How Status and Power Differences Erode Personal and Social Identities at Work: A System Justification Critique of Organizational Applications of Social Identity Theory

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Although they are seldom diagnosed accurately by insiders, most organizations suffer from problems of intergroup relations. It is a relatively common problem, for instance, that people from marketing and engineering departments may dislike or distrust one another, or they may misperceive what motivates, challenges, and interests members of the other department. Stereotypes abound concerning lawyers, accountants, professional women, CEOs, investment bankers, union members, and so on. In many different organizational contexts, people should be working together, but they are not; instead, "us versus them" mentalities persist, thwarting harmony and productivity at work (e.g., Pfeffer & Sutton, 2000). If group differences are not handled by management with tact and sensitivity, as well as with an informed awareness of the complexity of group dynamics and intergroup relations, then distrust and competition among groups may grow and fester, spreading intractable conflict and organizational discord (e.g., Blake & Mouton, 1984; R. M. Kramer, 1991).

In this chapter, we focus specifically on the roles of status and power differences between groups and how these complicate and exacerbate intergroup
relations at work. Systems and procedures using grades, classes, rankings, negative feedback, performance evaluations, and external critiques all have the potential to devalue members of one group relative to others. Negative consequences may be expected to strike members of devalued groups most severely, causing them to withdraw from academic and professional pursuits and, in some cases, to internalize a sense of their own inferiority (e.g., Dotson & Dulewich, 1991; Elsbach, 1989; Jost & Burgess, 2000; Pfeffer & Sutton, 2000; Rosenbach & Jacobson, 1989; Steele, 1992; Steele & Arsonoss, 1995). Thus, hierarchical relationships in society and at work threaten the self-concepts and social identities of members of devalued groups (e.g., Elsbach & Kramer, 1996; Jost & Banaji, 1994; Silin and Pratto, 1999).

We argue that focusing on status and power differences between groups is the key to a viable theory of intergroup relations. Extant analyses of intergroup relations in organizations tend to emphasize normative forms of competition and "ingroup bias," so that "we" are always preferred to "them." In today's organizations, however, status and power differences are often used and cultivated as a means of evaluation, motivation, promotion, identification, and commitment (Elsbach & Kramer, 1996; Bitoon & Dulewich, 1996; Pfeffer & Sutton, 2000). Organizational hierarchies also tend to be legitimated by "expert evaluators" and other respected authorities who provide seemingly "objective" evidence that some groups are superior to others. Under such circumstances, it would seem to be difficult and unlikely for members of devalued groups to maintain positive images of themselves and of their fellow group members (e.g., Hinke & Brown, 1990; Jost & Banaji, 1994; B. Majors, 1994; Tafel & Turner, 1979).

An emphasis on normative forms of intergroup bias can be traced to the fact and assumptions of a particularly influential theory in social and organizational psychology: social identity theory (Ashforth & Mael, 1989; B. M. Kramer, 1991, Tafel & Turner, 1979). We argue here that a viable theory of intergroup relations must reconcile these two positions in support of social identity theory with evidence that status hierarchies and organizational systems tend to be internalized and justified. Theory and evidence from a "system justification" perspective (Jost & D'Silva, 2000) show that, address the ways in which status and power inequalities have deleterious social and psychological consequences for members of devalued groups (e.g., Jost & Burgess, 2000; Jost & Thompson, 2000).

In what follows, we first review the main applications of social identity theory to organizational contexts, stressing three theoretical assumptions (a) that the assumption that ingroup bias is a general or default motive or strategy, (b) the assumption that low-status group members compensate for identity threats by increasing levels of ingroup bias, and (c) the assumption that people prefer to interact with members of their own group than members of other groups. All three of these assumptions are challenged by system justification theory (Jost & Banaji, 1994; Jost & Burgess, 2000), which is an alternative theory of intergroup relations with relevance for organizational behavior. We then relate theory and evidence concerning system justification processes, demonstrating that, for members of devalued groups, these processes work against tendencies to maintain or enhance individual self-esteem ("ego justification") and to develop positive social identities and to favor the ingroup ("group justification"). Finally, we address structural or systemic aspects of organizations (such as performance evaluation systems) that are likely to exacerbate status and power differences between groups, thereby eroding the personal and social identities of members of groups that are devalued at work.

