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ORIGINAL PAPER

Stratification or Polarization: a Qualitative Study of the Formation of Status-Based Subgroups in China

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Abstract
Researchers continue to debate about how high-status and low-status members will divide into subgroups. The purpose of this research is to enrich the faultline, subgroup, and status literature by specifying how and why status-based subgroups (i.e., subgroups based on status positions) are formed within a team. This research employed a grounded theory approach and conducted interviews with 111 individuals distributed over 21 work teams in Chinese highly competitive industries. The results identify two typical formation patterns of the status-based subgroup: vertical stratification that indicates team members vertically split into different subgroups along status hierarchies, and horizontal polarization that indicates team members at the same status horizontally divided into different subgroups. Furthermore, the results distinguish different sources for the formation of stratified and polarized status-based subgroups. This study expands faultline and subgroup literature by identifying multiple formation patterns and sources of status-based subgroup, and contributes to status literature by clarifying how high-status and low-status members will bound together or split within a work team.

Keywords Status-based subgroup · Subgroup formation patterns · Subgroup formation sources · Grounded theory approach

Introduction

"Birds of a feather flock together." (Interview #T7Sup1).

"People in the workplace must follow the law of the jungle, and two tigers cannot live on the same mountain." (Interview # T137Sup1).

Status hierarchy is an inevitable and ubiquitous aspect of group life (Berger et al., 1980; Bunderson et al., 2016; Ridgeway, 1997). Status position confers symbolic and material resources provided by the organization, such as pay, perquisites, prestige (Galperin et al., 2011), formal power (Aquino et al., 1999), authority, and autonomy (Aquino & Douglas, 2003). In this sense, status hierarchy can facilitate unequal distribution of resources within a team by concentrating necessities in the hands of only a few high-status members (e.g., group leaders). Most low-status members do not have the authority to take the resources they desire alone (e.g., subordinates) (Sidanius & Pratto, 1993). Given the status hierarchy and the unequal distribution of limited resources within a team, team members will find it more difficult to focus on mutual gains. Instead, high-status members are likely to expect to exert their resource dominance, while low-status members will focus on protecting their interests. To achieve their personal goals, it is possible for both high-status and low-status members to find collaborators and form subgroups within the team. Because by forming small subgroups, more resources can be acquired at a lower cost than those obtained by individuals (Olson, 2009). Mannix (1993) also stressed that unequal status balanced groups were more likely to form coalitions and distribute the resource pool to subgroup members. However, there remains considerable debate about how team members form status-based subgroup (i.e., subgroups based on status)? Do they develop subgroups with members at a similar status level? Or do they choose to build subgroups across different status levels?

To date, scholars in faultline and subgroup research adopted the social dominance perspective and largely agreed that status-based subgroups were likely to be formed by being vertically differentiated along status hierarchies (e.g., Carton

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and Cummings, 2012; Ren et al., 2015; Van der Kamp et al., 2012). In contrast, inspired by competition exclusion perspective (Abramsky & Sellah, 1982), another stream of literature questioned the one-side view (e.g., Bunderson et al., 2016; Chattopadhyay et al., 2010; Groysberg et al., 2011; Jehn & Bezrukova, 2010) and showed a high probability that status-based subgroup may be formed in another way (i.e., horizontal polarization).

Motivated by inconsistent views, this research intended to provide a more complete picture of how high-status and low-status team members would separate into status-based subgroups, and why they choose different strategies when develop status-based subgroups. First, we distinguished between two types of status-based subgroup according to their interaction patterns: stratification (i.e., team members at different status levels vertically split into different subgroups, whereas team members at a similar status level horizontally join in the same subgroup) and polarization (i.e., team members at a similar status level horizontally split into different subgroups, whereas team members at different status levels vertically join in the same subgroup). By developing a typology framework of the status-based subgroup, this research will enrich the subgroup formation patterns that are discussed in team faultlines and subgroup literature. Second, this research distinguished the sources of creating different types of status-based subgroup. Thus, it contributes to status literature by deepening our understanding of the motivators of interactions among members at similar or dissimilar statuses.

Theoretical Grounding

Status-Based Subgroup Formation in Social Dominance Perspective

A long tradition of research in subgroup literature have suggested (Carton & Cummings, 2012) subgroups arise from faultlines (i.e., hypothetical dividing lines that may split a team into homogeneous subgroups based on one or more attributes, Lau & Murnighan, 1998). That is, individuals perceive other members as belonging to their own subgroup if they share similar attributes (i.e., on the same side of the faultline), and dissimilar individuals will be divided into different subgroups (i.e., on different sides of the faultline). Accordingly, scholars in subgroup research largely agree that status-based subgroups would be formed in a single way: distinct status-based subgroups are differentiated along hierarchies according to differences in status levels (i.e., hierarchical stratification) (e.g., Carton and Cummings, 2012; Ren et al., 2015; Van der Kamp et al., 2012). This stream of research was congruent with research in status differentiation and stratification, building on social dominance theory (Levin et al., 2002; Sidanius & Pratto, 1999), and clearly announced a typical way of subgroup formation: hierarchical stratification. For example, Ames and Flynn (2007) found that, when threatened by low-status subordinates, high-status leaders were likely to take aggressive, defensive, or non-constructive actions to resist low-status members and to maintain their dominance. Mannix (1993) and Levine and Moreland (1998) confirmed that high-status members usually form coalitions to extend their competitive advantage in resources. They only bring resources to a subset of group members in their own collation while depriving others of a lower status. Similarly, van Dijk and van Engen (2013) suggested that high-status members may opt to suppress low-status members by withholding information and resources, thereby continue maintaining their high status. Given a hierarchical stratification of status, low-status team members also have the intention to form a subgroup and compete with those occupying high-status positions. For example, Antino et al. (2019) suggested that perceived status threats prompt high-status and low-status subgroups to manipulate the social construction of status relationships, which in turn exacerbates status conflicts between high-status and low-status members. Aquino and Douglas (2003) demonstrated that people at the bottom of the hierarchy often respond competitively to high-status people that threaten to undermine their already precarious social positions. Therefore, the subgroup literature has clearly announced that status-based subgroups are formed in the typical way of hierarchical stratification. However, are status-based subgroups only formed in this single way?

Status-Based Subgroup Formation and Competition Exclusion Perspective

Another stream of research focusing on the dyadic interaction among members at similar or dissimilar statuses may indicate another possible way of status-based subgroup formation. For example, according to ecological niche and competition exclusion theory (Abramsky & Sellah, 1982), an ecological niche characterizes the position of a species within an ecosystem. Species on the same ecological niche have similar habitat requirements and play a similar functional role in an ecosystem, thus resulting in strong competition between these species. Inspired by this perspective, some scholars noticed that team members at an equal status position occupy the same organizational niche, and they examined the competition and split between high-status members. For example, Jehn and Bezrukova (2010), Groysberg et al. (2011), Chattopadhyay et al. (2010), and Bunderson et al. (2016) have demonstrated that a group with multiple high-status members would experience polarization over leadership and inevitable competition or confrontation. Indeed, Overbeck et al. (2005) explained that high-status individuals may have difficulties in cooperation

because they are competing for scarce resources. Meanwhile, drawing on theory related to dominance complementarity (Tiedens & Fragale, 2003), high-status are likely to choose to make alliances with low-status members to gain more support in the competition.

In sum, there are two underexplored yet highly important questions about status-based subgroup formation:

(1) Are there multiple types of status-based subgroups, and what are the interaction patterns of these types of status-based subgroups? Previous subgroup literature that drawn on social dominance perspective has clearly announced a typical way of subgroup formation: team members at a similar status level join in the same subgroup, while team members at different status levels split into different subgroups. In contrast, inspired by competition exclusion perspective, another stream of research showed a high probability that team members at a similar status would experience a horizontal split, while team members at different status levels join together. Although this stream of research did not directly focus on the status-based subgroup formation, it questioned the findings in subgroup literature and enlightened researchers to consider multiple ways of status-based subgroup formation. However, existing literature has offered far less attention to these competing perspectives and has not tried to distinguish between them under an integrated framework.
(2) Why are status-based subgroups formed in different patterns? Previous research has pointed out that status-based subgroups are likely to exist when a clear hierarchy of subgroups is already in place and also when the team is experiencing resource scarcity (Carton & Cummings, 2012). These sources apply to status-based subgroups that formed based on both social dominance perspective (Dijk & van Engen, 2013; Levine & Moreland, 1998; Mannix, 1993) and competition exclusion perspective (Overbeck et al., 2005). However, these sources cannot fully explain why status-based subgroups are formed in different ways. Therefore, important implications are likely to arise from distinguishing the differences between the sources of different types of status-based subgroups.

This omission might be particularly problematic in organizations with obvious status hierarchies and teams containing multiple high-status members. In these environments, status-based subgroup formation can be pervasive (Carton & Cummings, 2012). Without defining and distinguishing between different types of status-subgroup formation, the status-based interaction will remain somewhat ambiguous. Consequently, we cannot provide appropriate implications to manage status-based subgroup formation. Thus, we hope to address this gap. We employed the grounded-theory approach to develop a typology framework of the status-based subgroup. In this framework, we sufficiently depict the multiple formation patterns of different types of status-based subgroups and uncovered why team members form status-based subgroups in different ways. We hope to open new research avenues by suggesting that future scholarship consider diversified ways of status-based subgroup formation.

Methodology

Research Design

In this study, we employed the grounded-theory approach to develop an integrated framework about how and why different types of status-based subgroups are formed, for two reasons. First, existing subgroup literature has largely agreed that status-based subgroups are formed in a single way: hierarchical stratification. But literature that drawn on competition exclusion perspective has inspired us that status-based subgroups were likely to be formed in another way. Given the lack of research detecting and comparing multiple formation patterns of the status-based subgroup, and limited literature exploring the sources of status-based subgroup formation, we used the grounded-theory to elaborate existing subgroup theory (Edmondson & McManus, 2007) by exploring the question of (1) are there multiple types of status-based subgroups, and what are the interaction patterns of these types of status-based subgroups? and (2) why are status-based subgroups formed in different ways? Second, the grounded-theory approach aligned well with our interpretive approach because we are particularly interested in comprehending perceived subgroup formation within a team as experienced by team members from their own perspective, and its purpose is to produce theories and opinions on how people subjectively explain reality (Glaser et al., 1968). To observe the formation patterns and sources of status-based subgroups, we conducted an inductive qualitative study by using the grounded-theory approach.

Interview and Sampling Technique

We conducted semi-structured in-depth interviews because they effectively uncovered people's perceptions of the formation of status-based subgroups. Interviews were carried out in a specific order. The first phase was the individual interviews with particular team members. We designed the phase 1 interviews to explore individuals' experiences of the status-subgroup formation, addressing our first research question: "Are there multiple types of status-based subgroups, and what are the interaction patterns of these types of status-based subgroups?" and the second question: "Why

do individuals choose to develop status-based subgroup in different ways?" Individual participants in this phase discussed whether they experience status-based subgroup formation in their work teams and what the interaction features of these status-based subgroups are, and generally provided their personal reasons for forming status-based subgroups. The insight from phase 1 led us to design the second phase team interviews to validate the specific types of status-based subgroups in phase 1 and to further explore the team-level sources of status-based subgroup formation. Thus, in the second phase of interviews, we concentrated on addressing the research question: "Why do teams divide into status-based subgroups in different patterns?".

