DOCTORAATSPROEFSCHRIFT

Board leadership revisited: Essays on shared leadership within the boardroom

Proefschrift voorgelegd tot het behalen van de graad van doctor in de toegepaste economische wetenschappen te verdedigen door:

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ACKNOWLEDGEMENTS

About 4 and a half years ago I was invited to a lunch meeting aimed at enthusing a number of last year master students to step into a project which entailed doing research and conducting a PhD while simultaneously working for one of the Big Four companies. Although the collaboration with this firm did not materialize in the end due to a number of reasons, it was the starting point of a new chapter in my life which has now come to completion. Looking back on the past four years, stepping through that restaurant door and following my curiosity (at that time I hardly knew what doing a PhD was all about) has resulted in a work and life experience I have thoroughly enjoyed. Below, I would like to spend a few words to thank the people that have, all in their own way, contributed to this.

First of all, I would like to thank Wim, my supervisor, for encouraging me to embark on this academic endeavour. While you always had a healthy critical attitude towards my work, I appreciate your continual support and belief in my capabilities which I have felt throughout my PhD term. As my supervisor you allowed me a lot of freedom in my work and the direction I wanted to pursue with it, which seemed to work best for me. I am also very grateful to Frank, who introduced me into the wonderful world of psychology which was, although sometimes quite challenging and confusing in the beginning, highly enriching for my work and shaped this PhD into what it is now. Many words of gratitude also go out to Yannick, as you, although from a (small) distance, have always given

it your best in discussing and commenting on my work which has undoubtedly elevated its quality. Even though it often meant extra work for me as while I had met the comments of Wim and Frank you always came up with additional ones, your thorough and to the point analyses were nonetheless always highly appreciated. In sum, I have been blessed to have such a capable, motivated, and well-functioning team of supervisors.

In the final stage of my PhD term, I was privileged to have Ghislain Houben, Tharsi Taillieu, Jonas Gabrielsson and Morten Huse as my doctoral jury members. I very much appreciate the time and effort you have put into offering the insightful comments and suggestions which have helped me finalize this dissertation. Special thanks are in place for Morten, not only for being such a pioneer in our field and thereby indirectly creating the opportunity for me to conduct this genuinely interesting research, but also for involving me in the expanded scholarly network of yours. Your Norfejell workshops are unmatched in the academic world and I will always look back on them with fond memories.

Next, I want to thank many of the people I have met throughout the years at various conferences and workshops who have made those events an interesting and, even more so, enjoyable experience. Special thanks in this regard go out to Thomas Clarke for inviting me to Sydney (a truly unforgettable experience) and Gavin Nicholson for the interesting and helpful discussions we had there.

My deepest gratitude also goes out to all of the board members at Torfs and Patrick and Wouter in particular. Your willingness to cooperate in my research and your openness while doing so have allowed me to gain firsthand insight into

'the life as it is at Torfs', which I have learned a lot from both professionally and on a personal level. I would also like to thank Koen Hendrix and Frederiek De Kimpe from VKW Limburg for their help during the data collection process for the quantitative part of this dissertation as well as all board members who filled out the survey.

I now want to move on to a number of people who have had no real influence on the content of the PhD, but were no less important during the process of completing it, on the contrary. Within this category, my colleagues of course come to mind. Without exaggerating, you made me look forward to coming to work every morning. Given the at times tedious nature of the work to be performed, this was invaluable for the timely completion of this dissertation. You are a remarkable group of people, many of which I now genuinely consider to be good friends of mine, who have made the UHasselt into a place as good as any work environment can get.

I would also like to thank my closest friends and family for providing the necessary distractions throughout my PhD. Particular gratitude goes out to my mom and dad for the unconditional support you have given me in every possible way throughout my life. You have always made sure I was able to lead a worriless life and have allowed and encouraged me to pursue whatever goal or dream I had in mind. Thank you mom for pushing me to make best use of the capabilities given to me by nature, an advice which I have learnt to take to heart during the last couple of years and which has brought me where I am today. I would also like to thank my brother, Jeroen, for having faith in me and taking an interest in everything I do. I love how you have been challenging me in all sorts

of ways practically since you were able to walk (even though you are five years younger), and hope that we will continue to drive each other to the best of our abilities.

Leaving the most important person in my life for last, Annelies, I want to thank you for being you and allowing me to share my life with you. Whereas some may have made me look forward to going to work in the morning, you always made me crave to come back to what we call home even more so. I want to thank you for your loving support in everything I do and aspire to pursue. It feels wonderful to have someone by your side who is proud of what you do and who you are.

