Organization Science

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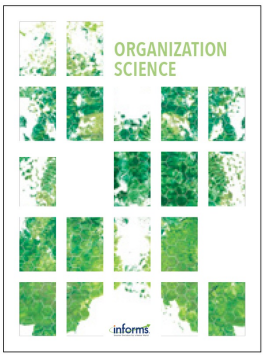
Published online in Just Accepted 21 Aug 2026

https://doi.org/10.1287/orsc.2024.19306

To cite this article:
Yufei Zhong, Huisi (Jessica) Li, Xirong (Subrina) Shen, Nicholas Hays, Jizhen Li (2026) Survival of the Flattest: Teams with Low (But Not High) Status Differentiation Turn Failure into Success by Adding High-Status Members. Organization Science (forthcoming)



ORGANIZATION SCIENCE

ISSN 1047-7039 (print), ISSN 1526-5455 (online) https://pubsonline.informs.org/journal/orsc

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Published in Organization Science on August 21, 2026 as DOI: 10.1287/orsc.2024.19306.
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Abstract

Most prior research on teams' responses to failure treats teams as closed systems. However, after failures, teams may seek to improve performance by bringing in new members. Adopting a teams-as-open-systems perspective, we test which teams are more willing to add high-status members following failures and whether doing so improves team performance. Drawing on status hierarchy research, we posit that after a team failure, members will feel uncertain about their own status (particularly those with high status). More importantly, we predict that the impact of this status uncertainty on members' willingness to add high-status new members depends on teams' pre-existing status differentiation. Specifically, status uncertainty leads members in low-status-differentiation teams to perceive adding a high-status new member as a potential benefit to collective performance, whereas it leads members in high-status-differentiation teams to perceive the addition as a potential threat to their own status. We theorize that these individual perceptions shape teams' collective decisions through an emergent process. Taken together, we predict that, at the team level, failure will increase the willingness to add high-status members in teams with low, but not high, status differentiation, and such addition improves subsequent team performance. Using longitudinal archival data on product development teams (Study 1, $N = 4{,}811$ teams) and two pre-registered experiments at the individual (Study 2, $N = 783$ participants) and team levels (Study 3, $N = 222$ teams), we found support for these predictions. This research advances the literature on team failure and illuminates dynamics between membership change and social hierarchy.

Keywords: teams, status differentiation, membership change, team performance, failure

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Team failure, defined as the deviation from desired team outcomes (Cannon and Edmondson 2001), is prevalent in the workplace. Indeed, as many as seven out of 10 teams fail to meet their desired objectives (Kearney 1995). Not surprisingly, therefore, organizational scholars have shown a keen interest in how teams respond to failure, because these responses can determine whether these teams go on a downward spiral of repeated failures or leverage the failure as a steppingstone to subsequent success (Maidique and Zirger 1984, Nonaka and Takeuchi 1995, Sitkin 1992). For example, past research found that failing teams (as opposed to succeeding teams) were more likely to adopt a new task strategy (rather than improve on their current strategy; Håkonsson et al. 2016) or to change their hierarchical structure (i.e., conferring more influence on members lower in the hierarchy; To et al. 2022). Similarly, firm-level research shows that organizations respond to failure with strategic changes. For example, firms attempt to mitigate performance shortfalls by identifying alternative strategies and modifying their practices (Audia et al. 2000, Cyert and March 1963, Greve 2003).

Although past research has generated important insights on ways that teams can turn failure into success, this work has generally taken a closed-system view, examining strategic and structural changes within teams' existing boundaries. This closed-system view conflicts with the fact that team boundaries have become increasingly fluid (Bell et al. 2018, Mathieu et al. 2014, 2018, Mortensen and Haas 2018, Trainer et al. 2020). Consequently, a closed-system view insufficiently considers when and why teams may look beyond their boundaries as they respond to failure. In particular, this has led the current literature to overlook a key way in which teams may respond to failure: by adding high-status members—individuals who are respected and admired for their instrumental social value within the organization (Henrich and Gil-White 2001, Kakkar et al. 2020, Magee and Galinsky 2008).

On the one hand, it may seem obvious that teams would seek to add high-status new members to address failure, as these new members have the potential to improve team performance by injecting superior knowledge, resources, and connections (Anderson and Kilduff 2009, Bendersky and Pai 2018, Fiske 2010, Ilgen et al. 2005). On the other hand, high-status new members may threaten the status of incumbent team members (Anderson et al. 2015; Suls et al. 2002). Given that failures inherently induce

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uncertainty among team members (Shepherd et al. 2009), members of failed teams may resist adding high-status members out of self-interest to maintain their own standing in the status hierarchy. Thus, failure surfaces a tension between members' collective interest in improving team performance and their self-interested desire to maintain their status. It is therefore important to examine when and why teams may seek to add new, high-status members in response to failure.

In this paper, we examine when and why teams are more or less willing to invite new, high-status members to join after a failure (versus a success), and whether these additions boost subsequent team performance. We propose that team failure heightens incumbent team members' uncertainty about their status, particularly among high-status team members who tend to receive more blame for team failure (To et al. 2022) and therefore face a greater potential for an aversive status loss (Pettit et al. 2010, Prislin et al. 2000) than their low-status counterparts. Further, we posit that teams' *status differentiation* shapes how members respond to their status uncertainty. Status differentiation is defined as the relative concentration of status among team members (Hays et al., 2022). When members decide whether to invite a new, high-status member to join the team to address their status uncertainty, status differentiation influences the extent to which they perceive the potential addition of the member as a benefit to the team's collective performance and/or a cost to incumbent members' individual status.

Previous research suggests that members of teams with low status differentiation are more likely to prioritize collective interests, whereas those in teams with high status differentiation tend to engage in self-interested behaviors at the risk of forsaking collective interests (Loch et al. 2000, Wright 1997, Wright et al. 1990). Building on these insights, we posit that after experiencing team failure and the resulting increase in status uncertainty, members of low-status-differentiation teams will focus on the potential benefits of adding high-status members for collective performance and, as a result, be more willing to invite them. In contrast, members of high-status-differentiation teams will focus on the potential threat to their individual status in the team from adding high-status members and, as a result, be less willing to invite them. These individual preferences will shape teams' decisions through an emergent

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process. Moreover, we predict that teams' decisions to add new, high-status members will positively affect subsequent team performance. Figure 1 presents our cross-level theoretical model.

--- Insert Figure 1 about here ---

This paper makes several contributions to the teams and social hierarchy literatures. Our first and primary contribution is to the teams literature by highlighting the value of taking an open systems approach. Enriching existing research on teams' reactions to failure, which largely treats teams as closed systems (Håkonsson et al. 2016, To et al. 2022), we explicitly treat teams as open systems and examine teams' decisions to invite new, high-status members to join as a means of overcoming failure. Although some research has begun to adopt an open-system view of teams, this line of work primarily focuses on member departure (for a review, see Li and van Knippenberg 2021) or on incumbent members' receptivity to *externally assigned* newcomers (for a review, see Rink et al. 2013). While insightful, these studies do not shed light on whether and when teams *actively* invite new members to join, nor do they reveal the considerations behind such decisions. In this paper, we shed new light on when and why teams are willing to add high-status members.

Second, we contribute to the literature on team failure. Existing research on how teams react to failure primarily assumes that team members prioritize collective objectives and will do whatever it takes to improve team performance (e.g., Håkonsson et al. 2016). In contrast, we highlight the possibility that individual members may prioritize their self-interest over collective goals. We illuminate how teams navigate the tension between collective goals and individual self-interest by examining a specific team characteristic, i.e., status differentiation, as a contingency. Drawing from the status dynamics perspective (Bendersky and Hays 2012, Bendersky and Pai 2018), we explain when and why some teams add high-status members to recover effectively from failure, while others do not.

Finally, we contribute to the literature on social hierarchy. Research examining social hierarchy and team performance typically conceptualizes performance as *either* an outcome *or* an antecedent of hierarchy. For example, Greer et al.'s (2018) meta-analysis examines results from 54 empirical studies on the effect of hierarchy on team performance. More recently, a small amount of research has examined

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team performance as an antecedent to hierarchy (e.g., To et al., 2022). Expanding this work, our study highlights the importance of considering team performance as *both* a predictor *and* a consequence of social hierarchy (especially regarding the team's willingness to add high-status members), thereby advancing understanding of the co-evolution of teams' social hierarchy and performance.

Theory and Hypotheses

Team Failure Leads to Members' Status Uncertainty

Status in work teams is based on members' judgments about each other's instrumental social value (Magee and Galinsky 2008), which reflects their expected contribution to team performance. Because status is tied to performance expectations, team failure signals that team members' actual contributions may have fallen short of these expectations, calling them into question (Bendersky and Pai 2018). Consequently, after team failures, team members may feel uncertain about their status within the group. In other words, while success (i.e., meeting or exceeding performance goals) reinforces members' sense of security with their current status, failure undermines such security and signals the possibility of status change (Liu et al. 2023, To et al. 2022, Tost 2011). Consistent with this reasoning, previous work suggests failure leads members to question the legitimacy of the team's status structure (Tost 2011), and that members of underperforming teams experience greater status insecurity and react more negatively to external threats than members of successful teams (Liu et al. 2023). Therefore, we expect team failure (versus success) to heighten members' status uncertainty.

Hypothesis 1. Team failure is positively related to team members' felt status uncertainty.

Moreover, we predict that members' own status level may also shape their experience following team failure. Whereas team failure signals an opportunity for status gain for low-status members, it also signals the possibility of status loss for high-status members. This prospect of status loss should play a particularly potent role in shaping higher-status members' status uncertainty because, compared to pursuing status gains, individuals are more motivated to protect their standing when facing the possibility of losing status (Pettit et al. 2010, Prislin et al. 2000). In addition, previous research suggests that high-status and more influential members are typically assigned more blame for the team's failure (Bligh et al.

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2007, Gamson and Scotch 1964, To et al. 2022, Weber et al. 2001), inviting greater scrutiny about whether they deserve their standing. Thus, we predict that team members of higher status experience higher status uncertainty after team failure.

> *Hypothesis 2. Individual status level moderates the effect of team failure (versus success) on status uncertainty, such that this effect is stronger (i.e., more positive) for team members with a higher status level.*

Responding to Status Uncertainty: Perceptions of Benefits and Costs of Potential High-Status New Members

When team members experience status uncertainty following a team failure, seeking to add high-status members presents one way to address this uncertainty.[1] High-status individuals typically possess essential skills, task-related knowledge, resources, and valuable connections (Hardy and Van Vugt 2006, Willer 2009, Yu et al. 2019). Thus, adding new, high-status members is an efficient way to inject the capabilities and resources needed to turn failure into success. However, adding them may also threaten incumbent members' status within the team, as the new member likely has higher status than incumbent members. Because the threat of status loss is aversive, members may be sensitive to the threat that potential new, high-status members pose to their own status (Reh et al. 2018).

Taken together, when team members consider whether to invite new, high-status members to join the team in response to their status uncertainty, they face a tradeoff between the potential collective performance gains these new members may offer and the potential status costs they may impose on individual members. We posit that when team members focus on the collective performance benefits potential new members may provide, they will be more willing to seek to add these new members. In contrast, when they focus on the potential costs to their own status, they will be less willing to do so.

Moderating Role of Team Status Differentiation

[1] While teams may engage in various forms of membership change, we focus specifically on adding high-status members because this form of membership change offers the clearest potential for performance improvement while also posing the most salient threat to existing members' status, allowing us to examine the tradeoffs between collective benefits and individual costs cleanly. We conduct supplemental analyses examining other forms of membership change in Study 1 and return to this point in the General Discussion.

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We argue that status differentiation shapes how team members weigh the pros and cons associated with adding new, high-status members to a team after failure. Specifically, we propose that, in teams with low status differentiation, members who experience status uncertainty will be more likely to focus on the potential benefits for collective performance of adding high-status members, which in turn makes them more willing to invite these individuals to join the team. In contrast, in teams with high status differentiation, status uncertainty will lead to a focus on the potential costs to individual members' status of adding high-status members, which in turn makes incumbent members less willing to invite these individuals to join.

In teams with low status differentiation, members enjoy relatively equal respect and admiration and are perceived as contributing similar levels of instrumental value to the team. When everyone has equal standing, team members are less focused on their own and others' status (Baron and Pfeffer 1994). Instead, they tend to be more collaborative and team-oriented, prioritizing collective interests over self-interests (Hays et al. 2022, Tyler and Blader 2003). For example, members of teams with low levels of status differentiation tend to share resources, such as information, rather than withholding these resources for themselves (Hays and Bendersky 2015, Hays et al. 2022). Therefore, in these teams, we expect that heightened status uncertainty following a team failure will lead members to focus on the potential benefits for collective performance that new, high-status members could provide. The cooperative climate created by status equality signals to team members that contributions and team outcomes are shared, encouraging members to prioritize collective goals and make decisions that benefit the team. These members are likely to seek ways to improve team performance to resolve their status uncertainties and, therefore, are more willing to add high-status members who can help the team realize such performance improvement. Because members with low status differentiation are less likely to focus on their relative standing (Baron and Pfeffer 1994), they will be less cognizant of or concerned about the potential for status loss associated with adding these new members.

