IGNITED OR DEPRESSED? ENTREPRENEURS' STATUS INCONSISTENCY AND PHILANTHROPIC GIVING

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Abstract

Research Summary: Research has long emphasized entrepreneurs' status as a driver of philanthropy. Extending this literature, we examine how status inconsistency—misalignment among perceived economic, social, and political status—is associated with entrepreneurs' philanthropic contributions. We develop two theoretically grounded but competing interpretations: *compensation*, which suggests that entrepreneurs may increase giving to offset perceived status imbalance, and *resentment*, which suggests that perceived imbalance may dampen prosocial engagement. Using a national survey of Chinese private entrepreneurs supplemented with qualitative interviews, we find that while higher perceived status in individual dimensions is positively associated with philanthropy, inconsistency across these status dimensions is, on average, negatively associated with it. Moreover, entrepreneurs from farmer backgrounds, compared with those from upper-class origins, exhibit patterns consistent with stronger compensatory giving. These findings underscore the nuanced implications of multidimensional perceived status for entrepreneurial philanthropy.

Managerial Summary: Entrepreneurs' philanthropic behavior depends not only on how high their perceived status is but also on how consistent it is across different domains. When entrepreneurs experience status inconsistency—for example, being economically successful but perceiving weaker social or political standing—this imbalance may be associated with either efforts to compensate through giving or feelings of resentment that suppress it. Overall, entrepreneurs with unbalanced perceived status tend to give less, yet those from lower-class backgrounds are more inclined to donate in ways consistent with status-balancing motives. Our study highlights how the interplay of economic, social, and political status perceptions relates to entrepreneurial philanthropy.

Keywords: status inconsistency, philanthropy, entrepreneurship, social class, relative deprivation

INTRODUCTION

In an age of societal grand challenges, interest in understanding the spillover effects of entrepreneurship on broader society is rapidly growing (Vedula et al., 2022; Weiss et al., 2023). Successful entrepreneurs are increasingly recognized not only for their economic contributions but also for their philanthropic endeavors, often dedicating significant portions of their wealth to societal causes. These individuals wield influence both as drivers of economic growth and as visible actors in charitable activities (Blackburn, 2010; Browne & Mozur, 2014; Chen, 2014). Entrepreneurship and philanthropy are closely intertwined, forming a cycle of wealth creation and redistribution (Acs & Phillips, 2002). While compelling narratives abound about entrepreneurs amassing wealth and subsequently giving back to society (e.g., The Economist, 2014), research at the intersection of entrepreneurship and philanthropy remains nascent. We still know relatively little about how successful entrepreneurs interpret their social positions after financial achievement and how such interpretations relate to their philanthropic engagement (Clayton et al., 2021; Hans & Vissa, 2023; Mathias et al., 2017). To better understand this phenomenon, we must examine not only economic success but also broader social and political contexts within which entrepreneurs situate themselves (Taylor et al., 2014).

Prior research suggests that entrepreneurs may be motivated to engage in philanthropic activities by the elevated status associated with entrepreneurial success and personal wealth (e.g., Clayton et al., 2021; Gittell & Tebaldi, 2006; Korndörfer et al., 2015). Psychological studies similarly document a positive association between individual status and prosocial behavior (Kraus & Callaghan, 2016). Most studies, however, have focused on single status dimensions—most prominently economic status—emphasizing how wealth facilitates or encourages philanthropic giving (Acs, 2013; Havens et al., 2006; Schervish, 2005). Other work shows that social status (e.g., individual prestige) or political status (e.g., political power) is positively

associated with engagement in philanthropy and socially responsible activities (Liu et al., 2021; Ma & Parish, 2006). Yet these dimensions are typically examined independently. We know far less about how discrepancies across economic, social, and political status—what the status literature refers to as *status inconsistency*—relate to entrepreneurs' philanthropic engagement.

The relative neglect of status inconsistency represents a significant gap, as discrepancies across status dimensions may be associated with philanthropic engagement in opposing ways. On the one hand, perceived imbalance across status domains may generate cognitive dissonance, prompting efforts to compensate and restore equilibrium by elevating a lagging dimension (Han & Pollock, 2021; Hinojosa et al., 2017). Philanthropy may represent one such avenue for status alignment. On the other hand, status inconsistency may be accompanied by feelings of relative deprivation—perceptions of being unfairly disadvantaged relative to comparison groups—which are associated with dissatisfaction, withdrawal, and resentment (Greitemeyer & Sagioglou, 2019; Smith et al., 2012). Such socio-emotional responses may dampen entrepreneurs' prosocial engagement (Callan et al., 2015, 2017). These contrasting theoretical perspectives suggest competing associations between status inconsistency and philanthropic contributions.

To examine these competing theoretical perspectives, we situate our empirical analysis within China's private sector. This context is particularly suitable because rapid private-sector development has substantially elevated many entrepreneurs' economic status, while their social and especially political status has not necessarily advanced in tandem. Such uneven alignment across status dimensions makes perceived status inconsistency especially salient. Moreover, Chinese private entrepreneurs originate from diverse social class backgrounds. Some previously held relatively privileged positions as cadres or managers before entering entrepreneurship, whereas others began as workers or farmers. Given evidence that social class origins shape cognitive orientations and interpretations of social standing (Kraus et al., 2012; Manstead, 2018),

we argue that class background moderates how entrepreneurs respond to status inconsistency. Specifically, entrepreneurs from upper-class origins, being more self-focused, are more likely to experience negative feelings resulting from status inconsistency. In contrast, lower-class entrepreneurs, being more externally oriented and used to social isolation and insulation, are less likely to perceive status inconsistency as distressing. Instead, lower-class entrepreneurs are more inclined to improve their lagging status through philanthropy. Therefore, we suggest that entrepreneurs from upper-class origins may be more susceptible to resentment-based responses, whereas those from lower-class origins may be more inclined toward compensatory responses through philanthropy.

Analyzing national survey data from Chinese private entrepreneurs, we find that perceived economic, social, and political status are each positively associated with philanthropic contributions. However, inconsistency across these dimensions is negatively associated with philanthropy, beyond the independent associations of each status dimension. This negative association is more pronounced among entrepreneurs from upper-class origins, such as former cadres or managers. In contrast, among entrepreneurs from lower-class origins—particularly former farmers—status inconsistency is associated with higher philanthropic engagement. Complementary qualitative interviews with eleven entrepreneurs enrich the quantitative findings by illustrating how perceived status inconsistency manifests in China's institutional context and how entrepreneurs interpret philanthropy in relation to their multidimensional status.

Our study advances the literature and offers policy and practical implications. First, we contribute to the intersection of entrepreneurship and society by examining how multidimensional perceived status—and the tensions among its dimensions—relate to entrepreneurial philanthropy. By foregrounding status inconsistency, we move beyond additive models of economic, social, and political status and provide a more nuanced account of how

entrepreneurs interpret their standing within broader systems of social stratification. Second, we articulate and contrast two theoretical interpretations—compensation versus resentment—that help explain why status inconsistency may be associated with philanthropic engagement in different ways. Although we do not directly measure these psychological processes, our findings are broadly consistent with the possibility that their relative salience varies across social class origins. Third, our findings suggest that policymakers should attend to structural sources of status misalignment. Substantive and sustained institutional inclusion—embedded in stable legal frameworks and governance arrangements—may reduce perceived status gaps and create conditions under which entrepreneurs are more likely to engage in sustained philanthropic activity.

