our proposition 2. The situation was similar to Vivendi and its charismatic CEO Jean-Marie Messier.

In the contrast to the first CEO, Allianz did not question the decisions of the new coach and let him manage the club that was in a worse and worse situation. The turning point was at the end of the game season. The shift of club’s owner towards this charismatic coach took place when the club lost the last game in the season 2008/2009 and fell out of the Polish Extraclass. Such a huge failure happened only twice in 60 years of the club history. GZ did not have such a disastrous result even in the years when it did not

⁵³ Płatek, P. 2009. Kasperczak tylko czarował – grzechy główne Górnika Zabrze. [Kasperczak was only misleading – deadly sins of Górnik Zabrze.] *Gazeta.pl* 31 May 2009; Czado, P., Zawadzki, P. 2009. Klęska i szok Górnika Zabrze, szalikowcy zaatakowali szatnię. [The defeat of shock of Górnik Zabrze, fans attacked the locker room.] *Gazeta.pl* 31 May 2009.

⁵⁴ Gregory A. 2007. *A systems approach to strategic management*. Proceedings of the 51st Annual Meeting of the ISSS.

⁵⁵ Płatek, P. 2008. Górnik Zabrze – upada z Kasperczakiem. [Górnik Zabrze is falling with Kasperczak.] *Gazeta.pl* 23 November 2008.

have any strong sponsor, was in a weak financial situation and had poorer infrastructure.

After the dismissal of the charismatic coach Allianz was still discontent with the club management and decided to change the CEO again.

Third CEO – sport success and financial failure

This time a young entrepreneur was chosen, who had previously proved this entrepreneurial and strategic skills setting up a very successful legal consulting company.

The new CEO had a more brilliant vision of the club and even more ambitious than that of Allianz⁵⁶. He set his objectives very high to solve the personal problems in the club as well as financial, marketing and legal issues. He aimed at achieving a sports, financial and organisational success⁵⁷.

At the very beginning of the interview he admitted that:

‘I’m not corporative. Allianz took the risk and they got their fingers burnt. I’ve done too much in my life to obey the member of the board of Allianz who in reality has not done anything in his life’.

At the beginning of his career he worked for a couple of years for an international audit and legal company, but he left after the issue of governance. As he contributed a lot to the company, he took a decision about a minor upgrade of his company car without prior consent of his supervisor. As the company did not agree to this behaviour he left.

It proves his entrepreneurial approach. He believed that if he had a significant contribution to the firm, he could also take some minor advantages, because one way or the other in the net position the company benefits. He did not want to respect the corporate rules in this area.

His strategic vision of GZ was developed before his assignment, because it was requested by Allianz as one of the steps in the hiring process. He said that:

‘When I arrived to GZ there was no long-term plan. I have created such a long-term plan – this philosophy of the club. This philosophy says what we want this club to be in the future’.

⁵⁶ Ł. Mazur prezesem Górnika Zabrze [Ł. Mazur – the CEO of Górnik Zabrze] *WirtualnaPolska* 1 March 2010.

⁵⁷ Melka, M. 2010. Czego ode mnie przyjacielu chcesz? Mam cię ucałować?; Wywiad z Łukaszem Mazurem, prezesem Górnika Zabrze. [What do you want from me, my friend? Should I kiss you ?; Interview with Łukasz Mazur, CEO of Górnik Zabrze.] *Przegląd Sportowy* 15 April 2010.

When asked how he defined strategic management he answered:

‘Strategic management is the formulation of the vision of the organisation and the vision of the development. The other thing is the selection of proper people for the implementation of this vision’.

Previously he had experience with strategic management because he was a cofounder of a very successful legal consulting company. Furthermore he highlighted that ‘long-term (strategic) management is something I’m really good at’. This new vision of GZ was developed on the basis of his intuition because he did not have any prior professional experiences with football club management in the area of strategic management experiences from his previous assignments. This intuition-based vision fits well the entrepreneurial strategic school⁵⁸. Taking into account the corruption scandals in Polish football, the lack of previous experience with football clubs could be a favourable point. However, corruption issues are not in the frame of this study.

The independent expert argued that one of the milestones in the successful management of the club at that time was the engagement of a new Sport Director with significant experience in the German football league. Breitbarth and Harris argue that German clubs are very strong and with deep tradition. They are well structured in terms of financial, cultural and institutional management. In terms of benchmark he had a perfect experience to successfully develop the club.

The club leader mentioned that:

‘This sport director was my invention, but the first interview was conducted by Allianz because officially I was not at the club yet. But it was my idea’.

He stressed very often that his adventure with GZ was done with passion and that he wanted to learn from the best. That is why he hired an experienced person to help him to materialise his strategic vision.

The selection of this experienced sport director suits well the second part of his definition of strategic management: ‘selection of proper people for the implementation of this vision’.

