

Status in Management and Organizations

People go to extraordinary lengths to gain and defend their status. Those with higher status are listened to more, receive more deference from others, and are perceived as having more power. People with higher status also tend to have better health and longevity. In short, status matters. Despite the importance of status, particularly in the workplace, it has received comparatively little attention from management scholars. It is only relatively recently that they have turned their attention to the powerful role that social status plays in organizations. This book brings together this important work, showing why we should distinguish status from power, hierarchy, and work quality. It also shows how a better understanding of status can be used to address problems in a number of different areas, including strategic acquisitions, the development of innovations, new venture funding, executive compensation, discrimination, and team diversity effects.

JONE L. PEARCE is Dean's Professor of Leadership and Director of the Center for Global Leadership at the Paul Merage School of Business, University of California, Irvine. She has published nearly ninety scholarly articles and is the author of four books, including *Organization and Management in the Embrace of Government* (2001) and *Organizational Behavior: Real Research for Real Managers* (2009). She is a fellow of the Academy of Management, the International Association of Applied Psychology, the American Psychological Association, and the Association for Psychological Science.



Cambridge Companions to Management

SERIES EDITORS:

Professor Cary Cooper CBE, Lancaster University Management School

Professor Jone L. Pearce, University of California, Irvine

ADVISORY BOARD:

Professor Linda Argote, Carnegie Mellon University Professor Michael Hitt, Texas A&M University Professor Peter McKiernan, University of St Andrews Professor James Quick, University of Texas

Professor Dean Tjosvold, Lingnan University, Hong Kong

Cambridge Companions to Management is an essential new resource for academics, graduate students, and reflective business practitioners seeking cutting-edge perspectives on managing people in organizations. Each Companion integrates the latest academic thinking with contemporary business practice, dealing with real-world issues facing organizations and individuals in the workplace, and demonstrating how and why practice has changed over time. World-class editors and contributors write with unrivaled depth on managing people and organizations in today's global business environment, making the series a truly international resource.

TITLES PUBLISHED:

Brief, Diversity at Work

Cappelli, Employment Relations

Saunders, Skinner, Dietz, Gillespie, and Lewicki, Organizational Trust

Sitkin, Cardinal, and Bijlsma-Frankema, Organizational Control Smith, Bhattacharya, Vogel, and Levine, Global Challenges in Responsible Business

Tjosvold and Wisse, Power and Interdependence in Organizations

FORTHCOMING IN THIS SERIES:

Cooper, Paney, and Quick, Downsizing



Status in Management and Organizations

Edited by

JONE L. PEARCE

University of California, Irvine





> CAMBRIDGE UNIVERSITY PRESS Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo, Delhi, Dubai, Tokyo, Mexico City

Cambridge University Press The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org Information on this title: www.cambridge.org/9780521132961

© Cambridge University Press 2011

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2011

Printed in the United Kingdom at the University Press, Cambridge

A catalog record for this publication is available from the British Library

Library of Congress Cataloging in Publication data

Status in management and organizations / [edited by] Jone L. Pearce.
p. cm. – (Cambridge companions to management)
Includes bibliographical references and index.
ISBN 978-0-521-11545-2 – ISBN 978-0-521-13296-1 (pbk.)
1. Organizational sociology. 2. Organizational behavior. 3. Industrial sociology. 4. Social status. 5. Prestige. I. Pearce, Jone L.
HM791.S73 2011
306.3'6-dc22
2010034945

ISBN 978-0-521-11545-2 Hardback ISBN 978-0-521-13296-1 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party Internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



To Harry, my love



Contents

Lis	st of figures	page 1x
Lis	st of tables	X
Lis	st of contributors	xi
Fo	reword	xvii
Pre	eface	xix
1	Introduction: The power of status JONE L. PEARCE	1
	Part I How status differences are legitimated	23
2	Divergence in status evaluation: Theoretical implications for a social construction view of status building BILIAN NI SULLIVAN AND DANIEL STEWART	25
3	Maintaining but also changing hierarchies: What Social Dominance Theory has to say JAMES O'BRIEN AND JOERG DIETZ	55
	Part II The influence of status on markets	85
4	The importance of status in markets: A market identity perspective MICHAEL JENSEN, BO KYUNG KIM, AND HEEYON KIM	87
5	On the need to extend tournament theory through insights from status research	118

