Status: Insights from Organizational Sociology

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Abstract
Status has become an increasingly influential concept in the fields of organizational and economic sociology during the past two decades. Research in this area has not only helped explain behavior within and between organizations, but has also contributed to our understanding of status processes more generally. In this review, we point to the contributions of this field in terms of the determinants of status, the effects of status, and the mechanisms by which these effects are produced. We next appraise the way in which a network approach has contributed to our formal understanding of status positions and status hierarchies. We then highlight recent studies that demonstrate the value of studying the structures of status hierarchies themselves rather than focusing solely on the actors within them. After suggesting potential directions for future research, we conclude by calling for renewed efforts to translate concepts and theories across levels of analysis and substantive commitment in order to build more general theories of status processes.
INTRODUCTION

Over the past two decades, sociologists have increasingly invoked organizational status as a critical construct for understanding organizations and markets. Part of the initial rationale for employing the construct was that it allowed those studying organizations and markets to leverage the theoretical development of a rich sociological construct—status—that had been employed in the study of other social phenomena. Over time, the increasing attention to organizational status has not only helped inform the understanding of organizational behavior and markets, but has also contributed to that broader theoretical understanding of status processes generally.

As is the case with perhaps any construct or term that finds increased utilization in the field, there is a tendency for central ideas to get lost in the proliferation of individual studies. In this review, we aim to help consolidate this burgeoning field of inquiry by summarizing the state of the field, highlighting key findings and insights, and pointing to promising new directions for investigation. This paper is primarily focused on studies in which status is the key analytical concept and the empirical setting pertains to organizations, markets, and products. It is beyond our scope to address in detail the status dynamics of individuals or groups within organizations. However, at key points, we suggest bridges between the approach taken by economic and organizational scholars and the broader study of status in sociology.

We begin this review by synthesizing the literature’s insights into the determinants of organizational status. We then identify three important aspects of this literature, paying particular attention to central themes and to both demonstrated and potential contributions to the broader sociological understanding of general status processes. First, referencing work on status within and beyond the field of organizational sociology, we describe the consequences of status differences and the mechanisms that give rise to these consequences. Second, and moving to more substantive concerns within the subfield, we critically review the literature on organizational status and networks. This area of study has been the focal point of much of the work on organizational status and represents the field’s most significant contribution to the broader concerns of economic sociology and sociological analyses of markets. Finally, we document a growing, but to this point nascent, focus of organizational status research: status hierarchies. Rather than focusing on the status of actors that comprise hierarchies, an increasing number of recent studies examine how the characteristics of these hierarchies affect the distribution of status and the salience of status differences. This study of the systems of status distribution promises new insights into how status works at the individual as well as the organizational level of analysis.

We conclude this review by pointing to potentially fruitful new directions in organizational status research. We also draw attention to the contributions of organizational status research to our understanding of status processes more generally, highlighting in particular the links between organizational and microlevel approaches.

THE DETERMINANTS OF ORGANIZATIONAL STATUS: AFFILIATIONS AND ARBITERS

Status, for organizations as well as individuals, is broadly understood as the position in a social hierarchy that results from accumulated acts of deference (Goode 1978, Whyte 1943). Although differences in an informal deference hierarchy can lead to formal distinctions in position (e.g., published rankings), sociologists have long recognized that status is fundamentally rooted in the accumulation of deference behaviors (see Munroe 2007, Ridgeway 1984).

A central thesis of organizational research is that a firm’s status (and implicitly the deference to that firm) is influenced by the status of the entities with whom the firm affiliates. Drawing on the intuition that emerged from ethnographic examinations of social judgments, Podolny (1993) elaborates this relational view
of status in his status-based model of market competition. Those with connections to high-status others are viewed more positively. Conversely, those who are tied to low-status others are penalized through a lowering of their status (Blau 1964, Elias & Scotson 1965). Although status is often used as a signal of the degree to which an individual or firm possesses a desirable quality, quality is often more difficult to observe than connections, and in these circumstances connections to well-positioned others will influence an actor’s status. Podolny & Phillips (1996) provide direct support for the latent transfer of status in the investment banking industry: A firm’s exchange partners positively influenced its status growth over a six-year time period, net of controls for the firm’s performance during that period. Broader support for this perspective comes from organizational studies that emphasize the importance of having the right connections (e.g., Baum & Oliver 1991, Stuart et al. 1999, Washington & Zajac 2005).