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Maarten Vandewaerde,

May 2013

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SAMENVATTING

Kadering

Corporate governance kan algemeen omschreven worden als een geheel van mechanismen en processen, ingebed in een netwerk van relaties en interacties tussen interne en externe stakeholders, waarmee beslissingsnemers binnen ondernemingen gecontroleerd en gestuurd worden met het oog op het produceren van handelingen die in het belang zijn van de onderneming en zijn stakeholders. De laatste decennia is de interesse in corporate governance, zowel binnen de academische literatuur als in de maatschappij in het algemeen, sterk toegenomen. Enkele grootschalige bedrijfsschandalen (bv. Enron, WorldCom, Lernout & Hauspie) en de huidige financiële en aansluitende economische crisis hebben het belang van 'deugdelijk bestuur' recentelijk erg nadrukkelijk op de voorgrond gebracht. Als één van de belangrijkste interne governance mechanismen ter beschikking van een onderneming krijgt de Raad van Bestuur in dit debat vaak een vooraanstaande rol toebedeeld.

Ondanks het erkende belang van de Raad van Bestuur als kritieke schakel in een doeltreffend corporate governance systeem en een hieraan gerelateerde stroom aan wetenschappelijk onderzoek, blijft de kennis rond hoe een Raad van Bestuur (effectief) functioneert erg beperkt. Een groeiend aantal onderzoekers oppert dat dit te wijten is aan bepaalde methodologische en theoretische dominante strekkingen binnen de literatuur rond het bestuursorgaan. Vanuit een

theoretisch standpunt heeft de dominantie van de agency theorie in onderzoek naar corporate governance geleid tot een sterke focus op de controletaken van de Raad van Bestuur waardoor men vaak voorbij ging aan een aantal andere belangrijke taken die het bestuursorgaan kan invullen (denk hierbij bijvoorbeeld aan het verlenen van advies, netwerken, strategische richting aan de onderneming geven). Op het vlak van methodologie wordt onderzoek naar de Raad van Bestuur traditioneel gekenmerkt door een input-output aanpak waarbij een aantal eenvoudig te meten, overwegend structurele, indicatoren (bv. grootte, aantal onafhankelijke bestuurders, CEO dualiteit) rechtstreeks worden gekoppeld aan de prestaties van de Raad van Bestuur en het bedrijf en er sterke inferenties worden gemaakt over de achterliggende processen hieraan verbonden. Bovengenoemde werkwijzen hebben echter geleid tot weinig overtuigende en inconsistente empirische resultaten. Een groeiend aantal onderzoekers is er dan ook van overtuigd dat deze relaties niet van een rechtstreekse aard zijn maar eerder indirect plaatsvinden en duiden daarbij op het belang van processen, gedragingen en menselijke interactie in het bepalen van wat een bestuursorgaan effectief maakt.

Met dit doctoraatsproject wensen we bij te dragen aan een groeiende stroom van onderzoek naar de interne werking van de Raad van Bestuur door de menselijke kant van corporate governance (en niet enkel de structuren) onder de loep te nemen. We tonen in dit proefschrift aan dat de Raad van Bestuur vanuit een teamperspectief kan geanalyseerd worden en nemen dit als uitgangspunt in het empirisch onderzoek. We focussen hierbij specifiek op leiderschap aangezien vanuit de teamliteratuur naar voren komt dat dit een cruciale determinant is van het succes of falen van teams. Meerbepaald is het

doctoraatsonderzoek toegespitst op een relatief nieuwe en veelbelovende vorm van teamleiderschap die voorbij gaat aan het traditionele individu en erg relevant is in de context van de Raad van Bestuur: gedeeld leiderschap. Gedeeld leiderschap kan omschreven worden als een dynamisch, interactief beïnvloedingsproces onder teamleden waarbij men elkaar leidt met het oog op het bereiken van de doelen van het team en de organisatie en waarbij deze beïnvloeding niet enkel vanuit de formele leider ontspringt maar (ook) vanuit de verschillende teamleden. In de Raad van Bestuur vertaalt zich dit in een teamwerking waarbij niet enkel de voorzitter van het bestuursorgaan maar ook de andere bestuurders, in functie van hun expertise en kwaliteiten, in een gedeeld proces het leiderschap van de Raad van Bestuur op zich nemen. De algemene onderzoeksdoelstelling van dit doctoraat is om na te gaan hoe deze vorm van leiderschap zich uit binnen de Raad van Bestuur en welke invloed dit heeft op de prestaties van het bestuursorgaan.

