

STATUS IN MANAGEMENT AND ORGANIZATIONS

Edited by Jone L. Pearce



CAMBRIDGE

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Foreword

Although a great deal of an executive's behavior and success is driven by status needs, nevertheless, there has been a paucity of research on this topic. The purpose of this volume, as suggested by the editor Jone Pearce, is to create the research and conceptual foundation stones for a new field of enquiry, "a quest to learn more about how status influences organizational behavior." She has brought together some of the leading thinkers around this broad arena, from a number of countries (e.g., the USA, Canada, Germany, and the UK), as well as a senior psychologist for a think tank, the RAND Corporation. They explore how status differences are legitimated, the influence of status on markets, the role of status in new industries and ventures, when ascriptive status trumps achieved status in teams, status in the workplace, and developing status and knowledge management.

By highlighting a subject which has not received the attention it deserves, either conceptually or empirically, this volume is the standard bearer for future theory, research, and development in this field. The editor also highlights the importance of status scholarship for exploring strategic issues in organizations and, in some ways, as an integrative mechanism to engage with a number of the management disciplines as a focal point of research interest.

We feel that this book will make a substantial contribution to the literature in the field, and I would like to congratulate Jone Pearce and her contributor colleagues for a job extremely well done, which should influence an important neglected area of interest in organizational behavior.

Cary L. Cooper,
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Preface

This book arose from a question debated under an ancient tree over a long lunch in the Buda Hills nearly twenty years ago: why did some managing directors work so hard to try to adapt their organizations to the new non-communist market realities while others just sat and waited? Imre Branyiczki and I concluded that it was all about status – its pursuit, its defense, and which particular people’s respect and admiration were sought. That conclusion led to a quest to learn more about how status influenced organizational behavior. I discovered that many others across the range of management and organization fields were also coming to the conclusion that status mattered for the problems they were investigating, but that their work was scattered across such a wide range of subfields that they could not easily find one another. With this volume I had two purposes. First, I hoped to gather together those doing the leading work in the diverse fields that address management and organizations to make it easier for all of us to learn of each other’s work on status. Second, I wanted to make it easier for those unfamiliar with status scholarship who are addressing problems in strategy, organizations, and organizational behavior to learn more about how status can help address their own puzzles.

I owe a debt of gratitude to many who helped make this book possible. First and foremost, the chapter authors graciously shared their best work, and worked to help to make their scholarship more accessible to those outside their own specialization. They are a credit to our profession. Most of us could attend a workshop in Chicago last summer where chapters were presented and discussed. I would like to thank the University of California, Irvine’s Center for Leadership and Team Development for its financial support of the workshop and for the wizardry of Melissa La Puma who made the workshop a success. My Dean, Andy Policano of the Merage School of Business, gave me that most valuable of gifts: time to think and write. Ann Clark

provided invaluable assistance putting the manuscript together, and Harry Briggs helped keep me together throughout the process. Finally, our editors, Paula Parish and Cary Cooper, helped make this volume much better than it would have been. Thank you all.

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Introduction: The power of status

JONE L. PEARCE

My classmates who got jobs at investment banks now don't like to admit where they work. They'll mumble, "I work in finance but am getting out ..." When they got jobs at Goldman Sachs at graduation, they expected everyone to be jealous, but now they are too embarrassed to tell anyone they work there. (Personal communication, Ivy League university graduate, January 21, 2010)

Status matters to people. The rapid reversal in the social standing of the new financiers in the above quotation in response to the 2008 financial collapse is something they clearly feel. Whether or not it will be enough to overwhelm the riches they were still receiving is an important practical question for their employer, and an interesting intellectual one for scholars of management and organizations.

Status was once a central concern of social scientists. This is reflected in its early prominence in sociology and social psychology (Simmel [1908], 1950; Harvey and Consalvi, 1960; Weber [1914], 1978). Mirroring this early interest, status was also featured in early management and organization theory. For example, Barnard ([1938], 1968) suggested that status (which he called prestige) was an important inducement in organizations, and Vroom (1964) proposed that seeking status is one of the major reasons why people work. Maslow (1943) proposed that the esteem of others was one of the fundamental human needs.