A second strand of research that addresses the sociological determinants of organizational status focuses on the role of external arbiters or critics. These third parties do not influence status through the formation of ties, but by pronouncing judgments that are noted by the broader community. Were these judgments simply an affirmation of underlying differences in the desirable qualities for which consumers—in this case, patients—are most likely to care. Extrinsic factors such as appearance, labor practices, political leanings, and charitable contributions influence the judgments of powerful outsiders, which in turn, help define the status of hospitals.

More recently, Rao’s (1994) work on certification contests shows how third-party evaluations, such as Moody’s ratings of insurance companies, Michelin’s and AAA’s ratings of restaurants, and J.D. Power’s ranking of automobiles, create perceptions of the status of organizations that ultimately influence their survival chances. Sauder (2006) demonstrates how magazine rankings of schools transform status perceptions by formalizing and rigidifying the status hierarchy of which they are a part, altering how status is distributed among schools and spurring a flurry of status-motivated organizational activity.

Organizational status in markets for cultural goods—such as those in the arts (White & White 1993), entertainment (Peretti & Negro 2006), or certain luxury items (Roberts & Reagans 2011)—seems particularly susceptible to the influence of external evaluators, whether it be through reviews, awards, or selective reports of metrics. By focusing attention on certain types of information (Anand & Peterson 2000, Espeland & Sauder 2007) and creating public evaluations that often become reified (Sauder 2008), these third-party evaluations greatly influence the status position of those being judged (Sauder 2006).

Status Versus Quality

The value of status as a signal in a market or organizational field depends on a positive correlation between organizational status and the degree to which an organization possesses desired qualities, but status is a meaningful sociological construct only to the degree that the correlation is not perfect. If differences in status, affiliations, and critical judgments all simply followed from underlying differences in the qualities of organizational actors, then we are simply adding unnecessary theoretical complexity and jargon to the study of organizations and markets.

For this reason, a key methodological and substantive issue has been distinguishing status from quality. Although not all types of uncertainty lead to the decoupling of status and quality (Lynn et al. 2009), scholars have found that uncertainty caused by technical or artistic complexity (Lang & Lang 1988, Podolny & Stuart 1995, Posner 1990), the newness of a
market (Podolny 1994), restricted market activity (Shrum & Wuthnow 1988), transitional periods in fields (Camic 1992, Latour 1987), the absence of objective standards (Greenfield 1989), and competing assessments (Fine 1996, Sauder & Espeland 2006) contributes to the loose linkages between status and quality.

THE CONSEQUENCES AND CONSTRAINTS OF STATUS

Status Advantage

Few would contest the claim that having status is better than not. However, what is left underspecified by such a claim is the nature of the advantage that comes with status. Organizational research on status has sought to clarify the specific advantages as well as the mechanisms through which these advantages are generated. The literature documents three distinct forms of advantage enjoyed by high-status organizations, all of which in turn enhance the chances for organizational survival. First, high status is associated with increased revenue for a given level of performance. High-status firms can charge more for the same quality output (Benjamin & Podolny 1999, Fombrun & Shanley 1990, Roberts & Reagans 2011); high-status firms also experience greater sales growth for a given demonstration of quality (Podolny et al. 1996). Second, in addition to increasing the flow of resources for a given quality output, status can lower certain costs. By enhancing organizational visibility and fostering the trust of potential exchange partners, status reduces various transaction costs such as those associated with the offering of warranties (Podolny 1993). Status can also lower the costs of recruiting and retaining labor of a given quality. To the degree that an individual values the status of her work organization either as something that she consumes or values it as a signal that her employer has higher survival chances (Phillips 2001), status lowers labor costs. Third, status increases a firm’s access to survival-enhancing opportunities and assets. When firms are new, for example, status lowers barriers to entry into markets (Jensen 2008; see also Podolny & Scott Morton 1999) and improves access to financial capital (Fombrun & Shanley 1990, Phillips 2001, Stuart & Ding 2006, Stuart et al. 1999).

Not surprisingly, given the benefits listed above, high status has consistently been shown to increase an organization’s likelihood of survival (Baum & Oliver 1992, Park & Podolny 2000, Phillips 2001, Podolny et al. 1996). These studies thus provide robust demonstrations of the Matthew Effect, a dynamic of broad interest within sociology (see DiPrete & Eirich 2006). Merton (1968) coined the term, recalling the biblical passage in Matthew 25:29 that states, “For unto everyone that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even what he hath.” Merton first invoked the term in reference to his work with Zuckerman (1977) on Nobel Prize-winning scientists. They noted that in instances of simultaneous discovery, high-status scientists tend to receive a much greater share of recognition than junior collaborators or comparatively low-status scientists who have a legitimate claim to having made a near identical discovery at the same time. To the extent that recognition can be converted into external resources (e.g., grants, research assistants) that enable future scientific productivity, high-status actors are able to accumulate advantage over time.

