Inequality rules: Resource distribution and the evolution of dominance- and prestige-based leadership

Richard Ronay a,⁎, William W. Maddux b, William von Hippel c

a University of Amsterdam Business School, The Netherlands
b The University of North Carolina, United States
c School of Psychology, University of Queensland, Australia

A B S T R A C T

Ballooning levels of societal inequality have led to a resurgence of interest in the economic causes and consequences of wealth disparity. What has drawn less attention in the scientific literature is how different levels of resource inequality influence what types of individuals emerge as leaders. In the current paper we take a distal approach to understanding the psychological consequences of inequality and the associated implications for leadership. We describe how the distribution of resources in contrasting animal and small-scale human societies incentivizes dominance-oriented versus prestige-oriented leadership strategies, and we use this framework to tease out a number of implications for modern organizational environments. In particular, we suggest that higher levels of inequality attract and favor dominance-oriented rather than prestige-oriented leaders, and that inequality incentivizes leaders to favor their own self-interest over the interests of the organizations they lead. We describe the features of modern organizations that might facilitate the emergence of dominance-oriented leadership and discuss the downstream consequences for organizations. Finally, we explore the contextual and cultural moderators of inequality’s relationship with leader/follower dynamics.

A mere thirty years ago in the United States, the top 1% of income earners received 12% of the nation’s income. Over the last three decades, those in the bottom 90% have experienced a growth in income of 15%, while those in the top 1% have seen an increase of 150% and now claim roughly 20% of total income. The top 0.1%, whose incomes have grown by more than 300%, are paid in a day and a half the equivalent of the bottom 90%’s average annual salary.

Figures such as these have reinvigorated research into the causes of this tectonic shift in inequality, and the consequences for the global economy (e.g., Piketty, 2014). What has drawn less attention in the scientific literature is how inequality influences the emergence of certain types of leaders and the subsequent consequences for organizations. Because inequality is nothing new to humans – indeed the evolution of all species depends on how they respond to inequality in the distribution of resources – we would expect humans to have evolved various psychological responses to the experience of inequality. In particular, given the mixed motive nature of humans to vacillate between individual and group-level goals (Galinsky & Schweitzer, 2015), we suggest that this tension between group- and self-orientation in leaders should be strongly influenced by (in)equality of resource distribution, which in turn shapes the predominant type of leadership strategy that is likely to emerge and flourish in a given organizational context. The goal of the current paper is to explore the impact of inequality on the utility of different types of leadership strategies, and the consequences of the resulting leadership style for group and organizational behavior.

Although income inequality has received relatively little attention in the organizational literature (Gupta & Shaw, 2014), it has for some time attracted the interest of sociologists (e.g., Blau, 1977) who have explored inequality’s macro-level effects on societal outcomes such as higher violence (Patterson, 1991), poorer health (Wilkinson & Pickett, 2006), reduced trust (Gustavsson & Jordahl, 2008; Uslaner & Brown, 2005), and reduced social cohesion (Wilkinson, 1999). And more recently, economists have made income inequality a central topic in their work (e.g., Piketty, 2014). The work that is perhaps most relevant to our own theorizing is that which has examined the relationship between inequality and leadership.
between societal level inequality and corruption. For instance, Jong-Sung and Khagram (2005) conducted a large-scale comparative analysis of 129 countries to probe the predictors of corruption (the World Bank’s Control of Corruption Index and Transparency International’s Corruption Perceptions Index) and found inequality’s positive relationship with corruption to be at least as important as economic development and natural resource abundance.

Given the importance of the societal level correlates of inequality, it is surprising that there are few micro and meso-level consequences that have been explored within organizational settings. Indeed, Bunderson and Van der Vegt (2017) reviewed the 108 articles published between 1984 and 2016 on the topic of heterogeneity within management teams and found that only six of these focused on vertical disparity (i.e., inequality). The limited work that has been conducted has primarily focused on the effects of income dispersion on firm performance (e.g., Bloom, 1999; Carpenter & Sanders, 2004; Fredrickson, Davis-Blake, & Sanders, 2010; Siegel & Hambrick, 2005) and turnover (e.g., Wade, O’Reilly III, & Pollock, 2006). Building on theories of relative deprivation (e.g., Deutsch, 1985) and tournament compensation (e.g., Lazear, 1995; Lazear & Rosen, 1981), most researchers have argued that disparity increases competition, differentiation, resentment, and deviance (e.g., Bloom, 1999; Pfeffer & Langton, 1993; Siegel & Hambrick, 2005). Nonetheless, Shaw’s (2014) review points out that the dearth of research on the topic leaves many questions unanswered, even with regard to the basic question of whether dispersion is a positive or negative force in organizations. Indeed, Shaw explicitly calls for expanding the limited scope of research examining the consequences of inequality and to include more psycho-social elements such as citizenship, antisocial behavior, and envy.

In this paper, we sought to address this gap in the literature by reviewing evidence that contextual factors that enable or promote inequality of resource distribution tend to favor certain types of leaders. In particular, we argue that organizational contexts typified by relatively higher levels of inequality will favor dominance-based leaders. Dominance, akin to the social psychological construct of power (i.e., access to asymmetrically controlled resources; see Maner, 2017; Cheng, Tracy, Foulsham, Kingstone, & Henrich, 2013), refers to the use of intimidation and coercion to attain one’s goals (Cheng et al., 2013; Henrich & Gil-White, 2001). Dominance-based leaders are those who inspire fear in the group and seek to act more out of self-interest than group-interest, and thus often benefit from their decisions at the expense of the group (Cheng et al., 2013; Maner, 2017). Inequality should favor dominance because there is more to gain (and also more to lose) for individuals in unequal environments, and therefore stronger incentives to capture and retain leadership positions that provide privileged access to these valued resources.

In contrast, we argue that contextual factors that promote equality of resource distribution will tend to facilitate the emergence and selection of prestige-based leaders. Prestige is akin to the social psychological construct of status (i.e., respect and admiration) and prestige-based leaders are recognized by their group as possessing superior skills, success, or knowledge (Cheng et al., 2013; Maner, 2017). Prestigious individuals who emerge as leaders tend to behave prosocially, exhibiting unusual levels of generosity and weighting the group’s interest at least as highly than their own individual interests (Henrich, Chudek, & Boyd, 2015; Maner, 2017). Consistent with the “service for prestige” theory of leader-follower relations (Price & Van Vugt, 2014), there are individual benefits associated with prestige-based leadership – public praise, small gifts, favors, and assistance with projects (Henrich & Gil-White, 2001; von Rueden, Gurven, & Kaplan, 2010; von Rueden, Gurven, Kaplan, & Stieglitz, 2014). This factors likely support the positive association between status and reproductive success (Stulp, Sear, Schaffnit, Mills, & Barrett, 2016; von Rueden & Jaeggi, 2016), although these studies do not clearly delineate between prestige and dominance as the foundations of status. Nonetheless, generosity, kindness, and freedom from bad temper are hallmarks of prestige-based leadership (Radcliffe-Brown, 1964).

In short, dominance-based leadership refers to those who lead through intimidation and coercion, thereby inducing fear in followers who defer out of self-protective motivations. Prestige-based leadership refers to those who lead through the display of superior skills, success, or knowledge, thereby inducing respect in followers who defer out of self-benefiting motives. It is worth noting that these two types of leadership are not necessarily mutually exclusive. Prestige-based leaders might themselves establish dominance, as they have the potential to foster large social networks with the possibility of collective action serving as a coercive threat (Henrich et al., 2015). One might also imagine that under conditions of hostile intergroup rivalry, dominance might confer prestige by virtue of the defensive and offensive advantages it can offer the group as a whole (Van Vugt & Spisak, 2008). It is also worth noting that both dominance- and prestige-based leaders experience benefits relative to followers, but asymmetries are constrained under prestige-based leadership, because the benefits afforded to prestige-based leaders follow from what the leader can offer the group. Under dominance-based leadership the benefits afforded to leaders emerge in response to fear of what the leader can take away. Dominance can be claimed, prestige can only be granted.

More equal organizational environments should favor prestige over dominance because, with relatively less to individually gain (and lose), leadership roles garner fewer personal privileges. Any benefits that a skilled and capable leader might bring are group-level benefits. Thus, self-interest is yoked to group-interest and organizations should favor leaders whose capabilities are seen as most likely to maximize the welfare of the overall group. This theorizing is consistent with experimental work demonstrating that clustered versus dispersed resource distributions give rise to hierarchical versus more egalitarian social structures (Pierce & White, 2006).

