

Do English Canadian Hockey Teams Discriminate Against French Canadian Players?

A Reply

NEIL LONGLEY

Faculty of Administration

University of Regina

Regina, Saskatchewan

Krashinsky and Krashinsky (1997) contend that the evidence I present in my paper (Longley 1995) should not necessarily lead one to conclude that French Canadians playing for NHL teams based in English Canada suffer from salary discrimination. They point, for example, to the relatively small subsample size of French Canadians playing for teams based in English Canada (five players), and contend that my statistical results should not be viewed as being particularly strong.¹ They also argue that my statistical results, even if accepted, can be explained by factors other than discrimination.

I certainly acknowledge that my paper does not conclusively prove that discrimination is occurring. As in any statistical work, there is a possibility that the results may not be a reflection of actual behaviour, but may be an artifact of the econometric model and/or data set being used. In other words, it is possible that what I am calling discrimination may not be discrimination.

However, Krashinsky and Krashinsky fail to provide any new statistical evidence that contradicts my

findings. Simply raising alternative explanations to the discrimination hypothesis does not automatically make these explanations valid. These alternative explanations must also be subjected to the rigours of empirical testing.

Krashinsky and Krashinsky imply, for example, that my results may be peculiar to the year being studied, or may be sensitive to the inclusion of additional players in the subsample. While both of these arguments may potentially have validity, neither are tested by Krashinsky and Krashinsky. My data pertained to the 1989-90 season, the first year that the NHL Players' Association publicly released player salaries. There now exist many more years of data that Krashinsky and Krashinsky could use to test their hypotheses.

The only empirical evidence that Krashinsky and Krashinsky do offer to support their conjecture is of an anecdotal nature. For example, they raise the case of Alexandre Daigle, a French Canadian forward for the Ottawa Senators who they apparently assume is highly overpaid. They seem to imply that

if a regression similar to mine were run during the Daigle years, my results (that French Canadians playing for teams based in English Canada suffer from salary discrimination) would have been reversed. They do not provide any statistical evidence to support this hypothesis. They also use an example that is tangential to the issue examined in my paper. The metropolitan Ottawa area has approximately 33 percent of its population that is francophone (Statistics Canada 1994). Compare this with the francophone population in the cities that were categorized as “English Canadian” in my study: Toronto, 1 percent; Winnipeg, 5 percent; Edmonton, 2 percent; Calgary, 1 percent, and Vancouver 1 percent. Ottawa is a fundamentally different city than the other English Canadian NHL cities, and hence the treatment of francophones on the Ottawa Senators is not relevant to the treatment of francophones playing for the other English Canadian franchises. If, in fact, English Canadian fans preferred not to have French Canadian players on their local teams, such effects would be felt much less on the Ottawa franchise, than on the other English Canadian franchises.²

On another issue, Krashinsky and Krashinsky argue that my results may be due to omitted variable bias. They note that four of the five players in the subsample played for the relatively low-paying Toronto Maple Leafs, and assert that “the French Canadian players with the Maple Leafs were underpaid not because they were French Canadian, but because [Leafs’ owner] Ballard underpaid everyone [relative to Longley’s model] he could.” Krashinsky and Krashinsky provide no statistical evidence to support their claim,³ but I can test such an argument using my original model and data. I re-ran my original base model (see Longley 1995 for more details on the model) but added two dummy variables: FRELEAF, which represented the four French Canadians playing for the Leafs, and OTHLEAF, which represented the other eight, non-French Canadians, playing for the Leafs. The results are as follows (t-statistics in parentheses).

$$\ln \text{SALARY} = 11.06 + 7.13\text{E-}4 (\text{RGP}) + .87 (\text{RPPG}) + 1.49\text{E-}2 (\text{REV})$$

(42.6) (8.57) (14.89) (4.01)

$$- .36 (\text{FRELEAF}) - .09 (\text{OTHLEAF})$$

(-2.72) (-.89)

$$R^2 = .72$$

As could be predicted from the results of my original article, the coefficient on FRELEAF is negative, large in magnitude (it indicates that the French Canadians playing for the Leafs were paid 36 percent less than what the model predicts), and highly significant in a statistical sense. While the coefficient on OTHLEAF is also negative, it is very insignificant statistically, and its magnitude is, by comparison, quite small (it indicates that the non-French Canadians on the Leafs were paid 9 percent less than what the model predicts). These results are contrary to the claims of Krashinsky and Krashinsky.

On another issue, Krashinsky and Krashinsky argue that four of the five players in the subsample were early in their NHL careers in 1989-90, and that “these types of players tend to be underpaid, relative to their offensive statistics, because they are still on ‘rookie’ contracts and have not yet been able to negotiate for better salaries.” While all 250 players in my sample did have NHL experience prior to the 1989-90 season, it is true that the five players in the subsample had, on average, played fewer NHL games than had the sample as a whole (165 games versus 349 games). However, Krashinsky and Krashinsky do not make it clear why they believe my model may underpredict the salaries of young players in particular. Of course, research on salaries in professional sports is always hampered by the presence of long-term contracts. For all players, regardless of experience, any deviations in performance from that expected when the existing contract was signed will not be reflected in the contract.