Correll et al. (2011) refer to the first step of the Matthew Effect as socially endogenous inference (i.e., high-status actors are evaluated, and thus rewarded, more positively than lower-status actors for a given contribution) and the second step—the conversion of recognition into resources that enhance the production quality—as socially endogenous investment (see also Simcoe & Waguespack 2010, p. 277). For example, just as more eminent scientists receive a disproportionate amount of attention for shared or parallel discoveries, organizations can similarly garner greater rewards for comparable quality of output (Benjamin & Podolny 1999, Podolny 1993). Perhaps the best example of this comes from Benjamin & Podolny’s (1999) analysis of the California wine industry,
in which they show that a winery’s position in the regional status ordering positively affects the price it can charge for a bottle of wine of a given quality, where quality is determined by industry experts using blind taste tests. In general, market settings have offered unique opportunities to separate an actor’s quality from status, which thus allows scholars to identify the effect of status net of quality. Despite this empirical research, it is important to note that the issue of unobserved heterogeneity with respect to individual variation is a troubling methodological concern in studying socially endogenous inference with observed data (see DiPrete & Eirich 2006, p. 288; Simcoe & Waguespack 2010); to demonstrate status advantage requires being able to identify whether actors actually accrue advantage because of where they stand in the status ordering independently of what they have done that might have influenced their position in the order.

The economic sociology literature has also produced some compelling demonstrations of socially endogenous investment. Just as more eminent scientists are expected to use their positional advantage to secure access to equipment, facilities, research assistance, and protected research time, high-status firms have been shown to solidify their advantage by (a) having more opportunities to make high-status affiliations (Podolny 1994, Stuart 1998) and (b) investing resources to produce higher quality (Benjamin & Podolny 1999). With respect to wineries, for instance, not only do high-status wineries charge more for a given quality of wine, but they also tend to invest more in grapes that can be used to produce higher quality wines (Benjamin & Podolny 1999).

**Constraints on Behavior**

Another important effect of status highlighted by organizational research is that it constrains the behavior of actors. The status position of a firm will limit the opportunities and choices of action available to it. Although this insight is not surprising when applied to low-status actors who are often excluded from many types of transactions due to their position, research shows that high-status actors face constraints as well. Because an actor’s network of affiliations is a crucial determinant of status, high-status organizations cannot transact with lower-status others without jeopardizing their own position (Fombrun 1996, Podolny 1993). It is this constraint on high-status firms that creates and reinforces market segmentation by preventing high-status firms from cashing in on their status and eliminating lower-status firms from the market (Podolny 1993). There is also some evidence that the very visibility that often serves as an asset to high-status organizations can also act as a limitation as it makes them more vulnerable to charges of misconduct and to scandal (Adut 2005, Fine 1996); in this way, high-status actors are more prone to negative judgment and may face a circumscribed set of choices.

Phillips & Zuckerman (2001) provide strong evidence that, due to concerns about legitimacy, choices of middle-status actors are often more constrained than those of their high- and low-status counterparts. Unlike high-status actors, whose legitimacy is assured even if they deviate from typical behavioral norms, and low-status actors, who have little to lose by violating these norms, middle-status actors must conform to expectations in order to avoid risking their standing. Middle-status legal firms, for example, are less likely to adopt family law practice for fear of compromising their standing with corporate clients than are low-status firms (who are not in play for these clients) or high-status firms (whose positions are secure enough that they do not risk losing their legitimacy by expanding into this area). Phillips et al. (2011) further specify this dynamic by demonstrating that high-status actors are able to violate some types of norms (membership norms) without risking their status position, but cannot violate other types (loyalty norms) without risking their high-status advantage. This line of research supports the idea that status, despite the benefits it provides, can at times limit market opportunities.

A few studies suggest that under certain circumstances high status is not only
constraining but can also actually have negative performance consequences. Jensen (2008), for instance, demonstrates that market incumbents make it more difficult for aspiring high-status actors to enter a field than their low-status counterparts because these incumbents see them as a greater threat and are more likely to use exclusionary tactics against them. Examining professional golfers and NASCAR drivers, Bothner et al. (2011b) also find that high status may lead to complacency and self-satisfaction, which will in turn have a negative effect on performance—a resting-on-one’s-laurels effect that could hold true for organizations as well. Evidence of negative effects of status, however, is far scarcer than evidence of the benefits of high standing. Although high status may constrain behavior in a few narrow circumstances, these constraints for the most part act to preserve more general long-term benefits.

