

TITLE:

Near-Winners in Status Competitions: Neglected sources of dynamism in the Matthew Effect

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ABSTRACT

Current research on status hierarchy dynamics focuses on the potential for and constraints to individual mobility. In this essay, I argue that Merton's Matthew Effect incorrectly categorizes activity below a status threshold as linear. This mis-specification calls into question existing models of competitions for social status. I argue for an improved theory of status tournaments as asymmetric, non-binary, and agentic. Through that new perspective, I raise questions for the legitimacy and power of stratifying institutions.

KEYWORDS

status; Matthew Effect; competition; economic sociology; threshold effects

Merton's (1968) Matthew Effect described a phenomenon whereby past performance drove future performance, through allocating additional resources *ex post* that subsequently created favorable *ex ante* treatment for the next (round of) competition (Sorenson & Waguespack, 2006; Waguespack & Salomon, 2016). The main thesis of the Matthew Effect examined a status tournament as an interaction of individual self-selection and institutional social selection (Goldstone, 1979), and argued that the systemic forces were dominant. Merton's focal situation was a case at the status boundary or threshold, where a fixed number of individuals simultaneously could hold high status (in his example, 40) but those candidates at the next hierarchical position (in his example, 41) and below could not.

Termed "The Phenomenon of the 41st Chair", this observation was part of an argument that the Matthew Effect was a force of unacceptable inequality whereby the competitor who occupied the last position qualifying for high status (whom I term "status newcomer") received disproportionate advantage as compared with the competitor who only just missed out (whom I term "near-winner"). Merton argued that the Matthew Effect's favorable treatment – summarized as a "rich get richer" effect – can be detrimental to the field of near-winner competitors, and perhaps to the status tournament itself. However, there is considerable ambiguity as to whether these near-winners indeed are "losers", and if so, why. Moreover, that perspective of the Matthew Effect presumes no agentic response from either near-winners or the audience; I argue that such inactivity is unlikely.

In this essay, I consider three mis-readings of Merton's Matthew Effect: that status advantages and disadvantages are symmetric; that all competitors can be classified binarily into winners and losers; and that individuals beyond the highest status rank are passive. I will discuss each in turn.

Asymmetric Status Advantages and Disadvantages

Merton's (1968) perspective was one of resource allocation, and assumed that conveying advantages to some meant withholding the same from others. What was implicit in the *Science* article was the assumption that not giving to the near-winners was equivalent to disadvantaging them. We know from Prospect Theory (Holmes, Bromiley, Devers, Holcomb, & McGuire, 2011; Kahneman & Tversky, 1979; Tversky & Kahneman, 1992) that gains and losses of equal absolute value do not have equivalent effects. Similarly, Regulatory Focus Theory (Crowe & Higgins, 1997; Higgins, 1998) argues for distinctions between gain (“promotion”) and loss-avoidance (“prevention”) orientations in individuals.

On balance, the status-newcomer's advantage is not the exact mirror-image of the near-winner's disadvantage. If we broaden our examination to Merton's zero-sum perspective as a whole, then we can consider whether the near-winner experiences costs of just missing out on high status. These costs might be intrapsychic, reducing valuations of self-worth or undermining motivations to persevere – either in the status tournament or even in the broader domain. Moreover, these costs might be sociological, such as a reduced reputation or even stigma (Devers, Dewett, Mishina, & Belsito, 2009; Goffman, 1963; Link & Phelan, 2001). Some research indicates that any disadvantage resulting from a peer's ascension to status-newcomer is heavily bounded (Reschke, Azoulay, & Stuart, 2017; Simcoe & Waguespack, 2011): Negative spillovers are halted when near-winners are directly connected to status-newcomers, and such spillovers are reversed (i.e., positive) when the field is new. Alternatively, I argue from an economic perspective that the near-winner could experience an advantage if the market then deems her a “cheaper”, structurally-equivalent option to her status-newcomer peer whom it is costlier to obtain and to retain.

Non-Binary Status Outcomes

In order to evaluate that potential structural equivalence, we must know whether the status tournament's architects keep a ready list of near-winners (such as the next knight of the Arthurian Round Table), or whether it is necessary to run a new competition for each available high-status position (like in a government by-election). First, if that list of candidates exists, it is likely to matter for individual outcomes whether that list is public (as in The Man Booker Prizes for literature) or private (as in the conclave for Papal succession). Second, whether the near-winners are directly substitutable for the status-newcomer (as in the Miss America pageant model) or not (among the Pulitzer Prize journalists) is relevant for the potential value that near-winners can claim. Third, whether the near-winners' circle itself is bounded in size (which is true of the Academy Awards) or unbounded (as is a university Dean's List) has implications for the rarity of near-winning and thereby its definition as a type of high status. Indeed, I argue that near-winners as a group should be considered as distinct from other tournament competitors outside this second tier of the upper echelon (whom I term "certain-losers"), and that Merton's essay and related research have been limited by their binary models.

Agentic Responses to Status Allocation

Distinguishing near-winners allows us to consider their reactions to another's high-status allocation, either as a group or as individuals. If these responses reflect self-direction and autonomy, then they are agentic (Sturm & Antonakis, 2015). When agency interacts with power (Magee, Galinsky, & Gruenfeld, 2007), it affects competitive behavior, such that it encourages actors to change their environment in order to fit their needs (Galinsky, Gruenfeld, & Magee, 2003). Below, I consider both group and individual reactions to others' status allocation that shape the status tournament.

