Status in Organization and Management Theory

Alessandro Piazza
Fabrizio Castellucci
Bocconi University

Status is a pervasive construct in the organizational literature, and a recent surge in interest in the topic testifies to its potential as a field of study. In this article, we review the existing studies on status, and we propose an integrative classification framework based on two distinct dimensions: the level of analysis—macro, meso, or micro—and the role status hierarchies play in extant research. We do so with a view to clarifying the status construct, differentiating it from the cognate concept of reputation, and clearly stating the ways in which status dynamics could inform organizational scholars and their research efforts. We conclude by highlighting underdeveloped theoretical intersections and suggesting potentially fruitful directions for future inquiry.

Keywords: status; hierarchies; social evaluations; prestige; rank

For centuries, the study of status has been one of the main concerns of social scientists, and indeed, as a field of inquiry, it is about as old as the social sciences themselves (Barnard, 1938; Maslow, 1943; Vroom, 1964). It was only in the past few decades, however, that organizational scholars discovered that status dynamics could inform their work by helping explain a wide range of phenomena occurring both within and between organizations. Intuitively, status is meant to signal the particular category that an individual or an organization occupies within a well-defined social hierarchy (Sauder, Lynn, & Podolny, 2012). Having high status confers a respected and honored standing, which often comes with a

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Corresponding author: Alessandro Piazza, Bocconi University, Department of Management and Technology, Suite 4-E2-09, Via Röntgen 1, 20136 Milan, Italy.

E-mail: alessandro.piazza@phd.unibocconi.it
variety of advantages: ceteris paribus, a high-status individual might be considered a better performer (Lynn, Podolny, & Tao, 2009), while the goods of a high-status organization might be considered of higher quality (Podolny, 1993).

While the concept of status is appealing in its simplicity, its precise definition and its usage in empirical research have been the subject of much controversy. Over the past few centuries, scholars have expressed this notion using words such as estate, order, rank (more socially connoted), or class (more economically connoted). Yet, there appears to be no broad agreement on a precise definition, and scholars have not been able to reconcile the distinction between status as a subjective evaluation and status as an objective, structural reality. As a result, competing views and understandings of status developed, which resulted in perennial dissensus both in organization theory and in the social sciences at large. To this day, efforts toward reconciling opposing definitions, mechanisms, and processes in status literature have yet to succeed, despite the large number of symposia, workshops, and special issues on status launched in major conferences and journals in the past few years (e.g., Chen, Peterson, Phillips, Podolny, & Ridgeway, 2012). This renewed interest has perhaps come with the realization that status dynamics are relevant at all levels and can be convincingly used as a way to explain phenomena, including discrimination on the job, alliance formation, and organizational change. Given the diversity of these research questions, it is little wonder that research on status processes has developed in parallel, with virtually no cross-pollination among researchers (Pearce, 2011). This persistent lack of communication has resulted in disagreement and in the use of inconsistent terminology. Nevertheless, a thorough, all-encompassing understanding of status is needed, not only for the sake of conceptual clarity but, most important, to foster the advancement of the field as a whole.

This topic is therefore ripe for a review article that is targeted at management scholars. In fact, while a few reviews exist (Chen et al., 2012; Jasso, 2001; Lin, 1999; Sauder et al., 2012), they mostly draw on research in sociology and are thus not intended for wide readership in our field. Moreover, none of these reviews has specifically attempted to highlight how and to what extent the status construct is relevant to the managerial literature. This is important because the theoretical perspectives employed in studies of status tend to vary to some extent across disciplines. Sociologists’ general view of the notion shows strong linkages with power (Bonacich, 1987), and it is applicable to a wide variety of social situations (Magee & Galinsky, 2008). Organization and management scholars tend to focus on a smaller situational subset—e.g., small groups, organizations, markets or other competitive environments—and do so with an eye to some sort of positive outcome a favorable status position might have for its holder (Malter, 2011b; Podolny, 1993; Stuart, Hoang, & Hybels, 1999).

In what follows, we attempt to organize the vast literature on status, with a view to sketching a taxonomy of extant studies on the subject according to two dimensions of classification, namely, the level of analysis of the study and the role status plays within the dynamics being analyzed. After a brief methodological section on how the reviewed articles were selected, we discuss what status is—paying particular attention to the evolution of the concept over the years—and what status is not, in an attempt to disentangle it from the cognate concepts of legitimacy and reputation. We then present theoretical and empirical papers on status, classifying them based on the level of analysis: macro (i.e., the market level), meso (structured settings such as organizations, contests, etc.), and micro (small groups and teams). A second dimension of classification concerns the role status plays in the reviewed articles.
This classification includes signal, intangible asset, and mobile resource. Finally, we draw conclusions and discuss intersections between status and other research areas in organization studies, such as networks and institutional theory. We also identify current “hot topics” and address underdeveloped areas of inquiry that could use further theoretical and empirical development.

The contribution of this article is twofold. First, it integrates extant status research in management and organization theory within a single organizing framework that cuts across all levels of analysis and sheds new light on the functional role of status. This contribution is particularly valuable, as distinct levels of analysis correspond to different theoretical and empirical traditions that have so far operated separately. Second, by consolidating past results and setting the stage for further efforts, we hope to foster greater collaboration among researchers at the micro, meso, and macro levels, as well as a higher degree of openness toward integrating fresh perspectives from other disciplines. We believe this is necessary if status research in management and organizations is to move forward.

The Review Approach

To gain an encompassing perspective on the extant literature on status, we identified and analyzed a sample of articles drawn from some of the main outlets in organization theory, management, and allied fields from 1993—when the first article on status in market settings (Podolny, 1993) was published—to 2012. In line with the tradition of previous review efforts (Busenitz et al., 2003; Payne, Moore, Griffis, & Autry, 2010; Short, Ketchen, Shook, & Ireland, 2009; Short, Payne, & Ketchen, 2008), we first ran a search in the EBSCOhost, ABI/INFORM, and JSTOR databases for the keyword status, focusing on the following (11) representative outlets: Academy of Management Annals, Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Industrial and Corporate Change, Journal of Management, Journal of Management Studies, Management Science, Organization Science, Organization Studies, and Strategic Management Journal. Because many organizational scholars tend to also publish in disciplinary journals, in a second phase we added outlets such as the American Journal of Sociology, American Sociological Review, Annual Review of Sociology, Social Forces, Psychological Science, Journal of Applied Psychology, and Journal of Personality and Social Psychology to our search. Because not all the articles published in the above journals are necessarily relevant to scholars of organizations and management, we reviewed each article in the sample, and we jointly determined its suitability for inclusion. Typically, we included empirical articles that used status as one of the main variables and theoretical articles that made a significant contribution to the development of status research. Finally, we added to our sample relevant book chapters, in-press articles, and working papers at an advanced stage of drafting that we were aware of to provide an even more comprehensive, accurate, and up-to-date depiction of current status research.

What Is Status?

As mentioned in the introductory section, prior to its diffusion in the organization and management literature, the notion of status had been extensively studied in fields such as sociology and social psychology. Indeed, some of the founding fathers of the social
sciences—such as Simmel (1908) and Weber (1978)—already used status in their writings in the first half of the 20th century. Specifically, Weber was among the first to observe that, along with power and wealth, status is one of the fundamental dimensions of social inequality in human societies. As a type of inequality, status is twofold. On one hand, it can be viewed as a relationship between social groups—considering, for instance, the status differences commonly observed between occupations, between racial or ethnic groups, or between men and women (Ridgeway, 1991; Ridgeway & Erickson, 2000; Weber, 1978). On the other hand, status can be conceptualized as a hierarchical relationship among individuals that takes place in practice by means of differences in deference or influence (Skvoretz & Fararo, 1996). Although we are particularly concerned with the question of what status means to organization and management theorists, we will first briefly discuss its development within the fields of sociology and social psychology to give a thorough grounding to our later analysis.

**Status in Sociology and Social Psychology**

Sociologists have been concerned with status since the very onset of their discipline. In fact, the two major sociology journals in the United States (American Journal of Sociology and American Sociological Review) were already publishing articles on status as early as the 1930s. This interest is mainly because “status processes play a part in the development of powerful inequalities, which shape the structure of groups and societies as well as, directly and indirectly, the opportunities of individuals” (Jasso, 2001: 96). As a result of this early collective effort, scholars devoted their attention to a variety of related phenomena, such as status inconsistency (Blalock, 1967), that is, the notion that an individual’s social position has both positive and negative influences on his or her social status; status crystallization (Lenski, 1956); and, more generally, status organizing processes, that is, processes “in which evaluations of and beliefs about the characteristics of actors become the basis of observable inequalities in face-to-face social interaction” (Berger, Rosenholtz, & Zelditch, 1980). Curiously, the oldest article we could find on the issue of social status also provides one of the most effective definitions of it, a definition that sounds surprising even today in its clarity. This article, Goldhamer and Shils (1939: 179), did in fact observe that

> men evaluate the objects, acts, and human attributes with which they come into contact. These evaluations may become systematized into a hierarchy of values. . . . Such a judgment of rank made about either the total person or relatively stable segments of the person constitutes the social status of that person (for the individual making the judgment).

