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## Lingering Effects of the Class Ceiling on Leadership Development

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## Lingering Effects of the Class Ceiling on Leadership Development

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#### Lingering Effects of the Class Ceiling on Leadership Development

Wealth is defined as: (a) the supply of basic necessities to all, (b) the utilization and pursuit of material goods to enrich the quality of life, and (c) the realization that public wealth helps nurture the common good for all (Goulet, 1999). According to Skopek et al. (2014), wealth can originate from two sources: (a) transfers (e.g., from one generation to another) and (b) self-accumation (such as investments made utilizing one's income), and while wealth inequality contributes to social stratification it differs from income inequality. Otherwise, social class is the culmination of connections, wealth, and the comprehension of norms and values across an individual's life span (Ingram & Oh, 2022). The impact of race and gender on leadership development has always been at the forefront, unlike social class, wealth and privilege. The United States is a case in point, where individuals from a lower social class are 32% less likely to hold a managerial or senior leadership position. It is important to note that it is an even more significant disadvantage experienced due to gender discrimination (27%) and racial discrimination (25%) (Ingram & Oh, 2022).

Nevertheless, women still have to work on occupying leadership roles and advancing in them (Li et al., 2011). Most female leaders with high self-esteem and from families of high socioeconomic status (SES) do not encounter the same obstacles. According to Ingram and Oh (2022), the Gross Domestic Product (GDP) is greater per capita in countries with managers from lower SES backgrounds. While leadership positions in educational settings are seen as a gateway to upper social mobility, students from low SES households tend to forgo participating in leadership training and roles due to the hefty expenses incurred from such activities (Soria et al., 2014). As a result, they lose networking opportunities and post-graduation job opportunities.

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Consequently, this study's goal is to identify the impact of social status on leadership development and will be guided by the research question, "Will social status, wealth, and privilege affect leadership development?". The researchers will rely on previous literature to satisfy this research inquiry.

#### Literature review

Social status is closely related to wealth and privilege and can be interpreted in various ways (Anderson et al., 2015). In a broad sense, it is defined as "the respect, admiration, and voluntary deference individuals are afforded by others" (Anderson et al., 2015, p. 574). According to research by Weiss et al. (2022) lower social status and an increase in the level of social inequality impacts a person negatively and the consequences are evident on their health, well-being and productivity. Furthermore, across the individuals' life span, they tend to expect lower social mobility, whereas adolescents have a more positive future outlook and expect to climb the social ladder. To further explore the effectiveness of social status on leadership progression, this section synthesizes pertinent research with participants from diverse socioeconomic backgrounds and studies related to factors that may influence leadership development more than wealth and privilege.

### **Social Status and Leadership Development**

Duan et al. (2022) suggest that higher levels of family socioeconomic status can be beneficial to the transformational leader's behavior at the workplace and those leaders with higher socioeconomic status tend to possess greater psychological capital. Using self-reported data from 692 adolescents, Yuan et al. (2022) determined that family socioeconomic position was a significant predictor of youth leadership potential, and that parental parenting behaviors and youth self-esteem sequentially mediated the link. Additionally, Yuan et al. (2022) conclude that family socioeconomic status influences the acquisition of knowledge and information about leadership, the formation of leadership attitude, will, and desire, and the practice of fundamental elements of leadership skills during adolescence, which may impact the likelihood of becoming an outstanding leader as an adult. Loignon and Kodydek (2022) further explain why one's social class backgrounds could influence the emergence of leadership from both tangible and intangible perspectives, state that the one with higher social status could gain more income and benefits, and they were born with certain intangible resources such as social capital, which made them more likely to developed into leaders. However, it is universally agreed that leadership and its effectiveness are affected by multiple factors, that leadership consists of different elements; van Knippenberg and Dwertmann (2022) identify four perspectives from 117 empirical papers that report interactions of leadership elements. The four perspectives are relationship, status, social identity, and congruence. From the previous findings, it clearly shows the connection between status and leadership effectiveness. Further, if someone comes from a high-status background, the employees will view them as more influential and capable than those managers with a lowstatus background; however, having a high rank does not necessarily guarantee a positive employee perception (Agut et al., 2019). There is also a gender variation in socioeconomic status and leadership behavior, high status males invest more than high status females with their cooperative partners, suggesting that males with higher status view sharing rewards with partners more beneficial (Markovits et al., 2017). When shifting the focus from private to public, Uster et al. (2022) found the absence of a link between leadership and network centralization in low SES local governments may be a result of increased interference and higher power concentration at the national level. The SES of the local government represents the economic standing of the

population. For economic, administrative, and expert advice, these agencies rely extensively on different stakeholders including such commercial enterprises and non-profits.

