Chapter 33

Organizational Preferences and Their Consequences

DEBORAH H. GRUENFELD AND LARISSA Z. TIEDENS

As automatically as individuals feel, think, and behave, groups of individuals organize, and, like other species, humans organize for predictable reasons, in predictable patterns, and with predictable consequences. The study of human organizing behavior occurs across a variety of social science disciplines, including social psychology (Anderson, Srivastava, Beer, Spaaro, & Chatman, 2006; Arrow, 1997), sociology (Blau, 1977; Merton, 1957; Homans, 1950), biology (Alexander, 1979), anthropology (Fiske, 1991; Malinowski, 1939; Radcliffe-Brown, 1952), and economics (Tirone, 1986), and is central to the interdisciplinary field of organizational behavior (March & Simon, 1958; Mayo, 1960; Pfeffer, 1998; Rousseau, 1997; Wilpert, 1995).

The purpose of this chapter is to make a series of novel claims, drawing on some of these literatures to provide evidence, about the social psychology of organizing (see also Homans, 1950; Scott, 1992; Weick, 1979). One claim is that among the ways people can organize themselves, certain structural forms tend to dominate organization life—for better or worse—because they serve basic human needs. A second claim is that these preferred social structures are intentionally and unintentionally created and re-created by organization members, independent of and often in opposition to the formal organization designs that are imposed for strategic purposes (see also Homans, 1950; Mulder, 1971; Roethlisberger & Dickson, 1939). To substantiate these claims about the social structure of organizations, this review draws on literatures that illustrate which types of structures dominate organization life and the social, psychological, and organizational processes that facilitate their construction and reconstruction.

The drive to organize stems from both evolutionary and existential logics. From an evolutionary stance, living and working in groups and organizations is more adaptive for survival than social isolation (see Neuberg et al., this volume). Existentially, human psychology has evolved to reinforce these adaptive arrangements. Human beings are plagued by a fundamental fear of death (Becker, 1973), which expresses itself in the fear of being alone and in the crisis of meaning (see Pyszczynski et al., volume 1). From these anxieties arise basic human strivings (Buck, 1976)—for affiliation and belonging on the one hand (see Leary, this volume) and for impact (i.e., status and power) on the other (McClelland, 1975; Swann, in press). People look to organizations to fulfill these strivings, some would say, naively (e.g., Pauchant, 2002; Whyte, 1956).

Indeed, it has been argued elsewhere that among the functions of work is to provide fulfillment of psychological needs (Cofer, 1959; Heath, 1999; Whyte, 1956), including the ability to establish and maintain social connections with others (Jahoda, 1982; Ouchi, 1981), to establish, develop, or change one's identity (Ashforth, 2001; Dutton, Duckovich, & Harquail, 1994), to acquire status and recognition (Homans, 1950; Mayo, 1960; Pfeffer, 1992; Roethlisberger & Dickson, 1939), and to derive meaning by having impact in the world (Herzberg, Mausner, Snyderman, 1959; McGregor & Cutcher-Gershenfeld, 2006).

It is our claim that certain types of organizations serve these purposes better than others and that these types of organizations should arise more frequently and with greater resiliency than other types of organizations. Specifically,
we posit that *homogeneous* and *hierarchical* organizations are psychologically preferable to organizations that are more *heterogeneous* and *egalitarian*, because they provide a better context for achieving belongingness and impact goals. Organizations, naturally gravitate toward social homogeneity and social hierarchy because members conspire, often without awareness, to homogenize and stratify the social environment; even despite—and sometimes in reaction to—moral, ideological, and strategic imperatives to do the opposite: that is, to embrace and promote more diversity and greater equality.

The homogenization of organizations is well documented from a variety of perspectives within sociology (for reviews see Fernandez, Castilla & Moore, 2000; McPherson, Smith-Lovin & Cook 2001; Reskin, McBrier & Kmc, 1999) and organizational behavior (O’Reilly & Chatman, 1996; Van Maanen & Schein, 1979; Westphal & Zajac, 1995), as well as social—organizational psychology (Asch, 1956; Janis, 1972; Newcomb, 1961). The stratification of organizations into hierarchically ordered groups and individuals is also documented, but not as evenly across disciplines. Within social—organizational psychology, for example, programmatic research on status, power, and social hierarchy is a relatively recent development, although studies of obedience to authority (Milgram, 1974) and of prisoner and guard roles in the Stanford Prison Experiment (Zimbardo, Maslach, & Haney, 2000), for example, are viewed as seminal in the field. In fact, much of the recent social psychological work on stratifying processes has been published within the past 10–15 years (for reviews see Fiske, this volume; Fiske & Berdahl, 2007; Keltner, Gruenfeld, & Anderson, 2003; Magee & Galinsky, 2008). Within sociology and organizational behavior, however, analysis of social and organizational stratification has a longer and more complex history (for a review see Saunders, 1990).

Our review is organized as follows. First, the evidence bearing on the preference for homogeneity is presented. This includes a discussion of definitional and measurement issues, a presentation of research bearing on the extent to which homogeneous organizing structures are preferable to and more prevalent than more heterogeneous structures, and a discussion of the major processes that create, reinforce and maintain organizational homogeneity. Next, we examine the evidence bearing on the preference for hierarchy (including definitional and measurement issues), a presentation of findings bearing on the extent to which hierarchical organizing structures are preferable to and more prevalent than more egalitarian structures, and a discussion of the major processes by which hierarchy is created, imposed and stabilized. These research summaries are followed by a discussion of the ways in which homogeneity and hierarchy are mutually reinforcing and the implications of these mutually reinforcing preferences for organizational performance.

**WHAT IS AN ORGANIZATION?**

One recent, accurate, and noncontroversial definition of an organization is: “a consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals” (Robbins & Judge, 2009, p. 6). Others, however, have recommended defining an organization further as a group of groups, noting that distinguishing an organization from a group illuminates some of the unique features of organization life (Simon, 1957; Weick, 1979). For example, acknowledging the multiple-group structure of an organization illuminates the distinctiveness of certain organizational roles, such as that of the manager, whose job is to link multiple groups. Defining an organization as a group of groups is also suggestive of a number of dynamics that are uniquely organizational, including the presence of multiple and competing objectives (Cyert & March, 1963), the competition for scarce resources (Pfeffer & Salancik, 1974), ingroup favoritism and outgroup discrimination (Levine & Campbell, 1972), the presence of faultlines along which coalitions emerge and change shape (Lau & Murnighan, 1998; 2005; Mannix, 1993), and the hierarchical stratification or ranking of groups along power and status dimensions (Pfeffer & Salancik, 1974).

In defining organizations, scholars emphasize different sets of assumptions about the main drivers of organization life (for a review see Scott, 2002). Some scholars emphasize a rational set of assumptions. This approach highlights the belief that organizations and their members act largely in pursuit of explicit goals via purposeful coordination and formalized rules. Alternatively, scholars can emphasize a natural-systems approach, which assumes that organizations and their members share a common interest in the survival of the system—indeed of the achievement of other, more explicit purposes—and that they conspire informally to achieve this outcome. Finally, scholars using an open-systems approach assume that the actions of organizations and their members occur largely in response to changing conditions in the organization environment.

This chapter brings a natural-systems approach to bear on the question of how humans organize, for what purposes, and with what consequences. Specifically, it assumes that organizations, independent of their formal missions and business objectives and despite the strategic ideals of leaders, managers, and other organizational architects, reflect the ways in which all human groups serve social and psychological needs (Homans, 1950). Organization
members develop patterns of interaction that reinforce social homogeneity and social hierarchy, often without awareness, because most people are more comfortable with these social arrangements than with the alternatives.

Organizing behavior, when it occurs in service of rational or performance outcomes, also affects natural or social outcomes, and organizing behavior driven by human needs affects performance outcomes as well. Thus, understanding the social process of organizing gives rise to basic, not just applied, psychological insights. Organizations are not just a context for understanding the effects of social psychology; they are a social psychological phenomenon in and of themselves. From this perspective, our task is to illuminate how understanding human organization can inform social psychology and vice versa.

**ORGANIZATIONAL HOMOGENEITY**

**Definition of Homogeneity**

In one sense, all organizations are heterogeneous, as no two individuals are exactly the same, and organizations are composed of multiple groups that differ from one another in terms of both functional and demographic characteristics. Conceptually, however, it is possible to distinguish between organizations that are characterized by a clear pattern of grouping members who belong to the same meaningful social, functional, or demographic category (i.e., organizations that are more homogeneous than heterogeneous) and those that exhibit more compositional diversity (i.e., organizations that are more heterogeneous than homogeneous).

There are, of course, many dimensions on which the homogeneity of an organization can be assessed (for a recent review see Mannix & Neale, 2005). Race, sex, age, class, educational background, personality, and nationality are all demographic attributes that people bring with them into the organization. Other dimensions of homogeneity are a function of organization membership, including tenure, rank, function, cohort membership (Pfeffer, 1983), and geographic location (Wiesenfeld, Raghumur, & Garud, 2001). Finally, there is homogeneity of underlying knowledge, beliefs, personality, and attitudes—the psychological attributes that are sometimes referred to as deep as opposed to surface characteristics (e.g., Harrison, Price, & Bell, 1998; Phillips & Loyd, 2006). And, there can be behavioral homogeneity, which is often a consequence of a strong organizational culture or subculture (Martin, 2002).

Some scholars treat all types of diversity as though they are equivalent, noting that diversity of any kind increases cognitive resources and, hence, performance (e.g., Wiersema & Bantel, 1992). Others have distinguished among attributes that have high task-relevance and those that do not (e.g., Pelled, Eisenhardt, & Xin, 1999), noting that functional, educational, and industry background differences increase the knowledge, skills, and abilities necessary for the performance of specific organizational tasks, whereas differences that have no direct bearing on the performance of specific tasks are less likely to have positive effects (Simons, Pelled, & Smith, 1999).

There are also a number of ways to operationalize homogeneity (e.g., Bedeian & Mossholder, 2000; Lawrence, 1997). Some studies define homogeneity in terms of the extent to which certain demographic groups are either overrepresented or underrepresented relative to their proportions in the labor pool (e.g., Sorensen, 2004). Other studies define homogeneity as the extent to which demographic groups differ in their relative proportions within a firm (e.g., Baron, Hannan, Hsu, & Kocak, 2007; Moew, 2002), and still others emphasize the extent to which different demographic groups are segregated across jobs and work sites within a firm (Baron & Bielby, 1980), a profession or industry (Bielby & Baron, 1986; Morales, 2008), or an economy (Baron & Bielby, 1984).

There is also a thriving literature on the demographic composition of work groups that measures homogeneity and examines its effects on performance (e.g., Blau, 1977; Jackson, Joshi, & Erhardt, 2003; Jehn, Northcraft, & Neale, 1999; Ruderman, Hughes-James, & Jackson, 1996), including in multidisciplinary or cross-functional teams (e.g., Dahlin, Weingart, & Hinds, 2005; Jackson, 1996), in sales teams (Jackson & Joshi 2004), in banking teams (Bantel & Jackson, 1989), and in top management teams (e.g., Barsade, Ward, Turner, & Sonnenfeld, 2000; Joshi, Liao, & Jackson, 2006; Kilduff, Angelmar, & Mehr, 2000). The findings on whether homogeneity is better or worse for organizational performance are inconsistent, perhaps, in part, due to the variation in contexts and forms of homogeneity.

**The Preference for and Prevalence of Social Homogeneity**

One of the most robust and widely documented organizing principles in human behavior is the preference for social homogeneity. Consistent with what has been called the homophily principle (e.g., Lazarsfeld & Merton, 1954; Blau, 1977), the similarity–attraction hypothesis (e.g., Byrne, 1971), and ingroup favoritism (Tajfel & Turner, 1986), the observation that people are drawn to similar others seems to apply to every type of human organization (for a review see McPherson, Smith-Lovin, & Cook, 2001). In studies of work organizations, it has been shown repeatedly that demographically similar co-workers like,
are more attracted to, and prefer to work and communicate with one another more than with co-workers who are demographically different (Chatman & O’Reilly, 2004; but see Reagans, 2005).

**Reasons for Social Homogeneity**

There are also many theoretical traditions devoted to explaining why people prefer similar others (Schneider, 2004). Evolutionary theory predicts that we are drawn to those who are genetically similar (e.g., Rushton, 1989). Social comparison theory suggests that we are drawn to others who validate our own judgments about the world (Festinger, 1954; Goethals, 1986). Balance theory posits that we prefer cognitive symmetry to asymmetry and that liking others with whom we agree is more balanced and more consistent (Abelson et al., 1968) than liking others with whom we disagree (Heider, 1958; Newcomb, 1961). Other approaches posit that people are more drawn toward similar than dissimilar others because thinking that similar others are superior to dissimilar others is necessary for self-esteem. For example, terror management theory predicts greater attraction to those who uphold similar cultural values and greater disdain toward those who violate cultural values when mortality is salient (see Pyszczynski, volume 1). Social identity theory posits that people are more drawn to similar others because feeling good about one’s social identity requires thinking that similar others are superior to dissimilar others on some important dimensions (Tajfel & Turner, 1986), and these identity dynamics have been applied to organizations (Ashforth & Mael, 1989; Pratt, 2001). The preference for similar others is also politically advantageous: The greater the similar proportion of organization members that are similar to oneself, the greater one’s ability to form a dominant coalition (Mannix, 1993; Murnighan, 1978). It seems fair to conclude that the preference for social homogeneity is overdetermined and can be viewed as one of the most fundamental human phenomena (Schneider, 2004; West, 2002).

