

Leadership success linked to social status

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(PhysOrg.com) -- People tend to follow leaders they perceive as high-status individuals and typically reject the take-charge efforts of people considered lower-status or misfits, according to a research team that included UT Dallas faculty members.

The study is one of several projects involving Dr. Catherine Eckel, director of the Center for Behavioral and Experimental Economic Science in the School of Economic, Political and Policy Sciences, aimed at better understanding how people make economic and social decisions. Researchers from Rice University and Universitat de Valencia in Spain were co-investigators.

For the experiment, the researchers recruited 80 participants at the Spanish university. They observed the individuals' contributions in a repeated public-goods game and found that players more frequently copied the actions of a leader they believed was "high-status" among his peers. They tended to ignore potential leaders who were seen as lower-status and sometimes punished these individuals for actions perceived as inappropriate or disappointing.

"The study has implications for the effectiveness of leaders," Eckel said. "Leaders who are seen as having higher status are more likely to be followed, and do not have to use sanctions or punishment to get followers to cooperate. Low-status leaders have a harder time getting others to follow, and frequently resort to sanctions to try to get the followers to cooperate. We call it the 'Rodney Dangerfield effect' – they get no respect."

In the research experiment, players were given 50 experimental currency units (ECUs) and had to decide how much to keep for themselves and how much to contribute to a group account. The amount put into the group account was doubled and split equally by the group of four participants. This meant it was better for individuals to retain everything for their private account, since each ECU put into the group account would yield only a .5 ECU return. But if everyone in the group put in everything, they would each double their ECUs.

Everyone could see the contributions made by their group's leader. The leader was selected based on scores from a general-knowledge trivia quiz. The leaders for half the groups were players who had earned the highest scores (high status), but in the other half, it was the players with the lowest score (low status) who were selected. Group members knew how their leader was chosen.

The experiment consisted of 20 rounds and, at the end of each, every follower found out his or her own earnings and the leader's contributions. The leader observed the contributions of each follower. On average, players allocated between 40 percent and 50 percent of their ECUs to the public pot, whether they had a high- or low-status leader. But contributions from followers with low-status leaders were lower in later rounds – even when leaders began giving more and encouraged followers to contribute a greater amount to the public pot.

But in groups with high-status leaders, followers were more consistent in their giving and more likely to follow their leaders' example. These leaders provided a more consistent example, with a steady level of giving.

The researchers also observed the pattern of punishment within the groups. In rounds 21-40, leaders were allowed to punish the followers, and followers could punish leaders. Punishment was costly for the

person initiating the punishment, as well as for the person who was punished.

Punishment was much more likely to be used by low-status leaders and, therefore, contributions increased substantially for the groups with a low-status leader. But the earnings of low-status leaders suffered, both because of the cost of punishment and because their followers engaged in retaliatory punishment. They made considerably less money than any other players in the game.

“Our studies indicate that it is important to choose leaders wisely,” Eckel said. “Leaders who are respected are more likely to achieve the cooperation of others. Leaders who do not have this kind of respect must resort to the use of extensive organizational monitoring and controls in the form of punishment or, presumably, differential rewards. We also see that the selection process for leaders is critical for the perceived legitimacy of the chosen leader. [Leaders](#) cannot be chosen arbitrarily, or by a process that is seen as unfair.”

More information: The study team’s most recent paper was published in the *Journal of Public Economic Theory*.

Provided by University of Texas at Dallas

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