At this phase, we identified individual participants via a resume database search with the help of a headhunting company. We asked a manager of the headhunting company to conduct a random sample selection from company's resume inventory. Random sampling contributes to reduce bias in the selecting process and examine the views of different interviewees which helps to establish "ecological validity" (Lee, 1999: 152). The manager of the headhunting company selected and invited 80 people to take part in the research about status-based subgroup formation, 56 of whom allowed us to contact them. I started by briefly introducing the purpose of this study and asking interviewees whether they are willing to increase our understanding of what types of status-based subgroups exist in work teams and why these types of status-based subgroups are formed. Finally, 32 participants from 23 teams agreed to be deeply interviewed. After collecting and developing the interview material, we identified two typical types of status-based subgroups (stratified status-based subgroups or polarized status-based subgroups), and observed important premises for the formation of status-based subgroups. These findings constituted the foundation and a direction to proceed with the phase 2 team interviews.

We used responses from phase 1 to design the sampling approach for phase 2 team interviews by evaluating when status-based subgroups were most likely to occur. For example, the phase 1 data analysis suggested that status-based subgroups were more likely to be formed when team members had to compete for finite resources. Thus, we included teams that satisfied the following requirements: (1) we sampled work teams from small-sized enterprises (less than 300 employees) in highly competitive industries, because small-sized enterprises in highly competitive industries are subject to more severe resource constraints in the current environment and do not have easy access to external resources. (2) We sampled traditional work teams with relatively low skill differentiation and faced highly competitive and interdependent tasks (e.g., marketing, R&D, and project department), because when team members hold similar skill and function, they are likely to compete for a similar type of finite resource. Moreover, the data analysis of phase 1 interview suggests that status-based subgroups are more likely to be formed when a clear hierarchy of formal status is already in place and when there are multiple leaders in the team. Therefore, (3) we sampled traditional work teams that already had a clear hierarchy of formal positions (or authority) and included more than two superiors in higher formal hierarchical positions. The formal hierarchical position is a typical indicator of status in the organizational behavior literature (Aquino et al., 1999; Galperin et al., 2011). Because when an individual is assigned a formal position in a team, her/his rights and privileges change with a higher position, and she/he may enjoy access to more rewards and more recognition (Shelly & Webster, 1997). (4) We sampled ongoing teams with relatively high temporal stability (more than 1 year, Hollenbeck et al., 2012), because team members need enough time to interact and know each other and then they may choose to form status-based subgroup based on shared experiences.

It is important to note that, in phase 1, most individual interviewees reported the formation of stratified status-based subgroups or polarized status-based subgroups within their teams and these teams meet the above criteria. Therefore, we traced the teams which these individual interviewees were from, and tried to include all team members in these teams in the phase 2 team interviews. Eighteen teams involved in phase 1 interviews were selected for the phase 2 interviews (3 teams were excluded because of not fitting our research interest, 2 teams were excluded because of failing to trace back the team sample). To enrich our sample, we added another 3 teams in phase 2 team interviews. Finally, there are 111 participants (36 team leaders and 75 employees) distributed over 21 teams attending the phase 2 team interviews. The average team member participation rate was 82.2% (111/135). The average team size was 6.43 (the average number of high-status members was 2.14, and the average number of low-status members was 4.29). These team samples are from various industries (e.g., new energy, financial services, and IT service) and consist of various departments (e.g., R&D, marketing, and project department) facing high competition pressure. According to Hollenbeck's team typology (2012), these team samples can be described as ranking relatively low in skill differentiation, but ranking relatively high in authority differentiation and temporal stability. A total of 3806 min was devoted to interviews. With the two phases of interviews, the research portrayed a more accurate and valid picture of the formation of status-based subgroups within teams.

All interviewees spoke in Chinese. The semi-structured interviews contained several major sections: (1) general background information on the individual and a description of the work and the composition of their departments; (2) attitudes about the status arrangement in their organizations

Table 1 Descriptive data of focus team

Focus team	Industry	Department	Team members that participated in interviews	Interview time (min)	Status-based subgroup type
Team 1	Medical treatment	Surgeon	2 superiors and 5 subordinates (7/7)[1]	207	Stratified
Team 2	New energy	Operations and supply chain	2 superiors and 4 subordinates (6/6)	211	Polarized
Team 3	New energy	Marketing	1 superior and 3 subordinates (4/6)	123	Polarized
Team 4	Environment protection	Technical inspection	1 superior and 2 subordinates (3/5)	91	Polarized
Team 5	Dyeing	Operations and supply chain	3 superiors and 5 subordinates (8/8)	248	Stratified
Team 6	Shipborne service	Marketing	1 superior and 3 subordinates (4/5)	147	Polarized
Team 7	Cotton spinning	Marketing	2 superiors and 4 subordinates (6/6)	184	Stratified
Team 8	Financial services	Project	1 superior and 3 subordinates (4/7)	148	Polarized
Team 9	Energy	Operations and supply chain	2 superiors and 3 subordinates (5/5)	182	Stratified
Team 10	Pharmaceuticals	R&D	2 superiors and 2 subordinates (4/4)	133	Stratified
Team 11	Insurance	Marketing	1 superior and 4 subordinates (5/6)	203	Polarized
Team 12	IT service	R&D	2 superiors and 5 subordinates (7/7)	254	Stratified
Team 13	Appliance	Marketing	3 superiors and 3 subordinates (6/7)	155	Polarized
Team 14	Media	Project	1 superior and 3 subordinates (4/5)	157	Stratified
Team 15	Consulting	Consultant	1 superior and 3 subordinates (4/6)	179	Polarized
Team 16	Tobacco	Marketing	2 superiors and 4 subordinates (6/6)	192	Polarized
Team 17	Tobacco	Production	2 superiors and 5 subordinates (7/7)	231	Stratified
Team 18	Real estate	Marketing	2 superiors and 3 subordinates (5/8)	143	Stratified
Team 19	Real estate	Investment	2 superiors and 5 subordinates (7/11)	277	Stratified
Team 20	Construction	Marketing	1 superior and 3 subordinates (4/6)	188	Polarized
Team 21	Construction	Project management	2 superior and 3 subordinates (5/7)	153	Stratified

[1]the numbers in parentheses refer to (number of interviewed members/number of all team members)

(e.g., the stability, legitimacy, and permeability of status); (3) whether they perceive status-based subgroup formations in their departments; (4) how subgroups are formed based on hierarchical status; (5) how team members interact within and between status-based subgroups; and (6) the sources of the status-based subgroup formations. Interviews ranged from 30 min to 1.5 h. The majority of interviews (41, 36.93%) were conducted face-to-face at the interviewee' places of operation in 2020–2022. Taking into account of COVID-19 epidemic prevention and geographical distance, we conducted 70 interviews online by using Wechat social media. The online interviews were tape-recorded and transcribed (Table 1).

Data Analysis

Procedure I followed the procedure for developing grounded theory (Glaser et al., 1968; Strauss & Corbin, 1998). Our data analysis proceeded in three phases: (1) first-order, informant-centric codes which adopt the open coding approach, included selection, categorization, and marking direct statements; (2) second-order codes assemble the first-order codes into more theoretical perceptions, (3) theoretical codes which involved further condensing the second-order codes into more universal theories and concepts.

Rigor We conducted weekly meetings with the research team. The first author developed a preliminary coding system based on 32 interviews in phase 1 interview. After the phase 2 interview, the research team discussed the emerging codes extensively and refined the coding system. The first and third authors conducted the coding separately according to the refined coding system. The initial agreement between the coders was 89.2%, with differences occurring at category margins. We further discussed these differences to reach a coding agreement. We pursued credibility by adherence to grounded theory processes and procedures and created a trail by keeping all data and a detailed description of the research process.

Within-Team Agreement and Reliability Since the phase 2 team interviews covered each team member, we drew conclusions relying on the assumption that team members' descriptions reflect a shared perception of status-based subgroup formation. To verify the within-team agreement and reliability of status-based subgroup types in each team,

we developed a simple questionnaire based on the phase 1 interview and assessed the average interrater agreement coefficients (r_{wg}, ICC 1, and ICC 2). We asked all interviewed team members involved in the phase 2 interview to rate the extent to which they feel the team fits the description of the stratified and polarized status-based subgroup. For example, "There is a clear hierarchy within the team, separating the team into low-status and high-status subgroups. (Items for stratified status-based subgroup formation)"; and "The team has been divided into several subgroups leading by different high-status members (e.g., a manager and a deputy manager). (Items for polarized status-based subgroup formation)." The mean values of r_{wg} were 0.83 for stratified status-based subgroup formation and 0.84 for polarized status-based subgroup formation, which indicate a high level of agreement within the team. ICC 1 was 0.21 for stratified status-based subgroup formation and 0.24 for polarized status-based subgroup formation, and ICC 2 was 0.70 for stratified status-based subgroup formation and 0.73 for polarized status-based subgroup formation, which suggest that a significant part of the variance was due to team membership. All these coefficients verified the within-team agreement and reliability of status-based subgroup types.

Step 1: Open Coding of Segments (First-Order Coding) We initiated first-order coding through focusing on interviewing records and ascertaining words, lines, or paragraphs reflecting how interviewees perceived the formation of status-based subgroups. When the codes appeared, we compared text units and started classifying and labeling similar groups of text (Glaser et al., 1968). The initial codes contained a series of themes, including the interaction patterns between high-status and low-status members, the orientations in forming status-based subgroups, and so forth (see the second column in Table 2). As we used constant comparative methods (Glaser, 1978), we identified concepts that repeatedly emerged in our data or developed a new code if it was distinct in analysis. As the last step, we labeled the first-order codes to provide data-based perspectives, which would eventually turn into our second-order themes (Strauss & Corbin, 1998). In this way, our first-order codes integrate both the original data and our preliminary explanation of the data. Through this process, we developed 54 first-order codes.

Step 2: Axial Coding into Higher-Order Themes (Second-Order Coding) The second-order codes synthesizing first-order segments and clustered them into more general themes to develop, correlate, and segregate categories. Again, we used the method of continuous comparison, condensing 54 first-order codes into 20 s-order themes (the third column in Table 2). Sixteen of these themes pertained to the sources for forming status-based subgroups, and four of these themes pertained to the interaction patterns when forming status-based subgroups.

Step 3: Identifying Overarching Types of Status-Based Subgroups (Theoretical Coding) In the final stage, we conducted theoretical coding (Glaser, 1978: 72), abstracting the second-order themes into higher-order theoretical themes (Glaser et al., 1968). The earlier phase of our analysis consisted of searching for common properties across second-order codes, deconstructing second-order codes into the formation patterns and formation sources of status-based subgroups, and mapping sequential relationships among them. Finally, we transformed the second-order codes into two types of status-based subgroups: stratified status-based subgroup and polarized status-based subgroup, thus converting the previously stationary and independent dimensions into a comprehensive grounded theory model. The Appendix presents the data structure.