vii



viii		Со	ntents
	Part III The role of status in and ventures	ı new industries	153
6	The cultural context of status knowledge in nanotechnology TYLER WRY, MICHAEL LO AND ROYSTON GREENWO	y DUNSBURY,	155
7	Venture launch and growth a M. KIM SAXTON AND TOI		191
	Part IV When ascriptive status in teams	tus trumps achieved	213
8	Status cues and expertise assortion How group members size one why it matters J. STUART BUNDERSON A MICHELLE A. BARTON	e another up and	215
9	The malleability of race in or A theory of racial status active MELISSA C. THOMAS-HUNKATHERINE W. PHILLIPS	ration	238
	Part V Status in the workpl	ace	267
10	Organizational justice and staperspectives and promising d JERALD GREENBERG AND DESHANI B. GANEGODA	irections	269
11	Resolving conflicts between s in individual identity: A fram identity displays KIMBERLY D. ELSBACH		304
	Part VI Developing status a	nd management knowledge	331
12	The value of status in manager organization research: A theodone L. PEARCE		333
Inde	lex		345



Figures

	3.1	Mechanisms of Social Dominance Theory, illustrated	
		through gender-hierarchy examples	page 59
	4.1	Status-identity framework	93
	4.2	Market space of the banking industry	94
	4.3	Multiple positions in the market space	100
	4.4	Vertical and horizontal mobility in the market space	102
	6.1	Citation patterns for inorganic, organic, and polymer	
		patent categories, 1994–2005	175
	7.1	Balancing resources for growth in emerging ventures	196
	7.2	Stages of venture growth	198
	7.3	New venture development as a status-building process	200
	8.1	A typology of expert status cues	219
1	1.1	Display tactics for resolving identity conflicts	322



Tables

2.1	Fixed effect estimates of status divergence level	
	of an actor	page 41
5.1	Important limitations to the analogy between	
	sports and organizational compensation tournaments	126
5.2	Studies emphasizing status as a means to an end	132
6.1	Means, standard deviations, correlations of variables	169
6.2	Random effect negative binomial analysis of	
	nanotube patent citations, 1994-2005	170
6.3	Within field "prior art" citations; inorganic classes,	
	1992–2005	178
11.1	Qualitative case studies of identity displays	
	following identity threats	312

X



Contributors

MICHELLE A. BARTON is a doctoral candidate at the Ross School of Business, University of Michigan. Her research explores the processes by which individuals and groups organize to manage uncertainty in real time. In particular, she focuses on how teams recognize and use diverse expertise to create more mindful organizational practices and to facilitate flexible and adaptive performance.

J. STUART BUNDERSON is a professor of organizational behavior at the John M. Olin Business School at Washington University in St. Louis and a research professor with the Faculty of Management and Organization at the University of Groningen, the Netherlands. He holds a Ph.D. degree in strategic management and organization from the University of Minnesota, and B.S. and M.S. degrees from Brigham Young University. His research focuses on learning, power and status, and meaningful work, and has been published in leading management journals including Administrative Science Quarterly, Academy of Management Review, Academy of Management Journal, Journal of Applied Psychology, and Harvard Business Review. He serves as a senior editor at Organization Science and is on the editorial board of the Academy of Management Review.

JOERG DIETZ is a professor and Head of the Department of Organizational Behavior at the University of Lausanne in Switzerland. He teaches organizational behavior at the micro and macro levels as well as cross-cultural management. His research interests include workforce diversity (in particular, prejudice and discrimination in the workplace), contextual antecedents of organizational behavior, and employee–customer linkages. His research has been published in numerous journals, including *Academy of Management Journal*, *Journal of Applied Psychology*, and *Organizational Behavior and Human Decision Processes*. He has won several teaching and research



xii

Cambridge University Press 978-0-521-11545-2 - Status in Management and Organizations Edited by Jone L. Pearce Frontmatter More information

List of contributors

awards, including best paper awards from two divisions of the Academy of Management.