However, since that time a relative respected social standing, or status, has occupied a rather minor place in the management and organization literature. The desire to occupy a respected social standing as a driving force in managerial and organizational work has not been completely neglected, but only in the past few years have scholars turned their attention to the powerful role of social status in explaining organizational behavior, team dynamics, the development of new industries and entrepreneurial firms, management strategies, and market behavior. While

many of those working in different organizational science traditions, such as Belliveau, O'Reilly, and Wade (1996), Brint and Karabel (1991), Chung, Singh, and Lee (2000), D'Aveni (1996), Dollinger, Golden, and Saxton (1997), Eisenhardt and Schoonhoven (1996), Elsbach and Kramer (1996), Gioia and Thomas (1996), Kilduff and Krackhardt (1994), Kirkbride, Tang, and Westwood (1991), Kraatz (1998), Long *et al.* (1998), Podolny (1993), Sundstrom and Sundstrom (1986), Tyler (1988), Waldron (1998), and Weisband, Schneider, and Connolly (1995), have noted status's importance to the markets, organizational, or team settings they have studied, these works are not indepth theoretical or empirical studies focusing on status itself.

The scattered attention to status in management and organization research is costly. First, the diversity of subfields in which status is introduced means that scholars working in these fields focused on their specific problems, and while they find that status and status striving are useful ways to think about their problems, they remain unaware of each other's work and so cannot build on it and develop our understanding of status in organizations. Second, the lack of sustained theoretical conversation about the role of status in management and organizational research means that many empirical phenomena that might be better explained as status effects are explained in other, less powerful ways. For example, Van der Vegt, Bunderson, and Oosterhof (2006) deplore their finding that those group members who have the most expertise received the most help from their fellow group members, when those with less expertise needed it more. Those familiar with the status literature and, in particular, the fact that expertise bestows status and those with more status receive more attention and assistance would not be surprised by this finding. Similarly, Tsui, Egan, and O'Reilly (1992) found that American white men found racially homogeneous workplaces more attractive than did blacks. Again, research on status indicates that most people prefer to interact with those of high status, making high-status individuals appear more homophilous than those of lower status (Sidanius *et al.*, 2004). Thus, status-seeking may better explain Tsui, Egan, and O'Reilly's (1992) findings than the similarity-attraction they propose. Given the demonstrated power of status and status striving in social settings, the unavailability of theoretical explanations based on well-established status-seeking explanations can produce misleading organizational theory and action.

From across the wide range of organization and management topics, scholars are increasingly turning to status to account for empirical puzzles. As is reflected in the following chapters, recent programs of research on the role of status on strategic diversification and alliance formation, intra-team conflict, discrimination and harassment, organizational change, employee identification, and organizational commitment are timely and important. These scholars, all focusing on differing problems, have come to the conclusion that status is an important theoretical explanation of their empirical observations.

This resurgence of interest may have arisen because scholars across the management and organization disciplines have turned their attention to understanding the problems of markets, strategies, and organizations they have observed, and observation inevitably directs attention to the role of status in driving action in social settings. How do members of boundary-less open-source communities organize themselves, evaluating and elevating the influence of those with useful expertise without the evaluation and control that formal hierarchies provide? When firms decide to expand or shift into new markets, which choices are more successful and why? What leads some nascent firms to receive more support from funders and supporters than others before there has been any market test of their new product or services? How do team members size up the various clues they receive about the expertise of their new colleagues in multifunctional teams? Why have racial and gender discrimination not given way to meritocracy in organizations so dependent on employee performance for their own success? These are the kinds of practical strategic, organizational, and workplace problems we increasingly face as organizations depend on innovation and ad hoc teams to do their work. It is ironic that those who seek to understand these challenges have discovered that status, traditionally associated with the most static of traditional societies, has become such an important explanatory concept.

However, this renewed scholarly attention to the role of status is scattered across the disparate disciplines of the management and organization fields. Many scholars have increasingly found that status provides valuable insights, but because the problems they address are so different, they rarely discover one another's work. This volume seeks to bring together those international scholars conducting current research on the role of status in their diverse management and organization disciplines. Bringing these scholars together can