CHAPTER 23

STATUS

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Introduction

The first act of the opera *Margaret Garner* draws to a close with Edward Gaines, a Kentucky plantation owner, hosting a lavish reception to celebrate the engagement of his daughter, Caroline. Feeling forgotten after a twenty-year absence from the community, Gaines has invited the local gentry and views the celebration as an opportunity to reestablish his family and plantation in local society. Margaret Garner, the Gaines's household slave and the lone servant tending the party, offers champagne to the guests. The year is 1856; the guests accept the champagne but ignore her person entirely.

During the celebration, Gaines, Caroline, and Caroline's fiancé engage in a public exchange on the meaning of love. Unable to reach an agreement, Caroline turns to Margaret and asks for her view on the matter. Having been the recipient of Margaret's care and affection for nearly her entire life, Caroline feels that Margaret can contribute meaningfully to the conversation. The guests, however, are shocked that the daughter of their host would ask a slave to opine on the significance of love, and leave the reception immediately.

The deference that Caroline showed to the slave was a sign not only of the questionable nature of Caroline's character, but of her father's as well. Likewise, had any of the guests remained at the reception, their characters too would have been judged by the community. Gaines, no doubt, is left enraged by the party's abrupt demise. While the event did indeed provide Gaines with the opportunity to establish a position for himself in the local society, the position was much lower in status than the one he coveted.

In this chapter we will review a broad array of research on status dynamics to show that what may seem so particular (and indeed peculiar) to this scene is in fact quite general. Whether one focuses on a social gathering in the antebellum South, underwriting contests among modern investment banks, or the invisible colleges of social scientists, at least four common patterns arise. First, actors look to others' status as a signal of their underlying quality. In the above scene, all guests at the party rely on status to infer who is capable of opining on love and who is not. A plantation owner who hosts an event attended by the local social elite is assumed to have high-quality advice on the significance of love; a slave is not.

Second, an actor's status influences the rewards that she receives. In the scene above, the primary reward is the (positive) attention that an individual receives for contributions to the group. At the beginning of the reception Gaines and his future son-in-law received considerable positive attention for rather simplistic theories of the meaning of love. In contrast, no praise was given to the slave Margaret Garner for her more heartfelt expression of love's meaning nor for the service of champagne; she was instead completely ignored.

Third, an individual's status position is not fixed, but arises from the exchange relations between individuals. In the *Margaret Garner* example Caroline lowers her status when she enters into a conversation on the meaning of love with a slave, and in so doing lowers the status of those with whom she is associated (i.e. her father). The only way that the father could avoid his own status being lowered would be to disown his daughter (i.e. refuse to associate with her), and the only way that the guests could avoid their status being lowered was to leave the party. While more implicit than explicit, there is also a fourth pattern or theme manifest in the above example: actors are especially likely to rely on status queues to make inferences about quality when there is considerable uncertainty about that underlying quality. Because Gaines and his daughter are essentially new to the local community, Caroline's 'shocking' display of deference to the slave is a stronger signal of her character than had she been a long-standing member of the community.

What follows is a review of the broad array of research supporting these propositions. Much of the research that we will review has been published in the last decade. The focus on status dynamics is part of a broader trend in structural sociology, from interpreting structure as a latent constraint on action to a manifest input into actors' decisions. When the 'new structuralism' arose in the 1970s and early 1980s, sociologists focused on the significance of structure in determining the probability that an actor would come into contact with some opportunity, resource, or piece of information. Such a focus can be found in the manifestos of Mayhew (1980) and Granovetter (1985), the approach that Blau pioneered in *Inequality and Heterogeneity* (1977), the theoretical underpinnings of blockmodel analysis (White, Boorman, and Brieger 1976), as well as much of the other structural work at the time (e.g. Cook and Emerson 1978; Burt 1982; Marsden 1982). In the work of this period some actors may have been cognizant of structure and its effects on shaping interaction, but the effects of structure did not depend on the actors being cognizant of them. Structure channeled action regardless of whether actors were aware of the impact of these channels.

However, as the new structuralism evolved, those working within this tradition increasingly began to understand structure as an informational input that guided action. One of the earliest prominent examples of this new approach to structural analysis was Burt's work on diffusion (1987); he distinguished cohesion and structural equivalence as alternative mechanisms of diffusion. Whereas diffusion of a behavior via cohesion did not depend on actors being cognizant of the structure in which they were embedded, diffusion of a behavior via structural equivalence most certainly did. By 1990 Krackhardt was writing about cognitive networks and providing evidence that the accuracy of an actor's perception of structure was itself a determinant of the opportunities, resources, and information that an actor was able to obtain.

The focus on status as a signal is part of this broader underlying trend in the structural tradition. White's model of production markets (1981) conceptualized the volume/revenue combinations of producers as structural choices that signaled realizable market opportunities for participating producers. Others in the structural tradition have made a similar point even if they have not always been as explicit in invoking the concept of signal. For example, Baum and Oliver(1991, 1992) discuss how the presence or absence of a tie to a legitimate institution affects the likelihood that the organization's constituencies regard it also as legitimate. In effect, the tie to a legitimate institution is the signal. Rao, Davis, and Ward (2000) discuss how corporations will selectively affiliate with a particular exchange (e.g. NYSE or NASDAQ) because the affiliation is a signal of particular underlying qualities. Moreover, we would contend that Zuckerman's work (1999, 2000) can be interpreted in a similar light. Zuckerman argues that potential exchange partners of an actor have difficulty making sense of the identity of an actor when that actor's exchange relations or affiliations cut across common categorical distinctions. To the degree to which the potential exchange partners cannot make sense of the actor's boundary spanning across categories, they will be less likely to attend to and therefore enter into an exchange relation with that actor. In this case, boundary spanning across categories is a signal to potential exchange partners that the actor is of at least questionable quality.