Fase 1: Theoretisch raamwerk

Om deze overkoepelende onderzoeksvraag te beantwoorden is er in de eerste fase van het doctoraat een crossdisciplinaire literatuurstudie uitgevoerd waarbij elementen uit verschillende disciplines en interessevelden (bv. leiderschap, groepsdynamica, de Raad van Bestuur, TMT's) werden samengebracht om vanuit bestaande literatuur te komen tot een basisbegrip en conceptualisatie van hoe gedeeld leiderschap zich binnen een Raad van Bestuur manifesteert. Op basis hiervan werd een globaal theoretisch raamwerk ontwikkeld waarin verwachtte determinanten, moderators en gevolgen van collectief leiderschap onder bestuurders geïdentificeerd werden. In dit conceptueel kader werd een

voldoende heterogeniteit op het vlak van menselijk kapitaal als de basisvoorwaarde voor het ontwikkelen van gedeeld leiderschap vooropgesteld aangezien een bepaalde diversiteit aan expertise en vaardigheden binnen de Raad van Bestuur noodzakelijk is opdat verschillende bestuurders in verschillende omstandigheden in functie van hun capaciteiten leiderschap zouden opnemen. Verder werd uit bestaande literatuur gedestilleerd dat de mate waarin dit daadwerkelijk zal plaatsvinden enerzijds afhankelijk is van het gedrag en de acties van de formele leider (de voorzitter) en anderzijds van een aantal individuele- en teamomstandigheden kenmerkend voor de kwaliteit van de interne dynamieken binnen de Raad van Bestuur (bv. vertrouwen, cohesie, psychologische veiligheid). De kernpropositie van het theoretisch raamwerk en bij uitbreiding van dit doctoraat is echter dat collectief leiderschap onder bestuurders (weliswaar gemodereerd door de complexiteit en interdependentie van de uit te voeren taken), leidt tot verhoogde taakprestaties van het bestuursorgaan, zowel op het vlak van controle als dienstverlening. Daarnaast wordt gesteld dat gedeeld leiderschap een impact zal hebben op eerdergenoemde individuele- en teamomstandigheden, waardoor een soort feedback loop ontstaat.

Fase 2: Kwalitatief onderzoek

Hoewel een aantal antecedenten en gevolgen van gedeeld leiderschap in de recente, relatief beperkte literatuur rond het onderwerp zijn geïdentificeerd is er betrekkelijk weinig geweten over de onderliggende dynamieken en mechanismen die hiermee geassocieerd zijn. In een tweede fase van het doctoraatsonderzoek gaan we dan ook voorbij aan deze ruwe beschrijvingen

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kenmerkend voor het tot nu toe overwegend kwantitatief en conceptueel werk in dit domein, om zodoende een beter inzicht te verkrijgen in de micro-interacties en processen gerelateerd aan hoe gedeeld leiderschap gezamenlijk in de praktijk wordt gebracht binnen de Raad van Bestuur. Om een groter academisch begrip van deze zaken te ontwikkelen hebben we in dit onderzoek geopteerd voor een diepgaande gevalstudie omdat een dergelijke werkwijze geschikt is om te komen tot de gezochte rijkheid in detail benodigd voor een dieper inzicht in het leiderschapsfenomeen en de subtiele en complexe dynamieken die eraan verbonden zijn. Omwille van de gekende aanwezigheid van het fenomeen vanuit eerdere contacten met de onderneming, de grote mate van openheid en verleende toegang en de uniekheid van de case, werd het bestuursorgaan van Schoenen Torfs als onderzoeksobject gekozen. Interviews met individuele bestuurders, observaties tijdens de bestuursvergaderingen en een vragenlijst afgenomen bij de bestuurders vormden de methodes van dataverzameling die, na een kwalitatieve analyse, leidden tot vernieuwende inzichten die zowel voor de literatuur rond gedeeld leiderschap als die van leiderschap in de Raad van Bestuur een bijdrage betekenen.