**Mechanisms**

Organizational research on status has identified or elaborated on a number of mechanisms that help explain why status produces benefits or disadvantages for organizational actors. Although these mechanisms often work in tandem and are not always mutually exclusive, they are conceptually distinct. One mechanism to which we have already alluded is a signaling mechanism, where status is understood as an indicator of quality. In situations of high uncertainty, external parties rely on observable characteristics of an organization—most centrally, the standing of those who defer to or affiliate with the actor—to provide insight into the quality of that organization and its outputs. Here, status serves as an informational cue that can be used to differentiate a focal set of actors when underlying quality differences are not transparent.

Although direct tests of whether status cues actually reduce uncertainty do not yet exist (see Lynn & Campos-Castillo 2011), empirical studies showing that status matters more when uncertainty is higher provide indirect support for this claim (e.g., Podolny 1994). In the semiconductor industry, for example, the returns to status (e.g., sales) are higher in technological niches that are characterized by quality uncertainty (Podolny & Stuart 1995, Podolny et al. 1996). In a similar vein, Stuart et al. (1999) show that the flow of resources to biotechnology startups is greater for firms with more prominent partners, and this advantage is greater for firms characterized by greater uncertainty.

Aside from signaling, status benefits can also arise from the visibility and informational control that is associated with prominence in a group or network. For example, high-status actors tend to be noticed more often within a field (Frank & Cook 1995, Goode 1978, Gould 2002), and this visibility provides actors with a greater number of opportunities to gain additional resources and increases their capacity to communicate (Shrum & Wuthnow 1988). Not only are high-status actors more visible, but their position atop the hierarchy—what Gould (2002) calls “high-status dominance”—also allows them greater control over how audiences perceive them and interpret their actions (Martin 2009, Phillips & Kim 2009). It is worth noting, however, that although high-status actors have been shown to have greater means by which to control the impressions others have of them, they also face harsher appraisals when unflattering behaviors come to light (Adut 2005, Fine 2001).

A final mechanism by which status generates benefits is related to the sense of security that goes along with a privileged status position. For individuals, this is often discussed in terms of confidence (see also Ridgeway & Correll 2004 on internal investments in ambition). Frank (1985), for example, argues that high-status actors are more confident, and—in part because confidence is tied to motivation and effort (see, for example, Nease et al. 1999, Podsakoff & Farh 1989)—so perform better (see Lovaglia et al. 1998 on standardized tests, Tay et al. 2006 on interview performance; but see Bothner et al. (2011b) for an evidence of a countervailing effect). This type of reinforcement mechanism is also described by Cole & Singer (1991), who argue that cumulative advantage in careers arises because success breeds motivation, as...
well as Rosen (1981) who argues that the market gives talented individuals a stronger incentive to produce higher quality work.

Although organizational actors, of course, cannot possess confidence in the same way as individuals, similar dynamics take place at the organizational level of analysis. There is evidence, for example, that organizations that are more accountable to influential outsiders have more status anxiety—defined as fears about being devalued because of low-status affiliations—than those that are free from these constraints. Likewise, Phillips & Zuckerman’s (2001) work on middle-status conformity shows that high-status organizations enjoy a greater sense of security, security that leads them to behave differently in the market. Specifically, they demonstrate that whereas middle-status firms are more tied to performance norms to ensure their legitimacy, high-status firms possess security in membership that allows them more freedom to deviate from these norms in ways that can broaden their market share and increase opportunities (see also Phillips et al. 2011). This security in membership is analogous to a type of organizational confidence.

Networks of Status-Conferring Relations

Consider a group of \( n \) actors (e.g., \( n \) individuals employed by a firm, \( n \) banks involved in syndication activity). We can use the term \( x_{ij} \) to indicate the amount of deference, or attachment, \( i \) allocates to \( j \). Thus for any given bounded group, we can conceive of its (informal) status hierarchy as a web of deference relations among its members; systematic data on \( x_{ij} \) for all \( n \) actors of a bounded group would thus reveal the underlying structure of this hierarchy.

Because the psychological transfer of deference from \( i \) to \( j \) is typically unobserved, organizational scholars have tended to focus on exchange relations [although a few network scholars have analyzed direct measures of deference when individuals are the unit of analysis (see, e.g., Fernandez 1991)]. Associations and affiliations serve as observable indicators of attachment or “gestures of approval” (Gould 2002, p. 1147). Podolny (1993, 1994; Podolny & Phillips 1996), for example, extracts syndicate relations among investment banks from published tombstone advertisements of security offerings. The lead manager of an issue is always listed first and is followed by the co-manager(s) and then members of the syndicate. Thus, for bank \( i \) to appear “lower” than bank \( j \) in the tombstone advertisement implies the transfer of deference from \( j \) to \( i \).