Although the terms dominance and prestige-based leadership have their origin in evolutionary psychology, the organizational literature offers a similar dichotomy in the constructs of despotic leadership and ethical leadership. Despotic leadership is based on dominant, self-aggrandizing, manipulative and exploitative (Schmid, Pircher-Verdörfir, & Peus, 2017) behaviors that serve the self-interest of the leader (Aronson, 2001; Bass & Stogdill, 1990; House & Howell, 1992; Howell & Avolio, 1992; McClelland, 1975). Ethical leaders on the other hand have been defined as honest, caring, principled, and fair, and whose behavior inspires others to follow them not out of fear but from respect (Brown & Treviño, 2006; den Hartog & Belschak, 2012). While we see clear overlap between the constructs of dominance-based leadership and despotic leadership, and prestige-based leadership and ethical leadership, the advantage of framing our approach around the constructs of dominance and prestige is that it allows us to better explore parallels of humans’ evolutionary experience with leadership and followership (Henrich & Gil-White, 2001; Maner, 2017). Specifically, the dominance/prestige model draws from evolutionary theory to account for humans “dual heritage”. In other words, we share a common ancestry with other primates who characteristically employ coercive dominance as a social regulatory tool, but humans also rely heavily on cultural learning and shared knowledge, which are facilitated by attention to and the influence of the most skilled and able, i.e., the prestigious (Boyd & Richerson, 1988; Cheng et al., 2013; Henrich & Gil-White, 2001).
Importantly, previous work has demonstrated that both dominance and prestige are effective ways of increasing social rank and influence within human groups whose societies are structured closely to that of our ancestors. Field work within Amerindian small-scale societies reveals that both dominance and prestige provide fitness benefits in terms of community-wide influence and the number of offspring born and raised to adulthood (von Rueden et al., 2010). And von Rueden and Jaeggi (2016) find status – both as a composite measure and individual measures of physical formidability, hunting ability, political influence, or material wealth (see also, Stulp et al., 2016) – to be predictive of men’s reproductive success. Thus, dominance and prestige both have deep roots in our evolved psychology, represent contrasting mechanisms for the attainment of leadership, and both have conceptual representation in the organizational literature, albeit under somewhat different labels.

It is important to note that the evolution of dominance and prestige as contrasting pathways to rank and influence suggests that these strategies should interact with contextual features to determine their efficacy for attaining leadership, and the advantages they afford followers. Indeed, we argue that the viability of these two strategies is shaped by contextual opportunities for the monopolization of resources. There are also likely to be trade-offs for both dominance and prestige-based leadership, such that dominant leaders may afford group-level benefits in some situations while imposing group-level costs in others, and the same is likely true of prestige-based leaders. We discuss such moderators in more detail below.

To examine whether levels of organizational inequality influence the utility of these contrasting leadership strategies, we take a comparative approach to understanding the psychology of inequality and the associated implications for the emergence of dominance- and prestige-based leadership. We first describe how ecological differences in the distribution of resources in animal and small-scale human societies incentivize different leadership strategies, and we use this framework to tease out a number of implications for modern leadership environments. We then argue that the incentives associated with leadership in modern organizations tend to be structured in a way that tips the scales toward favoring dominance-oriented leaders over prestige-oriented leaders. We suggest that a number of self-serving and organizationally detrimental consequences result when dominance-oriented leadership aspirants secure positions of power and influence in organizations. We then highlight the psychological and organizational consequences of inequality and the effects of dominance-based leadership on organizational governance. We conclude by describing the moderating roles of culture and current selection processes in shaping the degree to which inequality determines the emergence of dominance- versus prestige-based leaders.

Throughout our paper we define inequality as the unequal distribution of desired resources. For example, salaries and bonuses are important and desired monetary resources, and their unequal distribution should have an impact on the utility of different types of leadership. However, because money is a modern unit of exchange, the psychological consequences of inequality will have their foundation in how human and animal groups have historically dealt with unequal access to more basic resources, such as food and reproductive opportunities. Thus, a consideration of how modern leader-follower psychology evolved requires a consideration of how ancient leaders and followers managed the distribution of these basic resources.

The origins of human leadership

*Homo sapiens* have been successful in large part due to our ability to work together in groups, and one important role of leadership in human societies is to facilitate and coordinate individuals’ willingness to sacrifice for the group and work toward the collective good (Van Vugt, Hogan, & Kaiser, 2008). Indeed, cooperation is a necessary pre-condition for much of the specialization that drives human cultural and technological development (Shan, Walker, & Kogut, 1994; Wright, 2000). The ability and proclivity to coordinate activities among multiple group members can be seen as early as the division of labor of *Homo erectus* over a million years ago (Shipton & Nielsen, 2015), and has played a critical role in making humans so effective in hunting, defense from predators, and warfare (Henrich & Gil-White, 2001; Hill, 2002). As a consequence, human group members gain fitness benefits from the guidance of the wisest and most knowledgeable members of the group. Thus, there is adaptive pressure for people to select leaders who are wise, strong, and most capable and likely to help the group. This adaptive pressure on the welfare of the group members provides a context for the emergence of prestige, or status-based leadership.

On the self-serving side, however, natural selection also exerts pressure on individual organisms to maximize their inclusive fitness. Even within small groups there is typically some sort of hierarchical ordering of individuals whereby those at the top have more access to valuable resources than those at the bottom. Thus, in contexts where benefits accrue uniquely or disproportionately to group leaders as a function of their role, we might expect to see people who are drawn to leadership positions because they weight their personal desires ahead of those of their group. In ancestral groups these benefits were primarily in terms of greater access to mating opportunities (Andersson, 1994) and sometimes through preferential access to comfortable dwellings or better food. In modern groups these benefits are primarily in terms of greater status and material resources, though these modern benefits also have the advantage of enhancing comfort and longevity and increasing reproductive opportunities (Turke & Betzig, 1985; Waldron, 2007). As a consequence, people also desire to be leaders for self-serving reasons, and competition to achieve such positions can result in dominance-based leadership, whereby fear and coercive tactics are used to acquire and maintain valued rank. This adaptive pressure on the individual provides a context for the emergence of dominance-based leadership.

Thus, there is an ever-present tension in human societies between individual and group-level goals (Galinsky & Schweitzer, 2015), with some leaders being more group-serving and some leaders being more self-serving (Boehm, 1999; McClelland, 1970, 1975; Van Lange, De Cremer, Van Dijk, & Van Vugt, 2007; Van Vugt et al., 2008), and some leaders vacillating between these two types of motivations (Maner & Mead, 2010). The main premise of the current paper is that this tension between group- and self-orientation is strongly influenced by (in) equality of resource distribution, which shapes the predominant type of leadership strategy that is likely to emerge and flourish in a given collective human context.

**Inequality of resource distribution**

To look for clues about why different types of leadership strategies may be adaptive depending on opportunities for resource control and emergent inequality, we examine leadership in other species and among our hunter-gatherer brethren, and the relationship of these leadership strategies to the predominant pattern of resource inequality. We begin by focusing on ecological conditions that determine the degree to which valuable resources can be more or less monopolized by a few or even a single individual(s). This comparative approach brings into sharp focus how leaders’ ability to control resources can determine the degree to which emergent leaders engage in self-serving vs. group-serving behaviors.

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3 By fitness benefits we mean factors that enhance an individual’s capacity to pass on its genes into the next generation.

4 Inclusive fitness refers to an individual’s capacity to pass on its genes into the next generation, coupled with its ability to promote the reproductive success of close relatives and thus shared genes.
Of baboons and elephants

On one end of the continuum, dominance-oriented leaders are similar to the typical “leaders” of baboon colonies. Baboons are highly social creatures that live in large colonies composed of males and females across all the life stages. The colony provides protection, more eyes and ears to detect predators, and mating opportunities, and thus nearly all baboons live in such groups. Baboons are omnivorous and eat a great deal of low calorie foods like grass and leaves, but strongly prefer high calorie foods like seeds, berries, and meat. Sources of these latter foods are comparatively infrequent and often spatially clustered (e.g., a fruiting tree, a successful kill of a bird or vervet monkey), enabling troop leaders – the strongest and fiercest males – to monopolize such highly valued resources when they are available. Females announce their fertility through sexual swellings, again enabling leaders to monopolize mating opportunities by fiercely guarding females during the brief period when they are fertile.

This ability to monopolize food and reproductive resources contributes to the adaptive value of dominance; approximately 50% of the variance in reproductive success of male baboons is accounted for by their rank in the hierarchy (Alberts, Watts, & Altman, 2003; Cowlishaw & Dunbar, 1991). Traits such as physical size, aggression, and an indomitable disposition have been selected for as they facilitate dominance of the troop (King, Douglas, Huchard, Isaac, & Cowlishaw, 2008), which in turn allows for the control of food sharing – critical for buying and maintaining allies (Silk, 2005) – and the control of reproductive opportunities that permit these traits to flourish (Sapolsky, 2005). Disgruntled troop-mates can either mount a challenge or try to join another group, but either way the protection from predators provided by the group prevents subordinate males from striking out on their own (King et al., 2008).