THEORY AND HYPOTHESES

Beyond Status: Status Inconsistency and Its Implications for Prosocial Behavior

The impact of individual status on prosocial behaviors, such as philanthropy, has been extensively studied. Previous research suggests that higher-status individuals often exhibit stronger reputation concerns (Flynn et al., 2006; Kraus & Callaghan, 2016). These concerns may heighten self-evaluative emotions such as pride when individuals align with societal expectations, thereby motivating prosocial engagement (Kraus & Callaghan, 2016). Moreover, higher-status individuals, such as prestigious entrepreneurs, are often subject to elevated expectations from stakeholders including the public and government (Liu et al., 2021; Magee & Galinsky, 2008). As a result, they may feel a sense of obligation to reciprocate and give back to society or the community (Mathias et al., 2017). This dynamic is particularly salient in China, where Confucian traditions emphasize the moral responsibility of those who achieve eminence to contribute to society (Liu et al., 2021).

Although prior research has established positive associations between individual status and

prosocial behavior, most studies focus on a single status dimension—typically economic, social, or political (Benoit-Smullyan, 1944). Yet, status is inherently multifaceted. Individuals may occupy unequally ranked positions across different status dimensions, each conferring distinct forms of prestige and recognition (Jensen & Wang, 2018). The concept of status inconsistency captures this cross-dimensional discrepancy. Rooted in stratification theory, status inconsistency reflects the degree to which an individual's rank across multiple hierarchies—such as wealth, power, and prestige—fails to align (Lenski, 1954; Stryker & Macke, 1978; Weber, 1946). Importantly, status inconsistency does not require that individuals perceive their positions on a particular status dimension as unjust or undeserved; rather, it refers to variation across status dimensions that may create ambiguity, tension, or divergent social expectations.

Prior research further distinguishes between objective and subjective status. Objective status refers to externally verifiable indicators such as income, education, or occupation, whereas subjective status reflects how individuals perceive their standing relative to others. Subjective status is often more predictive of well-being and behavioral outcomes than objective measures (Netuveli & Bartley, 2012; Nobles et al., 2013; Tan et al., 2020). Building on this distinction, research on status inconsistency emphasizes individuals' subjective interpretations of their cross-dimensional standing (e.g., Nelson, 1973; Zimmermann, 1985). For status inconsistency to shape attitudes or behavior, individuals must perceive differences across dimensions and feel uncomfortable about the imbalance, even if they regard each dimension as objectively earned or legitimate (Baer et al., 1976). Indeed, the effects of objective inconsistency are often mediated by subjective interpretations of one's relative position (Bacharach et al., 1993; Jackson, 1962; Starnes & Singleton, 1977). Importantly, objective and subjective inconsistency can yield different consequences. For instance, only subjective inconsistency reliably predicts feelings of powerlessness (Blocker & Riedesel, 1978) and is closely tied to social comparison and relative

deprivation (Andersson, 2018). Accordingly, our theorizing focuses on subjective status inconsistency—emphasizing individuals' perceived status and the inconsistency among different dimensions—since subjective evaluations are more proximal to psychological mechanisms and behavioral outcomes. Status inconsistency can generate cognitive dissonance and stress (Festinger, 1957; Lenski, 1954), since individuals may prefer to identify with their higher-status dimension, yet be treated by others according to their lower-status one (Lenski, 1967).

The literature points to two seemingly contradictory theoretical interpretations of how status inconsistency may relate to behavior. On the one hand, cross-dimensional discrepancies may generate cognitive dissonance or role strain, particularly when individuals are treated differently depending on which dimension is salient in a given interaction. Indeed, status-inconsistent individuals are often highly attuned to status distinctions and sensitive to how these distinctions shape social treatment (Anderson et al., 2015). In such situations, individuals may prefer alignment across status dimensions (Benoit-Smullyan, 1944) and thus seek to elevate a lagging status to restore balance (Han & Pollock, 2021; Wang & Jensen, 2019). For example, Han and Pollock (2021) show that status-inconsistent Hollywood performers were more likely to select film roles that could elevate their lagging status.

On the other hand, status inconsistency may be associated with relative deprivation when individuals interpret discrepancies as implying that their overall standing falls short of what they expected or aspired to achieve (Geurts et al., 2020; Runciman & Bagley, 1969) and develop a sense of being unfairly worse off compared to others (Smith et al., 2012). Under this interpretation, discrepancies may coincide with dissatisfaction, anger, or resentment (Geschwender, 1967; Greitemeyer & Sagioglou, 2019; House & Harkins, 1975; Smith et al., 2012), which can foster withdrawal from social relationships (Geschwender, 1967; Stryker & Macke, 1978), dissatisfaction with the existing social order (Portes, 1972), and diminished work

attitudes such as job satisfaction and engagement (Cho et al., 2014; Feldman & Turnley, 2004).

Drawing on the two theoretical interpretations—compensation and resentment—we develop competing hypotheses regarding the association between entrepreneurs' perceived status inconsistency and their philanthropic contributions. On the one hand, status inconsistency may prompt compensatory action: entrepreneurs may view philanthropy as a strategic avenue to elevate a lagging status dimension and reduce perceived imbalance. On the other hand, if discrepancies are interpreted as signals of unfair disadvantage or unfulfilled expectations, status inconsistency may evoke feelings of relative deprivation and resentment, and thus coincide with diminished motivation to engage in prosocial activities. We further argue that entrepreneurs' social class origins moderate these effects, as individuals from different social class backgrounds may be differentially susceptible to compensatory versus resentment-based responses.

These dynamics may be particularly salient in entrepreneur-led younger ventures. Founders of younger firms typically retain greater discretion and face fewer institutional constraints, allowing personal perceptions and interpretations of status to more directly shape strategic decisions such as philanthropy. Prior research indicates that as firms mature, organizational structures and routines constrain the influence of leaders' personal values and attributes (Cha & Rew, 2021). Thus, the association between status inconsistency and philanthropy may be more pronounced in younger firms.

Entrepreneurs' Status Inconsistency and Philanthropic Contributions

Entrepreneurs' philanthropic contributions are often associated with a blend of altruistic and self-serving motives (Barman, 2017; Besser & Miller, 2004; Kaler, 2000; Mickiewicz et al., 2016). Philanthropy may be strategically leveraged to address stakeholder expectations (Cuypers et al., 2016), enhance corporate reputation (Vanhamme et al., 2012), and strengthen a firm's competitive positioning and financial prospects (Saiia et al., 2003). At the same time,

philanthropic engagement can serve as a personal journey through which entrepreneurs seek fulfilment, recognition, and influence within broader society (Ball, 2008; Maclean et al., 2015). Building on this perspective, we propose that entrepreneurs who perceive inconsistency across status dimensions may view philanthropy as one potential avenue through which to respond to such imbalance. In particular, philanthropy may be interpreted as a means of compensating for a lagging status dimension.

First, philanthropic giving may be associated with enhanced social status by strengthening an entrepreneur's prestige and visibility within the local community. Acts of philanthropy, such as charitable donations, are often publicly acknowledged and may function as signals of generosity, thereby shaping reputational perceptions (Barnea & Rubin, 2010; Glazer & Konrad, 1996; Harbaugh, 1998). Because such contributions are rarely anonymous, entrepreneurs may leverage them to cultivate an image of altruism and civic commitment (Andreoni & Payne, 2013). Over time, this reputation translates into approval and respect from local elites and community members (Atkinson & Galaskiewicz, 1988; Gautier & Pache, 2015). Moreover, philanthropic giving often aligns with community development efforts, allowing entrepreneurs to expand their relational networks and social influence (Maclean et al., 2015). Thus, entrepreneurs who perceive their social status as lagging relative to other dimensions may regard philanthropy as one possible channel for strengthening social standing.