This definition encompasses, in a few short sentences, most of what we need to know about social status: namely, that it is a subjective judgment of social rank based on a hierarchy of values, and it is through status that the societal hierarchy of values is translated in practice to form the actual social order by means of status-organizing processes.

In regard to status processes, we find that the viewpoint of the social psychology literature broadly overlaps that of sociology, with only a few dissimilarities. Typically, social psychologists—being more focused on the person as a level of analysis—are less bothered than sociologists by the subjective-objective status dilemma. To them, status is an assessment that is entirely contingent on the individual and is thus intrinsically subjective. However, what is
interesting about the views of status held by social psychologists is the general tendency to view it as a means to obtain future resources (Lin, 1999). Huberman, Loch, and Onculer (2004: 103), for instance, argue that “status may be not only a means to an end but also an end in itself, an intrinsic component of an individual’s utility function in addition to the pursuit of resources.”

**Status in Organization and Management Theory: History of a Borrowed Concept**

Despite its long-standing and honored tradition in allied disciplines, for decades organization and management theory remained an alien field for status scholars. In addition, while the field of management, traditionally grounded in economics, was becoming increasingly open to cross-contamination from sociological constructs and theories, such as new institutionalism, organizational ecology, networks, or reputation, the literature on status remained virgin territory until the early 1990s. We therefore think it not at all inaccurate to say that the organization and management theorists’ interest in applying the notion of status to market settings was essentially born out of Podolny’s (1993) seminal article, “A Status-Based Model of Market Competition.” Since then, more than 160 articles have looked into the topic (Jensen, Kim, & Kim, 2011). Podolny (1993: 830) defines market status as follows:

> I define a producer’s status in the market as the perceived quality of that producer’s products in relation to the perceived quality of that producer’s competitors’ products.

Even at a passing glance, the definition stands in stark contrast with those seen in the previous section: No mention is made of the social environment, and traditional notions of rank are also absent from the definition. Status is redefined as a *signal of quality*, which does not require the anchoring of a social system. This viewpoint is almost entirely economic, as Podolny’s concept of signal is compatible with the view of signals that is typical of economics, that is, an informative pointer that consumers can use to make purchasing decisions. In fact,

> if an actor is uncertain of the actual quality of the goods that confront her in the market, or if she is unwilling or unable to bear the search costs of investigating all the different products in the market, then the regard that other market participants have for a given producer is a fairly strong indicator of the quality of that producer’s output. (Podolny, 1993: 831)

While this early view of status enjoyed great popularity, some scholars felt that it forsook the sociological roots of the concept by deliberately excluding any mention of rank order or hierarchy from the definition. Moreover, choosing to emphasize perceived quality over other dimensions of status caused the construct to broadly overlap that of reputation. Indeed, according to a capstone article in the latter tradition, the role of reputation is to “signal publics about how a firm’s products, jobs, strategies and prospects compare to those of competing firms” (Fombrun & Shanley, 1990: 233). Consequently, later scholars tend to use remarkably different definitions, such as a “socially constructed, intersubjectively agreed-on and accepted ordering or ranking of individuals, groups, organizations, or activities in a social system” (Washington & Zajac, 2005: 284), or “the prestige accorded to firms because
of the hierarchical positions they occupy in a social structure” (Jensen & Roy, 2008: 496). Indeed, Podolny’s early understanding of status is now widely seen as unnecessarily limited in explanatory power (Jensen et al., 2011), as the majority of scholars have acknowledged that there is more to status than mere signaling and have advocated for an integration of sociological and economic views. In her introduction to the book *Status in Management and Organizations*, Pearce (2011: 6) points to a potential common ground by arguing that “status is grounded in social consensus, must be perceived by individuals, and can be assessed via structural characteristics (but is not reduced solely to these measurement indicators).” Thus, a possibly integrative view of status envisions the construct as an indicator of both quality and social order. Despite being subjective and perceived by each individual, to be relevant status needs to be socially shared through consensus by providing actors with a specific set of opportunities and constraints. Reconciling the social and economic dimensions of status, we argue, is desirable for at least two reasons: First, it would provide the construct with a greater degree of conceptual clarity; second, and most important, it would clearly mark the distinction between status and other social evaluations of organizations, such as legitimacy and reputation (Bitektine, 2011)—a distinction we discuss in the following section.

**What Status Is Not: Disentangling Status From Cognate Concepts**

Status resembles two other concepts, namely reputation and legitimacy, with which it is also often confused. Before moving forward, it is thus worth examining how status differs from these concepts. Early economic (Camerer & Weigelt, 1988; Shapiro, 1983; Weigelt & Camerer, 1988; Wilson, 1985) and sociological (e.g., Raub & Weesie, 1990) conceptions consider reputation a signal that allows external audiences to predict the future behavior, performance, or quality of actors based on their previously observed behavior, performance, or quality. More recently, research on management and organizations has developed significant differences in how reputation is defined and operationalized. In their recent review article on reputation, Lange, Lee, and Dai (2011: 155) examined these differences by showing that reputation is alternatively defined as “being known (generalized awareness or visibility of the firm; prominence of the firm in the collective perception), being known for something (perceived predictability of organizational outcomes and behavior relevant to specific audience interests), and generalized favorability (perceptions or judgments of the overall organization as good, attractive, and appropriate).” Although attempts to reconcile these differences have led to integrative definitions of the concept that include, for instance, both past actions and prominence (Rindova, Williamson, Petkova, & Sever, 2005), or both the awareness and assessment of an actor (Rhee, 2009), the traditional definition of reputation as an “expectation of future behavior that is directly based on past demonstrations of that behavior” (Jensen & Roy, 2008) that signals to potential customers a specific attribute through the actors’ past actions (Rindova & Martins, 2012) still seems to be prominent.

The distinction between reputation and status can be traced back to the work of Weber, who considered status “an effective claim to social esteem in terms of positive or negative privileges” (Weber, 1978: 305) that can be based on style of life, education, and hereditary or occupational prestige. Building on this definition, Washington and Zajac (2005) clarified the distinction by arguing that while reputation captures differences in quality or merit generating performance-based rewards, status captures differences in agreed-on social ranks generating privileges not related to performance. Although a status ordering can be determined by
an actor’s past quality or performance, once formed, the status ordering is slower to change, when compared with the actor’s reputation, in the face of changes in quality or performance. Ertug and Castellucci (2013) have shown reputation and status to be not only conceptually distinct but also to have empirically distinct effects on different organizational outcomes.

The concept of legitimacy is based on the idea that firm values have to be congruent with societal values if firms are to have a claim on societal resources (Parsons, 1960). Legitimacy, then, is the extent to which firms’ activities are in line with what are socially constructed as either acceptable or desirable activities by either industry norms or broader societal expectations (Scott, 2001; Suchman, 1995). Along these lines, firms whose structure conforms to established norms (Meyer & Rowan, 1977), whose stocks are reviewed by specialized analysts (Zuckerman, 1999), or whose upper echelons show appropriate experience (Higgins & Gulati, 2003) are considered to have achieved high levels of legitimacy. As highlighted by Rindova, Pollock, and Hayward (2006: 55), “Legitimacy differs from reputation and status in that it focuses on the degree to which a firm’s products, practices, and structures are consistent with societal expectations, rather than on its distinctive performance outcomes.” Therefore, if legitimacy emphasizes the similarity of some actors’ dimensions to what is socially expected of the actor regarding these dimensions, status focuses on how these dimensions provide a basis to socially determine a rank ordering of actors.

The Macro Level: Status in Markets

The basic assumption underlying all sociological studies of markets is that traditional economic theory is often inadequate to explain a wide range of phenomena commonly occurring in market settings; in other words, such phenomena are governed by behavioral “laws” (Callon, 1998) that need to be viewed through a sociological lens. According to Granovetter (2005), social ties and the network patterns they form are relevant for markets in that they affect information transfer, the allocation of reward and punishment, and trust buildup. Markets can also be conceptualized as social environments in which producers and buyers interact, and interactions are heavily influenced by these two cliques’ observations of each other (White, 1981). Producers “watch each other” within a market, and in so doing they build the market. A final—but not less important—key aspect of market structure is that of uncertainty, which is often taken for granted given the impersonality of most market transactions (Podolny, 1994: 459):

The greater the uncertainty in the market, the more that actors restrict their range of possible exchange partners to those with whom they have had prior interactions. . . . A second consequence of market uncertainty is that actors direct greater attention to the status of potential exchange partners.