In such a context, where physical and social conditions enable the emergence of inequality in access to important resources, dominance provides an adaptive advantage. Dominant males are intimidating when competing for leadership and are harder to dislodge once they achieve it, and dominance-oriented aspirants are more willing to contest for leadership positions. Consequently, the alpha male dominates other members of the troop through continual threats or acts of aggression toward subordinates. In fact, baboon “leaders” do not lead the group in the sense of providing helpful guidance or protection to group members. Rather, their goals are entirely self-serving and focus on enhancing their access to fertile females, preferred foods, shady resting spots, etc. (Sapolsky, 2005).

The self-serving nature of baboon “leadership” is perhaps best illustrated by King et al.’s (2008) foraging experiment in wild baboon colonies. To manipulate leadership incentives, they introduced experimental food patches into the baboons’ natural habitat. By spatially concentrating food into clumped patches, King et al.’s manipulation enabled dominant individuals to monopolize most of it. Consistent with their self-serving orientation, “leaders” brought their groups to these concentrated food patches more often than they visited other foraging sites, even though this decision resulted in a net resource loss for the majority of the group. Thus, despite the high cost imposed on the majority of their group, dominant individuals consistently chose to lead the group to their own personal banquet, rather than choose foraging options that would enhance the well-being of their group. This placement of self before group is a hallmark of dominance-oriented leadership.

On the other end of the continuum we have the type of leader who is more similar to an elephant. Adult male elephants are formidable creatures. With few if any natural predators, they live either alone or in somewhat fluid groups, and thus long-term elephant groups are composed of adult females and juvenile males and females. In principle, the strongest male elephant could impose himself as leader over the herd, but there is no incentive for him to do so. Their widespread plant food sources are not readily monopolized and females announce their fertility to all males in their vicinity, and thus males must compete for sexual access whether they are in the group or reside many miles away. Because neither reproductive nor food resources can be monopolized, there is little opportunity for inequality to emerge, and so little value in establishing dominance over the herd. Thus, the leader of long-term elephant groups is typically one of the oldest females in the group (i.e., the matriarch), and she is relied upon to coordinate group movements, migration, and responses to threat (McComb et al., 2011; McComb, Moss, Durant, Baker, & Sayialel, 2001).

To be clear, elephant groups are not completely egalitarian, as they do establish a hierarchical ordering of individuals. But rank follows age (Archie, Morrison, Foley, Moss, & Alberts, 2006); the experience that comes with age provides adaptive advantages to all members of the group, and thus the herd tends to defer to the eldest female (McComb et al., 2001; McComb et al., 2011). Because leadership does not enhance her access to food sources or mating opportunities, the elephant leader does not gain fitness benefits from her position at the top of the hierarchy (Archie et al., 2006), and so would gain little from competing for the role. Rather leadership in elephant groups provides a mutual benefit to all members of the group in a manner that is predominantly group-serving. Thus, elephant leaders themselves should seek to be led by others if another’s capabilities will maximize the group’s outcomes.

In such contexts of fairly equal resource distribution, prestige-oriented leadership rather than dominance has more utility. Prestige is won not by force, either implied or exerted, but rather by the display of desirable traits and abilities that are recognized as having the potential to maintain or improve the group’s current circumstances (Cheng et al., 2013; Henrich & Gil-White, 2001). Prestige-based leaders are recognizable not by their power to control others but by the esteem with which they are held by those who choose to follow them. In this sort of situation – in which benefits are manifested predominantly at the group level rather than for the individual leader – there should be little if any adaptive pressure toward dominance, as it is in the interests of all to have the most apt individual leading the group.

Chimpanzees and bonobos

The impact of the ecology on food consumption and reproductive opportunities, and the social hierarchies that follow, can also be seen in much more closely related species than baboons and elephants. For instance, the evolved social hierarchies of the African great apes – bonobos, chimpanzees, and gorillas – have also been linked to the distribution of food within their ecologies (Wrangham, 1980). Although bonobos and chimpanzees are very closely related species (having diverged only about two million years ago), they exhibit strikingly different social relationships. Similar to baboons, dominant male chimpanzees control mating and food resources through aggression (Goodall, 1986; Muller, 2002; Muller, Kahlenberg, Thompson, & Wrangham, 2007; Watts & Mitani, 2002; Wilson & Wrangham, 2003). In contrast, among bonobos, social hierarchies are less pronounced due to regulation by female-to-female alliances; alliances that are socially reinforced by sexual, as opposed to aggressive interactions (Harcourt & Wael, 1992). Thus, whereas chimp “leadership” is characterized by physical and psychological dominance of the group, bonobo leadership is characterized by female alliances that regulate the emergence of a single dominant individual.

As there are no differences in terms of predation risk for bonobos and chimpanzees, explanations for their diverging social patterns lie in their feeding ecology (Wrangham & Pilbeam, 2001). Nutrient availability does not differ between the two species’ habitats (Hohmann et al., 2010), but food distribution does vary significantly (Wrangham & Peterson, 1996). Due to the absence of gorillas throughout the bonobos’

5 An interesting coda to the above is that relative to chimpanzees, where mate access is largely determined by intrasexual competition between males, intersexual competition, or female mate choice among bonobos is associated with greater male reproductive skew (Surbeck, Langergraber, Fruth, Vigilant, & Hohmann, 2017).
territories, bonobos have access to a higher density of terrestrial foods than do chimpanzees (Malenky & Wrangham, 1994; Wrangham 1993; Wrangham & Peterson, 1996). This more even distribution of resources cannot be readily monopolized by staking and defending one's claim to a patch, and so reduces the selective pressure on establishing dominance (Hare, Webber, & Wrangham, 2012). In contrast, the dispersed clustering of resource rich patches encountered by chimpanzees creates opportunities for dominants to monopolize these resources, and so exert themselves as “leader” within the group. Interestingly, these ecological differences faced by chimpanzees and bonobos also drive differences in risk preferences, with the competitive ecologies of chimpanzees leading to a higher tolerance for risk, as opposed to bonobos relative risk aversion (Heilbroner, Rosati, Stevens, Hare, & Hauser, 2008). Again, dominants in such contexts do not “lead” by offering guidance or sacrificing their own interests for those of the group; rather, they lead by begrudgingly sharing monopolized resources in exchange for subordination, and attendant privileges. 

Small-scale human societies

A similar pattern can be seen in contrasting hunter-gatherer groups as exemplified by the Hadza (Marlowe, 2010) and hunter-horticulturalist groups as exemplified by the Yanamamö (Chagnon, 2013), two extant small-scale societies similar to those in which humans originally evolved. The Hadza are nomadic hunter-gatherers who live in Northern Tanzania. The Hadza consume what they hunt and gather on a daily basis, and like all other immediate-return hunter-gatherers, they rely on community-wide sharing and egalitarianism. Traditional hunter-gatherer societies follow seasonal variations of plant and animal-based foods, and thus individuals and families only accumulate possessions that they can carry themselves, minimizing opportunities for inequality of resource distribution within the group. In addition, it is in everyone’s interest for hunters to share their bounty, as even the best hunters are frequently likely to come home empty-handed. Thus, mandated sharing serves as an insurance policy against a series of failed hunts (Kaplan, Gurven, Hill, & Hurtado, 2005). Successful hunters who brag about their spoils are also criticized, and so humility too becomes normative, even among the most skilled (von Rueden et al., 2014). When individuals display self-aggrandizing behavior aimed at dominating the group, coalitions of subordinates quickly form to ostracize the conceited, thereby stymying any coercive influence such individuals might otherwise develop (Boehm, 1999). With resources fairly evenly distributed, there is also little opportunity to monopolize reproductive resources, due to the prohibitive costs of provisioning more than one wife. Thus, as is the case for the majority of hunter-gatherer groups who face high temporal and spatial distribution of resources (Cashdan, 1980), Hadza are also primarily monogamous with female choice.6 Polygyny does exist within Hadza society, but only 4% of men will have more than one wife and the likely outcome of pursuing a second woman is losing the first (Marlowe, 2004).