His charisma and passion were manifested in his statements that:

‘Football is not only work. It has to be one hundred percent of a passion. I was at the club for 20 hours a day, I dreamed about it, I wanted to learn about it. It just has to be a passion’.

⁵⁸ Mintzberg, H., Ahlstrand, B. et al. 2005. *Strategy safari: A guided tour through the wilds of strategic management*. Free Pr.

His passion and involvement confirm his strategic entrepreneurial approach that is necessary for successful strategies⁵⁹.

One of his first strategic decisions as the CEO of the club was to change the players and to create the right sport team⁶⁰. He explained that:

‘The first strategic decision was to get rid of so called “stars”. Those people didn’t fit my vision, because they didn’t want to work, they didn’t want to tear along. We have created a good team and proved that there was no place for parasites’.

The implementation of his vision and getting rid of some expensive players was very costly because the previous club managers had signed long-term contracts with them. The termination of these contracts resulted in high compensations which severely decreased the financial results in the short-term, but were very promising in the long-term. Nevertheless, as soon as he initiated his tenure in the club, the sport results suddenly improved. The club lost only one of fourteen matches and ended up the season being promoted again to the Polish Extraclass.

Furthermore, in order to realise his strategic vision he initiated and implemented other organisational developments of the club that bring benefits in the long-term perspective. He started the cooperation with other football clubs to exchange best practices⁶¹, he limited the VIP tickets which were not beneficial for the club⁶², established the official fan club of GZ⁶³ and he made the club more friendly for press reporters and football fans⁶⁴.

⁵⁹ Obłój, K. 2010. *Pasja i dyscyplina strategii*. [Passion and discipline of strategy.] Poltext.

⁶⁰ Jaźwiecki, L., Klimaniec, Ł., Kuczyński, T., Musioł, R. (ed.), Sroka, J. 2011. Ranking prezesów Ekstraklasy i pierwszej ligi. Kto ma najlepszego prezesa? [Ranking of Extraclass and first league CEOs. Who has the best CEO?] *Zabrze naszemiasto.pl* 14 March 2011.

⁶¹ Hermiersz, D. 2011. Górnik podpisał umowę z „Cidrami”. [Górnik signed a contract with ‘Cidry’.] *Zabrze naszemiasto.pl* 9 February 2011.

⁶² Jaźwiecki, L., Klimaniec, Ł., Kuczyński, T., Musioł, R. (ed.), Sroka, J. 2011. Ranking prezesów Ekstraklasy i pierwszej ligi. Kto ma najlepszego prezesa? [Ranking of Extraclass and first league CEOs. Who has the best CEO?] *Zabrze naszemiasto.pl* 14 March 2011.

⁶³ Azyan, A. 2011. Rozpoczyna działalność oficjalny Fanklub Górnika Zabrze. [The official Fanclub of Górnik Zabrze begins its activity.] *Dziennik Zachodni* 31 March 2011.

⁶⁴ Ziachl, M. 2011. Trójkolorowa ruletka, czyli plusy i minusy kadencji Łukasza Mazura na fotelu prezesa Górnika Zabrze. [Tricolor roulette, i.e. the pros and cons of Łukasz Mazur in the chair of the CEO of Górnik Zabrze.] *www.Sportowe Fakty.pl* 7 April 2011.

As an entrepreneur his main objectives were non-monetary⁶⁵, which was illustrated by the fact that he decided not to receive his salary due to the poor financial situation of the club. Instead he preferred to pay the players regularly. Furthermore, he resigned from the compensation for the earlier unexpected termination of his contract and the bonus for the promotion of the club to the Polish Extraclass. Together it totalled a couple of hundreds of thousands of zlotys which constitutes a significant amount for an individual. Instead he preferred to help the club in the financial difficulties.

However, he was often referring to the club owners in an unfavourable way in public. Furthermore, he thought and acted independently from the decisions of the owners⁶⁶. He refers to this situation saying that:

‘Why I parted with the club? The main problem was the limitation of competencies of the president of the management board. It is impossible to limit my competencies. You can fire me or... have me as I am. And you may have me or not to have me, but you cannot change me’.