KIMBERLY D. ELSBACH is Professor of Management and Chancellor's Fellow at the Graduate School of Management at the University of California, Davis. She is also the NCAA Faculty Athletics Representative for UC Davis. She received her Ph.D. in industrial engineering from Stanford University in 1993. She studies how people form impressions and images of each other and their organizations. Her book, *Organizational Perception Management*, was recently published by Lawrence Erlbaum Associates Press.

DESHANI B. GANEGODA is a Ph.D. student in organizational behavior at the University of Central Florida. She earned her Bachelor of Business degree and honors degree (first class) in management at Monash University, Australia. Her research interests include organizational justice, morality, ethics, and organizational change. She has co-authored several book chapters and presented papers on this and other topics at premier management conferences.

JERALD GREENBERG is Senior Psychologist at the RAND Corporation's Institute for Civil Justice and was formerly Abramowitz Professor of Business Ethics at Ohio State University's Fisher College of Business. He has served as Associate Editor of Organizational Behavior and Human Decision Processes and of the Journal of Organizational Behavior. In addition to over twenty-five books, he has published over 160 articles and chapters, mostly in the field he helped develop, organizational justice. Recognizing a lifetime of research accomplishments, he won the Distinguished Scientific Contributions to Management Award granted in 2007 by the Academy of Management, the Distinguished Scientific Achievement Award granted in 2006 by the Society for Industrial and Organizational Psychology (SIOP), and the Herbert Heneman Career Achievement Award granted in 2005 by the Human Resources Division of the Academy of Management. Based on citation counts, Dr. Greenberg has been identified as the thirty-seventh most influential management scholar.

ROYSTON GREENWOOD is the TELUS Professor of Strategic Management in the Department of Strategic Management and Organization, School of Business, University of Alberta, and Visiting Professor at the Saïd Business School, University of Oxford. He received



List of contributors

xiii

his Ph.D. from the University of Birmingham, UK. His research focuses on the dynamics of institutional change, especially at the field level of analysis. He is a founding co-editor of *Strategic Organization* and is a co-editor of the *SAGE Handbook of Organizational Institutionalism*.

MICHAEL JENSEN is an associate professor at the University of Michigan, Ann Arbor. His main research focuses on the role of social structures and dynamics in markets, and his current projects include work on identity and status.

BO KYUNG KIM is a doctoral candidate at the University of Michigan, Ann Arbor. Her current research focuses on market identity and social structure, with emphasis on the interaction between them over time.

HEEYON KIM is a doctoral candidate at the University of Michigan, Ann Arbor. Her research interests are in the areas of organizational identity and status, with current projects focusing on the mobility of status and identity.

MICHAEL LOUNSBURY is the Alex Hamilton Professor of Strategic Management and Organization at the University of Alberta School of Business and the National Institute of Nanotechnology. His research focuses on the relationship between organizational and institutional change, entrepreneurial dynamics, and the emergence of new industries and practices. He serves on a number of editorial boards and is currently the series editor of *Research in the Sociology of Organizations* and co-editor of *Organization Studies*.

BILIAN NI SULLIVAN received her Ph.D. from Stanford University and currently is an assistant professor at the Hong Kong University of Science and Technology. Her research interests are in the areas of learning, social networks, and stratification.

MICHAEL NIPPA is Professor of Management, Leadership, and Human Resources at Freiberg University. His research integrates corporate management and leadership, development and management of organizations, human resource management in an international context, and formulation and implementation of strategy.

JAMES O'BRIEN is Assistant Professor of Human Resource Management in the Aubrey Dan Program in Management and Organization Studies, Faculty of Social Science, at the University of Western Ontario. He received his Ph.D. from the Richard Ivey School of



xiv

List of contributors

Business, University of Western Ontario, in 2009. His research interests include decision making in human resource management, team decision making and problem solving, and individual differences. He is a founding member of the Evidence-Based Management Collaborative. He has published in the *Journal of Management Education* and *Industrial and Organizational Psychology: Perspectives on Science and Practice*.