In a similar vein, Benjamin & Podolny (1999) quantify the status ordering of California wineries through their affiliations with legally designated grape-growing regions, Stuart et al. (1999), drawing on published industry directories, measure the prominence of biotechnology firms as a function of its strategic alliances with other biotechnology firms, universities, and other relevant firms in the field (e.g., chemical and pharmaceutical companies). Podolny, Stuart, and colleagues (Podolny & Stuart 1995,
Podolny et al. 1996, Stuart 1998, Stuart et al. 1999) assess the status of firms in the semiconductor industry using patent citations: When firm \( i \) cites an invention patented by firm \( j \), firm \( i \) has implicitly deferred to firm \( j \) (Podolny 2005, p. 141). In the academic arena, Burris (2004) argues that the prestige ordering of academic departments can be mapped using PhD exchange relations: Department \( i \) shows deference to department \( j \) by hiring PhDs trained by \( j \).

Thus, largely because of the transparency of interorganizational relations, much of the work at the organizational level is based on systematically recorded, relational data in naturally occurring market contexts, many of which are populated with a large number of firms. This is a unique contribution to sociology given that most of the empirical knowledge of status processes in sociology stems from (a) qualitative research on either very small groups (e.g., Whyte 1943) or macrostructures (e.g., Milner 1994) and (b) expectation states research on small groups, which typically relies on a standardized experimental design to manipulate the status ordering of group members (see Correll & Ridgeway 2003, Kalkhoff & Thye 2006).

**Status Positions**

A network approach not only provides innovative snapshots of deference relations but also facilitates the identification and formalization of an actor’s status position. With respect to status-conferring relations, the status of any given actor is generally defined as the extent to which that actor occupies a central position within the network (Freeman 1978, Knoke & Burt 1983, Wasserman & Faust 1994). A basic approach is to characterize a focal actor’s centrality using indegree, which is the sum of status-conferring attachments received by the focal actor (see Gould 2002, Stuart 1998).

Others favor Bonacich’s (1987) recursive centrality score, which takes into account not only the amount of deference received but also the extent to which deference is directed from high-status others (see e.g., Bothner et al. 2010a; Burris 2004; Podolny 1993, 1994, 2001; however, see Bothner et al. 2011a, pp. 31–34, for a discussion of potential problems with this measure). A recursive measure is clearly consistent with the view that an actor’s status is inherently tied to the status of her associates. Podolny (2001, p. 7) refers to this as status leaking through relations—i.e., in the eyes of third parties, high-status actors affiliating with low-status actors would experience a drop in status, whereas the opposite would be true for low-status actors (see also Podolny 2001, pp. 33–35; 2005, pp. 10–52). Stuart et al. (1999, p. 319) emphasize how ties to prestigious others serve as endorsements: An alliance with a prominent firm is a form of certification insofar as the focal organization has earned the approval of a “selective and capable evaluator.”

Importantly, although some scholars (e.g., Bothner et al. 2011a) emphasize the theoretical distinction between indegree (which is consistent with a measure of popularity) and Bonacich’s (1987) recursive measure (which emphasizes how status leaks or diffuses through relations), it is unclear the extent to which a substitution of measures would alter the substantive conclusions in the existing literature. The studies we reviewed generally justify the use of one measure of status on theoretical grounds and proceed without checking the sensitivity of results to alternative definitions of status.

Recent work suggests that centrality alone is insufficient to characterize an actor’s status position. Bothner et al. (2010b) develop the notion that status positions can vary in robustness. The intuition is that a focal actor occupies a more robust status position (whether it be high or low status) to the extent that (a) she has a diverse set of admirers and (b) her admirers themselves enjoy diverse support. In contrast, a status position (again, high or low) is fragile to the extent that support comes from a concentrated few who themselves are not diversely embedded. In technical terms, robustness is calculated as a weighted Herfindahl measure (see Bothner et al. 2010b, pp. 949–953). Empirical analyses in three distinct social contexts lend support to the idea that an actor’s position in a status hierarchy is tied to both
the amount of support (i.e., centrality) and the diversification of support (i.e., robustness).