Findings

In this section, we build a typology framework of status-based subgroups. This framework answers two questions: (1) are there multiple types of status-based subgroups, and what are the interaction patterns of these types of status-based subgroups? (2) Why are status-based subgroup formed in different ways? More specifically, we are interested in why do individuals choose to develop status-based subgroup in different ways (i.e., individual-level sources)? And why do teams divide into status-based subgroups in different patterns (i.e., team-level sources)? To answer these questions, first, we identified two types of status-based subgroup (stratified and polarized status-based subgroup) that emerged through the analysis; this typology helps build the infrastructure of the following analysis and helps explain differences in the formation patterns of status-based subgroups. Then, we specify the individual-level and the team-level sources of each type of status-based subgroup formation. These sources describe why team members employ different tactics when forming status-based subgroups (see Fig. 1).

Typology of the Status-Based Subgroup: Stratified and Polarized Status-Based Subgroup

As we analyzed our data, we recognized that status-based subgroups could be developed in two different ways. Figure 2 illustrates how two different types of status-based subgroups emerged from our data.

Stratified Status-Based Subgroup

Our analysis revealed that team members are likely to adopt a tactic of splitting up vertically (i.e., team members at different status levels split into different subgroups) and joining up horizontally (i.e., team members at a similar status level join in the same subgroup) to form status-based subgroups

within a team, which we call the stratified status-based subgroup. An example is shown in the left side of Fig. 3, in a simulated team with six members, high-status members A and B united to form a subgroup, while low-status members C, D, E, and F join up to form another subgroup. In this case, members in the same subgroup share a similar status level, while distinct subgroups are differentiated along hierarchies according to differences in status, creating a disparity in status levels across subgroups.

The stratified status-based subgroups were often interpreted by the interviews as "interest blocs" (#T5Sup1), "class rivalries" (#T7Sup1), "alliances" (#T10Sup1), and "coalitions" (#T12Sub3). One superior of a marketing department described the high-status subgroup forms based on the horizontal cooperation among superiors, said, "A few VPs and I (i.e., a supervisor) are the backbones of the whole department. We trusted and supported each other, and controlled the core business channels of the department." Moreover, the high-status subgroup is found to dominate and suppress the low-status subgroups by controlling over the key resources, leading to a clear hierarchy of subgroups in a team. The team superior added, "We prevent the subordinates from having access to these relationships and channels, and they just need to deal with some basic work" (#T7Sup1). An employee in this team confirmed that "The superior leaders developed a solid coalition. It's hard for our people at grass-roots to get into the coalition, and the only way to keep competitive is to cooperate with my coworkers." (#T7Sub4). In this team, the formation pattern of status-based subgroup manifests as that the superiors and the subordinates are vertically divided into different subgroups according to differences in status (see the left part of Fig. 3). When such hierarchical stratification subgroups are formed, teams are centralized around dominant subgroups (consisting of high-status members) that have a concentration of resources. We use the term "stratified" to describe the status-based subgroup with high intragroup status similarity and high intergroup status differences.

> ***Proposition 1a:*** Stratified status-based subgroups are formed by vertical splitting between members at different status levels and horizontal uniting between members at a similar status level.

Polarized Status-Based Subgroup

In contrast to the stratified status-based subgroup described above, many samples show another common tacit for forming the status-based subgroup. Some team members will take the tactic of splitting up horizontally (i.e., team members at a similar status level split into different subgroups) and joining up vertically (i.e., team members at different status levels join in the same subgroup) to form status-based subgroups, which we call the polarized status-based subgroup. For example, as shown in the right side of Fig. 3, in a simulated team with six members, the high-status member A joins up with two low-status members C and D to form a subgroup; similarly, another high-status member B joins up with two low-status members E and F to form another subgroup. In this case, all team members are divided into two different subgroups around the two high-status members A and B (acting as the pole of each subgroup).

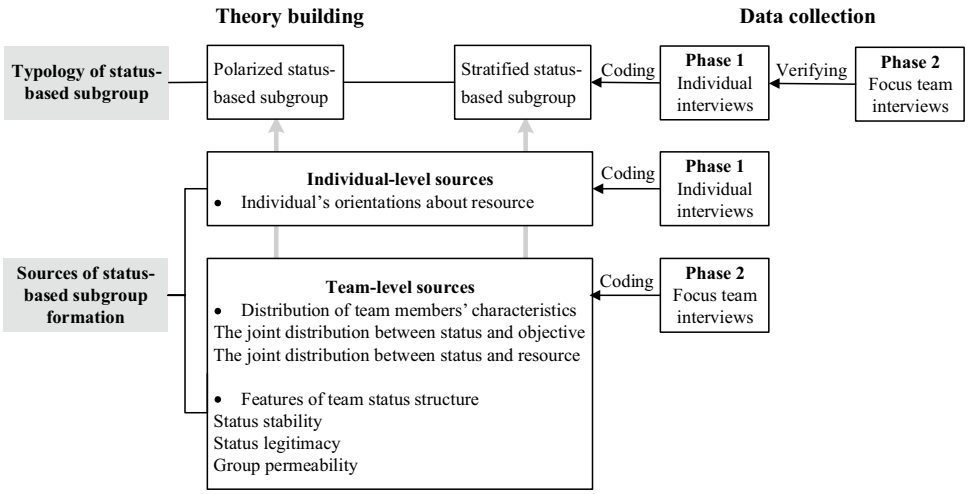
The interviews often interpreted the polarized status-based subgroups as "taking sides" (#T3Sub1), "opposing camps" (#T6Sup1), and "factions" (#T20Sub1). A typical interaction pattern of polarized status-based subgroups is that team members at similar position levels are divided into opposing subgroups. For example, a team leader said, "We (i.e., the two superiors) lead different subgroups in the department. The subgroup that takes on bigger projects will have a bigger voice. Market competition is just like jungle survival, where the legitimacy belongs to the victor, while losers are always in the wrong" (#T20Sup1). Meanwhile, another notable interaction pattern of polarized status-based subgroups is that intra-subgroup linkages are likely to be built across people at different status. One employee provided a typical example, "Some newcomers are labeled as 'a leader's follower' as soon as they join the team because a man cannot serve two masters. In our department, Nie and I follow Mr. Yang (i.e., the director of the department) whereas the others follow Mr. Sun (i.e., the vice director of the department)." He added, "The two bosses often set themselves against each other…If we want to get a foothold in our department, we have to find a capable backer. Mr. Yang will give priority to us when providing training opportunities, and we will give him some inside information during private dinners" (#T15Sup3). In these cases, the status-based subgroup formation pattern involves a "tiger fighting" (#T16Sub3) between two leaders in the department, and subordinates "taking sides" (#T4Sub2) with one of the leaders. Team members are polarized around a few high-status members (acting as the pole of a subgroup) and divide into subgroups with equal power. Therefore, we use the term "polarized" to describe such kind of status-based subgroup.

> ***Proposition 1b:*** Polarized status-based subgroups are formed by horizontal splitting between members at a similar status level and vertical uniting between members at different status levels.

The Relationship Between Stratified and Polarized Status-Based Subgroups

In the static perspective, the existences of stratified and polarized status-based subgroups are almost mutually exclusive,

Fig. 1 The roadmap of findings



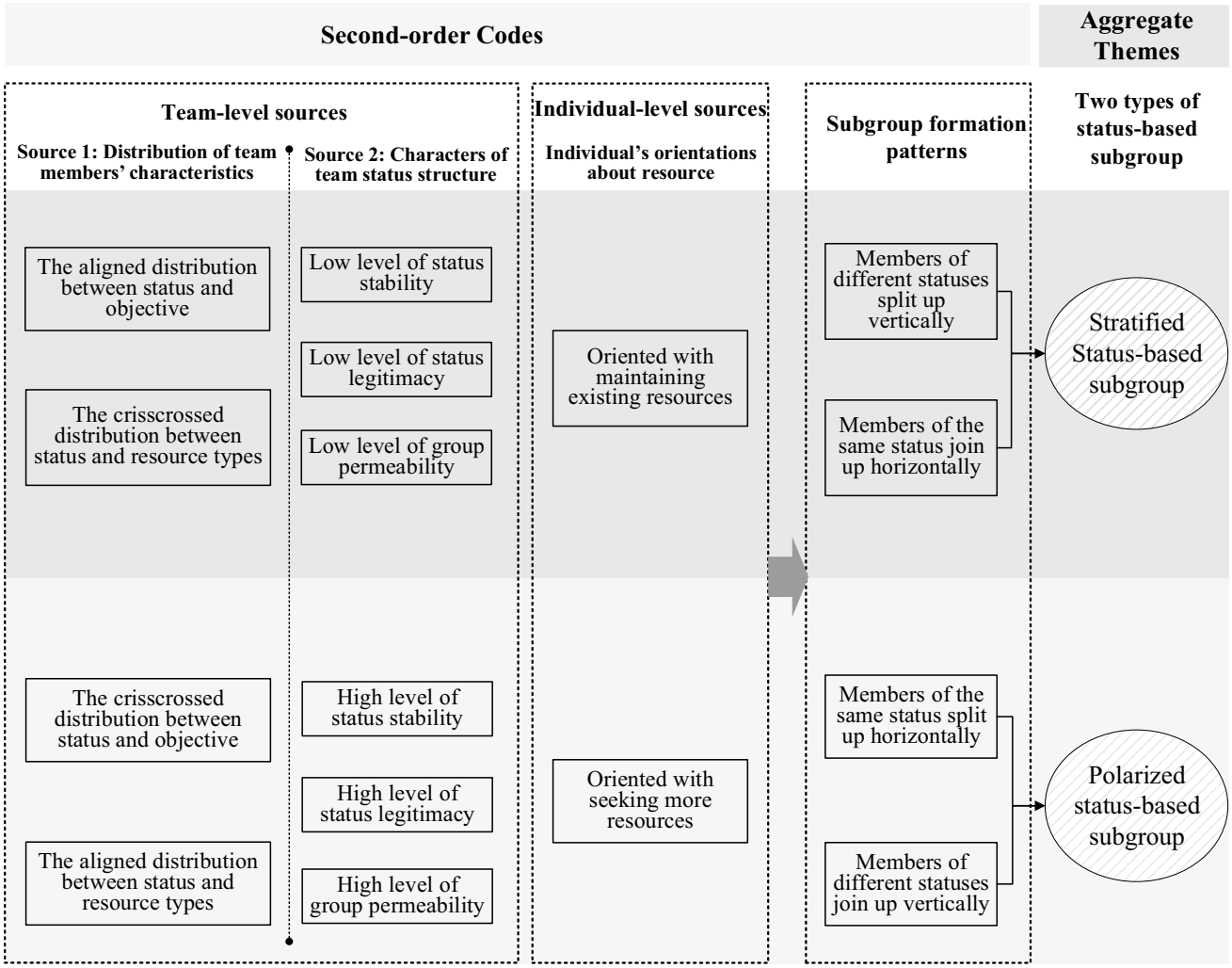


Fig. 2 The typology framework of status-based subgroup

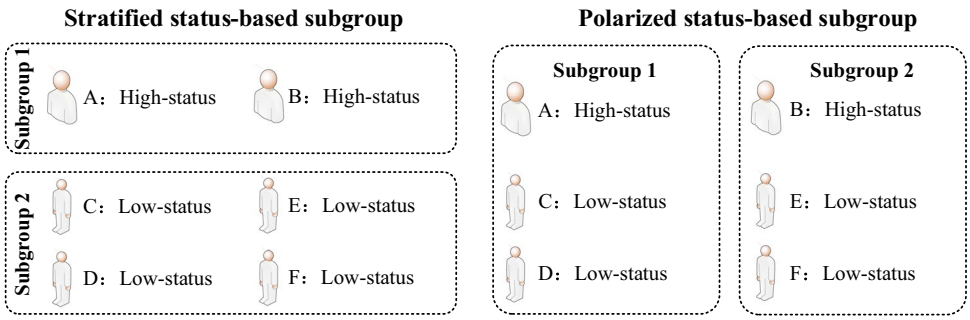


Fig. 3 Comparation between the configurations of stratified status-based subgroup and polarized status-based subgroup

