

Major League Baseball's Salary Arbitration

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Major League Baseball's salary arbitration process--for players with 3+ years of Major League Service time--is the first opportunity for such players to negotiate a salary for the next season that is more reflective of their value. Prior to becoming eligible for salary arbitration the clubs unilaterally set the players' next season salary without any right of the players to negotiate the terms. Most clubs use a formula--created by the club, of course--to set the pre-arbitration players' salaries. Thus, a pre-arbitration player that provides meaningful contributions to the club, wins the Rookie of the Year, Most Valuable Player, is an All-Star, or simply puts up elite statistics will not benefit from such accomplishments--the club will dictate that player's salary for the next season.

Against this backdrop, it is evident that the players' rights to negotiate with his current club a salary through the arbitration process is paramount, notwithstanding the fact the salary arbitration process is one bargained for between the clubs and the players union, the MLBPA. Unfortunately, however, is the belief that the arbitration process--including the hearing before a 3 member arbitration panel--is laden with rancor, negativity, and hostility and that it forever sours the relationship between the club and player. Even more unfortunate is that the perception the hearing room is full of hostility instills in players an unwillingness to go through the process, choosing instead to settle to avoid being subject to the perceived negativity. Much like many things however, the perception is usually worse than the reality. Most clubs understand the need to preserve the relationship with the player, and that it serves no purpose to throw pointed, demeaning comments in an effort to prove its case of the player's value. Likewise, most clubs understand the hearing room is the proper forum for expressing the varied reasons what a player should or should not be paid--keeping it within the confines of that formal process.

Yet, last week a club executive--for whatever reason--felt compelled to go rogue and admonish a player publicly for exercising his bargained for right to negotiate, and argue, his salary. Even though the New York Yankees were successful against Dellin Betances, a highly skilled reliever, Randy Levine, the Yankees President, went out of his way to call a press conference after the ruling was announced, solely to criticize Betances and his efforts at utilizing his bargained for right. Rather than accept the arbitrators' award (a club win, mind you) and move forward, Levine unnecessarily used the media to gloat and chastise his club's best reliever. In doing so, Levine was critical of Betances efforts to "change the marketplace in baseball" and that Betances's salary request was based on "very little sense of reality." Essentially, Levine expressed angst at Betances rightfully doing what all players do in the salary arbitration process, establish a market that the specific player of his quality demands. Take away other negative, belittling comments of Levine [it is also reported that Levine repeatedly mispronounced Betances's name in the hearing--which is bad form in and of itself], his criticisms of Betances for utilizing his right to be paid his value is nonsensical. What was the end game? Was it solely an effort to demean Betances, or did Levine have a greater goal of warning other Yankees players that will go through the arbitration process to not bother,

or risk a public tongue lashing? Did Levine's comments spread across the industry, instilling in all players a concern of being subject themselves to public hostilities if they too participate in the process?

If Levine's purpose was to fire a warning shot to those players exercising their right to argue for a particular salary, then I suggest that it not be viewed as a scare tactic, but instead a resounding call for all players to utilize their right to submit their salaries to arbitration and to "fight the good fight." Naturally, a financial risk is at stake with salary arbitration, and for the players that risk is a decision favorable to the clubs' salary submission, rather than the players.' I submit that this is a known risk going into the hearing because the clubs and players exchange figures prior to the hearing and understand that the arbitrators are bound by either parties' submission. What should not be viewed as a risk, (and indeed a deterrent) are unwarranted, shortsighted comments from a club official.