Who's the best leader: the saint or the scrooge?

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Generosity is typically regarded as a virtue. But among leaders, it can be seen as a sign of weakness, according to a new study.

The research finds that generosity — in the sense of contributing to the public good — influences a person's status on two critical dimensions: prestige and dominance.

"People with high prestige are often regarded as saints, possessing a self-sacrificial quality and strong moral standards," said Robert Livingston, assistant professor of management and organizations at the Kellogg School of Management at Northwestern University. "However, while these individuals are willing to give their resources to the group, they are not perceived as tough leaders."

The researchers define dominance as an imposed "alpha status," whereas prestige is freely-conferred admiration from others. Al Capone, for example, can be viewed as a high-dominance individual, whereas Mother Theresa exudes high prestige.

The study argues that people with high prestige are perceived as desirable leaders in noncompetitive contexts, but that they are viewed as submissive in comparison to individuals who strive to maximize their personal gains. In times of competition, individuals who are less altruistic are seen as dominant and more appealing as leaders.

"Our findings show that people want respectable and admired group

members to lead them at times of peace, but when 'the going gets tough,' they want a dominant, power-seeking individual to lead the group," said Nir Halevy, lead author and acting assistant professor of organizational behavior at the Stanford Graduate School of Business.

Livingston and Halevy co-authored the research with Taya Cohen of Carnegie Mellon University's Tepper School of Business and Kellogg PhD student Eileen Chou. Their study highlights the need to distinguish between different types of status in groups as well as how intergroup conflict shapes followers' leadership preferences.

"There are numerous academic findings on status, but we sought to investigate the antecedents and consequences of two distinct forms of status, depending on the context," said Livingston.

To test their theory, the researchers conducted three experiments where participants were given the option to keep an initial endowment (10 game chips worth a total of $20) for themselves or contribute it to a group pool. Contributions either benefitted the contributor's fellow group members, or simultaneously benefitted the contributor's group members and harmed the members of another group.

The first two experiments found that selfishness and displays of 'out-group hate' — which unnecessarily deprived the members of another group — boosted reflected dominance but decreased respect and admiration from others. In contrast, displays of in-group love ± generously sharing resources with fellow group members — increased respect and admiration but decreased dominance.

The third experiment found that "universalism"— that is, sharing one's resources with both in-group members and outsiders — had the most dire net outcomes on a person's status. The researchers found that universal generosity decreased perceptions of both prestige and

dominance compared those who shared resources only with members of their group.

In short, being generous can boost one's prestige, if one is selectively generous to one's own group; this increases respect and admiration from others. However, being selfish or belligerent (unnecessarily harming members of another group) decreases respect and admiration from others but it increases perceptions of one's dominance.

The intriguing consequence is that dominant individuals were more likely than prestigious individuals to be elected as a representative for the group in a mock competition with another group. Thus, being too nice can have negative consequences for leadership.

"Being too generous often comes at a personal cost to one's position of strength or power," Livingston explained.

"This research begins to explore when 'nice guys' finish first and when they finish last, depending on the group context," Halevy said. "'Nice guys' don't make it to the top when their group needs a dominant leader to lead them at a time of conflict."

More information: The study "Status Conferral in Intergroup Social Dilemmas: Behavioral Antecedents and Consequences of Prestige and Dominance" will appear in a forthcoming issue of the *Journal of Personality and Social Psychology.*

Provided by Northwestern University

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