

Lynn University

SPIRAL

Student Theses, Dissertations, Portfolios and
Projects

Theses and Dissertations Collections

5-29-1996

Free Agency

Jared Bucker
Lynn University

Follow this and additional works at: <https://spiral.lynn.edu/etds>



Part of the [Sports Studies Commons](#)

Recommended Citation

Bucker, Jared, "Free Agency" (1996). *Student Theses, Dissertations, Portfolios and Projects*. 64.
<https://spiral.lynn.edu/etds/64>

This Thesis is brought to you for free and open access by the Theses and Dissertations Collections at SPIRAL. It has been accepted for inclusion in Student Theses, Dissertations, Portfolios and Projects by an authorized administrator of SPIRAL. For more information, please contact liadarola@lynn.edu.

Graduate Project

on

"FREE AGENCY"

Jared Bucker

May 29, 1996

Sports and Athletics Administration

CONTENTS

I. Introduction	1
II. Literature Review	3
III. Methodology	14
IV. Results	15
V. Discussion and Conclusion	17
VI. List of References	19

INTRODUCTION

The Statement of the Problem

This research proposes to identify and evaluate the effects and benefits of free agency on professional sports teams.

The Subproblems

1. The first subproblem. The first subproblem is to determine whether free agency has had a positive or a negative effect on professional sports teams.
2. The second subproblem. The second subproblem is to analyze and interpret the data in order to evaluate the material.

The Hypothesis

The first and main hypothesis is that free agency has had a positive effect on professional sports teams.

The second hypothesis is that free agency has benefited the players and the owners of the teams.

The third hypothesis is that the teams that acquire free agents are more successful than the teams that do not.

Assumptions

The first assumption is that free agents are needed to be competitive.

The second assumption is that owners will spend money on high priced players to be competitive.

The third assumption is that the owners of professional sports franchises understand that in order to win, you need the best players available.

The Importance of the Study

This study will justify the reasons why players deserve free agency and why it should be available to all professional athletes. It will further show how the related data on this subject supports these hypotheses. It will also clarify the importance of free agency.

Operational Definition

Free Agency - the ability to change teams

Preface

A substantial portion of my professional life has been spent helping people understand the power and benefits of this integrated management system and become examiners for many performance excellence awards. These people come from all types of organizations and from all levels within those organizations. Participants include CEOs, corporate quality directors, state organization chiefs, small business owners, heads of hospitals, teachers, professors, medical doctors, and school superintendents, to name a few.

This book was originally developed for them. It was used as a teaching text to guide their decisions and deliberations as they provided feedback to organizations that documented their continuous improvement efforts using Baldrige Award-type management systems. Many examiners who used this text asked me to publish it in a stand-alone format. They wanted to use it to help their own organizations, customers, and suppliers guide and assess their continuous improvement efforts.

These two groups of readers—examiners of quality systems and leaders of high-performing organizations—can gain a competitive edge by understanding not only the parts of a high-performance management system, but how these parts connect and

align. My goal for this book is that readers will understand fully what each area of the quality system means for organizations and find the synergy within the seven major parts of the system: leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process management, and business results.

Organization leaders have reported that this book has been valuable as a step-by-step approach to help identify and put in place continuous improvement systems. As this progresses, improvement efforts in one area will lead to improvements in other areas. This process is similar to experiences we have all encountered as we carry out home improvement: improve one area, and many other areas needing improvement become apparent. This book will help identify areas that need immediate improvement as well as areas that are less urgent but, nevertheless, vitally linked to organizational and operational excellence.

I am continually looking for feedback about this book and suggestions about how it can be improved. Please contact me by phone at Quantum Performance Group, Inc. [REDACTED], e-mail me at [REDACTED] or visit our Web site at www.QuantumPerformance.com.

Foreword

Leadership Challenges by John Lawrence

A lot of time and energy is put into the question, “What drives success in business?” The answer is both deceptively simple and hauntingly complex. It’s as much a function of the people and the value the business brings to the marketplace as it is the approaches chosen to deliver it. Success in business is a risky, complex, and challenging human endeavor. It takes more than being able to articulate the lessons learned by the successful—the trick is being able to help others incorporate and leverage those lessons in their own approaches, whether it is in the private sector, education, healthcare, or government. Dr. Mark Blazey is doing just that and it is successes in the marketplace that makes this series a continuing best seller.

