

These organizational changes can shake up company hierarchy

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Organizational change can be seen as a threat, but can also create opportunity.

How people initially react to changes depends on their placement within their work groups' status hierarchy, according to new research from the University of Washington. A status hierarchy is an informal ranking of employees based on the amount of respect and admiration earned from others.

Once a hierarchy is established in an organization, it's difficult to break. Employees tend to behave in a manner consistent with their status: While higher-status employees are more assertive, those with lower status tend to defer to others.

The study, recently published in the *Journal of Applied Psychology*, finds that task-based jolts—highly disruptive organizational changes that require a group to adjust the way it works and invest more personal resources, such as time and energy—impact employees regardless of status. But how employees are affected depends on their place within the hierarchy.

"Hierarchy reinforces itself," said Elijah Wee, co-author and assistant professor of management in the UW Foster School of Business. "The highest-status person has more latitude to do what they want. They have more visibility and more respect than a lower-status person. If a lower-status person speaks out of turn, it's not going to be favorable to them. We started this whole project trying to figure out the contexts in which lower-status individuals are more likely to overcome the reinforcing nature of status hierarchy and move up within their organization."

To overcome problems related to transitions, employees must cooperate and support each other. Higher-status individuals are best suited to adjust to transitions and show support for others. Immediately after a task-based change, however, higher-status individuals become concerned they might not have the same advantages in a new environment.

"The fear of losing status gets higher-status people to start thinking inwardly," Wee said. "It's [human nature](#) when you feel that you're losing something, you start looking at what you can do to fix it. We found that they withdrew from helping others and spent their additional time trying to develop and learn so they could be more competent. During that period, the team starts seeing that person as having less status."

Employees with lower status feel like they have less to lose. They see change as an opportunity because it frees them from constraints. These individuals have been discouraged by the belief that they can't contribute to the team. Change may represent a chance to participate and be part of the group, which causes lower-ranked employees to gain status.

"Lower-status employees want to contribute by being more generous," Wee said, "By being more generous, you're going to gain status. There are two key ways to gain status in a group: one is to show that you're competent and have a lot to offer, and the second is by showing you care about the team."

Researchers conducted two studies that focused on the short-term effects of task-based change. First, they examined an actual task-based reorganization at a real estate firm based in Southeast Asia. The firm focused on the [private sector](#) for years but was considering shifting to the public residential resale market.

The second study was conducted in two parts. Researchers first analyzed undergraduate students from a public university in the northwestern United States. The second sample consisted of working adults from the U.S. and the United Kingdom. All participants were given background information about an imaginary job and were randomly assigned one of four roles, such as a higher-status or lower-status [employee](#) during a task-based change. Both studies showed that changes are initially assessed differently by higher- and lower-status individuals.

"When we think about change, we think about: Are we committed to change? Are we resistant to change?" Wee said. "We don't really think about what it means for status and the relationship between team members. We need to talk about those interpersonal dynamics in times of [organizational change](#)."

Other co-authors were Rellie Derfler-Rozen and Jennifer Carson Marr of the University of Maryland. This research also received the Best Paper Award from the Organizational Behavior Division at the Academy of Management Conference.

More information: Elijah X. M. Wee et al, Jolted: How task-based jolts disrupt status conferral by impacting higher and lower status individuals' generosity, *Journal of Applied Psychology* (2022). [DOI: 10.1037/apl0001047](#)

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