which means that it is unlikely for them to coexist within a team. Figure 4 illustrates the distribution of interview cases focusing on stratified and polarized status-based subgroups. The top-left matrix in Fig. 4 contains eleven interviewed teams (e.g., teams 1, 5, 7, 9, 10, 12, 14, 17, 18, 19, 21) only representing the formation of the stratified status-based subgroups (i.e., subgroups are formed by splitting up horizontally and joining up vertically). The bottom-right matrix in Fig. 4 contains another ten interviewed teams (e.g., teams 2, 3, 4, 6, 8, 11, 13, 15, 16, 20) only describing the formation of the polarized status-based subgroups (i.e., subgroups are formed by splitting up horizontally and joining up vertically). This distribution indicates that a work team experiencing status-based subgroup formation is divided into status-based subgroups either in the form of stratification or in the form of polarization. Stratified and polarized status-based subgroups are unlikely to coexist within a team at the same time.[1]

Although our analysis revealed that stratified and polarized status-based subgroups are not likely to coexist at the same time, it is interesting that some interviewees mentioned that these two types of status-based subgroups may transform into each other in the long run. For example, the formation of stratified status-based subgroups is not stable, as one supervisor said, "Everyone knows that we are using each other for utilitarian purposes, but when our goals and interests diverge, the alliance may not last forever" (#T10Sup2). A supervisor experiencing the formation of polarized status-based subgroups talked about the possibility of mutual transformation between stratified and polarized status-based subgroups, "Indeed, the current competition and separation between Mr. Li and me will not seriously damage our relationship. We will not fall out in resource competition. There is an old saying that goes 'After a long period of division, there will always be a union.' Therefore, I can't rule out the possibility of our cooperation in the future" (#T13Sup2).

The Sources of the Status-Based Subgroup Formation

The Individual Level Source: Individual's Orientations About Resource

Our research suggests that the formation of stratified status-based subgroups is primarily motivated by the orientation of maintaining the existing resources within the subgroup. High-status members guard against challenges from low-status members by controlling existing access to core resources, while low-status members strive to prevent their resources from being further deprived by high-status members. For example, when being asked about why the supervisors form status-based subgroups with people at equally high status, one manager explained, "We can't sit in a superior position without holding core resources in our hands. So, this exclusion of low-status members is also the last resort" (#T9Sup1). Indeed, the "strong alliances" (#T10Sup1) among high-status members help them control core resources and maintain advantages. To deal with this situation, grass roots employees have to form low-status subgroups, and one employee explained, "We are allying to face the same enemy (i.e., high-status members). This is an efficient way not to be marginalized and to prevent those senior staffs from stealing our core technology" (#T12Sub2). These cases show that when low-status members aim at defending themselves from further resource deprivation, they tend to "group together for warmth" (#T7Sub1) by developing a low-status subgroup.

> ***Proposition 2a:*** The formation of stratified status-based subgroups is motivated by individual's resource-maintenance orientation.

[1] The top-right and bottom-left quadrants of Fig. 4 show another two special cases. The top-right quadrant indicates that all team members (both high and low-status members) are independent individuals. Thus, no subgroup form in this case. The bottom-left quadrant depicts that only a single subgroup is formed, involving part of high-status members and part of low-status members, while other team members are excluded from the subgroup. In phase 1, three samples (individual #24, #30, #31) reported this situation. The single subgroup acts as "a single compact galaxy" in a work team, and "other team members who are excluded from the galaxy are like the stars scattered in the universe" (#24). However, since our research interest is in how teams divide into multiple subgroups, we excluded these samples in the phase 2 team interviews.

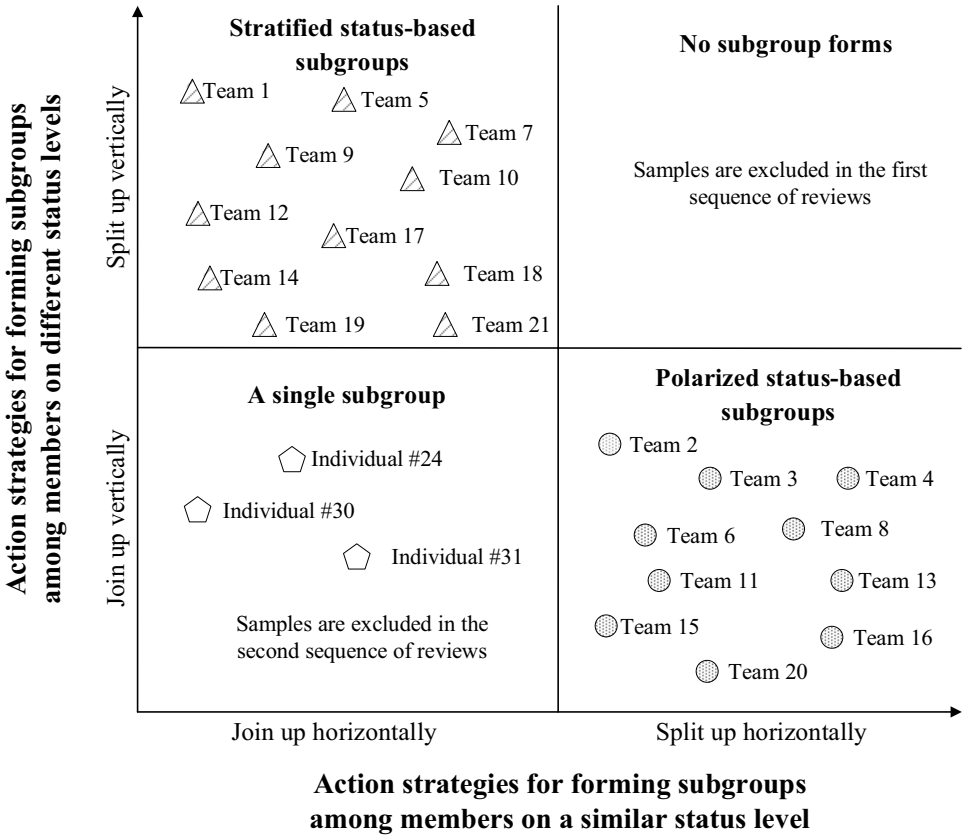


Fig. 4 Sample distribution

According to our results, the formation of polarized status-based subgroups is primarily oriented with seeking more resources. Aiming at gaining more resources and competitive advantage, high-status members are likely to take the initiative to form subgroups and win the support from their subordinates. As one team leader stated that, "People in the workplace must follow the law of the jungle, and two tigers cannot live on the same mountain. Equally high-status members may compete with each other for positions of leadership or material benefits…I have to show my influence by winning more support from my subordinates. The alliance across hierarchies can help me gain competitiveness" (#T13Sup1). Another team leader confirmed that, "We (i.e., the manager and the deputy manager of the department) are both ambitious people, and we are not content with the status quo. Thus, we compete in seeking more talents and more material support by forming cliques" (#T13Sup2). For low-status members, their resource-seeking orientation will boost their upward mobility and encourage them to cling to those at higher status positions, because high-status members are able to open doors and bring immediate resource benefits for them. As an employee in a Tobacco company described, "As a newcomer here, I lack the internal resources, such as technical support and critical information…Actually, we (i.e., the low-status employees) are competitors on certain aspects, thus my peers are unlikely to share their resources with me… Guo (i.e., the director of the department) extended the olive branch to me, so I joined his camp without a second thought. With his support, I can get access to key resources that I cannot get by myself" (T16Sub6). These cases indicate that when most team members are oriented with resource-seeking, multiple individual resource seekers at a similar status will be involved in aggressive zero-sum contests (Bendersky & Hays, 2012), leading to horizontal splitting within the same status group. Meanwhile, the resource-seeking orientation will give rise to the vertical cooperation between high-status and low-status members.

> ***Proposition 2b:*** The formation of polarized status-based subgroups is motivated by individual's resource-seeking orientation.

The First Team Level Source: Distribution of Team Members' Characteristics

In the following part, we will look into how the joint distribution of team members' status and objectives/resource types will shape the formation patterns of status-based subgroups (see Fig. 5).

The Joint Distribution Between Status and Objective Our results revealed that a team is likely to be divided into

stratified status-based subgroups when members at different status levels have opposing objectives (i.e., vertical dissimilarity) while members at a similar status level have consistent objectives (i.e., horizontal similarity) (see Fig. 5a). These two features often emerge together in interviews describing the formation of stratified status-based subgroups, as one employee explained, "The deviations of objectives separate us (i.e., subordinates) from the superiors. We seek more deviations and possibilities, and they seek to maintain the status quo" (#T14Sub2). This description shows the separation of objectives between people at different status levels. A senior staff provided more details, "When it comes to the change on the assessment system, our leaders will not back down, because once the rules are changed, we will lose altogether. I know that the demands and ideas of the subordinates are opposed to ours, but we will not let their plans for change succeed…Birds of a feather flock together. In most cases, people on the same hierarchical status levels enjoy the same benefits in the system, share similar goals, and can exchange equal resources, which is the essential reason for status differentiation" (#T7Sup1). This evidence confirmed that team members at equal status are more likely to generate common objectives related to systematic changes. Chung and his colleagues (2000) argue that individuals tend to cooperate to gain mutual benefits when sharing equal status and consistent goals. However, high- and low-status team members tend to generate opposite objectives because of their misaligned interests. In this case, to maintain the dominance, the high-status group will align to suppress the low-status group (Galperin et al., 2011). Therefore, the opposition of objectives among members at different status levels and the consistency of objectives among members at a similar status level (an aligned distribution between status and objective) combined to breed stratified status-based subgroups.

> ***Proposition 3a:*** When the distributions of status levels and objectives are aligned among team members (i.e., members at different status levels have opposing objectives while members at a similar status level have consistent objectives), a team is likely to be divided into several stratified status-based subgroups.

