

Abstract

Teaching the fundamentals of compensation in an Introduction to Human Resource Management course is typically fraught with the challenge of piquing student interest and curiosity on a topic that has been perceived as dry and uninteresting. We have had very good success asking students to consider whether or not professional athletes are overpaid. The ensuing discussion enables students to apply the fundamental concepts from compensation. Students consistently answer compensation questions correctly on exams, providing initial support for this facilitated discussion on athlete pay.

Keywords: Compensation, gender equity, student engagement

Introduction

It has been our experience when teaching the chapter on compensation in Introduction to Human Resource Management that students often find this subject very dry and uninteresting. We have observed the body language begin to shift toward boredom and it can be challenging to get students to participate in the ensuing discussion. Yet, understanding compensation management is an important pillar in the study of human resource management. Our recent experience with a simple yet effective activity has produced very positive results both with respect to student engagement and evidence of learning. Instructors now begin the class by asking a simple question: Are professional athletes overpaid? The ensuing discussion produces a lively debate but most importantly, students begin to apply the fundamental compensation concepts including: supply and demand, gender equity, internal and external equity.

This exercise can be used with undergraduate and MBA students, domestic and international students. This exercise has been used for in person classes but could easily be modified for online use.

Theoretical Foundation/Teaching Implications

Compensation management is an important chapter for students to understand since perceptions of feeling underpaid/underappreciated are a key reason for an employee leaving an organization (Dessler and Chhinzer, 2020). Some important compensation concepts include internal and external equity as well as pay equity. Internal equity is establishing the relative worth of a job compared to other jobs in the organization. The use of job evaluation to establish the levels of skill, responsibility, effort and working conditions form the foundation of internal equity (Dessler & Chhinzer, 2020). Furthermore, organizations must also consider the role of

external equity and whether to lead, lag or match the compensation mix of a given job relative to that organization's competitors. Organizations must also ensure that they review the worth of male dominated jobs and compare these jobs to the worth of female dominated comparators with the goal of correcting any pay differentials with jobs of equal value (Dessler & Chhinzer, 2020).

This activity is designed to help students apply some core concepts of compensation management to the world of professional sports. For example, instructors may wish to have the students think about the demand by sports fans to see the elite athletes perform at this high level versus the supply of athletes who are capable of performing these feats. Instructors can also address internal equity (why does one position such as quarterback in American football make more money than some of the other positions such as offensive linemen?). Instructors can then address external equity and the payrolls of various franchises such as the difference between the Boston Red Sox (very high payroll) and the Tampa Bay Rays in baseball (low payroll relative to the other teams).

The instructor can ask students to compare the salaries of these athletes to athletes in lesser well-paid leagues (e.g. Canadian Football League, Women's National Basketball Association) as well as salaries of non-athletes in important jobs that have been deemed essential to our society during the pandemic (e.g. teachers, medical professionals, truckers). Instructors can have students do some research on the average pay of these essential workers and calculate their hourly wage compared to professional athletes.

Anecdotally, the instructors of this proposal have found a much-improved level of engagement and application of the course concepts during course discussions. The addition of this question on tests has resulted in a strong application of fundamental course concepts on compensation in their answers demonstrating assurance of learning.

Learning Objectives

In this interactive session, participants will have the opportunity to learn about how we have used professional athletes' salaries as a starting point for discussing every aspect of compensation management. We will take the participants through this exercise and explore some of the advantages and disadvantages of using this approach. We will also facilitate some discussion of any concerns or feedback from the participants.

- **Learning Objective 1:** Participants will identify a minimum of two potential advantages to using this exercise.
- **Learning Objective 2:** Participants will identify a minimum of three key concepts from the compensation management chapter.

Exercise Overview

This exercise is used at the beginning of the unit on compensation management. Instructors may wish to provide a “cheat sheet” that summarizes the top 10 best paid athletes either from the US or internationally. Students often express surprise at the amount these athletes make. Students are divided into small groups of 4-5 students. The instructor begins by asking them to take 5-10 minutes to discuss whether or not they feel that professional athletes are overpaid. Furthermore, the instructor suggests that students begin their task by listing some of the arguments both in favour and against this question before weighing in with a final answer. The typical class size has varied from 12 MBA students to 45 undergraduate students. This exercise has been used with both domestic and international students.

The instructor will then ask for volunteers to report on their answer to the question of whether or not professional athletes are overpaid as well their rationale for their answer. Usually

there is an even split between students on this question with half arguing for the proposition that athletes are overpaid and half arguing the opposite. The instructor will begin to use the whiteboard to deconstruct their arguments and highlight where these responses correspond to the compensation management fundamentals such as: supply and demand of labour, issues with gender equity, internal and external equity. As the instructor links their arguments to the main concepts in the chapter, the body language of the students begins to shift as they make the connections between the discussion and the fundamentals of the chapter. This activity has been used in a 75-minute class but could be modified to fit other timeframes. The only resource requirement would be a whiteboard and marker to illustrate the connections between the question asked and the various compensation fundamentals. For an online class, instructors could put students into online discussion groups and then share their arguments with the rest of the class through a message board, summary document or video. We believe lively discussion could form in a similar way to the face-to-face method.

As previously noted, we have used this exercise with a wide variety of students (e.g. undergraduate/graduate students, traditional/non-traditional, mature/relatively young). The exercise has been well-received and we have found that students who have participated in the discussion are able to apply these lessons to an exam question where students are asked to discuss whether or not professional athletes are overpaid. This exercise corresponds well to the conference theme of equity, diversity and inclusion. The instructors have asked students to consider comparisons between a league such as the National Basketball Association (male players) and the Women's National Basketball Association. Students are often shocked at the salary differentials between the two leagues. Instructors will often task students with researching average salaries in other essential fields such as nursing, teaching and early childhood education

and compare these salaries to the top earning professional athletes. Another avenue for fruitful – yet heated – discussion is to ask students to discuss pay discrepancies between faculty and head coaches of the university’s sports teams.

Session Description

We have budgeted one hour for our MOBTS session. After a brief introduction to contextualize our previous efforts at teaching compensation, we will hand out “cheat sheets” with a summary of the best paid athletes in the world (Knight, 2021). We will then ask the participants to discuss the following discussion questions:

- 1) Do you think professional athletes are overpaid? Why or why not?
- 2) What advantages/disadvantages do you foresee with using this exercise?
- 3) What approaches have you used to engage students when discussing compensation?

Timeline

We have provided a proposed timeline for our session below:

Activity	Timeframe
Introduction of presenters and topic	5 minutes
Debating the question: Are professional athletes overpaid?	20 minutes
What advantages/disadvantages do you foresee from using this exercise?	15 minutes
What approaches have you used to engage students on this topic?	10 minutes
Conclusion and wrap up	5-10 minutes
Total	55-60 minutes

Unique Contribution

This assignment has not been presented at any other conference nor submitted to any journal.

References

Dessler, G. & Chhinzer, N. (2020). Human resources management in Canada. Pearson.

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