SOCIAL IDENTITY THEORY AT WORK

Since the 1970s, there has been one social psychological theory of intergroup relations that has been most influential and most useful for understanding the plethora of problems that can arise between members of different groups. This theory, known as "social identity theory" was originally articulated by Tajfel and Turner (1979), and it has been extended in various ways by a good many of the authors brought together in this book and some others as well. The basic assumptions of the theory are relatively straightforward, although derivations and additions to the theory make matters more complicated (e.g., see Hogg & Abrams, 1991; Spears, Taylor, Elman, & Hallam, 1997; J. C. Turner et al., 1997). In a nutshell, social identity theory holds that (a) we derive a great deal of personal value and meaning from our group memberships, so that our self-concepts depend in significant ways upon the ways in which our groups are regarded by ourselves and by others, and (b) the only way to assess value and regard in the social world is through processes of comparison, so that the value and worth of one group is always relative to the value and worth of another reference group.

Drawing extensively on Festinger (1954) social comparison theory, social identity theorists have argued that, because people need to evaluate themselves favorably and because group memberships are an important constituent of the self-concept, group members tend to evaluate their ingroups more favorably than they evaluate other groups (e.g., Tajfel & Turner, 1979). This phenomenon is referred to as "ingroup bias" or "ingroup favoritism" (e.g., Brower, 1976; Hogg & Abrams, 1991; Tajfel, 1970). It may also take the form of trait acceptance, resource allocation, and the evaluation of group products (e.g., Hinke & Scholten, 1989; Muller, Brown, & Smith, 1982; Tajfel & Turner, 1979). The display of ingroup bias has been regarded largely as a strategy for maintaining or enhancing one's individual and collective self-esteem (e.g., Lemyre & Smith, 1995; Oakes & Turner, 1990). According to some very prominent interpreters, social identity theory holds that there is a general drive to enhance individual and collective self-esteem by making favorable comparisons between the ingroup and relevant outgroups (e.g., Abrams & Hogg, 1998; Rubin & Howes, 1990).

Although the motivational assumption that ingroup bias is a universal and ubiquitous tendency has been doubted and challenged by a number of researchers of intergroup relations (e.g., Abrams & Hogg, 1998; Heasteon & Ward, 1998; Shalev & Ward, 1998; Shalev, DeSoto, & Ward, 1997).

**The Assumption of Ingroup Bias**

We readily grant that social identity theory is extremely useful for understanding many common emotions of intergroup conflict (e.g., Blake & Mouton, 1984, R. M. Kramer, 1994, Pfeffer & Sutton, 2000), particularly symmetrical conflict among parties that are approximately equal in status or power. In such situations, group members frequently exhibit ingroup bias (e.g., Hindle & Schopler, 1988; R. M. Kramer, 1981, Mullen et al., 1992), especially when norms for fairness are low in salience (e.g., Dukeman, Sarnicki, Rose, & Berkenman, 1977, Jetten, Spears, & Manstead, 1996, Jetten & Rose, 1999). Social identity theory also addresses a very good job of predicting the behavior of established high-status and powerful group members, who exhibit strong levels of ingroup bias in experimental and real-life situations (e.g., Mullen et al., 1992, Schaefer & Brewer, 1983, 1997), as well as in organizational studies of job classification, employee treatment, and salary determination (Baron & Pfeffer, 1994, Badly & Barnes, 1989).

The assumption that group members favor their own does not apply nearly as well to members of low-status and powerless groups. Here, an ever-increasing body of evidence suggests that members of developed groups often exhibit outgroup favoritism in the attribution of traits and stereotypes, the evaluation of group products, and the allocation of resources (e.g., Bordy & Kashy, 1990, R. J. Brown, 1978, Hewstone & Ward, 1985, Hindle & Brown, 1990, Hindle & Brown, 1990). It is also observed that outgroup favoritism is especially likely on status-relevant dimensions (e.g., Mullen et al., 1992, Shrout & Epstein, 1981, Spears & Manstead, 1989) and when status and power differences are perceived as highly legitimate (e.g., Ellemers, Wilke, & van Knippenberg, 1995, Jetten, in press, Jost & Burgess, 2006, J. C. Turner & Brown, 1978).

Findings of outgroup favoritism have been a persistent theme in the study of social identity theory. Hewstone and Jaspers (1984) responded to early evidence of outgroup favoritism by acknowledging that according to social identity theory, "ingroup devaluation would be an unlikely response pattern" (p. 293). Hindle and Brown (1980) similarly pointed out that "the mere fact of outgroup favoritism is inconsistent with the notion of groups engaging in intergroup comparison processes to create and maintain positive social identities" (p. 52). Although Tajfel and Turner (1979) acknowledged the existence of outgroup favoritism, several commentators have argued that the empirical mechanisms of social identity theory are not well suited to account for the phenomenon (e.g., Hewstone & Ward, 1985; Jost & Banaji, 1994, Sliwinski & Pratto, 1990).