Finally, Krashinsky and Krashinsky offer the anecdotal observation that, if any discrimination

existed against French Canadians playing in English Canada, such discrimination would have become a media item. Such an argument is unconvincing because it would seem improbable that a person would publicly criticize his own employer, particularly when that person is relatively young, is likely fulfilling a lifelong dream (to play in the NHL), and is living in a different cultural environment. One of the problems with using anecdotal evidence is that it can easily be countered with other anecdotal evidence. For example, one could suggest that there is other evidence, besides the specific issues I examined in my paper, to support the hypothesis that French Canadians in the NHL may be valued differently in the United States than in English Canada. As a case in point, prior to 1995, no French Canadian in the history of the NHL had ever been a (head) coach and/or general manager of an English Canadian-based team.⁴ For US-based teams, however, there are no less than 13 examples of French Canadians holding coaches and/or GMs positions.

As a final point, much of Krashinsky and Krashinsky's criticisms revolve around the issue of the small subsample of French Canadians playing for teams based in English Canada. However, while it is one thing to identify the small subsample issue as a problem, it is quite another to find practical solutions to the problem. During any given season, not only are there very few French Canadians on the rosters of English Canadian teams, but the French Canadians that are on the rosters are generally distributed across three different positions: forwards, defensemen, and goaltenders. Krashinsky and Krashinsky suggest that I could have found a way to include defenseman and goaltenders in my analysis (I include only forwards). However, they do not explain how they feel this could be achieved. The general practice in the empirical literature on salary discrimination in the NHL has been to separate these positions and run three different regressions (see, for example, McLean and Veall 1992 and Lavoie and Grenier 1992, among others). This separation would seem a necessity since the explanatory variables for each position are very different. Thus,

salary data for any given year will likely yield, at most, (in the forwards regression) only five or six observations on French Canadians playing in English Canada.

Another possible way to gain a larger subsample size is to aggregate data across a number of years. However, this creates a number of problems of its own, and, again, such a practice is not usual in the literature. Where previous authors have considered more than one season in their study, they have generally separated those seasons and ran separate regressions for each. (See, for example, Lavoie and Grenier 1992.)

Working with small subsamples may be an unfortunate necessity. Do the small subsamples prohibit one from ever drawing any conclusions, for fear that the conclusions may not be valid? Perhaps they should, but then studying the issue in the first place may be pointless, since no conclusions can ever really be drawn.

In summary, I acknowledge that my results certainly do not conclusively prove that discrimination is occurring. However, at the same time, Krashinsky and Krashinsky have failed to provide any statistical evidence to counter my findings. The matter is largely an empirical question, and counter-hypotheses to the discrimination argument can best be evaluated by subjecting these counter-hypotheses to the rigours of statistical testing. The one hypothesis of Krashinsky and Krashinsky that was easily testable using data from my original paper did not appear to withstand such a test.

NOTES

¹I argued the econometric results in my paper were "strong" in the sense that the coefficient on the key variable, $FRE*CAN$, is large (it indicates that French Canadians playing for teams based in English Canada were paid 37 percent less than English Canadians playing for teams in English Canada), and that this coefficient is statistically significant at the 1 percent level.

²In fact, a number of media reports at the time seemed to indicate that the Senators valued Daigle because he was French Canadian, and could possibly appeal to an important segment of their fan base.

³My data are available to other researchers upon request.

⁴Guy Charron was briefly an interim coach of the Calgary Flames during the 1991-92 season, following the mid-season resignation of Doug Risebrough. At the completion of the season, Charron was replaced by Dave King.

REFERENCES

- Krashinsky, Michael and Harry A. Krashinsky (1997), "Do English Canadian Hockey Teams Discriminate Against French Canadian Players?: A Comment on 'Salary Discrimination in the National Hockey League'," *Canadian Public Policy/Analyse de Politiques* 23(2):212-16.
- Lavoie, Marc and Gilles Grenier (1992), "Discrimination and Salary Determination in the National Hockey League: 1977 and 1988 Compared," in *Advances in the Economics of Sport Volume I*, ed. G. Scully (Greenwich, CT: JAI Press).
- Longley, Neil (1995), "Salary Discrimination in the National Hockey League: The Effects of Team Location," *Canadian Public Policy/Analyse de Politiques* 21(4):413-22.
- McLean, Robert C. and Michael R. Veall (1992), "Performance and Salary Differentials in the National Hockey League," *Canadian Public Policy/Analyse de Politiques* 18(4):470-75.
- Statistics Canada (1994), *Profile of Census Tracts (1991 Census)*, (Ottawa: Minister of Industry, Science and Technology).