In sum, evidence about these psychological forces suggests that homogeneous structures, compared with heterogeneous structures, are preferred by the individuals who construct and inhabit them. This helps to explain why, despite contemporary legal, moral, and business imperatives calling for less discrimination, more equal opportunity, greater tolerance, and greater appreciation of diversity in the business world, most workplaces are still dominated by discernible homogeneity (Reskin, McBrier, & Kmec, 1999).

**Homogeneity in Organizational Demography**

As noted, one field of work that illustrates the homogeneity of social structures in organizations compares the demographic composition of work organizations with the demographic composition of the labor pools from which firm employees are drawn. Such analyses permit assessments of the extent to which certain types of employees are overrepresented or underrepresented within organizations. In the absence of a preference for homogeneity, one might expect that the demographic composition of firms should resemble a random draw from the pool of qualified workers who are available for hire. Yet the literature on organizational demography shows that organizations often do not resemble the proportion of qualified workers in relevant labor pools (e.g., Reskin, 2005; Reskin, McBrier, & Kmec, 1999). According to this literature, when data are aggregated across firms, at the national level for example, analyses of workplace discrimination underestimate the extent to which organizations are still characterized by homogeneity. Despite the increasing heterogeneity of qualified workers, demographic minorities are still significantly underrepresented in over half of U.S. establishments (Reskin, 2005). When analyses are computed at the workplace or job level, the persistent large-scale segregation of women and minorities becomes evident (e.g., Carrington & Troske, 1998a, b). One recent study found moderate to high levels of racial segregation in four major U.S. urban areas, noting that around half of the workers across firms would have to switch jobs in order to achieve an even distribution across workplaces (Sorensen, 2004). Segregation was worse in small than large firms (see also Moss & Tilly, 1996; Reskin & Roos, 1990; Szafran, 1982). As evidence for the potential pervasiveness of this pattern, firms with fewer than 20 employees account for 87% of U.S. workplaces (Reskin, McBrier, & Kmec, 1999).

National and ethnic groups tend to cluster in certain occupations and industries (e.g., Kaufman, 2002) and are segregated within firms (Hellerstein & Neumark, 2008; Queneau, 2005). For example, one recent study examined the labor market segmentation of members of 100 ethnic groups living in 216 metropolitan areas and found that indigenous minority and non-European groups tended to dominate in service and blue collar occupations, while European, Middle Eastern, and selected Asian groups tended to dominate in professional–managerial and technical occupations (Wilson & Hammer, 2003; see also Wright & Ellis, 2000).

Gender homogeneity is also evident. Reskin, McBrier, & Kmec (1999) reported that almost half of an average establishment’s full-time employees were female, which corresponds roughly to the representation of women in the population. However, more than one of every 10 firms employed fewer than 10% full-time women, and one of every 14 firms employed more than 90% women. Moreover, the segregation of men and women into different jobs within the same organization is a pervasive
feature of the organizational landscape (e.g., Baron, Hannan, Hsu, & Kocak, 2007; Peterson, Saporta, & Seidel, 2000; Tomaskovic-Devey & Skaggs, 2002).

A study of detailed job titles, for example, found 58% of the firms studied were totally sex segregated and 80% of the firms had 90% or more of the jobs held by one sex (Baron & Bielby, 1986). Furthermore, men and women doing the same work were assigned different job titles. More recently, sex segregation was observed in Silicon Valley high-tech startups (Baron, Hannan, Hsu, & Kocak, 2007). Specifically, averaging across all 167 firms sampled, women were vastly overrepresented in clerical (91%) and administrative positions (54%) and vastly underrepresented in technical roles (17%) and senior management (14%). Among female senior managers, a third were concentrated in human resources and administrative positions, with only 4% overseeing the core functions of engineering or R&D. Only 10% of the firms had had a woman CEO, president, or founder.

Thus, although demographic heterogeneity at the firm level seems to have increased at least somewhat with the heterogeneity of the labor pool, race-based homogeneity and sex-based homogeneity within organizations are both still evident, not so much because members of demographic minority groups are excluded from organizations altogether but, rather, because members of demographic groups tend to be segregated into relatively homogeneous social groupings (Weeden & Sorensen, 2003). The demographic heterogeneity of American society and the U.S. labor market has by all accounts increased steadily over time (Goldin, 1990). Yet organizations are still apparently more homogeneous and more segregated than the labor pool (Reskin, 1993).

If the skills and qualifications of different demographic groups explained their over- versus underrepresentation in various homogeneous workplaces, the findings showing such effects would not support the assertion that the homogeneity of organizations reflects a human preference. There is some evidence that skills and education play a role in workplace segregation (e.g., Browne, Hewitt, Tiggges, & Green, 2001). Recent reviews of the literature on organizational demography indicate, however, that differential skills alone cannot account for these patterns (e.g., Moss & Tilly, 2001; Turner, 2008). One study tested this idea by looking at the proportion of African Americans hired by manufacturing plants in suburban versus urban areas (Holzer & Reaser, 2000). In this study, prospective African American workers were less skilled than comparable Whites, and the skill requirements of the suburban plants were lower than those in the urban plant. Yet, contrary to a differential skills explanation, the proportion of Blacks hired was lower in suburban than in urban firms.

**Homogeneity in Social Networks**

If the homogeneity of an organization's formal structure imposed constraints on employees that conflicted with their preferences, an examination of personal networks would presumably reveal that people go out of their way to create a more heterogeneous web of contacts than mere propinquity would allow. However, the literature on social networks indicates that, in fact, personal networks reinforce, and are in part responsible for, homogeneous formal structures. This is because the processes of identifying, selecting, recruiting, transferring, and promoting individuals occur largely through patterns of informal contact between co-network members, and social networks are also predominantly homogeneous. Moreover, when formal structures are not homogeneous enough, employees in the minority often go out of their way-reaching across formal work group and organization boundaries—to reach and establish contacts with similar others (Ibarra, 1993; Meyerson, 2001). Majority members in organizations that become too heterogeneous show signs of disengagement (Tsui, Egan, & O'Reilly, 1992) and, in studies of neighborhoods, they tend to exit altogether (Crowder, 2000; Granovetter, 1978; Schelling, 1971).

The study of social networks involves capturing the spatial representation of patterns of contact and relationship among social actors (for reviews, see Aldrich & Carter, 2004; McPherson, Smith-Lovin, & Cook, 2001). Among the strongest predictors of network co-membership are co-location and structural interdependence (Blau, 1977; Marsden, 1990). Thus, social networks correspond to the formal organizational structures within which work takes place: People are more likely to have contact with others in their department or functional area and with those they report to or manage. However, networks can also reveal an alternative reality to what appears in an organizational chart. Networks of personal relationships within an organization do not map perfectly onto what formal structures would predict, because although social networks reflect co-location, or exposure, of actors to one another vis-a-vis their formal work relationships, they also reflect informal social groupings within and outside of the organization, which are driven by actor preferences (Laumann, 1966; Marsden, 1988).

The homogeneity of a social network is typically measured in terms of structural features such as homophily (the extent to which contacts with similar others are more frequent and stronger than contacts with dissimilar others), range (the extent to which a person's contacts span outside of his or her immediate work group), and density (the extent to which contacts within the network are all mutually connected with one another).
A recent review of the social networks literature concluded that the evidence for homogeneity in social networks is "voluminous" (McPherson, Smith-Lovin, & Cook, 2001, p. 416). Homogeneity in the form of homophily, in particular, characterizes social networks of every type, including friendship, work, advice, support, information transfer, exchange, and co-membership (but see Lawrence, 1997). Race and ethnicity are the strongest dividers, with age, religion, education, occupation, and gender following in roughly that order. The divide among races is so extreme that, one study found fewer than 10% of respondents to the General Social Survey reported discussing important matters with a person of another race (Marsden, 1987). Another study found evidence in five different workplace positions of racial homogeneity in personal networks and greater racial homogeneity in friendship than in instrumental ties (Lincoln & Miller, 1979). More recently, despite the recent spread of network theory and management rhetoric about the performance benefits of diverse social networks (e.g., Reagans, Zuckerman, & McEvily, 2004; Seibert, Kraimer, & Liden, 2001), homogeneity in social networks persists (Seidel, Polzer, & Stewart, 2000).

To the extent that homogeneity in social networks is based purely on frequency of exposure, the networks of majority members should be more homogeneous than the networks of minority members (who are exposed to fewer similar contacts). Evidence for this baseline homophily pattern exists (e.g., Ridgeway & Smith-Lovin, 1999). However, a pure exposure explanation underestimates the homogeneity of minority members' networks, which tend to be more homogeneous than their immediate social environment (for a caveat, see Ibarra, 1997). When social networks are more homogeneous than their surrounding social setting, this is taken as evidence of inbreeding homophily. Inbreeding homophily provides evidence that network homogeneity reflects the preference for similar others, over and above propinquity or convenience (Byrne, 1971; Laumann, 1966, 1973; Marsden, 1988). Evidence of inbreeding homophily was obtained in a study showing that the social networks of high potential managers from minority groups (i.e., racial minorities and women), when compared with high potential White majority group managers, span more outside of the immediate work group to connect with similar others (Ibarra, 1995). Relatedly, network homogeneity is more pronounced among members of voluntary organizations, who choose to join, than among members of work organizations, who choose but are also chosen and assigned (McPherson & Smith-Lovin, 1987).

Further evidence of inbreeding homophily is the finding that ties among racial minority members also tend to be stronger—that is, closer and more resilient—than ties with majority members (Schneider, Dixon, & Udvari, 2007). When structural changes disrupt patterns of co-location, ties that are cross-sex or cross-race are more likely to be dropped than ties among demographically similar friends (Hallinan & Williams, 1989). Homogeneous relations help friendships survive other structural challenges. Homogeneity becomes more important to tie activation during times of crisis or trouble (Galaskiewicz & Shatin, 1981; Hurlbert, Haines, & Beggs, 2000). In sum, when similar others are scarce, people seek them out, and when patterns of exposure and co-location change, homogeneous ties outlast heterogeneous ties. These patterns all contribute to the homogeneity of individuals' personal networks.

Summary

The evidence from a number of literatures provides either direct or indirect support for the claim that homogeneous structures dominate organization life. Organizations, occupations, jobs, and social networks tend to be composed of homogeneous, segregated groups. This pattern is not merely a reflection of the pools from which employees are drawn, which are themselves segregated. Rather, homogeneous firms, jobs, and social networks are the product of choice on the part of organization members, who find their way into homogeneous social structures both when doing so is easy and when it is not, because it is preferable.

Homogenizing Processes

This section presents evidence that the preference for homogeneity drives a distinct set of structuring activities that lead to the establishment and reestablishment of homogeneous groupings within organizations. Organizations face opportunities to create more homogeneity or more diversity at multiple points in time, yet, homogeneity occurs throughout the organizational lifespan. First, homogeneity is often a founding principle at the time of an organization’s creation and it continues to guide organizational recruitment efforts as members enter and exit the firm. The formal hiring practices through which new organization members are selected are homogeneity enhancing, and more informally, the widespread use of personal networks for job referrals homogenizes the outcomes of hiring, independent of the impact of formal hiring practices. Second, research on organizational culture shows that culture also homogenizes employees once they enter a firm via two routes: first, by attracting potential employees in search of a high degree of person—organization (P-O) fit; and second, by socializing and, thereby, purposefully increasing behavioral homogeneity among new recruits, effectively driving out whatever behavioral heterogeneity they bring with them. Research on the performance of organizational groups and teams
shows, in addition, that diverse groups reliably reorganize themselves into homogeneous factions. Finally, the literatures on turnover (voluntary and involuntary) show how organizations rid themselves of employees who interfere with homogeneity goals.

Selection

It has been noted often that organizations engage in homosocial reproduction, which refers to the filling of organizational ranks with new employees who resemble the old employees (e.g., Kanter, 1977). For example, there are a number of types of homogenizing practices that occur at the time of recruiting (Reskin, 2005). One set of practices involves using application procedures that facilitate discrimination on the basis of observable qualities, such as in-person interviews or requiring a photograph with an application; another involves failing to keep records of the demography of new hires so that fairness in hiring cannot be tracked. Homogenizing job requirements have been documented as well, including forbidding the use of foreign languages at work and regulating hairstyles. Organizations can use subjective hiring procedures and vague criteria to create leeway for preferring candidates of one’s own race or sex (Baron, 1984; Kanter, 1977). In experimental and field studies of hiring decisions, findings illustrate a positive relationship between applicant-rater similarity and the perceived quality of the applicant (Baskett, 1973; Wexley & Nemeroff, 1974). Organizations also offer more attractive jobs (e.g., Howell & Reese, 1986; Wallace & Chang, 1990) and more attractive terms of employment to certain types of employees, specifically, White men (e.g., Baron & Newman, 1990; England, 1992; Kilbourne, Parkas, Beron, Weir, & England, 1994).