To provide a more complete account of the causes and consequences of outgroup favoritism among members of low-status groups, Jost and Banaji (1994) developed a system justification theory. The guiding assumption of the theory is that people engage in a social and psychological justification of the status quo, even at the expense of individual and collective self-esteem. System justification theory thus suggests that members of both high- and low-status groups engage in thoughts, feelings, and behaviors that reinforce and legitimate existing social systems, and that outgroup favoritism is one example of the legitimation of inequality between groups. Evidence of outgroup favoritism garnered in support of system justification theory (e.g., Jost, in press, Jost & Burgess, 2000, Jost & Thompson, 2000) contradicts the assumption that ingroup bias is a general or default motive or tendency, and, as a result, it contradicts the motivational assumption that members of developed groups compensate for identity threats by exhibiting elevated levels of ingroup bias.

**The Compensatory Assumption**

Many interpreters of social identity theory have argued that members of developed and included groups exhibit greater ingroup favoritism than members of highly valued groups, as a way of compensating for identity threat (e.g., Brewer, 1975; Schaefer & Brewer, 1994). This notion has also made its way into Ashforth and Mael's (1989) application of social identity theory to organizational contexts. They proposed that:

- while high-status groups (such as a noncitizen staff function or cadre of middle managers) may go to great lengths to differentiate themselves from a high-status comparison group (such as a critical line function or senior management), the latter may be relatively unresponsive about such comparisons and form no strong impression about the low-status group. (p. 33)

Although Ashforth and Mael (1989) may be right that members of low-status groups will under some circumstances seek positive distinctiveness as a way of resolving identity crises, in general it is high-status groups who are most eager to differentiate themselves from their subordinates (e.g., Jost & Banaji, 1994; Sliwinski & Pratto, 1990). On the whole, research contradicts the notion that members of developed groups would attempt to compensate for identity threats by displaying increased ingroup favoritism. Rather, as we have noted above, evidence suggests that members of high-status groups are more likely to exhibit ingroup favoritism and that members of low status groups frequently exhibit outgroup favoritism, admitting their own inferiority at least on status-related dimensions (see, inter alia, Bordy & Kashy, 1990; R. J. Brown, 1978, Hewstone & Ward, 1985; Hindle & Brown, 1990, Jost, in press, Jost & Burgess, 2000, Reichen, 1995, Spears & Manstead, 1989).
Once again, this raises problems for social identity theorists’ account of hierarchal social relations. Hindle & Brown (1990), for instance, noted that “the common occurrence of out-group favouritism among low-status groups is actu- ally contrary to the hypothesis, derived from STT, that low-status groups have the greatest motivation to enhance their social identities and thus should be particularly likely to manifest personnel-in-group favouritism” (p. 52). Sidanius and Pratto (1991) similarly argued that if the need for positive social identity motives discrimination, then we should expect people in low-status groups to be even more motivated to discriminate than will people in high-status groups” (p. 20). The reality is, however, that business organizations are members of high-status groups are far more likely to engage in discrimination and ingroup bias against lower-status group members than vice versa (e.g., Jan & Pfeffer, 1994; 19th & 20th, 1995; Sidanius & Pratto, 1990).

It is relatively easy to assume on the basis of social identity research, as Ashforth and Mael (1989, p. 33) have done, that members of degraded social groups display outgroup favouritism only on dimensions that are unimportant to them. Evidence strongly supports the notion that members of low-status groups are far more likely to be motivated to act on status-relevant or achieve- ment-related dimensions than outcomes-irrelevant dimensions (e.g., Just, in press; Mullen et al., 1990; Segal, 1980), but this does not mean that they reject the value of status-relevant characteristics (see R. Majer & Schneider, 2001). This is perhaps more consequential in work organizations than in other settings, because achievement-related characteristics are those that are most likely to be highly valued in business environments. On an ad-hoc basis, it would be extremely difficult for workers to sustain the belief that these characteristics are not important within the organizational system.