Second, entrepreneurs who perceive their economic status as relatively lagging may interpret philanthropy as indirectly contributing to improved economic prospects. By enhancing reputation and moral credibility, philanthropic contributions—whether undertaken personally or through the firm—may facilitate access to resources, partnerships, favorable contracts, and new profit opportunities (Harvey et al., 2021; Vishwanathan et al., 2020). These reputational and relational gains may function as a form of goodwill or social insurance, potentially supporting

firm performance and revenue stability over time (Godfrey, 2005; Godfrey et al., 2009; Lev et al., 2010; Wang & Qian, 2011). Prior research suggests that small business owners, particularly in early stages, sometimes engage in philanthropy for strategic reasons, including signaling credibility and reliability to external stakeholders (Peake et al., 2015). In this way, social and moral advantages associated with philanthropy may indirectly relate to longer-term financial outcomes. While philanthropy does not automatically enhance economic status, entrepreneurs who perceive economic standing as insufficient may nonetheless interpret philanthropic engagement as contributing to future economic positioning.

Third, philanthropy may provide entrepreneurs with a channel to strengthen perceived political status. Charitable contributions can facilitate access to government officials and potentially improve state-business relations, functioning as a non-market strategy akin to corporate political activity (den Hond et al., 2014; Hansen & Mitchell, 2000; Mellahi et al., 2016). Governments often value philanthropic engagement as a source of social welfare provision, employment, and economic output, creating a mutually beneficial relationship: entrepreneurs gain legitimacy, recognition, and influence, while governments secure resources and support for public initiatives (Walder, 1995a). Historical accounts document instances in which business elites used charitable giving to gain social recognition and political access (Ma & Parish, 2006). In contexts where governments face fiscal or administrative constraints—particularly in less developed regions—philanthropy can ease public burdens and encourage closer collaboration between business and the state (Dickson, 2003, 2008; Wang & Qian, 2011; West & Wong, 1995). Entrepreneurs who contribute philanthropically are often publicly praised in official media, visited by state officials, or even appointed to political councils, further solidifying their political status (Ma & Parish, 2006).

Recognizing that philanthropy may be associated with social, economic, and political

recognition, we propose that entrepreneurs who perceive inconsistency across status dimensions may interpret philanthropic giving as a strategic means of addressing such imbalance. If compensation motives dominate, status inconsistency would be positively associated with philanthropic contributions.

> **Hypothesis 1a (H1a).** Entrepreneurs' perceived status inconsistency is positively associated with their philanthropic contributions.

From an altruistic perspective on philanthropy, status inconsistency may coincide with perceptions of relative deprivation and resentment, which could dampen prosocial engagement. Entrepreneurship is often viewed as a pathway for upward mobility, offering individuals opportunities for improved economic, social, and symbolic standing (Sørensen & Sharkey, 2014). Founding a business represents an achieved status, frequently associated with aspirations for approval, recognition, and enhanced standing within one's family, community, and society (Burton et al., 2016; Carter et al., 2003). When entrepreneurs perceive discrepancies across status dimensions—particularly if they interpret such discrepancies as falling short of expectations—they may experience dissatisfaction or frustration. Relative deprivation theory suggests that when individuals believe their standing is inferior to what they deserve or anticipated, negative emotions such as resentment may emerge (Smith et al., 2012). Under such interpretations, entrepreneurs may become less inclined toward prosocial behaviors, such as philanthropic giving.

> **Hypothesis 1b (H1b).** Entrepreneurs' perceived status inconsistency is negatively associated with their philanthropic contributions.

Social Class Origin as a Switch for the Impact of Status Inconsistency

To explore whether entrepreneurs who experience status inconsistency are more likely to respond through compensation or resentment, we propose that their social class origins may function as a contingent factor shaping how such discrepancies are interpreted. Research on the psychology of

social class indicates that individuals' social class origins leave enduring imprints on their personal and social identities, shaping how they perceive and interact with their social environments, and influencing key aspects of their behaviors (Hans & Vissa, 2023; Manstead, 2018). Similarly, management scholars highlight that executives' social class backgrounds can influence their decision-making tendencies and strategic orientations. For example, CEOs' early childhood experiences within specific social classes have been shown to influence their strategic risk-taking behaviors later in life (Kish-Gephart & Campbell, 2015), and parental income during upbringing has been linked to leadership effectiveness in organizational contexts (Martin et al., 2016).

More broadly, social class functions as a contextual lens that shapes people's norms, values, and expectations, influencing their psychological processes and social cognitive patterns (Côté, 2011; Grossmann & Varnum, 2011; Kraus & Stephens, 2012; Manstead, 2018). Social class is rooted both in material conditions and in individuals' interpretations of their relative standing, forming a central component of identity (Kraus et al., 2012; Kraus & Stephens, 2012). Lower-class contexts, marked by constrained material living conditions and limited social opportunities, foster an externally oriented social cognitive tendency, in which people see their actions as strongly influenced by external forces and perceive themselves as interconnected with others, more responsive to the social environment (Kraus et al., 2012). In contrast, upper-class contexts, associated with relatively abundant material resources and higher social status, encourage a more self-focused social cognitive tendency that prioritizes the individual self, emphasizing independence, personal goals, and self-expression (Johnson & Krueger, 2005; Kraus et al., 2012; Lachman & Weaver, 1998).

Building on this literature, we propose that social class origins may moderate the association between perceived status inconsistency and philanthropic engagement by shaping the relative

salience of compensation versus resentment-based interpretations. Entrepreneurs from lower social class backgrounds, whose cognitive orientations emphasize external adaptation and responsiveness to social environments, may be more inclined to address status discrepancies through outward-oriented actions (Kraus et al., 2012; Piff, 2014). Philanthropy, as a socially visible and relational activity, may represent one such response. In contrast, entrepreneurs from upper-class backgrounds, who may place greater emphasis on internal standards and personal expectations, may be more likely to interpret status discrepancies as signals of unmet aspirations or disrupted identity coherence. Under such interpretations, resentment-based responses may be more salient.

Moreover, the experience of status inconsistency may differ depending on entrepreneurs' social mobility trajectories. Social class origins shape the reference groups individuals use when evaluating their current standing. Individuals often assess their status relative to others who share similar origins or trajectories (Hamilton, 1964; Kaiser & Trinh, 2021). Social mobility therefore involves ongoing reassessment of one's position relative to plausible alternative paths. For example, those who experience upward mobility may compare themselves with peers who remained in their original class positions (Irwin, 2015). Empirical research suggests that upward mobility is generally associated with improved psychological well-being relative to remaining in lower socioeconomic strata, whereas downward mobility is associated with greater distress relative to those stably positioned in higher strata (Islam & Jaffee, 2024). These patterns suggest that the meaning attached to status discrepancies may vary depending on one's class origin and mobility experience.

From this mobility perspective, entrepreneurship can substantially reshape individuals' status profiles. Founding and growing a venture may elevate economic standing while leaving social or political recognition comparatively underdeveloped (Rider et al., 2023). For

entrepreneurs from upper social class origins who previously occupied relatively advantaged positions, perceived status inconsistency may reflect a decline in certain dimensions when compared with former peers, potentially making discrepancies more salient and psychologically costly. In contrast, for entrepreneurs from lower social class origins, status inconsistency may arise primarily from upward movement in some dimensions while others remain less developed. Under such circumstances, discrepancies may be interpreted less as losses and more as incomplete advancement, potentially increasing the appeal of compensatory strategies. Thus, the same cross-dimensional discrepancy may carry different subjective meanings depending on class origin.