Traditionally, success in business has involved the pursuit of functional excellence in fields such as sales (IBM), marketing (Coca-Cola), manufacturing (Ford), capital formation (Morgan Stanley), and the improvement of the human condition (Pearl River School District in New York and Chugach School District in Alaska). Today, as important as functional supremacy is, it is not enough. It is how all the elements of a business come together and provide value in the marketplace—to customers—that is the key ingredient to success. Success involves a balancing act. It involves understanding how the system works together that is important. What is the system used to run the most successful businesses? Can all the executives in the business articulate what that system is—can each one draw a picture of that system on a single sheet of paper and explain it to 10 year old children? I once had the CEO of one of the largest transportation companies in North America ask his 35 direct reports to draw a picture of the system they used to run the business on one sheet of paper. He waited five minutes and collected the papers. As he thumbed through the papers I was taken back by the way he just looked at the pieces of paper and kept shaking his head back and forth in disbelief. No two pieces of paper portrayed the same picture. Think of the message that sends. Here are

the 35 senior people in a multibillion dollar business and they do not have a uniform view of how the business is run. These executives do not know whether or how they will be able to keep the promises they make to their customers, employees, stockholders, and the communities in which they work and live. Think of what a powerful message would be sent if they all focused on the same themes, pursued the same vision and objectives, and had confidence that the things they asked the people to do were indeed the right things for the business to succeed.

Organizations are formed to accomplish a set of objectives to serve people. It’s that simple. Whether the organization is for-profit or not-for-profit, small or large, public or private, manufacturing, service, government, healthcare, or education—the main thing that changes from one *successful* organization to another is the way they keep score. Whether the primary indicator of success is profits, children educated, patients cured, miles of roads paved, or number of overnight packages delivered on time, to be successful they must understand and meet the requirements of the many different customers they have organized to serve.

Like it or not, to be successful organizations must identify and serve customers—although they may choose to call them many other names such as clients, students, patients, families, constituents, communities, voters, rate-payers, passengers, or shoppers, to name a few. The nomenclature changes depending upon the language of the business, but at the end of the day it’s those “customers” who are making decisions about whether or not they are going to do business with us. If we can keep the customers we’ve got and attract new ones, it is a sign that the organization is going to thrive. Clearly, without customers organizations cannot survive.

Strange as it may seem, there are organizations that have not put “delighting customers” at the top of their priority list (or anywhere on the list). Delighted customers are five times more likely to

1 Leadership—120 Points

The Leadership Category examines how your organization's senior leaders address values, directions, and performance expectations, as well as a focus on customers and other stakeholders, empowerment, innovation, and learning. Also examined is how your organization addresses its responsibilities to the public and supports its key communities.

The leadership system must promote organizational core values, set high-performance expectations, and promote an organizationwide focus on customers, employee empowerment, learning, and innovation. The Leadership Category looks at how senior leaders guide the organization in setting directions and seeking future opportunities. Senior leaders must communicate clear values and high-performance expectations that address the needs of all stakeholders. The category also looks at the how the organization meets its responsibilities to the public and how it practices good citizenship.

The category contains two Items:

Organizational Leadership

- Communicating and reinforcing clear values, performance expectations, and a focus on creating value for customers and other stakeholders.

- Reinforcing an environment for empowerment and innovation and employee and organizational learning.
- Reviewing organizational performance and capabilities, competitiveness, and progress relative to goals, and setting priorities for improvement.
- Evaluating and improving the effectiveness of senior leadership and management throughout the organization, including employee input in the process.

Public Responsibility and Citizenship

- For regulatory and other legal requirements in areas such as safety, environmental protection, and waste management; anticipating public concerns and addressing risks to the public; and ensuring ethical business practices.
- For strengthening and supporting key communities.

1.1 Organizational Leadership (80 Points) Approach/Deployment Scoring

Describe how senior leaders guide your organization, including how they review organizational performance.