Although we have criticized social identity theorists for suggesting that members of degraded groups would be more likely than members of other groups to exhibit ingroup bias, the theory’s motivational focus does help to explain how people sometimes do manifest favourable images of themselves and their groups in the face of identity threat. Specifically, it has been hypothesized that when presented with negative evaluations of one’s own group, people will attempt to preserve ingroup-favouring comparisons by switching to alternative dimensions on which they are presumably more successful than other groups or by engaging in “downward social comparison” with reference groups that are even worse off, thereby reassessing their own superiority (Steffel & Turner, 1979). Evidence does sup- port the notion that low-status group members engage in ingroup bias on status-irrelevant or socioemotional dimensions such as honesty, friendliness, and warmth (e.g., Mullen et al., 1990; Skervington, 1981; Yee & Mael, 1980). However, Just (in press) points out that the evidence of differential comparisons is very limited and does not necessarily support the notion that low-status group members compensate for identity threats by shifting to alternative dimensions that are less likely to be positively evaluated by the group. However, research on self-esteem and social identity confirms that low-status group members do engage in self-enhancement strategies. For instance, Ashforth and Kremer (1993) found that because their work is not respected by others, people whose jobs are widely viewed as disgusting or gruesome (garbage collectors, butchers, janitors, exter- minators, funeral directors, etc.) tend to have extremely strong organizational cultures and to maintain very favorable self-evaluations and group evaluations. Citing prior research, Ashforth and Kremer (1990) also used tenets of social identity theory such as social categorization and reframing to argue, for instance, that “reclusive artists and prostitutes claim they are providing a therapeutic and educational service, rather than selling their bodies” (p. 431). Thus, the takeaway message of social identity theory, especially in terms of its organizational appli- cations, has been that people stubbornly maintain favorable identities and ingroup bias even in the face of evidence indicating that their group is low in status, power, or prestige (e.g., Ashforth & Kremer, 1990; Ashforth & Mael, 1990; Bolton et al., 1994; Elsbach, 1989; Elsbach & Kramer, 1989b).

In some ways, then, social identity theory provides a relatively optimistic message concerning the effects of status and power on personal and social identities at work. There is indeed evidence that identity threat can lead group members to exhibit pride and ingroup bias, especially when these groups are situationally rather than chronically degraded, as in the case of Elsbach and Kramer’s (1988) study of academics and other studies of management executives whose companies are failing or declaring bankruptcy (e.g., Bettman & Wortz, 1983; Stew, McKeehan, & Puffer, 1983; Sutton & Callahan, 1987). Under such circumstances, people do seem to defend themselves against ingroup threat in the face of identity threat. Specifically, it has been hypothesized that when presented with negative evaluations of one’s own group, people will attempt to preserve ingroup-favouring comparisons by switching to alternative dimensions on which they are presumably more successful than other groups or by engaging in “downward social comparison” with reference groups that are even worse off, thereby reassessing their own superiority (Steffel & Turner, 1979). Evidence does sup- port the notion that low-status group members engage in ingroup bias on status-irrelevant or socioemotional dimensions such as honesty, friendliness, and warmth (e.g., Mullen et al., 1990; Skervington, 1981; Yee & Mael, 1980). However, Just (in press) points out that the evidence of differential comparisons is very limited and does not necessarily support the notion that low-status group members compensate for identity threats by shifting to alternative dimensions that are less likely to be positively evaluated by the group.
even if those identities are devalued and the consequences for the self are extremely unfavorable (e.g., Swann, 1986; Swann, Griffin, Fredrickson, & Cairns, 1987).

With regard to intergroup relations, system justification theory makes an analogous argument at a higher level of analysis: members of systems and organizations tend to affirm and justify existing hierarchies, even if the consequences for the self and the group are extremely unfavorable (Jost, 1997, in press; Jost & Banaji, 1994; Jost & Burgess, 2000; Jost & Thompson, 2000). From this perspective, members of chronically low-status or powerless groups may not seek to maintain or enhance their status under conditions of adversity, as social identity theory suggests. According to system justification theory, it would be quite difficult for people to reject and ignore such seemingly objective evidence of one's place in a status hierarchy such as that coming from job title, salary, performance evaluation, stock prices, and media rankings. As Devine (1994) put it:

Organizational membership can also confer negative attributes on a member. If members interpret the internal organizational image as unfavorable, they may experience negative personal outcomes, such as depression and stress. In turn, these personal outcomes could lead to undesirable organizational outcomes, such as increased competition among members and reduced effort on long-term tasks. (p. 24)

By stressing motivational drivers for individual and collective self-enhancement, social identity theory risks failing to appreciate the deleterious effects of status and power differences in systems and groups. It is easy to conclude, on the basis of claims concerning cognitive restructuring or reframing, selective social comparison, social comparison, social creativity; and ingroup bias, that hierarchical relations at work and in companies among groups and companies do not necessarily cause social or psychological harm to members of developed groups and organizations. We disagree with this conclusion, arguing instead that status and power differences between groups contribute to a host of socially and psychologically detrimental outcomes, precisely because it is so difficult to challenge the legitimacy and stability of social and organizational systems (e.g., Baron & Pfeffer, 1994; Jost & Burgess, 2000; Jost & Thompson, 2000; Lenner, 1980; B. Major, 1994; J. Martin, 1986; Pfeffer & Sutton, 2000; Steele, 1997; Steele & Aronson, 1995).