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Therefore, in response to the status uncertainty that results from a failure (versus a success), we predict that teams with low status differentiation are more willing to add new, high-status members due to their tendency to focus on the benefits these new members could provide to team performance.

Hypothesis 3. Team status differentiation moderates the indirect effect of status uncertainty on the willingness to add high-status members via potential benefit to collective performance, such that this indirect effect is stronger (i.e., more positive) for teams with lower status differentiation.

Hypothesis 4. Team status differentiation moderates the serial indirect effect of team failure (versus success) on the willingness to add high-status members sequentially via status uncertainty and potential benefit to collective performance, such that this serial indirect effect is stronger (i.e., more positive) for teams with lower status differentiation.

In contrast, in high-status-differentiation teams, respect and admiration are concentrated among a few members (Greer et al. 2018, Hays et al. 2022). Members of such teams tend to prioritize protecting their individual status within the team over the team's collective performance (Ridgeway 1982). As a result, members tend to exhibit more competitive attitudes and behaviors that facilitate self-interested status maintenance rather than collective goal achievement (Anderson and Brown 2010, Loch et al. 2000). For example, members of status-differentiated teams are more likely to perceive high internal competition among team members (Fath and Kay 2018) and withhold knowledge from other members, even when that knowledge helps team performance (Hays et al. 2022). Importantly, these competitive tendencies occur across levels of status within a team's hierarchy (Hays and Bendersky 2015). Building on this logic, we theorize that, in response to status uncertainty triggered by failure, members of teams with high status differentiation are likely to focus on the potential costs of adding new, high-status members.

Therefore, we expect that members in teams with high status differentiation will be less willing to add new, high-status members in response to status uncertainty triggered by failure because they are more attuned to the potential costs these new members may pose by threatening incumbent members' individual status within the team.

Hypothesis 5. Team status differentiation moderates the indirect effect of status uncertainty on the willingness to add high-status members via potential cost to individual status, such that this indirect effect is stronger (i.e., more negative) for teams with higher status differentiation.

Hypothesis 6. Team status differentiation moderates the serial indirect effect of team failure (versus success) on the willingness to add high-status members sequentially via status uncertainty

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and potential cost to individual status, such that this serial indirect effect is stronger (i.e., more negative) for teams with higher status differentiation.

Emergent Process Shaping Team Decisions

Having theorized about how team members' willingness to add high-status members is shaped by perceptions of both potential benefits and costs of the addition, we now turn to how these individual perceptions shape the team's collective decision. Translating individual preferences into a collective team decision is a complex, emergent process. Individual knowledge and preferences may not directly aggregate; rather, they are filtered and transformed through information exchange (Hollenbeck et al. 1995, Mesmer-Magnus and DeChurch 2009, Mesmer-Magnus et al. 2011), such that lower-level, individual cognitions and behaviors are "amplified by their interactions, and manifest as a higher-level, collective phenomenon" (Kozlowski and Klein 2000, p. 33). Team members must communicate and "sync up" to integrate their inputs into a unified outcome (Mayo 2022). Together, these dynamics suggest that team decision-making is not simply a summation of individual members' preferences, but rather a process in which the way all members form their preferences ultimately shapes the collective decision.

Following previous group decision-making research (Hollenbeck et al. 1995, Mesmer-Magnus and DeChurch 2009, Mesmer-Magnus et al. 2011) and the process model of team-level composition (Chan 1998, Kozlowski and Klein 2000), we posit that the factors that shape members' willingness to add high-status new members will influence teams' collective decisions through an emergent process. Specifically, the degree to which members base their individual willingness to add a high-status new member on the perceived collective performance benefits and individual status costs associated with the newcomer will shape the team's decision. In teams where members' willingness to add high-status new members is impacted primarily by perceived benefits, the team's decision-making process is likely calibrated to the instrumental value of these new members, making the team more likely to invite a new, high-status member to join. Conversely, in teams where members' willingness to add high-status new members is impacted primarily by perceived costs of this member addition to incumbent members' own

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status, the team's decision-making process is likely to be calibrated to those costs, making the team less likely to invite a new, high-status member. Thus, we make two slope-as-predictor predictions:

> *Hypothesis 7. The stronger the positive relationship between perceived benefits to collective performance and members' willingness to add a high-status member within a team, the more likely the team will be to decide to add a high-status member.*

> *Hypothesis 8. The stronger the negative relationship between perceived costs to individual status and members' willingness to add a high-status member within a team, the less likely the team will be to decide to add a high-status member.*

Zooming Out to Focus on Teams: The Interactive Effect of Team Failure and Status Differentiation

Having described the individual-level mechanisms through which team failure and status differentiation shape teams' decisions to add new, high-status members, we now turn to the team-level relationships. The preceding logic suggests that teams' reaction to failure is contingent on their level of status differentiation. When status differentiation is low, we expect team failure to be positively related to the team's willingness to add a high-status member. In contrast, when team status differentiation is high, we expect that this relationship will be weaker. Therefore, we predict:

> *Hypothesis 9. Team status differentiation moderates the effect of team failure (versus success) on the team's willingness to add a high-status member, such that this effect is more positive for teams with lower status differentiation.*

Adding High-Status New Members Boosts Subsequent Team Performance

As noted previously, high-status members are likely to possess greater knowledge, abilities, and connections that are useful for achieving teams' goals (Anderson and Kilduff 2009, Bendersky and Pai 2018, Fiske 2010). Thus, we anticipate that adding high-status members will improve team performance. First, their abilities, knowledge, and skills are likely to directly benefit task completion and team performance (Cooke et al. 2003, Marks et al. 2001, Mathieu et al. 2014). These members' superior skills and competencies increase the team's human capital, resulting in a larger pool of resources critical to performance enhancement (Barney and Wright 1998, Nyberg et al. 2014, Wright and Boswell 2002). Empirical evidence consistently supports the positive effects of member addition on team performance when new members have better abilities, competencies, and skills than the incumbent members (Cannella and Rowe 1995, Maynard et al. 2017, Trow 1960).

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Second, high-status members may also stimulate new ideas among incumbent members. The influx of new perspectives and information from high-status members not only enriches the team's collective knowledge base but also inspires incumbent members to generate new, more effective ways of working (Kane et al. 2005, Levine and Choi 2004, Levine et al. 2003, Staw 1980). Corroborating this argument, previous research finds that new members can serve as change agents, stimulating incumbent members' divergent thinking (De Dreu and De Vries 2001, Moscovici 1985, Nemeth and Owens 1996). For example, in idea generation tasks, adding new members increased the volume and variety of ideas generated by the group (Choi and Thompson 2005).

Third, high-status individuals often have extensive social ties (Lin 1999). Because these individuals occupy central nodes in social networks, they have access to a wide range of information beneficial for task completion (Balkundi and Kilduff 2006, Krackhardt 1996). For example, high-status employees tend to have comprehensive views of their team's social structures and the larger environment, which facilitates team decisions (Balkundi and Harrison 2006). Furthermore, the social ties of high-status individuals tend to be valuable because they are likely to be connected to high-status others (Louis 1990, Ostroff and Kozlowski 1992). Access to a multitude of high-quality relationships via the new, high-status member can improve team performance. Thus, we expect a positive downstream effect of high-status member addition on team performance.[2]

Hypothesis 10. The addition of high-status members is positively related to subsequent team performance.

Taken together, the above team-level arguments support a moderated mediation effect. Specifically, we expect that, when status differentiation is lower, team failure will be positively related to subsequent team performance via the addition of high-status members; in contrast, when status differentiation is higher, this indirect relationship will be weaker. We thus predict:

Hypothesis 11. Team status differentiation moderates the indirect effect of team failure (versus success) on subsequent team performance via high-status member addition, such that this indirect

[2] Although integrating new members into an established team can present challenges (e.g., potential for status conflict; for a review, see Rink et al. 2013), we expect that the performance benefits of this addition will offset these costs. We elaborate on this point in the General Discussion.

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effect is more positive in teams with lower status differentiation.

Overview of Studies

We used archival data and two pre-registered experiments to test our cross-level theorizing. In Study 1, we used a longitudinal archival dataset of 18,445 performance episodes from 4,811 product development teams at a large technology company to test our group-level predictions (Hypotheses 9-11). The dataset's longitudinal nature enables us to test the dynamic relationship between team performance and membership change. In this setting, we examined when failures in one performance episode led teams to add high-status members before the next performance episode, and whether doing so boosted their performance. In Studies 2 and 3, we conducted experiments to test our predictions that team failure increases members' felt status uncertainty (Hypothesis 1), contingent on members' status level (Hypothesis 2); and that members respond to their uncertainty by attending to the potential benefits and/or costs of adding high-status members, contingent on teams' status differentiation (Hypotheses 3-6). In addition, Study 3 examined our team-level prediction regarding how team failure and status differentiation jointly impact teams' decisions to invite new, high-status members (Hypothesis 9) as well as how these decisions emerge from individual members' preferences (Hypotheses 7 and 8). For ease of reference, Table 1 summarizes all hypotheses and their corresponding results across studies.

--- Insert Table 1 about here ---

Tables and figures displaying the results of robustness checks and supplemental analyses in Study 1, as well as the preregistrations, complete study materials, and supplemental analysis results for Studies 2 and 3, are available in the Online Supplementary Materials (OSM) (https://osf.io/vstbq/overview). We also report the designs and results of two supplemental studies in the OSM. Studies 2 and 3, as well as the supplemental studies, were approved by the Institutional Review Board at the University of Arizona.

Study 1

Data and Sample

We tested the team-level Hypotheses 9-11 using an archival dataset of product development teams at a large technology company from June 2020 to May 2021. The product development teams are

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formed to carry out projects related to product improvements, in which team members generate and test ideas for product changes. Teams carry out a series of product tests (also called A/B tests), which are randomized controlled experiments that test proposed product changes against the current product. During a product test, teams randomly and blindly assign real customers to one of two conditions: a control condition involving the original product ("A") or a treatment condition involving the changed product ("B"). For example, consider a team aiming to create a new logo for a smartphone app. The team presents customers with either the original logo ("A") or the new logo ("B"). Customer statistics are then collected and compared across conditions based on predetermined performance criteria to determine whether the new product outperformed the original. In other words, each product test yields immediate, objective performance results that teams can use to further refine the product. Thus, we conceptualize each product test as a team performance episode.

This setting provides us with a valuable opportunity to test our theorizing. First and foremost, project teams are dynamic, with team members changing as projects evolve. Interviews with project team members suggested that, while managers may influence initial team formation, during the project, teams largely control whether, whom, and when to add new members. Similar arrangements for product development teams are widely adopted in both technology and non-technology companies (e.g., Google, Netflix, Meta, Home Depot) to promote agility and accountability (Google n.d., Gupta 2018, Slater n.d.). These arrangements allow us to observe our key outcome of interest—teams' decisions to seek out new members. Second, during a team's project, each performance episode generates immediate, objective results, allowing us to measure team performance. The longitudinal performance measure enables us to examine how team failure in one performance episode shapes the team's likelihood of adding high-status members in the next episode. We also leveraged the fast-paced nature of projects to capture the impact of member addition on the team's performance in subsequent episodes. In sum, the combination of dynamic, team-controlled membership changes and objective, longitudinal performance data makes this context particularly well-suited for testing our hypotheses.

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Consistent with prior research (Gilson et al. 2005, Hofmann et al. 2003), to test predictions related to teams, we included only performance episodes with three or more team members. We also excluded teams with only one performance episode. The final sample consists of 18,445 performance episodes (Level 1) nested within 4,811 teams (Level 2). Each team had an average of 4.34 members (*SD* = 1.84, range = 3-17) and 6.35 performance episodes (*SD* = 12.69, range = 2-30), spanning an average of 0.612 months (*SD* = 2.88).

Measures

To test our model, we captured each focal variable at a time point aligned with our theoretical model. Specifically, we captured team failure and team status differentiation at performance episode *N*. Potential high-status member addition happened between performance episodes *N* and *N* + 1; thus, we created this variable by comparing the membership information across these two performance episodes. We captured subsequent team performance at performance episode *N* + 1. All key constructs were measured at the performance-episode level (Level 1) and varied over time.

Team failure (at performance episode *N*). Before each product test (or performance episode), teams determine a list of performance criteria to measure. For example, a logo redesign team may have several performance criteria, including customer spending, customer time spent on the app, app download count, and customer click rate. For each performance criterion, this team compares user statistics for the new version with those for the original version. In our sample, when the new product version fails to improve over the original (i.e., it generates results that are worse than or the same as the original), teams deem it a failure on that performance criterion. In contrast, when the new version represents an improvement over the original version on a performance criterion, teams deem it a success on that criterion. To create the team failure variable, we first coded for each performance criterion on whether the team failed to improve on that criterion (0 = non-failure and 1 = failure) and then calculated the failed performance criteria percentage for each performance episode (*M* = 0.77, *SD* = 0.11, range = 0-1).