In April 2011 Allianz chose the second option of ‘not having him’ and terminated his contract. As an official reason it was communicated that the financial plan for 2010 had not been implemented and the financial situation of the club deteriorated. Albeit it should be noted that financial budget of 2010 did not contain some important costs (e.g. bonuses for the promotion to the Polish Extraclass) and the financial situation in 2010 was negatively impacted by out-of-Extraclass limited revenues⁶⁷. Furthermore, during the tenure of this CEO the regulations were changed and limited significantly the number of fans at the stadium which directly impacted the decreasing

⁶⁵ Meyer, G.D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

⁶⁶ Jaźwiecki, L., Klimanec, Ł., Kuczyński, T., Musioł, R. (ed.), Sroka, J. 2011. Ranking prezesów Ekstraklasy i pierwszej ligi. Kto ma najlepszego prezesa? [Ranking of Extraclass and first league CEOs. Who has the best CEO?] *Zabrze naszemiasto.pl* 14 March 2011; Suchan, M. 2011. Łukasz Mazur pożegna się ze stanowiskiem prezesa Górnika Zabrze? [Will Łukasz Mazur say farewell to the position of the CEO of Górnik Zabrze?] *Dziennik Zachodni* 23 March 2011; Ivan. 2011. Czy prezes Górnika straci posadę? Klub dementuje. [Will the CEO of Górnik lose his job? The club denied.] *Zabrze naszemiasto.pl* 12 January 2011.

⁶⁷ Grygiel, A. 2011. Łukasz Mazur zapowiada pozew przeciwko szefowi rady nadzorczej Górnika Zabrze! [Łukasz Mazur announces a lawsuit against the head of the supervisory board of Górnik Zabrze!] *Zabrze naszemiasto.pl* 12 April 2011; Sachs, K., Dębicki, T., Jaroszewski, R., Zawadzki, M. 2010. *Ekstraklasa piłkarskiego biznesu 2010*. [Extraclass of football business 2010.] Ernst & Young.

revenues. Moreover, there was a strong negative impact of some contracts terminations with expensive players during the team restructuring process at the beginning of his tenure. The contracts had been signed by previous managers and charged the financial statements of 2010. It was the most important negative financial impact. As the sport performance illustrated, changing expensive 'stars' to reasonably cheaper players impacted the performance of the club positively. The restructuring costs were one-off while the benefits were recurring financial factors.

The financial situation of GZ has never been good for the last several years or even more. It was supposed to improve after the takeover of shares by Allianz, but in fact it did not get any better. The players still received their salaries with delay, the liabilities were not settled on time and the account payable exceeded the value of the assets. Furthermore, the club profitability was not different from other Polish clubs and the financial loss often exceeded the revenues⁶⁸.

Allianz leaves Zabrze

After the dismissal of the last CEO of our study Allianz took the decision to withdraw from this investment and sold their shares to the city of Zabrze⁶⁹. Apparently they also realised that strategic management of the club could not be done in a planned formal way and it should have been done by visionary entrepreneurs. Allianz as a large and stable corporation could not integrate the entrepreneurial management of the sport club.

An alternative explanation of the decision of Allianz concerning the disinvestment could be that the corporation did not realise that their strategic management approach was not appropriate for the club, but only concluded that the investment project was unsuccessful.

The situation was similar to that of BMW which invested in the F1 team 'BMW Sauber' and after the series of unsuccessful seasons they withdrew from this project. Apparently in sport clubs the corporate way of strategic management is not suitable and definitely it cannot be mixed with the

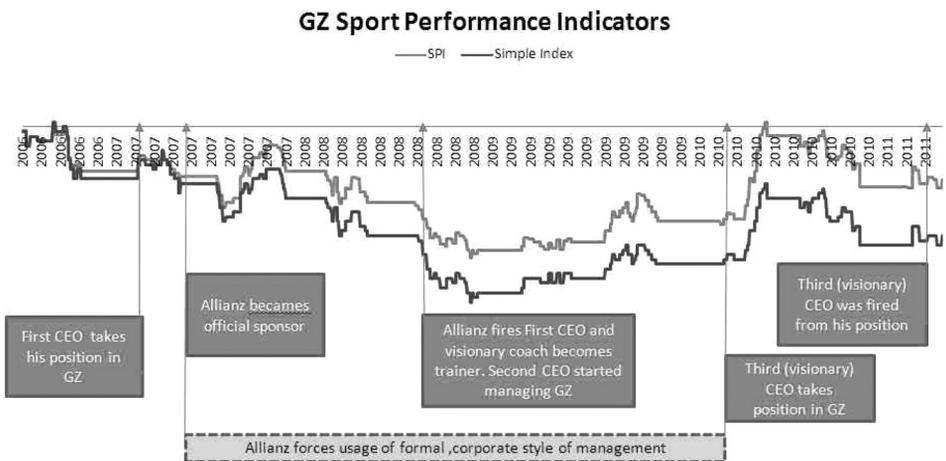
⁶⁸ Szendera, K. 2011. Allianz w Zabrzu – historia prawdziwa. [Allianz in Zabrze – true story.] *futbolnet.pl* 27 January 2011; Sachs, K., Dębicki, T., Jaroszewski, R., Zawadzki, M. 2010. *Ekstraklasa piłkarskiego biznesu 2010*. [Extraclass of football business 2010.] Ernst & Young.

