

Social status ranking and gender differences in performance

In Schram, A., J. Brandts, and K. Gërkhani (2019). 'Social-Status Ranking: A Hidden Channel to Gender Inequality under Competition', *Experimental Economics*, 22(2): 396:418, we argue that competition involves two main dimensions, a rivalry for resources and the ranking of relative performance. If socially recognized, the latter yields a ranking in terms of social status. The rivalry for resources resulting from competitive incentives has been found to negatively affect women's performance relative to that of men. However, little is known about gender differences in the performance consequences of social-status ranking. In our experiments, we introduce a novel design that allows us to isolate the effects of status ranking from those caused by a rivalry for resources. Subjects do a time-limited task where they need to search for numbers and add them up. Performance is straightforwardly measured by the number of correct summations. When there is no status ranking, we find no gender differences in the number of attempted summations or in performance. By contrast, when there is status ranking men significantly increase the number of attempted summations as well as the number of correct summations. Remarkably, when women are subjected to status ranking, they significantly decrease the number of attempted summations. The net result is striking. With status ranking men attempt more summations and correctly solve many more than women. These differences are markedly large and statistically highly significant. Our results suggest that increased participation in competitive environments could harm women's labor market success along a hidden channel.

Social status and inequality

In Paskov, M., K. Gërkhani, and H. van de Werfhorst (2017). 'Giving Up on the Joneses? The Relationship Between Income Inequality and Status-Seeking', *European Sociological Review* 33(1): 112–123, we aim to study status-seeking, defined as pursuit for elevated social status, and how it relates to income inequality. Building on sociological, psychological, and economic literature, we formulate two opposing hypotheses suggesting a positive and a negative relationship between income inequality and status-seeking. To test these hypotheses, we use repeated cross-sectional micro-data from the European Social Survey, which was collected biannually from 2002 to 2014, and use it in combination with income inequality data from Eurostat. With this data, we complement existing studies by focusing on both between- and within-country over-time variability in income inequality and status-seeking. We find evidence of a negative relationship between income inequality and status-seeking. This supports the hypothesis that with higher levels of economic inequality people have less incentives and less motivation to strive for heightened social status.

Gender differences in preferences for social status ranking

In Brandts, J., K. Gërkhani, and A. Schram (forthcoming). 'Are there Gender Differences in Status-Ranking Aversion?' *Journal of Behavioral and Experimental Economics*, we exclude the first dimension and investigate gender differences in the preference for status ranking. Participants perform a task under non-rivalry incentives. Before doing so, individuals indicate whether they prefer to do the task in an environment with social-status ranking or one without, knowing whether or not the choice will be imposed upon the whole group (as opposed to being personal) and

whether the ranking will be observed by a man or a woman. We find no gender difference in mean status-ranking aversion when the ranking is personal. When the ranking is imposed, there are still no gender differences in the preferences for social ranking when the rank observer is a woman, and women are not affected by the rank observer's gender. With a male rank observer, however, men have a much stronger desire to be ranked than with a female rank observer.

Social status ranking and physiological explanations

In De Dreu, C., K. Gërkhani and A. Schram (2017). 'Anticipating Peer Ranking Causes Hormonal Adaptations that Benefit Cognitive Performance' (*Working paper*), we argue that performance ranking is common across a range of professional and recreational domains. Even when it has no economic consequences but does order people in terms of their social standing, anticipating such performance ranking may impact how people feel and perform. We examined this possibility by asking human subjects to execute a simple cognitive task while anticipating their performance being ranked by an outside evaluator. We measured baseline and post-performance levels of testosterone and cortisol. We find that (i) anticipating performance ranking reduces testosterone and increases cortisol; (ii) both these hormonal responses benefit cognitive performance; which explains why (iii) anticipation of being ranked by a peer increases cognitive performance.

Status Ranking and gender inequality across countries

In Gërkhani, K (2019). 'Status ranking and gender inequality: A cross-country experimental comparison' (*Working paper*), I examine the role of culture in the (differential) effects of status ranking on men's and women's performance. It first recognizes that status ranking might be implicit or explicit. Then, it theoretically studies and predicts the gender effects of both types of status ranking and how these effects might vary with culture. Finally, an empirical analysis is presented based on conducting the same experimental design in three culturally different countries, i.e., Italy, the Netherlands and Spain. The experimental results provide evidence that the type of status ranking as well as culture matter. When status ranking is explicit, strong gender differences in performance are observed. In more masculine and competitive environments like the Italian and the Spanish, women perform significantly worse than men. Importantly however, cultural beliefs about gender are not sufficient to drive gender differences when these beliefs are the basis for implicitly inferred status ranking among men and women. It appears that more is needed for gender inequality to kick in than an implicit inference from status characteristics.

Social status ranking and rivalry for resources

In K. Gërkhani, J. Brandts, and A. Schram (2017). 'Gender Differences in Performance under Competition: What and Why?' (*Work in progress*), we experimentally study the joint and separate gender effects of the two main dimensions of competition, rivalry for resources and status ranking. We also investigate three possible mechanisms behind such gender differences: altruism, likeability of effort, and beliefs. Participants perform a real-effort task under seven different competitive conditions. We find that in the

absence of any competitive dimension and when competition is with previous peers, men and women perform equally in the real-effort task. By contrast, with any kind of competition with current peers, men perform better than women. Adding competitive dimensions does not increase these gender differences: the distinct dimensions are substitutes. Of the three mechanisms we study, only altruism can explain our findings. Women perform worse when it is salient that their performance has a negative effect on the ranking of others.