JONE L. PEARCE is Dean's Professor of Leadership and Director of the Center for Global Leadership at the Paul Merage School of Business, University of California, Irvine. She conducts research on workplace interpersonal processes, such as trust and status, and how these processes may be affected by political structures, economic conditions, and organizational policies and practices. Her work has appeared in nearly ninety scholarly articles in such publications as the Academy of Management Journal, Academy of Management Review, Journal of Applied Psychology, and Organization Science; she has edited several volumes and written four books, including Volunteers: The Organizational Behavior of Unpaid Workers (1993), Organization and Management in the Embrace of Government (2001), and Organizational Behavior Real Research for Real Managers (2006, revised and expanded in 2009). She is a Fellow of the Academy of Management, the International Association of Applied Psychology, the American Psychological Association (Div. 14, SIOP), and the Association for Psychological Science.

KATHERINE W. PHILLIPS is an associate professor of management and organizations at the Kellogg School of Management at Northwestern University in Evanston, IL. She earned her Ph.D. at the Stanford Graduate School of Business. Her research focuses on diversity, information sharing, and status processes in teams and organizations. She has published her work in multiple edited volumes and peer-reviewed journals, including Organizational Behavior and Human Decision Processes, Journal of Applied Psychology, Journal of Experimental Social Psychology, Organization Science, and Personality and Social Psychology Bulletin.

M. KIM SAXTON is a clinical assistant professor of marketing at the Indiana University (IU) Kelley School of Business. She holds a Ph.D. and MBA in marketing from IU, as well as a B.S. in management science from the Massachusetts Institute of Technology (MIT).



List of contributors

xv

She has twenty years' experience in competitive intelligence, market research, and marketing. She began her career in consulting. Other roles have included VP at Walker Information, Global Market Research Manager at Eli Lilly and Company, Executive Director of Marketing at Xanodyne Pharmaceutical, and partner of her own competitive intelligence and strategic planning consulting firm. She has provided insights to the decision making of a variety of Fortune 500 firms: Nike, LensCrafters, American Express, General Foods, Hallmark Cards, the Coca-Cola Company, Eli Lilly and Company, as well as a number of other companies. She has developed custom marketing training programs for Pfizer Pharmaceuticals and Deborah Woods Associates. She has won multiple teaching awards both at IU and the Lilly Marketing Institute. She has published in Marketing Science, Journal of Business Research, International Journal of Research in Marketing, Corporate Reputation Review, Reputation Management, and Journal of Research in Science Teaching.

TODD SAXTON is an associate professor of strategy and entrepreneurship at the Indiana University Kelley School of Business and is the Indiana Venture Center Faculty Fellow. He sits on the board of the Venture Club of Indiana. He received his undergraduate degree in economics from the University of Virginia, with distinction, in 1985. He worked in business consulting for two different firms from 1985 to 1991, primarily helping Fortune 500 companies with acquisition and alliance programs and competitive strategy. He received his Ph.D. from Indiana University in 1995 in strategy and entrepreneurship. Today, he teaches and researches at the Indiana University Kelley School of Business, primarily in Indianapolis. He has won multiple teaching awards including the Lilly Teaching Award as top graduate instructor. He specializes in corporate and competitive strategy, innovation, and new venture formation and development. He has also published in the Academy of Management Journal, Strategic Management Journal and Journal of Management.

DANIEL STEWART is an associate professor of management at Gonzaga University. He received his Ph.D. from Stanford University. In addition to his interest in the evolution of social status, his research has also been focused on Native American entrepreneurship. Alongside his academic activities, he is a small business owner and serves as a



xvi

List of contributors

board member for various commercial ventures and Native American organizations.

MELISSA C. THOMAS-HUNT is an associate professor of business administration at the Darden School of Business at the University of Virginia. She received her Ph.D. from the Kellogg Graduate School of Management at Northwestern University. Her research focuses on conflict management, negotiation, and inclusive leadership within global teams and organizations. Her publications have appeared in Organizational Behavior and Human Decision Processes, Journal of Applied Psychology, Journal of Experimental Social Psychology, Management Science, Personality and Social Psychology Bulletin, and numerous edited volumes.

TYLER WRY is a doctoral student at the University of Alberta School of Business and the National Institute of Nanotechnology. His research is motivated by a passion to understand the interplay of cultural and strategic factors in shaping innovation. In particular, he focuses on the endogenous shaping of cultural forces within fields and how this interacts with strategic and actor-level factors to influence the types of innovation pursued by various field members and the outcomes that result.



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, CBE, Lancaster University Management School, UK

xvii



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

xix



xx Preface

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.