In each of these works an actor's ability to demonstrate quality above some threshold is endogenous to the structural position that the actor occupies. Because potential exchange partners rely on position as a signal of quality, their willingness to direct resource flows to an actor is contingent on the position that the actor occupies. So, in the case of Baum and Oliver's work on day-care centers, a day-care center with a tie to a legitimate institution such as church or government agency is more likely to garner resources that will, in turn, allow it to deliver quality above some threshold. Or, in Zuckerman's work, if a firm diversifies in a way that its activities spread across categorical boundaries to which investors attend, the firm's cost of capital will be higher; this higher cost of capital, in turn, will mean that it is more expensive for the firm to deliver products and services at a given quality.

There is an obvious and important causality issue in the argument that quality is endogenous with respect to structure. While we assert that structural position shapes quality, it is also possible that differences in quality affect the position that actors are able to obtain. For example, maybe the reason that a given day-care center has a tie to a church or government agency is that the center is simply better than a randomly drawn counterpart without such a tie. Accordingly, any rigorous investigation of the structural determinants of actor quality must seek to disentangle the potential reciprocal impact of structure and quality upon one another.

The rest of this chapter can be divided into three parts. The first reviews the sociological conception of status as a signal. This conceptualization has its roots in the economic understanding of a signal but departs from that foundation in some important ways. After highlighting those lines of departure, we then discuss studies that demonstrate the broad applicability of the four propositions laid out above. In the last part of this chapter we explore a new line of research on status dynamics. While the lion's share of the of extant research focuses on how actors rely on status to infer the quality of potential exchange partners, attention to structural cues may also affect the way in which actors experience the value of the exchange itself. For example, if an actor 'sees' a group of objects as comparable items on a status continuum rather than as unique, incommensurate entities, does this framework of comparability enhance or detract from her experience/interaction with any one of these objects? We address this question by reviewing the research on commensuration and value (Dewey 1980; Espeland and Stevens 1998; Bolla 2001), which suggests that rankings lead to a depreciation of value.

23.1. The concept of status as a signal

We begin by defining status in terms of accumulated acts of deference, where we view status as the 'stock' to which deference is the 'flow'. Acts of deference can differ in their level of formality, ritualism, and self-awareness. Bowing before royalty, for example, is formal, ritualistic, and implies a high degree of self-awareness; one generally does not bow without consciously thinking to do so. Consider instead what happens when an esteemed scholar arrives late to a research seminar and all the seats are taken. Typically, someone—often a graduate student—will give up his or her seat. Such behavior is sufficiently common to be considered ritualistic, and certainly deliberate enough to imply self-awareness, but the behavior is informal. There is no prescribed etiquette for how the graduate student must give up his or her seat. In contrast to these first two types of deference, other acts involve actors who are largely incognizant of their behavior. When guests in a restaurant look repeatedly at the table of a famous individual, for example, such behavior is not only informal but generally unintentional.

Aside from variation in the type of act, deference behaviors can also be characterized by the extent to which they are specific to a group, culture, or time period. Some acts of deference, like paying particularly close attention to someone when they speak, are obviously quite general and likely interpreted the same way in the majority of settings. Other acts are common in many settings but vary in the specific form. For example, while it is often customary in business settings to seat individuals around the table according to status, some countries (e.g. Japan) seat the highest-status person in the middle of the table while in others (e.g. the USA), the highest-status person is seated at the head of the table. Other acts of deference, of course, are highly idiosyncratic to a particular context and therefore require that individuals be knowledgeable about that context to appreciate the deference being conveyed. The ordering of actors' names on a movie poster or marquee, for instance, is influenced not only by the size of the roles in the movie itself, but by the relative status of the actors within the larger community of actors. An actor's (un)willingness to accept a certain billing position can thus be interpreted with regard to deference relations. The ability to appreciate the billing order, however, is clearly tied to one's knowledge of how the order is negotiated, and industry insiders are likely more attuned to the deference component than outsiders.

Finally, deference can be allocated by individual actors as well as by groups (i.e. when a group of actors bestows deference on a single actor). Similar to the different forms of deference acts at the individual level, aggregated acts of deference likewise vary in terms of formality, ritualism, and self-awareness. In the science profession, for example, the selection and awarding of the Nobel Prize would seem to represent the extreme in terms of formality, ritual, and self-awareness as a process for collectively defining who has highest status in a particular field. However, in fields that lack such prizes, status differences are more emergent, arising over time from differences in the degree to which a work is acknowledged and cited as important.

