Social Class in Organizations: Entrance, Promotion, and Organizational and Societal Consequences of the Corporate Elite

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Abstract
Organizational theorists studying executives of large corporations have long theorized that top management is dominated by elites of upper social class background. Organizations reflect the class system in the societies they are situated in by advantaging those of higher social class background. If organizations are perpetuating societal inequality by favoring those from higher social class and positioning them to dictate organizational outcomes, it is important to understand ways to reduce inequality by increasing social class diversity, and theorize on the implications of this diversity for business and society. This article brings together scholars on the forefront of social class research to understand the influence of social class on the corporate elite. The scholars explore the effect of social class in attaining access to the most influential managerial positions, conditions that enable greater diversity, and how the corporate elite can affect firm strategic actions and key societal outcomes.

Keywords
decision-making: individual/CEO, corporate governance, business & society, diversity, top management teams/upper echelon

Organizational theorists studying executives of large organizations have long theorized that top management of large companies is dominated by elites of upper social class background (Channon, 1979; Domhoff, 2010; Mills, 1956). Organizations, and the larger institutions they are embedded in, remain reflections of the class system in the societies they are situated in and tend to advantage those of higher social class backgrounds. We use an integrative approach by social class scholars to define social class background as parents’ relative socioeconomic position in society based on factors including income, education, and occupation, reflecting the socioeconomic status an individual was born into (Adler & Snibbe, 2003; Côté, 2011; Martin et al., 2016; Rivera & Tilcsik, 2016). The lack of socioeconomic diversity in the corporate elite is important to note because across multiple streams of literature, scholars have found that those who make up the corporate elite are powerful, influencing outcomes for their organizations and neighboring organizations (Finkelstein et al., 2009; Marquis, 2003; Palmer et al., 1993; Pettigrew, 1992). Further, research has highlighted their ability to coalesce and influence public policy and societal outcomes (Cobb, 2016; Mizruchi, 1992; Useem, 1984). If large corporations are perpetuating societal inequality by favoring those from higher social class background and positioning them to dictate organizational and societal outcomes, it is important to understand ways to reduce inequality by increasing the social class diversity of the corporate elite and theorize on the implications of this diversity for business and society.

Research suggests that when those from different social class backgrounds join the ranks of the corporate elite, they can affect their companies by displaying different leadership behaviors and changing organizational outcomes, such as in preferences for risk-taking and acquisitional behavior (Chen et al., 2009; Kish-Gephart & Campbell, 2015; Martin et al., 2016; Palmer & Barber, 2001). Moreover, a growing body of research in social psychology demonstrates that the psychology and actions of those of different social classes are different, such that individuals from different social class backgrounds have different strategies and actions.
backgrounds display differences in prosocial behavior, cohesion, political behavior, and leadership (e.g., Belmi & Laurin, 2016; Martin et al., 2017; Piff et al., 2010, 2012). And in the aggregate, socioeconomic diversity in the corporate elite has the potential to influence larger societal outcomes. The corporate elite dictate a range of critical organizational decisions such as which cultural and arts organizations receive corporate support, the underwriting of political candidates, media coverage, and governmental access to business advisory services (Useem, 1984). Whether the corporate elite are beneficial or deleterious to society, and whether they should even be responsible for such an expanse of decision-making, is one that has been widely debated in the literature on corporate elites, but one that may be largely affected by the diversity of the members represented. An increase in social class diversity in the corporate elite should have large implications for the actions of the corporate elite in their respective organizations and in the aggregate.

Given the growing recognition of a need for increased opportunity and equality in organizations, and an overarching purpose of our field to broaden the vision of management research, the goal of this article is to bring together a group of scholars who pushed the frontiers of social class research on organizations to understand the influence of social class on the corporate elite, and in turn their influence on important organizational and societal outcomes. We explore the effect of social class in attaining access to the most influential managerial positions in organizations and examine how social class background affects the influence and areas of influence of the corporate elite. The authors discuss how the corporate elite are able to coalesce, and how as a cohesive unit, they can affect firm strategic actions and societal outcomes through political and social activity. These researchers also examine ways to increase socioeconomic diversity by those who manage organizations and discuss the potential consequences of achieving this diversity.