It has also been noted that organization gatekeepers tend to evaluate prospective employees based on their demographic similarity to organizational elites (Baron, 1984). Consistent with this hypothesis, it has been shown that CEOs who had more power than their boards of directors appointed new directors who were demographically similar to themselves, yet when boards were more powerful than their CEOs, new directors resembled the existing board (Westphal & Zajac, 1995). Other studies have shown similar effects in other contexts; for example, educational administrators were typically the same sex and race as their predecessors, regardless of the composition of the recruitment pools (Konrad & Pfeffer, 1991), and the presence of a female CEO was associated with hiring significantly greater numbers of women in scientific and technical positions in Silicon Valley startups (Baron, Hannan, Hsu, & Kocak, 2007). Similarly, firms whose owners and supervisors are Black disproportionately hire Black workers (Carrington & Troske, 1998b).

Homogenization also comes from the supply side in hiring, as individuals search for employment in organizations in which they anticipate good person–organization (P-O) fit. P-O fit affects a broad range of outcomes that contribute to organizational homogeneity. For example, P-O fit affects organization choice and entry. Individuals seeking jobs tend to prefer organizations with similarities, goals, and values congruent with their own (Turban & Keon, 1993) and those with pay systems and internal structure that complement their needs (Cable & Judge, 1994). Similarly, individuals with a high need for achievement tend to select into organizations that reward competitive individual effort (Turban & Keon, 1993). High P-O fit (both in values and in goals) is also good for employees, who tend to show more motivation, satisfaction, commitment, work group cohesion, feelings of personal success, and less stress and turnover (e.g., Boxx, Odom, & Dunn, 1991; Chatman, 1991; B. Schneider, 1987). High P-O fit is also associated with fewer intentions to quit (Bretz & Judge, 1994), more positive attitudes about work (Davies & Loquist, 1984), and more prosocial and ethical behavior in the workplace (O’Reilly & Chatman, 1986).

Social Networks and Job Referrals

Independent of formal hiring practices, social networks play a critical role in the process of homosocial reproduction. Social networks are a key selection mechanism; more jobs are secured via social networks than any other matching process (Baker, 2000). Specifically, people regularly use personal contacts to find jobs (e.g., Bridges & Villemez, 1986; Granovetter, 1995; Montgomery, 1992) and to find prospective employees (Fernandez, Castillo, & Moore, 2000; Petersen, Saporta, & Seidel, 2000; Sorensen & Kelleberg, 1994). Since personal networks tend to be composed largely of homogeneous others, hiring based on personal referrals ensures greater homogeneity within rank and in the organization at large, as similar others are brought in (McPherson, Popielarz, & Drobnic, 1992). Informal networks reproduce firm composition because workers usually tell similar others about jobs (e.g., Kalleberg, Knoke, Marsden, & Spaeth, 1996; Waldinger & Bailey, 1991). Timing of application is also better with referrals, which increase the likelihood that similar others will submit applications at an opportune moment (Fernandez & Weinberg, 1997). One recent study of customer service phone center hiring found that (a) prospective hires referred to the firm by current employees were more similar (in their tenure at current employer, education, and gender) to referees than would be predicted by chance, but (b) hiring via personal referrals produced few of the other assumed benefits of hiring based on employee referrals, including the assumption that those referred have
better information about the nature of the job, better timing of applications, a higher job acceptance rate, or better socialization post-hire (Fernandez, Castilla, & Moore, 2000). Thus, using social networks as a hiring mechanism does not appear to work in employers’ interests, although it clearly serves workers’ homosocial reproduction goals (Grieco, 1987; see also Granovetter, 1995).

It is also the case that most job openings are filled from within the firm, and within-firm networks play a key role in this process (Stewman, 1988). For example, it has been reliably shown that heterogeneous networks can be more advantageous than homogeneous networks for upward mobility within a firm (e.g., Burt, 1992). Individuals whose networks are characterized by many structural holes, which place the actor at the nexus between otherwise disconnected groups, are promoted faster than those whose networks are characterized by a preponderance of clique networks, which are homogeneous groups with strong boundaries (see also Seibert, Kraimer, & Liden, 2001). The advantage of structural holes is thought to come from the brokering activities they enable (Burt, 1992). The competitive advantage provided by brokering, however, depends on the absence of other equally effective brokers: that is, brokering provides unique recognition and promotion opportunities to the broker only if everyone else’s networks are homogeneous. The fact that brokering reliably produces such benefits is an indication of how pervasive homogeneous networks are. Homogeneous networks are apparently still preferable to more heterogeneous networks, despite the demonstrable personal benefits that heterogeneity can provide (but see Podolny & Baron [1997] for an account of how homogeneous networks are also important for promotion and success).

Social networks are a source of not just demographic homogeneity, but behavioral homogeneity as well. People with regular contact adopt one another’s attitudes, preferences, and behaviors (Burt, 1987; Coleman, Katz, & Menzel, 1966). Social networks affect how knowledge gets distributed, with members of discrete and bounded social structures developing unique pockets of common knowledge that are not shared across the boundary (Burt, 1992). Studies of personal networks within the nonprofit sector show that network co-membership predicts similar attitudes and preferences (Caldiera & Patterson, 1987; Galaskiewicz, 1985). These studies illustrate the power of social networks as an instrument of homogenization.

Organization Culture and Socialization

Socialization is another homogenizing process within organizations. Once members join a new organization, they are taught the ropes by more senior members (Van Maanen & Schein, 1979). Organization culture is a system of shared values, which define what is important, and norms, which dictate appropriate attitudes and behaviors (Chatman & Cha, 2003; Martin, 2002). Socialization is the process by which organization members learn the culture.

One way in which culture homogenizes organizations is through its impact on selection. Employees with ambitions and values that fit an organization’s ambitions and values are more likely to be offered jobs, and to accept jobs, than employees who do not fit as well (Kristof, 1996). Culture is also a source of assimilation, however, such that individuals who join a particular firm will become more like one another as they attempt to fit and succeed. In fact, it has been argued that selection and socialization are somewhat substitutable as means of homogenizing employees (Chatman & Cha, 2003).

The literature on culture and socialization suggests that organization culture is an extremely powerful, perhaps the most powerful, mechanism of social control (Flynn & Chatman, 2001; Kunda, 1992; O’Reilly & Chatman, 1986). Organizations are ambiguous, complex and confusing, especially at first. This makes new organization members especially susceptible to social learning (Chatman, 1991; Morrison, 1993). Organizations can be characterized as strong situations (Davis-Blake & Pfeffer, 1988; O’Reilly & Chatman, 1996) that lead members to behave in normatively consistent ways. Then, because people seek to justify their own actions to themselves and others, they reconstruct their values to make them consistent with their actions (Chatman, Bell, & Staw, 1986). This motivated internalization of cultural values is what makes cultural norms such a powerful source of homogenization in organizations.

The mechanisms through which culture is transmitted and behavior homogenized are: (a) participation, which produces commitment; (b) use of language and symbols to emphasize what is important; (c) clear messages from coworkers about culturally valued behaviors; and (d) rewards for compliance with core norms and values (O’Reilly & Chatman, 1996).

The most powerful context for socialization is the work group (Roethlisberger & Dickson, 1939), especially when the groups are cohesive (Lipset, Trow, & Coleman, 1956; Seashore, 1964). Group members value conformity because it increases homogeneity, and they reward conformity by offering acceptance and belonging in return. Groupthink is the term most famously associated with the observation that groups making important decisions come to value conformity and consensus to such a degree that discordant viewpoints are effectively silenced, compromising decision quality (Janis, 1972). More recently it has been shown that heterogeneous groups prefer political correctness norms because these norms help downplay the
differences among members (Goncalo, Chatman, Duguid, & Kennedy, 2009).

One reliable aspect of culture in work groups is the tendency to value consensus, which is useful for enhancing the sense of belongingness. Consistent with this observation, when belongingness goals are satisfied in work groups, there is some evidence that consensus seeking abates. For example, research on the common knowledge problem (Gigone & Hastie, 1993) shows that in typical laboratory groups, which tend to be composed of strangers, members spend the vast majority of their time discussing members’ common knowledge, whereas the unique knowledge possessed by individuals is rarely mentioned and, when it is, is repeated less often (for a review, see Stasser & Titus, 2003). However, this problem is diffused when group members are familiar with one another (Gruenfeld, Mannix, Williams, & Neale, 1996), perhaps because belongingness within groups of familiar others is more secure than in groups of strangers. Work by Edmondson and colleagues on team cultures that are characterized by psychological safety explores the role of these kinds of belongingness dynamics in learning, and the detection and reporting of errors, in various work settings (Edmondson, 1999; Tucker, Nemeth, & Edmondson, 2007). The ability for groups and teams to learn and function effectively depends, they argue, on the extent to which team members believe they can speak up against the team without fear of being rejected (also see Baer & Frese, 2003).

Another important mechanism for homogenizing through socialization is the taking of roles (Van Maanen & Schein, 1979). A role is a set of behaviors that are expected of persons who occupy defined positions within a particular social system (e.g., Kahn, 1990; Van Mannen & Schein, 1979). If role expectations are met or exceeded, organizational rewards are passed on to the person performing the role (Podolny & Baron, 1997). If not, errant role occupants are punished. Thus, roles produce homogenization within segregated ranks.

Strong cultures put considerable pressure on employees to conform. They limit the range of values and behavioral styles that are acceptable. It has been pointed out that strong cultures do not necessarily stifle innovation, as cultural norms and values can induce conformity to behavioral norms of expressing unique ideas (Flynn & Chatman, 2001). Nonetheless, even a culture that values innovation and the expression of unique ideas produces a workforce in which heterogeneity in behavioral style is reduced, and thus, homogeneity in behavioral style is enhanced.

Segregation

As noted earlier, although the forces pushing organizations toward homogeneity are strong, it is also inevitable that there will be sources of heterogeneity within organizations. One way that the reality of heterogeneity is reconciled with the preference for homogeneity is via segregation of those who differ from one another into different homogeneous jobs and work settings. Demographic segregation is a pervasive feature of organization life (Reskin, McBrier, & Kmec, 1999), and functional segregation has historically been a default structural feature of many organizations as well (e.g., Henke, Krachner Berg, & Lyons, 1993). Organizations also typically have segregated subcultures (Martin, 2002). Segregation serves to maintain the individual psychological experience of homogeneity even in organizations that might appear diverse if viewed at a macro level. Thus, segregation is a process that supports homogeneity and, as such, we describe some of the literature about how segregation occurs.

Faultlines An important construct in the organizations literature on how segmentation occurs is the faultline (e.g., Lau & Murnighan, 1998; 2005), defined as the social boundary that emerges between homogeneous subgroups within a larger heterogeneous work group. Faultlines differentiate between coalitions that are internally homogeneous. The work on faultlines has primarily addressed how faultlines affect group performance, noting that strong faultlines typically hurt. Yet the negative impact of faultlines on performance does not seem to deter their emergence. In fact, a study of multinational teams found that cultural faultlines blocked team integration, yet they were exceedingly common, leading the authors to speculate that despite their negative effect on performance faultlines might satisfy some individual needs or preferences (Earley & Mosakowski, 2000).

Moreover, studies of congruence in heterogeneous work groups provide direct evidence that detectable faultlines are preferable to their absence. Members of heterogeneous work groups have been shown to prefer situations in which surface-level and deep-level differences (e.g., demographic and knowledge differences) are aligned, which would indicate the presence of strong faultlines, to situations in which surface-level and deep-level differences are not aligned, which would indicate weak or absent faultlines (K. W. Phillips, 2003; K. W. Phillips, Mannix, Neale, & Gruenfeld, 2004).

Job Titles and Roles Whereas faultlines refer to informal and emergent separations within groups, organizations also produce formal separations between groups in order to segregate heterogeneous components of the organization. Several studies have demonstrated the use of job titles to segregate demographic groups. For example, the designers of the civil service used job title distinctions to segregate higher-status professional positions that employed mostly White men from lower-status clerical and manual jobs that employed women and people of color (DiPrete, 1989).
Similarly, within the California civil service, White males created more job titles as a way of continuing to differentiate themselves from and maintain superiority over women, who were being hired in increasing numbers (Strang & Baron, 1990).

Segregation practices are associated not just with the sorting of a diverse workforce into homogeneous categories, but also with pulling some employees (usually majority members) closer to the center of an organization, while pushing others (usually minority members) closer to its periphery (e.g., Klein, Lim, Saltz, & Mayer, 2004; Reskin & Roos, 1990).

**Turnover**

There are two potential mechanisms by which organization members at the margins become more likely to leave: They can be pushed out, as a consequence of negative performance evaluations, which ultimately lead to firing (i.e., involuntary turnover), or they can walk out, as a consequence of heightened exposure to attractive outside alternatives (voluntary turnover). Research suggests that both mechanisms operate and contribute to the higher attrition of organization members who interfere with homogeneity goals (e.g., Sorensen, 2004).