For all the types and forms of deference behavior, society generally conceives of deference as a reward for an actor's quality or her contribution(s). True deference cannot be 'seized' by an individual but rather is something awarded by others (Ridgeway 1984: 62), and theories of distributive justice and western ideals suggest that the exchange of status for quality is considered more just when the exchange is roughly proportional. In a strict sense, quality refers to any attribute, performance, or service that is highly prized within a group or community (Gould 2002: 1153; Ollivier 2004: 198), and thus the constituent elements of quality will obviously vary depending on the context.

In a task group, for example, quality is likely grounded in advice or effort that is conducive to the task that the group is trying to accomplish. In a close-knit community, quality may refer to aspects of character that help to reinforce the aspects of daily life that the community generally values. In a market, quality usually refers to the features of a product or service that—through producer advertising, consumer purchasing, the typologies of third parties like trade publications, and so on—become understood as the basis for differentiating good products and services from bad.

Researchers working in the expectation-states and status-characteristics tradition, however, have carefully pointed out that deference is often allocated in accordance with attributes or characteristics that are *not* necessarily relevant to any particular task or community goal. Nominal distinctions, such as gender and race, can become culturally associated with superior and inferior states of being (e.g. male versus female, white versus nonwhite) and, as such, can shape expectations of competence and subsequently the distribution of deference—even when the characteristic itself is not directly related to any context-specific task (Berger et al. 1977). Through a process of belief formation, social interaction, and diffusion, *nominal* distinctions can become consensually *valued* distinctions in the broader culture (Ridgeway 1991; Ridgeway and Balkwell 1997; Ridgeway and Erickson 2000). Once these beliefs have spread through a population and are prevalent at the cultural level, we will more likely see a correlation emerge between an actor's position vis-à-vis these nominal distinctions and the amount of deference she receives.

Regardless of the rationale used to allocate deference, the key principle is that actors who receive more deference are actors who are collectively understood as being higher status. Actors and objects in any given setting can be organized according to the amount of deference each has accumulated.[1] What this chapter is primarily concerned with is how an actor's position in a given status-ordering can, in turn, serve as a signal of quality. That is, regardless of how an actor comes to occupy a position in a given deference hierarchy, an actor's ranking can influence how her future contributions or demonstrations of quality are evaluated. In general, those who occupy a coveted status position are evaluated more positively (for a given performance of quality output) than those in inferior positions.

Research from a broad array of settings describes instances of how an individual's social-structural position within the group becomes an important consideration in others' evaluation of what the individual says or does. In *Street Corner Society* Whyte (1943) illustrates the importance of status in local gangs and the informal interactions among their members. Regardless of why or how an individual becomes a leader, once established as a leader his opinion is automatically considered more valuable and more 'right' than that of his followers. When a follower offers a suggestion or shares an opinion, the quality of his contribution is generally in doubt until approved in some way by the leader, at which point the entire collective agrees that the suggestion is worthwhile. During leadership transitions or periods of leadership instability, however, the deference hierarchy between followers and leaders is called into question by followers, and bosses become subject to the same kind of scrutiny applied normally only to followers. In short, when the security of a leader's position is in jeopardy, so too is the quality of his opinions and actions.

Blau (1955) documents a similar dynamic in his study of a government bureaucracy. Drawing a distinction between an agent's official status (i.e. his status based on job title) and unofficial status (i.e. the number of times the agent was contacted by other agents in a given period of time), Blau describes how an agent's unofficial status becomes the basis on which colleagues make inferences about the quality of that agent's advice or information. Colleagues were more likely not only to seek the advice of agents who occupied a high position in the peer-deference hierarchy, but also to follow his recommendations.

More recent, larger-scale studies of reward allocation and status positions suggest that this dynamic is not unique to small groups. While the ethnographies mentioned shed light on the social-psychological underpinnings of status signaling, larger-scale studies reveal the pervasiveness of this dynamic. In an artificial online music market with nearly 15,000 participants, Salganik, Dodds, and Watts (2006) find that subjects relied on a song's status position (i.e. its popularity among all previous buyers) to guide their buying decisions. When songs' download histories were released to subjects, there was significantly more inequality in the distribution of purchases than when ranking data were not released. Because the same songs were used in both conditions of the experiment, the findings provide clear evidence that the presence of status rankings was the key to the change in purchasing patterns.[2]

In addition, several observational and experimental studies contrasting 'blind' versus nonblind interactions provide evidence of how status cues in the form of nominal characteristics or formal titles can affect performance evaluations. When attribute information is available, it appears that actors who occupy high-deference positions receive better performance evaluations if their status is revealed than if their status remains hidden to the evaluator. Studies of the academic-review process, for example, show that articles and abstracts written by authors employed by prestigious institutions are more likely to be accepted under nonblind review than under blind review (Blank 1991; Ross et al. 2006). Similarly, using an experimental setup, Leahey (2004) shows that a given method of 'cleaning' messy qualitative data is perceived as being more/less objectionable depending on the academic rank of the individual proposing the strategy (i.e. professor versus graduate student). Her evidence suggests that subjects relied on rank to infer the quality of the product in question, where professors were essentially able to 'get away with more' than those less established. The core idea in all of these studies is that actors rely on status/positional cues (e.g. leadership position, popularity, institutional affiliation, tenure) to infer quality; actors associated with high-value positions tend to receive more favorable performance evaluations than actors of lower status, even in the absence of observable differences in performance level.