To this end, this article invites a group of scholars who have conducted prominent research studying who is positioned in society to manage organizations and the organizational and societal consequences of this management. The group of scholars discuss the following questions: (a) Who gains access to management and control of large corporations? (b) Under what circumstances and how do those from disadvantaged social classes access opportunities to manage organizations? (c) What are the implications of a cohesive managerial class for business and society? (d) What are the consequences for business and society when those from more disadvantaged classes join the ranks of the corporate elite? The goal of the following commentaries is to enhance the discussions around social class and organizations for future research on social class. In doing so, this article allows for academic and managerial readers to understand where organizational research on social class stands, and which directions future research can explore.

Who Gains Access to Management and Control of Large Corporations?

Michael Useem

The 19th century French chronicler of U.S. ways, Alexis de Tocqueville, observed that Americans “are fond of explaining almost all the actions of their lives by the principle of self-interest rightly understood,” and America’s culture of individual achievement has long placed a premium on being clear-minded about the pursuit of one’s private purpose (Tocqueville, 1835/1945).

Among large publicly traded companies, epitomized by the Standard and Poor’s 500, this precept had taken the form of focusing on the firm’s total shareholder return (TSR) as the chief criterion for judging leadership results and enterprise performance. The dominance of TSR, an increase in a company’s market value and its dividend payouts over a given period, came with the particular advantage of being an unambiguously measurable metric—but it also left little room for reference to social goods or collective purpose.

As TSR emerged as the defining criterion for company management in the United States during the last decades of the 20th century (though less so in other countries), American governing boards made their top executive’s compensation—and even their own—far more contingent on stock options and kindred devices. And if a chief executive could not deliver TSR on par or better than her or his competitive counterparts, directors were likely to recruit a new executive who could.

As a result, those who reached the apex of large publicly traded companies were increasingly selected and judged for their ability to deliver sustained value, though that in practice has been achieved very imperfectly. Selection biases in managerial promotions, for instance, have resulted in top executives and company directors remarkably unvaried in their identity, education, and experience, perhaps most visibly evident in the radically disproportionate presence of men in the executive suite and boardroom. The cultural blinders and biases of un-diversity, un-inclusion, and un-equity by those who came before those presently in power have given an enormous social skew to those who most directly control American corporations now (PwC, 2020).

For reducing that skew, it is notable that as managers move up a firm’s hierarchy, each higher level displays less gender diversity, and thus practices that prevent selection bias—like orchestras’ “blind” auditions—at each managerial level could significantly enhance the upward flow. Here is where top management’s fostering of a culture of inclusion also becomes vital in helping ensure that diverse risers perceive their greater presence and more varied contributions as valued by the enterprise. Moreover, those who are upwardly mobile should be championed by senior executives for the diverse views that they bring to company decisions rather
Obstacles also occur within work organizations. In a recently published *Academy of Management Annals* piece...
on the topic of inequality (Amis et al., 2020), the authors reviewed work that identifies the types of practices (related to hiring, promotion, compensation, and culture, for example) that become “carriers for reproduction of inequalities in organizations” and discussed the ways in which these practices tend to have a cumulative effect. As one example, within hiring practices, the research they summarized suggests that individuals from disadvantaged backgrounds (including those from the lower social classes) are further disadvantaged when cultural similarity (benefiting the dominant organizational members) is used as a heuristic aid; organizations target graduates from selective and elite universities (disadvantaging those who are historically underrepresented); and organizations rely on existing employees/networks to identify “good employees” (who are likely similar to those who already work within the organization) (e.g., see Grugulis & Stoyanova, 2012; Rivera, 2016).