Taken together, we propose that the association between perceived status inconsistency and philanthropic contributions varies systematically by social class origin. Entrepreneurs from upper social class backgrounds may be more likely to exhibit a negative association between status inconsistency and philanthropy, consistent with resentment-based interpretations. In contrast, entrepreneurs from lower social class backgrounds may exhibit a positive association, consistent with compensatory interpretations.

> **Hypothesis 2 (H2).** The association between entrepreneurs' perceived status inconsistency and philanthropic contributions is contingent on their social class origins. Specifically, for entrepreneurs with upper social class origins, status inconsistency is negatively associated with philanthropic contributions, whereas for those with lower social class origins, status inconsistency is positively associated with philanthropic contributions.

METHODS

Empirical Setting and Overall Design

To test our hypotheses, we need a context in which perceived status inconsistency is salient among entrepreneurs and where they originate from diverse social class backgrounds. China provides such a setting. Since the late 1970s, the institutional environment governing private

enterprise has undergone substantial transformation—from strict prohibition, tolerance, accommodation, to encouragement (Peng, 2004). Although market reforms have enabled economic mobility, entrepreneurs' political and social recognition has not always advanced in tandem with their economic success (Lardy, 2014; Li, 2010). This uneven alignment across economic, social, and political domains makes perceived status inconsistency particularly salient. The rapid growth of the private sector, now a major contributor to GDP and employment (Ran, 2017), further amplifies potential discrepancies between entrepreneurs' market achievements and broader societal recognition.

China's distinctive system of social stratification also generates substantial variation in entrepreneurs' class origins. Under the planned economy, cadres, managers, workers, and farmers occupied clearly differentiated hierarchical positions. Cadres and state-sector managers generally enjoyed higher compensation, stronger political ties, and better promotion prospects (Walder, 1995b; Zhou & Suhomlinova, 2001), advantages that some later leveraged during market transition (Leutert, 2018; Wu, 2006). In contrast, workers faced more limited mobility, and farmers—constrained for decades by the household registration (*hukou*) system—experienced substantial structural disadvantages (Alexander & Chan, 2004; Lui, 2016). These dynamics of social stratification provide meaningful variation in social class origins, allowing us to examine whether class background moderates the association between perceived status inconsistency and philanthropic engagement.

We tested our hypotheses using large-scale survey data from Chinese private entrepreneurs and supplemented this analysis with qualitative interviews. The interviews were designed to capture entrepreneurs' firsthand experiences with status inconsistency and philanthropic engagement. The integration of quantitative and qualitative evidence offers robust triangulation and helps contextualize abstract constructs such as perceived status inconsistency and

compensation or resentment-based interpretations.

Quantitative Study Sample and Data Sources

We used data from a multi-wave nationwide survey of Chinese private enterprises conducted biennially since 1993. The survey is jointly organized by the All-China Federation of Industry and Commerce, the State Administration for Industry and Commerce, the China Private Economic Research Association, and the United Front Work Department of the CCP Central Committee. It employs multistage stratified sampling to generate a nationally representative sample of firms across provinces and industries. In each survey wave, trained interviewers conducted face-to-face surveys with firm owners using standardized questionnaires. This dataset is widely regarded as the most comprehensive survey on private firms in China and includes detailed information on both ventures and their founding entrepreneurs/owners (Ge et al., 2022; Marquis & Qiao, 2020; Zhou et al., 2020).

Although the survey spans multiple waves, it was not designed as a longitudinal panel tracking the same firms over time. Firms were randomly sampled in each wave, and certain survey items were not consistently included across waves. To ensure consistent measurement of our key constructs—entrepreneurs' perceived status and social class origins—we focused on six waves collected between 2004 and 2014. We pooled these cross-sectional waves to construct our analytic dataset.

The six survey waves covered 3012, 3837, 4098, 4614, 5037, and 6144 firms, respectively. After merging the datasets, we removed observations with missing values on key variables. To assess potential nonresponse bias, we conducted t-tests comparing major firm and entrepreneur characteristics between included and excluded observations (Armstrong & Overton, 1977) and found no statistically significant differences. Following prior entrepreneurship research that defines ventures within a 10-year threshold (e.g., Forbes, 2005; Gimmon & Levie, 2010; Ko &

McKelvie, 2018), we excluded firms older than 10 years to focus on entrepreneurial ventures. Our final sample includes 14,278 entrepreneurs/firms.

Dependent Variable

We measured philanthropic contributions as the total monetary amount (in units of 10,000 RMB) of charitable donations made by the entrepreneur's venture. This includes both cash and non-cash donations as well as any philanthropic projects undertaken by the venture (Ge & Micelotta, 2019; Tilcsik & Marquis, 2013; Wang & Qian, 2011). In China, private entrepreneurs or owners typically retain substantial control over their firms, particularly in younger ventures, making it difficult to distinguish between personal and firm-level giving. Public records of individual philanthropic activity are largely unavailable for small and medium-sized firms, which comprise most of our sample. To mitigate concerns about conflating entrepreneurial giving with corporate giving, we restricted our sample to entrepreneurial firms no older than ten years, as corporate philanthropy tends to be more common among established firms.

Because the distribution of philanthropic contributions is highly skewed, we applied a natural log transformation to this variable in our analysis (Ji et al., 2021; Tilcsik & Marquis, 2013). We winsorized extreme values above 10 million RMB (0.06% of observations) to reduce the influence of outliers. Our results remain robust when winsorizing at the 1%, 2%, or 5% levels.

Independent and Moderating Variables

We measured perceived status inconsistency as the dispersion across entrepreneurs' self-assessed economic, social, and political status. Extensive research suggests that subjective perceptions of status are often more consequential for psychological and behavioral outcomes than objective indicators. While objective socioeconomic indicators correlate only moderately with perceived status (Adler et al., 2000), subjective socioeconomic status is strongly associated with

psychological experiences such as relative deprivation (Greitemeyer & Sagioglou, 2016, 2019). In the survey, entrepreneurs rated their perceived economic, social, and political status on a 10-point scale, where lower values indicated higher perceived status. We reverse-coded these scores so that higher values corresponded to higher perceived status. Following prior research (Jensen & Wang, 2018; Wang & Jensen, 2019), we calculated status inconsistency as the standard deviation among the three perceived status dimensions. The formula is as follows:

$$Status\ Inconsistency = \sqrt{\frac{1}{2}\sum_{i=1}^{3}(S_i - \bar{S})^2}$$

where S_i denotes the entrepreneur's perceived economic, social, and political status, and $\bar{S}$ represents the mean of the three perceived status scores. This measure captures cross-dimensional variation without assuming that any particular dimension is normatively primary.

Aligned with our theoretical framework, we sought to capture entrepreneurs' social class origins by focusing on four historically salient social class categories in China: cadre, manager, worker, and farmer. To operationalize this, we created four binary variables to represent each social class origin, based on the entrepreneur's occupational history prior to founding their business. Cadre was coded as 1 if the entrepreneur had worked as an official in party organizations, government bureaus, or public institutions, and 0 otherwise. Similarly, manager was coded as 1 if the entrepreneur had previously been a manager in state-owned or collective enterprises; worker was coded as 1 if the entrepreneur had worked as a clerk or laborer in any type of enterprises; and farmer was coded as 1 if the entrepreneur had been a rural resident engaged in farming. Additionally, we included a binary variable to capture other origins, coded as 1 if the entrepreneur's prior work experience did not fall into any of the four primary categories (e.g., those who had previously worked in schools, hospitals, etc.), and 0 otherwise.