Our results revealed that a team is likely to be divided into polarized status-based subgroups when members at different status levels have consistent objectives (i.e., vertical similarity) while members at a similar status level have opposing objectives (i.e., horizontal dissimilarity). An employee provided a typical scenario of these two distribution features, "The two bosses had different objectives in the decision about selecting the consulting agency. Finally, we were asked to take a stand. I supported Mr. Yang (i.e., one of the superiors), and I thought Mr. Yang's plan was more promising…Finally, we form two opposing subgroups led by two leaders respectively." (#T8Sub2). This example shows that the opposing objectives between high-status individuals lead to the separation between them. Overbeck and his colleagues (2005) provide the reason that high-status individuals may have strong expectations and self-awareness, which may reduce their willingness to engage in information sharing, teamwork, group decision-making, and integration. A supervisor confirmed that "The contradictions of business objectives between the deputy manager and me is the main reason for the formation of the so-called polarized subgroups…Each of us has supporters, leading to further horizontal splitting within the department." (T13Sup2). High-status people have a strong intention to build strong relationships with submissive low-status members who share similar objective with them (Chun & Choi, 2014; Peiró & Meliá, 2003). Therefore, the opposition of objectives among members at a similar status level and the consistency of objectives among members at different status levels (a crisscrossed distribution between status and objective) jointly act on the formation of polarized status-based subgroups (see Fig. 5b).

> ***Proposition 3b:*** When the distributions of status levels and objectives are crisscrossed among team members (i.e., members at different status levels have consistent objectives while members at a similar status level have opposing objectives), a team is likely to be divided into several polarized status-based subgroups.

The Joint Distribution Between Status and Resource Types The results of theoretical coding identified two joint causes for the formation of stratified status-based subgroups: the overlapping of resources among members at different status levels (i.e., vertical similarity) and the complementarity of resources among members at a similar status level (i.e., horizontal dissimilarity) (see Fig. 5c). A supervisor provided the reason for his formation of high-status subgroup, said, "All the information they (i.e., subordinates) have is readily available to us, so it doesn't make sense to enlist their support" (#T5Sup1). This example shows that when the resource of high-status members is overlapped with the resource of low-status members, they will lose their appeal to each other. Thus, it is unlikely to form a subgroup across the status hierarchy. The supervisor added why he developed a high-status subgroup with senior staff, "Sun (i.e., a project manager) has developed a solid relationship with officials in the URA, which is a scarce resource, and I (i.e., a senior engineer) hold the discretion of project approval. So, our cooperation is a strong combination" (#T5Sup1). In this case, the supervisor chooses to cooperate with members at the same status level who have heterogeneous resources that are not available to the supervisor himself.

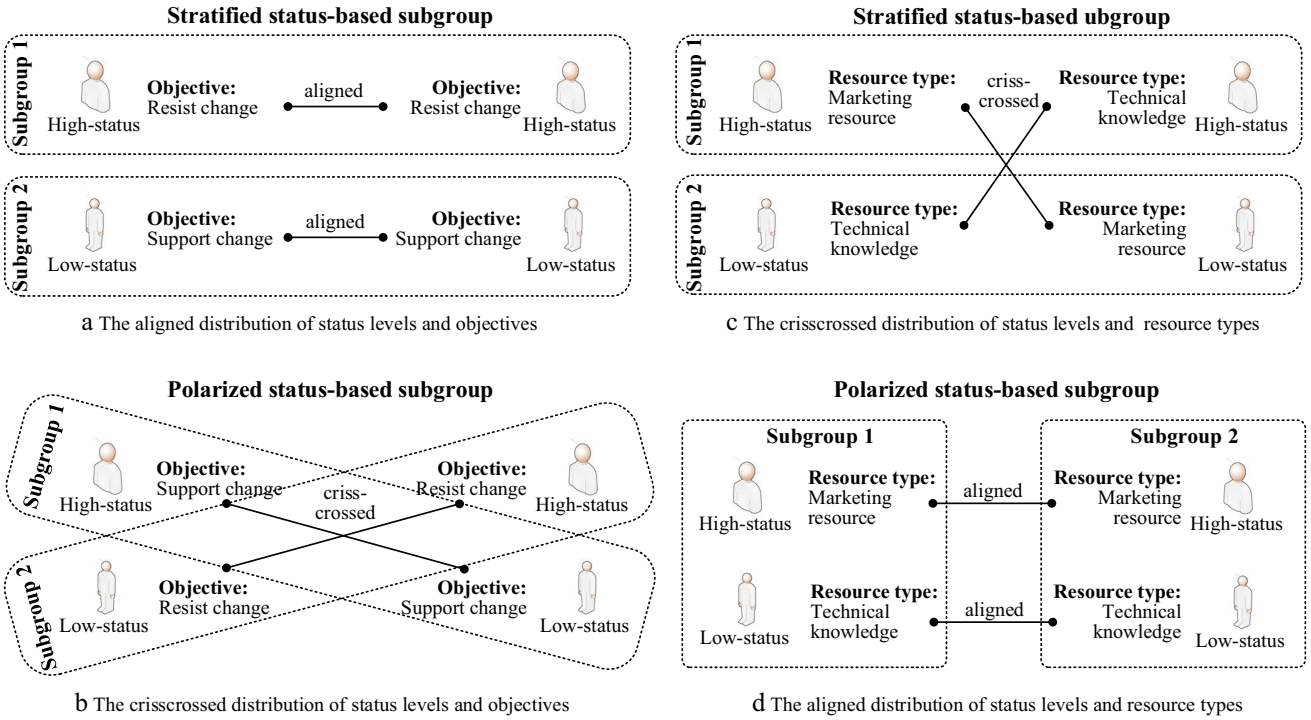


Fig. 5 The distribution of team member's characteristics and the formation of status-based subgroups

And this finding also applies to the formation of the low-status subgroup. An employee said that "Li, Liu, and I (i.e., subordinates) are highly complementary in technical skills. We developed a gold partnership that can compete with the high-status subgroup" (#T9Sub5). Cropanzano (2005) argue that resource complementarity is the foundation of interpersonal cooperation. Therefore, the overlapping of resources among members at different status levels and the complementarity of resources among members at a similar status level, which indicates a crisscrossed distribution between status and resource types, could combine to give rise to the formation of stratified status-based subgroups.

> ***Proposition 4a:*** When the distributions of status levels and resource types are crisscrossed among team members (i.e., members at different status levels have overlapping resources while members at a similar status level have complementary and heterogeneous resources), a team is likely to be divided into several stratified status-based subgroups.

According to our data, a team is likely to be divided into polarized status-based subgroups when members at a similar status level have overlapping resources (i.e., horizontal similarity) while members at different status levels have complementary resources (i.e., vertical dissimilarity) (see Fig. 5d). Several employees described that the resource (e.g., skills and sales channels) overlap among people at the same status level lead to the horizontal polarization of subgroups. For example, an employee said that "There are two competing subgroups in our department. Each of the subgroups are leaded by a key person…My boss (i.e., the manager of the department) and Wang (i.e., the deputy manager of the department) are responsible for market expending, and both of them are highly skilled at dealing with difficult clients. They are unconvinced of each other" (#T16Sub1). Another employee from new energy industry also described, "If two men ride on a horse, one must ride behind. In our department, both of the leaders have good marketing skills and sales channels, so they are reluctant to give up this piece of meat (i.e., the market), which finally led to the current situation of 'tiger fight" (#T3Sub1). These cases showed that team members at equal status process similar resources (e.g., skills and sales channels). Porath et al. (2008) found that when group members possess expertise and skills in the same domain, they will threaten the status of each other, leading to aggressive behavior or avoidance among them. In addition, when choosing their followers, high-status members show remarkable focus on low-status individuals who possess complementary resources (Gruenfeld et al., 2008). The interviewees said that "When my boss gets the contract, he still needs me (i.e., a subordinate) to confirm the legality of the contract based on my expertise. He also needs Cui (i.e., a subordinate) to keep an eye on the progress of the project. Once we enter the clique, we are on the same boat." (#T16Sub1) and "They only draw in people with

utility value, and technical staffs are the most sought-after" (#T3Sub1). In sum, the overlapping of resources among members at a similar status level and the complementarity of resources among members at different status levels, which indicates an aligned distribution between status and resource types, could combine to give rise to the formation of polarized status-based subgroups.

> ***Proposition 4b:*** When the distributions of status levels and resource types are aligned among team members (i.e., members at different status levels have complementary and heterogeneous resources while members at a similar status level have overlapping resources), a team is likely to be divided into several polarized status-based subgroups.

The Second Team Level Source: Features of Team Status Structure TAJFEL and Turner (1979) suggest that there are three aspects that shaping the character of a status structure: the stability of status (i.e., the extent to which a particular status structure is changeable), the legitimacy of status (i.e., the extent to the high- and low-status groups accept the status structure as appropriate, proper, and just), and the permeability of group boundaries (i.e., the extent to which group members can change their group membership). These characters will influence low-status members' actions and tactics in interacting with high-status members.

As shown in our results, when the stability of status, the legitimacy of status, and the permeability of group boundaries are at a lower level, a team is likely to be divided into stratified status-based subgroups. When being asked about the attitude toward the stability of the status structure, a technical staff predicted that a challenge about the status hierarchy was coming soon in his department. He said, "The status ranking is changing. Team members have gotten used to ranking on the basis of seniority or titles. But with the shuffling of technology in the media industry, knowledge of new media operations is becoming more and more important, and the senior staff will be challenged by our new forces, who are equipped with experiences in new media operations. The status ranking will be inevitably rearranged within the team. And this instable circumstance provides us (i.e., the subordinates) with an opportunity to compete with the higher status staffs" (#T14Sub2). This description shows that unstable status provides more opportunities for low-status members to compete with high-status members, increasing the likelihood of a divide along status hierarchy (i.e., the formation of stratified status-based subgroups). In addition, when talking about the sources of stratified status-based subgroup formation, an employee stressed the role of status legitimacy, said, "This vertical division (i.e., the formation of stratified status-based subgroups) is due to the unconvincing of their status. Our young people believe that we are more qualified for the leader position than the incumbents. So we choose to challenge their position, and aim at replace them (i.e., the superiors) one day in the future" (#T19Sub6). An illegitimate status ranking is likely to be challenged by the low-status subgroup, resulting in hierarchical conflict between the high- and low-status subgroups. Last, the stratified status-based subgroups are likely to be formed when the group boundaries between the high-status group and the low-status group are impermeable. An employee in a state-owned construction company stated that, "In a state-owned company, it is impossible for a nobody to have a quick promotion. Those who outrank us have tried their best to block our promotion channel and we (i.e., the subordinates) do not have access to become one of them…The hierarchical system was increasingly consolidated… The only thing we (i.e., the subordinates) can do is to bound together and keep a distance from them (i.e., the superiors)" (#T21Sub3). The impermeability of status blocked upward mobility of low-status members and strengthened the stratification along status order, leading to the formation of stratified status-based subgroup. Bettencourt et al. (2001) summarize that members of a low-status group favor their own in-group rather than the high-status out-group when the status structure is perceived as unstable, illegitimate, and impermeable. Accordingly, stratified status-based subgroups will form under a lower level of status stability, status legitimacy, and group permeability.

