On December 1, 2016 the Department of Labor’s (DOL) Final Rule on Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees under the Fair Labor Standards Act (FLSA) will take effect. The changes to the FLSA salary thresholds are having a significant impact on college campuses and the DOL has issued a specific guidance for higher education institutions for managing the new overtime rules (U.S. Department of Labor, 2016). Once effective, the new rule will raise the minimum salary level from its previous amount of $455 per week (the equivalent of $23,660 a year) to $913 per week (the equivalent of $47,476 per year) in 2016 (U.S. Department of Labor, 2016). Within higher education, one personnel area which will be significantly impacted by this change is the athletics department (Berkowitz, 2016; Giknis, 2016). Resources are already tight for the majority of college athletics departments as nearly all spend more money than they generate, and most rely heavily on university subsidies to meet budgets (Fulks, 2015). In addition, college athletics is a popular career choice, particularly for entry-level positions, which means job postings can attract many candidates. As a result, employees are often willing to work long hours with little pay in order to retain a coveted position and advance in their career. Researchers have documented the low salaries paid in the sport management field in general (Mathner & Martin, 2012) as well as to those employed in specific industry segments within college athletics such as media relation professionals (Hardin & McClung, 2002), senior women administrators (Schneider, Stier, Henry, & Wilding, 2010) strength and conditioning coaches (Pullo, 1992) and athletic trainers (Moss, 1996). As a result, most college athletics departments, particularly those not participating in “Power Five” conferences, have many staff members working significantly more than 40 hours a week, while earning annual salaries below $47,476. Under the new FLSA guidelines, this practice will become illegal.

According to FLSA standards, teachers are exempt from the minimum salary threshold (U.S. Department of Labor, 2008). As a result, the NCAA has recently issued a white paper recognizing that coaches may be properly classified as teachers under certain circumstances (NCAA CUPA-HR, 2016). Whether this approach will be seen as acceptable by the courts is unclear. Outcomes will likely vary depending on the position and the organization. For example, the percentage of teaching related duties will vary dramatically from a high school coach to a coach at an elite Division 1 athletics program. Those working administrative positions will not be exempt under this “teacher” exemption.

While large “Power Five” conference athletics departments typically have the budgets to absorb the required pay increases for many of their employees, athletics administrators at lower level NCAA Division I universities, as well as NCAA Division II, NCAA Division III, and National Association of Intercollegiate Athletics (NAIA) schools face difficult decisions. Existing scarce resources may need to be reallocated in new ways, or services and job functions performed by employees may need to be reduced to limit the number of hours worked by employees. The decisions made by senior athletic administrators will likely have repercussions on job performance and job satisfaction of employees as responses may not be perceived as equitable. In fact, past research has suggested a link between perceived justice in resource allocation and job satisfaction among collegiate coaches (Jordan, Turner, Fink, & Pastore, 2007).

In a prior study by Greenwell, Mahony, and Andrew (2007), when marketing resources were scarce within a college athletics department, they were typically distributed to teams which were most likely to produce the greatest return rather than distributed fairly to all teams. Similarly, Mahony and Pastore (1998) found that although collegiate athletics directors typically see “need” as the fair way to allocate resources to teams within a department, it is rarely utilized. Instead, athletics directors in their sample actually allocated resources based on revenue production and spectator appeal. In fact, a robust line of research has examined the concept of organizational justice and resource
allocation within sport organizations, as outlined in a meta-analysis by Mahony, Hums, Andrew, and Dittmore (2010). Most of the studies cited rely on asking respondents to react to fictional scenarios rather than responding to specific circumstances within their field (Dittmore, Mahony, Andrew, & Hums, 2009; Hums & Chelladurai, 1994; Mahony, Hums, & Riemer, 2002; Mahony & Pastore, 1998). The current study will break new ground by examining the impact of FLSA on college athletics departments in an actual resource allocation decision. More specifically, it will examine the following research questions:

RQ1: What are college athletics departments doing to meet the new minimum salary and overtime requirements of FLSA?

RQ2: Are there differences in how schools at different competition levels are meeting the new minimum salary and overtime requirements of FLSA?

RQ3: How do college athletics administrators perceive the fairness with which the new minimum salary and overtime requirements of FLSA have been met in their department?

In order to conduct this study, an electronic survey will be sent to all athletics directors at NCAA Division I non-Power Five schools, as well as those at Division II, Division III, and NAIA institutions. In addition, surveys will be sent to sports information directors and athletic trainers at each institution. Sports information directors and athletic trainers were selected for the sample because they represent the most common full-time, non-coaching positions on staff at many smaller college athletics departments. The instrument utilized for this study will include items examining what changes have been made in the athletic department as a result of the changing FLSA guidelines, how changes have impacted job duties, how changes have impacted job performance, and how changes have impacted job satisfaction. In addition, respondents will complete the 10-item Distributive Justice in Intercollegiate Athletics Scale (Kim, Andrew, Mahony, and Hums, 2008), modified specifically for FLSA issues. In addition, demographic variables will also be collected.

Descriptive statistics will be utilized to answer RQ1 and provide a snapshot of how the changes in FLSA are impacting college athletics departments. To answer RQ2, Analysis of Variance (ANOVA) statistical tests will be utilized to detect group mean differences between Division I, II, III, and NAIA athletics departments on measures of level of change, job performance, and job satisfaction. ANOVA tests will also be used to answer RQ3, by detecting group mean differences in distribute justice scale scores based on both job type and level of athletic competition.