Another inequality “lever” within organizations involves cross-class interactions. In a paper published in the *Academy of Management Review*, Barbara Gray and I considered responses to class differences and how these responses become institutionalized over time (Gray & Kish-Gephart, 2013). In particular, we theorized that cross-class interactions are uncomfortable, in part because they bring up cues regarding privilege and disadvantage. In response, individuals engage in a variety of intra- and inter-personal “class work” strategies aimed at quelling that discomfort (e.g., rationalize that the other person’s lower-class status is temporary or that “I am not that rich” compared to more ostentatious others) or preventing the discomfort from occurring again (e.g., avoid interactions with members of the lower class). Over time, responses to discomfort in cross-class interactions can become institutionalized into taken-for-granted policies—what we termed, “collective class work”—such as physically distancing workers from guests at luxury hotels (“segregating classes by building firewalls”) or by establishing norms and expectations to hold class members accountable to existing rules (“creating nets of accountability”). A study of luxury brand companies, for example, showed how consumer experiences were closely managed—from selecting employees that fit a certain class profile (to help signal “the types of consumers that are welcome” in the store) to managing physical cues and employee behaviors (to communicate “a class model that consumers must perform to feel socially accepted”) (Dion & Borraz, 2017). Such collective class work serves to maintain class distinctions both within and beyond organizational walls (see also, Dacin et al., 2010).

Overall, the aforementioned research helps to elucidate some of the forces that may constrain upward mobility, as well as to shed light on what top executives from lower social class origins may have encountered on the road to the C-suite. Moreover, it suggests possible intervention points for organizations, including addressing the cultural mismatch between members of the lower social class and organizations’ (predominantly middle class) culture (Stephens et al., 2014), and uncovering and addressing issues around collective class work (Gray & Kish-Gephart, 2013). Organizational leaders might also recognize the ways in which their decisions can (in)directly influence children’s experiences in the family context (e.g., via corporate initiatives that invest in the local community, including education; and via treatment of employees, who not only provide opportunities to their children using the economic resources earned at work, but also take their work experiences home and share stories about work and working at the family dinner table).

**What are the Implications of a Cohesive Managerial Class for Business and Society?**

*Mark Mizruchi*

There is a more than 30-year gap between the publication of *The American Corporate Network* (Mizruchi, 1982) and *The Fracturing of the American Corporate Elite* (2013) and a lot changed during that period, both in the world and in my own perspective on it. This question is completely fitting for me, however, because it speaks to what is ultimately the central issue in both books.

When I was writing my dissertation in the late-1970s, I was working in a tradition known as “power structure research.” We were interested in the extent to which large corporations—or what at the time we referred to as the “capitalist class”—shared a basic unity of interest. We asked this question because there was a big debate at the time about the efficacy of American democracy. Virtually everyone agreed that if business was unified it would create serious problems for a democratic system. It was only if business had internal conflicts that democracy could flourish. So if large corporations were politically unified, the assumption went, democracy was in peril. It therefore became important to determine the extent to which this unity existed. To examine this question many of us looked at director interlocks among firms (others looked at elite social clubs, policy-making organizations, and other presumed indicators of cohesion). The problem was, we did not know if these interlocks were a valid indicator of political unity, or even if they had any impact on firm behavior. So in my next project, I looked at the consequences of interlocks for firm political action.

By the time I wrote my more recent book, however, I had arrived at a different conclusion. In fact, I had even begun to question the assumption that a unified business community was bad for democracy. In *The Fracturing of the American Corporate Elite*, I argued that in the three decades after World War II, from 1945 through roughly 1973, the leaders of the largest American corporations exhibited qualities that approximated those described by Mike in his classic, *The
Inner Circle: Although the vast majority of American businesspeople held the conservative views traditionally associated with that group, those at the top had adopted a relatively moderate and pragmatic approach to politics. As expressed by the prototypical business peak organization of the period—the Committee for Economic Development—members of this group supported a Keynesian economic approach, including a willingness to accept relatively high wages as well as government social spending. Although they would have preferred to live in a world without labor unions, they understood that they had to deal with the world as it was, and they thus came to grudgingly accept organized labor, fighting them at every step, but not questioning the group’s right to exist. They also accepted a degree of government regulation and expressed cautious support for civil rights. The term that the CED used—enlightened self-interest—provided a good description of their perspective. They of course operated in their class interest, but they believed that the best way to maintain their privileges was to ensure that the society as a whole rested on a solid foundation, which meant that the larger public needed money in their pockets to purchase the goods that the big corporations were so adept at producing. One example of the group’s relative “enlightenment” was its members’ willingness to accept tax increases, including (and even primarily) on themselves, to fund wars and to keep a lid on the deficit. This period was characterized by an extremely strong economy, with low unemployment and inflation, a rising standard of living (in which the average American’s real income doubled between 1946 and 1970), and a historically low level of economic inequality. Although there was also an enormous amount of civil unrest during the 1960s, the political system operated relatively effectively, with both major parties cooperating to pass significant legislation.

