

The Relationships among Salary, Altruistic Behavior and Job Performance in the National Basketball Association

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Abstract

During the 2011-12 National Basketball Association (NBA) season, the senior staffs and team players often hold different opinions on salary which results in the suspension of the game. The senior staffs want to cut human resource cost while team players would care much about their salary and interests. Therefore, the senior staff can set up a sound salary system to improve the altruistic behavior of the players as well as reduce extra human resource cost. The purpose of this study is to explore the effect of salary on altruistic behavior and job performance and the mediating effect of altruistic behavior. With teams and players of the NBA 2011-12 Playoffs as the sample, the regression analysis is adopted to verify the hypotheses. It is found from the results that salary has a significant positive impact on altruistic behavior as well as job performance. Meanwhile, altruistic behavior has a significant positive impact on job performance and partly exerts mediating effect on the relationship between salary and job performance.

Keywords: salary; altruistic behavior; job performance; National Basketball Association

1. Introduction

Because of the economic depression, the bosses and the employees pay particular attention to salary. As for the boss who has to cut the human resource cost, he/she will adopt many approaches such as layoff, unpaid leave, downsizing, hiring atypical part-time workers to reduce the enterprise cost and deal with the competition in economic recession. Accordingly, the workload of employees will increase while the salary is cut. So, greater attention should be given as to whether employees are satisfied with their salary or not. Even though the employees will not quit the job even if they are dissatisfied with their salaries, they may complain, slacken in work or have conflicts with the organization. This is a vicious cycle detrimental to the organization, the boss and employees.

The National Basketball Association (NBA) is the most well-known basketball league with a long history around the world, which makes the study of NBA particularly important (Martinez and Caudill, 2013). During the 2011-12 NBA season, the season was cancelled as the senior staffs and team players had seriously different opinions in the labor-management negotiations and failed to reach a consensus. The main reason is that the NBA believed the players' salaries were too high, which left little profits for the NBA or even increased the NBA's losses. Since the ideal benefit of the management doesn't exactly meet with that of labor, both parties made concessions and reached an agreement. Finally, the season resumed.

The Social Exchange Theory proposed by Blau (1964) believes that any exchange relation in an organization can be divided into two forms, namely, economic exchange relationship and social exchange relationship. The main driving force in the development of an organization is cooperation. And altruistic behavior is conducive to the cooperational and organizational performance (Blau, 1964; Organ, 1988; Podsakoff, Ahearne, and Mackenzie, 1997). An employee with altruistic behavior will make more contributions to the organization or outdo himself, which is not only beneficial to his own growth but also to the organization's effectiveness and synergy (Smith, Organ, and Near, 1983).

The study of Chou, Liu, and Chen (2013) indicates it is the altruistic behavior that the boss wants most from his/her employees. As for the organization, it will get twice the result with half the number of employees if employees have altruistic behavior especially during the economic recession. Otherwise, if an employee with altruistic behavior quits the job, it will negatively influence the organization such as contributing to less organization effectiveness and greater human resource cost.

Hence, if the senior staffs of the team can make good use of the salary to promote the altruistic behavior of players who may outdo themselves instead of simply offering a satisfactory salary to a player who enjoys the fruits of others without working or just looks like a free rider, the operational efficiency will be improved, players will be encouraged to have more altruistic behaviors and less players with altruistic behavior will have the turnover intention. Only in this way can the organization deal with the economic depression and fierce competition. On the other hand, the senior staffs can carry out the most activities with the least cost; moreover, players who are satisfied with their salary are willing to dedicate their time to their work as well as do extra work, bringing about a win-win result.

In the study of human resource and organizational behavior, questionnaires are often used. But questionnaires cannot provide objective information as people who fill in the questionnaire will be influenced by factors like social circumstance and environmental background. Thus, the result of questionnaire analysis may be inaccurate. With regard to professional sports, plenty of data about players can be used for the research and test, which can be more authentic and accurate. In addition, since these data will not be changed along with external factors, the test result will be relatively objective (Jane, 2006). The easy access of transparent information and empirical materials in this industry makes this study possible. Therefore, based on the salary and performance information of the teams in the 2011-12 NBA playoffs, the study discusses the role of altruistic behavior in the relationship between salary and performance.