In his seminal work on economic signaling Spence (1973) wrote that in order for something observable to truly be a signal of some unobservable characteristic it must be less difficult or less costly for actors possessing the unobservable characteristic to display the signal. A warranty is a signal of a product's quality because the expense of the warranty to a manufacturer of low-quality products is higher than the expense of the warranty to a manufacturer of high-quality products. The manufacturer of low-quality products will have to make good on the warranty with greater frequency than will the manufacturer of the high-quality products. A college degree is a signal of an individual's productivity because a highly productive individual will find it less difficult to obtain the degree than a less productive individual.

If we focus on this particular feature of a signal which Spence explicated, it is fair to say that the sociological understanding of status meets the economic definition of signal. In general, it will be more difficult for lower-quality actors to attract acts of deference than it is for higher-quality actors to attract the same acts of deference. For example, the CEOs and senior executives of lower-quality firms are less likely to receive acts of deference, like media attention, than the CEOs and senior executives of higher-quality firms. So, in equilibrium, there will generally be a positive relationship between possessing the signal of status and an actor's underlying quality.

23.2. The Matthew Effect

However, if the equilibrium relationship between status and quality is consistent with the economic conception of a signal, the sociological account of the dynamics underlying this relationship differs from the standard economic account. The standard economic account begins by positing heterogeneity in terms of an unobservable quality, and when there is meaningful variance in the performance implications of this underlying quality then the signal itself has value as basis for economic decisions. In his stylized example of education signaling, for example, Spence (1973) takes meaningful differences in productivity as given and then shows how the earning of a college degree can provide a basis for differentiating those who are more productive and those who are less productive. In effect, quality is assumed to be essentially exogenous with respect to the signal. In Spence's model, obtaining a college degree does not have an effect on one's productivity.[3]

In contrast, in the sociological account of status as a signal there is considerable interest in how small, initial differences in status—which may be due to luck or to factors uncorrelated with the potential to demonstrate quality—affect the flow of resources that give rise to significant quality differences, which in turn heighten the initial status differences. Invoking the term 'the Matthew effect' as a label for this fundamental dynamic (1968), Merton was essentially concerned with (a) how signals (in this case status or prestige) could be acquired in the absence of quality differences and (b) how status, in turn, can affect the subsequent production of quality.

Merton developed the idea of the Matthew effect from his observations of reward inequality in the sciences (1968). Specifically, he and Harriet Zuckerman observed that when two scientists offer the same scientific contribution (either through collaboration or in multiple independent discoveries), the more eminent scientist tends to receive a disproportionate amount of credit for the discovery. This observation led Merton to theorize more broadly about processes of cumulative advantage and the long-term consequences of the Matthew effect.

Suppose, for example, that two newly minted Ph.D.s of approximately the same quality working in the same research area are pursuing an academic position, and there is only one position available in that area among the more prestigious universities. The individual who does not receive that position must accept a post at a less prestigious institution. While their quality may be close enough that a 'coin toss' ultimately determines who gets the position at the prestigious university, the fact that one receives the better position will have a significant impact on their ability to demonstrate quality over time. The one employed by the prestigious university will likely have her work taken more seriously by the larger research community. She will likely have access to better doctoral students with whom to work, and her affiliation with the prestigious university will be a signal on which grant-giving institutions will rely when trying to judge the quality of work that she is capable of producing. Over time, the differences in quality between the scientists will increase in a way that reflects and thereby reinforces the status differences between the institutions.

Much of the early empirical work on the Matthew effect, not surprisingly, analyzed the career trajectories of scientists, in terms of both productivity and recognition (e.g. Cole and Cole 1973; Allison and Stuart 1974; Allison, Long, and Krauze 1982). Researchers have generally concluded that a scientist's ties to a prestigious faculty advisor and affiliations with prestigious academic departments (doctoral origin or employer) have a significant, nonspurious effect on a Ph.D.s ability to acquire scarce resources, such as tenure-track university jobs and publication opportunities (Caplow and McGee 1958; Hargens and Hagstrom 1967; Crane 1970; Long 1978; Reskin 1979). Likewise, scientists employed by more prestigious institutions are better able to attract citations, net of observable differences in training and productivity (Hargens and Hagstrom 1982; Lynn 2006).

The appeal of the Matthew-effect idea, of course, has not been confined to studies of the science profession. Researchers from numerous other domains have drawn on the idea, in some form or another, that rewards can accrue to status, independent of quality. Within organizations, for example, Kanter (1977) references the Matthew effect as an underlying determinant of intra-organizational power differences. Blau's previously mentioned study of a government bureaucracy (1955) predated Merton's article on the Matthew effect, but documented the same dynamic: the high-status agents felt more confidence from being widely respected, which allowed them to focus their concentration on accomplishing job tasks, thereby further outperforming low-status agents. Wahlberg and Tsai (1983) and Kerckhoff and Glennie (1999) apply the concept of the Matthew effect to the evolution of educational inequalities (see DiPrete and Eirich 2006 for a review), while Dannefer (1987) finds the general dynamic to be helpful in understanding the life course. The common theme across these varied applications is that higher-status actors receive more deference and resources, which ultimately translates into future quality differences that confirm—and at times, augment—initial status distinctions.