Ten eerste toonde het onderzoek aan dat hoewel gedeeld leiderschap gewoonlijk als positief voor het functioneren van het team en haar prestaties wordt beschouwd, hetgeen in de gevalstudie in het algemeen ook naar voren komt, er niettemin een potentiële donkere kant aan verbonden is. De analyse van de gevalstudie legde bloot dat gedeeld leiderschap, net omdat het inhoudt dat individuen leiderschap opnemen op basis van hun specifieke expertise en vaardigheden, er kan toe leiden dat subgroepen ontstaan binnen teams waarin latente informatiegebaseerde scheidingslijnen (bv. op basis van educatieve of

functionele achtergrond) tussen individuen bestaan. Dit fenomeen kan de gedocumenteerde voordelen van collectief leiderschap in teams ondermijnen aangezien onderzoek naar deze zogenaamde faultlines heeft aangetoond dat het ontstaan van subgroepen binnen teams een reeks aan negatieve processen zoals verminderde communicatie, toenemende conflicten en slechtere relaties tussen teamleden teweegbrengt. Daarnaast ontdekten we dat hoewel gedeeld leiderschap als een vloeiend en dynamisch beïnvloedingsproces gezien wordt, leiderschapsstructuren en –formaliteiten (bv. comités binnen de Raad van Bestuur) een belangrijke rol blijven spelen aangezien het bepaalde personen structureel voorbestemd maakt tot het opnemen van leiderschap in bepaalde domeinen. Bovendien kwam uit de kwalitatieve studie naar voren dat het huidige begrip van gedeeld leiderschap als iets dat uniform plaatsvindt onder teamleden, de complexiteit van het fenomeen geen recht aan doet. Het bleek namelijk dat het niet enkel van belang is of en in welke mate leiderschap gedeeld wordt onder teamleden, maar dat aspecten zoals het patroon van de leiderschapsverdeling en de relatieve sterkte van de individuele beïnvloeding mee dienen worden opgenomen in ons begrip van collectief leiderschap in teams. Een laatste belangrijke bevinding van het onderzoek, ten slotte, is dat hoewel de rol van de formele leider in het bekomen en managen van gedeeld leiderschap in de literatuur als erg belangrijk naar voren wordt geschoven, onze bevindingen aantonen dat afhankelijk van de relaties tussen teamleden en de resulterende interne dynamieken, dergelijke actieve interventie vanuit de formele leider niet zo essentieel is voor het welslagen van gedeeld leiderschap als wordt vooropgesteld.

Fase 3: Kwantitatief onderzoek

In een derde en laatste fase van het doctoraat werd getracht om relaties geïdentificeerd tijdens het literatuuronderzoek en de constructie van het conceptueel kader empirisch te bekrachtigen. Aangezien bestaande schalen voor het meten van gedeeld leiderschap vanwege zowel inhoudelijke als praktische redenen niet geschikt werden bevonden voor de context van de Raad van Bestuur, werd besloten om zelf een schaal te ontwikkelen om het construct te meten. Hiervoor baseerden we ons op de functionele leiderschapstheorie, hetgeen een dominante strekking is binnen de literatuur rond leiderschap in teams, waarin gesteld wordt dat leiderschap gelijk staat aan het verzekeren van de volbrenging van kritieke teamfuncties m.b.t. zowel de taak als het interne functioneren van het team. Aangezien men binnen de functionele leiderschapstheorie de mogelijkheid open laat dat iedereen binnen het team, niet enkel de formele leider, deze leiderschapsfuncties kan vervullen, is dit perspectief op leiderschap erg compatibel met het concept gedeeld leiderschap. Vertrekkende vanuit deze theorie werd vervolgens zowel via een deductieve (o.b.v. een literatuuronderzoek) als een inductieve methode (o.b.v. interviews met bestuurders Torfs) een omvattende lijst van items opgemaakt die gedeelde functionele leiderschapsgedragingen in teams meten. Dit ruwe instrument werd vervolgens in een exploratieve fase zowel kwalitatief (verwijdering en aanpassing van items na grondige analyse door het onderzoeksteam en onderzoekers niet betrokken bij de studie) als kwantitatief (exploratieve factor analyse o.b.v. een studentensteekproef) geraffineerd. Ook de laatste fase in het uitgebreide ontwikkel- en testproces van deze nieuwe schaal, een confirmatieve analyse, bevestigde de geschiktheid van het instrument (o.a. betrouwbaarheid,

validiteit) waarna het werd ingezet in het kwantitatieve onderzoek naar gedeeld leiderschap binnen de Raad van Bestuur.