2. Objectives of the Study

The research objectives of this study are as follows:

- To investigate the relationship between salary and altruistic behavior of NBA players.
- To investigate the relationship between altruistic behavior and job performance of NBA players.
- To investigate Have a good knowledge of the relationship between salary and job performance of NBA players.
- To verify the mediating effect of altruistic behavior in the relationship between salary and job performance.

3. Literature Review

3.1. Salary and Altruistic Behavior

Burgess (1989) and Milkovich and Newman (2002) believed that the salary should include the financial compensation, various substantial services and welfare within the employment relationship. Salary refers to a reward system including base salary, bonus and welfare, which are what the employees paid for their labor (Byars and Rue, 2004). Konovsky and Pugh (1994) pointed out that altruistic behavior is a positive behavior of an employee to the organization, which is beyond the call of duty. Salary will have a significant effect on altruistic behavior as well as job involvement. Altruistic behavior is also helpful to keep the organization's competitiveness, reduce the turnover rate and improve productivity and quality of work. An employee who voluntarily does extra work without conditions will contribute to the improvement of organizational performance (Robbins, 2001). The more the employee is paid, the more he feels there is fairness in terms of others' job involvement and his own involvement and the more efforts he will make in job involvement. What's more, it will have a positive correlation with altruistic behavior (Van Scotter, 2000). Based on the abovementioned discussions, the study proposes that:

Hypothesis 1: salary has a significant positive impact on altruistic behavior.

3.2. Altruistic Behavior and Job Performance

Job performance refers to the quality and quantity achieved by individuals or groups after fulfilling a task (Schermerhorn, 1989). According to Kane and Lawler (1976), job performance refers to the record of results when employees have practiced a job for a certain period of time or the effectiveness of goals that have been achieved. Job performance is the way employees perform their work. They can have their own time management, offer technology and skills to assist others or manage others and obey the leaders (Hall and Goodale, 1986).

Aranya, Kushnir, and Valency (1986) found out from their studies that employees with greater altruistic behaviors have a higher level of satisfaction than those with less altruistic behaviors; besides, altruistic behavior influences the employee turnover rate. With less altruistic behavior, employees are more likely to be absent from work or slacken in work and leave their job.

That is to say, employees with greater altruistic behaviors will dedicate themselves to extra-role behaviors such as innovation and creation instead of being late or leaving their job (Poter et al., 1974; Mowday, Poter, and Steers, 1982). Generally, employees with greater altruistic behaviors will make more efforts in job performance and show a better job performance (Steers, 1977; Poter et al., 1974). Based on the abovementioned discussions, the study proposes that:

Hypothesis 2: altruistic behavior has a significant positive impact on job performance

3.3. Salary and Job Performance

According to Donovan, Brown, and Mowen (2004), the more employees are satisfied with their salary or work, the more beneficial the behaviors towards the organization they will have. And a better work environment will upgrade contextual performance. Chou et al. (2013) also found out that the more employees are satisfied with their salary, the more they are willing to make contributions to the organization and work, have organizational identification and conduct more beneficial behaviors. Organ and Ryan (1995) suggested in their study that job satisfaction including salary satisfaction is correlated to altruistic behavior and it can directly and indirectly affect job performance by means of job and salary satisfaction. Based on the abovementioned discussions, the study proposes that:

Hypothesis 3: salary has a significant positive impact on job performance.