**Negative Performance Evaluations and Involuntary Turnover** Evaluators give lower ratings to dissimilar others (Tsui & O'Reilly, 1989). For example, a meta-analysis of 84 studies including nearly 20,000 respondents found that both Black and White raters gave significantly higher ratings to members of their own race (Kraiger & Ford, 1985). In this study and others, negative ratings for minority members were stronger in field settings when the proportion of minority members was smaller. For example, in one field study, women received lower performance ratings when the proportion of women in the group was small, even after controlling for education, job experience, and cognitive abilities (Sackett, DuBois, & Noe, 1991; also see Greenhaus & Parasuraman, 1993; for another view see Pulakos, White, Oppler, & Borman, 1989).

One implication of these findings is that organization members who are similar to their supervisors are more likely to be retained and less likely to be fired than those who are dissimilar. Consistent with this proposal, studies show that organization members who are most dissimilar are laid off first. For example, it has been shown that White employees in a White majority financial firm were less likely to be laid off than Blacks or Hispanics, controlling for business unit, occupation and job level, as well as tenure and performance ratings (Elvira & Zatzick, 2002). Whites were also more likely to be promoted, receive pay raises, and receive high performance ratings than Blacks (see also Blau & Kahn, 1981; Kletzer, 1998). Another study found that controlling for seniority, layoffs of African Americans were justified based on a broader, more general set of outcomes than that for Whites, for whom layoffs tend to correspond to factors such as human capital credentials and job-labor market characteristics (Wilson & McBrier, 2005). Moreover, Blacks have a higher probability of being laid off overall, and their chances of layoff increase as their experience increases—which might affect their movement into more diverse ranks—while Whites encounter the opposite effect (Wolpin, 1992).

**Job Satisfaction and Voluntary Turnover** There are a number of studies showing that job satisfaction and intention to quit are also affected by the organization's demographic makeup (e.g., Pfeffer, 1981, 1983). Demographic heterogeneity is associated with lower job satisfaction, lower work—group attachment, and greater turnover than homogeneity (Reskin, 2005; Williams & O'Reilly, 1998). These findings apply to studies of variables such as age and tenure (e.g., Pfeffer & O'Reilly, 1987), race (e.g., Sorensen, 2004), and sex (e.g., Tsui & O'Reilly, 1989). Some studies show that in heterogeneous organizations and work units, minority members are more likely to leave than majority members (e.g., Jackson et al., 1991; O'Reilly, Caldwell, & Burnett, 1989), while others show that it is majority members who are more disturbed by and eager to leave a homogeneous workplace (Tsui, Egan, & O'Reilly, 1992; Wharton & Baron, 1987).

Using personnel data from a large number of bank branches, one recent study found that the turnover rate of a focal employee was increased if a person of the same race left the branch (Sorensen, 2004). Moreover, if a new co-worker of a different race joined the branch, turnover of the focal employee was also increased, but the addition of a same-race co-worker had no effect. This dynamic, in which organization members are compelled to leave whenever dissimilar others seem to be gaining representation, helps to explain how organizations homogenize themselves, and why racial integration is so difficult to achieve (also see Crowder, 2000; Granovetter, 1978; Schelling, 1971).

The relationship of demography to voluntary turnover has also been studied in the social networks literature. For example, it has been shown that people exit organizations in homogeneous clusters, because a similar co-worker exiting suggests that either the organization is hostile to similar others or that similar others can find better opportunities elsewhere (Krackhardt & Porter, 1986). Relatedly, groups remain homogeneous through greater attrition of the members at the edges of a social niche (Popielarz & McPherson 1995; also see Burt, 1997).
A recent meta-analysis found that women’s turnover rates do not differ from men’s, in contrast to stereotypes about women’s instability on the job (Griffeth, Hom, & Gaertner, 2000). However, female quitting behavior does differ from male quitting behavior because better-educated women are more likely to quit their jobs, and this is not true for men (Vissusi, 1980). Presumably, this difference could be attributed in part to the relatively small number of women relative to men in higher job ranks and higher-status occupations.

Summary

The preference for homogeneity has profound organizational consequences. People are not only drawn to similar others within a work context, they are actively homogenized, growing more similar to existing members after joining organizations as well. When heterogeneity does increase, diverse workers are segregated into homogeneous work contexts. Similar workers are more likely to stay, whereas dissimilar workers are more likely to exit.

ORGANIZATIONAL HIERARCHY

Definition of Hierarchy

Hierarchy is most fundamentally about establishing, maintaining, and frequently formalizing differences among members of a group or organization. Hierarchical arrangements may be based on any difference, but hierarchy refers to the translation of that difference into a ranking of power, control, independence, resource allocation, value, and respect (Blau & Scott, 1962; Fiske, this volume). Some hierarchies are more concerned with rankings and distribution of power and control, whereas others are more concerned with status and respect; but in both cases, the notion is that members are ordered in terms of their value to the organization. Usually rankings of access to resources, control, and respect correlate highly with one another (e.g., Thye, 2000). Hierarchies are instantiated in terms of perceptions and beliefs about the value of group members (Berger, Rosenholtz, & Zelditch, 1980; Shilts, 1968) and in terms of symbolic markers of positions (Eisenstadt, 1968; Nakao & Treas, 1990), as well as authority roles (Katz & Kahn, 1978), the ability to act in accordance with one’s own desires (Cartwright, 1965; French & Raven, 1959), and in terms of behavior, with those at the highest levels engaging in more dominant behavior, and those at the lower levels tending to defer and submit (Hall, Coats, & LeBeau, 2005; Maclay & Knipe, 1972; Schmid Mast, 2002).

Hierarchies vary wildly in the degree to which they are formalized—that is, how easily observable and explicit the rankings are, and the extent to which a particular order is rigorously enforced (Mintzberg, 1983). For example, organizations sometimes downplay hierarchical differences, most frequently by removing signals and markers of positions. Yet, even in these circumstances, people are still aware of differences in the value and influence of different individuals or groups, they generally agree upon rank orderings of influence and value, and these perceptions of rank play out in social interactions (Berger, Cohen, & Zelditch, 1972; Ridgeway, 1987).

Organizations can be more or less hierarchical. The fewer the differences in perceived value, deference, and control between those at the top of these systems and those at the bottom, the more the organization could be considered egalitarian; the greater the differences between the top and the bottom, the more hierarchical the organization is. There are many examples of how investigators have measured the presence of hierarchy, including cultural measures, such as power distance (Hofstede, 1980), and organizational measures, such as the number and patterns of positions on organizational charts or official ranks and titles (Hambrick, 1981; Finkelstein, 1992); degree of upward mobility (Paulson, 1974), and salary dispersion (Bloom & Michel, 2002; Pfeffer & Langton, 1993; Shaw, Gupta, & Delery, 2002). More relational and individual measures capture subjective perceptions of one’s own absolute or relative degree of power (Anderson & Berdahl, 2002; Maznevski, Gomez, Noorderhaven, & Wu, 1997), co-workers’ perceptions of a target’s level of power and influence (Anderson, Srivastava, Beer, Sapatro, & Chatman, 2006; Hambrick, 1981), or implicit norms about how organization members relate to authority (Fiske, 1991; Kabanoff & Daly, 2002; van Oudenhoven, 2001). There is no consensus on which of these approaches is best, the extent to which they are correlated, or much investigation of whether they yield different results. Yet, perhaps most striking is the extent to which some degree of hierarchy appears to characterize relationships and organizations of all types (Leavitt, 2003; 2004; Lonner, 1980).

The Preference for and Prevalence of Hierarchy

Previous sections of this chapter reviewed evidence that people prefer homogeneity. That preference expresses itself both behaviorally (i.e., people enjoy it when they are exposed to it) and verbally (i.e., people say that they like being with similar others). There is, of course, some voiced ambivalence about the preference for homogeneity in a political climate that values diversity (e.g., Ely & Thomas, 2001; Thomas & Ely, 1996). However, a preference for hierarchy comes with even more ambivalence in a modern
American context in which hierarchy is seen as morally corrupt (Leavitt, 2004; de Tocqueville, 1836/1966). Thus, the preference for hierarchy is rarely acknowledged or articulated, and the assertion that hierarchy is preferable to more egalitarian structures is almost certainly controversial (Leavitt, 2003, 2004).

An explicit distaste for hierarchy and appreciation of equality can be found in nearly every study of values. In one, representative samples from 13 countries were asked to rate the extent to which 10 values represented important and guiding principles in their lives. Universalism, which includes a concern for equality and social justice (Schwartz & Boehnke, 2004), was the third highest across all settings, whereas tradition and power, the values most related to hierarchy, were eighth and tenth, respectively (Schwartz & Bardi, 2001). Similarly, managers from all over the world report that they desire less hierarchy in their workplaces than they currently have (House et al., 2004). And, when groups are given a choice about decision rules, members report a preference for complying with majority opinion over having an individual leader make the decision (Rutte & Wilke, 1985). Further, when a nonstudent sample of happily married couples was asked what produced their success, 51% of them gave a response that was coded as “equity” (Fletcher & Kininmonth, 1992). Other evidence comes from a study of founders of new technology firms. When asked about their preferences and ideals for their new organizations, many founders stated that they wanted equality and participation and sought out structures and practices that they believed would support those goals (Baron, Burton, & Hannan, 1996; Hannan, Burton, & Baron, 1996).

Certainly, there are contexts in which people are more welcoming of hierarchy. For example, some research suggests that people in Asia have more positive associations with hierarchy than do Americans (e.g., Brockner et al., 2001; Ying, Lee, Tsai, Lee, & Tsang, 2001). There are also individual differences in comfort with and preference for inequality. Some people, especially those at the top of hierarchies, desire hierarchies more than others (Pratto, Stallworth, Sidanius, & Siers, 1997). Groups performing poorly tend to seek greater hierarchy (De Cremer & Van Vugt, 1999; Samuelson, 1991, 1993) and the presence of experts and stars (Baron, Burton, & Hannan, 1996), task difficulty (Samuelson, 1991), and time pressure (Baron, Burton, & Hannan 1996) all increase the stated preference for hierarchical systems. Further, the extent to which hierarchy is avoided versus preferred depends on the rules by which hierarchies operate. Although Americans generally report that they oppose hierarchy, they typically embrace meritocracies in which people are rewarded in line with their efforts and contributions (Davey, Bobocel, Son Hing, & Zanna, 1999; Chow, Lowery, & Knowles, 2008). Meritocracies are clearly hierarchical, yet the notion that differences in power and status are deserved makes them more palatable, even to some who think of themselves as hostile to inequality (Davey, Bobocel, Son Hing, & Zanna, 1999).

Despite the fact that people often do not acknowledge a preference for hierarchy, such a preference can be inferred from behavioral patterns, and from evolutionary and existential logics. The strongest piece of evidence is simply the regularity with which this form of organization is produced. As with homogeneity, people create hierarchies in all types of organizations. When scholars attempt to find an organization that is not characterized by hierarchy, they cannot (Lonner, 1980; Mannix & Sauer, 2006). When an organization touts itself as truly egalitarian, it garners much attention from the press, which itself is a signal of its rarity. So, some companies, such as IDEO and Gore Inc., promote their egalitarian ways as do other types of organizations, such as the chamber orchestra Orpheus, whose primary claim to fame is that it functions without a conductor (Seifert, Economy, & Hackman, 2001). However, closer investigations of these organizations show that, though they have ridded themselves of some of the usual trappings of hierarchy, many hierarchical patterns remain.

For example, the product design firm IDEO looks egalitarian from the perspective of formal positions. There are more than 150 employees, and almost everyone carries the formal title of “engineer.” Yet, firsthand observations of brainstorming sessions there reveal that the engineers compete for respect and status at face-to-face meetings (Sutton & Hargadon, 1996). Engineers acquire status based on their respective abilities to come up with “cool” ideas at the brainstorming sessions. Status is doled out in the form of compliments (“neat” “wow” or “cool”), by pursuit of one person’s idea by others, and by invitations to future brainstorming meetings. The brainstorming sessions are perceived as a chance for engineers to “strut their stuff” and when invitations to attend are not forthcoming, engineers often see this as a sign that they should leave the organization. Engineers who acquire these status markers also get paid more than those who do not. Thus, although it might look egalitarian at the surface, IDEO is hierarchical: “equal” members do not have equal influence, equal levels of respect from their colleagues, or equal access to resources.

Similarly, although the chamber orchestra Orpheus does not have a conductor and began with very few hierarchical levels for an orchestra, a different member is now appointed the “concert master” for each piece of music (Seifert, Economy, & Hackman, 2001). The founder and president has full control over the nature of the program, including what set of pieces are played and what the program
looks like, and there is a “core group” comprised of the “principal” (i.e., highest ranked) string and woodwind players, which makes a number of key group decisions. Orpheus is not alone in the drift it has experienced in becoming more hierarchical over time. Newly formed Silicon Valley companies also tend to become more hierarchical over time (Baron & Hannan, 2002). Those that do not evolve toward hierarchy are less likely to survive.