The resultant enforced equality of Hadza society – with hunters required to share their kill, normative humility, people owning very few possessions, and females free to choose their own partners – means that there is little to be gained for the self through dominance-based leadership. Because there is very little conflict between the various nomadic tribes that constitute the Hadza population (due to limited incentives for conflict between groups5), individuals are free to “vote with their feet” and relocate to another group (Apicella, Marlowe, Fowler, & Christakis, 2012) rather than endure unwanted tyranny. Not only would despotic, aggressive behaviors meet stiff resistance from others who have equal access to resources, but there are no additional resources that can be garnered by such a strategy. Rather, wise counsel can help the group be more successful, and all individuals benefit to the degree that their group benefits. Indeed, to the degree that individuals gain anything by offering their leadership during group decision-making, it is through the increased prestige they garner by demonstrating wisdom, compassion, etc., and the shared benefits this wisdom might bring the group. Thus, leadership can only be obtained momentarily and situationally in Hadza society, and the goals of would-be leaders are of necessity aligned with their group, in a manner very similar to elephant groups. As a result, leadership, to the extent that it exists, is primarily prestige-based. Group members make all of their group decisions through discussion and have few explicit leaders.

A starkly contrasting example can be found in the Yanomamö, hunter-horticulturalists who live in the Amazon basin of Venezuela and Brazil. Even though the Yanomamö also have few possessions, their horticulturalist and relatively sedentary lifestyle provides more opportunities for resource control. The principal source of calories for the average Yanomamö is cultivated crops – manioc, sweet potatoes, and plantain (Gross, 1975). Root crops are characteristically high in calories but low in protein, and so the Yanomamö typically look to the rivers for sources of animal protein. The inter-tribal violence for which the Yanomamö are renowned is partially a consequence of limited access to animal protein in the Amazon basin, especially away from the river systems (Chagnon, 1968). Because game tends to be clustered within particular spots on the rivers, Yanomamö ecology provides an opportunity for these concentrated resources to be claimed through violence. Thus, the sustained culture of warfare and violence is driven in part by the group’s need to dominate, or at least prevent other groups dominating resource rich locations. Even organized raids and counter raids that are ostensibly motivated by vengeance, sorcery, headhunting, or the capture of women, serve the function of dispersing settlements over wide areas, bringing much needed relief of pressure on game resources (Gross, 1975).

Food storage and inequality of access to high quality foods also enable inequality in Yanomamö marriage systems. As a result, males are rewarded for their dominance – wives are obtained in part through violence against others (particularly other groups) and in part through alliances that can be more readily controlled by those in leadership positions. This system provides the opportunity for violence and dominance to have substantial influence on reproductive success. Indeed, violence appears to be a predominant route to obtain both leadership positions and wives, as males who have killed another (unokais) have more wives (Mean = 1.63) than males who have not (Mean = 0.63). Commensurate with their greater number of wives, unokais also have more children (Mean = 4.91) than males who have not killed (Mean = 1.59).7 As a result, males among the Yanomamö are clearly dominance-oriented, and the powerful hold group members in sway through the threat of personal violence, typically relying on a network of male kin as their power base. Of course, not all headmen within Yanomamö society rule by dominance, indeed, in Fierce People Chagnon describes one Kaobawa, as a “quiet, unpretentious headman”, but quiet and unpretentious by Yanomamö standards is still a far cry from the socially enforced humility and equality of Hadza societies.

Inequality of resource distribution incentivizes the emergence of dominance. Our comparative approach suggests that the potential for unequal resource distribution can explain why the Hadza are more egalitarian and peaceful while Yanomamö leaders are more despotic

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6 In a comparative study of 190 hunter-gatherer societies, Apostolou (2007) found arrangement of marriage by parents or close kin to be normative and the primary mode of marriage in 85% of the sample. In contrast, Hadza women who have reached marriageable age at 17–18 years and are counted by one or more males are free to choose their preferred suitor (Marlowe, 2004).

7 Because the Hadza have no portable wealth, there is little incentive to try to steal from each other in raids. There is also little incentive to try to steal women from other groups because it is nearly impossible to provision more than one wife.
and violent. Individuals within immediate-return hunter-gatherer societies such as the Hadza encounter fewer opportunities for accumulating and controlling resources than those in more sedentary hunter-horticulturalist societies such as the Yanomamö. In particular, heterogeneity in land quality coupled with a relatively horticultural lifestyle sets the stage for inequality to emerge, as the most dominant individuals or groups tend to claim the best locations. Indeed, the historical shift from nomadic hunter-gatherer societies to more intensive agricultural practices was a critical point in the shift from egalitarianism to despotism in many human societies (Allen, 1997; Boehm, 1999; Diamond, 1998; Earle, 1989), in part due to opportunities for wealth to be transmitted across generations (Borgerhoff Mulder et al., 2009).

Inequality of resource distribution differentially incentivizes men and women. While our current purpose is not to focus on sex differences in leadership, it is worth noting that men have more to gain from dominance (at least genetically) than do women. There are biological differences in men's and women's reproductive capacity, with men having virtually no limit on their reproductive potential, versus women's relatively low reproductive ceiling. Monogamy places a constraint on this sex difference but within polygynous societies, dominance can yield far more offspring to a male than to a female. Even within monogamous societies the ratio is skewed toward men by any extra-pair couplings. For this reason, selection pressures related to reproductive opportunity tend to weigh more heavily on men than on women (Wilder, Mobasher, & Hammer, 2004), with a few men passing their genes to many offspring and many men passing their genes to few (or no) offspring. This sex difference suggests that the relationship between dominance/prestige and reproductive success will be stronger for men than it is for women and that any genetic correlates of dominance and/or prestige will be selected for across generations, primarily via a male line, shaped by female choice (Bjorklund & Shackelford, 1999; Trivers, 1972). This relationship implies that we should expect dominant males to fiercely compete for alpha status in species whose biology and ecology facilitate opportunities to monopolize mate access, and that we should expect to see dominance selected for in males, over generations. Where biology and/or ecology constrain opportunities for controlling mate access, alpha status is less of a prize in itself and more closely tied to group-benefiting qualities such as knowledge and skills acquired by age and experience, and so we should expect to see social hierarchies to be based more on prestige than on dominance (and gender to be a less important determinant of leadership).

Why do modern organizations often promote dominance-based leadership?

Our core premise is that when the context affords opportunities for resources to be controlled by a few and unequally distributed among many, dominance emerges as the prevailing leadership strategy. Such contexts emerge when the costs of controlling resources are outweighed by the benefits of exerting this control. In the following sections, we argue that in this way modern organizational environments often allow for the monopolization of resources and thus tend to promote dominance-based leadership as an externality of such systems.

Modern organizational incentive structures

Organizational leaders respond to environmental incentives in terms of their willingness and ability to (un)equally distribute resources in the same way that leaders in animal and small-scale human societies do. Indeed, if resource inequality can tip the balance in favor of dominance-based leadership, then modern organizations can be accused of having their finger on the scale. In today's world, modern corporations allocate resources in an increasingly unequal manner, with substantial benefits when one is selected for leadership, and thus competition for such roles is fierce (Jacquart & Armstrong, 2013; Jensen & Murphy, 1990; Malmendier & Tate, 2009). For example, the average CEO salary of the S&P 500 companies was $22.6 million in 2014 (Mullaney, 2015). CEO salaries have been growing at an astonishing rate; twenty-five years ago the average CEO earned roughly 30 times more than the average worker, in 2014 this ratio has ballooned to 373 to 1 (Mullaney, 2015).

There are probably many factors that have led to greater inequality in CEO compensation, but perhaps most relevant to our theorizing is the effect of the SEC ruling in 1992 that decreed companies must present CEO salaries in standardized tables rather than the common practice of obfuscating them in the context of a long report with numerous details (Barris, 1992; Donahue, 2008). The goal of this ruling was to inform shareholders and shame companies and CEO's into reduced compensation, but the opposite effect occurred; the clearer presentation led CEOs to compete to earn more than their peers. Thus, the naïve assumption that CEO's would evaluate their compensation in comparison to their workers (and be embarrassed by their excesses) proved to be largely incorrect, as CEO's were more concerned about their relative ranking among each other. This finding suggests that CEO's were already predominantly dominance-oriented at this time, as their orientation was not inward toward their own group, but rather self-focused in the competition to accrue the most resources. This finding also provides no identifiable ceiling in the desire of dominance-oriented leaders to benefit at the expense of their group.

As a consequence of the inflated incentives currently offered to CEO's, prestige-oriented leaders are often insufficiently motivated to compete head-to-head with dominance-oriented leaders who are less ethically constrained and more strongly motivated by power, and financial reward. Even if prestige-based leaders are motivated to compete, the tournament conditions associated with modern leadership selection are “mismatched” (Von Rueden & Van Vugt, 2015) to prestige-based strategies, inviting and rewarding dominance-based strategies (Vinkenburg, Jansen, Dries, & Pepermans, 2014). Of course, followers are highly motivated to select leaders on the basis of prestige rather than dominance but are often ineffective in this goal, a point to which we return below.