In the last decade or so some of the more quantifiable demonstrations of the Matthew effect have arisen in the context of the market. Drawing on pricing data from the investment-banking industry, Podolny (1993) argues that higher-status investment banks are able to provide underwriting services of a given quality at a lower cost. He argues that higher-status banks are more trusted by clients and industry partners, and accordingly their due-diligence costs (the time and monetary expenditures involved in examining a potential purchase to be sure that its quality is consistent with expectations) are lower. Moreover, to the degree that employees of a given quality prefer to be associated with a higher-status firm, the cost of maintaining a workforce of a given quality level is lower for high-status firms. In effect, lower-status firms will need to offer higher salaries to attract away the employees of the higher-status firms.

In a study of law firms Phillips (2001) in fact documents this relationship between firm status and labor costs. He finds that lower-status firms promote associates to partner level at a faster rate. He argues that they do so because the firm's lower status implies worse opportunities and rewards for employees of a given quality. The lower-status firm promotes earlier because the removal of uncertainty about promotion is a way of compensating for the fact that the opportunities and rewards *subsequent to promotion* will be less than those offered by a higher-status firm. Of course, in offering promotion earlier, the lower-status firm is necessarily making an earlier bet than its higher-status counterpart as to which employees are likely to be more productive, and presumably the earlier the bet, the more likely the bet is wrong. Wrong bets in turn translate into lower-quality partners.

So higher-status actors in the market find it easier or less expensive to provide services or products of a given level of quality than their lower-status counterparts, and this difference reinforces and augments any initial status differences. Of course, one might reasonably wonder whether these status effects are really just lagged quality effects. In the earlier example of the newly minted Ph.D.s we posited that they were of roughly comparable quality at the time they received their degree, and then we discussed how random assignment to institutions of different status could lead to quality differences among the scientists that are isomorphic with the status differences between institutions. However, one might reasonably wonder whether the status differences between banks or law firms are simply a function of quality differences. Podolny (1993), for example, attempts to control for quality difference in his investment-banking study by regressing price on status *and* firm size, a firm attribute that is believed to be highly correlated with a firm's quality. The control variable is imperfect but does suggest that the status effect is not entirely spurious.

Benjamin and Podolny (1999) are able to find more rigorous controls for quality differences in their study of California's wine industry. The question in this context is whether a high-status winery is able to command a higher price for a bottle of wine of a given quality. A winery's status is measured in terms of a winery's affiliation with high- and low-prestige appellations (e.g. Napa Valley, Alexander Valley), and the quality of its wine is assessed from the results of blind taste tests conducted by industry professionals. Because the evaluation of wine quality is conducted in a blind setting and the assessment procedure itself is highly standardized within the industry, this analysis comes close to isolating the impact of status on price (i.e. the impact of status net of quality) in an observational setting. As hypothesized, the authors show that higher-status wineries obtain greater returns from a given quality wine—a result that is clearly consistent with Merton's theory of scientific recognition and the distribution of resources. Just as the audience for scientific work is more willing to accept that a paper is above a given quality threshold if the scientist is high-status, so too the audience for wine is more willing to accept that the wine is above a given quality threshold if it is produced by a winery with a history of high-status affiliations.

The greater willingness of the audience to accept a claim of higher quality from a higher-status producer in turn translates into a willingness to pay more for a given-quality bottle. With greater returns from quality, higher-status wine producers can essentially outbid lower-status producers for higher-quality grapes as well as the land on which the grapes can be grown, which effectively allows higher-status wineries to 'lock in' a quality advantage over lower-status wineries. In summary, status distinctions can actually induce quality distinctions, which then can lead to the reinforcement or augmentation of initial status distinctions. Given that the significance of status seems to hold even in the presence of reasonable controls for quality differences, one would be hard-pressed to argue that these status effects are simply spurious effects of quality differences.

23.3. Exchange relations and status

Of course, if status differences cannot be simply reinterpreted as quality differences, a natural question that follows is: What are the determinants of status differences? One answer is exchange relations. In Elias and Scotson's work *The Established and the Outsiders* (1965) the quality of an individual's character is inferred from that individual's position in the social structure of the larger community. In an account that bears strong similarities to the scene from *Margaret Garner* discussed earlier, Elias and Scotson capture how an individual's status within a community is affected by the status of those with whom the individual associates. They recount the tale of a newcomer's arrival at and subsequent ostracism from one of the better-off sections of town:

> Newcomers who settled in the 'good streets' of the village were always suspect unless they were obviously 'nice people'. A probationary period was needed to reassure good families that their own status would not suffer by association with a neighbor whose standards were uncertain. The ostracized 'black sheep' was in this case a woman who had recently moved into the neighbourhood and who made the following comments when she herself was asked about her relations with her neighbours: 'They're very reserved. They speak on the streets but nothing else.' She then told how she had asked the 'dustmen for a cup of tea one cold day,' soon after she arrived . . . 'They saw it. That shocked them around here.'

Status essentially 'leaks' through exchange relations. When a low-status actor enters into an exchange relation with a high-status actor, the former gains status, and the latter loses status. The pattern of exchange relations affects who receives deference and attention and who does not.