A behavioral preference for hierarchy is also evident in studies that show a speedy emergence of hierarchical structures even when these structures are not necessary for task completion. In one classic study, discussion groups that were together for one hour, without directions to create a hierarchy or any task that required it, created hierarchies nonetheless (Bales & Slater, 1955; Slater, 1955). During the groups’ one-hour life span, members came to conceptualize particular individuals as leaders, developed consensus about who these individuals were, and began deferring to them. Studies of dominant and submissive behaviors show the same pattern, with partners falling into a complementary dynamic in which one expresses dominance and the other submissiveness within minutes of social interaction (e.g., Sadler & Woody, 2003; Tiedens & Fragale, 2003).

Studies in more naturalistic settings also speak to the prevalence of hierarchy. When people casually gather on street corners, status rankings emerge even though there is no task that would appear to require them (Anderson, 1990; Whyte, 1981). Work partners who might value equality still tend to differentiate in terms of dominance and submission (Tracey & Hayes, 1989, Tracey, Sherry, & Albright, 1999).

Another illustration of the prevalence of hierarchy is evident in the literatures on empowerment and leadership. Empowerment theorists consider the empowerment of lower status workers an important goal all organizations should try to achieve (Conger & Kanungo, 1988; Drucker, 1988; Kanter, 1983). Importantly, the presence of low ranking workers is taken for granted, despite the motivational problems this entails. Another assumption is that organizations do not naturally empower those at the lowest levels. Instead, empowerment requires extra effort and even intervention into the structure that would naturally characterize work organizations (Bowen & Lawler, 1995; Thomas & Velthouse, 1990).

The literature on leadership is characterized by similar assumptions (see Hogg, this volume). This area, which has grown in popularity despite recent arguments about the benefits of flatter organizations, examines the attributes of individuals that predict whether they will become leaders (e.g., Bono & Judge, 2004), as well as what attributes of people already in leadership positions result in good performance (Kaiser, Hogan, & Craig, 2008). Research in this area is also concerned with how to teach people better leadership skills (e.g., Thach, 2002; Yukl, 2002). The core assumptions here are that there will be leaders, hence hierarchy, in all organizations. It is also assumed that the people in leadership positions will have a greater impact on the development and effectiveness of the organization than other group members (Bass & Stogdill, 1990; Schein, 1992). Some even suggest that organizations as a whole are mere reflections of their upper echelons (Carpenter, Geletkanycz, & Sanders, 2004; Hambrick & Mason, 1984). In sum, an implicit assumption in all of these approaches is that hierarchy is not just prevalent, but inescapable.

Similarly, one reliable way of convincing the field that a particular variable is of interest and importance is to demonstrate that it predicts people’s placement in the organizational hierarchy. In fact, a widely accepted way of thinking about success within an organizational context is in terms of one’s hierarchical position (see Wrzesniewski, Dutton, & Debebe, 2003, for a different perspective). Thus, promotions, salaries, levels of influence, and status of title are all frequently used to measure success. An enormous number of variables have been found to be associated with these kinds of outcomes. As a taste, scholars have noted that aspects of individuals such as personality (e.g., Anderson, John, Keltner, & Kring, 2001; Judge, Bono, Ilies, & Gerhardt, 2002), demographic characteristics (e.g., Berger, Fisek, Zorman, & Zelditch, 1977; Bunderson, 2003), intelligence (Bass & Stogdill, 1990; Simonont, 1994), and physical features, most notably height (Judge & Cable, 2004; Wilson, 1968) and physical attractiveness (Anderson & Berdahl, 2002; Cherulnik, Burns, & Wilderman, 1990), predict hierarchical position. Research has also examined the impact of specific interpersonal behaviors on hierarchical position, such as the ability to give and receive feedback (Ashford, Blatt, & Vandewalle, 2003; Ashford & Tsui, 1991), to display trustworthiness and concern for others (Hogan, Curphy, & Hogan, 1994; Zaccaro, 2001), and to understand oneself (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Network position is associated with hierarchical position (Burt, 1992; Lin, 1999), as is the propensity to negotiate (Babcock & Laschever, 2003).

Although these literatures are full of interesting and important insights in their own right, the point here is simply to note that these kinds of variables are extremely popular in organizations research, and their popularity indicates how large hierarchies loom in organization life. The palpable concern with hierarchical placement is suggestive of how prevalent hierarchies are, and of how important they are to their members.
Evolutionary theorists have also pointed to consistencies in the ways in which hierarchies are enacted. Many have noted the parallels between the hierarchies created and maintained by animals and the similarity they bear to some of the basics of human organizing (Cheney & Seyfarth, 2007; De Waal, 1982; Sapolsky, 1998). Chimpanzees and some other nonhuman primates create hierarchies primarily through the expression of rather subtle nonverbal and verbal behavior signaling dominance and deference and occasionally through acts of violence in which one monkey physically dominates and subjugates another (De Waal, 1982). However, evolutionary theorists have generally argued that status ranks and their accompanying signals function to indicate to the group who would win a fight if it were to happen. In this way, hierarchy effectively bypasses violence. From this perspective, violence mainly occurs when status rankings are at issue (also see Gould, 2003). Once a particular group member is of higher rank he (and it usually is he) has access to more resources such as food, sex partners, and at times seems to direct the behavior of the group (De Waal, 1982) and to intimidate and control members of lower rank (Sapolsky, 1994). The basics of this process—subtle signaling to determine pecking order, more extreme acts either to overturn a preexisting hierarchy or when there are departures from established pecking orders, and the ultimate differentiation among members in terms of deference, control, and resources—bear a remarkable similarity to the processes humans use in the creation and maintenance of their organizational hierarchies.

There is also interest among evolutionary researchers about differences in the nature of hierarchy among species (Boehm, 1999), and this becomes particularly relevant to organizational scholars who seek to understand the particulars of human social hierarchies and the degree to which modern organizations either reflect our evolutionary origins or conflict with them (Nicholson, 2000; Van Vugt, 1996; Van Vugt, Hogan, & Kaiser, 2008). Although evolutionary approaches generally have a functionalist view that implies hierarchies exist because they are useful for meeting the ongoing challenges of organizational life, the evolutionary basis of the prevalence of hierarchy is sometimes seen as a remnant from our relatives that must be overcome in order to deal effectively with the organizational pressures and ideas of the modern world.

Existential Bases As noted earlier, two of the most basic human strivings are for impact and belongingness (Buck, 1976). Both of these needs play a role in the creation and maintenance of social hierarchies. This section considers how these existential needs propel organizations toward hierarchical forms.

The need for impact is closely related to the desire for control. In social and organizational settings, in which individuals are interdependent, impact requires power and the ability to control the behavior of others (Fiske, 1993). The notion that people desire impact, power, control, and domination has a long history in both social and organizational psychology (e.g., Adler, 1966; Rotter, 1966; Sullivan, 1947). The existence of this psychological state is another reason why hierarchies are so common; if people want power, they will create structures that allow them to get it.

Most influential to the study of the social psychology of organizations has been the line of work on power motive and a set of related measures for assessing the degree to which people want power (McClelland, 1975). Power motive is not the only one of these constructs; for example, there is also a long standing interest in trait dominance (for a review, see Anderson & Kilduff, 2009) and a number of useful measures have emerged (Gough, McCloskey, & Meehl, 1951; Wiggins, Trappnell, & Phillips, 1988). Social dominance orientation (SDO) is another variable that reflects the preference for hierarchy (Sidanius & Pratto, 1999). These constructs have in common the idea that all people strive for impact, power, and control, but that individuals vary in the degree to which this outcome is important to them.

Because there is variation among individuals in the importance of having power over others, the extent to which people exhibit power-seeking behavior varies. Those who value power the most behave more in ways that lead to the acquisition of power. For example, those high in power motive are more likely to seek and accept jobs in which they can exercise power, and they stay in those jobs longer than individuals with lower power motive (Jenkins, 1994). They also share less information with others (Pfrihl & Smith, 1982) and like it when others are ingratiating toward them (Operario & Fiske, 2001).

Once in high-power jobs, those high in power motive try to influence and direct other people, express their opinions forcefully, and try to assume leadership positions more than those low in power motive (McClelland, 1975). Those high in trait dominance engage in a range of hierarchy enhancing acts, such as speaking more and taking control of group processes, and as a result, they hold disproportionate sway over group decisions (Judge, Bono, Ilies, & Gerhardt, 2002), despite the fact that trait dominance is not associated with any important group-task-related competencies (e.g., Anderson & Kilduff, 2009).

Similarly, social dominance orientation is associated with hierarchy enhancing policy preferences, including support for
r race, sexism, classism, the death penalty and painful executions, conquest-oriented military intervention in foreign countries, and opposition to humanitarian interventions (Sidanius, Liu, Shaw, & Pratto, 1994). Those high in SDO choose career paths on which hierarchical differences are enhanced (Pratto, Stallworth, Sidanius, & Siers, 1997; Sidanius, Pratto, Sinclair, & van Laar, 1996). Thus, the literatures on power motive, dominance, and social dominance orientation all suggest that hierarchies exist and are created to satisfy individuals' psycho-social needs for control. They also imply that who ends up in a particular position is at least in part a reflection of who puts the energy and effort into domination.

The need to belong is another central existential goal that underlies the prevalence of hierarchy. A feeling of belongingness may be more obviously associated with people's tendency to produce homogeneous organizations than with their tendency to produce hierarchical structures given how much similarity is associated with liking and affiliation. Yet some research suggests that interpersonal hierarchies can also increase a sense of affiliation and belongingness among interaction partners, especially when they share a task on which they must coordinate. This notion was expressed by scholars in the interpersonal circumplex tradition and their introduction of the notion of interpersonal complementarity (Carson, 1969; Kiesler, 1983; Leary, 1957; Wiggins, 1982). Interpersonal theorists have suggested that people tune their behavior in response to social partners as a way of producing smooth social interactions. Specifically, individuals match their interaction partners in terms of how much warmth they express, such that both parties end up behaving similarly in terms of warmth. Simultaneously, partners tune to one another in terms of how much dominance they express, but this kind of tuning requires engaging in behavior that is opposite to the partner's behavior. So, the prediction from interpersonal theory is that people engage in submissive behavior when interacting with a dominant other and dominant behavior when interacting with a submissive other.

Some authors have referred to this interpersonal dynamic more specifically as dominance complementarity since it refers distinctly to difference in terms of dominance and submission (Tiedens, Unzueta, & Young, 2007), rather than to differences in general. Engaging in dominance complementarity produces informal hierarchies by differentiating relationship partners in terms of dominance and submission. Importantly, researchers from the interpersonal theory tradition have argued that dominance complementarity is an act of an affiliative and social nature (as opposed to a controlling one). In support of this notion, research shows that people feel greater relationship satisfaction when dominance is met with submission and submission with dominance e.g., Glomb & Welsh, 2005; Horowitz et al., 2006; Tiedens & Fragale, 2003) and that people are more likely to create dominance complementarity when they care about and are invested in the relationship or the task the partners share (Tiedens, Fragale, & Young, 2007).

Another way in which hierarchies can promote affiliative goals is by reducing conflict. Hierarchies provide simple decision rules (i.e., individuals at the top have greater say than individuals lower down) and as such can reduce the time spent on discussions or disputes (Bass & Stogdill, 1990). In many instances, decisions are simply made by the highest ranked person, with little resistance from lower ranked others, whether right or wrong, fair or unfair. This kind of deference and conflict avoidance on the part of lower ranked organizational members is understandable in that frequently one role of higher ranked parties is to punish those who fail to fall in line (De Cremer & Van Vugt, 1999; Jung & Lake, 2008; Zimbardo, Maslach, & Haney, 2000). Thus, disagreeing or engaging in conflict can be dangerous for lower ranked members (Kabanoff, 1991) and therefore more hierarchical organizations can be less riddled by conflict than more egalitarian ones (Kabanoff, 1991; Strauss, 1982). Although hostility toward those in power can underlie this lack of conflict (Sampson, 1969), the organization may still be experienced as peaceful and harmonious as a consequence of the unwillingness of lower-ranked members to fight.

Members of groups in which there is no consensus about the status ordering like the group less and are less committed to the group than members of groups who agree on a ranking (Kilduff & Anderson, 2009). Low consensus groups are also less productive (Loch, Huberman, & Stout, 2000) and less effective (Greysberg, Polzer, & Elfenbein, 2005; Kilduff & Anderson, 2009; Overbeck, Correll, & Park, 2005) than groups with greater consensus about status ordering. When consensus is lacking, people engage in more politicking (Loch, Huberman, & Stout, 2000) and in more competitive status contests, which hinder coordination and cooperation on the task at hand (Kilduff & Anderson, 2009). Ambiguity over status ordering and the resulting contest to establish positions have even been cited as a major cause of world violence (Gould, 2003). Thus, even though people may generally dislike hierarchy, the structure does appear to provide some social glue.