3.4. Mediating Effect of Altruistic Behavior

According to Baron and Kenny (1986), four conditions should be contained in verifying the mediating effect. First, independent variable has a significant impact on mediator variable. Second, mediator variable has a significant impact on dependent variable. Third, independent variable has a significant impact on dependent variable. Fourth, when mediator variable interferes with independent variable and affects dependent variable, it will turn the significant impact into a weak or non-significant impact. According to the literature review, it is found that scholars believe that salary has a significant positive impact on altruistic behavior; altruistic behavior has a significant negative impact on job performance; and salary has a significant positive impact on job performance. Based on the above logic deduction, the study suggests that in the relationship between salary and job performance, altruistic behavior has the characteristic of mediator variable. Hence, the study proposes that:

Hypothesis 4: altruistic behavior exerts a mediating effect on the relationship between salary and job performance.

4. Method

4.1. Research Framework

The study explores the teams of the 2011-12 NBA Playoffs and works out the framework as shown in Figure 1 based on literature review. It aims to have a further understanding of the mediating effect of altruistic behavior by studying the relationship between salary and altruistic behavior, altruistic behavior and job performance.

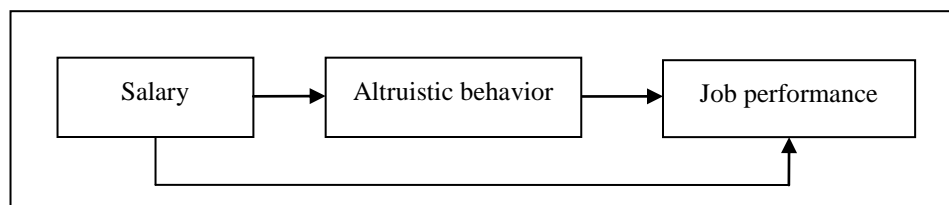


Figure 1: Research Framework

4.2. Sample and Data Collection

NBA, the most well-known basketball league all over the world, is the highest stage that every basketball player pursues in life. Players in the NBA can be considered as the most valuable and excellent players in the world. And those teams and players participating in the NBA playoffs are the representative ones.

Thus, the samples of the study are players in the 2011-12 NBA playoffs, including 16 teams with 259 players. According to the secondary data of the NBA official database, three parts are selected. The first part is players' salary representing an independent variable: salary. The second part is the number of assists representing a mediator variable: altruistic behavior. The third part is the individual score representing a dependent variable: job performance.

5. Results

The study verifies the effect of salary on altruistic behavior by means of the simple regression analysis. According to Table 1, it can be found that in terms of the relationship between salary and altruistic behavior, the whole model F value is significant and VIF value is less than 10, which means there is no collinearity in this regression. The regression coefficient $\beta=0.457$ indicates that salary has a significant positive impact on altruistic behavior. Hence, hypothesis 1 is supported.

Table 1: Regression Analysis of Salary and Altruistic Behavior

| variable | Altruistic behavior | | | | VIF |
|----------|---------------------|----------|--------------|----------------|-------|
| | β | t-value | Significance | R ² | |
| Salary | 0.457 | 7.819*** | .000*** | 0.209 | 1.000 |
| F-value | 61.143*** | | | | |

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The study verifies the effect of altruistic behavior on job performance by means of the simple regression analysis. According to Table 2, it can be found that in terms of the relationship between altruistic behavior and job performance, the whole mode F value is significant and VIF value is less than 10, which means there is no collinearity in this regression. The regression coefficient $\beta=0.642$ indicates that altruistic behavior has a significant positive impact on job performance. Hence, hypothesis 2 is supported.