Bothner et al. (2012) also introduce the distinction between primary and complementary status. The distinction is rooted in the observation that actors can attract deference on the basis of superior leadership abilities (and thus have high primary status position) but they can also attract deference because of their superior ability to enable leaders (i.e., high-status followers have high complementary status). This work underscores the broader point that a group may be better characterized by multiple dimensions of hierarchy rather than by a single/universal scale (see Status Hierarchies section below).

**Emergent Hierarchies**

Finally, network methods have enabled formal research on how the underlying psychology of deference allocation shapes the rise and evolution of status hierarchies. Gould (2002) theorizes that deference allocation is grounded in three relatively uncontroversial assumptions about how individual actors (e.g., firms, individuals) form attachments to others:

1. Actors prefer to form attachments to qualified or talented others.
2. Actors suffer when attachments are unreciprocated.
3. Actors are influenced by how their peers have formed attachments.

Using this model of individual-level behavior to “grow” status hierarchies under varying levels of social influence and symmetry “pain,” Gould (2002) shows that social influence leads to exaggerated status rewards whereas the concern for symmetry leads to underdifferentiation (both with respect to original quality differences).

Gould’s (2002) model laid the foundation for two important ideas: (a) Deference allocation rules should be addressed as variables and not constants (see also Bothner et al. 2010a, Bothner et al. 2011c) and (b) variation in the rules of allocation affects the decoupling of rewards from contributions. Lynn et al. (2009) use simulations to systematically examine how different assumptions about microlevel behavior affect decoupling; status hierarchies are understood as being more socially constructed to the extent that a group’s status ordering is uncorrelated with its underlying quality ordering. In short, they find that some dynamics can affect only the scale of rewards (i.e., the extent of exaggeration), whereas others can create a striking and durable disjuncture between status and quality.

In sum, a number of organizational scholars have drawn on a network perspective to develop what could be considered a new methodology around status hierarchies. Specifically, network methods have provided a systematic way of measuring and summarizing the relational underpinnings of status hierarchies, which, consequently, has given researchers a platform from which to build new theoretical insights about both status positions and hierarchies. Interestingly, perhaps because of the eagerness to document the consequences of status differentiation, there is very little research in this area regarding the basic, descriptive properties of observed status hierarchies (e.g., what is the shape of the hierarchy, how stable is the ordering). The type of thick description employed in close studies of status hierarchies (see Gould 2003, Sauder 2006) suggests that there is much to be gained in trying to understand what hierarchies look like, how they evolve over time, and how the properties of hierarchies affect the actors within them. We turn to these issues in the next section.

**STATUS HIERARCHIES**

There are a growing number of studies concerning organizational status that recognize the value of examining status hierarchies in and of themselves—their characteristics, their structures, and their variations—as well as studying the individual actors that constitute them. The study of status hierarchies draws attention to the broad contextual and structural factors that help shape status dynamics within fields. They also encourage scholars to recognize the value
systems that both undergird and justify status distinctions and explore the processes by which these values are determined. Current research reveals three fruitful avenues of exploration on organizational status hierarchies: how the structure or shape of status hierarchies influences status activity, the system-level adjudication (in terms of both its justification and mechanics) of status position and reward, and the interaction of competing status systems.

Frank (1985, Frank & Cook 1995) was among the first to recognize that the structural characteristics of status hierarchies influence how status rewards are distributed among status actors. Frank (1985) demonstrates that the size or scope of a status system is very consequential for status actors. Because status is relative, Frank argues, the size of the status system (or pond, to use Frank’s metaphor) of which an actor is a part, plays an important role in determining the enjoyment of status rewards independent of the behaviors in which that actor engages. In a later work, Frank & Cook (1995) document the distinctive nature of status systems that are structured to give the vast majority of status rewards to the tiny elite at the apex of a field. These winner-take-all status systems create very different status dynamics—disproportionately rewarding the few who outperform others—than those that parcel out status rewards more equally across members. Gould’s (2002) seminal article on the origins of status hierarchies extends and formalizes these insights by spelling out the factors—such as individual differences in salient characteristics, degree of social influence, and degree of reciprocity—that produce the structure, and especially the level of inequality, in a status hierarchy.

Although there has been little research conducted on the consequences of hierarchy structure, a few recent studies have provided specific examples of such effects. In his work on social conflict, for example, Gould (2003) finds that status hierarchies in which status distinctions are less rigid and more ambiguous are more likely to produce conflict among their members. Sauder (2006) also finds hierarchical characteristics to be important, showing that one effect of the institutionalization of formal law school rankings was to change the structure—both in the number of relevant distinctions and the degree of inequality between the top and bottom schools—of the status system of legal education. This structural change produced increased status anxiety among schools and radically altered perceptions of status position, both of which led to new types of status activity among schools. Bothner et al. (2011c) similarly demonstrate how the shape of the status hierarchy can be regulated through the distribution of status rewards (focusing rewards on either high or marginal achievers) to maximize outcomes. Finally, in their analysis of intercollegiate football bowls in the United States, Huang & Washington (2011) find that the degree of inequality within status hierarchies influences consumer perceptions of organizations as well as the performance of high- and low-status organizations. Taken together, these studies suggest a currently undeveloped but promising direction of status research: investigating the ways in which variations in the structures of status systems have important effects on the behavior of actors within them.