Voor het kwantitatieve onderzoek werd een vragenlijst opgesteld die, naast de nieuwe schaal voor gedeeld leiderschap, peilde naar een aantal constructen die verband houden met de werking van de Raad van Bestuur. Vanwege de gekende moeilijkheid om dergelijke informatie over bestuursorganen te vergaren, werd de dataverzameling voor dit onderzoek uitgevoerd in samenwerking met VKW Limburg. Dit geresulteerde in een unieke database van 36 bestuursorganen waarvoor de antwoorden van meerdere bestuurders verzameld werden zodat de teamprocessen ook effectief op het niveau van het collectief gemeten konden worden. Het onderzoeksmodel in dit laatste hoofdstuk heeft als kernhypothese dat gedeeld leiderschap binnen de Raad van bestuur zal leiden tot betere prestaties van het bestuursorgaan. Onze resultaten ondersteunen deze hypothese gedeeltelijk. We vinden namelijk een positief en significant verband tussen de taakgerichte dimensie van gedeeld leiderschap en de prestatie van het bestuursorgaan op het vlak van service. Voor gedeeld leiderschap dat er op gericht is om de Raad van Bestuur als een groep goed te laten functioneren (team maintenance) wordt een dergelijk rechtstreeks verband niet gevonden. Verder vinden we ook geen verband tussen gedeeld leiderschap en de prestaties van de Raad van Bestuur op het vlak van controle.

In een andere hypothese stellen we dat wanneer bestuurders een goed inzicht hebben in elkaars kennis en vaardigheden, het bestuursorgaan beter zal presteren aangezien men beter in staat is om elkaars gedifferentieerde expertise en vaardigheden te coördineren en te integreren. Betreffende de servicetaak

vinden we een positief en significant verband en wordt deze hypothese dus ondersteund. Voor de controletaak van de Raad van Bestuur vinden we een dergelijk verband echter niet.

In een laatste hypothese stellen we dat wanneer bestuurders een goed inzicht hebben in elkaars vaardigheden dit zal leiden tot een hogere mate van gedeeld leiderschap onder bestuurders omdat het hen in staat stelt leiderschap op te nemen in functie van wie het meest geschikt is gegeven de leiderschapsnoden van de specifieke situatie, hetgeen een zeer effectieve manier is om pluraliteit en expertise binnen de Raad van Bestuur te kanaliseren en te benutten. Gedeeld leiderschap functioneert dus als een mediërend mechanisme waarbij een inzicht van bestuurders in elkaars vaardigheden leidt tot betere taakprestaties van de Raad van bestuur aangezien het een integrerende en coördinerende functie van de expertise binnen het bestuursorgaan vervult. Deze hypothese wordt gedeeltelijk bevestigd door onze data. Meer specifiek vinden we dat (taakgericht) gedeeld leiderschap de relatie tussen inzicht in kennis en vaardigheden van de bestuurders en de prestatie van de Raad van Bestuur volledig medieert voor de servicetaak. Voor de controletaak wordt een dergelijk verband niet gevonden.

1. INTRODUCTION

1.1 INTRODUCTION

In recent years the interest in corporate governance has gained momentum among scholars as well as practitioners and governments. Within this larger field, major emphasis has been on boards of directors as they are one of the primary internal governance mechanisms available to a firm (Daily et al., 2003; Fama and Jensen, 1983). In this dissertation, we focus on the inner workings of the board, an under-researched, yet pivotal, aspect of this governance mechanism. Specifically, we aim to enhance the understanding of board leadership and how it is enacted among board members by focusing on a novel leadership conceptualization which is highly relevant within the board context: shared leadership.

This introductory chapter serves a threefold purpose. First, it clarifies the main concepts used in this dissertation (i.e., corporate governance, teams, and leadership) and how they relate to the core topic of this thesis (i.e., the board of directors). Second it highlights the importance of studying these interrelated matters and identifies gaps in the current academic literature on boards associated with them. Finally, this chapter outlines resultant research questions and serves to provide insight into the structure of the remainder of this dissertation.

1.2 BOARD OF DIRECTORS AND 'GOOD GOVERNANCE'

The interest in corporate governance has boomed in the last few decades. Fuelled by large-scale corporate scandals (e.g., Enron, WorldCom), 'good governance' has gained an important place on the political and business agenda in recent times. This has been translated in the proliferation of new regulations and codes of corporate governance worldwide as well as intensified shareholder pressure, especially by large institutional investors, for firms to adhere to principles of good corporate governance. Paralleling these developments in the business world, the study of corporate governance has blossomed within academia. Studies into, as well as definitions of, corporate governance abound (see for instance Huse, 2007; Shleifer and Vishny, 1997; Van den Heuvel, 2006). While the focus and content of these definitions vary depending on the particular perspective adopted (Huse, 2007), they hold a series of fundamental features in common. That is, corporate governance can be broadly defined as a) a system of mechanisms and processes, b) embedded within a set of relationships and interactions between internal and external stakeholders, c) by which corporate decision-makers are controlled and directed, d) with the aim of producing actions which are in the best interests of the firm and its stakeholders (Cadbury, 1992; Daily et al., 2003; Demb and Neubauer, 1992; Huse, 2005; Monks and Minow, 1995).