The Assumption of Homophily

In the field of organizational behavior, social identity theory and its intellectual heir, self-categorization theory (e.g., C. Turner et al., 1987), have often been treated as theories of homophily or similarity. For instance, organizational researchers have used concepts of social identification and ingroup bias to argue that people prefer to interact with a world where people who are demographically similar to themselves and their own common category memberships with them (e.g., Baron & Pfeffer, 1994; Hoff & Tugger, 2000). Summarizing this body of work, Tho, Egan, and O'Reilly (1993) concluded that "Research consistently has shown that individuals choose to interact more often with members of their own social groups than with members of other groups" (p. 155). Our reading of the literature is that, just as with the assumption of ingroup bias, the assumption of homophily applies more to the preferences of high-status or powerful group members than to the preferences of low-status or low-power group members. Thus, Whites and males are more likely than minorities and females to respond negatively to increased diversity and contact with demographic outgroup members at work (e.g., Tesi et al., 1992; Wharton & Bass, 1987).

A recent study carried out by Jost, Pelham, and Carvallo (2000) directly contradicted the assumption of homophily insofar as it applies to ethnic minority groups. Results indicated that Latino, Asian American, and European American all expressed significant preferences to interact with European American over the other two groups. Thus, the high-status group of European Americans did exhibit preferences for homophily, but the lower status minority groups preferred to interact with outgroup members. We do not argue on the basis of findings such as these that theories stressing similarity or ingroup preferences are wrong, only that they are one-sided in that they tend to neglect increasing evidence of cognitive, affective, and behavioral preferences for members of higher status outgroups (e.g., Bordy & Kashy, 1999; Hinkle & Brown, 1990; Jost & Banaji, 1994; Rech, 1999; Salamana & Pratto, 1999). System justification theory, we argue, does a better job of accounting for some of the social psychological effects of status and power differentials, such as the internalization of inferiority, depressed entitlement, outgroup favoritism, and preferences to interact with outgroup members (e.g., Jost, 1997, in press; Jost & Banaji, 1994; Jost et al., 2000). It is also in a better position than social identity theory to appreciate the deleterious consequences of hierarchical work arrangements on the self-concepts and social identities of members of developed groups (e.g., Jost, 1997, in press; Jost & Burgess, 2000; Jost & Thompson, 2000).

A Summary of the Critique

We argue that there are three assumptions that have been consistently derived from social identity theory and that have been challenged directly or indirectly by system justification theory (e.g., Jost, in press; Jost & Banaji, 1994; Jost & Burgess, 2000; Jost & Thompson, 2000; Jost et al., 2000). The first assumption is that ingroup bias is a general or default tendency or motive (e.g., Hoff & Abrams, 1998; Miller et al., 1988; Tajfel & Turner, 1979). The second assumption is that members of low-status groups show greater ingroup favoritism than do members of high-status groups as a way of compensating for threatened identities (e.g., Ashmore & Maal, 1989; Brewer, 1979; Sachdev & Bronner, 1994). The third assumption is that preferences to interact with fellow members of one's own demographic group apply generally (e.g., Baron & Pfeffer, 1994; Tesi et al., 1992).
According to systems justification theory, all of these assumptions apply fairly well to groups that are relatively higher in status, standing, and power. Rather, members of groups that are low in status, standing, or power—regardless of whether they are in a group or out of groups—tend to be relatively lower in status, standing, and power. Just as pretzels are the food of choice for lower-status, standing, and power individuals, so are pretzels the food of choice for those outside of groups. Thus, systems justification theory challenges the generality of three widely held assumptions about the social psychology of systems justifications: the assumption of group bias, the compensation assumption, and the homophily assumption. Having summarized the systems justification critique of social identity theory, we now seek to articulate the constructive aspects of the theory, specifically, we have argued that social identity theories are incomplete in explaining intergroup relations at work. In the following sections, we provide evidence that systems justification theory helps to fill some of the conceptual holes left by social identity theories.

**SUPPORT FOR A SYSTEM JUSTIFICATION THEORY OF INTERGROUP ELECTIONS AT WORK**

Social psychological research addressing outgroup favoritism, increased ambivalence, and ideological support for inequality provides the primary support for a system justification theory of intergroup relations (e.g., Just, 1997). In press; Just & Burgues, 2000; Just & Thompson, 2000). In addition, organizational research has to do with processes of disidentification and schizoid identification among members of developed groups supports the notion that people accept and internalize formal evaluations and professional rankings (Eibach, 1999). Finally, work addressing the effects of formal evaluations systems and organizational stratification provides further evidence that status and power differences between groups tend to encode personal and social identities (Pfeffer & Sutton, 2000). We review all three bases of support for a systems justification theory of intergroup relations in the workplace.