⁶⁹ Grygiel, A. 2011. Łukasz Mazur zapowiada pozew przeciwko szefowi rady nadzorczej Górnika Zabrze! [Łukasz Mazur announces a lawsuit against the head of the supervisory board of Górnik Zabrze!] *Zabrze naszemiasto.pl* 12 April 2011.

entrepreneurial strategic approach. These two perspectives besides some similarities are so fundamentally different that one or the other should be applied. This confirms our proposition 1. Sport clubs operate in such dynamic settings that the strategic operations cannot be planned in advance for years ahead. In the dynamic scenery the leader’s vision, intuition and experience are the key to the long-term strategic success. These values fit neither the corporate planning strategic school nor corporate formal strategic management.

Sport Results Index (SPI)

We would like to visualise how different styles of management influenced sport performance of GZ and to allow better understanding which CEO drove the team to better results. Details on how the SPI is created are available in appendix I, but in general it is worth mentioning that we took into consideration not only result of the game (win, loss, draw), but also the number of goals scored or lost and whether the competitor is a weak or strong team (based on the final results of this team in the overall summary at the end of the round). The SPI is created artificially and although we could not find specific literature to support the design and development of the index we believe that our approach is correct because it shows very similar results to our findings from the Qualitative Methods.



On the basis of the analysis of the chart we can see how the performance of the team was developing during different periods of different types of management. When the first CEO took his position in GZ and still Allianz

was not a sponsor of the team SPI did not change much during this round. Afterwards when Allianz became the official sponsor and owner of the team we could see a systematic decrease of the index. The most dramatic decrease was just after the first CEO's resignation during the autumn 2008 round. Afterwards we could observe a slow and systematic increase of the index, but not to the levels recorded before Allianz become the team owner. During the whole period of applying formal, corporate rules the SPI of GZ first dropped down dramatically, which could indicate that at first the club suffered from the implementation of the new style of management and in the second part of this period the SPI slowly increased as the organisation got used to it and also due to the second CEO's charisma. What is most worth mentioning is a rapid increase of the SPI when the third CEO took his position. Based on interviews and articles review we conclude that this was the most visionary leader with a strong position and a proper managerial background. He neglected formal management dictated by Allianz and used his vision to dramatically increase sport performance in a short time.

Summarising, we could assume that findings from the SPI analysis are in line with our findings from the interviews and articles analysis that a strong and visionary leader can change the performance of the team dramatically in a relatively short time.

RESULTS

Common findings from all interviews were that all leaders of the sport club fitted well the definition of the strategic entrepreneur. They were mostly driven by passion and very often highlighted that managing the sport club was not just a job. It was much more, so high personal involvement was absolutely necessary. They were involved totally in the club life. They worked in the club for many hours a day, they dreamed of it at night, they wanted to learn and develop the club. It was also manifested in the way they talked about the club during the interviews. Furthermore, they always referred to the club as 'we' even when they did not work for the club any more for months or even years. For them this assignment was something much more than just a regular occupation. It was the way of their lives, their lifestyle profession⁷⁰.

⁷⁰ Meyer, G.D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

This view of the entrepreneurial approach is consistent with most definitions in the literature⁷¹. Passion is also considered to be an important entrepreneurial factor of successful strategies⁷². However, when asked about their visions we found some differences due to their long-term focus which linked their entrepreneurial approach with the strategic management perspective.

Other findings concerned their focus on non-monetary factors. The first CEO was focused on the survival of the club and finding the a club owner which could ensure the club existence. The last CEO was concentrated on the development of the club. These were the major driving forces of their strategic vision and their key strategic variables. They were interested in the club sport performance and showed that as a consequence the financial results would follow.

However, it contradicted the corporation – club owner perspective. Allianz was mostly focused on short-term financial performance and argued that it should be the first objective. The sport results should be only a way to achieve business profitability. This view is consistent with Chadwick and Thwaites that corporate sponsors apply more formal approaches and do not think strategically. Furthermore, they have a short-term financial perspective.

It proves the fundamental difference between the non-monetary objectives of entrepreneurs and greed of corporate managers⁷³.

All leaders viewed strategic management of the club as the exploitation of entrepreneurial opportunities. The key strategic variable of the football club consist of the selection and transfers of player. By its nature this has to be done in the intuitive way and cannot be planned in advance. Nobody can predict new players' opportunities beforehand, their injuries and other sport related characteristics. When the opportunity arises it has to be grabbed at the right time. Only the intuition and experience will be able to show the suitable moment and appropriate opportunities. During the interviews they cited the examples of transaction that were not made because of the corporate slow decision making process. On the other hand, the corporation

⁷¹ Meyer, G.D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

⁷² Oblój, K. 2010. *Pasja i dyscyplina strategii*. [Passion and discipline of strategy.] Poltext.