Dominant leaders also benefit in the modern business world by virtue of the fact that enormous financial rewards can accrue irrespective of performance. Although aligning the goals and interests of the leaders (e.g., CEOs) and followers (e.g., stockholders) via equity can help orient leaders toward the firm's goals (Harris & Raviv, 1979; Holmstrom, 1979; Jensen & Murphy, 1990), such alignment is the exception rather than the rule. For example, in one study that incorporated data across five decades and thousands of CEOs in 1400 publicly listed companies, overall CEO compensation was found to be largely unrelated to corporate performance, with little disparity in financial outcomes between successful and failed CEOs (Jensen & Murphy, 1990). One critical reason for the separation between CEO performance and remuneration is that the interests of CEOs and their organization's interests are not always perfectly aligned (Boyd, 1994; Jensen & Meckling, 1976). This potential conflict of interest is exacerbated when power is increasingly centralized (Pearce, Manz, & Sims, 2008) and governance compromised (Boyd, 1994), such as might be expected when CEO's are appointed by incumbent top management, whose own interests are well served by concentrating benefits at the top of the organizational hierarchy (Bechuk, Fried, & Walker, 2002).

In this way owners relinquish decision power concerning firm operations to management, and while management has the fiduciary responsibility to act in the interests of shareholders, they are often
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<td>Organizations with higher levels of income inequality will favor dominance-oriented leaders.</td>
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<td>The ratio of executive compensation to average employee compensation will be negatively associated with organizational citizenship behaviors.</td>
<td>• Between firms field study examining pay structures and other ratings of despotic leadership.</td>
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<td>Organizational inequality will be negatively related to social capital.</td>
<td>The ratio of executive compensation to average employee compensation will be negatively associated with social capital.</td>
<td>• Laboratory-based study that manipulates leader-worker pay ratios and then examines displays of self-protective/self-benefiting versus group-benefiting leadership decisions.</td>
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<td>Organizational inequality will be positively related to turnover.</td>
<td>The ratio of executive compensation to average employee compensation will be positively related to turnover.</td>
<td>• Laboratory-based study that looks for change in self/other-reported dominance and prestige as a function of a manipulated high versus low power prime.</td>
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simultaneously financially incentivized to pursue their own ends, often with little accountability (Bebchuk et al., 2002; Boyd, 1994; Patton & Baker, 1987; Vance, 1983; Whistler, 1984). In the aftermath of the 2008 financial crisis, where performance was clearly in question, the banking sector simply rebranded executive “performance bonuses” with the label “retention bonuses”. The result was that bonuses were high when performance was good and bonuses remained high when performance was bad (Stiglitz, 2012, p. 221).

**Proposition 1.** Organizations with higher levels of income inequality will favor the emergence of dominance-orientated leaders. (See Table 1.)

**Proposition 2.** Organizations with lower levels of income inequality will favor the emergence of prestige-orientated leaders.

**Cross-group mobility**

Ancestral groups involved relatively long-term membership in small bands that were typically geographically separated from other groups (Wright, 1994). In large part this was due to the relative sparseness of human populations until the advent of agriculture approximately ten thousand years ago. With few if any alternatives, people often remained embedded within the same small network of social groups for the entirety of their lives. Knowledge of others was acquired either by face-to-face interaction or by word of mouth (Moore, 1996). These close-knit and enduring social relationships would have imposed strong social costs on self-interested free riders looking to exploit the group for personal advantage. At an extreme, social or even physical exclusion from the group might follow from persistent evidence of a tendency to place one’s self before the group, where facing a harsh physical environment on one’s own would have meant certain death.

In contrast, modern groups, organizations, and societies, especially those in more individualistic Western cultural contexts, tend to be characterized by higher levels of social, relational, residual, and organizational mobility (e.g., Oishi, 2010). According to the 2011 U.S. Census, the average American will move nearly a dozen times in their lifetime, and the average time spent in a given job is only around four years. This shift toward “boundaryless” careers (Arthur & Rousseau, 1996) has been described as a “new deal” that causes individuals to be more concerned with self than with group or organizational goals (Cappelli, 1999). Although cultural differences moderate such effects, with more collectivistic and less industrialized societies tending to be less relationally and residentially mobile than individualistic or more industrialized cultures (e.g., Oishi, 2010; Schug, Yuki, & Maddux, 2010; Yamagishi & Yamagishi, 1994), our modern environment makes opting out of cities, countries, industries, and organizations easier than ever before.

Given that modern organizations, particularly those situated in more individualistic cultures, are typified by higher levels of mobility across groups and regions (Arthur & Rousseau, 1996), we might also expect dominance in the service of self-interest to be less apparent and of less consequence to the signaler if detected. Such reasoning is consistent with Von Rueden and Van Vugt (2015) who suggest that extraversion and confidence are more likely to covary with agreeableness when social mobility is constrained. Indeed, such possibilities are also consistent with cross-cultural variation in trust, expectations for reciprocity, and levels of punitiveness of cheaters in modern, in low- vs. high-mobility societies (e.g., Yamagishi, 1988; Yamagishi & Yamagishi, 1994). Low mobility results in ingroup transgressors posing potentially more harm to the welfare and survival of the group, and thus intra-group trust is lower, in-group individuals are monitored more closely, and transgressors are punished more harshly than in more mobile cultural groups (e.g., Wang & Leung, 2010; Yamagishi & Yamagishi, 1994). Reputation damage is clearly still a threat in high-mobility societies, but it can also be more easily alleviated by moving across companies or even entire industries and geographic regions to find a subsequent place of residence and employment (Oishi, 2010).

**Proposition 3.** Dominance-based leadership will be more prevalent in organizational contexts with higher professional mobility, while prestige-based leadership will be more prevalent in organizational contexts of lower professional mobility.

**Endogenous versus exogenous leadership selection**

Given the limited mobility and relatively small pool of individuals in ancestral contexts, leaders would have emerged from within the rank-and-file of the groups they ultimately led. This endogenous approach to leadership selection is less frequently used in modern organizational contexts where CEO’s are increasingly recruited from competing organizations (Colarelli, 2003; Murphy & Zabojnik, 2004). Such an exogenous approach means that former subordinates, who would be well placed to comment on a person’s potential for leadership, are rarely consulted in the leadership selection process (Colarelli, 2003). Indeed, this is likely part of the reason why externally appointed CEO’s perform worse and have shorter tenures than those recruited internally (Bidwell, 2011).

In the absence of longstanding personal knowledge of candidates, organizations must rely on proxies for leadership competence such as resumes, interviews, professional and informal networks, and formal assessment tests (Hogan & Kaiser, 2005; Sessa, Kaiser, Taylor, & Campbell, 1998). The most common selection procedure is an interview (DeVries, 1992) or “unaided expert judgment” (Jacquart & Armstrong, 2013), leaving selection committees, who are usually comprised of incumbent management and not selection experts (Vinkenburg et al., 2014), vulnerable to impression management tactics. When reliable and valid predictors of future performance (e.g., standardized tests, structured interviews; Schmidt & Hunter, 1998) are at hand, they are less frequently used and afforded less weight than unstructured interviews (Highhouse, 2008). Even HR professionals, who are well aware of the limitations associated with unstructured interviews (agreeing by a factor of 3 to 1 that standardized tests afford more predictive validity), still agree (by a factor of more than 3 to 1) that unstructured interviews allow them to “read between the lines” and see for themselves whether someone is worth hiring or promoting (Rynes, Colbert, & Brown, 2002). In this way HR professionals and managerial selection committees pit their ability to intuitively read people against the candidates’ impression management ability.
Proposition 4. Exogenous versus endogenous leadership selection will increase the likelihood of selecting dominance-oriented leaders.

Distributed versus consolidated leadership

Modern organizations might also be at a disadvantage compared to ancestral groups by the degree to which decision making is centralized, versus the dynamic and distributed leadership structure of ancestral groups and existing small-scale societies (Boehm, 1999; Service, 1966; Van Vugt et al., 2008). Although dominant types of “big men” (Wright, 2000) sometimes hold sway over many hunter-gather and hunter-horticulturalist groups (Chagnon, 1997), leadership structures are typically malleable and contextually dependent (Service, 1966), often with little transfer of prestige from one domain to another (Silberbauer, 1981). For instance, leadership among many Native-American tribes included war leaders, hunt leaders, medical leaders, ceremonial-song leaders, and peace leaders (Shepardson, 1963). Similarly, among Australian Aborigines, influence over the group was typically exerted by tribal elders in a diffused fashion (Broome, 1994), with individuals emerging as prestige-based leaders only in the context of specific activities (Jacob, 1991). This relative lack of dominant figures holding leadership positions across situations is a markedly different structure compared to the single, dominant, CEO-like leader common in modern organizations (Drucker, 1981; Jensen, 1993; Lipton & Lorsch, 1992; Van Vugt & Ronay, 2014).