> ***Proposition 5a:*** *When there is a lower level of status stability, status legitimacy, and group permeability, a team is likely to be divided into several stratified status-based subgroups.*

As we considered our data, we also explored the roles played by characters of status in the polarized status-based subgroup formation. We interviewed high- and low-status members that experiencing polarized status-based subgroup formation to gather their perspectives on status structures. Their statements indicate that a stable status structure lead to the formation of polarized status-based subgroups. For example, one of the interviewees stated, "The opposing camps are forming in my department…In most cases, hierarchical structures are based on formal position in firms, thus we all default to this status ranking… It is unlikely to overturn this ranking because the people at high-status is empowered by the institutional system…Therefore, as a normal employee, I cannot gain the organization resource by myself, and the best way for us to survive in the department is to join a leader's subgroup" (#T3Sub1). In addition, our results also revealed the importance of status legitimacy in forming polarized status-based subgroups. For example, an employee stated, "People at leadership positions usually have core competencies, either in terms of personal skills or external resources…. There's no doubt

that Yang is a competent leader, so I choose to follow him… However, it is inevitable for two competent and respected leaders to develop their own inner circles within the team" (#T11Sub1). Beyond high status stability and legitimacy, permeable group boundaries also serve as important drivers for polarized status-based subgroup formation. An employee explained, "Our firm has developed a clear promotion system. Thus, there is hope for everyone at the ground level to become a key figure. The difference in rank is not a barrier between the leaders and us. Full with the hope, I admire the key figures and desire to be one of them. I am willing to follow a leader and learn from him" (#T8Sub3). This case shows that low-status members with permeable group boundaries tend to associate with high-status group, especially when the status structure is perceived to be stable and legitimate. Accordingly, polarized status-based subgroups are likely to form when the status structure is perceived as stable, illegitimate, and permeable.

> ***Proposition 5b:*** *When there is a higher level of status stability, status legitimacy, and group permeability, a team is likely to be divided into several polarized status-based subgroups.*

Discussion

Researchers have inconsistent perspectives on how status-based subgroups are formed within a team. In this study, we aimed to develop a typology framework of the status-based subgroup by employing a grounded theory approach and conducting two phases of interviews. The collected data of the individual interviews (phase one) allowed us to indicate the individuals' experiences of status-subgroup formation. Individual interviews were the basis for obtaining the initial identification of different types of status-based subgroup formation, and providing the individual-level causes of status-based subgroup formation. Subsequently, the insight from the phase one led us to design the team interviews (phase two). We traced the teams where the individual interviewees were from and included all team members in these teams in phase two. The team interviews validated the specific types of status-based subgroup at the team level and distinguished the team-level causes between different types of status-based subgroup. Our data demonstrate that the status-based subgroups are typically formed in two ways: vertical stratification and horizontal polarization. We illustrate the distinction between the stratified and the polarized status-based subgroup, including the formation patterns and the formation sources of these subgroups. Our participants' descriptions open the door to a deeper understanding of status-based subgroup formation.

Two Formation Patterns of Status-Based Subgroup

The primary contribution of the current study is the typology framework of the status-based subgroup. This contribution builds on depicting a more complete picture of how high/low-status members will divide into subgroups. Our study indicates that in a team composed of multiple members with high status and multiple members with low status, team members may divide into status-based subgroups in two typical patterns. On the one hand, the stratified status-based subgroups are formed by vertical splitting between members at different status levels and horizontal uniting between members at a similar status level. This formation pattern of the status-based subgroup we found does accord with the depiction of subgroup formation patterns in faultline and subgroup literature (Carton & Cummings, 2012; Lau & Murnighan, 1998). Researchers in this area suggest that subgroups arise from faultlines (i.e., hypothetical dividing lines that may split a team into homogeneous subgroups based on one or more attributes, Lau & Murnighan, 1998). That is, individuals perceive other members as belonging to their own subgroup if they are on the same side of status faultline, and individuals at dissimilar status will be divided into different subgroups (i.e., on different sides of status faultline), leading to team members being differentiated vertically along status hierarchies (Carton & Cummings, 2012). Prior faultline and subgroup literature has generally assumed that this is the most possible formation pattern of subgroup formation (Carton & Cummings, 2012; Van der Kamp et al., 2012).

In addition, we complement existing faultline and subgroup literature by providing empirical support for another type of status-based subgroup: polarized status-based subgroup, which is formed by horizontal splitting between members at a similar status level and vertical uniting between members at different status levels. When a team is divided into polarized status-based subgroups, multiple high-status members will lead different subgroups respectively, while low-status members will choose to follow one of these leaders. This type of status-based subgroup formation can be informed by competition exclusion perspective, which emphasizes that people with equal status may adopt competitive strategies aimed at obtaining higher status or more resources, and, consequently, leading to horizontal polarization between those with equal status (Bunderson et al., 2016; Chattopadhyay et al., 2010; Groysberg et al., 2011). But this

perspective received far less attention in faultline and subgroup literature. Therefore, we offer new insight into the way of status-based subgroup formation, and we extend the existing subgroup literature by demonstrating that status-based subgroups can be formed in two different structure patterns: vertical stratification or horizontal polarization. We provide a basis for future research to consider differentiated structure patterns when studying subgroup formation.

Different Sources of the Stratified and Polarized Status-Based Subgroup Formations

Furthermore, this paper also contributes by investigating the sources of subgroup formation. Previous work of subgroup has already focused on why subgroups are formed and investigated the role that team structure (e.g., faultline distance, Bezrukova et al., 2009; stability and size of subgroups, Carton & Cummings, 2012), and team atmosphere (e.g., cultural misalignment, Bezrukova, et al., 2012; team identification, Jehn & Bezrukova, 2010) in subgroup formation or activation. Although these elements predict the rise and fall of subgroups, they cannot tell us why status-based subgroups will form in different structure patterns, considering multilevel (i.e., individual-level and team-level) sources may have important implications for understanding the development of stratified or polarized status-based subgroups.

Individual-Level Source: Team Member's Orientation Toward Resources

At the individual level, we distinguished different motivations of individuals for the formation of stratified or polarized status-based subgroups. Prior studies suggested that people's forming status-based subgroups are motivated by the ambition of creating and enforcing hierarchies (Carton & Cummings, 2012; Van der Kamp et al., 2012). However, our results suggest that we can delve deeper into the sources of status-based subgroup formation by looking into individuals' orientations toward resources. Past research has consistently shown that the quest for resources is a fundamental human motive (Mannix, 1993). Interestingly, we found that the formations of stratified and polarized status-based subgroups are respectively motivated by different orientations toward resources. On the one hand, we find that the formation of stratified status-based subgroups is motivated by resource-maintenance orientation. Resource-maintenance orientation indicates that high-status members attempt to hold on to their dominant position in controlling access to finite resources, and low-status members aim to maintaining their resources and resist further loss of their remaining resources. On the other hand, our data suggest that the formation of polarized status-based subgroups is motivated by resource-seeking orientation. Resource-seeking orientation indicates that most individuals within a team focus their attention on obtaining more resources from the organization than others. By emphasizing the essential roles of individuals' orientations toward resources, the current study can provide a deeper insight into understanding differences in sources of stratified and polarized status-based subgroup formation.

The First Team-Level Source: the Distribution of Team Members' Characteristics

Specifically, at the team level, an important contribution is to provide greater insight into how the distribution of team members' characteristics will shape the formation patterns of status-based subgroups. Prior studies have suggested that status-based subgroups can exist when a disparity distribution in hierarchical status is already in place (Carton & Cummings, 2012). However, only focusing on the distribution of status cannot sufficiently predict whether status-based subgroups will be formed by vertical stratification or horizontal polarization. Much remains to be learned about the role played by the distribution of multiple characteristics in shaping status-based subgroup formation patterns. In this case, the current study takes a step further to examine the joint distribution between status and other characteristics (i.e., objectives and resource types). This study shows the strong influence of the joint distribution between status and objective in forming stratified and polarized status-based subgroups. According to the interviewees' detailed descriptions, when the distributions of status levels and objectives are aligned among team members, a team is likely to be divided into stratified status-based subgroups. That is, when members at a similar status share the same objective, they are more likely to bond together. And when members at different statuses hold opposing objectives, they will divide vertically into different subgroups. The result we found aligned with studies in subgroup formation, which have generally suggested that subgroups are typically formed according to the divisions of team members' characteristics (Carton & Cummings, 2012; Lau & Murnighan, 1998). In particular, an alignment of multiple characteristics (i.e., status levels and objectives) may heighten the possibility of subgroup formation (Lau & Murnighan, 1998), because, based on similarity-attraction-paradigm (Byrne, 1971), scholars believe that similar members intend to form a homogeneous subgroup, while dissimilar members will divide into different subgroups. For example, Ellis et al. (2013) suggested that when objectives or goals are directly pitted against one another in a team, the team is more likely to split into different subgroups

with distinct objectives. Moreover, when status levels are aligned with members' objectives in the same way, status cues will be more prevalent, and one's status subgroup identity will be more salient because similar objectives serve as the symbols of status rank. For example, the high-status group usually holds the objective of maintaining institutional inertia, while the low-status group has the objective of changing existing rules.

But what will happen if the distribution of status levels is not aligned with members' objectives? Our data indicate that when the distributions of status levels and objectives are crisscrossed among team members (i.e., members at different status levels have consistent objectives while members at a similar status level have opposing objectives), a team is likely to be divided into polarized status-based subgroups. This finding indicates that opposing objectives will trigger competition and division among people with equal status. In contrast, objective consistency will facilitate a vertical alliance between high-status and low-status members. In sum, our findings suggest that the joint distribution of status level and objective is an effective reagent to detect the formation of stratified or polarized status-based subgroups.

Our study also demonstrated that the joint distribution of status and resource types effectively distinguishes the formation of stratified and polarized status-based subgroups. We find that when the distributions of status levels and resource types are aligned among team members (i.e., members at different status levels have complementary and heterogeneous resources while members at a similar status level have overlapping resources), a team is likely to be divided into several polarized status-based subgroups. This finding contrasts with what we find in the joint distribution of status and objective, which means the similarity-attraction-paradigm (Byrne, 1971) does not work for the alignment between status levels and resource types. When people with equal status possess overlapping kinds of resources, their interaction can be especially contentious because one person's claim to resource potentially threatens or challenge another person's status, leading to spirals of aggressive behavior or avoidance among them. In contrast, when members at different statuses possess different resources, high-status and low-status members can complement each other by exchanging diversified resources, and thus developing vertical cooperation between them.

We also found that when the distributions of status levels and resource types are crisscrossed among team members (i.e., members at different status levels have overlapping resources while members at a similar status level have complementary and heterogeneous resources), a team is likely to be divided into several stratified status-based subgroups. Because when members with equal status possess resources in different domains, they can proclaim their dominance in different domains, reducing the need to compete with each other and increasing the possibility for their horizontal cooperation. Our findings challenged the similarity-attraction-paradigm (Byrne, 1971) by showing that the similarity in status and resource types will lead to similarity-exclusion instead of similarity-attraction. Our results suggest that individuals prefer their peers to be equipped with heterogeneous rather than homogeneous resources, because differentiated resources help to reduce competition and threaten among team members and add to the opportunity of exchanging complementary resources.