However, if we take markets to be social structures of economic exchange dominated by uncertainty, where producers and buyers observe each other and in which social ties govern information transfer, allocation of reward and punishment, and trust buildup, then status serves, at the very least, a twofold purpose: It allows for quality signaling while simultaneously guiding actors in their choice of partners. Early studies of status dynamics in markets used investment banking to show how the price an investment bank receives for underwriting a given issue is inversely related to status and that in the bidding wars in which banks
compete, higher-status banks can take advantage of their resulting lower costs to underbid competitors (Podolny, 1993). In the model, status translates to a cost advantage, thereby creating a bidding mechanism not based on price theory but rather on the specificities of the social context. Later work by the same author (Podolny, 1994) engages the problem of market uncertainty by arguing that a principle of exclusivity is adopted when selecting exchange partners and that such a principle is status-based. An in-depth study of the investment-grade and non-investment-grade debt markets from 1981 to 1987 does in fact show that the greater the uncertainty, the more likely organizations will engage in exchange relations with both those with whom they have transacted in the past and those of similar status, that is, to form homophilous ties (McPherson, Smith-Lovin, & Cook, 2001). The results suggest that

the reliance on previous exchange partners and the attention to status position might be considered first-best and second-best approaches to resolving environmental uncertainty. If an actor has had prior experience with a potential exchange partner, the actor uses that prior experience as a tangible basis for evaluating the opportunity. In the absence of such prior experience, however, the status of a potential exchange partner is another plausible criterion for evaluation. (Podolny, 1994: 479)

These themes are developed further in a study on the California wine industry (Benjamin & Podolny, 1999), in which a network of affiliated wineries is used to examine the status of each winery and the affiliation ties among them. The status of an actor’s affiliates is found to have a positive effect on the actor’s rewards in the market and to increase returns to past demonstrations of quality. In addition, the higher the status of an actor’s affiliates, the more likely the actor will subsequently choose to produce high-quality products. Moreover, the benefits derived from high-status affiliations are not constant across actors: Returns to high-status affiliation are lower for actors who have not established high-status affiliations in the past. The overall conclusions support the idea that actors occupying high-status positions obtain greater benefit from subsequent high-status affiliations than do actors occupying low-status positions. As such, these actors are more willing and able to pay for subsequent high-status affiliations and to use them to advance their position in the larger status ordering.

Empirical evidence also suggests that status hierarchies in markets do not exert pressures on all actors equally. In this respect, an important phenomenon to be taken into account is that of middle status conformity, that is, the long-standing idea that conformity is high at the middle and low at either end of a status order. This idea is tested by Phillips and Zuckerman (2001) in two settings: Silicon Valley law firms and securities markets. Both analyses show the existence of a U-shaped relationship between law firm status and the announcement of family law practice and between an analyst’s rank and her tendency to issue negative ratings. That strong evidence for middle-status conformity is found in both settings further strengthens the authors’ conclusions.

A related strand of literature investigates the notion of status with respect to phenomena such as market entry and interorganizational collaboration. Drawing on a comprehensive longitudinal sample of the entry of commercial banks’ into investment banking from 1991 to 1997, Jensen (2003) finds that a nonfinancial firm is more likely to use a given commercial bank as a lead manager in investment banking if that commercial bank occupies a higher status position in commercial banking than if it occupies a lower status position. In addition, the effect of status based in either commercial banking or investment banking decreases in the presence of investment banking ties between the nonfinancial firm and the commercial
bank. This effect also decreases as commercial banks spend more time in investment banking or as investment banking experience increases. A twin study (Jensen, 2008) employs status to explicate how incumbent firms use relational discrimination to manage threats from market entry. Specifically, incumbent firms disfavor collaborations with high-status entering firms compared with collaborations with high-status incumbent firms, favoring instead collaborations with low-status entering firms. Moreover, when network structure comes into play incumbent firms tend to favor collaborations with unconstrained incumbent firms over collaborations with unconstrained entering firms. It has also been shown that status plays a role in issues of the accountability and dissolution of interfirm ties due to organizational misconduct in an empirical analysis of the demise of Arthur Andersen (Jensen, 2006; Jensen & Roy, 2008). Status anxiety—essentially, a fear of being devalued because of other actors’ questioning the quality of a firm’s partners—can in fact push firms to dissociate themselves from their tainted high status partners to protect their own position (Jensen, 2006). Key findings show that the more security analysts cover a firm, the more likely it is to defect from a compromised high-status partner. In addition, being listed on the NYSE increases the likelihood that a firm will defect from a compromised high-status partner, while media coverage of prior defections from a compromised high-status partner makes a focal firm more likely to defect. Accountability is also very often an issue: As a later study (Jensen & Roy, 2008) shows, the more accountable firms are to institutional audiences, such as investors, analysts, and major stock exchanges, the more likely they are to use high-status auditors.

Status has also been related to the likelihood of alliance formation. A good example is the article by Chung, Singh, and Lee (2000), which is based on data from the U.S. investment banking industry. The authors find that the likelihood of investment banks’ alliance formation is positively related—apart from the complementarity of their capabilities and their social capital—to status similarity. This effect is stronger in initial public offering deals than in secondary offerings, as the former are more uncertain than the latter. The results support the idea that in addition to the tangible resources that are often of concern to strategy scholars, intangible assets such as status and social capital are key determinants in the formation and development of cooperative relationships with other firms. Alliances with prominent, high-status partners are also linked to increased market value for start-ups in high-tech sectors (Stuart et al., 1999). Notably, this effect varies with the age of the start-up because uncertainty exists about its quality when the startup is relatively new. This uncertainty, however, is found to decline as the firm matures and investors have more information to evaluate its quality. When organizations compete for resources, status rankings can also help shape the inflow and outflow of resources at the boundaries of organizations. In a study of U.S. business schools, D’Aveni (1996) finds that status hierarchies are positively associated with the ability to garner resources. Moreover, as different status hierarchies may coexist based on the opinions and needs of different audiences, schools tend to cluster into groups whose efforts are focused on obtaining approval from specific constituencies. Finally, some studies have attempted to further our understanding of the contextual factors that allow market returns to status to be realized. In a study of patenting patterns, Wry, Lounsbury, and Greenwood (2011) bridge the literature on status with that on categories to argue that patents bearing the name of a famous scientist or filed by a large corporation are more likely to be highly cited; moreover, patents that belong to central, densely populated categories also have a higher likelihood of citation. This indicates that status may become “partitioned” when categories come
into the picture, and while conforming to the desiderata of a specific category might increase within-category status, the effect on marketwide status might be limited. Actors and practices, therefore, find themselves competing not only within but also between categories.

**The Meso Level: Status in Formally Structured Environments**

There exists a middle ground between studying status in large, impersonal environments such as markets and studying status in the small, informal groups typical of the organizational behavior literature. Indeed, some scholars even argue that “status is a ‘meso’ concept,” as it is “simultaneously related to many individual, group, and organizational factors, including individual characteristics, performance, upward mobility, workgroup composition, and organizational contexts” (Chen et al., 2012: 300). While we acknowledge that, to many organizational scholars, meso-level research involves “the simultaneous study of at least two levels of analysis” (House, Rousseau, & Thomas-Hunt, 1995: 73), multilevel analysis is not at all common in status research because scholars tend to focus on either individuals or organizations as status-receiving entities. At the same time, some of the studies we reviewed did not truly belong in either the micro or macro categories, due to social interaction often being more prominent than is observed in studies at the market level while in the presence of a medium to large number of social actors (either organizations or individuals). Here, we consider what are perhaps the three epitomical examples of such settings—organizations, tournaments, and communities—by reviewing the most relevant literature on each.