People do, as noted earlier, have negative affective reactions to hierarchical structures. Researchers have found that people are less identified with and committed to more hierarchical organizations (Ashforth, 1989; Hornstein, 2002) and, as a consequence, are more passive (Kanter, 1983), less collaborative (Pfeffer & Langton, 1993; Siegel & Hambrick, 2005), less willing to go beyond the immediate confines of their
jobs (Organ & Konovsky, 1989), less productive (Cowherd & Levine, 1992), and less satisfied (Pfeffer & Langton, 1993) than members of organizations that are more egalitarian. Others have argued that the low conflict observed in hierarchical structures may reflect the fear of expressing dissatisfaction rather than a true sense of belongingness (Kabanoff, 1991; Mulder, 1977; Strauss, 1982). This raises the possibility that it is only those at the top who prefer hierarchy over more egalitarian structures. However, some studies show that middle- and lower-ranking members are actually more invested in the hierarchy, despite their positions, than those at the top (Jost & Kay, this volume; Phillips & Zuckerman, 2001).

In sum, there is still much to learn about how hierarchy is experienced. Research programs on hierarchy differ from one another both in terms of how hierarchy is operationalized and in terms of how outcomes are assessed. For example, many of the studies demonstrating a negative impact of hierarchy examine pay differentials (e.g., Pfeffer & Langton, 1993), whereas many of those demonstrating the positive effects measure interpersonal behavior (e.g., Dryer & Horowitz, 1997). A systematic study of how and when hierarchy leads to greater satisfaction versus when it leaves people dissatisfied and despondent would constitute a major contribution to the study of the psychology of organizations (also see Fiske & Berdahl, 2007). The most common approach to this question has been to consider different ways in which power holders can enact their positions—that is, which leadership styles they adopt (Bass & Stogdill, 1990). A more traditional social psychological approach would be to locate variance in the nature of the system as whole, and this type of research would also make a valuable contribution. One observation toward this end is that in those cases where hierarchy promotes positive outcomes, it provides greater understanding of the roles and relationships within the organization and a sense of security about them. In the cases in which its results are negative, the hierarchy functions to deprive some people of information and understanding necessary for their jobs to be meaningful.

The literature on Leader–Member Exchange (LMX) illustrates the importance of what leaders and followers expect to give and take in their hierarchical relationship. This work has suggested that successful leadership requires that both leaders and members get what they expect from one another (for a review see Schriesheim, Castro, & Cogliser, 1999). Further, this literature suggests that affective reactions to hierarchical arrangements vary as a function of the nature of interpersonal interactions within the hierarchy, with quality exchange promoting innovation, productivity, trust, and organizational citizenship (e.g., Gomez & Rosen, 2001; Howell & Hall-Merenda, 1999).

Summary

These considerations suggest that, just as homogeneity dominates organizational life, so does hierarchy. People form hierarchies to organize themselves, whether the task requires it or not. Like homogeneity, hierarchy is associated with both positive and negative outcomes, yet even in modern American business settings, in which hierarchical structures and cultures are not at all in favor, people consistently choose hierarchy over its less preferable alternatives.

Stratifying Processes

Just as the homogeneity of organizations is created and re-created as organizations grow and evolve, hierarchies are also established and reaffirmed at various stages in an organization's development. Sometimes hierarchy emerges through conscious and intentional decision making, with rational outcomes in mind, and other times the emergence of hierarchy reflects unintentional responses to bias and other dynamics in the social environment.

Creating Hierarchy

Multiple studies have shown that hierarchies spontaneously emerge. People interacting often produce hierarchies and negotiate their positions within them, quickly and spontaneously, without intending to do so or realizing that they have done so (e.g., Bales, 1950, 1999; Tiedens & Fragale, 2003). These unconscious negotiations also lead to consensus about members' respective hierarchical positions (Overbeck, Correll, & Park, 2005), resulting displays of dominance and deference (Tiedens & Fragale, 2003), greater influence for power holders than subordinates (Bales, 1950; Berger, Rosenthal, & Zelditch, 1980), and differential access to resources (Bacharach & Lawler, 1980; Yukl, 2002). These hierarchies can be produced within minutes of the group members interacting and often go unnoticed until the group or organization is forced to contemplate members' respective roles.

Hierarchies are also explicitly discussed and chosen when organizations are being designed. In one study, conversations among the founders of new technology companies were observed at the time of organization founding. Company founders regularly grappled with how hierarchical to make their organizations (Baron, Burton, & Hannan, 1996). The degree to which the organization would have an authority structure, the bases of authority, and the power granted to authority figures were all components of these conversations. Those founders who opted for the greatest degree of hierarchy headed companies that relied on "stars" or people with unusual skills that were central to
the company’s mission and strategy. Hierarchical systems were used in these instances to reward the people (i.e., the stars) who were perceived as most valuable to the firm by giving them status symbols such as titles or other perks, high salaries, and the authority to control and coordinate the actions of other members of the organization.

In general, organizational scholars have argued that hierarchies can facilitate coordination across functions and business units and that the presence of authority roles is useful for motivating and regulating members’ actions (Magee & Galinsky, 2008). Coordination and control are two of the most central problems organizations face (Daft, 2004; Galbraith, 1973; March & Simon, 1958). Thus, to the extent that hierarchies solve these problems, they become popular and purposefully chosen by organizations. Hierarchies facilitate coordination by assigning people managerial roles with responsibility for integrating across areas and domains. In theory, managerial roles could exist without providing extra status, authority, and power to the persons occupying them, yet some organizational scholars have argued that imbuing managerial roles with hierarchical elements such as power and authority makes these roles more effective (Etzioni, 1959; Urwick, 1943; Weber, 1947).

The use of hierarchy to reward, motivate, and control behavior has been discussed by numerous scholars and the literature suggests at least three ways in which hierarchies are used in this regard. First, gaining status is rewarding (Frank, 1985; Loch, Huberman, & Stout, 2000) and thus the presence of a status hierarchy allows organizations to offer the incentive of promotion. The existence of this form of rewards is often necessary to keep members active, committed, and engaged with the organization. Those organizations that do not offer opportunities for promotion risk high turnover as members seek the experience of being promoted by getting outside offers (Curry, Wakefield, Price, & Mueller, 1986; Lawler, 1973). Second, leaders are typically given the authority to dole out rewards and punishments, so they control incentive systems for others. Finally, a third way in which hierarchies are motivating is that leaders are considered high-status representatives of the group (Hogg, 2001). As such, their praise and attention become particularly meaningful for group members. Thus, people interpret their own value from how their leaders treat them and become motivated to act in a way that will gain them the simple approval of authority figures even when that approval is not directly linked to material gain. This idea is explored in the Group Value Model (Tyler & Lind, 1992) and is implied in the literatures on charismatic and transformational leadership (e.g., Kark, Shamir, & Chen, 2003; Shamir, House, & Arthur 1993).

**Imposing Hierarchy**

Even groups that start out more egalitarian sometimes impose hierarchy when they find that group goals are not being achieved. For example, researchers studying common dilemmas have found that groups choose to move from leaderless structures to a system in which there is a leader when members’ contributions cannot sustain the common good. These groups choose to have a leader who has the power to punish problematic individuals (e.g., Jung & Lake, 2008; Van Vugt & De Cremer, 1999). Similarly, research has found that people seek particularly authoritarian structures when they feel threatened, fearful, or unable to fend for themselves (Hamblin, 1958; McCann, 1989; Mulder & Stemmerding, 1963), and organizations that face financial crises replace their top management teams and CEOs with outsiders who will institute greater control and change (Furtado & Karan, 1990). All of this suggests that organizations can become more hierarchical when they perceive themselves to be falling short of their goals or otherwise not functioning well.

**Role Proliferation** A number of scholars have observed that over time the number of roles contained in an organization grows at a greater rate than the size of the organization itself (Baron & Bielby, 1986; Buss, 1984), and the establishment of new roles and job titles tends to increase hierarchical differentiation (Baron & Pfeffer, 1994). The division of labor and the creation of roles were traditionally seen as a rational and functional process engaged in by organizations for the sake of efficiency (Smith, 1937). More recently, role proliferation has come under scrutiny. Multiple roles within organizations have the potential to create coordination problems. It has been noted, for example, that occupants of different roles frequently pay attention only to their own tasks and lose track of the broader goals of the organization (Heath & Staudenmayer, 2000).

Although, in theory, roles could be defined solely in terms of task and need not imply differences in status and rank, organizational theorists have suggested that with a proliferation of roles also comes a differentiation in status for those roles (e.g., Baron & Bielby, 1986; Baron & Newman, 1990; Strang & Baron, 1990). For example, the more titles that exist in an organization, the greater the salary range, controlling for size of the organization (Pfeffer & Davis-Blake, 1990). In addition, the greater the number of roles within an organization, the more the workers feel that large pay differentials are acceptable, or even more desirable, than smaller pay differentials (Lansberg, 1989). If a greater salary range implies greater hierarchy or status difference, then this suggests that as organizations produce more roles, they also produce more hierarchy.
Some researchers have argued that the proliferation of roles may in fact occur in order to produce more stratification rather than to expedite the task (Baron & Bielby, 1986; Dreyfuss & Dreyfuss, 1986; Slater, 1955). Specifically, when industries or firms experience an influx of individuals from poorly represented demographic groups, more roles are created (Bielby & Baron, 1986; Strang & Baron, 1990). Further, these roles become stratified such that those at the top of the organizational hierarchy tend to be occupied by people from groups that have high status in society (i.e., White men), whereas those low in the organizational hierarchy are occupied by people with less status in society (i.e., women, people of color). Thus, the roles justify an organizational structure that provides more power to some people than others (Brass, 1984).

Seeking and Rewarding Competence Performance evaluations and promotions are another important means of imposing hierarchy. Most organizations engage in frequent formal and informal performance assessments (Bretz & Milковich, 1989). Many organizations have formal evaluation programs on which raises and promotions are putatively based (Cleveland, Murphy, & Williams, 1989; Murphy & Cleveland, 1995), and group members also constantly engage in the informal evaluation of others, especially on those competencies that are most relevant to their shared tasks (Littlepage, Robinson, & Reddington, 1997). The literature is rife with examples of individual attributes that predict status-enhancing evaluations.

As noted earlier, some of these attributes are useful from a rational organizational performance standpoint (e.g., technical skill, interpersonal skills, networking and negotiation skills). There are also organization-specific skill sets that are associated with status achievement. Research taking this perspective on status achievement assumes that each organization faces a unique set of environmental challenges, and that those individuals and groups who are best at addressing those challenges acquire the greatest status and power (e.g., Hambrick, 1981; Salancik & Pfeffer, 1977). These kinds of findings illustrate instances in which organization’s monitor individuals and groups for the likelihood that they will make positive contributions to the organization’s goals and then reward these individuals with status and power.

There is also a large amount of literature on the nonrational biases that play a role in determining who ends up where in the organizational hierarchy. One particularly prominent perspective comes out of status expectation states theory and the related status characteristics theory (e.g., Berger, Rosenholtz, & Zelditch, 1980). This view suggests that organization members want the most capable and competent people to occupy the highest positions in the hierarchy, but notes that it is often difficult to know who really is most competent. In the absence of clear evidence, people use cues to determine competence and these cues can be faulty indicators. Perhaps most representative of this line of research are the many findings showing that members of high status demographic categories attain positions of status in groups and organizations more easily than members of lower status demographic categories and that this pattern is mediated by expectations of competence (Berger, Cohen, & Zelditch, 1972; Berger, Fiske, Zorman, & Zelditch, 1977; Berger, Rosenholtz, & Zelditch, 1980; Bunderson, 2003).

Other nonrational bases of status attainment are nonverbal behaviors (for reviews see Hall, Coats, & LeBeau, 2005; Ridgeway, 1987), verbal attributes (e.g., Fragale, 2006; Gallois, Callan, & Palmer, 1992; Ng & Bradac, 1993), and physical characteristics (Anderson, John, Kelnner, & Kring, 2001; Collins & Zebrowitz, 2006). These cues are not usually related to competence, yet they are reliably viewed as signals of capability. In work that highlights these biases, the preference for hierarchy is clearly evident; however, the inability to perceive and attribute status in ways that serve rational goals is highlighted.

Stabilizing Hierarchy A long term concern for organizations is the stabilization of hierarchy. Since status contests and negotiations can hamper group productivity (Loch, Huberman, & Stout, 2000; Overbeck, Correll, & Park, 2005), it behooves organizations to achieve and maintain consensus about ranking. Many at the top of a hierarchy are overly vested in the existing order and engage in explicit attempts to retain their positions (Ashforth, 2003). There are also many other more subtle mechanisms that maintain hierarchies, often without participants’ awareness or conscious cooperation, and these mechanisms have been of even greater interest to psychologists studying social ranking systems.