In contemporary contexts, formal organizational hierarchies are essentially de-facto dominance hierarchies that remain relatively stable across contexts, with little effective means of regulation from below (Drucker, 1981; Jensen, 1993; Lipton & Lorsch, 1992). CEOs are the recognized leaders of organizations, often regardless of their particular task expertise, and such high-ranking individuals consistently control lower-ranking individuals’ outcomes and access to financial, social, and professional resources, often without strong checks on their authority or performance (Jensen & Murphy, 1990). Without the checks and balances of power that shared leadership provides (Pearce et al., 2008), this centralization of power in the hands of the dominant sets the stage for the emergence of corruption in the pursuit of self-interest.

Proposition 5. Distributed leadership will minimize the effects of inequality by constraining the utility of dominance-oriented leadership strategies.

Organizational consequences of inequality

So far, we have argued that a number of contextual factors push modern organizations to attract and select dominance-based leaders. We now turn our attention to consider potential consequences of inequality for the behavior of individual leaders, as well as the larger organizational climate and culture. No doubt leaders are powerful determinants of organizational culture, shaping and reinforcing the ethical climate through the manner in which they manage conflict, respond to crises, and allocate rewards and punishments (Gelfand, Leslie, Keller, & de Dreu, 2012; Schein, 1983; Sims & Brinkman, 2002). For instance, Gelfand et al. (2012) demonstrated that in the context of the banking industry, leaders’ use of dominance-based conflict strategies permeated the culture of their organizational unit. In short, leaders set the “tone at the top” and dominance-based leaders who are primarily attracted to the disproportionate personal benefits that leadership provides are unlikely to inspire a harmonious tone.

Self-interest and competition

Perhaps the most fundamental social consequence of resource inequality is that it shifts both leaders’ and followers’ psychology toward self-interest. Indeed, the norm of self-interest has assumed pre-eminent status within Western, market-based cultures (Miller, 1999), and this normative framework deems that the only rational behavior with respect to public goods is consumption without contribution. Even if one is not personally inclined toward self-interest at the expense of others, the expectation that others will behave in such a way induces people to act similarly (Clary et al., 1998; Miller, 1999; Miller & Turnbull, 1986), thereby sustaining a culture of self-interested inequality.

Although increased self-interest in response to inequality has the potential to fuel competition, the extent to which competition prevails depends on two critical variables – inequity aversion and opportunities for the inequity averse to shape others’ material incentives. Inequity aversion is the Achilles heel of homo economicus – given opportunity, inequity averse individuals punish freeriders for the sake of establishing stable cooperation, even at cost to themselves (Fehr & Schmidt, 1999). Such individuals compete not to turn inequity to their advantage, but to avoid inequity being turned to their disadvantage. Thus, whether inequality gives rise to rampant competition is determined by the interaction between two key features, (1) the presence or absence of inequity averse players, and (2) the presence or absence of opportunities for regulating those who exploit the public good (e.g., via punishment; Fehr & Schmidt, 1999). If there are no opportunities for punishment, a single purely selfish group member can induce a large number of extremely inequity-averse members to behave competitively. However, when circumstances permit even costly punishment of freeriders, the existence of a few inequity-averse individuals can create incentives for a majority of purely selfish types to cooperate and contribute to the public good. This speaks to the potential moderating role of culture, which we address more comprehensively later in the paper.

Proposition 6. Organizations marked by high levels of inequality will show higher levels of competition and self-interested behavior than organizations with lower levels of inequality, particularly when there are poor accountability systems and thus discouragement of self-interested behavior is difficult or impossible.

Abuse of power

Because power is relative to one’s hierarchical rank, the constructs of power and inequality are tightly intertwined. Defined by one’s access to asymmetrically controlled resources (Magee & Galinsky, 2008) power is a relative state (Emerson, 1962) that is conjoined to inequality. Because power waxes and wanes in relation to how keenly valued and tightly controlled the available resources are, the myriad of psychological effects that follow from power are moderated by prevailing levels of inequality. With perfect equality, power finds no purchase, and there will be few if any psychological effects. With absolute inequality, power is keenly felt by all and its psychological deterrents amplified.

How then might levels of inequality interact with the social effects of power? Although much of the power literature has focused on power’s disinhibiting (Keltner, Gruenfeld, & Anderson, 2003) and malevolent effects (Dubois, Rucker, & Galinsky, 2015; Fiske, 1993; Goodwin, Gubin, Fiske, & Yzerbyt, 2000; Guinote, Willis, & Martellotta, 2010; Overbeck & Park, 2001; Yap, Wazlawek, Lucas, Cuddy, & Carney, 2013), it seems more accurate to say that power increases the correspondence between behavior, traits (Bargh, Raymond, Pryor, & Strack, 1995; Chen, Lee-Chai, & Bargh, 2001; Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008; Rucker, Galinsky, & Dubois, 2012), and emotions (Overbeck, Neale, & Govan, 2010). On the one hand, individuals who have a more communal (versus individual) orientation are more likely to act prosocially and help others when in leadership roles (Chen et al., 2001). On the other hand, a large body of research also shows that power increases a host of negative behaviors as well, such as cheating (Yap et al., 2013), reduced perspective taking (Galinsky, Magee, Inesi, & Gruenfeld, 2006), and more selfish behavior (Kraus, Piff, & Kelner, 2011; Rucker, Dubois, & Galinsky, 2011). Thus, if power releases default behavioral tendencies, and if inequality
attracts and selects self-interested leaders, we might also expect increased abuse of power in organizations marked by inequality. In addition, power may exacerbate behavioral tendencies such that leaders who are more dominance-oriented by nature may become even more so once in positions of power, while prestige-oriented leaders may become even more prestige-oriented once contextual restraints are removed.

Proposition 7. Higher levels of inequality will be associated with increased abuse of power.

Proposition 8. Power will exacerbate leaders’ pre-existing tendencies to employ dominance- or prestige-based strategies.

It is perhaps also worth noting that power without status is associated with a dangerous combination of psychological effects – low status is threatening and invokes self-protective motives, whereas power leads to disinhibition – and their interaction causes low status individuals who possess power to act in ways that demean others (Fast, Halevy, & Galinsky, 2012). Because prestige is akin to status, it is difficult to imagine a prestige-based leader as possessing power without status. Dominance on the other hand can be used to claim power even when status is lacking. Similar deleterious effects are likely for power acquired in an illegitimate fashion (Lammers, Galinsky, Gordijn, & Otten, 2008). When power is acquired without the approval of followers, abuse of such unearned privileges is more likely.

Organizational pro-sociality

Organizational mistrust

When self-interest and dominance prevail, trust is hard to sustain (Bjernskov, 2006; Uslaner & Brown, 2005), especially among the powerless who are the first to be exploited (Gustavsson & Jordahl, 2006; Leigh, 2006). For instance, Knack and Keefer (1997) examined national variations in generalized trust and found higher levels of trust within those nations that were more egalitarian, as well as in those nations that impose formal constraints on chief executives. Relatedly, Stiglitz (2012) describes the erosion of trust that has occurred in America in recent years, in response to sharp increases in inequality.

Loss of trust matters because distrust leads people to disengage from their communities (Uslaner & Brown, 2005), to reduce organizational commitment (Brockner, Siegel, Daly, Tyler, & Martin, 1997) and citizenship behaviors (Chughtai & Buckley, 2008; Podsakoff, MacKenzie, Moorman, & Fetter, 1990), and to limit information sharing (Boss, 1980; Dirks, 1999). In short, without trust people become focused on self-protection and grow increasingly unwilling to make themselves vulnerable. As a result, groups are limited in what they can accomplish together, as vulnerability is a critical ingredient in establishing and maintaining cooperative relationships. Indeed, the economies that have historically flourished are those where honor and trust in others has been paramount (Mokyr, 2011). In the aftermath of the 2008 financial crisis, trust in corporate leadership is at an all-time low (Stiglitz, 2012, p. 305).

Proposition 9. Organizations marked by high levels of inequality will show lower levels of interpersonal and organizational trust compared to organizations with lower levels of inequality.