Team status differentiation (at performance episode *N*). Team status differentiation is operationalized as the coefficient of variation (CV) of team member status. CV is a standard measure of

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differentiation on a valued attribute such as status (Harrison and Klein, 2007). It is calculated by dividing the within-team standard deviation by the team mean (M = 0.30, SD = 0.54, range = 0-3.32).

In line with previous research (Kameda et al. 1997, Lin 1999, Woehler et al. 2021), to calculate team status differentiation, we first determined individual team members' *status* using degree centrality. Specifically, it reflects the count of direct ties an employee has within the collaboration network comprising all product testing employees (i.e., nodes) during the previous quarter. A higher number of direct ties indicates that more colleagues had collaborated with a focal individual, reflecting their broader reach, instrumental social value, and experience, and thus, higher status. Degree centrality aligns with our conceptualization of status as the extent to which individuals are sought after due to their accumulated knowledge and instrumental social value (Gould 2002, Hardy and Van Vugt 2006, Yu et al. 2019). [3]

Team's willingness to add high-status members (between performance episodes N and N + 1). Team's willingness to add high-status members is captured as the number of members added between two performance episodes who had higher status than all existing members of the team in episode N (M = 0.03, SD = 0.18, range = 0-4).

Team performance (at performance episode N + 1). Team performance is operationalized as the percentage of performance criteria that improve (i.e., the percentage of performance criteria in which the new product version outperforms the baseline) in performance episode N + 1. For example, a performance score of 0.25 indicates that the new product version improves on the original in 25% of the criteria (M = 0.87, SD = 0.25, range = 0-1).

Control variables. We controlled for variables that may influence the relationships (a) between team failure and high-status member addition as well as (b) between high-status member addition and team performance. For (a) the relationship between team failure and high-status member addition, first,

[3] We did not use betweenness, closeness, or eigenvector centrality to operationalize status because each of them captures a different structural property that does not reflect status in a collaboration network. Specifically, betweenness centrality measures brokerage, or how often a member bridges otherwise disconnected colleagues. Closeness centrality reflects network reach, or how quickly one can access others through the shortest paths. Eigenvector centrality captures association with well-connected or high-status others, rather than reflecting a person's own status (Borgatti 2005).

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we controlled for *the status of the highest-status member* (at performance episode N, M = 15.32, SD = 12.40) to rule out the possibility that the absence of high-status members drives teams to seek out new high-status members. Second, we controlled for the *availability of high-status candidates* (at performance episode N), captured as the number of employees in the product test network whose status exceeded that of all existing team members (M = 453.09, SD = 417.44). This accounts for the availability of potential high-status members to add, which could otherwise confound our results by covarying with both the status of the highest-status incumbent members and the overall level of team status differentiation.

For (b) the relationship between high-status member addition and team performance, we controlled for *team status differentiation* at performance episode $N + 1$ (M = 0.87, SD = 0.70) to account for the possibility that higher status differentiation, which may result from high-status member addition, directly influences team performance (Greer et al. 2018). We also controlled for the average level of *difficulty of performance criteria* included in each product test (episode N: M = 0.48, SD = 0.05; episode N+1: M = 0.48, SD = 0.05) to account for changes in difficulty between performance episodes. The difficulty of each criterion was calculated as one minus the ratio of successful completions of a performance criterion to its total occurrences across all product tests that happened in all product testing teams (i.e., Difficulty = 1− Successful Completions / Total Occurrences).

For both relationships in (a) and (b) above, we controlled for team-level factors that may influence the likelihood of new member addition and/or team performance. First, we controlled for *team familiarity* (Harrison et al. 2003, Kim et al. 2023). We first computed the dyadic familiarity score for each pair of team members by dividing the number of experiments in which the dyad collaborated by the total number of experiments they participated in. We then averaged these dyadic scores to determine the team's overall familiarity level (episode N: M = 0.17, SD = 0.11; episode $N + 1$: M = 0.16, SD = 0.11). In addition, we controlled for *team size* (episode N: M = 4.07, SD = 1.95; episode $N + 1$: M = 4.33, SD = 1.84) because it impacts team performance (Bell 2007, Bell et al. 2011, Joshi and Roh 2009). Following Harrison and Klein's (2007) recommendation, we also controlled for *team members' mean status* (episode N: M = 8.37, SD = 5.05; episode $N + 1$: M = 8.56, SD = 5.10).

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Analytical Approach

We tested our hypotheses using generalized estimating equations (GEEs; Liang and Zeger 1986). GEEs are considered ideal for testing longitudinal panel data (Ballinger 2004, Kling et al. 2017, see similar approaches in Bird and Zellweger 2018, Boone et al. 2005, Grijalva et al. 2020, Zhao and Zhou 2004). This method accounts for autocorrelation—due to repeated test results measured in the same teams—by estimating the correlation structure of the error terms (Liang and Zeger 1986). Additionally, GEEs provide unbiased regression estimates for non-normally distributed variables, such as high-status member addition (Ballinger 2004). It ensures that zero values of the dependent variable are incorporated into the model, rather than implicitly truncated as they are in OLS regression. For all models, we specify the team as the panel identifier and the performance episode order as the observation sequence within each panel, allowing us to account for the nesting structure and potential ordering effects. All models were estimated using the "xtgee" command in Stata version 18.0.

Results

Table 2 presents the descriptive statistics and correlation coefficients for focal variables.

--- Insert Table 2 about here ---

Hypothesis 9 predicts that team status differentiation moderates the relationship between team failure and team's willingness to add high-status members. Because team's willingness to add high-status members is operationalized as the number of new, high-status members added to a team, we specified a Poisson distribution (with a log link function). As shown in Table 3 Model 3, the interaction effect of team failure and status differentiation on willingness to add high-status members is significant (b = -1.30, SE = 0.41, p = 0.001). As shown in Figure 2, when status differentiation is low, team failure is positively associated with high-status member addition (b = 1.15, SE = 0.556, p = 0.039), whereas when team status differentiation is high, team failure is not significantly related to high-status member addition (b = -0.26, SE = 0.290, p = 0.364), supporting Hypothesis 9.

--- Insert Tables 3-4 and Figure 2 about here ---

Hypothesis 10 predicts that high-status member addition is positively related to subsequent team

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performance. Because team performance is a right-skewed variable, we specified a Gamma distribution (with a log link function), which is appropriate for modeling positive, non-normally distributed outcomes. As shown in Table 3 Model 5, high-status member addition is positively related to team performance (b = 0.25, SE = 0.10, p = 0.008), supporting Hypothesis 10.

Hypothesis 11 predicts that team status differentiation moderates the indirect relationship between team failure and subsequent team performance via high-status member addition. We used the model comparison approach (Judd and McClelland 1989, Preacher et al. 2007) to test the moderated mediation effect because it offers flexibility in accommodating different estimation methods and model specifications across the mediation paths. As shown in Table 4, the moderated mediation effect is significant (estimate = -0.18, SE = 0.11, 95% CI [-0.464, -0.012]). As predicted, the indirect effect is significantly positive for teams with low status differentiation (b = 0.39, SE = 0.30, 95% CI [0.029, 1.266]) and is non-significant for teams with high status differentiation (b = 0.03, SE = 0.13, 95% CI [-1.129, 0.469]), supporting Hypothesis 11.

Robustness Checks and Supplemental Analysis. Tables and figures displaying results of robustness checks and supplemental analyses are available in OSM. We conducted the analyses without the control variables and found consistent results (see Tables S1 and S2 and Figure S1). Moreover, we report the results of the negative binomial regression testing Hypothesis 9 (Table S3) and the linear mixed-effects regression testing Hypothesis 10 (Table S4), showing that the results hold.

Finally, we examine whether team failure and status differentiation jointly shape other forms of membership change. Specifically, we examined (a) the addition of members across different status levels (e.g., above average, below average, lower than the lowest-status incumbent, and any status level), and (b) the removal of members at varying status levels (e.g., highest-status, above average, and below average). Overall, we did not find a significant interaction between team failure and status differentiation on these alternative forms of membership change, with two exceptions. First, following failure (versus success), teams with high status differentiation were more likely to lose high-status members (Figure S12), consistent with research showing that teams often attribute responsibility for poor outcomes to their most

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prominent members (To et al. 2022). Second, following failure, teams with high status differentiation were also more likely to add new members whose status was below the team's average (Figure S10). This pattern aligns with scapegoating research (Boeker 1992, Gemmill 1989), which suggests that failed teams may introduce lower-ranked members as convenient targets for blame. Finally, we assessed whether these alternative forms of membership change improved subsequent team performance. Neither the loss of high-status members nor the addition of below-average-status members was significantly associated with subsequent performance. Together, these analyses suggest that while teams (especially those with high status differentiation) may engage in a broader array of membership changes after failure, many of these moves appear to be driven by members' status-protection concerns and ultimately fail to improve collective performance.

Discussion

Using an archival dataset of product development teams in the technology industry, we found support for the predicted interaction between team failure and status differentiation on high-status member addition. In low-status-differentiation teams, failure (versus success) made team members more likely to add high-status new members, whereas we did not find this pattern in high-status-differentiation teams. We also found that the addition of high-status members was positively associated with subsequent team performance. Taken together, these findings indicate that teams with low (but not high) status differentiation are more likely to add high-status members after failures, which benefits their subsequent performance.

While Study 1 provides real-world, longitudinal evidence for our predicted effects, it nonetheless has limitations. First and foremost, we were unable to examine the proposed psychological mechanisms. Second, regarding the operationalization of status in the research setting, although degree centrality has been used in prior research as a proxy for status (Kameda et al. 1997, Lin 1999, Woehler et al. 2021), it may not fully capture status as the respect and admiration one holds in the eyes of others (Magee and Galinsky 2008). In Studies 2 and 3, we address these limitations by directly examining the psychological mechanisms and operationalizing status as respect and admiration from others using experimental study designs.

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Third, the archival data used in the study capture actual member additions, which reflect a two-sided matching process involving both a team's willingness to invite high-status new members and the invited members' willingness to join. However, our theorizing focuses on the former (i.e., the team's decision to invite a high-status new member), which we are unable to directly observe in the study. Although finding our predicted effects using actual member additions is in some ways a strength of this research context, compared to examining intentions or hypothetical choices, we acknowledge that a true test our theorizing requires a study design that allows us to examine team members' preferences and teams' collective decisions to invite new members. We directly examine these variables in Studies 2 and 3.

Study 2

The aims of this pre-registered experiment are threefold. First, it directly tests our proposed psychological mechanisms (i.e., status uncertainty, the perceived benefits and costs of adding high-status members) as well as the moderating roles of individual status levels and team status differentiation. Second, we manipulate status in a way that more closely aligns with its definition as respect, prestige, and esteem in the eyes of others (Magee and Galinsky 2008), providing converging evidence with the operationalization of status used in Study 1. Third, by employing an experimental design, we establish causal relationships among the focal constructs.

Sample and Procedure

We recruited 800 working adults in the U.S. via CloudResearch's Connect platform. We removed data from four participants (0.5%) who did not complete the study, and as pre-registered, 13 participants (1.6%) who failed an attention check (i.e., select "agree"). We retained the remaining 783 participants for our analysis (M_{age} = 43.37, *SD* = 13.01; 48.9% female, 50.8% male, 0.3% non-binary; 73.3% White, 5.6% Asian, 15.1% African American, and 5.9% others).

Participants were randomly assigned to one of eight conditions in a 2 (team failure: failure versus success) x 2 (status differentiation: high versus low) x 2 (individual status level: high versus low) between-subject design. They were led to believe that they were assigned to a team of four and would be working with three other participants in the study at the same time. Their task was to collaborate as a venture capital

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team to evaluate a list of startups and make a collective investment decision aimed at achieving a return on investment (ROI; Piezunka and Schilke 2023). After that, participants were asked to introduce themselves and describe their investment experience. Following a brief delay, creating the impression that they were waiting for other team members to write their self-introductions and investment experience, participants viewed their teammates' submissions, which had been prescripted to reflect the experimental manipulations.

Next, we asked participants to complete an ostensible investment acumen test. We then displayed investment acumen percentile scores for all team members. Participants were asked to allocate 10 "respect points" to other team members (not themselves) based on their test scores and prior introductions. They could assign between 0 and 10 points to each member, as long as the total allocation equaled 10 (for similar approaches, see Doyle and Lount 2023, Marr and Thau 2014). After submitting their allocation and a brief delay, participants were shown a depiction of their team's status hierarchy, at which point we manipulated team status differentiation and individual status levels.

In the *high status differentiation* and *high individual status level* condition, participants purportedly received an investment acumen score characterized as being within the high percentile range, while their teammates received scores that fell within the moderate and low range. In the respect point allocation phase, they read "The respect points you received indicate that you currently rank *high* in your group" and saw a figure depicting that they placed at the top of the status hierarchy and had received the most respect points (i.e., 16). In the *high status differentiation* and *low individual status level* condition, participants received an investment acumen score characterized as being within the low percentile range, while their teammates received scores that fell within the moderate and high range. In the respect point allocation phase, they read "The respect points you received indicate that you currently rank *low* in your group" and saw a figure depicting that they placed at the bottom of the status hierarchy and had received the fewest respect points (i.e., 5).