**Status in Organizations**

In its original sociological formulation, status is a hierarchical concept by definition; therefore, it is hardly surprising that a significant portion of the status literature is set at the organization level. In a theoretical article, Bunderson and Reagans (2011) posit that status—along with power—as an expression of social hierarchy has an effect on collective learning in organizations. According to most of the extant research in organizational learning, power and status differences can “distract members from collective learning goals, compromise risk-taking and experimentation, and decrease the open sharing and equal consideration of different member knowledge and insight” (Bunderson & Reagans, 2011: 1186). As a result, many scholars advocate the elimination of power and status differences when learning is the goal. The authors, however, find such a conclusion problematic, as power and status differences exist in all organizations and are the inevitable result of individual differences along dimensions such as reputation, control over resources, formal authority, knowledge, and skill. It is therefore difficult to imagine any group or organization in which power and status differences do not exist (Magee & Galinsky, 2008). Earlier, we mentioned the issue of *status inconsistency* (Blalock, 1967), or the notion that an individual’s social position has both positive and negative influences on his or her social status. In yet another theoretical paper, Bacharach and Mundell (1993) provide a formal model of the influence objective and subjective status inconsistency has on stress and strain in organizations. In particular, the greater the inconsistency, the higher the level of role conflict, ambiguity, and overload the individual is likely to experience (Zhao & Zhou, 2011). To expand on the role of status processes in long-term work groups within corporations, Cohen and Zhou (1991) study 224 R&D teams drawn
from 29 large corporations. Hypotheses based on status characteristics theory are supported: Both external (organizational and societal) and internal (team) status characteristics affect team interaction. When status within a team is controlled, only one external characteristic has a significant positive effect. Team status, in turn, is significantly affected by each of the external characteristics studied. While most of these external characteristics may reflect a team member’s past performance, when past performance is controlled for, gender also has an independent effect on team status, with males being accorded higher status. Competence and performance, therefore, are not the sole bases for team status, and beliefs associated with diffuse status characteristics affect the ordering of interaction. Brescoll and Uhlmann (2008) also contributed to the understanding of the relationship between status and gender in the workplace: Curiously enough, in a series of experiments, men who expressed anger in a professional context were conferred higher status than men who expressed sadness. Angry female professionals, however, were systematically conferred lower status than angry male professionals, regardless of actual occupational rank. Whereas women’s emotional reactions were attributed to internal characteristics, men’s emotional reactions were attributed to external circumstances. Expressing emotions in the workplace might therefore lead to different levels of status conferrals between men and women, and it is not unlikely that this difference might result in different career paths. Speaking of status dynamics in organizational teams, Perretti and Negro (2006) argue that the status differentiation of team members and differences in organizational structure limit exploration in the form of introducing newcomers to teams and creating new combinations of team members. Data on 6,446 motion pictures produced by the Hollywood film industry in the period 1929 to 1958 provide support for the idea that high- and low-status team members and one- and three-layer organizational structures are positively related to exploration, while middle-status team members and two-layer structures are negatively related to exploration. Different positions in the status ranking were also associated with different behaviors under conditions of job threat and, particularly, to the differential activation of separate subsections in one’s social network. Smith, Menon, and Thompson (2011) use a multimethod approach to discover that, under conditions of job threat, people with low status exhibit a winnowing response by activating smaller and tighter subsections of their networks, whereas people with high status exhibit a widening response, that is, they activate larger and less constrained subsections of their networks. This finding has relevant implications for societal dynamics: Choosing to narrow one’s network in response to threat might reduce low-status group members’ access to new information, harming their chances of finding subsequent employment and exacerbating social inequality.

Status dynamics can also take place at the collective level within an organizational setting and can involve multiple actors at the same time, especially when a new practice that favors some actors over others is imposed top-down. In an ethnographic study of a French company that decided to mandate the use of English as a working language, Neeley (in press) documented how nonnative English speakers collectively experienced status loss as a result, while no status differences appeared among native speakers as a function of their backgrounds. Moreover, anxiety on the job as a result of the change was found to vary nonlinearly with self-assessed fluency in English. These results suggest that status loss can occur purely as a consequence of organizational policies, even in the absence of interpersonal conflict or disparagement. Far from being simply a matter of prestige accrued to an actor, then, status is found to depend critically on self-evaluation.
Status in Contests and Other Structured Competitive Settings

Markets are inherently competitive settings, but they are not the only ones: Status dynamics can be observed and studied in a variety of nonmarket, equally competitive contexts. Tournaments, races, and contests represent one such example. Nippa (2011), in fact, argues for an extension of tournament theory to account for recent and significant developments in status research. In tournaments, it is very often the case that winners get to improve their status, which is sometimes more important than the monetary prize that may come with it; in turn, status allows reaping additional profits and nonmonetary benefits. The study of tournaments and contests, then, provides an optimal framework in which to study status dynamics, as status is often pursued as an end in itself and whose effect on monetary incentives is possibly substitutive or complementary. Bothner, Podolny, and Smith (2011) develop a formal model with the specific purpose of finding the best way to design a tournament for status, that is, a tournament in which the main prize is the respect of one’s peers. In so doing, the authors compare and contrast two competing mechanisms. The first is the well-known “Matthew Effect” (Merton, 1968), whereby slack resources are conveyed to elite actors, thus widening the distribution of rewards by favoring cumulative advantage. The second is the newly minted “Mark Effect,” under which slacked resources are directed toward marginal actors, resulting in a tightened distribution of rewards. The results would appear to suggest that although the Mark Effect is better in terms of social welfare, the Matthew Effect is to be preferred in two settings: in small tournaments, because underlying ability translates into remarkable advantages for the most capable, and in large tournaments, whose contestants face constant, rather than rising, marginal costs. Counter to the main argument of Merton’s work, then, cumulative advantage is not invariably optimal for the functioning of status contests. Tournaments are also analyzed in several empirical studies, with particular reference to competition in sports. Two studies of NASCAR racing (Bothner, Kang, & Stuart, 2007; Bothner, Kim, & Smith, 2012) do in fact manage to shed some light on a few relevant issues, such as the relationship between status and performance, competitive crowding, and risk taking. The first paper (Bothner et al., 2007) uses panel data from NASCAR’s Winston Cup Series from 1990 through 2003 to model the probability that a driver crashes his or her car in a race. They find that drivers crash more often when their positions are increasingly put at risk by their nearby lower-ranked counterparts. This effect is asymmetrical, and that of crowding from below exceeds that of crowding from above. Finally, the effect of crowding by lower-ranked contestants is greatest when relative position during the race tends not to change much. A later study (Bothner et al., 2012) expands on these findings to attempt to predict the effect of status on performance, with the specific goal of determining whether status should be seen as an asset or a liability. Various researchers have in fact theorized that status improves performance; at the same time, a second stream of research argues that status instead diminishes performance because of complacency and distraction. The empirical study of two data sets (NASCAR and PGA) provides support for a curvilinear effect of status in both contexts. Performance is shown to improve with status until a very high level of status is reached, after which performance wanes. High status, then, is not universally positive, and it can be seen as both an asset and a liability; in practice, its effect is more that of a mixed blessing. A similar setting to NASCAR is that of Formula 1 racing, which Castellucci and Ertug (2010) use to explain the advantages high-status partners gain from establishing status-heterophilous ties. Finally, Washington and Zajac (2005) draw on the NCAA postseason
basketball tournament to identify and analyze the institutional and organizational factors that can lead to differences in organizational status over time. The authors find that, regardless of performance, status was the single most significant predictor of whether a college was invited to participate in the NCAA postseason basketball tournament.

Status in Communities

Organizations, contests, and tournaments constitute examples of meso-level, well-defined structured environments, but status dynamics can obviously occur even in relatively boundary-less, unstructured settings such as communities. They do, however, constitute a peculiar case in that, while uncertainty in markets about the worth of others is the exception rather than the rule given the amount of information that is available to participants, community members do not ordinarily get to know other members very well. Moreover, at the market level it is often assumed that status perceptions are homogeneous and stable across actors. Conversely, studies of status in communities typically make no such assumption, and by taking the dyad—i.e., the relationship between two actors—as the unit of analysis, they can investigate heterogeneity in status perceptions as a possible antecedent of change in an actor’s position within the status hierarchy (Stewart, 2005).