Within your response, include answers to the following questions:

a. Senior Leadership Direction

- (1) How do senior leaders set and deploy organizational values, short- and longer-term directions, and performance expectations, including a focus on creating and balancing value for customers and other stakeholders? Include how senior leaders communicate values, directions, and expectations through your leadership system and to all employees.
- (2) How do senior leaders create an environment for empowerment, innovation, organizational agility, and organizational and employee learning?

b. Organizational Performance Review

- (1) How do senior leaders review organizational performance and capabilities to assess organizational success, competitive performance, progress relative to short- and longer-term goals, and the ability to address changing organizational needs? Include the key performance measures regularly reviewed by your senior leaders. Also, include your key recent performance review findings.
- (2) How are organizational performance review findings translated into priorities for improvement and opportunities for innovation? How are they deployed throughout your organization and, as appropriate, to your suppliers/partners to ensure organizational alignment?
- (3) How do senior leaders use organizational performance review findings to improve both their own leadership effectiveness and your leadership system?

Notes:

- N1. Organizational directions [1.1a (1)] relate to strategic objectives and action plans described in Items 2.1 and 2.2.
- N2. Senior leaders' organizational performance reviews (1.1b) should be informed by organizational performance analyses described in 4.1b and strategic objectives and action plans described in Items 2.1 and 2.2.
- N3. Leadership effectiveness improvement [1.1b (3)] should be supported by formal and/or informal employee feedback/surveys.
- N4. Your organizational performance results should be reported in Items 7.1, 7.2, 7.3, and 7.4.

Introduction

The Malcolm Baldrige National Quality Award 2002 Criteria for Performance Excellence and scoring guidelines are powerful assessment instruments that help leaders identify organizational strengths and key opportunities for improvement. The primary task of leaders is then to use the information to achieve higher levels of performance.

Building an effective management system capable of driving performance improvement is an ongoing challenge because of the intricate web of complex relationships among management, labor, customers, stakeholders, partners, and suppliers. The best organizations have a management system that improves its work processes continually. They measure every key facet of business activity and closely monitor organizational performance. Leaders of these organizations set high expectations, value employees and their input, communicate clear directions, and align the work of everyone to achieve organizational goals and optimize performance.

Unfortunately, because of the complexity of modern management systems, the criteria used to examine them are also complex and difficult to understand. *Insights to Performance Excellence 2002* helps performance excellence examiners and organization improvement practitioners clearly understand the 2002 Baldrige Performance Excellence Criteria and the linkages and relationships between the items.

Six types of information are provided in this book for each of the 18 items that comprise the criteria:

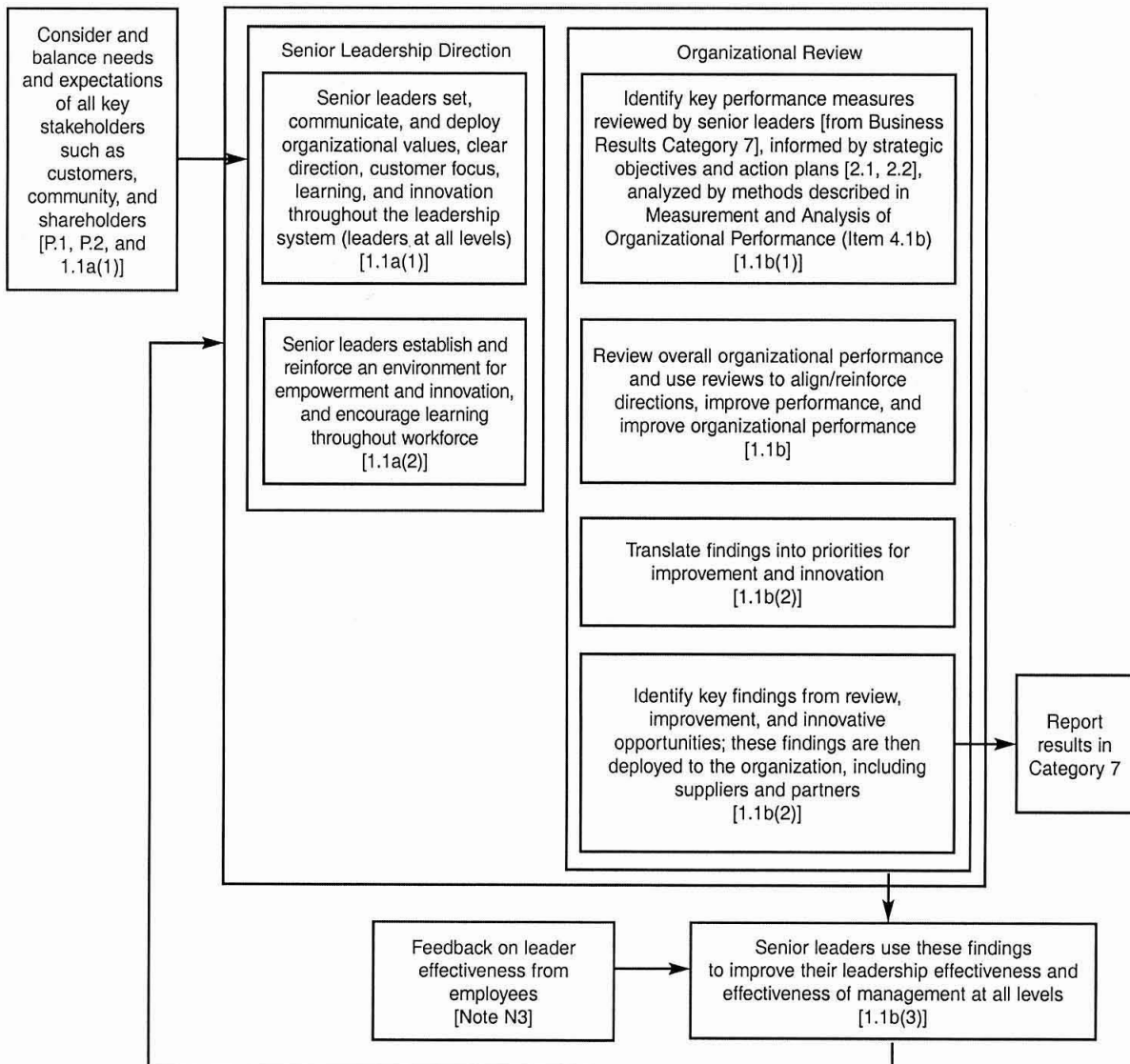
1. **The actual language of each item, including notes** (presented in the shadow box). [Author's Note: The information in these shadow boxes presents the official Baldrige criteria and serves as the only basis for the examination. The other five types of information presented in this book for each Item (elements 2 through 6 below) provide the author's interpretation of the official Criteria requirements and should not be used as a basis for establishing additional requirements during an examination or performance review.]
2. **A plain-English explanation of the requirements of each Item** with some suggestions about the rationale for the Item and ways to meet key requirements.
3. **A summary of the requirements of each Item in flowchart form.** The flowcharts capture the essence of each item and isolate the requirements of each item to help organizations focus on the key points the item is assessing. Note that most boxes in the flowcharts contain an item reference in brackets []. This indicates that the criteria require the action. If there is no item reference in brackets, it means the action is suggested but not required. Occasionally a reference to "[scoring guidelines]" is included in a box. This means that the authority for the requirement comes from the scoring guidelines.
4. **The key linkages between each item and the other items.** The major or primary linkages are designated using a solid arrow (→). The secondary linkages are designated using a dashed arrow (--→).
5. **An explanation of some potential adverse consequences that an organization might face if it fails to implement processes required by each Item.** (Examiners may find this analysis useful as they prepare relevant feedback concerning opportunities for improvement. However, these generic statements should be customized—based on key factors, core values, or specific circumstances facing the organization being reviewed—before using them to develop feedback comments supporting opportunities for improvements in Categories 1 through 6.)
6. **Examples of effective practices that some organizations have developed and followed consistent with the requirements of the Item.** These samples present some ideas about how to meet requirements. (Remember, examiners should not convert these sample effective practices into new requirements for organizations they are examining.)

words and actions. Remember, nearly every failure to achieve and sustain excellence can be traced to a failure on a part of leaders and managers. Jack Welch, CEO of General Electric in his last letter to stockholders, emphasized the impor-

tance of rewarding and nurturing the top 20 percent of employees, and getting rid of the bottom 10 percent. The same is true of managers who do not or will not aggressively and effectively lead the effort to enhance performance excellence.

