Study: Cultural variables play important role in perceptions of status, power

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Cultural variables play an important role in perceptions of status and power in business, according to research co-written by Carlos Torelli, a professor of business administration and the James F. Towey Faculty Fellow at the Gies College of Busines at Illinois. Credit: Gies College of Business

Are powerful individuals such as politicians necessarily viewed by others

as having high status? And conversely, are high-status individuals such as tech moguls always seen as powerful? According to new research co-written by a University of Illinois at Urbana-Champaign expert in consumer behavior and global marketing, the answer depends on one's cultural orientation.

Cultures with a "vertical collectivist orientation," in which the individual willingly submits to authority by subordinating personal goals and accepting hierarchy, respond differently to the power-status dynamic than cultures with a more egalitarian "horizontal collectivistic orientation" that emphasizes communality and pro-social cooperation, said Carlos Torelli, a professor of business administration and the James F. Towey Faculty Fellow at Illinois.

"Power and status are different sources of social hierarchy with distinct consequences," he said. "Power equates to control over resources, while status broadly means respect and admiration. A bill collector has power but doesn't have high status. An Olympic athlete, on the other hand, has high status but doesn't have power. Our paper seeks to advance understanding of social hierarchies by proposing that this variation can be explained, at least in part, by one's cultural orientation."

Across six studies, Torelli and his co-authors used a range of methodologies to investigate the perceptions of the power-status dynamic to better understand the established effects on fairness.

"Power and status are distinct bases of social hierarchy with unique effects," said Torelli, also the executive director of Executive and Professional Education at the Gies College of Business. "Yet evidence suggests wide variation in whether perceptions of status and power are highly correlated versus relatively distinct. We use a cross-cultural lens to explain this variation and suggest that cultural orientation shapes the effect of power on perceived status, and vice versa."

These cultural contingencies, in turn, have implications for established effects of power and status.

Because vertical collectivism—common in east Asia—is associated with a tendency to automatically respect those in positions of power and authority, the extent to which individuals perceive high-power individuals as also having high status increases, according to the research.

"In those cultures, it's not uncommon for powerful leaders—say, a Bill Gates type—to be widely respected and also seen as a high-status individual," Torelli said.

On the other hand, cultures with a horizontal collectivistic orientation—common in some parts of Latin America—view hierarchy in a much dimmer light, he said. As a result, horizontal collectivists don't automatically submit to authority, and believe goals are best achieved via cooperation and pro-sociality toward others. Accordingly, these cultures foster perceptions that high-status individuals—say, a LeBron James type—also have power.

The insights gleaned from the research have practical relevance for organizations and individuals in the global economy, Torelli said.

"The results have important implications for navigating social hierarchies in different cultural settings," he said. "If you're a manager or other high-level executive and you're transferred to a vertical-collectivist culture, you'll automatically be respected. But you also need to exercise that power. You can't lurk in the background. You have to be out front and assert yourself."

If you move to a more horizontal-collective environment, you shouldn't assume that "just because you're the boss, people will automatically

respect you," Torelli said.

"You have to earn their respect by showing your employees your interpersonal ability—your empathy, your concern about your subordinates, your level of cooperation. That becomes more important in a horizontal-collectivistic environment, less so in a vertical-hierarchical environment. It's more important to perform in that environment."

Although the U.S. is an individualistic country that doesn't in aggregate subscribe to vertical or horizontal collectivism, pockets of collectivism exist in the southern U.S., Torelli said.

"Immigration patterns are also bringing more cultural diversity to the workplace—for example, collectivism associated with Latin American and east Asian immigrants—and younger generations are increasingly endorsing a horizontal-collectivist orientation," he said. "Managers operating in these settings should also pay attention to perceptions of the power-status dynamics."

Torelli said the research has direct consequences for American managers operating in global environments.

"There are important consequences for C-level executive types who are looking to break into markets in certain parts of east Asia or Latin America," Torelli said. "And that's important because the east Asian market is going to define the global economy for many years to come."

Torelli's co-authors are Lisa M. Leslie, of New York University; Jennifer L. Stoner, of the University of North Dakota; and Christopher To, of Northwestern University.

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