#### Leadership Development Opportunities Due to Social Status

Numerous advantages and resources that promote leadership are available to those with high social status (Loignon & Kodydek, 2022; Soria et al., 2013). They obtain substantial social capital, such as (a) financial resources, (b) privileged knowledge, and opportunistic information gained via networks, which are crucial for adjusting to college life and can save energy and time (Soria et al., 2013). According to Loignon and Kodydek (2022), leadership is assigned to individuals based partly on subjective impressions of social class that arise among group members rather than on an individual's behaviors throughout the team's work, indicating the crucial role of social status in leadership development.

Additionally, parental SES can also impact one's choice of leading roles. Family SES is a multidimensional structure that incorporates information on family members' income, education, and employment (Bradley & Corwyn, 2002; Conger & Donnellan, 2007; Yuan et al., 2022). Parental SES can impact the direct availability of physical resources, such as commodities and services and individuals' psychological conditions, as reflected in transformational leader behavior (Duan et al., 2022). However, given that one's development is dynamic and constantly changing, their family's SES may not always influence their own SES (Duan et al., 2022). Therefore, their parents' SES cannot only affect their leadership progression.

Many empirical studies have verified the positive relationship between parental SES and leadership development at different ages (Duan et al., 2022; Li et al., 2011; Yuan et al., 2022). Family SES was positively correlated with youth leadership development (Yuan et al., 2022). Furthermore, children from families with high SES had access to sufficient economic and social resources. They were more likely to play leading roles in adulthood because their education, career ambitions, and choices might be influenced by early life experience (Li et al., 2011). When people with high parental SES became leaders, they preferred leadership positions at work over those with low SES, indicating the significance of an individual's early housing conditions on future positive leadership behaviors (Duan et al., 2022).

On the other hand, women tend to lead better in crises, so it is essential to include leadership development programs catered to their training requirements and needs (Elson, 2010; McGuire et al., 2020). McGuire et al. (2020) conducted research concerning New Zealand Prime Minister (PM) Jacinda Ardern's speeches and public declarations in March and April 2020 during the COVID-19 pandemic from the perspective of crisis leadership and crisis communication. The study focused on how females utilize diverse channels (e.g., parliamentary statements, daily briefings, Facebook Live broadcasts, and podcasts) to engage in narrative and dialogue with the public. McGuire et al. (2020) further emphasized the significance of communication in crisis management and examined how positive and consistent messaging fosters trust and social unity. PM Jacinda Ardern handled the public issue excellently, so specific training requirements are required to enable more female leaders like her to do even better since this is an untapped opportunity due to social status.

## Leadership Development Challenges due to Social Status

However, people with lower socioeconomic backgrounds encounter many challenges in pursuing leadership development (Belmi & Laurin, 2016; Soria et al., 2013). Controlling demographic, environmental, and leadership interest factors, students from low-income households and those whose parents did not hold bachelor's degrees were considerably less likely to participate in positional leadership positions (Soria et al., 2013). Moreover, compared to those of higher social classes, those with relatively lower social classes are less likely to engage in political activities, even when they see it as necessary and advantageous for obtaining leadership positions (Belmi & Laurin, 2016). However, Belmi and Laurin (2016) also mentioned that those people's attitudes altered when they could obtain power through prosocial means as much as people from high social class. Thus, research by Belmi and Laurin (2016) contradicted Loignon and Kodydek's (2022) findings that subjective perceptions of social status overshadowed individual behaviors. In general, students with low social status are more sensitive to threats from the outside and always feel controlless over unfavorable situations (Duan et al., 2022). Thus, they may choose conservative and communal means of achieving stability. In this regard, social classes pose a barrier to leadership development opportunities for individuals from lower socioeconomic groups (Soria, 2021).

Moreover, social status can also intersect with gender and ethnicity, impacting leadership development inversely (Davis & Maldonaldo, 2015; Seo et al., 2015). While they are deemed competitive and well-suited for their responsibilities, it is much more difficult for women who undergo gender discrimination at work to seek leadership growth, especially senior leaders, than their male counterparts (Rhee & Sigler, 2015; Seo et al., 2017). Some African American women even have to deal with the "glass ceiling" effect in higher education due to their gender and race (Davis & Maldonado, 2015). In addition, Cook and Glass (2014) discovered that white males are less likely to be promoted to CEO of underperforming enterprises than occupational minorities, (i.e., white women and men and women of color). Moreover, white leaders are more likely to replace occupational minority CEOs when company performance drops, even though there are no

substantial variations in tenure duration between occupational minorities and white males, which is termed the "savior effect" (Cook & Glass, 2014). Because of this phenomenon, various groups of individuals may have unequal chances to advance in leadership.