This system broke down in the 1970s, however, due to a series of exogenous and endogenous shocks: the inflation caused by spending on the Vietnam War and the Great Society; the rise of foreign competition, as the rest of the world recovered from the ashes of World War II and began to outcompete the United States; the energy crisis of 1973; the increase in regulation, as evidenced by the formation of the Environmental Protection Agency and the Occupational Safety and Health Administration; and the crisis of legitimacy experienced by major American institutions, including big business, in light of Vietnam, Watergate, and continuing racial strife. Meanwhile, productivity growth and profits were both declining, adding to the strain.

This confluence of events led the heads of large American corporations to view themselves (and the entire capitalist system) as under siege. In response, the group mounted a counteroffensive. Aligning themselves with far-right conservatives—a group that they had largely shunned during the postwar period, viewing them as outside the bounds of acceptable political discourse—the corporate elite began to question its prior commitment to Keynesian economics. Its members, now represented by a new organization, the Business Roundtable, began to attack government regulation. They became far more aggressive in opposing organized labor. And they pushed for lower taxes. Despite a Democratic president and Democratic control of both houses of Congress, the corporate elite was able to successfully achieve all of its major goals in the late-1970s. The victory was solidified with the election of Ronald Reagan, who pushed through further tax cuts, staffed key regulatory agencies with directors committed to appeasing the corporations that the agencies were tasked with regulating, and who worked to tame organized labor, most famously with his firing of striking air traffic controllers in 1981.

Interestingly, however, these events led to a paradoxical outcome: the corporate elite, having achieved all of its goals, no longer needed to be politically organized. As a result, the group became increasingly fragmented, as firms began focusing on their own specific interests. This became evident, for example, in the 1986 tax reform bill—largely seen as a defeat for business—as individual firms sought specific favors, but business as a whole failed to achieve a more general set of benefits. Meanwhile, the mid-to-late 1980s witnessed one of the most disruptive corporate takeover waves in American history. Nearly one-third of the Fortune 500 was acquired during the decade, mostly through hostile takeovers. Corporate CEOs—who in earlier years had experienced a relatively high degree of job security—were now facing continual turmoil, with a constant (and warranted) fear of being pushed out by corporate raiders. CEO tenure declined sharply during this period, and corporate leaders—now at risk of replacement at virtually any moment—were no longer in a position to focus on their firms’ long-term goals, let alone play the role of statesman that their counterparts in the postwar period had done.

By the time the dust had cleared in the early-1990s, the corporate world was a very different place from what it had been in earlier decades. The corporate elite found itself increasingly unable to act collectively to address issues of broad concern. The group had lost control of the Republican Party, replaced by the far-right conservatives with whom the group had allied itself during the 1970s. In effect, the corporate elite had made a pact with the devil and had ended up creating Frankenstein’s monster. This was evident in the way that large corporations that had initially supported the Clinton health care plan were bullied by Congressional Republicans into backing down. The takeover of the Republican Party by the right-wing groups that the corporate elite had shunned in the postwar period led ultimately to the rise of Donald Trump, a candidate whom none of the largest American corporations had supported.

This history that I have sketchily recounted here suggests that the old assumption—that a unified corporate elite is bad for democracy and a divided one is beneficial to the larger
population—may, despite its widespread acceptance, be flawed. American democracy, and the society as a whole, performed relatively (and in fact historically) well during a period in which big business was basically unified. Under current conditions—in which the corporate elite is fragmented and unable to address a series of pressing problems that plague American society—American democracy is under threat, and perhaps not coincidentally, the nation as a whole appears to be in steep decline.

*Michael Useem*

Dissenting voices in the United States have long questioned the American paradigm of optimizing self-interest, holding that the role of executives should be more about balancing the claims of competing stakeholders and less about shareholder wealth. But company penchant for self-interest—even if embracing Tocqueville’s “rightly understood”—had been scarcely challenged during the latter decades of the twentieth century.