1.1 Organizational Leadership

How senior leaders guide the organization in setting direction and developing and sustaining an effective leadership system throughout the organization



buy from you than those who are simply satisfied. Furthermore, delighted customers usually bring along a friend—enabling the organization to thrive. On the other hand, 80 percent of dissatisfied customers are likely to walk away and not even tell you they were dissatisfied. Worse yet, it costs 10 times as much to regain a lost customer as it does to retain a current one. Worst of all, dissatisfied customers are likely to tell at least 20 of their friends, while only five will hear of the startling news associated with “delight.” With the large number of internet-based consumer buying sites in place today, the dissatisfied customer can easily tell thousands of their bad experiences. In the 21st Century, the customer is king. It’s a customer economy.

If organizations intend to delight customers, leaders and employees must understand their requirements and expectations. More than ever before, we need to personalize the customer relationship and build loyalty. Horst Schulze, the former CEO of Ritz-Carlton, a hotel chain that forever altered the nature of customer service, points this out very well when he says, “Customers need a reason to be loyal, give them a reason.” While CEO, Mr. Schulze took the time to be personally involved in a two-day orientation with all of the staff at the opening of each new Ritz Carlton hotel. Here was the chief executive making sure that everyone in the business understood the objectives and keys to success. His penetrating but simple questions to staff up and down the line would focus on who are your customers; what is important to these customers; how do we make these four or five things that are important to our customers better than anywhere else. To illustrate a typical Ritz-Carlton experience, if a guest has a preference for a hard pillow, a note is entered into the customer data base and wherever the guest goes in the Ritz chain a hard pillow will be on the bed. In another instance, while cleaning the room in the morning, a house keeper found a small teddy bear on the floor among the child’s dirty clothes. Upon return the child found the teddy bear sitting at a small table with the Ritz Lion having tea. Now, what do you think went through the minds of the parents and the child?!

To deliver that level of performance consistently, the Ritz-Carlton—or any organization—must put in place a set of processes that focus on customer

delight and are capable of delivering consistent results. Again, let’s look at the Ritz-Carlton. The person who is recognized as the best at doing a task is the one who documents the process. For three weeks, a new employee follows in the footsteps of an experienced, high-performing employee who volunteers to be a teacher-mentor. At the end of the training period, the new person is tested. Passing means the employee begins to work independently; failing means more training and testing. On-the-job, specific, quantifiable performance goals are set. Goals and timing for “improvement” are then established and progress reported quarterly. Processes are aimed at those things that customers consider important and employees are focused on delivering them at high levels of achievement and they are constantly engaged in an effort to do it better. This creates an environment of true “continuous improvement.” The environment of customer-focused continuous improvement keeps customers coming back, and bragging about their delightful experience to their friends. Horst Schulze has figured out that the friends and acquaintances of current customers are the very set of people they were trying to attract to the business in the first place.

When key work processes are capable of producing desired results consistently, the outcomes are predictable. That is why a “process” orientation is important. Too many people in nonmanufacturing disciplines like sales, education, or healthcare believe that using process discipline to carry out work is an outdated manufacturing idea and does not apply in their fast-paced world. The newest winners of the Baldrige Award demonstrate clearly that process orientation is critical for success in nonmanufacturing areas such as fast food restaurants and public school systems. After talking with hundreds of leaders who are concerned with the level of performance in their organizations, it appears that the fear of discipline and accountability that a process orientation brings to the workplace may be the real obstacle to change.

