

Hiring stars on the field or at the office can pay off, study finds

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New research based on European soccer clubs by a group including a UMD business professor finds that investing in high-end talent can pay off, particularly for lower-performing teams. Credit: Shutterstock

While most of the world has been fixated on the upsets, political drama and on-field heroics at the 2022 FIFA World Cup tournament in Qatar, it's also been the perfect time for players to impress scouts from major clubs with holes in their rosters.

New University of Maryland research reveals how and when [teams](#) can make the most of new talent they pick up after the World Cup and beyond. Published in the *Journal of Applied Psychology* by a team that includes Robert H. Smith School of Business management Professor Gilad Chen, the study draws on data about thousands of newcomers to the top football/soccer leagues in Europe.

It found that exceptionally talented players who join teams mid-season have the most impact when the team they join is struggling and when they are the sole new player brought in. Generally, however, newcomers do best when they join high-performing teams—alone or as part of a group of new players—before the beginning of a season, when the whole team has time to gel before games start.

The research findings translate to the corporate world, where companies looking to win the war for talent often pay a premium to attract superstar employees.

Chen and fellow researchers—Marvin Schuth and Nicholas Folger of Technical University of Munich, Prisca Brosi of Kühne Logistics University and Robert E. Ployhart of the University of South Carolina—also asked: Does it pay to hire more expensive talent?

"Of course we were expecting that more talented newcomers would perform better," he said. "But the more interesting aspect is under what conditions new talent performed better as newcomers."

They looked at European soccer leagues, where player stats are analyzed in online databases to determine an individual player's worth, examining whether the team was already doing well or struggling before the newcomer joined, if the newcomer was the sole new player or joined with a cohort of new players, and how long the existing team members and the new ones had to adjust to each other.

"When you pay a premium for high talent, there's an expectation that the extra money pays off right off the bat," Chen said. But that's not always the case.

If you're going to add talent midseason, adding one new superstar to the mix is more effective than adding more, Chen said. But the number of newcomers joining the team didn't affect their performance when they started earlier and the team had time to adjust to the new mix.

The researchers also found lower-performing teams saw a bigger performance boost from a talented new player than high-performing teams.

"It's almost like you're bringing a saver in," Chen said. "Regardless of when they joined, the effect of newcomer human capital was more positive when they joined a lower-performing team because the team really needed them."

Here's where it gets a little complicated: Lower-performing teams often have less money to spend on top talent. In European football leagues, there are no salary caps, and top teams have huge budgets to attract top players.

"The teams in the bottom part of the league have to budget more. But if they can hire somebody good, it benefits them more relative to the top teams," said Chen.

In both sports and business, teams benefit when they wisely invest in talent, he said.

"You don't want to overpay for talent, but in contexts where the market value of a newcomer is linked to a higher level of [human capital](#), it's a good investment," he said. "And that investment is especially beneficial

to lower-performing teams."

And in the boardroom, just like on the field, investing in one superstar might be the wisest route.

"There's a lot we can learn from professional sports teams about business," Chen said. "A team is a large business in itself, and it's also an organization. There are implications for organizational-level performance with these factors of adding newcomers. These are people at the top of their game."

More information: Marvin Schuth et al, When new talent scores: The impact of human capital and the team socialization context on newcomer performance in professional sports teams., *Journal of Applied Psychology* (2022). [DOI: 10.1037/apl0001060](https://doi.org/10.1037/apl0001060)

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