



INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Working Paper

IIMK/WPS/441/ECO/2021/05

March 2021

**Does salary dispersion affect team performance in cricket?
Evidence from the Indian Premier League**

Deepak Srivastav¹
Puram Praveen²
Rudra Sensarma³
Anand Gurumurthy⁴

© All rights belong to their respective authors.

Please contact the corresponding authors, if you would like to access the full paper.

¹Doctoral Scholar, Quantitative Methods and Operations Management, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnammangalam, Kozhikode, Kerala 673 570, India; Email - deepaks12fpm@iimk.ac.in

²Doctoral Scholar, Quantitative Methods and Operations Management, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnammangalam, Kozhikode, Kerala 673 570, India; Email - puramp12fpm@iimk.ac.in

³Professor, Economics Area, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnammangalam, Kozhikode, Kerala 673 570, India; Email - rsensarma@iimk.ac.in, Phone Number - 0495-2809423

⁴Associate Professor, Economics Area, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnammangalam, Kozhikode, Kerala 673 570, India; Email - anandg@iimk.ac.in, Phone Number - 0495-2809435

Does salary dispersion affect team performance in cricket? Evidence from the Indian Premier League

Abstract:

We examine salary disparity and team performance using data from 11 seasons of the Indian Premier League (IPL) between 2008 – 2019. Research on corporate pay structures and professional team sports organisations has examined salary disparity and its ramifications, but the case of cricket is less explored, particularly in relation to team performance. We study the world's largest cricket league, viz. IPL that imposes hard budget caps making pay disparities more likely. We find evidence for equity pay theory according to which salary disparity cripples group harmony and team performance by creating a perception of inequality and jealousy among employees.

Keywords: Tournament theory, Equity theory, Twenty20 cricket, Indian Premier League, Dynamic panel estimation



भारतीय प्रबंध संस्थान कोषिककोड
Indian Institute Management Kozhikode
Globalizing Indian Thought

Research Office
Indian Institute of Management Kozhikode
IIMK Campus P. O.,
Kozhikode, Kerala, India,
PIN - 673 570
Phone: +91-495-2809237/ 238
Email: research@iimk.ac.in
Web: <https://iimk.ac.in/publications>