#### Literature Gap/Problem

The overarching problem identified was that there needed to be more research on the impact of social class on leadership development. In contrast, there was copious research on the impact of gender and race. While this research aims to shed light on this problem, it is not the researchers' goal to dismiss the impact of gender and race on leadership development. According to research by Davis and Maldonado (2015), African American women not only have to deal with and prevail over specific barriers due to race and gender, but also social status. They assert that African American women have a wealth of diverse experiences yet are not given a voice due to being perceived as the bottom of the ladder. This study also highlights that with the help of mentors, African American women who showed resilience, integrity, intrapersonal qualities, and social skills were more likely to advance to the career ladder within their respective businesses.

Thus, to build a network of people who are different from them and have higher ranks or positions, African American women who want to become leaders must be willing to move out of their comfort zones (Davis & Maldonaldo, 2015). A crucial tool for African American women to attain higher-level promotions and professional prospects was developing strategic contacts in the academy. However, as the study focused only on African females and a small group of participants (n=6), more research needs to be conducted based on a larger scale of minority races and gender, as well as more than six participants, to have a holistic view. Rhee and Sigler (2015) addressed that women have more difficulties pursuing leadership growth as they underwent gender discrimination. However, they did not seek the relationship between gender and effectiveness,

which might be a gap for future research to fill in. The studies provide evidence of women's vulnerability in leadership positions and the need to study the relationship between women and leadership development.

Likewise, the study by Ingram and Oh (2022) confirms the study by Davis and Maldonaldo (2015), where they state that in the US, individuals from lower social class origins are at a disadvantage when pursuing a managerial profession, especially African American women. However, Ingram and Oh (2022) found that those from lower social classes are often more proficient in leadership roles if they get the chance, and their authority would not be as effective as those with higher social classes. While Ingram and Oh (2022) filled the gap regarding viewing lower social class as an advantage to leadership development, the study was based solely on the US. Therefore, including other countries like New Zealand in our literature review further enriched the study.

Numerous studies have identified lower social class as a deficit rather than an asset (Davis & Maldonaldo, 2014; Guthrie et al., 2021; Ingram & Oh, 2022)Nevertheless, students from lower SES backgrounds have a wealth of experiences that could be considered beneficial for leadership development and career programs (Ingram & Oh, 2022). While research by Guthrie et al. (2021) has highlighted that to capture all student leaders' experiences, there is "no one size fits all approach". Moreover, multiple identities must be captured when mentioning social class, such as gender, ethnicity, race, religion, and other abilities. Guthrie et al. (2021) also offers recommendations like framing capital as a skill rather than an asset or obstacle. Still, there are a few limitations since this research only focuses on student leaders and disregards entrepreneurs, faculty, and others with similar experiences. On the other hand, a study by Barling and Weatherhead (2016) on the impact of and exposure to poverty on leadership development in teenagers aged 14 to 17 revealed that the apparent effects were more significant on women than on men. They recommended that researchers further study other factors, such as resilience and self-esteem, addressed in the study by David and Maldonaldo (2015). Additionally, Soria (2021) implied that social classes were obstacles to leadership development for people from lower socioeconomic groups. Further research can focus on why low-income and first-generation students are less likely to participate in positional leadership roles. A growing body of research demonstrates that social class and wealth disparities can hinder leadership development, and the study by Soria (2021) supports that. Nevertheless, the study also suggests paying more attention to physical and mental health, family educational attainment, and the relationship between childhood development and leadership, which was satisfied by the research done in this study.

#### Findings

After administering a thorough literature review and identifying previous gaps in the literature, two findings were uncovered. The first finding reveals that a high social status brought up many advantages, such as confidence, financial resources, and the privilege to climb up the social ladder and develop advanced leadership skills (Soria et al., 2013), whereas a lower social status suppressed opportunities for political participation, impacted their mental health negatively, and repressed any networking opportunities necessary for leadership development (Duan et al., 2022; Loignon & Kodydek, 2022; Soria, 2021).

The second finding adds to recent research where lower social status is viewed as an asset rather than an obstacle to leadership development (McGuire et al., 2020). This literature analysis covers both student leaders and leaders in the workforce, despite the fact that the studies of Ingram and Oh (2022) and Guthrie et al. (2021) have limitations in their respective foci. Additionally, by using the findings of McGuire et al. (2020), this literature analysis demonstrates how female leaders perform better in times of crisis by citing PM Ardern's leadership during the COVID-19 pandemic as an illustration.

## Conclusion

Overall, social status is interrelated with wealth and privilege, and individuals with high social status save invaluable resources such as time and energy. While previous studies focused on the challenges faced by those of lower SES, this literature analysis sheds light on the benefits managers from low SES in senior positions bring to the workforce. After all, they come from diverse backgrounds, have collected a wealth of knowledge and experiences, and contribute to the overall GDP. Moreover, this literature analysis argues that while parental SES does matter, it is not the only factor that affects leadership development and recommends that future studies evaluate it in tandem with other components, such as educational attainment.

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