Imagine walking into a room filled with people. In the corner you see a large number of people crowded around a single individual, listening to that individual speak. It is, of course, natural to assume that the individual is high-status, because of the deference being shown to him. Now suppose that the same individual then begins a conversation with just one person in the crowd around him; this exchange would almost undoubtedly lead one to assume that particular individual is of higher status than the others. One might expect that target of the high-status individual's attention would perhaps get a following of his own now that he has been singled out for attention.

Podolny and Phillips (1996) find evidence of status transfer in an examination of how the status of investment banks changed between 1981 and 1986 in the market for high-yield debt (more colloquially known as 'junk' debt). Controlling for a bank's status in 1981 and its market performance between 1981 and 1986, they find that the status of a bank's comanagement partners has an effect on the bank's status in 1986. In effect, the higher the status of a bank's exchange partners at an earlier time point, the higher the bank's subsequent status, net of performance. These results, combined with the results from Podolny's study (1993) of how status affects a bank's costs for underwriting at a given level of quality, illustrate how cumulative advantage unfolds in at least one industry. First, the status of a bank's exchange relations affects the bank's own status, which in turn affects the economic rewards to which the bank has access. The more resources acquired by the bank, the more likely it is to attract high-status exchange partners, which further solidifies its status position in the industry.

Stuart, Hoang, and Hybels (1999) provide another account of the 'leakage' of status through exchange relations, in a very different domain. Studying the flow of capital to startups in the biotechnology industry, they find that entrepreneurial startups in strategic alliances with prominent partners are able to make a public offering sooner and receive more capital upon going public, net of several controls for a firm's objective performance level (e.g. number of patent applications, progress with regard to human trials). While Stuart, Hoang, and Hybels use the term 'prominence' as opposed to 'status', it is clear that the exchange relations with prominent others affect attention and rewards in a manner that is similar to the contexts observed by Elias and Scotson (1965) and Podolny and Phillips (1996).[4]

23.4. Status and uncertainty

Finally, if status is a signal of quality, then status should be of greater value when quality is more difficult to observe. Conversely, if quality differences are relatively transparent, the potential for status cues to influence quality perceptions ought to be diminished. Reflecting on the occupational discrimination faced by black Americans in the mid-1900s, for example, Blalock (1962) theorized that discrimination against minorities by employers would be lower in work settings where it is 'easier to accurately evaluate an individual's performance level' (p. 245). The motivation for this idea came from his observations of American baseball in the 1950s and the extraordinary success of black players—once Jackie Robinson broke the initial racial barrier—relative to other occupations. Discrimination on the basis of skin color, Blalock argued, was less of a disadvantage for blacks in baseball as opposed to in traditional occupations precisely because baseball performance is easily quantified (e.g. batting average, the number of strikeouts, the number of home runs, etc.) *and* objectively evaluated.:

> a salesman's performance—also easily evaluated—depends to a large extent on his ability to persuade a prospective client. If the client is prejudiced, the [black] salesman is especially handicapped ... the [black] athlete's performance is not as directly dependent on the good-will of whites as would be the case in most managerial-type positions. (1962: 244)

The difficulty in documenting the impact of quality uncertainty on status-signaling, however, is that it requires measurement of the extent of uncertainty. To find that status matters when quality is uncertain is not enough evidence to establish that the importance of status cues increases with quality uncertainty. Several studies, however, have made a concerted effort to document a correlation between the variability in uncertainty and variability in the importance of status. For example, in the above-mentioned study of biotechnology startups, Stuart, Hoang, and Hybels (1999) provide two measures of the uncertainty associated with a new startup's quality: the age of the startup and the amount of pre-IPO financing that the startup has received. They find that the effect of prominent affiliations is greater for those firms that are younger and that lack pre-IPO financing.

Podolny, Stuart, and Hannan (1996) also find evidence to this effect in their analysis of patent citations. Based on citation networks in the semiconductor industry, the authors develop a measure of the degree to which a firm finds itself in a technological niche where there is considerable uncertainty about quality. When a firm is located in a niche characterized by high uncertainty, then the patent citations from other firms—which the authors contend can be taken as a form of deference towards technological achievement—have a positive effect on a firm's sales. In contrast, when a firm is located in a low-uncertainty niche, then this measure of deference is not positively correlated with firm sales.

To summarize, we believe that there is considerable evidence from a variety of domains that actors look to status as a signal, where status can be defined in terms of accumulated acts of deference. A number of these studies, moreover, show that the signaling effects of status persist even when a control for quality is included in the analysis. Longitudinal analyses of status also support Merton's idea of the Matthew effect and cumulative advantage. Status attracts rewards and rewards attract resources; resources can then be invested in the production of quality and, in turn, augment any initial differences in status. Embedded in this process is the role of exchange relations: an actor's status is affected by the status of those with whom the actor enters into exchange relations, where ties to higher-status others tend to increase an actor's status. Finally, the signaling power of status appears to be stronger when there is considerable uncertainty about underlying quality.

23.5. Status and the Depreciation of Quality

We wish to devote the rest of this chapter to discussing an underappreciated angle regarding the importance of status in social life. In the work on signaling described above, the main concern is the way in which actors rely on status to choose exchange partners and the consequences of this behavior with regard to the distribution of rewards. What has not received attention, however, is whether a reliance on status cues affects how actors experience the quality of whatever is obtained in the exchange.