⁷³ Meyer, G.D. 2009. Commentary: On the integration of strategic management and entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

expected this kind of operations to be planned in advance and executed according to the plan. This was a major reason of frustration for both parties.

This approach is consistent with the literature on the entrepreneurial perspective⁷⁴ and strategic planning⁷⁵.

A long-term strategic vision was a common characteristic of all stakeholders. Both the entrepreneurial CEOs and Allianz were focused on a long-term vision. This proves their strategic management approach, albeit different in its nature.

It highlights that performance is the common dependent variable of strategic entrepreneurs and formal strategists. However, they might see it differently; strategic entrepreneurs usually in non-financial terms (sport performance of the football club) while corporate managers in monetary terms (net result and return on investment).

DISCUSSION

The results of this study demonstrate the extent to which the entrepreneurial strategic school is applicable in a specific type of organisations and how this approach is different from the formal corporate planning school. It highlights the differences and similarities of both perspectives and concludes that both styles cannot be combined in some type of organisations. Football clubs should be managed by a single charismatic leader who will inspire followers with his vision. It is very important to manage the club in a charismatic way, because it raises the level of motivation and involvement of different stakeholders. It creates a specific spirit of the club and involves very powerful energy. Once it is started it is transformed into a self-driven cycle. On the one hand, it augments the number of fans supporting the club, which in turn releases the increased motivation of players, which in turn intensifies the involvement of fans even more. A football club is a passion not only of charismatic leaders, but also of players, fans and the local community. All of

⁷⁴ Kraus, S., Kauranen, I. 2009. Strategic management and entrepreneurship: Friends or foes? *International Journal of Business Science and Applied Management*, no. 4(1), pp. 37–50; Sandberg, W.R. 1992. Strategic management's potential contributions to a theory of entrepreneurship. *Entrepreneurship Theory and Practice*, no. 16(3), pp. 73–90.

⁷⁵ Armstrong, J.S. 1982. The value of formal planning for strategic decisions: Review of empirical research. *Strategic Management Journal*, no. 3(3), pp. 197–211.

them have a common objective of being the best and supporting their most important ideas of winning with other clubs.

On the one hand, previous research on the subject of the entrepreneurial strategic school has found that it is the most suitable approach for start-up firms, turnaround situations where the key role of a charismatic visionary leader is necessary⁷⁶. On the other hand, the current research suggest that that even a mature large corporation should adopt a more entrepreneurial strategic approach in order to be more flexible, innovative and change quickly to exploit the arising opportunities⁷⁷.

It appears that, given the highly competitive economic environment, the entrepreneurial approach should be suitable for mature large corporations, but they should shift the strategic management style definitely just like IBM or ABB did⁷⁸. The mix of the entrepreneurial approach and formal corporate strategic management is like Porter's strategy of 'being stuck in the middle' that does not yield any success. In this situation the company faces the clash of different fundamental assumptions and a failure of this approach seems to be inevitable.

Other problems concerns strategic planning itself. Grant illustrates that the serious issue of today's organisations is to distinguish planning from strategising. Often formal plans cover up poor strategic abilities. As noted in our study, the corporation's objective was to put the sport club in the frame of formal strategic plans whereas in fact is just blocked the real strategising of visionary leaders who proved their successful strategic management, but failed to meet the corporate standards. Scholars argue that strategic planning is not strategic decision making⁷⁹ and should be considered much more as a coordination and performance managing instrument than a strategy formulation process.

The most important aspects of strategising consist of involvement, feeling of intimacy and harmony with the organisation and the environment,

⁷⁶ Mintzberg, H., Ahlstrand, B. et al. 2005. *Strategy safari: A guided tour through the wilds of strategic management*. Free Pr.

⁷⁷ Kraus, S., Kauranen, I. 2009. Strategic management and entrepreneurship: Friends or foes? *International Journal of Business Science and Applied Management*, no. 4(1), pp. 37–50.

⁷⁸ Harreld, J.B., O Reilly, C.A. et al. 2007. Dynamic capabilities at IBM: Driving strategy into action. *California Management Review*, no. 49(4), p. 21; Koźmiński, A.K. 2008. *Management in Transition*. DIFIN.

⁷⁹ Grant, R.M. 2003. Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, no. 24(6), pp. 491–517; Mintzberg, H. 1987. *Crafting strategy*. Harvard Business Review.

experience and commitment⁸⁰. These are the characteristics of visionary leaders and contradictions of corporations. The leaders presented in our case were totally devoted to the organisation. Even some years after dismissal they still refer to the organisation as 'we'. They still have this intimacy and involvement even if formally they do not have any duties in the club.

All leaders described in our study proved their leadership skills and charismatic approach. With their charisma and involvement they were able to inspire others and make others follow them⁸¹. We would argue that they were Gregory's type of leaders able to blind others with their visions and release group-thinking.