In fact, enlightened self-interest became championed by prominent executives and corporate associations like the Business Roundtable. They promoted self-interested class-wide policies even as the resulting practices undercut the narrow self-interest of many firms. Yet even that, as Mark Mizruchi (2013) has so well elaborated in *The Fracturing of the American Corporate Elite*, did not hold for long as the business community itself has divided in recent years into more narrowly defined near-term company agendas.

If the immediate consequence of that fracturing has been to return the playing field to more of a free-for-all platform witnessed decades earlier, during the past several years the TSR paradigm has come under fire from within the business community itself. The Business Roundtable declared in 2019 that corporations should move beyond their singular focus on shareholder value to embrace a far broader commitment to customers, communities, employees, and suppliers as well, a 180-degree reversal from its long-standing laser-like focus on owners only. The chief executive of one of its some 200 members, Progressive Insurance’s Tricia Griffith, explained the rationale: “CEOs work to generate profits and return value to shareholders, but the best-run companies do more,” she offered. “In the end, it’s the most promising way to build long-term value” (Business Roundtable, 2019).

The recent about face by the Business Roundtable has been challenged from many quarters, and it remains to be seen if the call for company commitment to multiple stakeholders acquires sustained traction in the executive suite and boardroom. Early evidence casts doubt on whether the rhetoric has yet been matched with action, and observers remain skeptical for several reasons. The declaration, for instance, came before the coronavirus shut-down, allowing companies more latitude at the time of the pronouncement for achieving ends other than TSR, especially among industries later hard-hit by the pandemic such as hospitality, retail, and travel; measuring and delivering returns to stakeholders other than shareholders is likely to prove especially challenging for incumbent executives who came to the fore in an investor-dominated era; and shareholders are likely to continue to exercise greater influence on companies because of their greater unity in performance metrics and long-term purpose than is shared among the other stakeholders (Raghunandan & Rajgopal, 2020).

Still, if the interests of the several stakeholders are aligned and carried into decision by company directors and executives, aided by widespread public pressure for the same, a more purpose-driven agenda may be added to the TSR roadmap. This would include a more full-throated commitment to a firm’s other interested parties, not just its shareholders, and to long-term shared agendas, including the reversal of climate change.

In the wake of the widely publicized cases of extrajudicial killing of racial minorities in 2020, for instance, major companies stepped forward with programs and donations in response. “Let’s never forget to use our own lives,” declared Marriott International CEO Arne Sorenson in the wake of the police killing of George Floyd, “to bring recognition and community and opportunity to life.”

In sum, the extent to which the managerial class is divided or unified, and the criteria on which its inclusion and cohesion reside, are likely to have great consequences for not only big business but the society at large.

**What are the Consequences for Business and Society When Those from More Disadvantaged Classes Join the Ranks of the Corporate Elite?**

*Donald Palmer*

I have been asked to speculate about the consequences to business and society when those from more disadvantaged classes join the ranks of the corporate elite, in light of my prior research on the power structure of business in the United States. Because this topic is very broad and because my prior research is relatively narrow, I will rephrase the question in the following more delimited way. I will assume that “disadvantaged classes” include *women*, members of *racial and religious minorities*, and *persons from families that possessed limited economic and social capital*. Further, I will define the corporate elite as those persons who are *members of the top management teams* (e.g., CEOs, COOs, CFOs) of large corporations (where size is a function of number of employees, assets, or revenue). Finally, I will focus on the consequences of persons from disadvantaged...
classes joining the ranks of the corporate elite on corporate behavior.

For the purposes of this commentary, I think my prior research can be characterized as asserting the following about the corporate elite in the 1960s. First, the corporate elite consisted of members of established capitalist families, emerging capitalists who often did not possess the established capitalist families’ social status (e.g., racial identity, religious affiliations, grammar school, undergraduate, and graduate degrees, and social club memberships), and professional managers who were not principal owners of a business enterprise. Second, these three different segments of the corporate elite differed in their interests and capacities with regard to business decision-making (e.g., with respect to their appetite for norm-breaking forms of corporate combination). What relevance does my prior research have for the question posed?