Studies by Stewart (2005) and Bianchi, Kang, and Stewart (2012) are enlightening in this respect, as the empirical setting chosen allows for studying the evolution of the status hierarchy within a meso-level natural setting. These empirical analyses of a large online community of software developers show that in the process of status attainment community members tend to evaluate a focal actor’s reputation according to publicly available social references. Curiously, however, these same social references also work to constrain an actor’s status mobility (Stewart, 2005). Moreover, the community tends to develop its own unique shared belief system, which inculcates actors with beliefs about status characteristics that are potentially unique within the boundaries of the organization. Members tend to create new status markers (such as location) that are often relevant only for the given social situation, while selectively ignoring preexisting others (education and age). Organizational contexts thus create boundaries around groups in which new and preexisting status characteristics are activated and in which global, society-level characteristics can be—and often are—deactivated (Bianchi et al., 2012). Finally, communities are also arenas of ideological competition (Barnett, Goodman, & Stewart, 2010), and status attainment by proponents of an ideology is associated with a faction victory. The acts of deference and disrespect that are a trademark of status-driven behaviors thus become crucially shaped by ideological patterns in that they are directed primarily toward members of the same and opposing factions, respectively. Finally, the heterogeneity and divergence in status beliefs that is ordinary in communities can be used to draw inferences about the nature of status as the outcome of a social construction process, as in Sullivan and Stewart (2011). In a later study, these authors observe that the divergence in status ratings currently received by peers is more likely to increase if (a) the ego’s previous ratings are diverse, (b) the raters are more diverse, (c) the average status of positive raters is higher, (d) the ego’s network status increases, and (e) the ego bridges more structural holes in the network (Burt, 2004). These results support the remarkable conclusion that—contrary to popular belief—status evaluations are not necessarily likely to converge over time; whether they converge or diverge depends on the characteristics of the evaluators.
The Micro Level: Status in Informal Groups and Work Teams

The literature on status in informal groups and teams is sizeable. In what follows, we attempt to identify and review a relevant selection of the literature, with particular reference to the most recent articles. A capstone paper in this area is Gould’s (2002), in which a formal theoretical model of the emergence of hierarchy is built whereby the division between individualistic and structure-based accounts of inequality is bridged. In the model, status hierarchies are reproduced by actors through adjustments of their own status-conferring gestures according to collective attributions. These collective attributions are simply the aggregate of individual gestures, leading to a self-reinforcing status ranking. Status order is depicted as an equilibrium resulting from individual responses to the trade-off between social influence and the distaste for making unreciprocated gestures. The model is validated with data on interaction in task groups, friendship ratings in a fraternity, and play in a small group of infants.

Keeping our focus on small groups, studies in social psychology by Cameron Anderson and colleagues have greatly enhanced our understanding of status dynamics in social settings (Anderson, Ames, & Gosling, 2008; Anderson, John, Keltner, & Kring, 2001). This stream of research has specifically looked into the antecedents of status increases in groups as well as into the effect that status self-enhancement—often commonly referred to as hubris—has in shaping peer status evaluations. For instance, taking a typically behavioral perspective on personality—i.e., making use of the Big Five personality traits—Anderson et al. (2001) investigated personality-based determinants of status in social groups (fraternity, sorority, and dormitory), relating the Big Five personality traits and physical attractiveness to status peer ratings. High extraversion substantially predicted elevated status for both sexes. High neuroticism, incompatible with male gender norms, predicted lower status in men. None of the other Big Five traits predicted status. Attractiveness, on the other hand, was found to be independent of other effects, and it predicted higher status only in men. In a later study of laboratory groups and real-world groups that manipulated status self-enhancement, Anderson et al. (2008) looked into the perils of showing hubris in a group setting, positing that status self-enhancement—i.e., forming an overly positive perception of one’s status in a group—might incur social costs; thus, most individuals tend to perceive their status quite accurately. Indeed, results show that individuals who engaged in status self-enhancement were liked less by others and were paid less for their work. Moreover, a recent study by Bendersky and Shah (2012) discusses the evolution of status in groups over time: In two longitudinal studies, the status positions of middle managers currently enrolled in a part-time MBA program are measured at the beginning and end of their study group’s life, and the individual performance (course grades) of the students who gained or lost status to those who maintained high and low stable status positions in their groups are compared. Higher status at the end of the group’s life is found to be associated with higher performance; but surprisingly, those who gain status (possibly ending up in a high-status position) perform worse on average than those who maintain high-status positions for the whole quarter, scoring no better than those in stable low-status positions and those who lose status. The results suggest that people might trade off resources potentially used for individual performance in exchange for opportunities to enhance their status. A companion study (Bendersky & Hays, 2012) tackles the problem of status conflicts in groups—defined as disputes over people’s relative status (i.e., respect) positions in their group’s social hierarchy—with particular reference to its effect on task group performance. Using mixed methods, the authors determine that status conflict exerts a
significant negative main effect, moderates the effects of task conflict on group performance, and hurts performance by undermining information sharing more than other types of conflict.

Oftentimes, groups also face the problem of assessing the expertise of individual members. In a theory piece, Bunderson and Barton (2011) conceptualize expertise assessment as a status-organizing process (Bunderson, 2003). In so doing, they build a typology of expert status cues—i.e., member characteristics that are recognized as signals of presumed quality—classified along two main dimensions: diffuse/specific and attributes/behaviors. The ends of the spectrum differ in terms of validity and reliability, with specific cues being generally more valid and objective attributes being more reliable than observed behaviors. The theory predicts that different status cues are relevant depending on the conditions of the task at hand: While groups will generally tend to perform better when more valid and reliable status cues are available, for novel tasks, diffuse (i.e., less valid) cues will be more likely to determine expert status than specific cues. Moreover, saliency, as defined in expectation states theory (Berger, Cohen, & Zelditch, 1972), is expected to play a role where, under conditions of equal saliency, attributes and specific cues will have more weight, while the opposite holds under conditions of unequal saliency. Overall, the theory outlines under which conditions different status cues are used to evaluate expertise. In the same volume, Thomas-Hunt and Phillips (2011) address the issue of race as an ascribed status cue and, specifically, how race might affect the level of influence individuals enjoy within teams. Through the hypothetical case of a racially diverse, all-male product development team, the authors conclude that the impact of racial status—while not diminishing influence per se—depends on performance expectations that are associated with specific racial features. Finally, social status and perceived expertise have been linked to the dynamics of knowledge exchange within groups. In an experimental study by Thomas-Hunt, Ogden, and Neale (2003), in fact, it is found that perceived expertise increases participation and the willingness to share knowledge. Moreover, members with high social status—defined as members who are more socially connected with respect to others—will tend to evaluate similarly connected members more favorably. In turn, isolation increases the willingness to participate and share one’s unique knowledge.

The Role of Status in Organization and Management Theory

After having drawn a taxonomy of extant research based on its level of analysis, we now proceed to classify studies of status based on the role the construct plays within their theoretical structure. In so doing, we classify the function of status as signal, intangible asset, or mobile resource. We are aware that this distinction reflects scholarly emphasis rather than actual differences in the underlying construct because, in practice, all three dynamics hitherto outlined come into play. For instance, while some papers emphasize status dynamics, and thus the transferability of status (Bothner, Smith, & White, 2011; Cowen, 2012; Podolny & Phillips, 1996), they do not entirely ignore the advantages it confers to high-status actors, or its value as a signal. Likewise, studies highlighting the signaling properties of status (Podolny, 1993; Pollock, Chen, Jackson, & Hambrick, 2010; Simco & Waguespack, 2011) often account for its transferability and social worth. Nevertheless, we find that most studies tend to lay emphasis on one dimension at the expense of the other two. We believe this is
indicative of the cognitive image of status held by scholars in the area, thus reflecting real differences in the way status is envisioned. Classifying papers based on this dimension is therefore relevant in terms of gaining a broader understanding of the construct if the field as a whole is to move toward an overarching conceptualization of status.