Reduced organizational citizenship behavior

Organizational Citizenship Behavior (OCB) refers to “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the effective functioning of an organization” (Organ, 1988, p.4). Podsakoff, Ahearne, and MacKenzie (1997) reviewed the robust relationship between OCB and organizational performance and found OCB to account for between 15% and 40% of unit level performance outcomes. Because perceptions of trust (Konovsky & Pugh, 1994), fairness (Colquitt, Conlon, Wesson, Porter, & Ng, 2001) and procedural justice (Moorman, Blakely, & Niehoff, 1998) all play important roles in determining OCB, OCB will decline under conditions of inequality. Employees engage in OCB in response to perceptions of procedural justice (for a review see, Van Dyne, Cummings, & Parks, 1995), reciprocating the fair treatment they receive from organizations and their leaders (Organ, 1990). Because OCB is contingent on social exchange (Organ, 1988, 1990), dominant leaders who are primarily motivated by self-interest, and whose decisions reflect this prioritizing of the self over the group will reduce employee’s motivation to engage in OCB, resulting in reduced organizational performance.

Proposition 10. Organizations marked by high levels of inequality will show lower levels of organizational citizenship behavior compared to organizations with lower levels of inequality.

Reduced social capital

When trust (Knack, 1992; Knack & Keefer, 1997; Putnam, 1993) and OCB (Bolino, Turnley, & Bloodgood, 2002) diminish, so too does social capital. Social capital refers to “the goodwill available to individuals or groups. Its source lies in the structure and content of the actor’s social relations.” (Adler & Kwon, 2002, p. 23). Leana and Van Buren’s (1999, p. 542) conceptualization of social capital as the willingness and ability of individuals to define collective goals that are then enacted collectively highlights the importance of social capital for group cohesion and effective group functioning. In essence, social capital is the glue that binds people together, enriching their social networks and allowing them to transcend the limits of their own individual efforts via collective action.

One region of the world that is flush with social capital is Scandinavia, where it is argued that social capital flows from (a) high levels of economic equality, (b) low levels of patronage and corruption, and (c) the predominance of universal non-discriminating welfare programs (Rothstein & Stolle, 2003). In contrast, America’s previous wealth of social capital has declined (Putnam, 1993) and in its place has risen a culture of self-aggrandizement (Twenge & Campbell, 2009) and increased abuse of power in organizations marked by inequality. In addition, power may exacerbate behavioral tendencies such that leaders who are primarily motivated by self-interest, and whose decisions reflect this prioritizing of the self over the group will reduce employee’s motivation to engage in OCB, resulting in reduced organizational performance.

Proposition 11. Organizational inequality will be negatively related to social capital.

Increased turnover

Leaders have a profound impact on whether people choose to leave an organization. Turnover is primarily determined by employees’ commitment to the organization and their overall job satisfaction, and leadership behaviors have a direct influence on both these variables (Firth, Mellor, Moore, & Loquet, 2004). Leaders who exert themselves over the organization in pursuit of self-interest, seeing the organization as a “basket of assets” rather than as a social institution with a concern for employees (Abbasi & Hollman, 2000) will reduce employees’ job satisfaction and commitment, and so contribute to increases in employee turnover (Demirtas & Akdogan, 2015; Elçi, Şener, Aksoy, & Alpkan, 2012). Ethical leadership is a critical variable driving these relationships (Demirtas & Akdogan, 2015; Elçi et al., 2012) and so we might expect dominance-oriented leaders, drawn to conditions of inequality by self-interested motives to negatively affect employee commitment and positively influence employee’s turnover intentions. With costs of turnover sometimes amounting to upwards of 5% of an organizations total annual operating budget (Waldman, Kelly, Aurora, & Smith, 2004) and with turnover being directly related to pay disparities between CEO’s and employees (Wade et al., 2006) we expect
that inequality will have a direct effect on employee turnover.

**Proposition 12.** Organizational inequality will be positively related to turnover.

**Moderators of the effects of inequality**

**Leadership stability and external threats to the group**

Most human leaders are a blend of dominance and prestige. Prestige-based leaders maintain a group orientation under most circumstances as failing to do so is likely to undermine their prestige, but dominance-based leaders are very sensitive to threats to their leadership, and thus shift in their group vs. self-orientation depending on the presence of internal and external threats. The clearest example of such situational shifting can be found in the work of Maner and colleagues. For example, Maner and Mead (2010) demonstrated that when dominance-oriented leaders feel that their leadership position is threatened by subordinates, they limit their information sharing with their group and exclude talented members, at a cost to group performance. Case and Maner (2014) went on to demonstrate that dominance-oriented leaders also rely on the tried and true “divide and conquer” strategy when they feel their leadership position is threatened by talented team members. Such leaders restrict intragroup communication, particularly between talented group members, and try to prevent them from bonding with one another. One negative consequence of this leadership strategy is highlighted by their efforts to exclude and isolate only the talented; highly talented group members are the most capable of helping the group, and thus these actions place the leader’s goals in direct opposition to their group’s goals. Furthermore, these leadership behaviors disappear when dominance-oriented leaders are assured of their leadership position, again providing evidence that dominance-oriented leaders are capable of enhancing group performance, but choose not to do so when their own stature is at risk.

Interestingly, such behaviors also disappear when dominance-oriented leaders find their group in competition with other groups. Under such circumstances, even dominance-oriented leaders rally round to act in their group’s interest (Maner & Mead, 2010), as group and leader goals – even dominance-oriented leaders’ goals – are brought into alignment by the fact that failure in intergroup competition imposes costs on leaders and followers alike. In turn, groups become more tolerant of, and even seem to prefer dominant leaders under conditions of intergroup threat (Van Vugt & Spisak, 2008), due to the efficiency benefits of hierarchical leadership in intergroup competition. It is an intriguing possibility that the same traits that facilitate dominance and other self-aggrandizing behaviors when resources can be reliably controlled, likely facilitate the conflation of prestige when socio-ecological instability threaten the group as a whole and followers look to the dominant to reestablish control and order (Mattison, Smith, Shenk, & Cochrane, 2016). Indeed, in three studies involving more than 140,000 participants across 69 countries and spanning the past two decades, Kakkar and Sivanathan (2017) find that under a situational threat of economic uncertainty (captured by poverty rate, housing vacancy rate, and unemployment rate) people increase their support for dominant leaders. Such psychological responses to intra- and intergroup pressures might easily be adaptations to group living in a species that shows substantial cooperation within groups but often ruthless competition between groups (Henrich & Boyd, 2008; Wilson & Wrangham, 2003; Wrangham & Glowacki, 2012).

Such contextual moderators of leader preferences suggest an interesting tension between group- and individual-level selection pressures. According to multi-level selection theory, when competition between groups is greater than competition within groups (Sober & Wilson, 1998) group-benefiting genes, as opposed to purely individual-benefiting genes, may proliferate. Such theorizing has been offered most extensively as an explanation for the emergence of altruism, but similar ideas could in principle be applied to groups’ preferences for dominance- versus prestige-based leaders (if circumstances were sufficiently conducive to group-level selection). When intergroup competition is more consequential than intragroup competition to survival and reproduction, dominant individuals might be seen to provide relative group advantages that outweigh the individual-level costs of accepting and supporting a dominant leader. Of course, such a possibility could also emerge in a model in which selection happens at the level of the individual, as individuals might gain more than they lose by a dominant leader in such circumstances.

**National culture**

The core of our argument is that inequality plays a causal role in bringing out the self-serving aspects of our psychology, as inequality makes people increasingly desperate to be one of the have-rather than the have-nots. Such effects can be seen across entire societies, as in the findings of Loughnan et al. (2011) that self-enhancement increases in societies as a function of income inequality. For example, they show that Japan - whose citizens are famously self-efficacging for reasons long thought to be associated with their high levels of collectivism - anchors the low end of the self-enhancement continuum. But Germans, who are much more individualistic, show similarly low self-enhancement to the Japanese, and Germany and Japan also happen to be countries with a high degree of economic equality. In contrast, Peru and South Africa anchor the high end of the self-enhancement continuum, and are also countries with the highest levels of inequality. These data suggest that income inequality incentivizes a winner-take-all mentality and leads people to claim to be much more than they really are. Such inflated self-claims presumably emerge in unequal societies as people strive to convince others of their abilities in an effort to be chosen for the few lucrative opportunities that exist.

The causal role of inequality in shaping culture can also be seen in Henry’s (2009) archival and experimental data, which show that inequality, measured at both the country (Gini) and individual (SES) level, explains the rise of cultures of honor. In honor cultures, Henry (2009) shows that violence emerges as a low-status response to status-based stigmatization. Because inequality magnifies and highlights status differences, it motivates both self-enhancing (Loughnan et al., 2011) and compensatory (Henry, 2009) psychological mechanisms. While Henry’s (2009) findings highlight the impact of inequality on culture, it is worth noting that the relationship between culture and inequality is likely to be bidirectional, as the emergence and impact of inequality might be mitigated or magnified by cultural factors that promote versus prohibit the direct expression of self-interest and dominance.