A focus on status hierarchies also draws attention to the underlying bases of status distinctions and the processes by which these distinctions are created and upheld. Although it has been long recognized that status distinctions are rooted in shared values or conceptions of what is more or less worthy (Goode 1978, Mills 1963 [1954], Veblen 1994 [1899]), recent organizational work has applied and extended this insight by showing how changes in both the bases of status distinction and the manner in which these values are adjudicated powerfully influence the distribution of status. One impetus behind such changes is a broad transformation in a field’s organizing belief system or logic that alters how the field defines what is status worthy. Lounsbury (2002), for example, shows how new types of status claims could be successfully made by actors in the field of finance as the dominant institutional logic of the field changed from regulatory to
market based. Rao et al. (2005) document a similar change in the field of French cuisine as new logics led to changing definitions of high-status food production among elite chefs in late twentieth-century France.

A second impetus of change in the determination of status distinction for organizational fields is the introduction of formal criteria and third-party judges. Both White & White's (1993) analysis of French art markets and Roberts & Reagans's (2011) study of Bordeaux wines, for example, show how critics, rather than informal local norms, come to define status as markets grow in terms of market reach and production capability. These formal status judgments alter the criteria by which status is conferred and thus the ordering of the status hierarchy. These effects of the formalization of status are shown as well in studies of licensing agencies (Baum & Oliver 1991), certification contests (Rao 1994), financial analysts (Zuckerman 1999), benchmarking data (Zuckerman & Sgourev 2006), and educational rankings (Sauder 2006, Espeland & Sauder 2007). Collectively, these studies show how intermediaries can redefine status hierarchies as they synthesize information, certify quality, and/or produce public assessments. These third parties and the processes of status formalization that they often set in motion are an important influence on status hierarchies about which we still have much to learn.

A third and final insight generated by a focus on status hierarchies is that status hierarchies often overlap, crosscut, and compete, and that these interactions among hierarchies have significant consequences for the status actors within them. Although most empirical research on status posits a single status hierarchy within which actors are organized (Bothner et al. 2012), the same sets of status actors are often subject to multiple status hierarchies, each with its own definition of what is deserving of high standing. For example, Abbott’s (1981) study of status strain in the professions demonstrates that legal and medical professionals have very different relative standing depending on whether they are being ranked by internal or external audiences. Similarly, Lifschitz et al. (2011) show how the field of higher education is structured by athletic as well as academic status considerations, providing evidence that these athletic and academic status systems often interact—such that a school’s standing in one hierarchy affects its standing in the other—and mutually influence one another. Finally, Bothner et al. (2012) argue that the success of venture capital organizations is determined by their standing in two distinct status hierarchies: one based on quality in a leadership role and a second, complementary hierarchy based on quality in a supporting role. All three cases suggest that the terrain that status actors negotiate is more complex than is often recognized; rather than simply trying to find ways to rise within a single status hierarchy, actors must negotiate crosscutting and competing hierarchies, each with its own demands about what is deserving of recognition and how this is best achieved. The types of interactions between and among status systems are many, and scholars have just begun to explore their varieties and consequences.

**DIRECTIONS FOR FUTURE RESEARCH**

The most prominent approaches to the study of status—whether focused on organizations or individuals—current lack coherent theories of how status changes. Research in the tradition of status-based market competition, for example, often emphasizes the constraints that status places on firms and the reproduction of current status arrangements (Benjamin & Podolny 1999); especially in market situations characterized by uncertainty, status is “an inherently conservative, stabilizing force” (Podolny 2005, p. 255). Although organizations have been shown to gain or lose standing in their field as a result of real changes in quality, the ability to link to higher-status affiliates (Podolny & Phillips 1996), or innovative practices (see Podolny 1993), such transformations in actor-level characteristics are not sufficient or satisfying explanations of status change. As suggested previously in the section on status...
hierarchies, however, zooming out for a wider view of status activity at the field level of analysis offers a compelling alternative approach. For example, when the values that undergird status decisions change (Huang & Washington 2011, Lounsbury 2002, Rao et al. 2005), competing ideas about what is status worthy emerge (Lifschitz et al. 2011), or new third parties gain influence and redefine the perceptions of external audiences about what constitutes high status (Sauder 2006), status orders are reshuffled. There is much more to be studied about how changes at the field level or interactions among competing status hierarchies lead to changes in the overall nature or rules that define the status hierarchy.