**Research on System Justification Theory**

System justification theorists argue that motivated tendencies to enhance individual and collective self-esteem may or may not be in conflict with parallel motives to believe in a "just world" (Lerner, 1980) and to legitimize structural forms of social inequality (Major, 1994; M. Martin, 1985). Because people find it extremely difficult to challenge or reject the credibility and authority of systems and organizations, they tend to internalize others' negative evaluations of their own group, at least to some degree. As a result, women have been found to show signs of "depressed entitlement," believing that they deserve to be paid less money for their work than men believe they deserve to be paid (e.g., Just, 1997; Major, 1994).

**Work from several independent but related research programs on systems justification theory suggests that for members of high-status groups, motives for self-enhancement, ingroup bias, and system justification are consistent and complementary, whereas for members of low-status groups, these motives are often in conflict or contradiction with one another. For example, Just and Thompson (2000) found that among African-American respondents, the tendency to believe that economic differences are fair, legitimate, and justifiable is associated with decreased self-esteem, increased neuroticism, and increased outgroup favoritism. Among European Americans, by contrast, these same system-justifying variables were associated with increases in self-esteem and ingroup favoritism and decreases in neuroticism (or guilt) among European Americans. Thus, attitudinal support for the system helped members of an advantaged group to feel good about themselves, but it harmed members of a disadvantaged group. Just and Burgues (2000) reasoned that the conflict between motives for ingroup bias and system justification would lead members of low-status groups to express greater ambivalent endorsement of their group than would members of high-status groups. This hypothesis was supported in an experimental study involving students at different universities. Furthermore, Just and Burgues found that increased levels of system justification were associated with increased levels of ambivalence among members of low-status groups but decreased ambivalence among members of high-status groups. Thus, women who scored high on a scale of just world beliefs were more likely than women who scored low on the scale to express ambivalence about a female plaintiff who was suing her university for gender discrimination and therefore posing a challenge to the overarching social system.

Elsbach (1996) has also argued that previous theories of organizational identification need to be supplemented and extended in order to account for the full range of psychological outcomes, including various syndromes of disidentification and schizoid identification. Although this research was not carried out under the rubric of system justification theory, it does stress the social and psychological costs associated with being a member of a developed group more than is customarily acknowledged by social identity theorists. Thus, we summarize the work of Elsbach and her colleagues to further illustrate the ways in which status and power differences between groups can erode personal and social identities at work.

**Research on Disidentification and Schizoid Identification at Work**

Research on research on identity management in organizational contexts describes that current frameworks for understanding social and organizational identification do not capture several important aspects of intergroup relations at work (Putnam, 1998). Elsbach (1996) argued, for instance, that existing models do not adequately explain how individuals cope with organizational situations in which they are chronically devalued. Examples include members of labor unions who...
are openly criticized by management but need their jobs or employees of companies that are unpopular because of what they do or what they produce. Under such circumstances, group members may agree with the negative evaluations, and they may distance themselves psychologically from their organization, either partially or wholly (Ehbach & Blattacharya, 2000; Ehbach, 2000).

In line with the assumptions of system justification theory (e.g., Jost, in press; Jost & Banaji, 1994), disidentification seems to be most likely when credible authorities and legitimate interests promote public status hierarchies. For example, Ehbach and Blattacharya (2000) found that unfavorable media coverage caused people to distance themselves from the National Rifle Association (NRA). This was especially true for young Americans who identified themselves as "Southerners" and who harbored sympathy for southern political ideals such as civil liberties and less governmental interference with private life. Many of these individuals felt that their groups (e.g., Southerners, Georgians) were tainted by perceived associations with the NRA.

Ehbach (2000) similarly studied the effects of opinion polls that were published in the Los Angeles Times and that revealed overwhelming disidentification with elected state officials (who received only 22% to 44% approval rate during the 1980s and early 1990s). Because of the media coverage, California Legislative staffers could not deny that the Legislature as a whole and politicians as a group were disliked by the public. As a result, these employees simultaneously identified and disidentified with different aspects of their organization. For example, several staffers claimed to identify with the "policy-making" dimension of the Legislature but to actively distance with "partisan, political maneuvering" dimensions. As one staff member noted:

"You know, there's a certain segment of the policy-making process that's pretty deplorable, pretty questionable. And I'd; my best to stay away from that. I don't like to work on those bills. Most of the bills that I've worked on are not 'price bills'; that's just what I do. I don't think big insurance companies; they don't involve trial lawyers; they don't involve horse racing or gambling or liquor licenses. . . . And I was proud to point out that I was working for the least junior lawyer on the floor at the time, that was one of my defenses to criticisms about excessive campaign contributions. Hey, oh, wait a minute, let me tell you about this . . . the guys I work for can't even raise money." (Ehbach, 2000, p. 23).