While a series of governance mechanisms functioning within a broader governance system have been identified (e.g., market for corporate control, market for managers, control by large incumbent shareholders, managerial compensation, legal system), this dissertation focuses on the board of directors,

which serves as one of the prime internal governance instruments available to a firm (Cuervo, 2002; Denis and McConnell, 2003; Fama and Jensen, 1983). From a legal point of view, the board of directors is a collegial body operating at the apex of the firm which, typically elected by the firm's shareholders (in some countries and some legal forms they may be elected by other stakeholders), possesses the ultimate decision-making authority within the firm and is responsible for its governing. Legislations worldwide generally stipulate that the corporation's business and affairs "shall be managed by or under the direction of a board of directors" (Bainbridge, 2002, p. 4). In practice, this de facto translates into day-to-day operations and strategic implementation being bestowed upon a different (although sometimes overlapping) set of individuals responsible for the management of the firm.

As the table below shows, the role of boards of directors within their firms has been addressed from multiple theoretical perspectives.

Table 1: Main theories related to the role of boards of directors

Theory	Basic premise	Board role
Agency	Separation of ownership and control induces agency costs as agents (managers) are opportunistic and self-serving and have interests which diverge from those of the principals (shareholders)	Control
Stewardship	Managers are trustworthy and responsible stewards that are motivated to perform in the firm's best interest	Strategic/Advisory
Stakeholder	Organizations involve many groups and individuals (not only shareholders) who can affect, or are affected by, the achievement of a corporation's purpose	Coordinating
Resource dependence	Organizational survival and success depend on access to valuable resources, which often originate from a firm's environment (external dependency)	Securing resources / Linking

Managerial hegemony	Corporations are run and dominated by professional managers	Rubber stamp

The actual tasks (embedded within these roles) performed by the board identified in prior literature, although many different categorization exist (e.g., Hillman and Dalziel, 2003; Johnson et al., 1996; Huse, 2005), are generally acknowledged to be twofold and entail both task and service related aspects (in the most common one-tier system; in two-tier systems these different subsets of tasks are the responsibility of two separate governing bodies).

The board's control tasks, emanating from the dominance of agency theory in governance research, have been documented extensively in past board studies (Daily et al., 2003). In line with this theory, the board is considered to be an imperative instrument in minimizing the agency costs which arise due to the separation of ownership and control in many corporations (Fama and Jensen, 1983). Consequently, the fundamental purpose of the board of directors in this perspective is to limit the discretion of managers, who are supposed to be opportunistic and self-interested, by monitoring their actions and decisions in order to maximize shareholders' wealth (Fama and Jensen, 1983; Zahra and Pearce, 1989). In addition, managers also suffer from the limitations of bounded rationality, resulting in what is labelled as 'honest incompetence' (Hendry, 2002; 2005). Thus, even though their behaviour may be well aligned with shareholders' interests, they may still take suboptimal decisions due to cognitive constraints. Hence, board control concerns both curtailing managerial opportunism and challenging managers' actions and strategic views in order to minimize the risk of misjudgements (Bammens, 2008; Sundaramurthy and Lewis, 2003; Westphal and Stern, 2007). Specific board activities within this

subset of tasks include hiring and firing the CEO and top management, determining management compensation, scrutinizing firm financial performance, assessing strategy implementation (e.g., resource allocation), etc. (Hillman and Dalziel, 2003; Huse, 2007).

While recognizing that control constitutes an important part of the board's work repertoire, many researchers stress that they have other important tasks to fulfil in firms (e.g., Bammens et al., 2008; Van den Heuvel et al., 2006; Zahra and Pearce, 1989). In doing so, they move beyond agency theory and draw upon multiple theories such as, among others, stewardship theory, stakeholder theory, and resource dependence theory (Hung, 1998). Stewardship theory for instance posits, as opposed to agency theory, that managers do not operate as self-serving agents but aim to perform their jobs in the best interest of the shareholder (Davis et al., 1997). This reduces the need for board control and creates the opportunity for the board to become more widely involved in the corporation by functioning as an advisory body which shares their knowledge and experience with top management (Huse, 1998). Second, stakeholder theory and resource dependence theory (which respectively translate into the board being seen as a coordinator of diverse stakeholder interests and as a boundary spanner with the environment which secures valuable resources for the firm) provide the rationale for a set of related activities such as networking, legitimizing, and lobbying in the firm's interest (Huse, 2005).