Another, related avenue of research would involve a deeper examination of the assumption that actors rely on status signals to reduce uncertainty. In Podolny’s (1993, 2005) account, actors assume a positive correlation between relational status and underlying quality—even in the absence of tangible evidence that the correlation exists—and thus relational status cues provide evaluators with a concrete basis from which to differentiate options when quality itself is difficult to observe. Although empirical research has documented behaviors that are consistent with this psychology (Podolny 1994, Podolny et al. 1996), our understanding of this claim could be significantly strengthened with attention to several unresolved issues.

First, further consideration is needed regarding the nature of uncertainty faced by decision makers. In the standard account, firms that are well connected are attractive exchange partners because they have been effectively endorsed by legitimate others and are thus likely to be of high quality. In broader terms, decision makers favor options that have been socially endorsed in order to best ensure that they obtain the quality they seek. Correll et al. (2011), however, argue that decision makers often find themselves in contexts in which they are not primarily concerned with meeting their own quality needs (which is a first-order inference problem) but rather are concerned with identifying a choice that is optimal with respect to key audiences and third parties (i.e., a third-order inference problem). Actors in these contexts face uncertainty about which choice best coordinates with the actions of consequential others, not about what best suits their own personal needs.

A second and much broader question involves the extent to which relational status cues are operationally distinct from other kinds of positional cues discussed within sociology (see Jasso 2001). On the one hand, empirical studies clearly show that decision makers are influenced by a variety of positional cues. In the investment banking setting, Podolny (1993, 1994) shows how banks care about network-derived status calculated using Bonacich’s (1987) centrality score. With respect to internal labor markets, Castilla (2008) focuses on how employee characteristics (race, gender, nationality) shape employers’ salary decisions. Rao’s (1994) work on the automotive industry implies that audiences view a firm’s reputation for competence as an important, legitimizing asset and thus such reputation is a significant determinant of organizational survival. Salganik et al. (2006) show how consumers are influenced by the popularity of songs in a music market. Despite all of these cues seeming to trigger assumptions about the value of an actor, we know relatively little about the extent to which these various accounts are theoretically compatible (see Correll & Benard 2006 for a notable exception), and it is unclear whether decision makers process cues in the same way (e.g., do decision makers respond to network-derived cues differently than they do ascribed characteristics?).

Finally, as we discuss in the previous section, more concerted study of status hierarchies—their structures and characteristics, how they interact with one another, and how they influence the status activities of those within them—is a promising direction for future research. Conceptualizing status hierarchies as units of analysis promotes more explicit comparisons of different systems of status distribution (see, e.g., Lynn et al. 2009) and draws attention to the interactions between hierarchies—a much-needed complement to
the nearly exclusive focus of current research on the activity that takes place within them. One benefit of this approach is that it would enable scholars of status processes to better understand the conditions under which particular status dynamics become salient and influential, shedding new light on such questions as: In what types of hierarchies will status signaling be most and least effective? Under what conditions will status pressures toward middle-status conformity hold sway and, alternatively, what characteristics of status systems will create greater status demands for high- and low-status actors? What types of hierarchies will be most vulnerable to the status assessments of third parties? These types of distinctions are valuable for helping us to understand how contexts affect status processes, a question that has fallen to the background of recent status debates (Sauder 2005).

CONCLUSION
In this review, we have synthesized the central theoretical contributions and substantive insights of organizational status research. Although our primary aim has been to consolidate this vibrant body of research, we have also attempted to highlight the ways in which these studies of organizational status contribute to our understanding of status processes across levels of analysis and methodological commitment. In recent years, status research within sociology has become factionalized, consisting of groups with distinct approaches that, even if not opposing, tend not to communicate effectively with one another (Pearce 2011). Moving forward, it is both necessary and desirable to build bridges and share insights among these different approaches; such efforts will not only help deepen and broaden our understanding of status processes, but could also help return status to a more central position in the field of sociology (Sauder 2005). Current organizational work that combines insights from multiple traditions and levels of analysis (e.g., Kellogg 2012, Rivera 2011, Turco 2010) or demonstrates the transportability of mechanisms across levels of analysis (e.g., Correll et al. 2011) is a promising prototype for future research.

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