

Status shortfall and organizational deviancy: An extension in the Scotch whisky industry

RQ: To what extent do status loss and status gain lead to organizational deviancy?

- Financial/tangible performance feedback leads to increased search and change behavior
 - Not a lot of work on intangible performance feedback
- Meta-analysis indicates that non-financial performance feedback is a stronger driver of change than financial PF (Verver et al., 201X)
- Rates of change: ✓
- Direction of change: ?
- Hence: we are rather unable to specifically clarify organizational choices in response to performance feedback
- Therefore: To what extent do status loss and gain lead to organizational deviancy?

Middle-status conformity theory vs. performance feedback theory

- Middle-status conformity theory: status leads to (non)conforming behavior (Phillips & Zuckerman, 2001)
 - Low-status: non-conforming behavior
 - Middle-status: maintain status quo
 - High-status: non-conforming behavior
- Performance feedback theory: feedback leads to search and change
 - Performance below aspiration: increase search and change
 - Performance around aspiration: no search or change
 - Performance above aspiration: increase search and change
- Conclusion: Predictions highly similar but arguments complementary (rate and direction of change)

With-Age Statement whisky vs. Non-Age Statement Whisky



"IF IT'S AS GOOD AS THEY CLAIM HOW IS IT YOU
TAKE SO LONG TO SELL IT?"

“If you ask me, it’s hardly surprising there’s so much confusion about whether age statements are important and what they really stand for. When you hear so many conflicting views, who are you supposed to trust?” (scotchwhisky.com, 2016)

“Overall, there’s growing acceptance of NAS products, even if they do seem to be somewhat hit-or-miss” (Marketwatchmag.com, 2017)

Study 1: Evaluations of organizational deviancy

- Category-spanning (organizational deviancy) leads to lower evaluations (Hsu, 2006; Negro, Hannan, & Rao, 2010)
- Initial organizational status might interact with this
- We aim to establish with a group of whisky enthusiasts whether organizational deviancy has intangible performance consequences

Study 1: Evaluations of organizational deviancy

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- Initial organizational status might interact with this
- We aim to establish with a group of whisky enthusiasts whether organizational deviancy has intangible performance consequences
- We designed a 2 x 3 factorial experiment
- IV1: Conforming vs. non-conforming conditions
 - Launch of WAS product vs. NAS product
- IV2: Low, middle, and high status conditions
 - Varying amounts of awards / managed by renowned distiller or not / good, average, or bad reviews by critics
- DV: willingness-to-pay, authenticity, distillery status

Study 2: Status loss/gain and organizational deviancy

- To what extent do distilleries launch new products that are conforming or non-conforming?
 - Underlying question: do distilleries launch specific products to influence status dynamics?
- Conduct a panel data study of Scotch single malt distillers

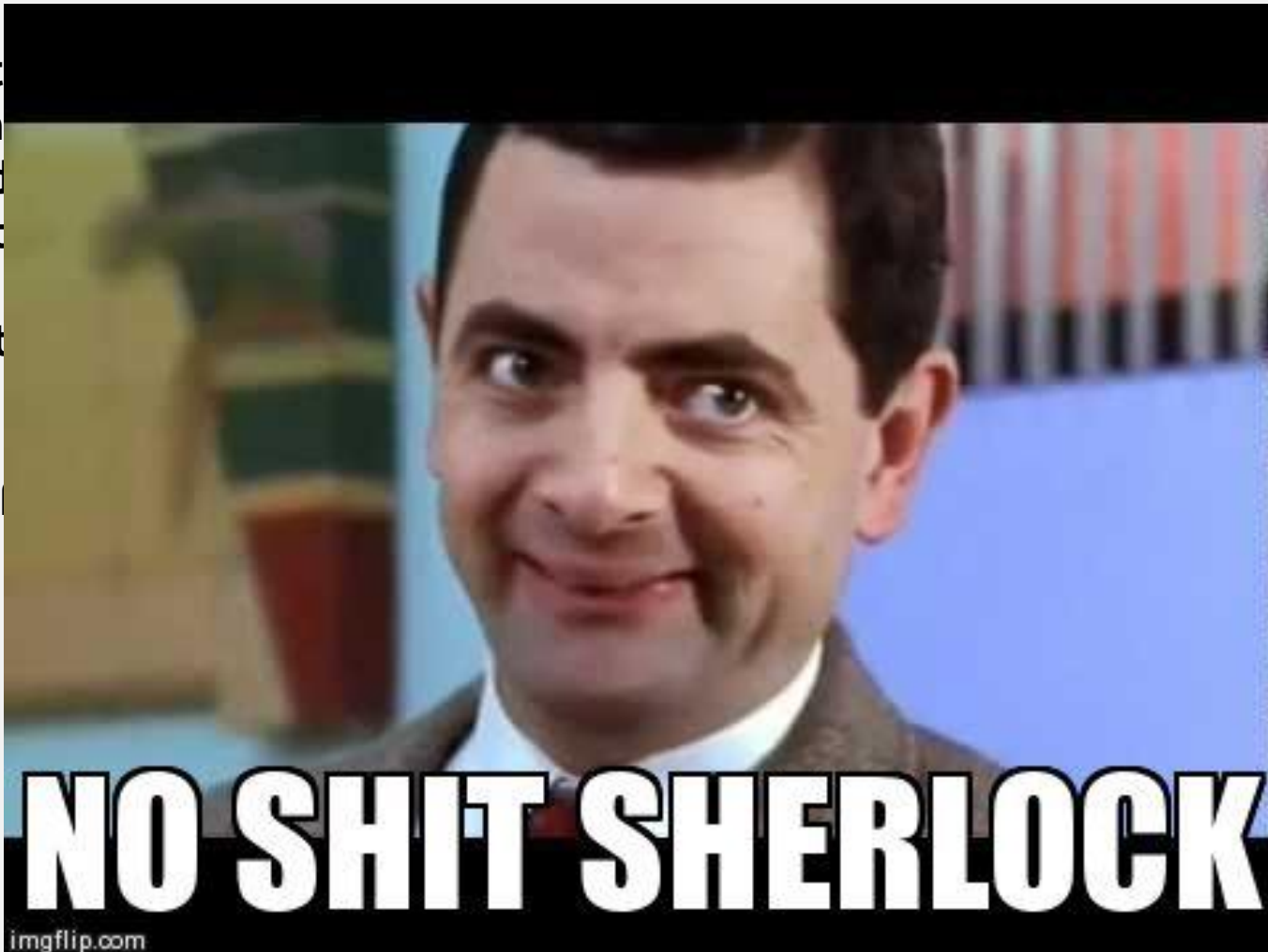
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- IV: Status-based performance feedback, #awards in international competitions
- "those competitions give me, as a producer, the possibility to compare my products with other producers all over the world. Only then can you find out where you are standing (Whiskypassion 2017, vol. 4)

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- Conduct a panel data study of Scotch single malt distillers
- IV = Performance – aspiration (performance feedback)
- DV = New product launches
 - #NAS whiskies per year / #whiskies per year
- Potential moderator 1: form of ownership (McKendrick & Hannan, 2014)
- Potential moderator 2: financial performance feedback
- Potential moderator 3: product quality (Parker, Krause, & Covin, 2015)
- Others?

Feedback time

- To what extent does it make sense to combine these two studies in one chapter/paper?
- Are the vignettes clear/obvious? Other manipulations you would apply? Other DVs you would measure if given the chance?
- What do you think about deviancy as organizational response to performance feedback? Will it fly?