**Status as Signal (of Quality or Otherwise)**

The signal view of status is typical of early studies in organization and management theory (Podolny, 1993, 1994), where audiences resort to signals to compensate for uncertainty, and, under this logic, they turn to status. Uncertainty can stem from multiple sources, as quality might have a high variance, for instance, or may not be objective, perhaps being reliant on others’ evaluation of it. Other times, collecting information might simply prove too costly. As a result, “the greater market participants’ uncertainty about the underlying quality of a producer and the producer’s product, the more that market participants will rely on the producer’s status to make inferences about that quality” (Podolny, 2005: 18). Due to the intuitiveness of this idea coupled with its broad cross-disciplinary appeal, the view of status as signal still enjoys relative success at all levels of analysis, even though other competing conceptualizations of status have been developed since these early attempts. For instance, Pollock et al. (2010) explore the signaling effect of high-status affiliations for newly founded firms. Within the context of IPOs (initial public offerings), this translates to higher valuations in a linear fashion; that is, the more prestigious the executives and outside directors affiliated with the newly launched IPO, the better its performance. This is an example of how nascent ventures, whose position in the status hierarchy is not yet well defined, can exploit affiliations with high-status executives to signal quality, thus overcoming investors’ uncertainty (e.g., Malter, 2011a). Another good example of this phenomenon is given by Simcoe and Waguespack (2011), where the authors analyze the signaling effect of status within the context of open standards development. This paper distinguishes itself within the literature for the innovative and noteworthy procedure devised to disentangle the effects of status from that of quality: In the process of analyzing new submissions to the Internet Engineering Task Force, the authors did in fact realize that the names of some authors were sometimes omitted when the volume of submissions was particularly high. This omission thus served as a natural experiment, providing random variance in status signals, while leaving proposal quality unchanged. Consistent with the notion of the Matthew Effect (Merton, 1968), results show that status-based signaling due to the presence of high-status authors’ names on the proposal had a remarkably large impact on publication rates, despite the fact that the full author list could be obtained simply by downloading the proposal. There is also evidence of an effect of status signals on attention: New proposals from a high-status author were likely to elicit extra discussion only if the name of the author appeared on the announcement message. When evaluators have to address a large number of proposals, the explicit mention of high-status authors’ names is often used as a proxy for quality, resulting in higher publication rates. These status effects are at the core of many recent research efforts by organizational scholars: Within the context of life sciences research, Azoulay, Stuart, and Wang (2011) examine the returns that accrue—in terms of citations of past work—to scholars being awarded the status-conferring title of Howard Hughes Medical Investigator. The authors find evidence of a citation boost for the past work of scientists who received the award, an effect that is larger when
uncertainty about quality is higher, this latter result being naturally consistent with mainline theories of status (Podolny, 1994). Another important conclusion drawn in the study is that the commonly used approaches for estimating the impact of status on performance are likely to overstate the actual effect due to the poor quality of controls. This theme is reprised in another recent research piece. Malter (2011b) looks into the grand cru classification for French wines as a signal of quality, exploring its antecedents and consequences with an eye to the possibly confounding effects of quality and reputation. The results show that, while returns to status exist, their extent is significantly diminished when the effect of quality and reputation is controlled for. Moreover, the returns to status are highest for those at the top of the status hierarchy, while they decline at the bottom. We believe Malter’s (2011b) article paves the way toward future research efforts aimed at understanding status signals. In fact, while this subfield of inquiry is still thriving, further attention should be devoted to distinguishing status-based signaling from quality- and reputation-based types.

### Status as an Intangible Asset

Far from simply being reduced to a signal of quality or performance, high status can more generally be seen as representing an intangible asset for the individual or the organization holding it. Viewed from this perspective, status confers a variety of positional advantages and often stems from individual characteristics or abilities. As a result, this approach is popular in the organizational behavior literature. Scholars in the field of sociology often distinguish between ascribed and earned status (Foladare, 1969; Linton, 1936): While the latter can be acquired on the basis of merit, the former is generally beyond individuals’ control and can be traced back to characteristics such as gender, race, kinship, and age. Researchers at the micro level are often concerned with ascribed status effects. O’Brien and Dietz (2011), in fact, draw on social dominance theory to argue that multiple hierarchies exist in organizations due to the differences in ascribed status based on gender, race, and so forth. Such differences lie at the heart of empirical research on the advantages conferred by status as an intangible asset, as well as on the behavioral patterns the ascribed status hierarchies create and the difficulties faced by low-status actors. To cite some recent examples, Duguid, Loyd, and Tolbert (2012) use social status to explain the variance in individuals’ concerns about being considered valued members of a work group. The authors posit that the combined effect of low categorical status, numerical underrepresentation, and high job prestige—e.g., women and minorities in highly qualified jobs—will make individuals feel more threatened by the potential inclusion of others with similar demographic features in their work group, running counter to the mainstream, homophily-based reasoning (McPherson et al., 2001; McPherson & Smith-Lovin, 1987). Further evidence against the homophily hypothesis is provided by Pearce and Xu (2012) in their inquiry into why supervisors tend to more positively evaluate supervisees having the same demographic traits, a phenomenon commonly explained using homophily theory. When status contests are used as an alternate explanation, it is found that the observed effect takes place only when the supervisor’s status is contested by a subordinate with higher demographic status (e.g., male and/or older). Status-based dynamics can also be strategically manipulated, as shown by Kellogg (2012) in her case study of attempts to implement reform in two hospitals. Findings from this ethnographic study show that when a possible reform to an established performance measurement system is proposed, defenders and reformers tend
to come together and assemble opposing coalitions, building alliances across identity lines and status positions. Defenders then attempt to break up the opposing faction through status-based countertactics, that is, by associating lower-value status characteristics (e.g., gender) with the proposed reform and leveraging to create concerns among high-status reformers about being categorized in the lower-status group against their will. For the purposes of this review, status here is partly ascribed (i.e., being male rather than female) and partly achieved (for what concerns attributions of performance). Even more interesting, however, is that actors’ status—while being both intangible and unchangeable in the short term—is exploited instrumentally by alters in formulating strategies.

Status as a Mobile Resource

While the studies described above mainly underscore the advantages and disadvantages that accrue to high- and low-status actors, often without paying much attention to whether status position within the hierarchy is subject to change, a third substream of research examines whether and to what extent status can be transferred from one actor to another by flowing through social relationships that act as conduits (Podolny, 2001). The fact that status can be transferred among actors underscores its nature as a social concept, drawing a sharp divide with the economic concept of reputation (Podolny, 2005). A pioneering study in this respect examined the growth and decline of organizational status in the investment banking industry in the 1980s (Podolny & Phillips, 1996): While past performance has a positive effect on future status, having higher-status affiliates also boosts an actor’s position within the status hierarchy. However, high-status actors have no apparent social advantage in being affiliated with lower-status actors because this entails a status transfer that is to the detriment of the former; hence, they must derive some other form of benefit from the relationship. Castellucci and Ertug (2010), exploring this idea within the context of Formula 1 racing, find that high-status firms are able to extract greater effort from lower-status partners. Moreover, the effect increases with the difference in status between the two partners, and effort is positively related to performance, with a mediating role of effort on the effect affiliating with lower-status partners has on performance. The dynamics of status transfer are further explored by Bothner, Smith, et al. (2011) in their analysis of network fragility as a determinant of status evolution. The results from three distinct empirical settings provide support for the idea that an actor’s status is likely to increase over time if the very same actor can rely on a diversified network of high-status connections. This situation occurs because such a network position allows for status transfer while reducing the reliance on any single alter, who might fall out of grace, leaving the focal actor without support. Being affiliated with high status alters, then, is a necessary but not sufficient condition for status growth: Diversification is also key to a sustained, favorable position within the status hierarchy.

Table 1 provides an overview of the classification scheme thus outlined.

How Status Is Measured

In the articles we reviewed, the different measures of status can be clustered into three broad categories: deference, certification, and ranking. In describing how status is measured, we focus on only one dimension of our taxonomy, that is, level of analysis, as the
### Table 1

**Classification of Selected Empirical Literature According to the Proposed Dimensions**

<table>
<thead>
<tr>
<th>Article</th>
<th>Level of Analysis</th>
<th>Role of Status</th>
<th>Empirical Setting</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Podolny (1993)</td>
<td>Macro</td>
<td>Signal</td>
<td>Investment banks</td>
<td>The price a bank receives for underwriting a security offering is inversely related to status, measured as position in “tombstone advertisements”</td>
</tr>
<tr>
<td>Podolny (1994)</td>
<td>Macro</td>
<td>Signal</td>
<td>Investment banks</td>
<td>Under conditions of uncertainty, organizations are more likely to transact with partners of similar status</td>
</tr>
<tr>
<td>Benjamin &amp; Podolny (1999)</td>
<td>Macro</td>
<td>Signal</td>
<td>California wineries</td>
<td>Having high-status affiliates has a positive effect on an actor’s rewards in the market, increases returns to past quality, and makes the actor more likely to produce high-quality products</td>
</tr>
<tr>
<td>Podolny (2001)</td>
<td>Macro</td>
<td>Signal</td>
<td>Venture capital funds</td>
<td>High status drives producers into market segments that are low in egocentric market uncertainty</td>
</tr>
<tr>
<td>Pollock et al. (2010)</td>
<td>Macro</td>
<td>Signal</td>
<td>Initial public offerings (IPOs)</td>
<td>Prestigious executives, outside directors, and venture capital firms associated with IPOs increase IPO valuations</td>
</tr>
<tr>
<td>Phillips &amp; Zuckerman (2001)</td>
<td>Macro</td>
<td>Intangible asset</td>
<td>Silicon Valley legal services; market for investment advice</td>
<td>There is a U-shaped relationship between position in the status hierarchy and conformity</td>
</tr>
<tr>
<td>Shipilov &amp; Li (2008)</td>
<td>Macro</td>
<td>Intangible asset</td>
<td>Investment banks in the United Kingdom</td>
<td>Status accumulation is positively related to revenue generation, and status accumulation is enhanced by structural holes in a firm’s ego network</td>
</tr>
<tr>
<td>Shipilov, Li, &amp; Greve (2011)</td>
<td>Macro</td>
<td>Intangible asset</td>
<td>Public securities offerings</td>
<td>Firms in brokerage positions are more likely to initiate ties to others of a different status</td>
</tr>
<tr>
<td>Jensen (2008)</td>
<td>Macro</td>
<td>Intangible asset</td>
<td>Investment and commercial banking</td>
<td>Incumbent firms disfavor collaborations with high-status entrants with respect to high-status incumbents, but favor collaborations with low-status entering firms compared with low-status incumbents</td>
</tr>
<tr>
<td>Chung, Singh, &amp; Lee (2000)</td>
<td>Macro</td>
<td>Intangible asset</td>
<td>Investment banks</td>
<td>Firms of similar status are more likely to become alliance partners</td>
</tr>
<tr>
<td>Podolny &amp; Phillips (1996)</td>
<td>Macro</td>
<td>Mobile resource</td>
<td>Investment banks</td>
<td>The status of an actor’s exchange partners has a positive impact on the status of the focal actor</td>
</tr>
<tr>
<td>Washington &amp; Zajac (2005)</td>
<td>Meso</td>
<td>Signal</td>
<td>NCAA basketball</td>
<td>An organization with a historical legacy of high status, or having associations with high-status organizations, is likely to enjoy the privileges of high status in the future, independently of performance</td>
</tr>
</tbody>
</table>