In sum, we find that the interaction patterns of status-based subgroup cannot be determined by the distribution of a single attribute of status, instead, they are shaped by the joint distributions of multiple types of attributes (i.e., status-objective and status-resource type). Harrison and Klein's (2007) have distinguished three types of diversity: separation, variety, and disparity. Inserting our research into their typology, status difference indicates disparity: vertical difference that privileges a few over many; objective difference indicates separation: horizontal distance along a particular opinion, reflecting disagreement or opposition; resource type difference indicates variety: differences in kind or category. Therefore, team member's status, objective, and resource type are important and typical attributes in diversity literature. However, researchers did not fully detect the joint functions of the three types of attributes. Carton and Cummings (2012) focused on each single type of diversity and argued that disparity-based faultlines (e.g., status-based faultlines) are most likely to trigger subgroups in the pattern of stratification. We extend their research by focusing on the joint distribution of multiple types of diversity. Our findings show that the joint distribution between status (disparity) and objective (separation) and the joint distribution between status (disparity) and resource type (variety) shapes different structure patterns (stratification or polarization) of status-based subgroups. We encourage more research on the joint function among three diversity types.

The Second Team-Level Source: the Features of Team Status Structure

At the team level, another contribution is to illustrate how features of team status structure (i.e., the stability of status, the legitimacy of status, and the permeability of group boundaries) will influence the formation of stratified and polarized status-based subgroups. Scholars have noticed that features of team status structure are likely to influence low-status members' actions and tactics in interacting with high-status members. Therefore, we proposed that

considering the features of team status structure can provide a deeper level of insight into the formation of status-based subgroups. Our results show that a lower level of status stability, status legitimacy, and group permeability is likely to give rise to the formation of stratified status-based subgroups. In contrast, when there is a higher level of status stability, status legitimacy, and group permeability, a team is likely to be divided into several polarized status-based subgroups. These findings can be informed by social identity theory (Tajfel & Turner, 1979). Tajfel and Turner (1979) found that when the status structure is perceived as unstable and illegitimate, and group boundaries are impermeable, low-status groups may adopt collective strategies to compete with high-status groups. Accordingly, high-status and low-status members are likely to divide vertically into stratified status-based subgroups.

In contrast, when the status structure is perceived as stable and legitimate, and group boundaries are permeable, studies provide evidences that high-status groups showed in-group bias, while low-status groups showed favoritism toward the high-status group and adopted an individual upward mobility strategy to join up with high-status members. In this case, status-based subgroups are likely to be formed in the patterns of horizontal polarization among people with equal status and vertically uniting among people at different status levels (i.e., polarized status-based subgroup formation). Therefore, our results validate the social identity theory and elaborate the theory by clarifying how features of team status structure will shape the formation patterns of the status-based subgroup.

In general, we specified the individual-level and the team-level sources of each type of status-based subgroup formation. Subgroup formation represents a subgroup level of analysis, that is, between the individual and team levels (Meyer et al., 2015). On one hand, subgroups are formed from team individuals, and individual's preferences determined whom will they choose as their within-subgroup cooperators. On the other hand, subgroup formation is triggered by the characteristic distributions and status features of all team members, which are conceptualized at the team level of analysis. Therefore, both individual-level and team-level causes are critical to the subgroup-level outcomes (i.e., the formation of stratified and polarization status-based subgroups). We ultimately tie individual-level and team-level causes to subgroup-level outcomes and these observations show that there is much to learn from taking a multilevel approach to study the formation of subgroups.

Limitations

Although the purpose of our study is to provide "local interpretations of a phenomenon" (Harrison & Corley, 2011: 410), questions about the "trustworthiness" and "generalizability" of the findings still arise. Our sampling strategy necessarily limits to whom the findings can be generalized. The current study was conducted in the Chinese context, in which the "collectivism" culture is highly valued (Hofstede, 1991). Under this culture, the Chinese organizations often develop a highly hierarchical status frame, and forming small cliques is a popular trend. All these elements combine to give rise to the status-based subgroup formation. We agree that theories developed in Chinese context cannot be universally applied to another (Hofstede, 1991). However, knowledge, regardless of its origin, should be applied worldwide when feasible (Tjosvold et al., 2001). Thus, we begin to think about how to transferred the theory outside the Chinese context, such as in western societies (Lincoln & Guba, 1985). Status subgroup formation share many critical features with alliance and faction that applied in Western context. Notably, alliance and faction represent subgroups that have been formed for gaining valued resources, which is in line with the goal of status-subgroup formation (Levine & Moreland, 1998; Li & Hambrick, 2005). The western context strengthens the interaction between cooperation and competition (Deutsch, 1973). The cooperate needs of team members lead to cooperation within factions, whereas competitive needs of team members lead to separation between factions. Along this line, future research can deeply look into how the cooperate and competitive need interdependence drives team members to use status as basis for developing subgroups. We believe that it will be a promising way to broaden our model beyond the Chinese context. In addition, our grounded-theory approach was based on a relatively small sample (21 team samples that covered 111 individuals), which may also lead to the question of "generalizability." Future research can address this problem by further developing the measurements of the focusing constructs in our framework (e.g., stratified and polarized status-based subgroup formation, and individual's orientation toward resources), and then quantitatively testing this framework with large team-level samples.

Second, the current study examines the subgroup as an enduring and static property. However, this approach neglects that change and evolvement are inherent to subgroups over time. Our results demonstrate that the formations of stratified and polarized status-based subgroups are not stable. Some interviewees mentioned that these two types of subgroup might transform into each other in the long run. However, restricted by our sample, we did not detailly detect the dynamic process of subgroup evolvement. Meister et al. (2020) have introduced a temporal lens to the subgroup literature and called for the dynamic conceptualization of the subgroup phenomena.

Therefore, future research will provide unique insights into the dynamic process of subgroup formation or the transformation between stratified or polarized status-based subgroups.

Third, this study focuses on the formation stage of the status-based subgroup. Future research is encouraged to extend this line of research by exploring how the stratified and polarized status-based subgroups will impact team effectiveness in different ways. For example, on the one hand, the formation of stratified status-based subgroups is likely to improve the effectiveness of teams that face routine tasks, because a stratified status structure maintains the unity of commands and ensures that the commands are delivered quickly and executed smoothly. On the other hand, the formation of polarized status-based subgroup is likely to improve the effectiveness of teams that face creative tasks, because the horizontal competition between subgroups will boost the collision of diversified ideals, creating new managerial solutions or technical innovation.

Practical Implications

Our study also has important practical implications that deserve to be discussed. Managers need to be aware that the division of teams into status-based subgroups has become a common phenomenon in the workplace, especially when organizations are structured in a hierarchy and are experiencing resource limitations. The formation of status-based subgroups will greatly shape the interaction and resource allocation among team members at different status, which will ultimately affect team efficiency. Therefore, more attentions should be paid to the management of status-based subgroup formation. Our typology of status-based subgroup allows organizations and managers to keep alert to the formation of status-based subgroups and to distinguish between different patterns of status-based subgroups: vertical stratification vs. horizontal polarization. This distinction makes a certain sense, because managers could suit the remedy to the case when interfering the formation of each type of status-based subgroup. More detailed remedies are illustrated in the following passage.

Moreover, our results allow managers to know how to effectively intervene in the formation of both types of status-based subgroups. Combining our results regarding the sources of the formation of stratified and polarized status-based subgroups, there are multilevel elements that managers should consider. First, at the individual level, managers can promote or suppress the formation of stratified and polarized status-based subgroup by cultivating team members' specific orientation toward resources (i.e., resource-maintenance orientation vs. resource-seeking orientation). More specifically, managers can alleviate staffs' resource-seeking needs by clearly clarifying the rule of resource allocation. Once the rule breaks the link between resource allocation and status hierarchy, it will reduce staffs' tendency to form status-based subgroups.

Second, at the team level, managers can manipulate the formation of stratified or polarized status-based subgroups by elaborating the team composition (i.e., the joint distribution of team members' status levels, objectives, and resource types) when building a work team. For example, if the manager hires people in the same work position (i.e., status) with similar social resources, it is more likely to trigger the formation of polarized status-based subgroups, but impede the formation of stratified status-based subgroups. If the manager sets congruent task objective for team members at all status, neither the stratified nor the polarized status-based subgroup will emerge in the team.

Third, managers may interfere the formation of status-based subgroup by adjusting the status characteristics. For example, if a manager is aiming at impeding the formation of stratified status-based subgroup, he/she can assign internal roles and responsibilities according to the work position (i.e., status) and set clear paths for promotion. In this way, team members can have a clear understanding of the stability, legitimacy, and permeability of status order, thus providing teams with a legitimate sensemaking status structure that increases fairness perceptions and diminishes the possibility of stratified status-based subgroup formation.

Conclusion

This qualitative study provides new insights into how and why status-based subgroups are formed within a team. Specifically, our findings open new pathways to understand the subgroup formation by revealing two important formation patterns of the status-based subgroups: vertical stratification and horizontal polarization. This study also extends subgroup literature by delving deeper into the individual-level and team-level sources of status-based subgroup formation and clarifies the distinctions between sources of the stratified and polarized status-based subgroup formation.

Appendix 1

Table 2 Data structure

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"……, so, we (i.e., superiors) usually don't play with them (i.e., subordinates)."	High-status members are socially isolated from low-status members	Members at different status levels split up vertically	Stratified status-based subgroup
"The superior leaders developed a solid coalition. It's hard for our people at grass-roots to get into the coalition."			
"These managers may be worried about being replaced by us (i.e., subordinates), so there are few opportunities for us to perform and our values are not recognized."	High-status members restrict career development for low-status members		
"We prevent the subordinates from having access to these relationships and channels, and they just need to deal with some basic work."	High-status members monopolize (relationships/ channels) resources over low-status members		
"We prevent the subordinates from having access to these relationships and channels, and they just need to deal with some basic work."			
"They (i.e., superiors) don't even forget to take advantage of us (i.e., subordinates) in such trivial matters as bonus distribution."	High-status members exploit the financial interests of low-status members		
"We just want to do our own thing. We (i.e., subordinates) don't want to get too involved with them (i.e., superiors) in private."	Low-status members avoid high-status members		
"We have to get the leaders to acknowledge our importance. Technology is our core competency. We often give them a hard time by refusing to share the latest algorithms with them during the product development process."	Low-status members block (technical/ knowledge) resources to high-status members		
"Our information sources are numerous and diverse. Interoperability between us (i.e., superiors) can create more value for both of us."	Information resources are shared among high-status members	Members at a similar status level join up horizontally	
"A few VPs and I are the backbone of the whole department. We trusted each other and controlled the core business channels of the department."	High-status members jointly control resources		
"A few VPs and I (i.e., a supervisor) are the backbones of the whole department. We trusted each other and controlled the core business channels of the department."			