I think my prior research suggests that to answer the question posed, one must unpack the phrase “join the ranks.” Briefly, to understand the consequences of persons from more disadvantaged classes joining the ranks of the corporate elite, one must distinguish between three sorts of “joining.” Members of disadvantaged classes can establish their own firms or join small existing businesses and grow them to the point that they are considered large corporations. I am thinking here of people like Elon Musk, the founder of SpaceX and driving force behind Tesla. Alternatively, members of disadvantaged classes can acquire managerial skills and develop managerial talents without the benefit of substantial economic or social capital and obtain positions in the top management team of a large corporation. Members of disadvantaged classes who take this latter route to the corporate elite can arrive in a “capitalist-controlled firm” (by which I mean a firm whose stock is concentrated in the hands of a small group of persons related by kinship or partnership). I am thinking here of people like Arnold Donald, who is the current CEO of Carnival Corporation (parent of Carnival Cruise Lines), which is owned by the Arison family. Or they can arrive in a professionally managed firm, in which stock ownership is widely dispersed among individuals none of whom can have much influence of the enterprise. I am thinking here of people like Rex Tillerson, the former CEO of Exxon Mobile.

I think the three types of entry into the corporate elite likely will present members of the disadvantaged classes with different opportunities to make their distinctive imprint on corporate behavior, whatever that might be. The Elon Musks of the world have considerable leeway in the corporate policies they can pursue. They answer to no one inside the firm. And they are somewhat insulated from the pressure that the financial markets can apply because they do not live and die on the basis of their firm’s stock price. The Rex Tillersons have somewhat less leeway in the corporate policies they can pursue. They answer to few others inside their firm (e.g., the chairperson of the board, if they do not also hold that position). But they are exposed to the pressure of the financial markets because their compensation and even their tenure hinges on their firm’s stock price. Finally, the Arnold Donalds of the world have little leeway in the corporate policies they can pursue. They serve at the pleasure of others above them in the firm.

To make the above general argument specific, one would have to articulate the unique preferences of particular members of the disadvantaged classes. Amanda Kimble, Chris Marquis, and I have done that in an unpublished paper available on SSRN (Kimball et al., 2012). We drew on contested ideas in the literature on women in leadership to hypothesize that firms run by women would have superior environmental records. We found that the more women in a firm’s top management team and on a firm’s board of directors, the better their environmental record as judged by industry experts. Further, we found that women’s presence on the board not only associated with environmental performance if women also served on the board. If my argument above is correct, I would expect that the association between women in top management and on the board would vary, depending on whether the firm is owner-controlled and managed, owner-controlled but professionally managed, or professionally managed with dispersed ownership.

Jennifer Kish-Gephart

This question became of interest to me for two main reasons. First, disciplines outside of organization studies were increasingly acknowledging the importance of social class in people’s lives. But, within organization studies, we had limited understanding of the role of social class. Second, common discourse about social class and upward mobility suggested that “social class does not matter” (especially in organizations) and that the upwardly mobile experience is akin to a “grand metamorphosis” wherein class travelers effectively shed or discard their social class roots as they ascend the societal hierarchy.

In a study published in the Academy of Management Journal, Joanna Campbell (University of Cincinnati) and I examined the question, “to what extent does childhood social class matter even after one achieves upward mobility?” We focused on corporate executive officers (CEOs), who are often considered the epitome of “objective success” in the United States, as a conservative test of our question. We drew on social class, imprinting, and upper echelons theorizing to suggest that despite reaching such heights, top executives’ firm-level decision making would continue to be influenced by their childhood social class origins. To test our hypotheses, we collected direct measures of subjective
childhood social class from 272 CEOs from the S&P 1500, and compared CEOs from lower and upper social class origins to their middle social class counterparts on firm level risk taking. Our results revealed that social class origins did indeed predict CEOs’ firm level risk taking, such that CEOs from the upper and lower social classes took greater strategic risks than their middle-class counterparts. We also considered less distal moderating factors in CEOs’ careers. We found that elite education attenuated the relationship between social class origins and strategic risk taking among the lower social class, likely because achieving this milestone changed one’s risk calculation. This sentiment was captured in a top executive’s comments to us: “you don’t need to throw another Hail Mary pass if you’re ahead by 20 points” (Kish-Gephart & Campbell, 2015, p. 1621). Interestingly, elite education did not affect this relationship for members from the upper class. Furthermore, we found that a diverse functional background (likely because it expands executives’ networks and knowledge base) amplified the relationship between CEO social class origins and strategic risk taking for members of the lower and upper social classes. Together, our results supported that childhood social class remains a powerful influencer in people’s lives—that is, the experiences learned in childhood were not shed on the rise to the top, as the popular “grand metamorphosis” narrative would suggest.