In performing these sets of tasks, boards can make a profound contribution to firm performance by means of a series of mechanisms such as the reduction of agency costs, the diminishment of firm uncertainty, the reduction of dependency

on external contingencies, and the lowering of transaction costs (Hillman and Dalziel, 2003; Pfeffer and Salancik, 1978). Boards contribute to value creation for the firm and its stakeholders in several ways, which includes but is not limited to effective corporate governance (in particular its agency theory inspired narrow conceptualisation of controlling corporate actors). Huse (2007), for instance, distinguishes four types of value creation based on internal/external and economic/social value creation dimensions. Adopting an external economic perspective, firm financial performance is the firm-level outcome most often associated with boards and their functioning. However, boards also create internal economic value as several studies have shown that as boards fulfil their different tasks they may impact matters such as a firm's internationalization strategy, innovation, and entrepreneurial posture (e.g., Zahra et al., 2000). In addition, boards have been linked to social value creation from both an internal (e.g., employee well-being, workplace safety and ethics) as well as an external (e.g., corporate social responsibility, environmental sustainability) perspective (Huse, 2007).

However, empirical studies investigating the board-value creation relationship have produced results that are often weak or inconsistent. Indeed, despite the increased academic focus on corporate boards, there is still hardly any conclusive evidence on what determines a board's effectiveness and how this in turn is related to firm performance. In this light, a growing number of researchers currently acknowledges that an overreliance on particular established methodological (i.e., input-output studies) and theoretical (i.e., agency theory) research fortresses may be at the basis of this lack of empirical evidence (Daily et al., 2003; Gabrielsson and Huse, 2004). On the theoretical

side, the dominance of agency theory in governance research has led to an overemphasis on the board's control tasks at the expense of more service related aspects of the board's work (cf. supra). In addition, it has resulted in research which has focused on finding optimal incentive and monitoring structures by investigating the performance effects of a series of board structures such as CEO duality, board composition, and board independence (van Ees et al., 2009). Related to the latter, from a methodological point of view, most prior studies have adopted a "black box" approach to board research by examining direct relationships between relatively easily measureable input and output variables, while making strong inferences about the underlying intervening processes. However, as Forbes and Milliken (1999, p. 490) put forward, these relationships "may not be simple and direct, as many past studies presume, but, rather, complex and indirect". In response, several board scholars have made calls for research which addresses past board studies' limitations and focuses on actual board processes and behaviour as a means of overcoming them (van Ees et al., 2009; Finkelstein and Mooney, 2003; Hambrick et al., 2008). This has resulted in a growing stream of studies which have produced insightful theoretical models of board functioning (e.g., Forbes and Milliken, 1999; Huse, 2005) as well as promising empirical results demonstrating the importance of unravelling the board's internal dynamics and working processes (e.g., Brundin and Nordqvist, 2008; Minichilli et al., 2012; Zona and Zattoni, 2007). Given the board is made up of a number of interacting individuals, these studies generally, although often implicitly, draw upon group and team academic literature for theoretical substantiation. In this dissertation, however, we explicitly encourage, advocate for, and adopt such a team perspective on boards as a means of enhancing academic understanding of its

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functioning. The next section of this chapter therefore elaborates upon the literature on teams and clarifies its relevance for the study of boards.

1.3 THE BOARD OF DIRECTORS AS A TEAM[*]

Teams of people working together towards the achievement of a common goal have been a centrepiece of human social organization throughout history (Kozlowski and Ilgen, 2006). Yet, the understanding of work in large organizations that has developed with the emergence of the latter is largely centred around individual jobs in functionalized structures (Kozlowski and Ilgen, 2006). However, a variety of forces such as increasing global competition, consolidation, and innovation are driving an ongoing shift from individually-oriented jobs to team-based work structures (Kozlowski and Bell, 2003). That is, these pressures result in work requiring diverse skills, expertise, and experience and necessitating more rapid, flexible, and adaptive responses. As teams enable these characteristics, they have blossomed in the past few decades (Kozlowski and Bell, 2003).