The extant literature generally assumes that regardless of whether an actor picks an exchange partner by relying on status or simply by coming to the partner by chance, the experience with that partner is unaffected by how the actor arrived at the partnership. For example, we generally assume that an individual's experience working with, say, a law firm is the same whether she picked the firm by attending to status distinctions or picked the firm randomly from a phone book. We wish to challenge this assumption. Not only do actors rely on status to infer the quality of potential exchange partners, the attention to structural cues can also affect the way in which actors experience the value of the exchange itself. In particular, we believe that the attention to structural cues leads to a depreciation of quality.

To make this argument, we draw on the analytical construct of commensuration, introduced by Espeland and Stevens (1998). Commensuration is a social process by which different qualities are transformed into a common metric, such as utility, price, or rankings. Rankings of colleges, for example, organize and present otherwise unique institutions on a singular numerical scale. By definition, commensuration reduces complexity by compressing or distilling multidimensional differences into a single dimension, thereby creating explicit (vertical) relations between entities.

With regard to status rankings, the question that arises is whether the act of making a set of entities commensurable alters the potential value derived from any given entity. We believe that it does: When actors attend to structural signals in searching for exchange partners, they invoke a framework of comparability that abstracts from the qualitative distinctiveness of those potential exchange partners. That is, the recognition of status differences introduces a metric of comparability across potential alters that likely changes how an actor 'understands' his choices, which we refer to as an actor's 'value orientation'. In particular, when a framework of comparability is established, actors searching for partners become less sensitive to the value that underlying qualitative differences are capable of engendering when structural cues are present. Stated somewhat differently, to rely on status as a basis for inferring quality is a form of 'satisficing' behavior that ultimately desensitizes the searching actor to the full value that can be derived from a particular exchange relation.

In the sociological literature it is possible to draw an analytical distinction between a value orientation in which an individual embraces the unique essence of an exchange opportunity and a value orientation in which the individual downplays the defining elements of that opportunity because the individual is primarily concerned with establishing a framework of comparability across a set of necessarily dissimilar opportunities. Such a distinction in value orientations can be linked to the distinction that Marx [1867](1990) draws between use value and exchange value. Simmel invokes a similar distinction in *Philosophy of Money* (1978) as does Marcuse in *One-dimensional Man* (1991).

The literature on aesthetics helps illustrates the experiential differences associated with the two orientations. In his work *Art as Experience* (1980) Dewey for example draws a distinction between an aesthetic and an instrumental orientation using the example of an epicure. He writes:

> [T]he pleasures of the palate are different in quality to an epicure than in one who merely likes his food as he eats it. The difference is not of mere intensity. The epicure is conscious of much more than the taste of the food. Rather, there enter into the taste, as directly experienced, qualities that depend upon reference to its source and its manner of production in connection with the criteria of excellence. (p. 49)

Peter de Bolla (2001) captures the aesthetic orientation similarly:

> [M]oments of aesthetic experience are qualitatively different from other kinds of experience. Such experiences do not, necessarily, come easily; they may not be available on demand. We have to work toward them, and as will become clear, work them through. (p. 12)

Both Dewey and de Bolla place great emphasis on the fact that an aesthetic orientation obliges one to work through a detailed, nuanced understanding of the particularities of the object and the circumstances of the object's creation, whereas an instrumental orientation does not. An aesthetic orientation requires an embrace of the object's uniqueness, drawing on the individual's own knowledge of such aspects as the challenges involved in the object's creation, the intention behind the creation of the object, and the broader context of other objects that have sought to engender a similar response from the individual. In short, an aesthetic orientation is incompatible with the process of commensuration.

When commensuration occurs, the likelihood that actors can maintain an aesthetic orientation diminishes. Insofar as value arises from the active contemplation of uniqueness, we believe that the introduction of *any* common metric for valuation—for example, a rating of objects in terms of some formally defined criteria—interferes with an aesthetic orientation. Put another way, defining entities as incommensurate is a statement regarding the value of the uniqueness of those entities (Espeland and Stevens 1998: 326). The act of commensuration, however, introduces comparability and therefore explicitly denies uniqueness, and thus potentially lowers the value actors derive from engaging with ranked versus nonranked products. While empirical support for this hypothesis is currently lacking, we believe that this is a fruitful avenue for future empirical research.

Conclusion

We would like to conclude this chapter by summarizing its central components. In this chapter we have reviewed four dynamics that underlie the sociological conception of status and elaborated on a fifth, underappreciated assumption. We began by defining status with regard to deference relations. We posited that the building blocks of any social hierarchy are the gestures and behaviors actors use to confer deference, and that a group's status queue is based on the distribution of these gestures. A key point that we have tried to convey throughout is that status orders are not merely an epiphenomenal reflection of quality orders. While no one disputes that quality can affect an actor's ability to attract deference, we argue here that the ranking of actors into status positions, once established, becomes an independent influence on subsequent actions and outcomes.

First, we reviewed how an actor's status position can be used as a proxy for quality (dynamic 1), distinguishing between the original economic conception of a signal and the sociological interpretation. In the economic tradition, status is a signal of quality because the acquisition of status is related to underlying quality. While sociologists do not deny that quality influences an actor's chances of becoming high-status, there is a greater concern for how the connection between quality and status can be easily blurred by chance, uncertainty, and lag effects. From this perspective, status often becomes a proxy for quality simply because status cues are generally more observable than underlying quality distinctions.