Table 2: Regression Analysis of Altruistic Behavior and Job Performance

| variable | Job performance | | | | VIF |
|---------------------|-----------------|-----------|--------------|----------------|-------|
| | β | t-value | Significance | R ² | |
| Altruistic behavior | 0.642 | 13.414*** | .000*** | 0.412 | 1.000 |
| F-value | 179.947*** | | | | |

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

At last, the study verifies the effect of salary on job performance and the mediating effect of altruistic behavior, as shown in Table 3. F values in both models are significant. In model one, the regression coefficient of salary to job performance is $\beta=0.761$, indicating that salary has a positive impact on job performance. Therefore, hypothesis 3 is supported. Hypothesis 1 has been confirmed that independent variable salary has a significant positive impact on the mediator variable altruistic behavior. Hypothesis 2 has been confirmed that mediator variable altruistic behavior has a significant positive impact on job performance. Hypothesis 3 has been confirmed that the independent variable salary has a significant positive impact on the dependent variable job performance. Meanwhile, in model two, the mediator variable altruistic behavior interferes with the relationship between the independent variable salary and dependent variable job performance and reduces the regression coefficient of salary to job performance to 0.59. Based on the above analysis, altruistic behavior is found to have certain mediating effect. So, hypothesis 4 is supported.

Table 3: Regression Analysis of Mediating Effect

| variable | Job performance | | | | | | VIF |
|---------------------|----------------------|-----------|--------------|----------------------|-----------|--------------|-------|
| | β (Model 1) | t-value | Significance | β (Model 2) | t-value | Significance | |
| Salary | 0.761 | 17.803*** | .000*** | 0.590 | 14.250*** | .000*** | 1.000 |
| Altruistic behavior | | | | 0.372 | 8.982*** | .000*** | 1.265 |
| F-value | 316.946*** | | | 253.465*** | | | |

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

6. Discussion

The results show that salary has a significant positive impact on altruistic behavior, which conforms to the results proposed by Van Scotter (2000) who suggested that the more the employee is paid, the more he feels fair about others' job involvement and his own involvement, and the more efforts he will make in job involvement, which will be positively related to altruistic behavior.

It is also found from the results that altruistic behavior exerts a positive impact on job performance. So employees with greater altruistic behaviors will make more efforts in job performance and show a better job performance.

According to the verification of the study, the results suggested that salary has a significant positive impact on job performance. When altruistic behavior interferes with the relationship between salary and job performance, it will exert a mediating effect on it. This result conforms to the results proposed by Donovan, Brown, and Mowen (2004) who hold that the more employees are satisfied with their salary or work, the more beneficial behaviors towards the organization they will have, which helps improve contextual performance. Thus, it can be concluded that in order to improve performance, organizational members should not only be motivated by salary but also help each other so that a better performance can be realized with team cooperation. Under the current state of economic depression, leaders should wisely and effectively invest their money in employees with altruistic behaviors, which is beneficial to bring about the best performance for the organization as well as retain talents.

6.1. Managerial Implications

The research results show that salary can help improve job performance and that altruistic behavior has a mediating effect on the relationship between salary and job performance, which makes the relationship between salary and altruistic behavior particularly important. It is suggested that leaders should retain talents in downsizing so that they can remain competitive in the future economic recovery. But it does not mean that every employee will get a pay increase without efforts. Leaders are advised to give employees with altruistic behaviors a pay increase so that the organization can accomplish more works with the least possible labor. Thus, leaders are suggested to develop organizational culture and offer team performance rewards so that employees will have a better understanding of the importance of team cooperation and thus encourage altruistic behavior. The planning of the organizational system can offer more rewards according to the skill, post and performance to encourage employees who outdo themselves. The key point is that salary and altruistic behavior should be integrated to supplement each other. By doing so, the organization, on one hand, can retain talents and get twice the achievement with half the number of employees. While employees, on the other hand, will not be threatened by layoffs but instead get a pay increase, creating a win-win result.

6.2. Research Limitations

There are two limitations should be noted when the results of this study are interpreted. One limitation is that given the cross-sectional design of this study, the findings are difficult to capture time effects. Future research should use a longitudinal design to examine the relationships predicted in this study.

The other limitation is that this study only analyzes the NBA playoff teams. Though the NBA is the most famous and representative sports league in the game of basketball, playoff teams are more prominent. It is suggested that further research should focus on all NBA teams or teams of national basketball leagues in other countries to conduct more multicultural analyses.

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