In the *low status differentiation* condition, participants were first informed that they and their teammates all received an investment acumen score in the moderate percentile range. We then varied individual status level: participants assigned to the *high individual status level* condition saw that they had

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received more respect points (i.e., 11) than the rest of the team (i.e., 10 and 9), while those in the *low individual status level* condition saw they had received fewer respect points (i.e., 9) than the rest of the team (i.e., 10 and 11).

After that, participants reviewed three anonymized start-up profiles and submitted their individual investment recommendations ("yes" or "no") for each profile. After a brief delay, participants were shown the choices ostensibly made by all other team members. Participants then had the opportunity to revise their decisions and provide justifications to be shared with the team. In all teams, the fictitious member who is portrayed to be in the middle of their team's status hierarchy had purportedly changed their investment recommendations. To reinforce the status differentiation and individual status level manipulations, in the *high status differentiation* condition, this change aligned with the recommendation of the team member portrayed as having the highest status; in the *low status differentiation* condition, the change aligned with the majority of the remaining team members.

All final team decisions were determined by majority vote, which was pre-programmed to match the participant's initial recommendations. We programmed the team decisions in this way to ensure that participants felt (at least) partly responsible for the team outcome. The team's decisions were then submitted for a supposed ROI evaluation. After another brief delay, participants then viewed the results of this evaluation, which involved manipulating *team failure*. In the *team failure* condition, participants read: "Your (team's) ROI fails to meet your goal of 30%. This is a disappointing result." In the *team success* condition, participants read: "Your (team's) ROI meets your goal of 30%. Great job!"

Measures

Status uncertainty. After viewing team performance, participants reported their status uncertainty using three items. A sample item is "I feel that my status is at risk in this team." (1 = *Strongly Disagree* to 7 = *Strongly Agree* for all scales in this study unless otherwise noted). $M = 3.30$, $SD = 1.85$, $\alpha = 0.96$.

Willingness to add a high-status member. Participants were then informed that another participant, identified by the initials "AH", had just entered the study and was seeking a team to join. Participants were shown AH's self-introduction, top-percentile investment acumen score, and a supposedly AI-generated

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evaluation portraying AH as more experienced and likely to hold a higher status than all current team members. Participants were told that AH's addition would depend on the team's collective vote and were asked to indicate their own willingness to add AH. Participants responded to the question: "How likely are you to anonymously vote to add AH to your team?" (1 = extremely unlikely to 7 = extremely likely). M = 5.42, SD = 1.52.

Potential benefit to collective performance. Participants rated three items that we developed regarding the potential benefits for collective performance that a new member could provide. A sample item is "This person has abilities that can benefit our team." M = 5.69, SD = 1.18, α = 0.94.

Potential cost to individual status. Participants rated five items that we developed regarding the potential cost to one's own status posed by the potential new member. A sample item is "This person might threaten my status within the team." M = 4.48, SD = 1.55, α = 0.93.

Manipulation check of team failure. Participants rated three items related to team failure to assess the effectiveness of our manipulation. A sample item is "My team is meeting its goals. (R)" Higher scores indicated greater team failure. M = 3.36, SD = 1.80, α = 0.97.

Manipulation check of status differentiation. Participants answered three items related to status differentiation. A sample item is "There are clear differences in status levels among team members." M = 4.60, SD = 1.73, α = 0.97.

Demographics. Participants reported their demographic information and investment experience (i.e., "Do you have any prior work experience related to venture investments?" (yes/no)).

Results

The descriptive statistics and correlations for Study 2 are presented in Table 5.

--- Insert Table 5 about here ---

Manipulation checks. Participants in the team failure condition reported greater team failure (M = 4.61, SD = 1.64) than those in the team success condition (M = 2.15, SD = 0.89), $t(781) = 26.15$, $p < 0.001$, d = 1.31. Participants in the low team status differentiation condition reported their team's differentiation as lower (M = 3.57, SD = 1.67) than those in the high team status differentiation condition (M = 5.62, SD =

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1.06), $t(781) = 20.53$, $p < 0.001$, $d = 1.40$. Participants in the lower individual status level condition reported their status level as lower ($M = 3.57$, $SD = 1.51$) than those in the higher individual status level condition ($M = 4.71$, $SD = 1.25$), $t(780) = 11.49$, $p < 0.001$, $d = 1.39$. Thus, the manipulations worked as intended.

Hypothesis testing. Hypothesis 1 predicts a positive effect of team failure on members' status uncertainty. An independent-sample t-test showed that participants in the team failure condition reported greater status uncertainty ($M = 3.99$, $SD = 1.84$) than did those in the team success condition ($M = 2.62$, $SD = 1.59$), $t(781) = 11.15$, $p < 0.001$, $d = 1.72$, supporting Hypothesis 1.

Hypothesis 2 predicts an interaction effect between team failure and individual status level on status uncertainty, such that the relationship between team failure (versus success) and status uncertainty will be stronger for team members with high (versus low) status level. A two-way ANOVA revealed a significant interaction, $F(1, 779) = 9.06$, $p = 0.003$, $\eta^2 = 0.011$. The simple effects comparisons (see Figure 3a) revealed that participants in the high status level condition experienced greater status uncertainty after team failure ($M = 4.20$, $SD = 1.76$) than after success ($M = 2.46$, $SD = 1.43$; $F(1, 779) = 100.99$, $p < 0.001$, $\eta_p^2 = 0.115$). Participants in the low status level condition also experienced greater status uncertainty after team failure ($M = 3.79$, $SD = 1.89$) than after team success ($M = 2.78$, $SD = 1.73$), $F(1, 779) = 33.72$, $p < 0.001$, $\eta^2 = 0.041$) but the effect of failure was weaker. These results support Hypothesis 2.[4]

--- Insert Figure 3 and Table 6 about here ---

Hypothesis 3 predicted a moderated mediation effect in which team status differentiation moderates the indirect effect of status uncertainty on willingness to add high-status members via potential benefit to collective performance. As Table 6 shows, this moderated mediation was significant (index of moderated mediation = -0.11, $SE = 0.04$, 95% CI [-0.186, -0.029]). Specifically, in the low status differentiation condition, status uncertainty had a significant positive indirect effect on the willingness to add the high-

[4] We did not find significant moderating effects of individual status level on the relationships between (a) potential benefit/cost and the addition of high-status members (ps > 0.141) or (b) team failure and the addition of high-status members (ps > 0.629) in Studies 2 or 3. The results of the dual-stage moderated serial mediation model, with individual status level and team status differentiation moderate the first and second stages, respectively, of the serial mediation effect of team failure on members' willingness to add high-status members in Studies 2 and 3 are available in the OSM.

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status member via potential benefit to collective performance (indirect effect = 0.06, *SE* = 0.03, 95% CI [0.008, 0.107]). In the high status differentiation condition, this indirect effect was not significant (indirect effect = -0.05, *SE* = 0.03, 95% CI [-0.112, 0.011]). The results support Hypothesis 3.

Hypothesis 4 predicted that team status differentiation moderates the serial indirect effect of team failure on the willingness to add the high-status member sequentially via status uncertainty and potential benefit to collective performance, such that this serial indirect effect would be stronger (i.e., more positive) for teams with lower (versus higher) status differentiation. As Table 6 shows, this moderated serial mediation was significant (index of moderated serial mediation = -0.15, *SE* = 0.06, 95% CI [-0.265, -0.042]). Specifically, in the low status differentiation condition, the serial indirect effect was significantly positive (serial indirect effect = 0.08, *SE* = 0.04, 95% CI [0.010, 0.153]). In contrast, in the high status differentiation condition, it was not significant (serial indirect effect = -0.07, *SE* = 0.04, 95% CI [-0.157, 0.013]). These results support Hypothesis 4.

Hypothesis 5 predicted a moderated mediation effect in which team status differentiation moderates the indirect effect of status uncertainty on the addition of high-status members via potential cost to individual status. As Table 6 shows, this moderated mediation was significant (index of moderated mediation = -0.03, *SE* = 0.01, 95% CI [-0.051, -0.005]). Specifically, in the high status differentiation condition, status uncertainty had a significant negative indirect effect on the willingness to add the high-status member via potential cost to individual status (indirect effect = -0.04, *SE* = 0.01, 95% CI [-0.064, -0.022]). In contrast, in the low status differentiation condition, this indirect effect was only marginally significant and weaker (indirect effect = -0.02, *SE* = 0.01, 95% CI [-0.033, -0.002]). The results support Hypothesis 5.

Hypothesis 6 predicted that team status differentiation would moderate the serial indirect effect of team failure on willingness to add high-status members sequentially via status uncertainty and potential cost to individual status, such that this negative serial indirect effect would be stronger for teams with higher (versus lower) status differentiation. As Table 6 shows, this moderated serial mediation was significant (index of moderated serial mediation = -0.03, *SE* = 0.02, 95% CI [-0.069, -0.007]). Specifically, in the high

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status differentiation condition, the serial indirect effect was significantly negative (serial indirect effect = -0.05, *SE* = 0.02, 95% CI [-0.086, -0.026]). In contrast, in the low status differentiation condition, the serial indirect effect was marginally significant and weaker (serial indirect effect = -0.02, *SE* = 0.01, 95% CI [-0.044, -0.003]), supporting Hypothesis 6.

For supplemental analysis, we tested the interaction effect of team failure and status differentiation on members' willingness to add the high-status member. As we expected, a two-way ANOVA revealed a significant interaction, $F(1, 779) = 17.42$, $p < 0.001$, $\eta^2 = 0.022$. The simple effects comparisons (see Figure 4) revealed that in the low status differentiation condition, team failure led to greater willingness to add the high-status member ($M = 5.94$, $SD = 1.10$) than did team success ($M = 5.24$, $SD = 1.81$; $F(1, 779) = 21.99$, $p < 0.001$, $\eta_p^2 = 0.027$). In the high status differentiation condition, this effect was non-significant (team failure: $M = 5.17$, $SD = 1.53$; team success: $M = 5.35$, $SD = 1.43$; $F(1, 779) = 1.46$, $p = 0.228$, $\eta_p^2 = 0.002$).

--- Insert Figure 4 about here ---

Discussion

In Study 2, we found support for our theorizing that while team failure triggers status uncertainty for all team members, the effect is stronger for those with higher status. Moreover, how members respond to such status uncertainty depends on team status differentiation. In teams with low status differentiation, members' status uncertainty has a positive indirect effect on the willingness to add a high-status member, as it increases their focus on the potential collective performance benefits of such an addition. In contrast, in teams with high status differentiation, status uncertainty has a negative indirect effect on willingness to add a high-status member, as it heightens their focus on the status threat the newcomer poses to incumbents. Despite its strong causal evidence, a limitation of this study is that participants were led to believe they were part of a team, rather than interacting in an actual team. In Study 3, we address this limitation by examining teams with real-time interactions, which also enable us to test our predictions about team decisions to add a high-status member and the emergent processes that shape those decisions.

Study 3

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In Study 3, we sought to replicate the findings of Study 2 using real, interacting teams. In addition, the study allowed us to examine whether the within-team relationships between members' perceived benefits/costs of adding a high-status member and their individual addition preferences predicted the team's collective decision (Hypotheses 7 and 8), thereby capturing an emergent process from individual preferences to team-level outcomes. This study also aims to test, at the team level, whether team failure and status differentiation interact to predict teams' decisions to invite a new high-status member (Hypothesis 9).

Sample and Procedure

We recruited 788 working adults in the U.S. from CloudResearch's Connect platform and matched them into three-person teams in real time using the Qualtrics extension SMARTRIQS (Molnar 2019). After removing data from participants who dropped out or whose teammates dropped out during the interaction (15%), we retained the remaining 666 participants (222 teams) for our analysis (M_{age} = 42.33, SD_{age} = 12.50; 51.5% female, 47.0% male, and 1.4% non-binary; 70.9% White, 8.6% Asian, 9.0% African American, and 5.6% others).

The 222 teams were randomly assigned to one of four conditions in a 2 (team performance: failure versus success) x 2 (status differentiation: high versus low) study design. Within each team, participants were further randomly assigned to an individual status level condition (high versus low), such that each team consisted of one high-status and two low-status members. Individual status level was manipulated using the same materials as in Study 2. All setups in this study, including the respect point allocation paradigm, the investment decision task, and the manipulation materials, were the same as those in Study 2. However, there are two differences in this study compared to Study 2.

First, to reinforce the manipulations of status differentiation and status level, after teams reviewed their performance, we informed them that they might have the opportunity to earn a bonus, and that whether and how much they would receive depend on both the team's investment performance in the next round and its status differentiation. Specifically, if the team failed in the next round, they would receive no bonus. If the team succeeded, the team would receive a bonus distributed in a way contingent on status differentiation condition: teams in the high status differentiation condition were informed that the high-status member

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would receive a larger share and low-status members a smaller share, whereas teams in the low status differentiation condition were told that all members would receive an equal share.

Second, in this study, participants interacted with each other via real-time chat. Participants chatted with their team members at three points throughout the study. First, during team formation, participants introduced themselves to each other for 1.5 minutes. Second, following the team status differentiation manipulation, members read venture profiles and discussed their investment decisions together for five minutes, after which the high-status member on the team submitted the team's investment decisions. Finally, after the team performance manipulation, participants discussed whether to add a high-status new member for three minutes, with the high-status member again submitting the team's decision.

