Is Your Boss Driving a Mercedes? How Consumers Perceive Higher Status Others’ Conspicuous Consumption in the Workplace

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Conspicuous consumption undermines attitudes toward higher-status individuals in the workplace due to reduced warmth inferences. This effect is moderated by the relative work status and the justification for conspicuous consumption. Moreover, this effect is expressed in real behavior: 1) workplace decisions and 2) subsequent consumption decisions.

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EXTENDED ABSTRACT

The workplace is a social environment central to consumers’ everyday lives, in which they naturally observe, interact, and share consumption experiences with others. Consumers’ interpretation of others’ conspicuous consumption in the workplace may influence their attitudes toward others, as well as their workplace and consumption decisions. Yet, little is known about how others’ conspicuous consumption is interpreted as a function of their status in a workplace setting.

Imagine observing a CEO driving a Mercedes-Benz. How would you perceive this CEO? Prior literature suggests that we may hold more favorable attitudes towards a conspicuous CEO because of our own aspirations (Kasser and Ryan 1993) or a preference for stereotype-consistent information (Bastian and Haslam 2007) or because we infer greater competence of the CEO (Christopher and Schlenker 2000). In contrast, based on role congruity theory (Diekmann and Goodfriend 2006), we propose that conspicuous consumption will imply a lack of warmth and lower attitudes toward higher-status others (Scott, Mende, and Bolton 2013).

Conspicuous consumption generally increases perceptions of competence but undermines inferred warmth (Scott et al. 2013). Status in the workplace is linked to social roles, and expectations for these roles will alter the impact of conspicuous consumption on attitudes via inferences of warmth and competence. Higher-status individuals make decisions that affect lower-status individuals’ welfare (e.g., evaluation and promotion, work load, wages and benefits) (Chen, Trevino, and Hambrick 2009). Hence, lower-status individuals will care about the intentions of higher-status others towards themselves (Humphrey 2002) and thus infer reduced warmth when they engage in conspicuous consumption. However, this effect will be only unique to upward evaluations. Conspicuous consumption will not undermine attitudes toward lower-status individuals in downward evaluations, because superiors will be more concerned about the employees’ competence and ability to carry out tasks (DeNisi and Stevens 1981).

Study 1 examined the effect of conspicuous consumption on attitudes toward higher-status others using publicly available data (2014 Glassdoor survey) comprised of actual employees’ ratings of their CEOs and evidence of conspicuous consumption by these CEOs. Two coders rated the CEOs’ conspicuous based on the style of dress in their profile photos on Glassdoor. Regression analysis of conspicuousness of the CEO on employees’ rating of their CEOs revealed that conspicuousness negatively predicted the rating of the CEO.

Study 2 extended study 1 in a laboratory setting and examined the underlying process. Because conspicuousness and formality might be correlated in the real world context of study 1 (i.e., formal clothing was also more expensive), we manipulated these factors orthogonally in study 2. Participants imagined that they were employed at a company and ran across a short article featuring the CEO of their company. The article content was held constant; the photo of the CEO was the same individual either dressed formally with a suit and tie (vs. informally with a polo shirt) and the caption to the photo described the clothing as either conspicuous (e.g., Armani) or inconspicuous (generic). Consistent with theorizing, conspicuousness lowered attitudes toward the CEO, with no effects of formal-
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