Role Internalization Hierarchies almost always appear in conjunction with roles. Roles are a public signal to the individual, to the organization, and to outsiders of the role-occupant’s power, status, and rank in the organization (Allen & Van de Vliert, 1984). As such, roles are central to the existence of the hierarchy. One of the primary ways in which organizational hierarchies become stabilized is through the psychological internalization of these roles (Biddle, 1986). The notion that beliefs and behaviors are shaped by roles has a long history in psychology dating at least back to the observation that Nazi guards and prisoners
in concentration camps seemed to merge their self-concept with the position they occupied (Bettelheim, 1943). This notion was further examined in Milgram’s (1974) examination of obedience to authority and Zimbardo’s prison study (Zimbardo, Maslach, & Haney, 2000). Each of these studies showed how psychological and behavioral responses become aligned with the roles that people enact, even when those roles call for extreme and distasteful behavior. Further, both the Milgram and Zimbardo studies emphasized the speed with which self and role are merged. Little time in role is needed for people to exhibit ownership.

These classic studies also illustrate the degree to which role internalization serves hierarchical systems. In these studies, the occupants of powerful roles saw themselves as justified in oppressing those in less powerful positions by mere dint of their role and those in less powerful roles felt compelled to go along with the wishes of the powerful. Even in cases of resistance to power holders, such as those observed in some of Zimbardo’s prisoners and in a recent semi-replication (Haslam & Reicher, 2002), the powerless engage in a form of rebellion that takes the low power role to heart, acknowledging and accepting their lack of status in the system.

These kinds of ideas have also been studied in business organizations. One classic study found that union workers who shifted into managerial roles experienced attitude shifts in line with their roles (Lieberman, 1956). Similarly, variance in supervisory behavior among managers in a unit at a university was explained largely by variance in the way supervisory roles were defined (Pfeffer and Salancik, 1975), suggesting that supervisors’ behaviors largely conformed to their roles. Conformity to roles is rewarded in organizations (Tsui, 1984), perhaps in part because it cements and stabilizes the hierarchy.

Positions of power and powerlessness do not just affect role-defined behavior, but instead seem to seep deeply into the very way in which role occupants describe their abilities, skills, and traits. For example, merely assigning individuals to roles that differ in terms of status and power can affect how competent and smart people think they are, with those in higher power roles attributing greater abilities to themselves than those in lower power roles (Humphrey, 1985; also see Fiske, Cuddy, Glick, & Xu, 2002; Kipnis, 1976).

Some have argued that it is especially the internalization of low status roles that maintains the hierarchy. The work on system justification theory suggests that although low status individuals and groups should be most invested in changing the system, they do not feel entitled to demand more for themselves, in part because they internalize and adopt negative self-perceptions that are consistent with how their role is perceived by others (for a review, see Jost and Kay, this volume).

Hierarchical position can also affect the most basic psychological processes. In the last decade, there has been a heightened interest in the effect of having or not having power among social psychologists. There are a number of excellent reviews of this literature (Fiske, this volume; Fiske & Berdahl, 2007; Keltner, Gruenfeld, & Anderson, 2003; Magee & Galinsky, 2008; Vescio & Guinote, in press). Some in this area have suggested that a number of the cognitive consequences of possessing power function to maintain the hierarchy (Magee and Galinsky, 2008). These consequences include an action orientation (e.g., Galinsky, Gruenfeld, & Magee, 2003), risk-taking (Anderson & Galinsky, 2006; Fast & Gruenfeld, 2008; Maner, DeWall, Baumeister, & Schaller, 2007), seeing the big picture rather than the details (Guinote, 2007; Smith & Trope, 2006), social inattentiveness (Fiske, 1993; Galinsky, Magee, Inesi, & Gruenfeld, 2006), and instrumental attraction toward useful others (Galinsky, 2008, & Gruenfeld, Inesi, Magee).

These patterns of behavior can lead those with power to accumulate more power (Magee & Galinsky, 2008). The action orientation and appetite for risk lead power holders to demand more resources for themselves, and ultimately, to acquire even more power (Magee, Galinsky, & Gruenfeld, 2007). High levels of cognitive abstraction and egoism allow those in power to miss the details about how people at lower levels of the organization are faring, making it unlikely that they will give power away (Milliken, Magee, Lam, & Menezes, 2008). The heightened attraction of those in power to targets who are especially useful also facilitates exploiting others as means to an end (Gruenfeld, Inesi, Magee, & Galinsky, 2008). In short, the consequences of possessing power become the causes of acquiring more power, and this dynamic helps to stabilize the hierarchy.

Culture Earlier, we described how organizational culture contributes to homogeneity in organizations both through selection and socialization. Culture also contributes to hierarchy because cultures contain norms about power and status (Fiske, 1991). The extent to which an organization’s culture promotes hierarchy versus equality is typically referred to as power distance (Hofstede, 1980). Much of the literature examining power distance uses national culture as a proxy for organization culture, but suggests that the more a culture accepts and promotes hierarchy—that is, the higher it is in power-distance—the more stable the hierarchy will be. For example, studies have shown that although individuals in low power distance
contexts require voice and empowerment in their organizations in order to be satisfied, committed, and productive, the same is not true of people located in high power distance cultures (Brockner et al., 2001; Lam, Schaubroeck, & Aryee, 2002; Sue-Chan, & Ong, 2002). Members of high power distance cultures do not get satisfaction from having a say or being heard, suggesting they are less likely to request or value this kind of empowerment. Further, they are less aggrieved by maltreatment from their superiors (Bond, Wan, Leung, & Giacalone, 1985). Top management teams in companies with high power distance are more committed to the status quo than those with low power distance values (Geletkanyecz, 1998).

In addition, the symbolism associated with authority varies across these cultural contexts. In high power distance settings, metaphors about the family are used in describing authority figures and their relationship with their subordinates, whereas in low power distance cultures, sports metaphors are more common (Gibson & Zellner-Bruhn, 2001; see also Hofstede, Pedersen, & Hofstede, 2002). The family metaphor might help stabilize organizational hierarchy by contributing to the view that the hierarchy is a unit that cares for all individuals, whereas the sports metaphor is more likely to promote competition among individuals.

Another way in which power distance stabilizes hierarchy is that in high power distance contexts, higher status individuals have more influence (Earley, 1999). People in high power distance contexts also associate status and authority more closely than those in low power distance contexts (Chikudate, 1997). Similarly, in high power distance contexts, authorities can use their position to resolve conflicts and get their way in negotiations (Adair, Okumura & Brett, 2001; Tinsley, 2001; Tinsley & Brett, 2001). Further, people highest in the hierarchy are most likely to endorse and support cultural myths and practices that support hierarchical differentiation (Sidanius & Pratto, 1999). These findings suggest that people with status have more power when their culture supports and promotes hierarchy, which in turn likely allows them access to even greater power and status.

Summary

In sum, the production of hierarchy is a central and omnipresent component of organizing. Hierarchies meet evolutionary and existential demands. Organizations are characterized by hierarchy from the start, and they frequently become more hierarchical over time as they respond to crises, grow, and produce more roles, and develop cultures and role systems that legitimate the status ordering. Hierarchies thus become unavoidable even when people seek greater equality.

HOMOGENEITY AND HIERARCHY ARE MUTUALLY REINFORCING

The respective preferences for homogeneity on the one hand and hierarchy on the other might, at first, seem incompatible. The former implies an interest in sameness, whereas the latter implies an interest in differentiation. However, we believe that these preferences work in concert and mutually persist, enabling the pursuit of belongingness and impact goals simultaneously.

This claim is consistent with findings in the cross-cultural literature showing that high power distance and collectivism tend to co-occur. In this literature, power distance is defined as a preference for hierarchy, and collectivism is defined as valuing expressions of sameness (e.g., Schermerhorn & Bond, 1991; Triandis & Gelfand, 1998). In an early psychological analysis of national cultures, more countries were characterized by the combination of collectivism and high power distance than by any of the other combinations of these variables (Hofstede, 1980). In fact, there were no countries in which collectivism was high and power distance was low.

The two constructs were treated as independent despite their empirical association, but others have questioned this decision, asserting that collectivism and hierarchy are related. The term, vertical collectivism was introduced to capture the interdependence of these two constructs (Singelis, Triandis, Bhawuk, & Gelfand, 1995; Triandis & Gelfand, 1998). Vertical collectivism is evident in cultures in which "one perceives the self as part of a group while being accepting of power-status inequalities within the group" (Schermerhorn & Bond, 1991, p. 8). These studies provide empirical evidence that the preferences for homogeneity and hierarchy can and do co-occur (e.g., Bhagat, Kedia, Harveston, & Triandis, 2002; Earley & Gibson, 1998; Hofstede, 2005). The next sections of this chapter describe how within organizations, as within cultures, the preference for hierarchy operates in service of the preference for homogeneity, and the preference for homogeneity operates in service of the preference for hierarchy. We discuss each of these relationships in turn.

Hierarchy in Service of Homogeneity

When hierarchies are accepted and adhered to, belief in and reverence of the legitimacy of authority figures and their systems of control motivates conformity and within-group loyalty. Organization members internalize the vision, values, and behavior of strong (e.g., charismatic and transformational) leaders, and attempt to emulate them (see Hogg, this volume), thereby becoming more homogeneous. Deviance in such systems is considered disrespectful to superiors and is grounds for social rejection. When hierarchies are less rigid and less revered—for example, in the context of organization
change efforts or in the early stages of an entrepreneurial venture—deviance and role innovation are sometimes rewarded (Aldrich & Ruef, 2006). Homogeneity and the sense of belonging that accompanies homogeneity are thus enhanced in organizations with a strong stable hierarchy.

Hierarchical organizations also foster homogeneity to the extent that they offer upward mobility. Sometimes the prospect of upward mobility is a measure of the degree to which an organization is hierarchical (Paulson, 1974). Since managers are most likely to hire and promote subordinates who are similar to themselves (Kanter, 1977), and workers tend to be preoccupied with status and prestige (Baron, 1984; Schwartz, 1995), the desire to move up in a hierarchy motivates conformity among workers. This dynamic is especially evident among middle-status managers, who exhibit greater conformity than both high-status and low-status managers: The former have less to gain by conforming, and the latter have less to lose by not conforming (Phillips & Zucker, 2001).

Hierarchical organizations can also facilitate homogeneity by providing a structure that has clear boundaries among stratified groups. Status boundaries provide a legitimate basis for restricting entry of dissimilar others (Baron & Pfeffer, 1994). As in the classic case of old boys’ networks, members of elite ranks are often reluctant to change the demographic makeup of their membership as they feel protective of the status enjoyed by the group, and the sense of belongingness that accompanies homogeneous-group membership (Ellemers, 1993).

Hierarchical systems can also produce homogeneity within ranks because hierarchies are frequently formed through a tournament-like structure (Rosenbaum, 1979, 1984). Often, reaching the top of a hierarchy requires winning a series of preliminary contests (Lazear & Rosen, 1981). This narrowing process has the potential to homogenize because only a small number of people from the larger pool actually get to compete for the highest position. Winning competitions in early contests is not randomly distributed, but instead wins are disproportionately awarded to people from high status demographic groups (Rosenbaum, 1984), increasing the likelihood of homogeneity within ranks.

The notion of SDO also unites hierarchy and homogeneity. The finding that SDO is higher in men and Whites than women and non-Whites has been often replicated (Sidanius, 1993; Sidanius & Pratto, 1999), and the tendency for those high in SDO to support policies that segregate and separate their group from others has also received empirical support (e.g., Pratto, Stalworth, & Conway-Lanz, 1998). Thus, those most invested in creating hierarchies (high SDO individuals) use their power and status to maintain the boundary between themselves and the demographically different groups below. Membership in stigmatized, low status ranks is also associated with enhanced feelings of belongingness, as the experience of common fate within rank, and differing fates across ranks reinforce a sense of shared within-rank identity and cohesion (Kanter, 1977; Mullen, Brown & Smith, 1992).

In sum, the preference for hierarchy, which drives the creation and maintenance of hierarchical social structures, serves the preference for homogeneity by inciting conformity among those who wish to emulate leaders and move into their ranks, and by creating segregated, stratified, homogeneous subgroups within which belongingness goals are satisfied.

**Homogeneity in Service of Hierarchy**

There are also ways that the preference for homogeneity operates in service of hierarchy. This idea is a central tenet of social identity and social categorization theories (for a review, see Yzerbyt, this volume). These theories posit that the social construction of ingroups and outgroups from a heterogeneous population bolsters self-esteem by providing a basis for downward social comparisons and, ultimately, judgments of ingroup superiority.

From an organizations perspective, a homogeneous workforce is easier to control than a heterogeneous workforce, and the ability to control lower ranking members reinforces existing hierarchy (Kandel & Lazear, 1992; O’Reilly, 1989). According to scholars in the Marxist tradition, a heterogeneous but unsegregated workforce is actually dangerous to hierarchical stability (e.g., Marglin, 1974; Stone, 1974). These qualitative historical analyses suggest that capitalist employers purposefully create divisions among demographic groups to prevent them from realizing their collective power and inciting a revolt (Wachtel, 1974).

Others have argued that the creation of homogeneous groups within organizations facilitates social comparisons necessary to determine which employees move up. For example, the ability to compare members of a cohort who are hired and socialized together with members of a single demographic category facilitates ranking them as well (Baron, 1984). Also, since it becomes more difficult to define and evaluate performance as jobs and workers move up the hierarchy, demographic categories are relied on more heavily in evaluations, appointments, and promotions within higher ranks (Dornbusch & Scott, 1975).