Measures

Willingness to invite a high-status member (team-level). We adapted the new member information from Study 2. Specifically, teams were shown the same self-introduction and top-percentile investment acumen score for the new member named AH, along with a researcher's note indicating that AH was likely to hold a higher status than all current members. Additionally, teams were informed that if they succeeded in the next round of the investment task, AH could receive the largest share of the team bonus. After reviewing this information, the team discussed whether to invite AH to join the team, and the high-status member submitted the team's final decision (0 = no, 1 = yes; $M = 0.59$, $SD = 0.49$).

We measured team members' status uncertainty ($M = 2.87$, $SD = 1.72$, $\alpha = 0.97$), potential benefit to collective performance ($M = 5.43$, $SD = 1.17$, $\alpha = 0.94$), potential cost to individual status ($M = 4.51$, $SD = 1.52$, $\alpha = 0.94$), members' willingness to add the high-status member ($M = 4.80$, $SD = 2.00$), and manipulation checks of team failure ($M = 3.21$, $SD = 1.70$, $\alpha = 0.95$), team status differentiation ($M = 3.89$, $SD = 1.67$, $\alpha = 0.96$), and individual status level ($M = 4.39$, $SD = 1.16$, $\alpha = 0.90$) using the same measures as in Study 2.

Results

The descriptive statistics and correlations for Study 3 are presented in Table 7.

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Manipulation checks. Participants in the failure condition reported greater team failure ($M = 4.25$, $SD = 0.99$) than those in the team success condition ($M = 2.05$, $SD = 0.56$), $t(184.79) = 20.68$, $p < 0.001$, $d = 2.71$. Participants in the low status differentiation condition reported their team's status differentiation as lower ($M = 3.28$, $SD = 0.99$) than those in the high status differentiation condition ($M = 4.66$, $SD = 0.99$), $t(208) = 10.32$, $p < 0.001$, $d = 1.40$. Linear mixed-effects results show that participants assigned to the high-status role reported higher status levels ($M = 4.58$, $SD = 1.02$) than those assigned to the low-status role ($M = 4.30$, $SD = 1.21$), $b = 0.28$, $SE = 0.09$, $p = 0.002$. These results indicate that our manipulations worked as intended.

Hypothesis testing. Because the study participants were nested in teams, we fitted linear mixed-effects models in R to test the hypotheses. Supporting Hypothesis 1, we found a positive effect of team failure on members' status uncertainty ($b = 1.07$, $SE = 0.13$, $p < 0.001$). Hypothesis 2 predicted a moderating effect of members' status level on the relationship between team failure and individual status uncertainty. We found a marginally significant interaction ($b = 0.52$, $SE = 0.27$, $p = 0.053$). The simple effects comparisons (see Figure 3b) revealed that high-status members experienced greater status uncertainty after team failure ($M = 3.77$, $SD = 2.02$) than after success ($M = 2.36$, $SD = 1.15$; $b = 1.41$, $SE = 0.22$, $t(661) = 6.43$, $p < 0.001$). For low-status members, the effect was still significantly positive but weaker (team failure: $M = 3.19$, $SD = 1.82$; team success: $M = 2.29$, $SD = 1.34$; $b = 0.89$, $SE = 0.16$, $t(433) = 5.74$, $p < 0.001$). These results support Hypothesis 2.

We next examined the moderating effect of team status differentiation on the indirect relationship between status uncertainty and members' willingness to add the high-status member via potential benefit to collective performance (Hypothesis 3). As Table 6 shows, the moderated mediation effect was significant (index of moderated mediation = -0.16, $SE = 0.06$, 95% CI [-0.265, -0.034]). For low-status-differentiation teams, the indirect effect of status uncertainty on members' willingness to add the high-status member, via potential benefits to collective performance, was significantly positive (indirect effect = 0.19, $SE = 0.03$,

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95% CI [0.122, 0.245]). In contrast, for high-status-differentiation teams, this indirect effect was not significant (indirect effect = 0.02, *SE* = 0.05, 95% CI [-0.073, 0.141]). These results support Hypothesis 3.

Hypothesis 4 predicted a moderating effect of team status differentiation on the serial indirect effect of team failure on willingness to add the high-status member via status uncertainty and potential benefit to collective performance. As Table 6 shows, this moderated serial mediation effect was significant (index of moderated serial mediation = -0.17, *SE* = 0.07, 95% CI [-0.300, -0.030]). Specifically, for low-status-differentiation teams, the serial indirect effect was significantly positive (serial indirect effect = 0.18, *SE* = 0.04, 95% CI [0.112, 0.269]). In contrast, for high-status-differentiation teams, the serial indirect effect was not significant (serial indirect effect = 0.01, *SE* = 0.06, 95% CI [-0.093, 0.147]). These results support Hypothesis 4.

Hypothesis 5 predicted a moderating effect of team status differentiation on the indirect relationship between status uncertainty and members' willingness to add the high-status member via potential cost to individual status. As Table 6 shows, this moderated mediation effect was significant (index of moderated mediation = -0.08, *SE* = 0.03, 95% CI [-0.153, -0.030]). For high-status-differentiation teams, the indirect effect of status uncertainty on willingness to add the high-status member via potential cost to individual status was significantly negative (indirect effect = -0.10, *SE* = 0.03, 95% CI [-0.165, -0.063]). In contrast, for low-status-differentiation teams, this indirect effect was not significant (indirect effect = -0.02, *SE* = 0.02, 95% CI [-0.063, 0.014]). These results support Hypothesis 5.

Hypothesis 6 predicted a moderating effect of team status differentiation on the serial indirect effect of team failure on willingness to add the high-status member via status uncertainty and potential cost to individual status. As Table 6 shows, this moderated serial mediation was significant (index of moderated serial mediation = -0.08, *SE* = 0.03, 95% CI [-0.162, -0.030]). For high-status-differentiation teams, the serial indirect effect was significantly negative (serial indirect effect = -0.12, *SE* = 0.03, 95% CI [-0.187, -0.070]). In contrast, for low-status-differentiation teams, the serial indirect effect was not significant (serial indirect effect = -0.04, *SE* = 0.02, 95% CI [-0.077, 0.008]). These results support Hypothesis 6.

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Next, we tested whether the degrees to which individual members' willingness to add a new, high-status member was impacted by their perceptions of potential benefit to collective performance (Hypothesis 7) and/or potential cost to individual status (Hypothesis 8) influenced the team's collective decision. Following past research on cross-level emergent processes (e.g., Chen 2005, Joshi and Knight 2015, Zyphur et al. 2009), we estimated slope-as-predictor models that allowed the relationships between potential benefit /cost and willingness to add the new member to vary across teams as random slopes. We extracted the Bayes estimators of each team's random slopes as predictors of the team's decisions to invite the high-status member. We tested the effects using logistic regression because those decisions were binary (1 = yes, 0 = no). As shown in Table 8 Model 2, the results indicated that teams were more willing to invite the high-status member when the within-team relationship between members' perceived benefit and their willingness to add was stronger, i.e., more positive ($b = 6.10$, $SE = 1.23$, $p < 0.001$). That is, teams in which members' willingness to add was more strongly impacted by potential benefits were more likely to invite the high-status member. In contrast, teams were less willing to invite when the relationship between members' perceived cost and their willingness to add was stronger, i.e., more negative (Model 4, $b = 18.89$, $SE = 2.63$, $p < 0.001$). That is, teams in which members' *un*willingness to add was more strongly impacted by perceived cost were less likely to invite the high-status member. These results support Hypotheses 7 and 8.

--- Insert Table 8 about here ---

Finally, we test our group-level hypothesis regarding teams' decisions to invite a new, high-status member. Hypothesis 9 predicts an interaction effect between team failure and status differentiation on teams' willingness to invite a high-status member. Logistic regression result revealed a significant interaction, $b = -1.24$, $SE = 0.59$, Wald $\chi^2 = 4.46$, $p = 0.035$, odds ratio (OR) = 0.29, 95% CI [0.090, 0.915]. As shown in Figure 5, for low-status-differentiation teams, those that failed (81%) were more likely to add the high-status member than those that succeeded (36%; OR = 0.13, $SE = 0.06$, $p < .001$). For high-status-differentiation teams, this difference was weaker and only marginally significant (failure condition: 67%; success condition: 48%; OR = 0.46, $SE = 0.19$, $p = 0.064$). These results support Hypothesis 9.

--- Insert Figure 5 about here ---

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Discussion

In Study 3, using interactive teams working together in real-time on a decision-making task, we replicated our findings on the psychological mechanisms and the role of individual status level in shaping the extent to which team members experience status uncertainty after failure. Moreover, in line with prior research on cross-level emergence (Chen 2005, Joshi and Knight 2015, Mayo 2022) and group decision-making (Hollenbeck et al. 1995, 1998, Mesmer-Magnus and DeChurch 2009, Mesmer-Magnus et al. 2011), the findings suggest that individual team members' focus on the benefit and cost associated with the new member addition shaped the team's collective decision.

General Discussion

Previous management research that examines team reactions to failure predominantly treats teams as closed systems, resulting in a limited understanding of how teams may expand their boundaries to transform failures into future successes. We developed hypotheses about how team failures affect decisions regarding whether to invite new, high-status members to join the team and how these decisions impact subsequent team performance. We theorized that these processes are influenced by a team's pre-existing level of status differentiation. Leveraging an archival dataset and two experiments, we found that team status differentiation moderated the relationship between team failure and teams' decisions to invite new, high-status members.

Specifically, while team failure increased the likelihood of adding high-status members in teams with low status differentiation, this effect is non-significant (Studies 1 and 2) or only marginally significant (Study 3) in teams with high status differentiation. This is because team failure triggers members' uncertainty about their own status, especially among high-status team members. In low-status-differentiation teams, members are more likely to respond to status uncertainty by focusing on the potential benefits of adding new, high-status members for collective performance. In contrast, in high-status-differentiation teams, members are more likely to respond by focusing on the potential costs of adding high-status members to their individual status. Altogether, our findings suggest that while low-status-differentiation teams can turn failure into success by adding high-status members, high-status-

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differentiation teams are reluctant to do so, to their detriment.

Theoretical Contributions

This paper makes several important contributions to the teams and social hierarchy literatures. First, we contribute to the teams literature by extending a teams-as-open-systems perspective to illuminate how teams respond to failures. Previous research on team reactions to failures tends to treat teams as closed systems, focusing on changes in task strategies (Håkonsson et al. 2016) and hierarchical structures (To et al. 2022), all within the existing boundaries of the team. While these internal adjustments are important, the closed-system perspective inherently limits a team's recovery capacity to the cognitive and technical resources it already possesses. While the teams-as-open-system perspective has gained traction, existing research is either "heavily slanted toward member departure" (Li and van Knippenberg 2021, p. 583) or investigates how teams react to externally appointed new members (Arrow and McGrath 1993, Choi and Levine 2004, Hansen and Levine 2009, Nemeth and Ormiston 2007, Ziller et al. 1961, 1962; for a review, see Rink et al. 2013). Much of this work has treated membership change as a passive and disruptive event, emphasizing the negative consequences, knowledge loss, and cognition friction. Although prior work provides valuable insights, these studies ignore the possibility that teams may exploit the fluid nature of their membership to import vital external resources after team failure. By treating teams as open systems and considering the fluid nature of team membership (Cronin et al. 2011, Li and van Knippenberg 2021, Shuffler and Cronin 2019), we extend previous research by identifying the addition of high-status members as an effective response to team failure. In so doing, we pave the way for future investigations into other effective ways teams can seek out and leverage external resources, particularly those involving the use of external human capital, to help them overcome failures.

Second, previous research on how teams respond to failure implicitly assumes that individual members prioritize team performance and behave in ways that contribute to collective goals (e.g., Håkonsson et al. 2016, To et al. 2022). This approach to studying teams has produced important insights but overlooks potential self-interested concerns among individual members. Indeed, the tension between prioritizing collective and self-interested concerns is a major focus of research on teams and collectives

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(DeShon et al. 2004, Kollock 1998, Pearsall et al. 2010, Ridgeway 2019). In the current work, we highlight the potential tradeoffs between collective goals and self-interests by identifying a self-interested pathway through which team members respond to failure, one that becomes particularly salient in teams with high status differentiation.

Finally, we contribute to research on hierarchy and performance by highlighting performance as both an input and output to hierarchical dynamics in teams. Previous hierarchy research tends to treat team performance (or failure) as an outcome of hierarchical differentiation. From the classic discussions of the functional account of hierarchies (Anderson and Brown 2010, Halevy et al. 2011) to the empirical tests (Hays et al. 2022, Ronay et al. 2012) and the meta-analysis of the hierarchy-performance relationship (Greer et al. 2018), researchers have devoted substantial attention to hierarchy's effect on team performance. More recently, research has examined how performance shapes hierarchical differentiation, finding that failures make closed-system teams less hierarchical (To et al. 2022). Our paper extends prior research by examining the reciprocal relationship between team performance and hierarchical dynamics.