Such disidentification and identification processes appear to be effortless and stressful to maintain. Most of the effective staffers claimed that they routinely and consciously affirmed their disidentification by taking visible stands (e.g., refusing to support policies they regarded as questionable) or by using physical markers that differentiated them (e.g., customizing one's business cards to indicate that one worked for a particular legislator or the Democrats in general), and applying specific self-justifications (e.g., always referring to oneself as a "worker" rather than a "lacke.")

Similarly, many of the Southerners who distanced themselves from the NRA mentioned how difficult it was to maintain the vigilance needed for disidentification. For instance, they had to make sure not to support any other groups or organizations that were affiliated with the NRA, which proved to be a difficult and time-consuming task. It seems likely that maintaining long-term disidentification, even if it is with only a part of the organization, would be emotionally taxing as well. Research on adolescence and alienation suggests that defining oneself in terms of what one is "not" is an activity adolescents go through a phase of defining themselves as "not their parents," can lead to isolation and depression over time (e.g., Newman & Neuman, 1970).

In sum, while disidentification and identification appear to be adaptive responses on the part of individuals who find themselves in complex situations in which their groups are at least partially disvalued, these reasons are reasons to think that such responses are also mentally and emotionally taxing. In line with system justification theory, the need to distance oneself from one's group or organization seems to be most acute when ratings or evaluations are seen as legitimate and widely shared. This is because it is difficult for members of devolved groups to maintain favorable images of themselves and the system at the same time (e.g., Jost & Burgess, 2000; Jost & Thompson, 2000). We argue that a similar situation arises in organizations that are highly stratified and that make heavy use of formal evaluation systems.

Research on Organizational Stratification and Performance Evaluation Systems

In most cases, organizations are highly stratified systems. Although a lot of media attention has been given to the "flattening of the organization," and some industries such as the computer industry in Silicon Valley are run by small and relatively egalitarian teams, in most organizations the wage dispersion between the CEO and the average worker has been growing steadily (see Barone & Pfeffer, 1994), increasing from a ratio of 40 to 1 in 1980 to a ratio of more than 400 to 1 by 1998 (Casney, 1999). Ostensibly for the sake of efficiency, chains of command are still very much in place, and evaluation systems such as "pay for performance" constantly stress differences in achievement or ability among individuals and groups, which can have extremely negative social and psychological consequences for organizational members (e.g., Pfeffer & Sutton, 2000). According to system justification theory, people develop justifications and rationalizations for social inequality and structural arrangements, coming to believe that systems and policies are largely fair and legitimate (Jost, in press). What this means is that stratification and performance evaluation systems at work will have deleterious consequences for members of devolved groups, just as they have been shown to have negative consequences at school (e.g., Rosen & Jacobson, 1989; Steele, 1997; Steele & Aronson, 1997). There is reason to believe, then, that many performance evaluation systems underpin the perceived worth of groups or teams. For example, many managers cite incentive pay systems, which the large amounts of compensation
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(e.g., year-end bonuses, pay raises: stock options, or other perks) to predetermined performance goals such as meeting a company-wide or divisional profit improvement goal, as a primary expedit in the devolution of work groups. Incentive pay systems become popular in the 1980s as a means of encouraging creativity, innovation, and "healthy" competition among workers as they attempted to improve the profitability of their organizations. Yet, in most of these situations, there is a top performance goal, and others must settle for "average" or "below average" status. When companies reward only those employees who meet top performance goals, they may serve to devolve other workers by implicitly (or explicitly) communicating that they are inferi or. As a result, recent accounts of incentive pay systems have become highly critical and even more of a decade or two. Norms report that incentive pay promotes greed, short-sightedness, and decidedly unhealthy competition among employees (Breuer, 1995). According to an article about the failure of incentive pay systems at a small manufacturing organization.

In the real world, pay for performance can also release passions that turn workers into tribal soldiers for extra dollars they will make another gains' numbers look bad to make their own look good...some employees even argued over who would have to pay for the toilet paper in the company restrooms. One aspiring team member suggested that toilet paper costs should reflect the sexual makeup of the division, in the belief that one gender uses more toilet paper (1995, p. 539).

Thus, even if members of devolved groups do not internalize a sense of their own inferiority, intergroup hostility and escalating conflict can result. Such problems underscore the double-edged sword of performance rankings as motivators: while a few may claim the rank of "top-tier" employee, many more must suffer by comparison. This may help to explain why incentive pay systems have failed at many organizations. Research suggests that when only extreme performance is awarded, many moderately high-level performers become dissatisfied and leave the organization (Zenger, 1992). By disappointing high-performing employees who may expect a large bonus, incentive pay systems dole out what is perceived as "punishment" to many employees (Kohn, 1993).