The first leader was able to persuade the corporation to invest millions of zlotys into the club that had not had any strong positions in Polish football for many years. Besides interesting history, the club was in a poor operational condition and had inadequate staff.

The second leader was highly supported by all stakeholders who approved his decisions beside the fact that GZ was losing all games and the club was heading to an imminent disaster. For the second time in its history the club was thrown away of the Polish Extraclass and nobody questioned the decisions of the leader until it was too late.

Third leader, despite the fact that the club restructuring process limited the advantages of all stakeholders, was highly supported. This leader was able to influence the sport fans so much that after his dismissal they pleaded for him displaying slogans and rhymes during the matches.

As real-life strategy making is probably in-between deliberate and emergent⁸² the same rule applies to the entrepreneurial approach. Probably this perspective does not represent the entire picture of strategy formulation and other approaches are also valid. Although in some organisations and in some situations the entrepreneurial approach is the most suitable or even the only one possible.

There are several alternative explanations of the problem we studied⁸³ that would involve the themes we consciously abandoned. Among them there is a very interesting, occurring in Polish and also in global football, the problem of corruption that tormented the Polish league for years. Other

⁸⁰ Mintzberg, H. 1987. *Crafting strategy*. Harvard Business Review.

⁸¹ Zaleznik, A. 1977. *Managers and leaders: Are they different*. Harvard Business Review.

⁸² Mintzberg, H. 1987. *Crafting strategy*. Harvard Business Review.

⁸³ Siggelkow, N. 2007. Persuasion with case studies. *The Academy of Management Journal*, no. 50(1), pp. 20–24.

important aspects of the phenomena of our study concerned the governance problems and the power as well as decision-making transparency.

Both areas would certainly shed some new light on sport clubs management and would improve the understanding of the phenomena. Albeit our study was concentrated on the entrepreneurial approach to strategic management and these concepts were outside of our interest, as they would limit our study.

CONCLUSIONS

As proven in this study the results of strategy management drawn on the entrepreneurial strategy school could represent a terrific success or a terrible failure. We almost want to cite Forrest Gump's mother: 'life is like a box of chocolates: you never know what you're gonna get'. Whenever a new charismatic leader is chosen we never know if the future he creates will be bright or dark, if he will provide a great success or a huge failure. However, the majority of successful ventures were accomplished by strategic charismatic leaders who were able to involve followers. Thanks to this we can enjoy today, for example, iPhone or Google.

As also illustrated the merger of Entrepreneurship and Strategic Management will stay rather an oxymoron because fundamental underlying assumptions of both perspectives are very different. However, both perspectives should approach each other, because both can benefit from each other. Formal corporate strategic management should become more entrepreneurial and entrepreneurship should benefit from large developments of formal strategic management.

AREAS FOR FUTURE RESEARCH

Both fields, Strategic Management and Entrepreneurship, are changing and evolving. Some scholars argue that both could merge into one discipline or one will take over the other. As a result a new discipline of science will be created: Strategic Entrepreneurship or Entrepreneurship-Strategic Management⁸⁴.

⁸⁴ Sandberg, W.R. 1992. Strategic management's potential contributions to a theory of entrepreneurship. *Entrepreneurship Theory and Practice*, no. 16(3), pp. 73–90; Meyer, G.D. 2009. Commentary: On the integration of strategic management and

Both approaches have many common characteristics but, on the other hand, there are many fundamental differences between them. If the merger or emergence of a new discipline is possible, it will result from the evolution of both branches of science. We feel that the area of common characteristics, background in not well researched in the mature organisations and the empirical studies are missing. Future studies could further explore this area. Moreover, the process of strategic planning is well researched, but the conclusion is that strategic planning is not strategising⁸⁵. We feel that strategising in mature firms is under-researched and some empirical studies should be done to explore how this process occurs.

Kraus and Kauranen point out that the area of transformation of a SME into a larger firm when the entrepreneur has to delegate his power to other managers is under-researched. We argue that it is an interesting research gap of the study linking the different schools of strategic thought with different stages of the firm's life cycle. There is no empirical evidence linking the development of the company from the start-up until its mature phase with various strategic management models. It would be interesting to study this matter.

The importance of financial results in sport-type organisation is very ambiguous and it has some contradictory elements. On the one hand, the principal sport objectives should support the financial results but, on the other hand, even the best and the most famous sport clubs in the world are in significant debts and do not provide the owners with profits⁸⁶. It would be a valuable contribution to studies if the actual objectives of sport-type organisations are established only in sport-terms or also in financial terms. Furthermore, the approach to strategic management in sport clubs has not been well studied. The focus of the future research should link strategic management and clubs performance.

entrepreneurship: Views of a contrarian. *Entrepreneurship Theory and Practice*, no. 33(1), pp. 341–351.