Practical Implications

This research also offers practical recommendations for teams and organizations. While adding high-status members may benefit collective performance, teams with greater status differentiation may be reluctant to do so to the extent that members prioritize their individual status standing over collective team effectiveness. Teams with greater status differentiation should pay attention to members' self-interested motivation to protect their status in the decision-making processes related to adding new members (e.g., advertising positions, reviewing applications, and interviewing candidates). These teams should try to foster a collective orientation and align team objectives with individual motives. By doing so, they may benefit from adding high-status members and improving collective performance, especially when they need it the most, such as after team failures.

For managers considering whether and whom to add to a team, we recommend taking the team's status differentiation into account. Supplemental analysis of Study 1 data indicates that a team's high

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status differentiation prior to high-status member addition weakens the positive effect of such addition on team performance, suggesting that preexisting status differentiation affects not only whether a team decides to add high-status new members, but also the extent to which teams fully realize the performance benefits these new members provide. Indeed, teams with high status differentiation may experience greater status conflict as a high-status newcomer is integrated into the team. These conflicts may create headwinds that partially offset the performance benefits of the new member's knowledge and connections. Therefore, it is crucial to consider the existing status dynamics within a team before adding new members, as the same high-status member addition may enhance performance in some teams but fail to deliver its full benefits in others.

For organizations, particularly those involved in tasks requiring frequent experimentation, setbacks, and failures, it is crucial to recognize the strategic advantage of designing flatter team structures. In addition to the benefits of flatter teams for collaboration and creativity (Thompson 2003, Xu et al. 2022), these team structures mitigate members' self-interested concerns about threats to their own status. This enables teams to prioritize collective goals and draw on inputs from new, high-status members. Organizations should consider adopting flat team structures for tasks that demand adaptive, collective problem-solving amid challenges.

Limitations and Future Directions

Despite the benefits of our multimethod package of studies, there are limitations, as in all research. First, although teams in our research, particularly in Study 1, had the autonomy to decide on membership changes, which is an increasingly common strategy in real-world teams aiming for greater project agility and accountability (Retelny et al. 2014, Staats and Upton 2011), we acknowledge that this autonomy is not universal to all organizations. Many teams still rely on managers to assign new members. However, even in those settings, managers are likely to solicit team members' suggestions when deciding whom to add (Lewis and Russ 2012), and teams may proactively approach managers for permission to add a specific new member (Li and Tangirala 2022). Future research should examine how team status differentiation influences the suggestions team members offer to managers.

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Second, although our studies focus on *teams'* willingness to add high-status members, member addition in the real world likely involves a bidirectional matching process. While teams may seek out and invite high-status members, these invited individuals also get to decide whether to join particular teams (see preliminary evidence in Supplemental Study 2). Studies 2 and 3 examined the process solely from incumbent team members' perspectives, thereby eliminating the influence of prospective members' acceptance decisions. In the context of Study 1, qualitative interviews with employees at the study site confirmed that accepting invitations to join a team was normative, with invited members rarely declining invitations or leaving after joining. This suggests that the member additions we observed heavily reflect teams' decisions about whether to seek out new members. This context, therefore, provided an appropriate setting to examine teams' decisions to add new members. Although high-status members' decisions to join teams fall outside our core predictions, Supplemental Study 2 found that they were less likely to accept invitations from recently failed than successful teams, regardless of team status differentiation. This pattern would make it more difficult to detect our predicted effect in Study 1 that failed (as opposed to successful) teams add more high-status members when status differentiation is low, suggesting that the archival test is conservative and our findings are robust. Future research should investigate both sides of the matching process within a single study to understand how teams' and potential newcomers' preferences jointly shape team composition.

Third, given the rapid and continuous nature of collaboration, another feature of the product test teams in Study 1 is that many employees work together on multiple teams. This overlap in membership can influence new member additions. For example, teams may be more likely to invite new members with whom one or more incumbent team members have already worked because those individuals feel more accessible. In this way, shared membership may play an important role in determining *which* high-status members are invited, perhaps more so than *whether* high-status members are invited. Future research could explore the role of shared membership and whether it influences which specific high-status members are most likely to be invited.

Additionally, our work focuses on teams' decisions to add high-status members, but the broader

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domain of membership change (including member removal and replacement) extends beyond this focus. For example, existing members may be removed or replaced because they are seen as sources of team failure. Indeed, our supplemental analyses in Study 1 suggest that failure sometimes prompts teams with high status differentiation to lose the highest-status members or to add new members with below-average status. These patterns may reflect team members' self-interested, status-protective motives, such as placing blame or creating scapegoats, rather than a collective orientation aimed at enhancing performance (To et al. 2022). Notably, these two forms of membership change were not associated with performance improvements, raising important questions about the unintended consequences of teams' counterproductive responses to failure. Future research could investigate how these different types of membership changes coexist and complement each other, such as by examining whether replacing a member yields greater performance benefits than simply adding or losing a member. For example, a failed team might lose a low-status member and simultaneously add a high-status member, yielding greater benefits than either change alone because the removal frees up space for the new member while minimizing coordination costs associated with larger team sizes.

Finally, while our theory focuses on how teams with different levels of status differentiation invite high-status members to address failure and improve subsequent performance, future research could further explore boundary conditions of the proposed relationships. Research on the "too-much-talent" effect (Swaab et al. 2014), which demonstrates that task interdependence determines whether the number of high-status members on a team is detrimental or beneficial, may have downstream consequences for subsequent performance. Thus, the performance benefits of high-status member addition may depend on factors such as the number of high-status members already on the team as well as external factors that may disrupt team coordination.

Conclusion

Do teams add high-status members after failure to improve performance? It depends on status differentiation within the team. Using a longitudinal, archival dataset of 18,445 performance episodes of 4,811 product development teams and two pre-registered experiments, we show that status differentiation

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shapes the effect of failure on teams' willingness to invite new, high-status members. Team failure heightens status uncertainty, especially among high-status incumbent members. In teams with lower status differentiation, members respond to this uncertainty by focusing on the potential benefits of adding high-status members for improving collective performance. As a result, these teams are more willing to invite such new members, and doing so boosts future team performance. In contrast, teams with higher status differentiation are more likely to respond to status uncertainty by focusing on the potential threat posed by adding high-status members. By highlighting a teams-as-open-systems lens, this paper contributes to a richer, more nuanced understanding of how teams can turn failure into success. We encourage future research to further investigate this important question.

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Table 1. Summary of Hypotheses and Results

Hypothesis	Variables relationships	Study 1	Study 2	Study 3
H1	Team failure → Status uncertainty	—	Supported	Supported
H2	Team failure × Individual status level → Status uncertainty	—	Supported	Supported
H3	Status uncertainty × Team status differentiation → Potential benefit to collective performance → Willingness to add a high-status member	—	Supported	Supported
H4	Team failure → Status uncertainty × Team status differentiation → Potential benefit to collective performance → Willingness to add a high-status member	—	Supported	Supported
H5	Status uncertainty × Team status differentiation → Potential cost to individual status → Willingness to add a high-status member	—	Supported	Supported
H6	Team failure → Status uncertainty × Team status differentiation → Potential cost to individual status → Willingness to add a high-status member	—	Supported	Supported
H7	Slope of the relationship between members' perceived benefit to collective performance and willingness to add a high-status member → Team decision to invite a high-status member	—	—	Supported
H8	Slope of the relationship between members' perceived cost to individual status and willingness to add a high-status member → Team decision to invite a high-status member	—	—	Supported
H9	Team failure × Team status differentiation → Team decision to invite a high-status member	Supported	—	Supported
H10	Team decision to invite a high-status member → Subsequent team performance	Supported	—	—
H11	Team failure × Team status differentiation → Team decision to invite a high-status member → Subsequent team performance	Supported	—	—

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Table 2. Descriptive Statistics and Intercorrelations in Study 1

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Episode N															
1. Team failure		0.04***	-0.03***	-0.02*	0.00	0.08***	0.07***	0.13***	-0.55***	0.00	-0.12***	0.04***	0.03***	0.07***	0.07***
2. Status differentiation	0.00		0.25***	0.42***	-0.35***	0.41***	0.64***	0.16***	-0.04***	0.05***	-0.16***	0.79***	0.24***	0.40***	0.59***
3. Team members' mean status	-0.03***	0.25***		0.86***	-0.67***	0.07***	0.34***	-0.04***	0.03***	0.04***	-0.06***	0.25***	0.93***	0.06***	0.34***
4. Status of highest-status member	-0.02*	0.42***	0.86***		-0.58***	0.19***	0.59***	-0.08***	-0.02*	0.05***	-0.10***	0.40***	0.80***	0.18***	0.56***
5. Availability of high-status candidates	0.00	-0.35***	-0.67***	-0.58***		-0.26***	-0.41***	-0.08***	0.00	-0.04***	-0.07***	-0.33***	-0.64***	-0.25***	-0.38***
6. Team familiarity	0.08***	0.41***	0.07***	0.19***	-0.26***		0.50***	-0.22***	-0.08***	0.03***	-0.22***	0.39***	0.06***	0.93***	0.48***
7. Team size	0.07***	0.64***	0.34***	0.59***	-0.41***	0.50***		-0.20***	0.07***	0.10***	-0.20***	0.59***	0.32***	0.48***	0.92***
8. Performance criteria difficulty	0.13***	-0.16***	-0.04***	-0.08***	-0.08***	-0.22***	-0.20***		0.12***	-0.01	0.95***	-0.15***	-0.03***	-0.23***	-0.20***
Episode N+1															
9. Team performance	-0.54***	-0.04***	0.03***	-0.02*	0.00	-0.08***	-0.07***	-0.12***		0.24***	-0.13***	0.04***	0.02**	-0.07***	-0.07***
10. High-status member addition	0.04*	-0.05***	0.04***	0.05***	-0.04***	0.03***	0.10***	0.01	0.20***		-0.04**	0.06***	0.04***	0.02**	0.05***
11. Performance criteria difficulty	-0.12***	-0.16***	-0.06***	-0.10***	-0.07***	-0.22***	-0.20***	0.95***	-0.13***	0.00		-0.15***	-0.04***	-0.21***	-0.19***
12. Status differentiation	0.04***	0.79***	0.25***	0.40***	-0.33***	0.39***	0.59***	-0.15***	0.04***	0.06***	-0.15***		0.26***	0.40***	0.64***
13. Team members' mean status	-0.03***	0.24***	0.93***	0.80***	-0.64***	0.06***	0.32***	-0.03***	0.02**	0.04***	-0.04***	0.26***		0.06***	0.35***
14. Team familiarity	0.08***	0.40***	0.06***	0.18***	-0.25***	0.93***	0.48***	-0.23***	-0.07***	0.02**	-0.21***	0.40***	0.06***		0.49***
15. Team size	0.07***	0.59***	0.34***	0.56***	0.48***	0.48***	0.92***	-0.20***	0.07***	0.05***	-0.19***	0.64***	0.35***	0.49***	
M	0.77	0.30	8.37	15.32	453.09	0.17	4.07	0.48	0.87	0.03	0.48	0.87	8.56	0.16	4.34
SD	0.11	0.54	5.05	12.40	417.44	0.11	1.05	0.05	0.25	0.18	0.05	0.70	5.10	0.11	1.84

Notes. N = 18,445 performance episodes (of 4,811 teams). Statistics below the diagonal represent variable correlations at the performance episode level (Level 1); statistics above the diagonal represent variable correlations at the team level (Level 2). * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

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Table 3. Generalized Estimation Equation Regressions for Testing Hypotheses 9 and 10 (Study 1)

	DV = High-status member addition			DV = Team performance	
Variable	**Model 1**	**Model 2**	**Model 3**	**Model 4**	**Model 5**
Constant	-5.28***	-5.56***	-5.37***	4.27***	4.27***
	(0.26)	(0.28)	(0.28)	(0.25)	(0.25)
Predictors					
Team failure		0.20	0.84†	-1.11***	-1.11***
		(0.29)	(0.13)	(0.07)	(0.07)
Status differentiation		-0.24*	-0.10		
		(0.12)	(0.17)		
Team failure × Status differentiation			**-1.30****		
			(0.41)		
High-status member addition					**0.25****
					(0.10)
Control variables at performance episode N					
Team members' mean status	76.91*	88.18**	84.34*		
	(31.19)	(32.68)	(40.15)		
Status of highest-status member	-38.51**	-36.55*	-35.25*		
	(13.93)	(14.44)	(14.53)		
Availability of high-status candidates	-0.001**	-0.001*	-0.001**		
	(0.0003)	(0.0004)	(0.0003)		
Team familiarity	0.26	-0.44	-0.50		
	(0.71)	(0.78)	(0.78)		
Team size	0.31***	0.33***	0.32***		
	(0.03)	(0.03)	(0.03)		
Performance criteria difficulty				0.61	0.65
				(0.94)	(0.95)
Control variables at performance episode N+1					
Performance criteria difficulty				-4.38***	-4.40***
				(0.07)	(0.97)
Status differentiation				-0.07	-0.07†
				(0.04)	(0.04)
Team members' mean status				14.55**	15.34**
				(5.22)	(5.23)
Team familiarity				-0.32*	-0.30
				(0.22)	(0.22)
Team size				0.04*	0.04*
				(0.02)	(0.02)
Degree of freedom	5	7	8	7	8
Wald χ^2	345.22***	404.98***	423.19***	390.79***	396.33***
Deviance	1,763.89	1,606.31	1,601.53	-	-

Notes. N = 18,445 performance episodes (of 4,811 teams). Standard errors are in parentheses. † $p < 0.10$. * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

Published in Organization Science on August 21, 2026 as DOI: 10.1287/orsc.2024.19306.
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Table 4. Indirect Effects of Team Failure on Subsequent Team Performance via High-Status Member Addition at Different Levels of Status Differentiation (Study 1)

			95% CI	
	Indirect effect	*SE*	Lower	Upper
Low status differentiation (-1 SD)	**0.38**	0.30	0.029	1.266
High status differentiation (+1 SD)	0.03	0.13	-0.129	0.469
Difference	**-0.35**	0.23	-0.927	-0.025
Moderated Mediation Index	**-0.18**	0.11	-0.464	-0.012

Notes. N = 18,445 performance episodes (of 4,811 teams). Significance is evaluated using 5,000 bias-corrected bootstrap confidence intervals. Effects are considered significant when the 95% confidence interval does not include zero. Significant results are bolded.