Unfortunately, even when organizations begin to execute processes well, their leaders quickly find that excellence and optimum performance continues to elude them. Organizations can fail to satisfy customers when key work processes have been developed in a vacuum—without tying them to customer

requirements. “Internally-focused” processes have often been driven by the desire to do things more efficiently and effectively from the company’s point of view—without regard to customer concerns. The resulting organizational arrogance—the belief that we know better than the customer—is almost certain to bring about customer dissatisfaction and ultimate customer revolt, causing customers to demand change. To be successful, organizations must consistently understand and do well those processes that deliver the four or five characteristics that are critical to customer delight. The winners in the highly competitive environment in which we live are the organizations that understand these drivers of customer delight and then design and execute work processes aimed at delivering them better than anywhere else.

Many business leaders find it difficult to determine what customers want, fend off the competition, and satisfy the workers, all within a budget. That is where the development and execution of “strategy” come into play. Strategy is about understanding the direction in which customers are moving, the direction in which the competition is moving, the direction in which the market is moving, and coupling the information with the capabilities of the business—and then identifying the few things to do that are critical to the future success of the business.

Knowing how well all of the factors are working involves having a “dashboard for the business.” No one would think of driving a car on a trip or getting on an airplane if the instrument panel were missing. Yet business leaders often make critical decisions with either one-dimensional instruments (financial) or instruments that provide insufficient information about the state of the business (factors measured because they are available but not necessarily important). Relying only on financial instruments is comparable to driving the car by only looking in the rear-view mirror. The good news is the picture is pretty clear. The bad news is that you will crash sooner or later. Of course leaders in every organization must be aware of the organization’s financial health. However, that is not enough information to lead the organization effectively through difficult and challenging times. The organization’s leaders must also know what is important to customers, how well it is delivering on those things that are important, the

reaction of its customers, the direction in which their expectations are moving and the capability and capacity of its work processes and delivery systems. With this knowledge, leaders are in a much better position to make better decisions about the actions needed to be successful, bring value to the market place, and respond to changing circumstances and new opportunities.

While customer focus, strategic planning, and data to support effective decision making are critical components of the successful organization, these factors combined are still not sufficient to ensure success. Every organization must acquire good people, train them, motivate them, and retain them. Today, to be successful, organizations must attract and develop employees who understand that the customers are the most important aspect of the business. Employees must have the competencies to use facts and information to make good decisions, and to continue learning and contribute to their own growth and development. In a world where product and service superiority lasts only a short period of time, it is the capabilities of the people that will be the source of ongoing excellence.

The ability to make this system come together and work harmoniously is the responsibility of leadership. Basically, leadership has two functions: (1) to use strategy to set the direction very clearly; and (2) to establish the environment in which that direction is consistently carried out to the delight of its customers. Some leaders find it difficult to establish and articulate a clear vision and set of values. When this happens the people in an organization are forced to substitute their own ideas about the “right direction.” When many do this, the organization finds itself pulled in different directions. Leaders cannot expect people to know what to do if they have not established and continuously reinforce the norms of desired behavior. Leadership is very much about setting and leading by example—role modeling what the company stands for and living the change expected of all.

The best organizations in every sector have demonstrated that all parts of the system must be effectively integrated to optimize performance. It is not possible to achieve excellence by only doing some of the things that are easy and ignoring the rest of them. It is a concept that is easy to understand but

very difficult to execute. On the one hand it's simple. On the other hand, it's very complex.

We live in a rapidly changing world where global issues affect our lives in many ways, excellence is expected, and the customer is king. There is enormous opportunity for those prepared to work both hard and smart in the pursuit of excellence. The approaches used to achieve success have proven effective in all types of organizations: sustained *results* occur from an intense focus on *customers*; the consistent fulfillment of customer expectations derives from capable *work processes* that must be aligned with a market driven *strategy*. The performance of the business is monitored through continuous acquisition and analysis of *information* (the dashboard). None of this works without *people* who are motivated and skilled to consistently execute their work processes. Finally, it is all tied together with *leaders* whose job it is to set the direction, create the environment for continuous improvement and learning, and lead by role modeling desired behaviors and norms—living the values they expect in others.

With his best selling series and his personal involvement, Dr. Mark Blazey has been helping organizations of all types and in all sectors achieve success and develop enviable track records of performance. He has helped them develop practical approaches for continuous improvement that serve as the cornerstone for leadership and organizational success. Mark Blazey helps make a set of complex concepts simple and has made this book a best seller. *Insights to Performance Excellence* is a book for beginners as well as experts in the field of organizational development and operational excellence. The book delivers the lessons, provides the insights, and sets the framework for a successful journey to performance excellence.

