

## Still (yes, still) Your Turn (NCAA)

The NCAA has a 14-year contract with CBS and Turner Sports under which they pay the NCAA \$10.8 billion, or \$720 billion per year, for the right to broadcast the NCAA men's basketball tournament. The players do not get paid. Some receive scholarships. There is currently a legal challenge to the status quo of not paying the players. Recently, the five power conferences in the NCAA decided to increase the value of a scholarship by additionally providing a cost-of-living stipend of \$200 to \$400 per month to pay for expenses beyond tuition, books, and housing. Is that enough? Or, should players be paid as employees and paid an amount that is more consistent with the revenue they generate for their universities?

After considering that issue, consider next the question of how such a system should be designed. Develop a pay strategy to have at the ready (a contingency plan) in case players are to be paid like employees in the future. In evaluating design options, take into account the following issues raised by NCAA men's basketball tournament analysts (and former college and pro basketball stars) Kenny Smith, Charles Barkley, and Clark Kellogg. Kenny Smith believes players should get paid, but only if they graduate. Charles Barkley believes that it would be unfair, even discrimination, to pay basketball players, but not fencers, gymnast, softball players, and swimmers. Barkley also warns against letting college athletes sign sponsorship deals (e.g., with shoe or apparel companies). He says it would ruin team chemistry. He says that if he is an offensive lineman and the quarterback "is making money and I'm not, I'm not blocking for him." Clark Kellogg believes players should get paid, in part, because the time commitment has grown to be so large, in season and off-season. He notes that it is not possible to even have a summer job anymore. Another analyst, former college coach, Bill Raftery, is concerned that paying players would make for even less parity in NCAA college sports because the small schools may not be able to afford to pay their players and/or to pay them as much as larger schools.

In summary, please address the following three questions:

1. Should NCAA athletes get paid as employees?
2. If NCAA athletes are paid as employees, either because of legal action or colleges/universities deciding on their own to change the system, how should the pay strategy be designed to "work" and avoid the potential pitfalls identified above?
3. What would your pay strategy design cost and how would it be funded? What impact would the required level of funding have on colleges and universities? How would athletes outside of sports such as basketball and football be affected?

Sources: Matthew Futterman, "The Debate Continues: Should the Players Get Paid?" *The Wall Street Journal*, March 19, 2015, pp. D8; Steve Berkowitz, "NCAA Increases Value of Scholarships in Historic Vote," *USA Today*, January 17, 2015.

### Summary

This chapter discusses internal alignment and how it affects employees, managers, and employers. Internal alignment refers to the pay relationships among jobs/skills/competencies within a single organization. The potential consequences of internal pay structures are vital to organizations and individuals. Recent research plus experience offers guidance concerning the design and management of internal pay structures.