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Table 5. Means, Standard Deviations, and Correlations (Study 2)

Variable	*M*	*SD*	1	2	3	4	5	6	7	8	9	10	11	12
1. Team failure (0 = success, 1 = failure)	0.49	0.50												
2. Team status differentiation (1 = low, 2 = high)	1.50	0.50	-0.01											
3. Individual status level (1 = low, 2 = high)	1.50	0.50	-0.02	0.01										
4. Willingness to add a high-status member	5.42	1.52	0.09*	-0.11**	-0.01									
5. Status uncertainty	3.30	1.85	0.37***	0.05	0.01	0.05	(0.96)							
6. Potential benefit to collective performance	5.69	1.18	0.08*	-0.06	0.05	0.60***	0.00	(0.94)						
7. Potential cost to individual status	4.48	1.55	0.05	0.08*	0.03	-0.14***	0.20***	0.02	(0.93)					
8. Team failure manipulation check	3.36	1.80	0.68***	0.07	-0.06	0.07	0.25***	0.04	0.09**	(0.97)				
9. Status differentiation manipulation check	4.60	1.73	0.06	0.59***	-0.11**	0.04	0.22***	0.07*	0.14***	0.06	(0.97)			
10. Status level manipulation check	4.14	1.50	-0.12***	-0.09*	0.38***	0.00	0.12**	0.05	0.02	-0.32***	-0.03	(0.96)		
11. Gender (1 = male, 2 = female)	1.49	0.51	0.03	0.00	0.02	0.02	0.01	-0.01	0.01	0.03	-0.01	-0.13***		
12. Age	43.37	13.01	0.00	-0.03	0.03	0.04	-0.12**	0.05	-0.03	-0.02	-0.07	-0.01	0.11**	
13. SES	5.24	1.64	0.03	0.06	-0.05	0.00	0.02	-0.03	0.02	-0.01	0.04	0.12***	-0.08*	0.06

Notes. $N = 783$. Alpha reliabilities are reported in parentheses. * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$ (two-tailed).

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Table 6. Indirect Effects on Willingness to Add a High-Status Member via Potential Benefit to Collective Performance and Potential Cost to Individual Status (Studies 2 and 3)

	Indirect effect	Estimate (SE)	95% CI Lower	95% CI Upper
Study 2	Status uncertainty → Potential benefit to collective performance → Willingness to add a high-status member			
(*N* = 783)	Low status differentiation	**0.06 (0.03)**	0.008	0.107
	High status differentiation	-0.05 (0.03)	-0.112	0.011
	Difference	**-0.11 (0.04)**	-0.186	-0.029
	Status uncertainty → Potential cost to individual status → Willingness to add a high-status member			
	Low status differentiation	**-0.02 (0.01)**	-0.033	-0.002
	High status differentiation	**-0.04 (0.01)**	-0.064	-0.022
	Difference	**-0.03 (0.01)**	-0.051	-0.005
	Failure → Status uncertainty → Potential benefit to collective performance → Willingness to add a high-status member			
	Low status differentiation	**0.08 (0.04)**	0.010	0.153
	High status differentiation	-0.07 (0.04)	-0.157	0.013
	Difference	**-0.15 (0.06)**	-0.265	-0.042
	Failure → Status uncertainty → Potential cost to individual status → Willingness to add a high-status member			
	Low status differentiation	**-0.02 (0.01)**	-0.044	-0.003
	High status differentiation	**-0.05 (0.02)**	-0.086	-0.026
	Difference	**-0.03 (0.02)**	-0.069	-0.007
Study 3	Status uncertainty → Potential benefit to collective performance → Willingness to add a high-status member			
(*N* = 666)	Low status differentiation	**0.19 (0.03)**	0.122	0.245
	High status differentiation	0.02 (0.05)	-0.073	0.141
	Difference	**-0.16 (0.06)**	-0.265	-0.034
	Status uncertainty → Potential cost to individual status → Willingness to add a high-status member			
	Low status differentiation	-0.02 (0.02)	-0.063	0.014
	High status differentiation	**-0.10 (0.03)**	-0.165	-0.063
	Difference	**-0.08 (0.03)**	-0.153	-0.030
	Failure → Status uncertainty → Potential benefit to collective performance → Willingness to add a high-status member			
	Low status differentiation	**0.18 (0.04)**	0.112	0.269
	High status differentiation	0.01 (0.06)	-0.093	0.147
	Difference	**-0.17 (0.07)**	-0.300	-0.030
	Failure → Status uncertainty → Potential cost to individual status → Willingness to add a high-status member			
	Low status differentiation	-0.04 (0.02)	-0.077	0.008
	High status differentiation	**-0.12 (0.03)**	-0.187	-0.070
	Difference	**-0.08 (0.03)**	-0.162	-0.030

Notes. Standard errors are reported in parentheses. Significance is evaluated using 5,000 bias-corrected bootstrap confidence intervals. Effects are considered significant when the 95% confidence interval does not include zero. Significant results are bolded.

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Table 7. Means, Standard Deviations, and Correlations (Study 3)

Variable	*M*	*SD*	1	2	3	4	5	6	7	8
Team level ($N = 222$)										
1. Team failure (0 = success, 1 = failure)	0.52	0.50								
2. Status differentiation (1 = low, 2 = high)	1.44	0.50	-0.06							
3. Willing to invite a high-status member (0 = no, 1 = yes)	0.59	0.49	0.34**	-0.03						
4. Team failure manipulation check	3.21	1.37	0.81**	-0.13	0.30**					
5. Status differentiation manipulation check	3.89	1.20	0.02	0.57**	0.18**	-0.03				
Individual level ($N = 666$)										
1. Individual status level (1 = low, 2 = high)	1.33	0.47								
2. Willingness to add a high-status member	4.80	2.00	-0.50							
3. Status uncertainty	2.87	1.72	0.09*	0.21**	(0.97)					
4. Potential benefit to collective performance	5.43	1.17	-0.05	0.62**	0.17**	(0.94)				
5. Potential cost to individual status	4.51	1.52	0.03	-0.25**	0.15**	-0.04	(0.94)			
6. Status level manipulation check	4.39	1.16	0.12**	0.02	-0.04	0.08*	-0.01	(0.95)		
7. Gender (1 = male, 2 = female)	1.52	0.50	-0.01	0.02	0.003	-0.02	-0.01	-0.09*		
8. Age	42.33	12.50	-0.01	-0.01	-0.02	-0.10*	0.04	-0.09*	0.05	
9. SES	4.93	1.76	-0.09*	0.06	-0.03	0.04	-0.03	0.15**	-0.01	0.06

Notes. Alpha reliabilities are reported in parentheses. * $p < 0.05$. ** $p < 0.01$. (two-tailed)

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Table 8. Slope-as-Predictor Models Predicting Team's Decision for High-Status Member Addition (Study 3)

Variable	Model 1	Mode 2	Model 3	Model 4	Model 5
	Estimate (*SE*)	Estimate (*SE*)	Estimate (*SE*)	Estimate (*SE*)	Estimate (*SE*)
Constant	7.21*** (1.37)	1.56 (1.88)	0.60 (0.70)	5.62*** (1.08)	2.35 (2.32)
Predictors					
Slope of the relationship between members' potential benefit to collective performance and willingness to add a high-status member		**6.10*** (1.23)**			3.43* (1.35)
Slope of the relationship between members' potential cost to individual status and willingness to add a high-status member				**18.89*** (2.63)**	13.34*** (3.14)
Control variables					
Mean of potential benefit to collective performance	1.40*** (0.25)	1.64*** (0.28)			0.90** (0.33)
Mean of potential cost to individual status			-0.05 (0.15)	0.19 (0.19)	0.29 (0.20)
Deviance	261.56	226.27	300.40	216.00	204.77
Degree of freedom	220	219	220	219	217
Pseudo R^2	0.22	0.38	0.001	0.43	0.47

Notes. $N = 222$ teams. Slopes are estimated using Bayesian methods. Standard errors are reported in parentheses.
* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$ (two-tailed).

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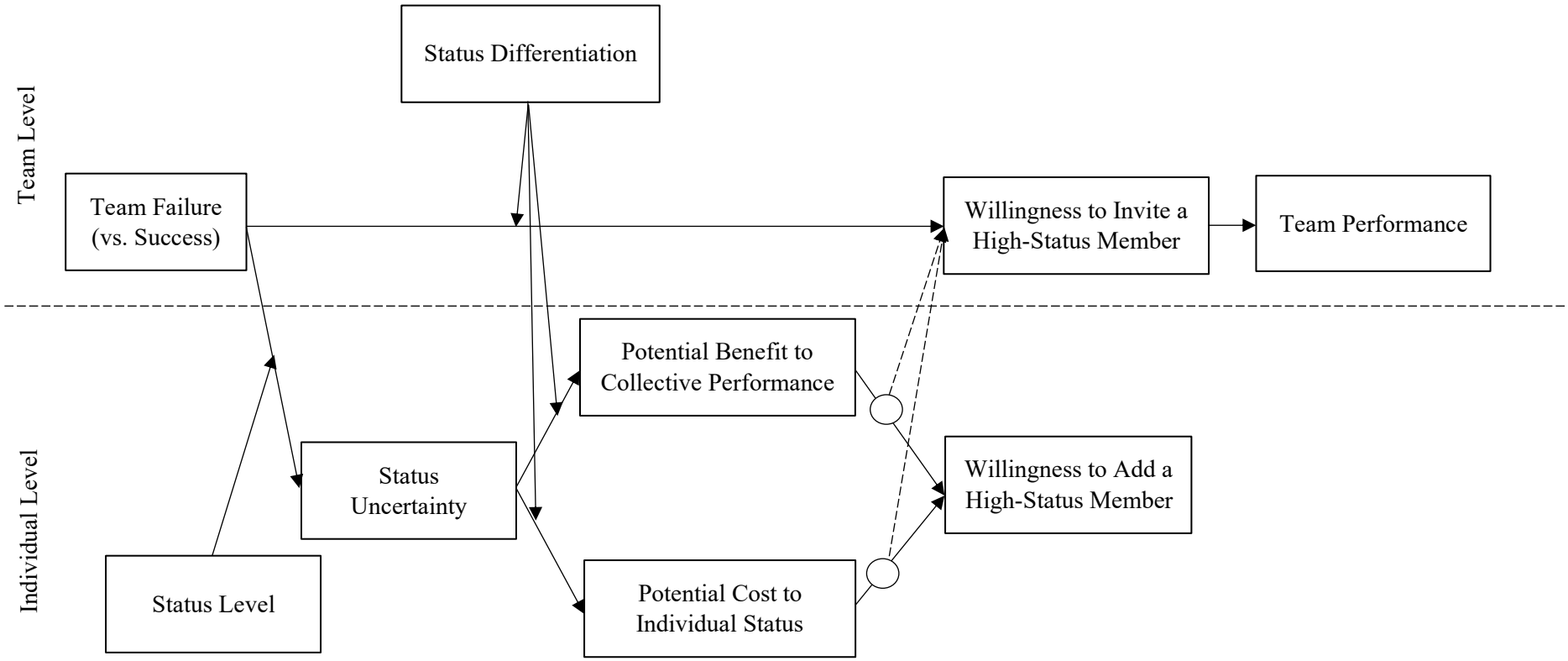
Figure 1. Theoretical Model



Notes. Study 1 tests all team-level effects. Studies 2 and 3 test the effects on individual psychological processes and willingness to add a high-status member. Study 3 also tests the emergent process whereby within-team slopes relating collective performance benefits and individual status costs to individuals' willingness to add a high-status member predict the team's decision to invite a high-status member (depicted by the dashed arrows).