⁸⁵ Grant, R.M. 2003. Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, no. 24(6), pp. 491–517; Mintzberg, H. 1994. The fall and rise of strategic planning. *Harvard Business Review*, no. 72, pp. 107–107.

⁸⁶ Coraz kosztowniejsza zabawka Abramowicza. [Abramowicz's more and more costly toy.] *Rzeczpospolita* 9 April 2011; Manchester United coraz bardziej zadłużony. [Manchester United increasingly indebted.] *Rzeczpospolita* 22 March 2011.

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HOW A CHARISMATIC LEADER DRIVES STRATEGIC RESULTS: CASE OF GÓRNIK ZABRZE FOOTBALL CLUB

Summary

On the basis of the entrepreneurial strategy school and leadership theory we draw the conclusion that firms managed by strong charismatic leaders exclusively responsible for the strategy formulation have higher volatility of results than firms with a planned and more predicable formal, corporate approach to strategy formulation. It is so because a strong charismatic leader may have a clear and solid vision, however he might be wrong and his vision could result in a significant failure. As a charismatic leader has a strong influence on all stakeholders his decisions are usually unquestioned and his power and his decisions affect the major dependent variable – organisational performance. Furthermore, we argue that the entrepreneurial school is usually employed in the early stages of a firm's life cycle. As the firm matures the role of entrepreneurial visionary strategies scales down leaving the place for a more formalised planning process. However, in some cases an entrepreneurial visionary strategist is necessary even at the mature stages of the organisation life-cycle when the company is in a difficult, turbulent position as well as in a fierce competitive environment. The entrepreneurial strategic approach is the most suitable for some types of organisations where other approaches would not be so successful. Our findings indicate that a single charismatic leader's strategic management could result in a terrific success or in a terrible failure. However, the entrepreneurial strategic approach should not be mixed with the formal planned approach of strategic management. These two perspectives at least in some type of organisations are mutually

exclusive because of different fundamental assumptions. While in separation they could be successful, together they result in a failure.

JAK CHARYZMATYCZNY LIDER BUDUJE STRATEGIĘ: PRZYKŁAD KLUBU PIŁKARSKIEGO GÓRNIK ZABRZE

Streszczenie

Bazując na koncepcjach przedsiębiorczej szkoły budowania strategii oraz z teorii przywództwa sformułowaliśmy wniosek, że firmy zarządzane przez charyzmatycznego lidera, osobiście odpowiedzialnego za budowanie strategii, mają wyższą zmienność wyników od firm z zaplanowanym, formalnym procesem formułowania strategii. Jest to związane z faktem, że silni liderzy mogą mieć jasną i dobrze określoną wizję, lecz także mogą być w błędzie i egzekucja ich wizji może doprowadzić do istotnej porażki. Jako że charyzmatyczni liderzy mają silny wpływ na wszystkich udziałowców, ich decyzje nie są zazwyczaj kwestionowane, co powoduje, że ich wpływ na efektywność organizacji jest bardzo silny. Dodatkowo pokazujemy, że szkoła przedsiębiorcza jest zazwyczaj stosowana we wczesnych etapach życia firmy. Wraz z dojrzewaniem organizacji zmniejsza się rola przedsiębiorczego wizjonerstwa i wzrasta rola bardziej sformalizowanego sposobu budowania strategii. Niemniej jednak istnieją przypadki, gdy organizacja operuje na bardzo zmiennym oraz silnie konkurencyjnym rynku i potrzebuje nawet na późniejszym etapie swojego życia wizjonera z przedsiębiorczym podejściem do budowania strategii. Nasze wnioski wskazują, że zarządzanie strategiczne jednego charyzmatycznego przywódcy może prowadzić do albo sporego sukcesu albo sporej porażki. Jakkolwiek szkoła przedsiębiorcza nie powinna być łączona ze sformalizowanym procesem zarządzania strategicznego. Te dwie perspektywy nie mogą być łączone ze względu na różnice stojące u ich podstaw. Gdy występują jednocześnie prowadzą do porażki, gdy natomiast są stosowane rozłącznie – prowadzą do sukcesu.