Pfeffer and Sutton's (2000) analysis of the "honing-dogging gap" in corporate culture documents many harmful consequences of status and power differences at work. Organizations that create internal competition among divisions, departments, and regional offices tend to foster negative feelings and poor performance in many of those groups. According to Pfeffer and Sutton (2000), many companies claim to value teamwork and collaboration but, in fact, create working environments that quick-categorize people and groups into "winners" and "losers." Pfeffer and Sutton (2000) observe that:

Once a person, group, or division has lost in a performance contest and is labeled a "loser," research suggests that subsequent performance will be worse because leaders and others are unwilling to tilt the poor performance expectation. And, the loss of self-worth and motivation felt by those who are treated as losers leads to further decreases in their performance. (p. 193)

By focusing on "winning" rather than doing well, by rewarding individual performance as opposed to collaboration and team-building, and by motivating individuals to identify with their unit rather than the organization as a whole, business organizations spread conflict and resentment. In one example involving a failed merger between two restaurant chains ("Fresh Choice" and "Zoops.") Pfeffer and Sutton (2000) observed that status differences exacerbated by a competitive culture and reward system were responsible for an overall lack of respect and cooperation. Thus, rather than learning from employees of the acquired company, managers at Fresh Choice began to derogate the people and practices of Zoops, ultimately causing the resignation of most of Zoops' long-time and best-performing staff.

Many of these findings, we suggest, are consistent with a system justification view of intergroup relations at work, according to which status and power differences serve to evade healthy forms of personal and social identification. When people are consistently evaluated in negative terms by leaders, bosses, and other representatives of social systems and organizations, or when they are faced with seemingly "objective" evidence of their inferiority, individuals and groups are faced with threats to their social and psychological well-being. Furthermore, if evaluation systems are highly formalized (i.e., by containing well-defined ranks or categories) and rationalized within the organization, then it may be relatively easy for people to begin thinking of themselves in terms of "inferior" category memberships. To the extent that people accept the legitimacy of systems and policies (Jost, in press; Lemer, 1998; Major, 1994; Martin, 1990), and to the extent that people behave in ways that confirm rather than challenge others' expectations of them (e.g., Rosenfeld & Jacobson, 1998), performance evaluation systems can lead to a downward spiral that is self-perpetuating (Pfeffer & Sutton, 2000).

CONCLUSION

Social identity theory has been extremely influential theory within organizational behavior (e.g., Ashforth & Mael, 1989; Baron & Pfeffer, 1994; Denison & Dulac, 1991; Elbaz, 1999; Hogg & Terry, 2000; M. N. Kramer; 1991; Pratt, 1998), and for good reason. The theory is especially useful for explaining self-serving and group-serving responses to identity threat (e.g., Ashforth & Kreiner, 1999; Denison et al., 1994; Elbaz & Kramer, 1998). Despite its many successes, we build on prior critiques of social identity theory (e.g., Asher & Hogg, 1988; Hewstone & Jaspari, 1984; Huddle & Brown, 1966; Jost & Ruddle, 1994; Sidanius & Pratto, 1999) to challenge three of its most common assumptions: (a) the assumption of group bias; (b) the assumption that members of

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devalued groups compensate for identity threats, and (c) the assumption of homophily.

By incorporating a system justification theory of group relations (e.g., Jost, 1997; in press; Jost & Banaji, 1994), we argue that a fuller appreciation emerges of the deleterious consequences of status and power differences at work. From a system justification perspective, there is an inherent conflict among members of devalued groups between tendencies to support the legitimacy of existing hierarchies and motives to preserve individual and collective self-esteem (e.g., Jost & Burgess, 2000; Jost & Tharp, 2000). The existence of conflict and ambivalence is further supported by organizational studies addressing syndromes of disidentification and schizoid identification among members of devalued groups and organizations (e.g., Eyschach, 1986, 2006; Eyschach & Bhattacharya, 2000). Recent analyses of the effects of organizational identification, incentive pay, and performance evaluation systems (e.g., Kohn, 1983; Nally, 1995; Pfeffer & Sutton, 2000; Zenger, 1992) also support the contention of system justification theory that status and power differences negatively affect the well-being of members of devalued groups. As a whole, the work we integrate points to the sober conclusion that unless and until organizations are capable of developing socio-emotionally viable systems and practices that stress equality and cooperation, there will be significant social and psychological costs to pay.