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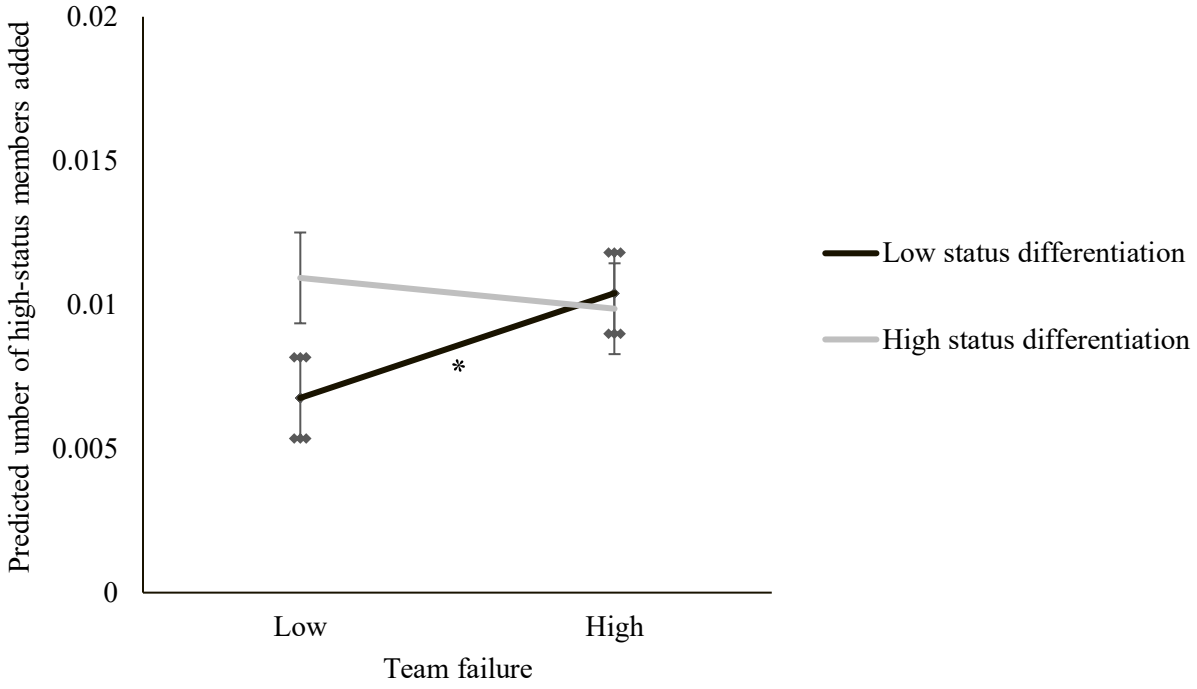
Figure 2. Interaction of Team Failure and Status Differentiation on High-Status Member Addition (Study 1)



Notes. * $p < 0.05$. Error bars denote standard errors.

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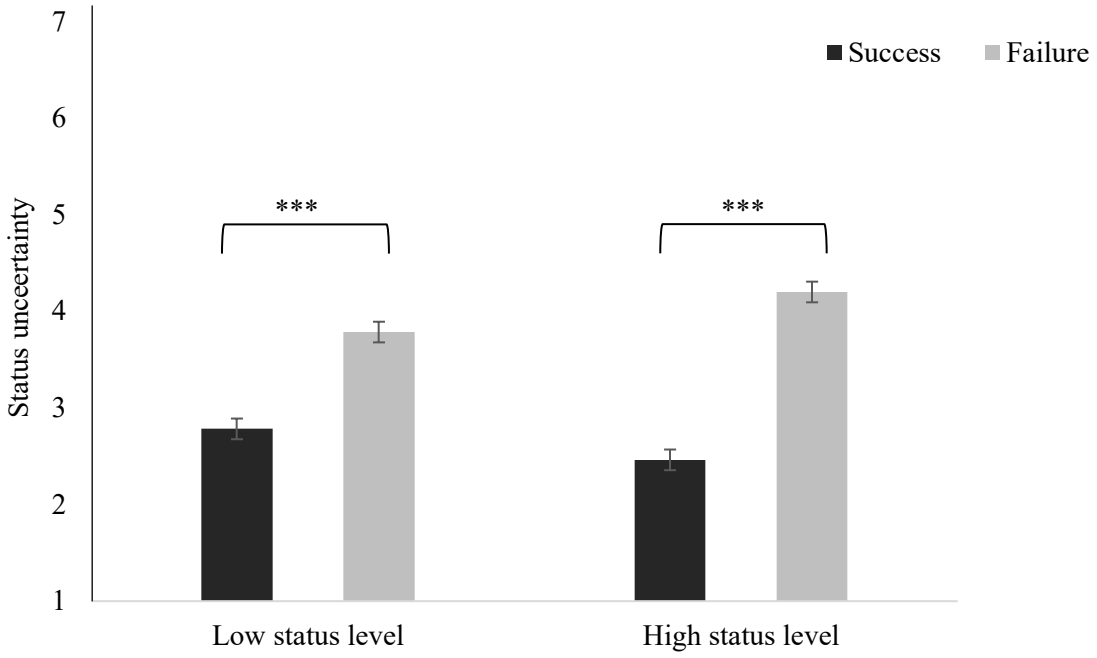
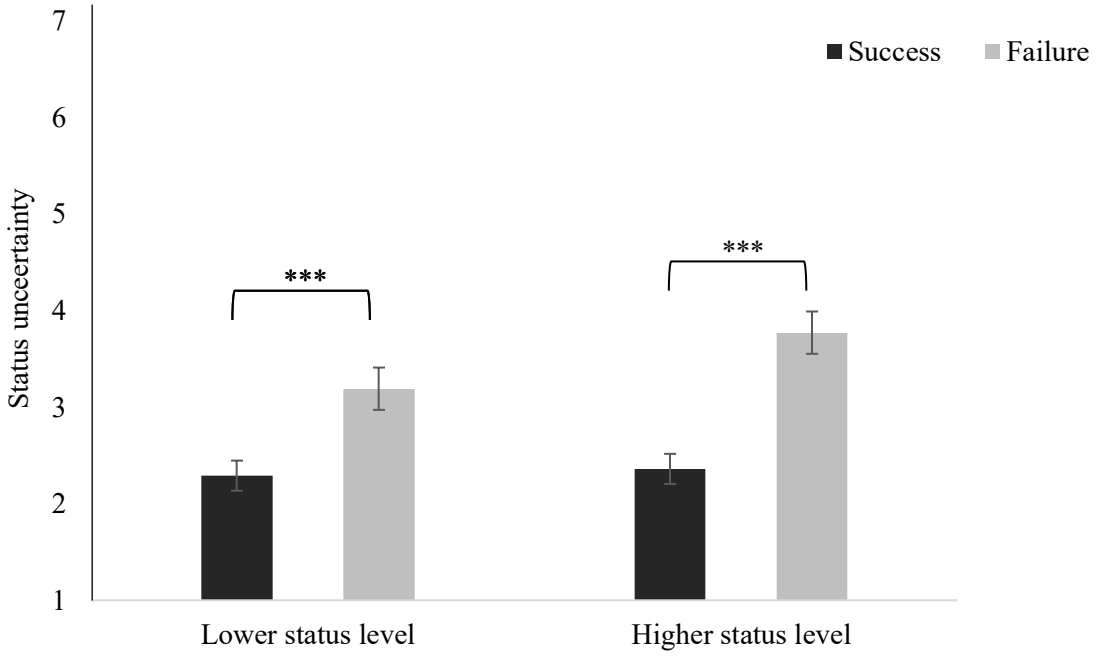
Figure 3. Individual Status Level Moderates the Effect of Team Failure (vs. Success) on Status Uncertainty (Studies 2 and 3)

a) Study 2 ($N = 783$)



(b) Study 3 ($N = 666$ participants in 222 teams)



Notes. ***$p < 0.001$. Error bars denote standard errors.

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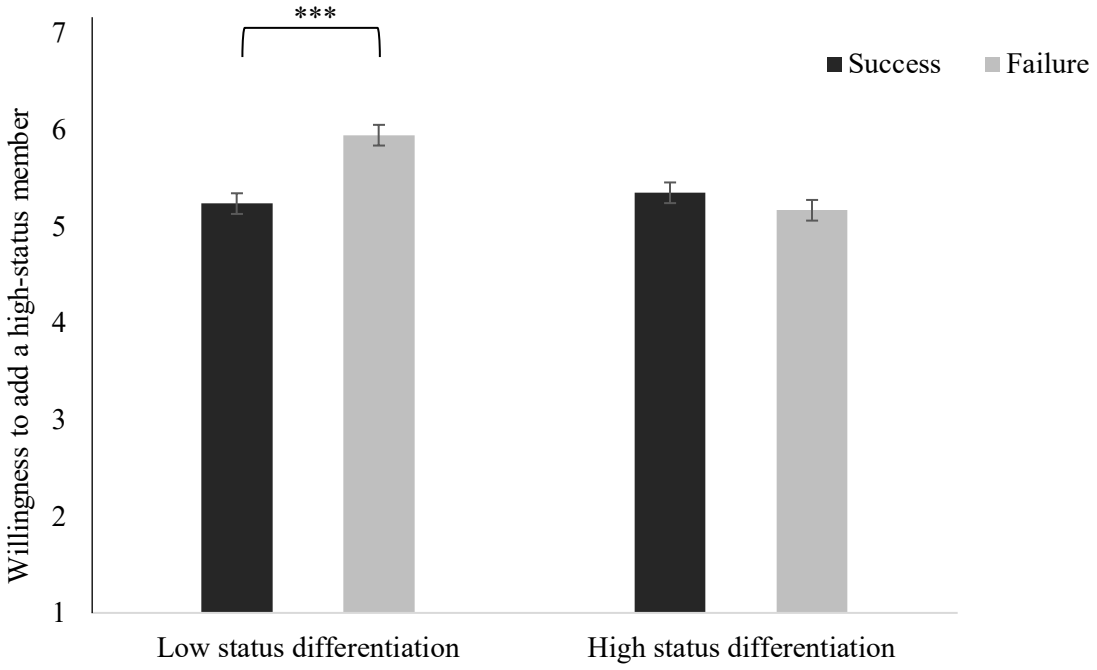
Figure 4. Status Differentiation Moderates the Effect of Team Failure (vs. Success) on Willingness to Add a High-Status Member (Study 2)



Notes. ***$p < 0.001$. Error bars denote standard errors.

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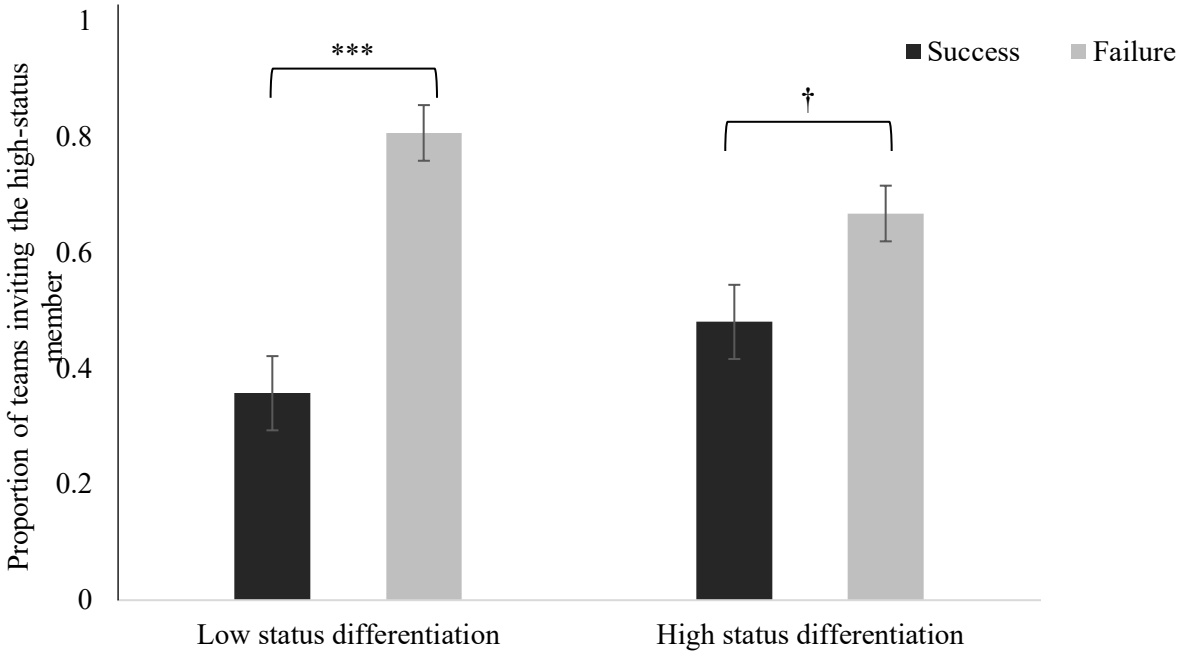
Figure 5. Status Differentiation Moderates the Effect of Team Failure (vs. Success) on Team's Decision to Invite a High-Status Member (Study 3)



Notes. $N_{team} = 222$. † $p < 0.10$. *** $p < 0.001$. Error bars denote standard errors.

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