КАК ХАРИЗМАТИЧНЫЙ ЛИДЕР РАЗРАБАТЫВАЕТ СТРАТЕГИЮ: НА ПРИМЕРЕ ФУТБОЛЬНОГО КЛУБА ГурНИК ЗАБЖЕ

Резюме

Основываясь на концепциях предпринимательской школы разработки стратегии и теории лидерства, мы сформулировали вывод, что компании, возглавляемые харизматичным лидером, который несёт личную ответственность за разработку стратегии, обладают более высокой изменчивостью результатов по сравнению с компаниями с запланированным, формальным процессом разработки стратегии. Обусловлено это тем фактом, что сильные лидеры могут ошибаться, и материальная реализация их видения может привести к существенному поражению. Поскольку харизматичные лидеры оказывают значительное воздействие на всех участников, обычно их решения не оспариваются, в результате чего их влияние на эффективность работы компании является достаточно сильным. Кроме того, в статье указывается, что предпринимательская школа обычно используется на ранних этапах существования компании. По мере развития организации снижается роль предпринимательского провидения и возрастает роль более формализованного способа разработки стратегии. Имеют место, однако, случаи, когда организация функционирует на изменчивом или сугубо конкурентном рынке и даже на более позднем этапе своей деятельности нуждается в визионере с предпринимательским подходом к разработке стратегии. Данное исследование позволяет прийти к выводу, что стратегическое управление, осуществляемое одним и тем же харизматичным лидером, может привести или к большому успеху, или к большому поражению. Тем не менее предпринимательскую школу нельзя совмещать с формализованным процессом стратегического управления. Два данных аспекта взаимоисключены по причине различий, лежащих в их основе. Когда они применяются одновременно, это приводит к неудаче, и, в свою очередь, когда они используются раздельно, результатом является успех.

APPENDIX I – METHODOLOGY OF CONSTRUCTION OF SPORT PERFORMANCE INDEX (SPI)

The SPI was designed to give better understanding of the sport performance of the GZ team, comparing it to other teams. We decided to apply several rules that we believe will measure better the sport performance of the team than simple final result and place in the league.

1. Index calculation starts at the beginning of the 2006/07 round with value 0.
2. Calculation of the index is based on number of goals GZ scored or lost during a game (example: when GZ shot 3 goals and its competitor 1, the index value increases by $3-1=2$). For the 'simple Index' (visualised on the chart together with the SPI) it was the main calculation and we did not include any additional transformations.
3. After review of the literature and using our common sense we decided to include the following rules into the calculation of our index:
 - a. Win with a better team should be rewarded by a relatively larger increase of the value of the index (which should depend on the competitor team relative position)
 - b. Win with a worse team should result in a relatively smaller value (which should depend on the competitor team relative position)
 - c. Loss to a better team should result in a smaller decrease of the value of the index (which should depend on the competitor team relative position)
 - d. Loss to a worse team should result in a relatively larger decrease of the value of the index (which should depend on the competitor team relative position)
 - e. Draw with a better team should result in an increase of the index (which should depend on the competitor team relative position)
 - f. Draw with a worse team should result in a decrease of the index (which should depend on the competitor team relative position)
4. Changes in the simple index listed in point 3 are based on the following rules:
 - a. For a win or a loss the value of the simple index is multiplied by a factor, which is calculated on the basis of a relative position at the end of given rounds for given years in relation to the competitor team. As we have 16 teams in the Extraclass and the same number in the first league we decided to use the multiplication factor of 0.5 when the difference between GZ and its competitor team is 16 and relatively smaller when this difference is smaller.

- b. In order to modify the multiplication factor we used to adjust the simple index to a relative position of GZ, we created weighting factor calculated as follows
 - i. Denominator of the weighting factor is a sum of numbers starting from 1 to 16 meaning the sum of $1 + 2 + \dots + 16 = 136$. This assures that sum of all possible weights would be $1/136 + 2/136 + \dots + 16/136 = 1$, which is a standard practice when calculating weighting factors.
 - ii. Numerator is a number calculated as a difference between the final position of GZ and its competitor (example if GZ's position is 8 and its competitor's 10 the numerator is equal 2)
 - c. For a draw we decided not to use the multiplication factor (as it would be meaningless as the simple index change value is zero in this situation and multiplication will not bring any change) but subtraction (when draw with a worse team) or summation (when draw with a better team) of the weighting factor calculated in point 4b.
5. During the break between rounds we decided that index value is does not change and therefore the last value of the index at the end of the round is used as the beginning value of the index for the following round.

APPENDIX II – INTERVIEW QUESTIONNAIRE

1. What did strategic management in GZ look like?
 - a. Who managed strategically (made key decisions) Allianz or the CEO?
 - b. For example, who hired the coach and players?
2. How is strategic management defined in GZ (what are the strategic variables – key factors of a long-term success)?
3. Previous experience in strategic management of such organisations?
4. Vision of GZ before taking up the position of the CEO and the way of its implementation? How was the vision created:
 - a. before taking the position?
 - b. was the vision changed in the course or was it the same all the time?
5. What were successes and failures in the management of GZ?
6. What went right and what went wrong, conclusions drawn from the perspective of time.
7. Who should manage GZ and why: a visionary entrepreneur or a cool strategic planner with a sophisticated methodology?
8. What does the sports and financial success of GZ depend on?
9. How much time (%) was devoted to strategic, tactical and operational actions?