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
	Mutual trust and support among high-status members		
"Our grassroots employees understand each other's difficulties, and I empathize with what he is going through. So, I will not watch the fire from the shore, but help him through the difficult times." "the only way to keep competitive is to cooperate with my co-workers."	Mutual trust and support among low-status members		
"If everyone is going to compete for business resources, the team will be hard to manage. We can't sit in a superior position without holding core resources in our hands. So, this exclusion is also a last resort."	High-status members work together to maintain resources	Members are oriented with maintaining existing resources	
"We need to stick together and never compromise on changes to the promotion system. That's the only way to keep us current position. A retreat makes things worse." "We are allying to face the same enemy (i.e., high-status members). This is an efficient way not to be marginalized and to prevent those senior staffs from stealing our core technology." "The meat is taken away by them (i.e., the superiors), and we are unable to drink the soup if we don't hold a subgroup."	Low-status members work together to resist resource threats		
"there is a saying goes 'Inequality rather than want is the cause of trouble'. I don't think the leaders are performing to match the current payment."	There is disagreement between high-status and low-status members over the pay distribution scheme	Aligned distribution between status and objectives (Members at **different** status levels have opposing objectives)	
"The current assignment of tasks is unreasonable. Why should we (i.e., subordinates) only be assigned low-skilled basic work. We can do more than that."	There is disagreement between high-status and low-status members over the task assignment plan		
"We can't agree on a system for performance evaluation and promotion, and those at the top only make systems that benefit themselves." "The deviations of objectives separate us (i.e., subordinates) from the superiors. We seek more deviations and possibilities and they seek to maintain the status quo."	There is disagreement between high-status and low-status members over system change		

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"We (i.e., superiors) always hit it off, and we're very strict about big strategic arrangements and we prefer more conservative plans."	High-status members are aligned in their strategic orientations	Aligned distribution between status and objectives (Members at a **similar** status level have consistent objectives)	
"We are the only ones capable of opening up the market, because we have the resources and experience to match this task."	High-status members are aligned in their task objectives		
"When it comes to the change on the assessment system, our leaders will not back down, because once the rules are changed, we will lose altogether. I know that the demands and ideas of the subordinates are opposed to ours, but we will not let their plans for change succeed… Birds of a feather flock together. In most cases, people on the same hierarchical status levels enjoy the same benefits in the system, share similar goals, and can exchange equal resources, which is the essential reason for status differentiation"	High-status members are aligned in their system claims		
"We young stuffs are united because we all want the same thing, we all want to be promoted without seniority."	Low-status members are aligned in their (promotion/ compensation) system claims		
"We are pragmatic and want to make every business perfect from the beginning to the end. This is a precious opportunity for us to grow."	Low-status members are aligned in their task objectives		
"Although several of our newcomers are at the grass-roots level, in fact, many of the key technical problems are solved by us. I am confident that our knowledge is more cutting-edge than the senior staffs."	High-status members and low-status members have overlapping skills	Crisscrossed distribution between status and resource types (Members at **different** status levels have overlapping resources)	
"All the information they (i.e., subordinates) have is readily available to us, so it doesn't make sense to enlist their support."	High-status members and low-status members have overlapping information		

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"He had worked in a government department and knew many government officials; and I have been in business for many years, so my business resources are very rich." "Sun (i.e., a project manager) has developed a solid relationship with officials in the URA, which is a scarce resource, and I (i.e., a senior engineer) hold the discretion of project approval. So, our cooperation is a strong combination."	High-status members have complementary social relationships	Crisscrossed distribution between status and resource types (Members at a **similar** status level have complementary resources)	
"We work well together. Wang has great social skills and can help us maintain channel relationships. And my technical skills can help us develop a more accurate product strategy."	High-status members have complementary skills		
"Li, Liu and I (i.e., subordinates) are highly complementary in technical skills. We developed a gold partnership that are able to compete with the high-status subgroup."	Low-status members have complementary skills		
"The high-status group will be challenged by our new forces, who are equipped with experiences in new media operations. The status ranking will be inevitably rearranged within the team."	The status ranking faces a challenge	Lower level of status stability	
"The status ranking is changing. Team members have gotten used to ranking on the basis of seniority or titles. But with the shuffling of technology in the media industry, knowledge of new media operations is becoming more and more important, and the senior staff will be challenged by our new forces, who are equipped with experiences in new media operations. The status ranking will be inevitably rearranged within the team. And this instable circumstance provides us (i.e., the subordinates) with an opportunity to compete with the higher status staffs"	The status ranking is changing		

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"They (i.e., team leaders) are at the superior position because of the dividend of their age, not because of their competence. In fact, many young people are very hard-working and very talented. If we have more space to develop, we will perform even better."	Formal status is not congruent with competence	Lower level of status legitimacy	
"This vertical division (i.e., the formation of stratified status-based subgroups) is due to unconvincing of their status. Young people believe that they are more qualified for the leader position than the incumbents."	Formal status is unconvincing		
"We (i.e., the subordinates) are better suited for senior positions, as salesman than them (i.e., the superiors)."	Formal status arrangement is not proper		
"If the company removes these barriers for newcomers, then we will see more young people in senior positions."			
"In a state-owned company, it is impossible for a nobody to have a quick promotion. Those who outrank us have tried their best to block our promotion channel and we (i.e., the subordinates) do not have access to become one of them… what we can do is close ranks…The hierarchical system was increasingly consolidated."	Low-status members do not have the opportunity to join high-status group	Lower level of group permeability	
"The project I (i.e., the manager of the department) got must have followed up with my supporters."	High-status members share (relationship/ channel/ task/ financial/ information) resources with low-status members	Members at a different status level join up horizontally	Polarized status-based subgroup formation
"Some newcomers are labeled as 'someone's follower' as soon as they join the team because a man cannot serve two masters. For example, in our department, we either follow Mr. Yang (i.e., the director of the department) or Mr. Sun (i.e., the vice director of the department). Nie and I followed Mr. Yang from the very beginning…If we want to get a foothold in our department, we have to find a capable backer. Mr. Yang will give priority to us when providing training opportunities, and we will give him some inside information during private dinners."			

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"Some newcomers are labeled as 'someone's follower' as soon as they join the team because a man cannot serve two masters. For example, in our department, we either follow Mr. Yang or Mr. Sun. Nie and I followed Mr. Yang from the very beginning."	Low-status members provide (technical/human) resources to high-status members		
"The company takes full advantage of the catfish effect. The vice manager (i.e., superiors) and I both exist to compete. Our funding budget and share of projects are allocated based on last quarter's performance, so we have to think about how to win over each other at all times." "We (i.e., the two superiors) lead different subgroups in the department. The subgroup that takes bigger projects will have a bigger voice. Market competition is just like jungle survival, where the legitimacy belongs to the victor, while losers are always in the wrong."	High-status members compete for resources	Members at a similar status level split up horizontally	
"The two bosses often set themselves against each other."	High-status members do not cooperate with each other		
"Each of us looks after our own house. New employees didn't have the resources I (i.e., a subordinate) needed."	Low-status members do not cooperate with each other		
"I am not satisfied with the status quo. I hope to have greater development space and achieve higher rank. But I couldn't do it alone. I had to find a capable backer."	Access to more (status/ financial/ channel/ human) resources	Members are oriented with seeking more resources	
"Finally, we were asked to take a stand. I supported Mr. Yang (i.e., a superior), and I (i.e., a subordinate) thought his plan is more promising." "Each of us has supporters, leading to further horizontal splitting within the department."	High-status members and low-status members are aligned in their task objectives	Crisscrossed distribution between status and objectives (Members at different status levels have consistent objectives)	
"Li, Zhou (i.e., subordinates), and I (i.e., a superior) all agree that the development of the western market is necessary, and we are all working together to achieve this goal."	High-status members and low-status members are aligned in their thinking on development		

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"It is challenger to be a leader, especially when the deputy has his own ideas, and we always have different ideas in strategic decision making." "The contradictions of business objectives between the deputy manager and me is the main reason for the formation of the polarized subgroups."	High-status members are not aligned in their strategic orientations	Crisscrossed distribution between status and objectives (Members at a similar status level have opposing objectives)	
"The two bosses had different objectives about finding a consulting agency to cooperate with… Finally, we form two opposing subgroups leaded by two leaders respectively."	High-status members are not aligned in their task objectives		
"As locals, they (i.e., subordinates) have a lot of potential local connections, which is very valuable to me (i.e., a superior). I also made a lot of business contacts through the MPA program."	High-status members and low-status members have complementary social relationships	Aligned distribution between status and resource types (Members at different status levels have complementary resources)	
"Yang (i.e., a superior) always has a voice in the company, and even big bosses have to give him face because he controls core channels and relationships. These are exactly what we (i.e., subordinates) need."	High-status members and low-status members have complementary marketing channels		
"Cai (i.e., a subordinate) graduated from a relevant professional college and has a solid professional foundation in engineering cost; Wu (i.e., a subordinate) has legal related knowledge; as their leader, I have excellent external communication and coordination skills. We are a very good and complementary combination."	High-status members and low-status members have complementary skills		
"He (i.e., a superior) will definitely give priority to us (i.e., subordinates) when providing training opportunities, and we will give him some inside information during private dinners."	High-status members and low-status members have complementary information		
"We (i.e., superiors) are acquainted with our clients. Who can successfully take the project depends on who has a closer relationship with the client. So we all focus on customer relationship maintenance."	High-status members have overlapping social relationships	Aligned distribution between status and resource types (Members at a similar status level have overlapping resources)	

Table 2 (continued)

Quotes from interviews (examples)	First-order codes	Second-order codes	Aggregate themes
"We (i.e., the manager and the vice manager of the department) are competing in the business of docking heat companies."	High-status members have overlapping marketing channels		
"The most fundamental reason of my (i.e., the manager of the department) confrontation with Lee (i.e., the vice manager of the department) is that both of us specialize in thermal energy conversion technology."	High-status members have overlapping skills		
"Sun, Liu and I are all responsible for sales, and this part of the job is replaceable, so the competition among our peers is fierce. Only by constantly exercising our sales skills and opening up the customer market can we stand out."	Low-status members have overlapping skills		
"In most cases, hierarchical structures are based on formal position in firms… It is unlikely to overturn this ranking because the payment and the power are determined by the level of formal position."	The status hierarchy based on formal position will not change	Higher level of status stability	
"The formal position arrangement comes from organization institution, so it is as stable as the institution."	The status hierarchy based on formal position is as stable as the institution		
"People at leadership positions usually have core competencies, either in terms of personal skills or external resources"	Formal status is congruent with competence	Higher level of status legitimacy	
"I treat my followers as in-group members, and every one of them trusted me with their confidences… I don't think the difference in rank will be a barrier between us, and they will become me in the future if they keep working toward a target."	High-status members treat low-status members as in-group members	Higher level of group permeability	
"I have a promising future in this company, and I belief I will be one of them (i.e., team leaders)."	Low-status members have the opportunity to join high-status group		

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Author Contribution Yue Zhang conducted the interviews, did the analysis, and drafted the manuscript; Qiaozhuan Liang helped to develop the theoretical model; and Wei Deng participated in interviews and collated all materials.

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Data Availability The datasets analyzed during the current study are not publicly available due the privacy protection of the interviewee but are available from the corresponding author on reasonable request.

Declarations

Ethics Approval Not applicable.

Consent for Publication Informed consent was obtained from all individual participants included in the study.

Conflict of Interest The authors declare no competing interests.

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