Since some entrepreneurs reported multiple prior occupations (e.g., worker and manager), we identified the social class origin corresponding to the highest historically ranked class position (cadre > manager > worker > farmer). For example, in cases where the focal entrepreneur had been both a farmer or a worker and a cadre or a manager, we retained the cadre or manager origin. This approach reflects the hierarchical structure of the planned economy and captures the most advantaged prior status position held before entering entrepreneurship. In most cases, occupational trajectories followed upward transitions (e.g., farmer to worker to manager), with reverse movements being rare. Using the highest-ranked prior position therefore captures the most structurally advantaged class origin. Importantly, although these categories reflect different positions within a historically ordered social hierarchy, our empirical analysis does not treat social class origin as a simple upper-versus-lower distinction. Instead, we model cadre, manager, worker, and farmer origins as distinct social class backgrounds, allowing us to examine potential heterogeneity in how entrepreneurs from different class origins respond to status inconsistency.

Control Variables

To isolate the association between status inconsistency and philanthropic contributions, we controlled for entrepreneurs' perceived economic, social, and political status to account for their direct associations with giving. We also included entrepreneur-level characteristics commonly linked to prosocial behavior (Chin et al., 2013; Waldman et al., 2006; Weaver et al., 1999): entrepreneur gender (1 = male); entrepreneur age (logged years); entrepreneur education, an ordinal scale from 1 (elementary school or lower) to 6 (graduate school); and entrepreneur's party membership (1 = CCP member).

At the firm level, we controlled for firm age, size, and performance. We included firm age—logged years since founding—because firms founded during different time periods may have different attitudes toward corporate philanthropy (Marquis & Lee, 2013). Firm size, measured as

the logged number of employees, reflects visibility and susceptibility to external institutional pressures on philanthropy (Chiu & Sharfman, 2011; Tilcsik & Marquis, 2013). Firm performance, measured as the log of prior-year sales revenue, accounts for the positive effect of financial resources on social activities (Chiu & Sharfman, 2011; Johnson & Greening, 1999).

Entrepreneurs' philanthropic contributions are significantly influenced by the local institutional environment and economic development (Campbell, 2007; Wang & Qian, 2011). We controlled for the regional institutional environment using the marketization index developed by the National Economic Research Institute (NERI), which assesses provincial-level development across five dimensions: government-market relations, non-state sector development, product market development, factor market development, and market intermediaries/legal environment (Wang et al., 2017). This index has been widely used to capture regional institutional variation in China (e.g., Ge et al., 2026; Li et al., 2006; Zhou et al., 2017). Regional economic development was measured as logged GDP per capita at the city level. To further account for region fixed effects, we included dummies for the 267 city-level regions covered in our sample. Because state regulation, consumer orientation, and firm visibility vary across industries and may influence corporate philanthropy (Tilcsik & Marquis, 2013), we included industry dummies. Finally, survey wave dummies were included to capture unobserved temporal changes.

ANALYSES AND RESULTS

To test our hypotheses, we estimated ordinary least squares (OLS) regression models with robust standard errors. Descriptive statistics and correlations of key variables are presented in Table 1. On a scale from 1 to 10, private entrepreneurs in our sample reported an average perceived social status of 5.51, economic status of 5.54, and political status of 4.84. While perceived social and economic status show similar magnitudes, perceived political status is notably lower, indicating inconsistency across the three status dimensions. Correlation analysis shows that each perceived

status dimension is positively associated with philanthropic contributions. In addition, status inconsistency is weakly correlated with perceived social and economic status and moderately negatively correlated with political status. These patterns suggest that status inconsistency reflects cross-dimensional dispersion rather than being reducible to any single status dimension. At the same time, the observed distribution indicates that, in our context, status inconsistency is particularly characterized by relatively lower political status compared with social and economic status. We also assessed multicollinearity by calculating variance inflation factors (VIFs). The average VIF was 2.51 and the highest VIF was 5.20, both well below the conventional threshold of 10 (Greene, 2011), indicating that multicollinearity is unlikely to bias the estimates.

[Insert Tables 1 and 2 about here]

Table 2 presents the regression results predicting entrepreneurs' philanthropic contributions. Model 1 includes control variables excluding the three perceived status dimensions. Model 2 adds perceived social, economic, and political status. The results show that both social and political status are significantly and positively associated with philanthropic contributions. Model 3 includes status inconsistency to test its main association with philanthropic contributions, and Model 4 adds interaction terms between status inconsistency and social class origins to examine moderation effects. For interpretation, farmer origin serves as the reference category.

Hypotheses 1a and 1b propose two competing hypotheses about the association between entrepreneurs' perceived status inconsistency and their philanthropic contributions. As shown in Model 3, the coefficient of status inconsistency is negative and significant ($\beta = -0.04$, $p < 0.05$), supporting H1b. Notably, the three perceived status dimensions are included in the model, isolating the association of cross-dimensional dispersion beyond the independent associations of economic, social, and political status. These results indicate that variation across perceived status dimensions is negatively associated with philanthropy, net of overall perceived status levels.

Hypothesis 2 predicts that the association between perceived status inconsistency and philanthropic contributions varies by social class origin. Model 4 presents the interaction results. With farmer origin as the reference group, the interaction terms between status inconsistency and cadre origin ($\beta = -0.16$, $p < 0.05$), manager origin ($\beta = -0.17$, $p < 0.01$), and worker origin ($\beta = -0.12$, $p < 0.10$) are all negative and statistically significant. These coefficients indicate that the negative association between status inconsistency and philanthropic contributions is stronger for entrepreneurs from cadre, manager, and worker origins relative to those from farmer origins.

Based on these estimates, Figure 1 plots the estimated marginal associations between status inconsistency and philanthropic contributions across social class origins. As visualized, status inconsistency is positively associated with philanthropic contributions among farmer-origin entrepreneurs. In contrast, for entrepreneurs with cadre, manager, and worker origins, status inconsistency is negatively associated with philanthropic contributions. These patterns are consistent with H2, suggesting that the direction and magnitude of the association between status inconsistency and philanthropy vary systematically across social class origins.

[Insert Figure 1 about here]

This divergence between farmer-origin entrepreneurs and those from more privileged backgrounds aligns with China's historically entrenched urban-rural divide prior to China's economic transition. A useful comparison is between workers and farmers. Although both occupied lower strata in the planned economy, workers embedded in the *danwei* (work unit) system typically held urban *hukou*, stable employment, and access to welfare benefits, whereas farmers were largely excluded from such institutional protections. For farmer-origin entrepreneurs, status inconsistency may primarily reflect upward mobility—marked improvements in income or occupational prestige alongside relatively limited political standing. In contrast, entrepreneurs from cadre, manager, or worker origins may compare their current

multidimensional standing with prior advantaged positions or expectations. These structural differences may shape how cross-dimensional status discrepancies are interpreted, which is reflected in the observed variation in philanthropic engagement.

Robustness Checks

We conducted additional analyses to further validate our findings and ensure the robustness of our results. First, we noted that philanthropic contributions included a substantial number of zero observations (3,925 out of 14,278), so we re-estimated our models using a Tobit specification. The results, presented in Table A1 in the Online Supplementary Appendix, are substantively similar and continue to support the main and moderating hypotheses.