—John Lawrence
Retired Vice President of Quality
Xerox Business Services (1997 Baldrige Winner)

Acknowledgments

Harry Hertz, Curt Reimann, Barry Diamondstone, and the dedicated staff of the Malcolm Baldrige National Quality Award office have provided long-standing support and guidance in promoting quality excellence. The book would not be possible in a timely fashion without the design and layout expertise, dedication, and commitment of Enterprise Design and Publishing. In addition, Karen Davison and John Lawrence provided substantial editorial and analytical assistance. Several others have helped shape my thinking about performance excellence and refine this book, including Joe Sener, Olga Striltschuk, Mary Gamble, Orland Pitts, Ed Hare, April Mitchell, George Bureau, Debra Danziger-Barron, Skip Coggins, Barbara Graham, Bill Hoberg, Geoff Calhoun, Jim Shipley, Tom Kubiak, Patricia Billings, Wendy Brennan, Gerald Brown, Wendy Steager, Beverly Centini, Sheryl Billups, Joe Kilbride, Linda Vincent, Joan Wills, Steve Hoisington, Gary Floss, Jack Evans, Arnie Weimerskirch, Paul Grizzell, Don Cates, Marty Mariner, Andy Downs, Jerry Holt, Bill Mac Lachlan, and George Raemore. I also greatly appreciate the typing and editorial assistance, background research, and proofreading of Jessica Norris. The chapter on site visits, the criteria

model and integrated management systems analysis, the management and performance excellence surveys, the performance standard for leadership, the supplemental scoring guidelines, the sections concerning the potential adverse consequences of not doing what the Criteria require, and the application preparation files are used with permission of Quantum Performance Group, Inc. The core values, criteria, selected glossary terms, award winners, and background information in this book are drawn from information in the public domain supplied by the Malcolm Baldrige National Quality Award program. Kevin Hendricks and Vinod Singhal provided research results that were used in this book from their extensive study of financial performance. Data from the Economic Evaluation of the Baldrige National Quality Program by Albert Link and John Scott were prepared for NIST in October 2001. Data from Foundation for the Malcolm Baldrige National Quality Award regarding the perception of chief executive officers from over 300 United States organizations are also included in this book.

—Mark Blazey

Changes to this 2002 edition include:

- New information to help leaders focus on priority opportunities for improvement and understand better the role they must play in refining their management systems and processes
- An analysis of some of the adverse consequences organizations may face by failing to implement processes required by the performance excellence criteria

- Additional definitions to enhance understanding of key words in the Criteria and Scoring guidelines

Insights to Performance Excellence 2002 will strengthen your understanding of the criteria and provide insight on analyzing your organization, improving performance, and applying for the award.

LIST OF REFERENCES

Byrd, Alan, "Economist devises formula to determine player's value," Orlando Business Journal, July 29, 1994, v. 11 n. 8 p. 13

Chick, Bob, "Piece by Piece," The Tampa Tribune, July 23, 1995, pg. 1

Edwards, Harry, "NFL Free Agency and the Salary Cap," Sport, Oct 1994, pg. 48-49

"Free Agency" Fortune, October 26, 1987, pg. 95

Gave, Keith, "How to solve the labor disputes," Detroit Free Press, March 17, 1995

Hunt, Joseph W. Jr., and Lewis, Kenneth A., "Dominance, Recontracting and the Reserve Clause in Major League Baseball," The American Economic Review, December 1976, pg. 936

Staudohar, Paul D., The Sports Industry and Collective Bargaining, 1989, pg. 195

Staudohar, Paul D., "The Football Strike of 1987: The Question of Free Agency," Monthly Labor Review, August 1988, p. 29

"Steinbrenner" New York Daily News, January 24, 1990

Worsnop, Richard, "Free Agency: Pro Sports' Big Challenge," Editorial Research Reports, Feb 9, 1990, v. 3 article 83