**PERFORMANCE IMPLICATIONS OF ORGANIZING PREFERENCES**

The fact that homogeneous, hierarchical structural forms dominate organization life creates tremendous challenges for those responsible for executing on performance goals
and designing performance processes to meet changing strategic demands. Much attention has been devoted in the management literature to understanding how organizations should be designed to facilitate specific performance outcomes. A central tenet of this body of knowledge is that organizational structure should follow strategy (Amburgey & Dacin, 1994; Chandler, 1962). Other important ideas in this literature include the premise that organizations should be flexible and able to change in response to changing performance challenges (Galbraith, 1994; Hambrick, 2003; Miles & Snow, 2003), and that they should be designed to pursue several objectives at once (O'Reilly & Tushman, 2004; Tushman & O'Reilly, 1996). Homogeneity and hierarchy may be better suited for some strategic imperatives than others, and the fact that workers seem to prefer these structures over their alternatives poses performance challenges.

One framework for characterizing an organization's performance goals distinguishes between exploration and exploitation (Levinthal & March, 1993; March, 1991, 1994). Exploration refers to activities associated with learning and innovation for the sake of improving on current processes, whereas exploitation refers to activities associated with maximizing efficiency in execution of current processes.

In discussing the fit between strategy and structure, there are a number of ways that organizational design can be characterized. One framework distinguishes between what is called a mechanistic model, which supports exploitation and relies on hierarchy and homogeneity, and an organic model, which relies on the relative absence of hierarchy and on heterogeneity (Courtright, Fairhurst, & Rogers, 1989).

The mechanistic model is better suited for exploitation (e.g., Burns & Stalker, 1961; Katzenbach & Smith, 1993; Leavitt, 2003), because hierarchy facilitates the efficient and unquestioning fulfillment of established tasks and roles, whereas homogeneity facilitates communication and trust, and reduces conflict. The organic model is better suited for exploration, because heterogeneity facilitates clashes among differing perspectives, which stimulate learning and innovation, whereas the relative absence of hierarchy facilitates challenges to the status quo (Burns & Stalker, 1961; Katzenbach & Smith, 1993). One implication of the foregoing analysis is that mechanistic designs should be easier to construct and more sustainable than organic designs, and therefore, organizations should be better at executing exploitation than exploration strategies.

As some evidence of this, the management literature and management education both place much more emphasis on the challenges associated with exploration than exploitation, and on the challenges associated with the construction and functioning of organic than mechanistic organizational forms. And, the preferences for hierarchy and homogeneity are seen as primary culprits in the problems that arise in organization management. For example, an American Psychologist Award address (Levinson, 1994) cited "difficulties with rigid corporate cultures and cumbersome hierarchies" (p. 428) as key factors in the demise of large, successful organizations such as IBM, Mercedes-Benz, and General Motors.

The final section of this chapter provides evidence that the insurmountable human attachments to homogeneity and hierarchy pose significant management challenges and that, in fact, the management literature has evolved in a way that reflects the overreliance on homogeneity and hierarchy and the challenges this overreliance creates (Leavitt, 2003; Levinson, 1994).

Management Challenges Related to Organizational Preferences

Management topics ebb and flow (Carson, Lanier, Carson, & Guidry, 2000; Sibbet, 1997), but there are a set of staples, many of which can be viewed as having secured their place in the literature because they address the intractable problems that arise from an overreliance on homogeneity and hierarchy. Some examples are discussed as follows.

Diversity

One challenge that has occupied management scholars for at least 40 years is how to create and utilize a diverse workforce (Kalev, Dobbin, & Kelly, 2006; Mannix & Neale, 2005; Williams & O'Reilly, 1998). The prominence of this topic within the fields of management and organizational behavior is a powerful testimony to the impact of human preferences on organizational structure.

Beginning in the 1960s, intolerance of the preference for homogeneity was legislated in the Civil Rights Act of 1964, the Equal Employment Opportunities Act of 1972, and various other executive orders. These policies reduced certain kinds of overt discrimination (Ely & Thomas, 2001; Kelly & Dobbin, 1998; Lorbiecki & Jack, 2000). However, the legal approach to reducing the preference for homogeneous work settings has not proven entirely effective. The EEOC prosecutes only a small fraction of the roughly 80,000 complaints it receives annually (Reskin, 2005), and the racial pay gap has widened (Cancio, Evans, & Maume, 1996). Many firms have focused on limiting their legal or financial liability, rather than actually reducing discriminatory practices (Bisom-Rapp, 2001).

Since true integration has not been forthcoming, scholars have shifted to an emphasis on "diversity management" (Ensari & Miller, 2006; Kelly & Dobbin, 1998), which
attempts to motivate change via performance arguments, and to change behavior through education and training. Some have offered a "business case" for diversity (Richard, 2000; Robinson & Dechant, 1997; Ross & Schneider, 1992), arguing that differences are a source of competitive advantage (e.g., Jayne & Dibb, 2004; Kochan et al., 2003; Thomas & Ely, 1996). These diversity management initiatives have emphasized attempts to counteract the tendency toward homogeneity in hiring and the tendency toward stratification that places members of certain demographic categories and functional backgrounds into different ranks. Yet, despite the persistent practical and moral imperatives to embrace greater diversity, homogeneous and stratified social groupings continue to dominate organizational life, and this pattern has proven to be surprisingly difficult to disrupt (Baron & Pfeffer, 1994). In short, sustained management interest in the topic of diversity belies a failure of organization design to conquer human preferences.

Teams

A related management initiative has advocated on behalf of functional diversity in teams, looking specifically at the potential benefits of using cross-functional teams, instead of functionally homogeneous departments (e.g., engineering, manufacturing, sales) that work sequentially on products rather than collaboratively (Katzenbach & Smith, 1993; Mohrman, Cohen, & Mohrman, 1995; Schuler, Jackson, & Luo, 2003). This literature also evolved in response to what was characterized in the 1990s as a dysfunctional reliance on homogeneous functional silos as a means of accomplishing work (Denison, Hart, & Kahn, 1996; Meyer & Gupta, 1994).

However, the teams movement in management was also a response to an overreliance on hierarchy, which made innovation difficult to achieve (e.g., Katzenbach & Smith, 1993; Leavitt, 1996; Mohrman, Cohen, & Mohrman, 1995). Consistent with this view, the positive impact of cross-functional teams on organization performance is achieved through increased idea generation and innovation (Guzzo & Dickson, 1996).

The notion of a flatter, networked organization, in which trust among equal actors replaces command and control as the primary driver of behavior, has also received much attention in recent years and, like the team-based organization, is also conceived as an antidote to too much hierarchy and insufficient diversity (Miles & Snow, 2003; Sheppard & Tuchinsky, 1996; Sproull & Kiesler, 1991). Here again, the sustained managerial interest in how to design and function within these alternative organizational forms has occurred against a backdrop of the preference for homogeneity on the one hand and for hierarchy on the other. In fact, an important vein within these literatures has pursued the question of how to motivate teamwork among employees, who tend to focus on self-promotion within hierarchical systems (e.g., Coleman, 1988; Hamilton, Nickerson, & Owan, 2003).

Some have argued that the team-based and networked forms of organization are replacing more traditional hierarchical forms (e.g., Heckscher & Donnellon, 1994; Fior & Sabel, 1984; Sheppard & Tuchinsky, 1996). Others, like us, are less convinced (Ghittel, 2001). Leavitt (2003, 2004) argued recently that the intensity with which academics, consultants, and management gurus continue to struggle against hierarchies only serves to highlight their durability.

Innovation and Change

Another staple in the management literature are the topics of innovation and change. One of the most well-documented findings in organizations research is that organizations (Hannan & Freeman, 1988) and their members resist change (Dutton, Ashford, O'Neill & Lawrence, 2001; Fiss & Zajac, 2006; Huy, 2002). There have been many approaches to change management, ranging from action research (Eden & Huxham, 1996) and organizational development (e.g., Sinangil & Avallone, 2002) to sensitivity training (Highhouse, 2002) and process consultation (Schein, 1999).

Most recently the management literature has become enamored with the concept of innovation (e.g., Cohen & Levinthal, 1990; Kanter, 1988; Tushman & O'Reilly, 1996, 2002). Like change, innovation does not appear to come naturally; that is, there has been much research devoted to understanding its sources (for a review, see Damron, 1991). Given our analysis so far, it seems likely that change and innovation are so difficult because workers are loathe to (a) deal with organization outsiders and their heterogeneous viewpoints (Argyris, 1985; Beer & Eisenstat, 2000; Mickelthwait & Wooldridge, 1996), and (b) challenge the status quo, which inevitably involves weakening, if not destroying, the hierarchy (Ocasio, 1994; Pfeffer, 1992).

In sum, the abundant literatures on change and innovation reflect great management interest, which presumably reflects great management difficulty. Despite several decades of study, and plenty of knowledge dissemination via countless MBA programs and executive education courses, facility with change and innovation remain among the holy grails of management effectiveness.

Leadership and Empowerment

Among staples within the management literature, leadership effectiveness and worker empowerment also form a resilient partnership. Leadership is seen as the ultimate driver
of organizational behavior and performance. However, the desire for knowledge about how to maximize one's power and influence as a leader (e.g., Pfeffer, 1992) is matched in the management literature only by the desire for knowledge about how to empower one's followers. The idea that effective leadership could be accomplished by giving power away was initially made explicit by Kanter (1983). The basic idea was that excessive bureaucracy (i.e., hierarchy) imposes constraints that make workers passive (Ashforth, 1989; Conger & Kanungo, 1988; Mondros & Wilson, 1994). Giving workers control over their work, in contrast, is motivating because of the increased sense of impact and self-determination they experience (Deci, Connell, & Ryan, 1989). Specifically, empowerment occurs when workers experience an intrinsic motivation toward work that is based on feelings of meaning, competence, self-determination, and impact (Thomas & Velthouse, 1990). Managers empower workers when they share information, resources, and power with subordinates, allowing them to have an impact on decision making (Spreitzer, 1996). Research suggests that when individuals experience these outcomes, they feel empowered. However, management scholars have also noted over the years that empowerment, for all the insight and inspiration it has provided, has not changed the face of corporate America. On this point, Argyris (1998) observed that instead of truly embracing the idea of letting employees make their own decisions, both managers and employees have tended to use the rhetoric of empowerment to justify yet another structure where employees are just following orders.

Empirical studies demonstrate additional ways that workers are committed to hierarchy, even when attempting to implement empowerment. For example, people attribute greater quality to work completed under supervision than to the same work completed with less supervision, and managers specifically feel better about work they have supervised than about the same work when they did not supervise it themselves (Pfeffer, Cialdini, Hanna, & Knopoff, 1998). Management scholars continue to observe that steep hierarchies and large bureaucracies engender not only worker disengagement, but corruption as well, and to call out for ways of reducing these structures to make it easier for workers to stop taking orders and start thinking and acting for themselves. Yet there is little evidence that such changes in behavior, or in the organizational structures necessary to support them, are becoming any more commonplace.

There are, of course, many other important management topics, but none we can identify provide evidence against our claims. Within the management literature, the challenges associated with creating more hierarchy, or more homogeneity, are simply dwarfed by the challenges associated with creating their opposites. Presumably, these former capabilities come more naturally. In contrast, the capabilities associated with making organizations diverse and flat require special training, management education, even intervention by consultants, and the industries devoted to providing this training are thriving. Yet, despite the proliferation of these abundant training resources, there is little evidence that the pendulum swings the other way. The preferences for homogeneity and hierarchy pervade organizational life, they constrain organizational structure, and they are at the root of many key management challenges.

SUMMARY

This chapter provides a framework for reviewing the organizations literature that emphasizes the social psychology of organizing—specifically, the human preference for certain organizational forms. Humans seem to prefer homogeneity and hierarchy over their opposites, and these preferences have profound consequences for organization life. The psychology that underlies organizing activity is at the heart of the intersection of social psychology and organizations.

This analysis is meant to help illuminate how understanding human organization can inform basic social psychology, as well as how understanding psychology helps to explain the forms organizations take. Although at one time this kind of perspective was central in social psychology (e.g., Lewin & Cartwright 1951; Milgram, 1974; Zimbardo, Maslach, & Haney, 2000), it has faded from view in the current discipline. The field of social psychology is built on the premise that situations are powerful, yet our social psychological understanding of situations is still relatively impoverised. An investigation of the psychology of organizing has the potential to provide a rich theoretical account of how situations are formed by, and transform, social behavior.

REFERENCES


Baron, J. N., Hannan, M. T., Hsu, G., & Koçak, Ö. (2007). In the company of women: Gender inequality and the logic of bureaucracy in start-up firms. Work and Occupations, 34, 35–66.


Organizational Preferences and Their Consequences


Schneider, D. J. (2004). The psychology of stereotyping. New York: Guilford Press.


Organizational Preferences and Their Consequences


Vescio, T., & Guinote, A. (Eds.). (in press). *The social psychology of power*.