Audience Response. Merton declared (1968, p. 56) that the Matthew Effect relies on the “communally validating testimony of significant others”, i.e., the audience. Audiences follow a sensemaking pathway in order to understand the link between an event and its consequences, and then to prepare their reaction to the same. Most research on this topic has applied Attribution Theory (Harvey, Madison, Martinko, Crook, & Crook, 2014; Kelley & Michela, 1980) to understand the sequence of rationalizing after negative events, which proceeds from attributing causality, to ascribing responsibility, to assigning blame, to allocating sanction, and finally to adjusting the social evaluation of an actor (see deeper background in Crant & Bateman, 1993; Leary & Kowalski, 1990; Shaver, 1985). This logic is well-understood if the event is construed (Wiesenfeld, Reyt, Brockner, & Trope, 2017) as negative, like a near-winner’s failure to ascend. We know less about the logic that follows positively-construed events, such as the status-newcomer’s rise or even the competitor’s promotion from certain-loser to near-winner. Indeed, we lack a theoretical consensus as to whether positive events and praise are the inverse of negative events and blame (see prior section on Asymmetric Status).

A good match between an outcome and its instigating event is perceived as merit or deservingness (see discussion in Hays & Blader, 2017). Plato’s Desert Theory (Feldman & Skow, 2016) states that the subject (actor) deserves an object (praise or blame, and its consequent reward or punishment) from a source (observer) because of an explicit, specific basis (a concrete reason). In the context of a status tournament, a candidate deserves her promotion by the judges from near-winner to status-newcomer because of a match to the tournament architect’s ideal interests (Weber, 1946). Thus, deservingness is a social judgment, and one which is prerequisite for status allocation.

Individual Response. Therefore, individuals endeavor to avoid an attribution of “undeservingness” and otherwise to signal their merit. The lens of tournament theory is an ideal

tool through which to examine these behaviors, or what some research terms “status anxiety” (Denrell & Liu, 2015; Phillips & Zuckerman, 2001). Askin, Bothner, and Lee (2015) outline a set of possible routes through which the near-winner might respond to the shock of her peer’s promotion to status-newcomer – including inward-facing quality improvements (Material Contagion Effect), outward-facing influence strategies (Cosmetic Contagion Effect), and a failure to respond (Ecological Peer Effect). Merton’s (1968) essay assumes this latter outcome – although that behavior (i.e., inactivity) would be unlikely in a true tournament. Research – especially network (Cronin, Weingart, & Todorova, 2011; Piazza & Castellucci, 2014; Tasselli, Kilduff, & Menges, 2015) and experimental approaches (Anicich et al., 2017; Duguid & Goncalo, 2015; Pettit, Sivanathan, Gladstone, & Marr, 2013; Pettit, Yong, & Spataro, 2010) – has begun to consider this “busy middle” and its role in status hierarchy dynamism. We need more research to understand when near-winners adopt each strategy, and their effects on alleviating status disadvantage.

Discussion

In this essay, I have argued that Merton’s (1968) original thesis was incorrectly specified in three ways. First, the advantages that status-newcomers receive do not necessitate reciprocal disadvantages for near-winners. Second, status tournaments do not divide a small group of (perpetual) winners from the remaining non-winner majority. Competitors below the threshold for highest status experience non-linear effects, such that we must expand theory to consider near-winners and certain-losers. Third, near-winners and audience members are not passive witnesses but rather react to another’s status promotion. Through including agentic responses to status allocation, I have presented a dynamic perspective on hierarchy that highlights understudied

components of both the Matthew Effect and status tournaments, which future research should address: legitimacy and power.

Legitimacy. Correcting the three mis-specified parts of the Matthew Effect that I have identified in this essay reveals its importance when audiences perceive them to fail. If the perceived quality of the near-winners' list is poor; if the amount of advantage a candidate obtains upon promotion to status-newcomer over her near-winner peer is too unequal; or if the judges' decisions of deservingness seem illogical, then the audience loses faith in the award itself. In turn, this undermines the legitimacy of the status tournament (Bitektine, 2011; Bitektine & Miller, 2015; Rossman, 2014; Suddaby, Bitektine, & Haack, 2017). Then, actions against perceived illegitimacy – such as redistribution of resources after perceived unfairness (Bothner, Podolny, & Smith, 2011) – might serve as an emergent check on the Matthew Effect; see the following essay (Piezunka, Lee, Haynes, & Bothner, 2018) for a discussion. Some research has begun to study unearned status gain (Neeley & Dumas, 2016) and its consequences, and future research should expand this to investigate when and how stratifying institutions threaten their own legitimacy.

Power (Judges). As Waguespack and Salomon (2016) delineate, tournaments can be objective (featuring finite outcomes), refereed (that need frequent *in situ* decisions), and subjective (whereby judges are central in determining outcomes). The Matthew Effect is a subjective status tournament, in which judges have a powerful role; despite this, Merton's (1968) essay virtually ignored judges, failing to evaluate critically that form of structural determinism. Together with status-newcomers and existing winners, judges “emerge as immortals” (Merton, 1968, p. 56), and form an invisible college (Crane, 1972, 1976) responsible for resource distribution and ultimately the status tournament's identity and strategy. Therefore, in any status tournament, we should

interrogate whence and why the judges were chosen; whether the judges represent or even include the tournament's architects; and how to curb judges' power.

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