(continued)
Table 1 (continued)

<table>
<thead>
<tr>
<th>Article</th>
<th>Level of Analysis</th>
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<th>Empirical Setting</th>
<th>Key Findings</th>
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<tbody>
<tr>
<td>Simcoe &amp; Waguespack (2011)</td>
<td>Meso</td>
<td>Signal</td>
<td>Open standards development community</td>
<td>Submissions with high-status authors’ names omitted are less likely to get published, ceteris paribus</td>
</tr>
<tr>
<td>Azoulay, Stuart, &amp; Wang (2011)</td>
<td>Meso</td>
<td>Signal</td>
<td>Medical research community</td>
<td>Upon receiving a specific award, scientists receive a boost in citations for articles published before the prize was awarded</td>
</tr>
<tr>
<td>Bothner, Kim, &amp; Smith (2012)</td>
<td>Meso</td>
<td>Intangible asset</td>
<td>Golf tournaments and NASCAR racing</td>
<td>Status increases future performance, but once athletes occupy high positions in the status order, their performance declines with further increases in status</td>
</tr>
<tr>
<td>Stewart (2005)</td>
<td>Meso</td>
<td>Intangible asset</td>
<td>Community of software developers</td>
<td>Community members evaluate an actor’s status according to publicly available social references, which also work to constrain social mobility</td>
</tr>
<tr>
<td>Kellogg (2012)</td>
<td>Meso</td>
<td>Intangible asset</td>
<td>Two major U.S. hospitals</td>
<td>Opponents of hospital reform employ status-based counteractions to stifle reform attempts</td>
</tr>
<tr>
<td>Castellucci &amp; Ertug (2010)</td>
<td>Meso</td>
<td>Mobile resource</td>
<td>Formula 1 racing</td>
<td>High-status firms enter relationships with lower-status partners because they can elicit greater effort from them</td>
</tr>
<tr>
<td>Malter (2011a)</td>
<td>Micro</td>
<td>Signal</td>
<td>Management academia, the Newcomb fraternity, an online labor market</td>
<td>When uncertainty is high and audiences seek conformity, high-status affiliations might result in penalties</td>
</tr>
<tr>
<td>Rivera (2010)</td>
<td>Micro</td>
<td>Signal</td>
<td>An elite nightclub</td>
<td>Social connections tend to outweigh other types of signals in determining admissions decisions</td>
</tr>
<tr>
<td>Brescoll &amp; Uhlmann (2008)</td>
<td>Micro</td>
<td>Intangible asset</td>
<td>Lab experiments</td>
<td>Lower status was conferred on angry female professionals more often than on angry male professionals, regardless of occupational rank</td>
</tr>
<tr>
<td>Pearce &amp; Xu (2012)</td>
<td>Micro</td>
<td>Intangible asset</td>
<td>Supervisor–subordinate dyads from 10 U.S. companies</td>
<td>Supervisors’ ratings of subordinates’ performance favor similar subordinates only when supervisors’ status is contested by a higher-demographic-status subordinate</td>
</tr>
<tr>
<td>Ertug &amp; Castellucci (in press)</td>
<td>Micro</td>
<td>Intangible asset</td>
<td>Sample of NBA players</td>
<td>Reputation and status have different performance effects: reputation acts on product quality, while status influences revenues</td>
</tr>
<tr>
<td>Bendersky &amp; Shah (2012)</td>
<td>Micro</td>
<td>Mobile resource</td>
<td>Study groups in an MBA class</td>
<td>Higher status at the end of the period correlates with higher performance, but those who experience increases in status over time perform worse than those who maintain high-status positions for the whole quarter</td>
</tr>
<tr>
<td>Bendersky &amp; Shah (in press)</td>
<td>Micro</td>
<td>Mobile resource</td>
<td>Sample of MBA students and Amazon Mechanical Turk experiment</td>
<td>Extraversion is correlated with status losses due to disappointing expectations for group-task contributions, while neuroticism is correlated with status gains due to exceeding expectations</td>
</tr>
</tbody>
</table>
same measures appear to be used interchangeably across the roles played by status. Within the macro research stream, the dominant way of measuring status is to use Bonacich’s centrality (Bonacich, 1987). This centrality measure considers the status of an actor as depending on the status of the other actors it is connected to. Although there is general consensus on the measure, there are differences in the types of networks used to compute the measure. In the early work of Podolny (1993), status was defined as being based on acts of deference among organizations. Investments banks’ positions in tombstone advertisements were viewed as the result of deference, and relational matrices were built using the number of times a bank was in a higher bracket than another. The values of the Bonacich centrality were then computed for each of these matrices. In addition to identical replicas of this measure (Chung et al., 2000; Cowen, 2012; Podolny, 1994), later studies have relaxed the idea of deference by applying the Bonacich centrality to firms’ networks of alliances (Gulati & Gargiulo, 2001), bank co-advising (Shipilov & Li, 2008), yearly underwriting management (Jensen, 2008), and venture capitalists’ joint investments (Podolny, 2001). A second method of operationalizing status at the macro level of analysis is by measuring the status of affiliates, for instance, in the form of the proportion of a firm’s employees holding degrees from elite schools (Phillips & Zuckerman, 2001) or through personal ties of executives to prominent firms (Pollock et al., 2010). Finally, rankings of actors in specialized magazines (Phillips & Zuckerman, 2001) and ordered evaluations by relevant stakeholders (D’Aveni, 1996) are also used as proxies for status. Moving on to the meso level of analysis, the most common way of operationalizing status appears to be certification by peers: This is the case, for instance, in open source communities (Simcoe & Waguespack, 2011; Stewart, 2005) or academia (Azoulay et al., 2011). Measures of deference are also present at this level of analysis, as organizations are considered high-status if they receive invitations to postseason sports tournaments (Washington & Zajac, 2005) or gain greater press coverage (Castellucci & Ertug, 2010), independent of their performance. Ranking by industry experts is common at this level of analysis (Malter, 2011b), and Bonacich centrality is also occasionally used to account for performance dominance rather than deference (Bothner et al., 2012). Finally, at the micro level of analysis, certification seems to be the only way to measure status and is typically performed by means of peer rating in experimental settings (Anderson et al., 2001; Bendersky & Shah, 2012, in press; Brescoll & Uhlmann, 2008), by assessing stable individual characteristics, that is, gender or age, in survey data (Pearce & Xu, 2012), by using ethnographic approaches (Rivera, 2010), or by considering acts of external recognition such as awards (Ertug & Castellucci, 2013).

“Hot Topics” and Avenues for Future Research

We believe that the studies reviewed above highlight the remarkable theoretical and methodological diversity in status research as well as its potential to inform a variety of literatures and areas of inquiry. In this final section, therefore, we would like to highlight topics within the literature that are currently experiencing a surge in interest as well as other topics that have only received scant or sporadic attention and are in dire need of further development, as they very often lie at the heart of our still incomplete understanding of status processes. Such topics often sit on the fence between status and other self-contained subfields of inquiry.
Given the nature of status as a “crossroad concept,” we believe these topics might be fertile ground for new research in coming years.