Second, we employed an alternative approach to capture the variations among social class origins and retested the moderation effects. Our earlier findings suggest that cadre, manager, and worker origins showed similar patterns when compared to the farmer origin, a distinction that partly reflects the entrenched hierarchy in China rooted in the urban-rural divide. For decades, urban employees were assigned lifelong jobs in state or collective sectors, with their welfare benefits and socioeconomic status largely determined by their *danwei*. In contrast, farmers lacked such institutional attachments and were marginalized in the societal redistribution of welfare resources (Bian, 2002; Lu & Perry, 1997). To account for this divide, we included a dummy variable indicating farmer versus non-farmer origins as well as its interaction with status inconsistency in our models. The results (Table A2 in the Online Supplementary Appendix) indicate that the negative association between status inconsistency and philanthropic contributions is stronger among entrepreneurs of non-farmer origins, whereas this association is weaker and even becomes positive among those of farmer origin. These findings provide additional support for H2.

Third, we addressed the issue of entrepreneurs reporting multiple social class origins, which

accounted for approximately 15.7% of our final sample (2,248 out of 14,278 entrepreneurs). For example, some entrepreneurs transitioned from being farmers or workers to becoming managers in SOEs/COEs or cadres in party organizations, government bureaus, or public institutes. To minimize the confounding effects of such cases, we constructed a more restricted sample that excluded entrepreneurs with multiple social class origins and reran the OLS regression models. The results (see Table A3 in the Online Supplementary Appendix) are generally consistent with those obtained using the full sample.

Fourth, in addition to controlling for entrepreneurs' perceived economic, social, and political status, we have included a set of major objective indicators of an entrepreneur's status, such as their personal income, business revenue, level of education, firm size, political club membership (e.g., the representative of National People's Congress or Chinese People's Political Consultative Conference, and the member of the CCP), and professional network (e.g., member of the All-China Federation of Industry and Commerce). Our results (see Table A4 in the Online Supplementary Appendix) remain consistent, suggesting that the observed association between status inconsistency and philanthropic contributions persists after accounting for objective status.

Finally, entrepreneurs' different initial social positions or backgrounds, i.e., social class origins, may influence their perceptions of their current status as gains or losses. To control for this possibility and address this concern empirically, we have included all interactions between each status dimension and entrepreneurs' social class origins (see Table A5 in the Online Supplementary Appendix). Both our main effect and moderation effects remain robust, which strengthens our confidence that our findings are not solely driven by differential interpretations of individual status components.

Probing Boundary Conditions

To explore boundary conditions, we compared firms 10 years old or younger with more

established firms that are over 10 years old (cf. Forbes, 2005; Gimmon & Levie, 2010; Ko & McKelvie, 2018). The association between status inconsistency and philanthropic contributions is significant only among entrepreneurial firms (see Table A6 in the Online Supplementary Appendix). This pattern suggests that the association may be more salient in entrepreneurial contexts, where founders retain greater discretion. Among these entrepreneurial firms, we further tested whether firm age or size moderates this relationship and found no significant effects (see Table A7 in the Online Supplementary Appendix), indicating that the observed association is relatively consistent across entrepreneurial firms regardless of size or age. Together, these findings reinforce our focus on entrepreneurial philanthropy and clarify this study's boundary conditions.

We also examined whether the association between status inconsistency and philanthropic giving varies across levels of perceived economic, social, and political status. The interaction between status inconsistency and economic status is negative and statistically significant, whereas interactions with social and political status are not (see Table A8 in the Online Supplementary Appendix). This pattern indicates that the negative association between status inconsistency and philanthropic giving is especially pronounced among entrepreneurs who perceive themselves as economically high-status. These findings align with our qualitative interviews, which suggest that the most salient form of inconsistency experienced by Chinese entrepreneurs is their sociopolitical status lagging behind their economic status. Overall, the results provide more nuanced support for our theory, suggesting that while status inconsistency is broadly relevant, its effects depend on which form of inconsistency is most salient in a given context.

Supplementary Analysis of Qualitative Interview Data

We conducted semi-structured interviews with eleven private entrepreneurs across diverse

regions and industries in China. To encourage candid responses, we assured participants of complete confidentiality and anonymity. The interviews lasted between 40 minutes and 1.5 hours and explored entrepreneurs' personal backgrounds, entrepreneurial journeys, and perspectives on individual status and entrepreneurial philanthropy in Chinese society. This format allowed participants to articulate personalized perceptions and experiences across various dimensions of status—economic, social, and political—providing detailed self-reports on their feelings of status (in)consistency and related reflections. Our goal was not to statistically test mechanisms but to collect fine-grained data to inform our theoretical model, contextualize key constructs, and gain deeper insights into how entrepreneurs themselves describe and interpret status inconsistency and philanthropic behavior. To achieve this, we conducted an abductive analysis of the qualitative data, closely examining participants' own words and iteratively comparing emerging themes with our theoretical framework while remaining attentive to unexpected patterns. Table A9 in the Online Supplementary Appendix presents illustrative quotes alongside our interpretive coding.

Nearly all interviewed entrepreneurs described discrepancies across economic, social, and political status dimensions, suggesting that perceived status inconsistency is pervasive among entrepreneurs in our setting. A common pattern involved relatively high economic status alongside weaker social status and comparatively low political status. Some participants even reported feeling an almost complete absence of political status. One respondent summarized this condition as being "wealthy but not esteemed (*fu er bu gui*)," capturing the perceived misalignment between material success and broader social or political acknowledgement.

When reflecting on these discrepancies, entrepreneurs articulated divergent responses. Some described efforts to improve lagging social or political standing, including engaging in philanthropic activities to enhance visibility, cultivate relationships, or strengthen legitimacy. These narratives are consistent with a compensation-oriented interpretation, in which

philanthropy is viewed as a means of addressing cross-dimensional imbalance. Other entrepreneurs, however, described feelings of disappointment, helplessness, or even anger regarding their limited political or social recognition. Rather than actively seeking to alter their status profile, they expressed skepticism about the possibility of change and reduced enthusiasm for broader civic engagement. These accounts are consistent with a resentment-oriented interpretation, in which status discrepancies are associated with withdrawal or dampened prosocial motivation.

Overall, the qualitative evidence complements the quantitative analysis by illustrating how entrepreneurs interpret and respond to perceived discrepancies across status dimensions. The interviews provide contextualized accounts of how status inconsistency manifests within China's institutional environment and how philanthropy may be perceived as one possible response. Rather than establishing causal mechanisms, the qualitative findings enrich our understanding of the subjective meanings entrepreneurs attach to multidimensional status and their philanthropic engagement.

DISCUSSION

Many prominent contemporary philanthropists are also highly successful entrepreneurs. To better understand how entrepreneurs engage in philanthropy, we examined entrepreneurial giving through the lens of multidimensional status dynamics. While prior research and anecdotal accounts often attribute entrepreneurial philanthropy to accumulated wealth or elevated economic status, we focused on discrepancies across perceived economic, social, and political status dimensions. We developed a framework outlining two contrasting theoretical interpretations of status inconsistency: compensation and resentment. Our findings indicate that, while higher perceived status in individual dimensions is positively associated with philanthropic contributions, greater cross-dimensional inconsistency is, on average, negatively associated with

giving. Moreover, this association varies by social class origin.

Integrating insights from social class psychology and social mobility research, we proposed that entrepreneurs' class origins shape how they interpret and respond to perceived status discrepancies. Consistent with this argument, the negative association between status inconsistency and philanthropic contributions is stronger among entrepreneurs from upper-class origins and weaker—sometimes reversing—among those from farmer backgrounds. These patterns are consistent with the possibility that compensation-oriented interpretations may be more salient among lower-class-origin entrepreneurs, whereas resentment-oriented interpretations may be more salient among upper-class-origin entrepreneurs. We emphasize, however, that our study identifies differential associations rather than directly measuring these underlying psychological processes, and alternative interpretations remain possible.