We then reviewed what is perhaps the central insight from the sociological work on status, which involves the Matthew effect and the mechanisms that allow status to feed on itself (dynamic 2). Drawing from early work in the sociology of science as well as from recent advances in the sociology of organizations and markets, we described how higher-status actors are able to produce a given level of quality for a lower cost than lower-status actors. That is, an actor's position within a status order has an independent effect on the quality that an actor is able to subsequently produce. Moreover, this dynamic is likely exacerbated when quality is more difficult to observe (dynamic 4).

Another key theme reviewed is that an actor can acquire or lose status based on the status positions of those with whom they affiliate (dynamic 3). That is, regardless of how an actor comes to occupy a given status position, establishing relations with others of higher status will likely enhance her own position, while ties to lower-status others can effectively jeopardize her status. To the extent that there is some initial disjuncture between underlying quality and the status position an actor obtains, exchange relations can thus further decouple status from quality.

Finally, we highlight a fifth aspect of status dynamics that has yet to become central to the research domain. As we have reviewed in this chapter, researchers to date have been chiefly concerned with (a) why and when actors rely on status to infer quality and (b) how status affects the production of quality and formation of exchange relations. What has rarely been considered, however, is how the presence of structural cues affects the way quality is *valued*. That is, when actors search for exchange partners, does the attention to status cues affect how actors experience the exchange itself? Drawing from research on commensuration and value, we argue that the presence of structural cues likely leads to the depreciation of quality. Structural cues introduce a framework of comparability that desensitizes actors to the qualitative distinctiveness of the objects and actors in question. While there is some suggestive research pointing toward this dynamic, more is needed.

Notes

1. This measure thus captures an actor's informal or sociometric status within a group, which is distinct from the type of official status an actor acquires as the incumbent of a formal hierarchical position. A formal status-ordering refers to an institutionally delineated set of positions (e.g. supervisor, worker, intern), where rewards are attached to the position itself and not the position's incumbent. In many situations the informal and formal dimensions of an actor's status are correlated: a worker who is highly respected by her colleagues is more likely to be considered for an official promotion; a slave receives very little deference precisely because of her formal status. The two dimensions, however, remain distinct, as there can be a mismatch between the amount of deference an actor receives and the formal position she occupies.
2. This experimental finding is entirely consistent with Becker's theory of tastes (1991, 1996), which argues that an individual's demand for a good is positively influenced by the aggregate demand for the good. For example, the extent to which a restaurant is packed with customers is used by potential customers as a signal of restaurant quality. Even though the wait for service and food would be shorter in a near-empty restaurant, Becker's model suggests that customers would still prefer the busier restaurant, presumably because the potential gain from faster service does not outweigh the potential loss from a lower-quality dining experience.
3. Among sociologists who have discussed the application of Spence's signaling model to racial inequality, some have interpreted the model as implying endogeneity. Generally,

there are two variants of the endogenous account. First, if black teenagers and their parents have fewer financial resources to afford a college education and if education has an effect on productivity, then employers will offer black employees lower wages, which will make it harder for them to send their children to college. An equilibrium arises in which black employees are seen as less productive and lack the resources to prove that they can be as productive as white employees. However, in a personal communication Spence noted that this dynamic is actually not derivable from his signaling model. In this particular account, education is not just a signal but a determinant of quality, and that is not a feature of Spence's model.

There is a second variant, that is closer to Spence's signaling model. Under this variant, quality is exogenous and uncorrelated with race, but the educational system still perpetuates racial inequality. Employers pay higher wages to those with college degrees because the pool of college-educated individuals is more productive than the pool that is not college-educated. Insofar as they lack financial resources to go to college, blacks are lumped into the noncollege-educated pool even though there are highly productive blacks in that pool. As blacks receive lower wages, they cannot send their children to college. Wage inequality persists across races despite the fact that there are no inherent productivity differences and despite the fact that race is exogenous. However, under this variant, a little experimentation on the part of employers (e.g. offering blacks higher wages than noncollege-educated whites) can over time lead to a separating equilibrium where there exist high-productivity blacks with the financial resources to signal that productivity. In effect, the signaling equilibrium is what is called 'knife-edged': slight (and reasonable) departure from the formally prescribed behavior in the model leads to the equilibrium breaking down.

4. One question that arises is the issue of asymmetry in the direction in which status leaks. In the case of the exchange between Caroline and Margaret in *Margaret Garner* there is a net loss of status: Caroline and Mr Gaines both lose status while Margaret does not win it. In the case of Baum and Oliver's study of day-care centers, however, there is a net gain of status: a day-care centre with a tie to a church or government agency gains status while the agency suffers no loss of status. While no systematic theory exists to our knowledge, the direction in which status leaks appears to be tied to the uncertainty or instability of an actor's position in the status ordering. That is, the exchange partner occupying the less secure position will experience a loss or gain in status. Thus, if the relatively secure position is a low-status position (e.g. Margaret, the slave) and the insecure position is high (Caroline and Mr Gaines), we expect a net loss in status for the incumbents of the insecure position. On the other hand, if the secure entity occupies a higher position than the insecure entity (e.g. well-established government agency versus new day-care center), we expect a net gain in status for the insecure entity.

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