**Status and Networks**

Status and networks have always been intrinsically intertwined (Bonacich, 1987; Granovetter, 1973), if nothing else because networks can be conceptualized as the “pipes and prisms of the market” (Podolny, 2001) through which status flows from one actor to another. Consequently, recent sociological models are starting to move toward a full integration of status and networks. Bothner, Smith, et al. (2011) formally introduced the notion of robust positions in social networks by describing “robust positions as recipients of diversified support from durably located others,” while portraying “occupants of fragile positions as dependents on tenuously situated others” (Bothner, Smith, et al., 2011: 943). Being essentially a network construct coupled with Bonacich’s (1987) measure of status as centrality, robustness as defined in the paper is essentially the epitomical network-status hybrid construct. Although an extensive review of the intersections between status and network theory would be beyond the scope of this article (see Lin, 1999, for an extensive review of how status attainment relates to network structure), we would like to present a recent study that exemplarily relates structural holes (Burt, 2004) with processes of status accumulation. This article fruitfully bridges well-established network constructs with status dynamics, and as such it represents a benchmark for further studies. Shipilov and Li (2008) employ a data set of investment banks acting as advisers for merger and acquisition transactions in the United Kingdom from 1992 to 2001 to examine the relationship between structural holes in a firm’s network and its performance. The authors posit that firms seek information about new business opportunities and partners’ cooperativeness to pursue two separate types of performance goals: status accumulation and market performance. Network structure governs access to information in that open networks that exhibit little closure facilitate access to information about new business opportunities; at the same time, however, they limit access to information about partners’ cooperativeness. The authors find a positive and reciprocal relationship between status accumulation and market performance. Moreover, structural holes appear to increase firms’ status accumulation while dampening their market performance. Ultimately, we believe the theoretical intersection between status and networks is still quite fertile and will offer many an avenue for high-quality research in the future. In our view, further scholarly efforts should especially be devoted to understanding under what conditions the establishment of network ties is conducive to status accumulation and transfer. Similarly, more research is needed to understand how differences in status influence the likelihood of tie formation.

**Status Homophily and Status Heterophily**

With respect to the previous discussion on networks as the conduits for status transfer, a long-debated question in the status literature has been the following: If there is evidence (Podolny, 1994) that actors predominantly tend to pursue homophilous ties—i.e., they tend to partner or interact with actors of similar status—why is it that status-heterophilous ties between actors of different status are commonly observed and are shown to persist? Given
that high-status actors are likely to lose status by interacting with low-status players—as status metaphorically “flows” through network ties—what drives them to initiate such relationships? A partial answer, discussed earlier, is that high-status actors are able to extract higher levels of effort from low-status actors (Castellucci & Ertug, 2010). A recent paper by Shipilov, Li, and Greve (2011) pushes the argument further. The authors couple structural hole theory with performance feedback theory (Greve, 1998) to identify determinants of partner selection in networks and find that organizations in brokerage positions are more likely to initiate status-heterophilous ties. At the same time, when the performance of such organizations deviates from their aspirations, the organizations change their partner selection strategy and start initiating ties to partners of similar status. Further research is undoubtedly needed, however, to understand what factors drive organizations to pursue ties of either type. At the micro level, Blader and Chen (2010) measured the reactions of high-status individuals upon encountering lower-status counterparts through a series of experimental studies. The results show that outcome favorability—i.e., the extent to which the encounter outcomes were viewed as favorable—is correlated more strongly with the reactions of the high-status party when procedural fairness—i.e., the perception of fairness subjects have about the process driving the encounter outcome—is high. This result was in turn explained with the high-status actor’s intent to ascertain whether the counterpart is validating or challenging their higher standing. In practical terms, this means that lower-status members of an organization should be deferent toward high-status peers, engaging them in interaction that is both favorable and fair to them. While being high status has its advantages, actors in such positions may face unique challenges, which lower-status actors should take into account upon initiating interaction. This is currently an emerging area of inquiry, and given that the very existence of status-heterophilous ties runs counter to the mainstream theory of homophily in social settings (McPherson & Smith-Lovin, 1987), further scholarly efforts should clarify under which circumstances homophilous ties are more likely to be formed vis-à-vis heterophilous ties.

Status Dynamics, the Emergence of Status Hierarchies, and Their Institutionalization

Ever since the first landmark article on the issue (Podolny & Phillips, 1996), the dynamics of status have been among the most hotly debated and problematic issues within this field of research. Podolny and Phillips (1996) theorized that an organization’s status is determined by past performance and the status of its affiliates. They found empirical evidence for this theory, but the role played by past performance has since been called into question, as it would seem to influence reputation more than status. Moreover, very few scholars have gone past this point in terms of trying to build further theory able to explain these mechanisms in greater depth. Overall, we still know little about how status dynamics occur. While high-status affiliations have been shown to enhance the status position of a focal actor, other mechanisms might also be at play. For example, competing understandings of worth might intervene to reshuffle status hierarchies, or the values underpinning status evaluations may vary (Sauder et al., 2012). In addition, third parties—such as institutional gatekeepers—might also play a role in determining status order. Ultimately, we believe status dynamics must rest on either status transfer processes or on changes in the
value system. In the latter case, we think this strand of the literature could be fruitfully connected with the growing body of research on social valuations (see Zuckerman, 2012, for a review). We therefore strongly advocate a greater outpouring of both theoretical and empirical research on these matters, as our understanding of key status processes depends on them.

Scholars should also make further attempts to understand the origins of status hierarchies, in the tradition of Gould (2002), because in so doing, novel and important lessons about their evolution could be learned. In this respect, studies of human ecology (e.g., Kennett, Winterhalder, Bartruff, & Erlandson, 2009) could provide researchers with useful theoretical tools, potentially allowing for an integration of the (mainly quantitative) status literature with rich qualitative insight. Finally, answering the question of how status hierarchies emerge implicitly requires a thorough understanding of how they become institutionalized. An insightful study in this respect is Zhou’s (2005) analysis of occupational prestige rankings and their antecedents: Claims of “social standing” are traced back to intersubjective evaluations of legitimacy and appropriateness. Prestige orderings are thus rooted in an institutional logic of social recognition, which sheds light on the relatively unexplored theoretical intersection between status and institutional theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Apart from having a direct effect on performance, hierarchical differentiation could in fact also play a legitimizing role, inspiring confidence from institutional observers (Magee & Galinsky, 2008), all the more so when organizational performance is difficult to measure. Future research could explore whether, in strong institutional environments, organizations that have well-defined status hierarchies and thus exhibit greater differentiation hold a competitive advantage relative to organizations in which differentiation is less prominent. Finally, further work is also needed for scholars to understand how status hierarchies emerge and become institutionalized in nascent fields (Saxton & Saxton, 2011).

**Multilevel Status Effects**

A final unexplored area of inquiry is that of status effects across the levels of analysis that have been discussed in this article (micro, meso, and macro). Given the popularity of multilevel methods in management and the organizational sciences (Klein, Cannella, & Tosi, 1999; Kozlowski & Klein, 2000; Payne et al., 2010), the complete lack of multilevel studies of status might be surprising at first glance. However, this is consistent with the basic fact that scholars operating at the different levels tend to come from different disciplinary backgrounds, which results in qualitatively different research work, thus making integration difficult. Nevertheless, the idea of multilevel status research has immediate appeal. For instance, an individual’s status position might depend on features such as race, color, and gender, but might also depend on his or her position within a network of social ties, on the organization to which he or she belongs, or on the organization’s own status. In turn, the organization’s position in the interorganizational status hierarchy might be influenced by the individuals it comprises and their social connections. Ultimately, while we acknowledge that establishing a multilevel theory of status effects ultimately rests on finding a suitable empirical setting in which the validity of status measures can be established at all levels, we nonetheless hope that organizational scholars will take up the challenge of addressing this issue, as doing so could open up an entirely new research frontier.
Conclusion

The literature on status in management and organization theory is a rapidly expanding area of study that, while rooted in a long-standing and honored tradition of inquiry in sociology, has evolved considerably in its own right in the past few decades. Our review has shown that, while its growing popularity holds promise for future research in this area, the field as a whole could benefit from a greater theoretical focus on the main questions that have been left open by the extant literature. Specifically, scholars should reconcile the existing definitions of status, highlighting the linkages between different levels of analysis. In terms of specific topics, greater attention should be paid to how status orderings emerge, how status dynamics are influenced by networks, and how status-related phenomena could inform related subfields within organization theory. In this respect, we hope this article will provide scholars with a useful tool of analysis and classification, thus contributing to the advancement of our collective knowledge of the field.

References