It is also important to clarify the empirical nature of status inconsistency in our setting. While our theoretical framework conceptualizes status inconsistency as a general construct capturing cross-dimensional discrepancy across economic, social, and political status, its empirical manifestations are not uniform. In our sample, a common pattern is that entrepreneurs report relatively higher perceived economic and social status than political status, although meaningful variation exists across different configurations of status positions. This suggests that the observed associations may be partly driven by context-specific forms of cross-dimensional status disparity, and that generalizations of our findings should be made with caution.

Contributions

This study advances our understanding of entrepreneurial philanthropy by incorporating insights from status inconsistency and social class. Entrepreneurs' involvement in philanthropy has garnered increasing attention in our field (e.g., Clayton et al., 2021; Hans & Vissa, 2023; Mathias et al., 2017), reflecting a growing interest in expanding the intersection between entrepreneurship

and society (Weiss et al., 2023). While scholars have extensively explored how executives' and entrepreneurs' characteristics—such as personalities, values, and ideologies—shape their prosocial behaviors (Chin et al., 2013; Hafenbrädl & Waeger, 2017; Hemingway & Maclagan, 2004), the role of status, particularly status inconsistency, has remained largely unexplored (Han & Pollock, 2021). This study fills this gap by examining how status relates to entrepreneurs' philanthropic contributions and revealing the role of status inconsistency beyond the individual status dimensions. Our findings suggest that status should receive more attention in future research, with a particular emphasis on the tensions and inconsistencies across different status orderings. Future research could further explore how individuals' psychological identification with their status—whether they perceive it as legitimate or reflective of their societal worth—may moderate responses to status gaps, providing deeper insights into when status inconsistency triggers compensatory versus resentful behaviors[1].

Our research also contributes to understanding status inconsistency by articulating two contrasting theoretical interpretations—compensation and resentment—and examining their empirical plausibility in the entrepreneurial context. While prior management studies on status inconsistency have primarily focused on the compensation mechanism, where individuals or organizations are motivated by status inconsistency to compensate for lagging status (Han & Pollock, 2021; Jensen & Wang, 2018; Wang & Jensen, 2019), we extend this line of research by highlighting the potentially contrasting role of resentment derived from relative deprivation. Our theoretical framework introduces two competing hypotheses, considering both mechanisms simultaneously. We propose that the association between status inconsistency and philanthropic

[1] We thank one of the reviewers for highlighting this valuable direction for future research. Status or class identification has a rich tradition in social stratification research, and insights from this stream of work can further illuminate the complexities and dynamics of status and status inconsistency.

engagement differs systematically across class origins, potentially reflecting differential interpretations of cross-dimensional status discrepancies. Future research employing experimental or longitudinal designs could more directly examine how compensation and resentment processes unfold across different contextual contingencies or over time.

Although prior research has recognized the importance of an entrepreneur's social class (Anderson & Miller, 2003), it has largely focused on how social class shapes resource allocation and acquisition (Ge et al., 2022). However, recent studies on individual social class within organizations (Martin et al., 2016; Martin & Côté, 2018) and the psychology of social class (Kraus et al., 2012; Kraus & Stephens, 2012; Manstead, 2018) have highlighted how social class can shape cognitive, emotional, and behavioral tendencies. Our study contributes to this emerging literature by examining how entrepreneurs' social class origins, which are associated with distinct social cognitive tendencies, relate to their responses to status inconsistency and their engagement in philanthropy. Moreover, while much of the existing research has emphasized the disadvantages associated with lower social class backgrounds (Anderson & Miller, 2003; Lim et al., 2016; Rona-Tas, 1994), our study suggests that entrepreneurs from lower-class backgrounds may be less likely to exhibit negative responses in the face of adversity. Instead, they are often socialized to actively adapt to and manage challenging situations (Brändle et al., 2025).

With the growing neoliberal trend of reducing the state's role in social welfare provision and the increasing prominence of CSR discourse, entrepreneurs and corporations have become more engaged in philanthropic activities (Barman, 2017; Guler et al., 2002; Lim & Tsutsui, 2012; Mun & Jung, 2018; Rasche, 2012). In business and management literature, strategic philanthropy has garnered attention, highlighting the financial benefits of philanthropy as a means of "doing well by doing good" (Liket & Maas, 2016; Porter & Kramer, 2006). However, our study diverges from this line of research by focusing on socioemotional motives tied to status, social contexts, and

mobility dynamics that either encourage or hinder an entrepreneur's philanthropic contributions. While much of the prior research has centered on financial motives, our study aligns with recent work on the nonfinancial motives of philanthropy (Ji et al., 2021) and offers a novel perspective on how status inconsistency is associated with entrepreneurs' philanthropic decisions, situating entrepreneurial giving within broader systems of social stratification and mobility.

Policy Implications

Our study has important implications for policymakers interested in fostering constructive engagement between entrepreneurs and society. Beyond driving economic growth and job creation, entrepreneurs represent important contributors to philanthropy (Acs, 2013; Acs & Phillips, 2002), making it essential to understand how policy environments shape their motivations to give. Our findings suggest that although higher perceived status individually is associated with greater philanthropic contributions, inconsistency across different status dimensions is associated with lower philanthropic engagement, particularly among entrepreneurs from more advantaged class origins. Policies that reduce structural sources of perceived status misalignment may therefore create conditions more conducive to sustained philanthropic participation.

First, policymakers may consider prioritizing substantive institutional inclusion over ad hoc or ceremonial initiatives. Durable mechanisms—such as stable channels for political participation, transparent and standardized evaluation systems that incorporate social contributions, and equitable access to influential networks—are more likely to enhance perceived legitimacy than ad hoc honors. In the Chinese context, reforms such as the 2001 decision to admit private entrepreneurs into party membership represented formal political incorporation rather than purely ceremonial acknowledgement, signaling institutionalized legitimacy and altering entrepreneurs' structural position within the political order (Dickson, 2008; Nee & Opper, 2012).

Such institutionalized arrangements, embedded in governance structures, are more credible than one-off honors or publicity campaigns in reducing perceived status gaps.

Second, our interview evidence suggests that formal institutional reforms alone may be insufficient. Entrepreneurs emphasized that everyday interactions with government officials—experiences of discrimination, biased enforcement, or dismissive treatment—profoundly shape how they perceive their social and political standing. Even well-crafted formal reforms may have limited impact if implementation at the frontline level conveys hostility or arbitrariness. Improving administrative transparency, procedural fairness, and consistent enforcement may therefore strengthen the credibility of institutional inclusion and reduce perceived status misalignment.

Taken together, these insights suggest that reducing status inconsistency requires both structural reforms and relational improvements. Policies that institutionalize credible inclusion while fostering respectful, fair, and predictable interactions may create environments in which entrepreneurs are more inclined to engage in sustained philanthropic activity, thereby amplifying the social contributions of entrepreneurship.

Limitations and Future Research

This study has limitations that open up avenues for future research. First, while we propose compensation and resentment as two theoretical interpretations associated with status inconsistency, we do not directly measure these underlying psychological processes. Future research could develop more fine-grained and validated measures of these mechanisms and examine their mediating roles through surveys or experimental designs. Such efforts would enable a more precise understanding of how status inconsistency translates into philanthropic behavior.

Second, our analyses rely on pooled cross-sectional data from multiple waves of a nationally

representative survey. Although each wave is independently representative, the absence of panel data tracking the same entrepreneurs over time limits causal inference and raises potential endogeneity concerns. In particular, reverse causality is possible: philanthropic engagement itself may enhance entrepreneurs' perceived status, thereby reducing inconsistency. Although our supplementary interview evidence is broadly consistent with the proposed direction, it cannot definitively establish causality. Stronger identification would require longitudinal panel data capturing changes in status perceptions and philanthropic behavior, or experimental and quasi-experimental designs that better isolate directional effects. Building large-scale panel datasets of entrepreneurs is challenging but would substantially advance research on the dynamic interplay among status, status inconsistency, and philanthropy.

