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## **ANTECEDENTS OF PERFORMANCE: THE ROLE OF INCENTIVES AND JOB SATISFACTION IN PROFESSIONAL TEAM SPORTS**

Abstract ID: EASM-2015-70 - (575)

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Date submitted: 2015-03-18

Date accepted: 2015-04-28

Type: Scientific

Keywords: Keywords: performance; incentives; job satisfaction; team sports

Category: 4: Leadership Issues in Sport Organisations

Synopsis:

Abstract:

AIM OF PAPER – RESEARCH QUESTION

Setting adequate incentives is one of the key tasks for sport managers of professional sports clubs. However, knowledge of this important area of sport management remains limited. This study investigates the role of monetary and non-monetary incentives and job satisfaction as direct and indirect antecedents of performance. Two monetary incentives and three non-monetary incentives were analyzed towards their influence on job satisfaction. Further, the interrelations between job satisfaction and performance are investigated. Up to this day, the effects of most monetary and non-monetary incentives on performance have not been subject to empirical research in this field. With regard to the scarcity of financial resources, club managers need to know more about the effectiveness of their instruments in order to optimize the allocation of their resources efficiently and therefore to create a performance enhancing environment in professional sports clubs.

According to this, we raise the following research question:

Which incentives lead to an increase of players' performance in professional team sports?

THEORETICAL BACKGROUND

Research of antecedents of athlete satisfaction is a well-established field in sport management literature (Doherty, 1998). However, studies in the context of professional athletes are rare. Due to problems of accessibility of data from professional athletes, the outcomes of several monetary and non-monetary incentives remain unsettled. In order to predict job satisfaction, we included two monetary (salary satisfaction and monetary bonuses) and three non-monetary

incentives (integration of family; second career support and private problem support) in our study. Contrary to most studies in sport management, we assume an indirect effect of incentives via job satisfaction, rather than a direct effect of incentives on performance. The relation of job satisfaction and performance has been subject to one of the most controversial discussions in HRM literature. Research goes back until the beginnings of human relations theory and the Hawthorne studies in the late 1920's. Since then, numerous researchers have discussed intensity and direction of this relation. Most argued aspect is if the direction rather is satisfaction → performance or performance → satisfaction (Schwab & Cummings, 1970). The first option is based on the idea that performance leads to valued outcomes, which lead to satisfaction. This idea goes along with Vroom's expectancy theory of 1964. Although the idea theoretically is comprehensive, most empirical studies support the reverse direction. Nevertheless, consistency could not be shown over different contexts and findings cannot be transferred to the context of professional team sports without further qualification.

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#### METHODOLOGY, RESEARCH DESIGN AND DATA ANALYSIS

In order to test the hypotheses we conducted data from 315 professional players of 19 different teams from Germany. In order to increase generalizability of the findings, we used a sample of different leagues in three different team sports, namely football, ice hockey & handball. In order to overcome the persistent shortcomings of existing approaches of performance measurement, we applied an innovative research design. Player's individual performance was evaluated by their coaches. Players' questionnaires and coaches' performance evaluations were matched on an individual level. Structural Equation modelling via LISREL 8.80 was used to assess the research hypotheses. We ran a full structural model with all hypothesized relationships. The model provided a good fit to the data: Chi-Square = 969.13,  $df = 359$ ,  $p < .01$ ; RMSEA = .06; NFI = .91; NNFI = .94; AGFI = .81; CFI = .94; SRMR = .07. In addition, we ran a second structural model, analyzing the rival approach, which suggested a direct relationship between incentives and performance. Further moderation effects were analyzed via PROCESS for SPSS.

#### RESULTS, DISCUSSION AND IMPLICATIONS

Results support the suggested indirect relationship of incentives on performance via job satisfaction. Significant effects on job satisfaction were observed for three of the five incentives. Contrary to prior expectations, monetary incentives showed low or non-significant effect sizes while two non-monetary incentives showed significant effect sizes of (.19) and (.49). Furthermore, strong effects of job satisfaction on performance (.31) were identified. Additionally, a moderating effect of the time a player has stayed with the club, on the relation between integration of family and job satisfaction, was found. Therefore especially new players seek a club's support for integrating their families. Results of the study show the importance of non-monetary incentives and the relevance of job satisfaction as predictor of performance in professional team sports.

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