Consider the dimension of cultural “tightness” versus “looseness”, which refers to the prevalence of enforced rules, the strength with which those rules are enforced, and the degree of tolerance for deviance within a cultural group. Tight cultures preserve the status quo through strict and enforceable rules. Because maintenance of the status quo serves the interests of those who benefit most from it, tight cultures are well suited to the preservation of dominance-oriented leaders. Intriguingly, the historical conditions that form the bedrock of tight cultures also provide a solid platform for the emergence of dominant leaders. For instance, country- and state-level data (Gelfand et al., 2012; Harrington & Gelfand, 2014) suggest that cultural tightness follows group-level challenges – fewer natural resources, more natural disasters, greater incidence of territorial threat, higher population density, and higher pathogen prevalence. Because external threats cast dominant leaders in an attractive light (Kakkar & Sivanathan, 2017; Van Vugt & Spisak, 2008), a history of group-level challenges provides a rich context for the rise of dominant leaders and the subsequent institutionalization of rigid rules that buffer against intragroup threats to the status quo. Consistent with such a possibility, tighter cultures have lower levels of egaliatarian commitment, less gender equality, more
autocratic rule, more governmental media control, fewer political rights and civil liberties, and lower levels of happiness. We expect that tight cultures also possess relatively more dominant leaders than do loose cultures, although leaders in tight cultures probably feel greater pressure to make pronouncements and gestures regarding their group-serving orientation.

Finally, we expect that collectivism should also moderate group-level tolerance for self- versus group-interest in their leaders, and even the notion of what it means to be a leader. Indeed, Torelli and Shavitt (2010) find that whereas individualists conceptualize power in personalized and selfish terms, collectivists see power as a means to benefit and help others. Kopelman (2009) report that when faced with the choice of how much value to extract from a common resource, Western managers took more when they had more versus less power because they felt entitled to do so, whereas high power managers from Hong Kong took fewer resources. Similarly, Zhong, Magee, Maddux, and Galinsky (2006) found that subliminally priming Westerners with the word power speeded responses to words related to reward, but not to responsibility related words.

**Proposition 13.** National culture will moderate the effect of inequality on the emergence of dominance vs. prestige-based leadership strategies. Dominant strategies should be more prevalent in individualistic, tight, and self-enhancing cultures, while prestige should be more prevalent in collectivistic, loose, and self-effacing cultures.

**Organizational culture**

Organizational culture includes a raft of underlying forces such as implicit norms, standards and values, espoused values (O'cain & Kennedy, 1982, 1999), formal philosophy (Ouchi, 1981), rules of the game or the “ropes” that a newcomer must learn in order to get along, climate (Wilderm, Ashkanasy, & Peterson, 2000), and shared meanings (Hatch & Schultz, 2004). These norms shape what we might think of as the ecology of an organization, and just as we expect national-level culture to moderate the effects of inequality on leadership, we might also expect organizational culture to play a role.

While leadership style can have top-down effects on culture, especially when leaders are the founders of the organization (Miller & Dröge, 1986; Schein, 1985), leaders themselves are also subject to, and embedded within organizational culture (Meek, 1988). We expect that organizational culture will therefore moderate the types of leaders who are attracted to and succeed within different organizations. Schneider’s (1987) attraction-selection-attrition (ASA) framework most clearly articulates the notion that different kinds of organizations attract, select, and retain different kinds of people, and that it is the outcome of the ASA cycle that determines why organizations look and feel different to each other. With regard to attraction, people choose an organization in which to work on the basis of the belief that the organization will be of benefit in reaching their personal goals (Vroom, 1966). With regard to selection, Schneider (1987) highlights that while organizations may recruit people with diverse competencies, they also tend to recruit people with similar personal attributes. And with regard to attrition, various studies examining turnover have pointed to the finding that people who do not fit a particular organization will tend to leave it (see, Mobley, 1982). Thus, the people who do not leave an organization will be more similar to each other and form a more homogenous group than those who were initially drawn to the setting. The upshot of the ASA cycle for our own theorizing is that (incoming) organizational leaders are subject to similar homophilic mechanisms of the ASA cycle as other organizational members. As such, dominance-based leadership will be subject to and restrained by an organizational culture that promotes social and pecuniary equality, and downplays displays of dominance and other self-aggrandizing behaviors.

Schneider's (1987) ASA model also predicts that organizational culture will be more similar within than between industries, as certain industries attract certain types of people, who in turn determine the culture. This suggests that those industries that support steep pay differentials and other non-pecuniary personal advantages for those at the top will be more attractive and conducive to a dominance-based leadership strategies than those industries that offer less opportunity for the accumulation of wealth and power.

**Proposition 14.** Dominance-oriented leaders will be more common in organizational cultures with steep informal social hierarchy. Prestige-oriented leaders will be more common in organizational cultures with flatter informal social hierarchy.

**Conclusion**

We have argued that levels of inequality can help explain the emergence of the predominant type of leadership in organizations. When the financial and social benefits associated with leadership are substantially greater than those available to followers, this inequality provides a platform for the self-interested aspects of our psychology to be ascendant. Because people vary in the degree to which self- versus group-interests dominate their motivations, levels of inequality play a role in determining the types of people who choose to compete for leadership roles. On the one hand, there are those who choose to lead because there is no other individual better positioned to help their group achieve their shared goals. We suggest that the primary pathway to such leadership is one of prestige. On the other hand, there are those who choose to lead because leadership affords them disproportionate personal advantages, typically won at the expense of the group they lead. We suggest that the primary pathway to such leadership is one of dominance. We have highlighted how the distribution of resources in various animal species and small-scale human societies gives rise to these contrasting types of leadership, and we have used this framework to tease out a number of implications for corporate leadership today.

What might this mean for human societies at large if greater inequality yields greater reward for dominance? If members of a society all have more or less equal access to necessary resources and desired material possessions, there is little to gain by dominating others, but there will be social costs to choosing a dominance-based strategy. On the other hand, when there is large variance in people's access to necessary resources and desired material possessions, then the social costs of dominance are balanced by the material gains that might be secured via a dominance-based strategy. This logic suggests that there will be greater selection on dominance in more unequal societies, something that might be explored empirically in future research. Given that inequality goes back more than fifteen thousand years (Pringle, 2014), there has been ample time for inequality to manifest an evolutionary effect on human psychology (Haws, Wang, Cochran, Harpending, & Moyaiz, 2007). And, of course, culture can move much faster, as people soon gather there is something to be gained from dominance via social learning in unequal societies.

Before closing, it is important to acknowledge that the anthropological literature is divided with regard to whether inequality emerged following the agricultural revolution (Boix, 2011), versus the possibility that inequality predates the advent of agriculture, pending certain conditions (Mattison et al., 2016). We side with the latter, as defensibility and transmission of wealth can occur sans agriculture, as has been observed in a number of geographically distinct, purely foraging economies (Ames, 1981; Arnold, 1991; Marquardt, 1988; Roscoe, 2006). Thus, we agree with Mattison et al. (2016), who see agriculture as corollary rather than causal – intensive agriculture increases the defensibility of resources and facilitates the intergenerational transmission of wealth (Borgerhoff Mulder et al., 2009), both of which act as key mechanisms for the production of persistent institutionalized inequality. The other critical ingredients supporting inequality are; conditions that allow certain individuals greater control of resources than others; a willingness on the part of those individuals to...
use their control to institutionalize inequality (Mattison et al., 2016); and the absence of exit options, or leveling mechanisms to guard against tyranny (Boehm et al., 1993; Woodburn, 1982). We assert that if the agricultural revolution was the horse and cart that pulled inequality from the clutches of our egalitarian ancestors, the modern business environment is a locomotive by comparison, fueled by a largely unregulated volatile mix of conditions.

In explicating our perspective we have cast a broad net across a diverse literature, but we believe the immediate question is nevertheless quite focused and relevant – how do modern leadership incentives determine the qualities and compulsions of organizational leaders? We suggest that the staggering financial incentives available in corporate leadership, incentives that are intended to attract and retain the best leadership candidates available, may ironically lead to the selection of leaders who have little interest in the fortunes of those they oversee. Organizations might want to consider their role in shaping what types of leaders tend to emerge, and determine for themselves whether inequality does indeed rule.

References


Arnold, J. E. (1991). Transformation of a regional economy: Sociopolitical evolution and equality from the clutches of our egalitarian ancestors, the modern business environment is a locomotive by comparison, fueled by a largely unregulated volatile mix of conditions.