Third, while we advance a general theoretical framework, our empirical evidence is drawn from private entrepreneurs in China. The sources, salience, and consequences of status inconsistency may differ across institutional and cultural contexts. Future research should therefore examine our framework across countries to identify its boundary conditions and enhance its generalizability. Moreover, consistent with prior research treating status inconsistency as an overarching construct (Baer et al., 1976; Lenski, 1954; Wang & Jensen, 2019), we conceptualized it as overall dispersion across status dimensions and thus do not distinguish among specific types of inconsistency. At the same time, we recognize that such dispersion may reflect heterogeneous configurations of status positions rather than a uniform pattern. In our empirical setting, a common configuration involves relatively higher perceived economic and social status compared to political status, although meaningful variation exists across different combinations of status dimensions. This suggests that status inconsistency may capture multiple forms of cross-dimensional misalignment, with discrepancies involving political status potentially playing a particularly salient role in our context. Accordingly, different combinations

of economic, social, and political status disparities may generate heterogeneous effects on entrepreneurial behaviors, depending on political systems, market structures, or mobility regimes. Future research should therefore systematically unpack different types of status inconsistency and compare their effects across institutional environments. A more fine-grained and comparative approach would clarify how particular configurations of status interact with contextual conditions to shape entrepreneurial behavior and outcomes, offering a more nuanced test and extension of the mechanisms we theorize.

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Table 1. Descriptive Statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Philanthropic contributions (log)	1.32	1.40																		
2. Status inconsistency	0.81	0.78	-0.03																	
3. Social status	5.51	1.87	0.16	0.03																
4. Economic status	5.54	1.81	0.15	0.06	0.79															
5. Political status	4.84	2.21	0.16	-0.33	0.76	0.62														
6. Cadre	0.18	0.38	0.06	-0.02	0.05	0.03	0.07													
7. Manager	0.34	0.47	0.02	-0.01	0.10	0.09	0.09	-0.33												
8. Worker	0.27	0.44	-0.04	0.02	-0.09	-0.09	-0.10	-0.28	-0.43											
9. Farmer	0.05	0.22	-0.01	0.00	-0.02	-0.01	-0.02	-0.11	-0.17	-0.14										
10. Other origins	0.16	0.37	-0.02	0.01	-0.04	-0.04	-0.06	-0.21	-0.32	-0.27	-0.10									
11. Entrepreneur gender	0.84	0.37	0.06	0.00	0.07	0.08	0.08	0.04	0.04	-0.06	0.01	-0.03								
12. Entrepreneur age (log)	3.77	0.20	0.07	-0.06	0.13	0.12	0.18	0.13	0.09	-0.11	0.03	-0.12	0.10							
13. Entrepreneur education	3.86	1.11	0.09	-0.03	0.09	0.09	0.09	0.11	0.14	-0.07	-0.20	-0.09	-0.01	-0.14						
14. Party membership	0.35	0.48	0.09	-0.07	0.13	0.11	0.21	0.20	0.11	-0.16	-0.05	-0.13	0.12	0.22	0.12					
15. Firm age (log)	1.68	0.55	0.12	-0.03	0.17	0.17	0.19	0.03	0.06	-0.06	0.00	-0.04	0.06	0.26	0.05	0.13				
16. Firm size (log)	3.69	1.56	0.31	-0.03	0.33	0.35	0.33	0.07	0.14	-0.12	-0.04	-0.09	0.15	0.21	0.18	0.22	0.33			
17. Firm performance (log)	6.27	2.44	0.28	-0.03	0.32	0.36	0.32	0.05	0.14	-0.11	-0.03	-0.08	0.14	0.20	0.19	0.21	0.36	0.71		
18. Regional institutional environment	7.83	1.71	-0.01	-0.05	0.03	0.05	0.03	-0.06	0.07	-0.03	0.01	0.00	0.02	0.04	0.04	0.01	0.15	0.10	0.20	
19. Regional economic development	10.34	0.76	-0.06	-0.02	-0.10	-0.08	-0.11	-0.06	0.09	-0.05	-0.03	0.03	-0.04	-0.03	0.12	-0.05	0.08	-0.07	0.05	0.55

Notes: N = 14,278; Correlations larger than |.02| are statistically significant at $p < 0.05$ level.

Table 2. Results of OLS Regression Models Predicting Philanthropic Contributions

Variables	Model 1	Model 2	Model 3	Model 4
Entrepreneur gender	-0.00	-0.00	0.00	0.00
	(0.03)	(0.03)	(0.03)	(0.03)
Entrepreneur age	-0.00	-0.02	-0.02	-0.02
	(0.06)	(0.06)	(0.06)	(0.06)
Entrepreneur education	0.03**	0.03**	0.03**	0.03**
	(0.01)	(0.01)	(0.01)	(0.01)
Party membership	0.03	0.02	0.02	0.02
	(0.03)	(0.03)	(0.03)	(0.03)
Firm age	0.04†	0.03	0.03	0.03
	(0.02)	(0.02)	(0.02)	(0.02)
Firm size	0.17***	0.16***	0.16***	0.17***
	(0.01)	(0.01)	(0.01)	(0.01)
Firm performance	0.08***	0.08***	0.08***	0.08***
	(0.01)	(0.01)	(0.01)	(0.01)
Regional institutional environment	0.03	0.03	0.03	0.03
	(0.03)	(0.03)	(0.03)	(0.03)
Regional economic development	0.39***	0.39***	0.39***	0.39***
	(0.10)	(0.10)	(0.10)	(0.10)
Social class origins (ref. Farmer)				
Cadre	0.03	0.02	0.02	0.15*
	(0.05)	(0.05)	(0.05)	(0.08)
Manager	-0.05	-0.06	-0.06	0.08
	(0.05)	(0.05)	(0.05)	(0.07)
Worker	-0.03	-0.03	-0.03	0.06
	(0.05)	(0.05)	(0.05)	(0.07)
Other origins	0.02	0.02	0.02	0.13†
	(0.05)	(0.05)	(0.05)	(0.08)
Social status		0.02†	0.03*	0.03*
		(0.01)	(0.01)	(0.01)
Economic status		-0.01	-0.01	-0.01
		(0.01)	(0.01)	(0.01)
Political status		0.02*	0.01	0.01
		(0.01)	(0.01)	(0.01)
Status inconsistency			-0.04*	0.10†
			(0.02)	(0.06)
Cadre × Status inconsistency				-0.16*
				(0.07)
Manager × Status inconsistency				-0.17**
				(0.06)
Worker × Status inconsistency				-0.12†
				(0.06)
Other origins × Status inconsistency				-0.13*
				(0.06)
Constant	-2.95**	-2.99**	-2.96**	-3.04**
	(1.01)	(1.01)	(1.01)	(1.01)
Year dummies	Y	Y	Y	Y
Industry dummies	Y	Y	Y	Y
City dummies	Y	Y	Y	Y
F	14.79	14.35	14.19	13.99
R^2	0.1874	0.1889	0.1892	0.1897

Notes: N = 14,278; robust standard errors in parentheses. † p < 0.10; * p < 0.05; ** p < 0.01; *** p < 0.001.

Figure 1. The Moderating Effect of Entrepreneurs' Social Class Origins on Philanthropic Contributions