Much has yet to be learned about the role of social class in the lives and decisions of leaders. Here, I offer some thoughts about future research opportunities, with the aim of encouraging research that improves leaders’ understanding of themselves and their decision making. One direction for future research is to consider the potential impact of other aspects of childhood habitus. For example, extant work supports the notion that people in the middle and upper social classes tend to value independence, while those in the lower social classes tend to value interdependence. Following Hambrick and Mason’s (1984) theorizing, these “givens that a manager brings to the table” may influence top executives’ decision making, perhaps including the emphasis of the organization’s culture (as more or less oriented toward independence or interdependence, as we see in the literature on higher education institutions), or investment in certain employment programs (e.g., benefits or work arrangements). Howard Schultz comes to mind here: a year after becoming CEO of Starbucks, Schultz instituted a program to provide health insurance to part-time employees, in part due to his own family’s struggles. Such programs have the potential to serve as “wealth-building escalators” (Shapiro, 2017) for lower-level employees, thus speaking to the possible broader societal consequences of top executive decision making.

In addition to understanding the effects of childhood social class, future research might also consider the upwardly mobile experience itself. For those from the most disadvantaged backgrounds, their experience of extreme upward mobility (not just their early childhood experiences) may be influential in shaping their identity, worldview, and/or decision making. For example, executives from lower social class origins who believe that their nonelite undergraduate degree was a hindrance to promotion or who struggled with access to high-profile mentors might be more likely to support hiring programs open to a broader range of educational credentials or implementing formal mentorship programs, respectively.

To What Extent has Social Class Cohesion Spread among Large Corporations that are Headquartered Here and Abroad and Those that Operate across many Countries? What are the Implications for How Corporate Elites Operate Both Nationally and Internationally?

Michael Useem

With the rise of institutional investing, American company executives and directors focused more on the specific interests of their own firms and less on their common cause. The defining features of the American corporate apex have thus evolved in recent decades from a modest classwide coherence to a more dispersed amalgam of company-focused management.

Yet more recently, the nation’s borders that have long defined its business elite have given way partially to an eliteness transcending those boundaries. While the classwide sinews of the upper tier diminished within the United States, we see evidence that they have at the same time been strengthening with other national business elites to create an informal transnational network with at least a modicum of global coherence.

A critical emergent question for research attention is whether that rising international transcendence will survive the coronavirus crisis, which may hasten the resurgence of nationalism both here and abroad, perhaps most evident in the rising trade and political conflicts between China and the United States. We thus may be trending from

- company-focused management to
- domestic classwide company management to
- investor-driven company-focused management to
- international-classwide company management, and back to
- classwide or even company-focused domestic company management.
Concluding Remarks

Research on social class has been a popular topic in recent years, but the commentaries by the authors outline the continuing need for our field to understand how organizations act as vehicles for social mobility or social closure (Weber, 1968). This article aims to bring back attention to some fundamental questions that underlay the start of our field, which had broad goals of understanding how organizations impact the distribution of wealth and advantage in society as well as how wealth and disadvantage are distributed within organizations (Hinings & Greenwood, 2002). We hope that these commentaries reinvigorate the scholarly conversation around these topics, with an ultimate goal of reducing inequality in organizations and society. The scholars anticipate that future researchers can extend the reach of management research by reincorporating the broad vision that this discipline began with. We also see many opportunities to develop the literature on social class by expanding the scope of studies from large, public companies to other types of organizations including small, nonprofit, and private firms, all of which likely play important roles in social mobility.

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