Following the increased use of teams in organizational settings, studies investigating teams and their functioning have proliferated in organizational research as well recently (Mathieu et al., 2008). In general, such studies emphasize the positive contributions of teamwork to organizational success

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[*] This section is adapted from Vandewaerde, M., Voordeckers, W., Lambrechts, F. & Bammens, Y. 2011. The board of directors as a team: getting inside the black box. *Proceedings of the 7th European Conference on Management, Leadership, and Governance*, Sophia-Antipolis, 6-7 October, pp. 435-442, Reading: Academic Publishing Limited

(Cohen and Bailey, 1997). Whereas such beneficial effects may be distinguished at lower organizational levels in a more indirect fashion, the effectiveness of teams at the apex of the organization and firm performance are likely to be more directly and prominently aligned (Mathieu et al., 2008). Hambrick and Mason's (1984) seminal upper echelons perspective on organizations is in harmony with this line of thought and recognizes that the top management *team*, and not solely the chief executive officer, has a major impact on a firm's actions, strategic direction, and financial results. Currently, the term top management team is widely adopted among academics and practitioners to describe the small group of most influential executives at the top of the organization (Finkelstein et al., 2009). This leaves one to wonder why the use of the concept team is rarely encountered in descriptions of that other influential collection of individuals at the apex of the organization: the board of directors. In fact, many scholars, regrettably, discard the notion of boards of directors functioning as teams altogether. The lack of social interaction between members of the board due to the fact that meetings are held only episodically and generally have a crammed agenda is often offered as a prime reasoning behind this rationale (Forbes and Milliken, 1999). Second, some scholars claim a board's size, especially in big listed firms, is usually too large to allow for this bundle of individuals to convert into a team (Forbes and Milliken, 1999). Furthermore, the fact that board members usually occupy high-rank positions in other firms, which makes that residing on the board is only a secondary activity for them, is argued to make the emergence of a team identity more troublesome, thereby hindering team development as well. Finally, such detrimental effects are claimed to be even aggravated by the strong personality

of those high-ranked individuals, who have usually attained such positions by relying on power and coercion, not teamwork (Katzenbach, 1997).

However, two major remarks with respect to such claims are warranted. First, these issues may actually not be as salient in the boardroom as is proposed. For instance, directors interact outside the boardroom as well, board size does generally not exceed manageable levels, and directors usually have experience with functioning in other work teams. Second, and most importantly, in making such claims these scholars take on a rather normative stance in conceptualizing teams as effective groups, whereas such a perspective is generally not adopted in the team literature. Therefore, in building an argument for conceptualising the board as a team, this dissertation adopts the well-received definition offered by Kozlowski and Bell (2003, p. 334). They define teams as collectives who "(a) exist to perform organizationally relevant tasks, (b) share one or more common goals, (c) interact socially, (d) exhibit task interdependencies (i.e., work flow, goals, outcomes), (e) maintain and manage boundaries, and (f) are embedded in an organizational context that sets boundaries, constrains the team, and influences exchanges with other units in the broader entity". Such a conceptualization of teams, which is generally endorsed in team literature (Mathieu et al., 2008), confirms the validity of a team perspective in a board context. First of all, by performing several, intrinsically organizationally relevant, control and service tasks the board is working towards the fulfilment of a broad common goal which is ultimately value protection and creation for shareholders and a broader set of stakeholders (Huse 2005). Second, as no board team member is likely to possess all of the required knowledge, skills, and abilities to bring these tasks to fruition individually (Gabrielsson et al., 2007), directors are

highly interdependent in their work. Finally, although the board of directors is an intact social system (Forbes and Milliken, 1999) constructed on the interactions of its members, it is embedded in a larger contextual environment which undeniably impacts its functioning (Gabrielsson and Huse 2004; Huse 2005). In fact, several studies have shown that stakeholders both within and outside the firm can have a determining influence on what goes on inside the boardroom (e.g., Huse and Zattoni, 2008; Ravasi and Zattoni, 2006). All of these observations point out that the characteristics used to describe teams are indeed very much prevalent in the setting of the board of directors or, equivalently as it turns out, the board team.

In line with these insights, a number of recent theoretical and empirical contributions have in fact taken some conservative steps towards a team perspective on boards by indicating that boards are similar in nature to many other kinds of teams and that factors that lead to high performance in such teams also contribute to board effectiveness (e.g., Gabrielsson et al., 2007; Payne et al., 2009). The preliminary findings of these studies are of groundbreaking importance for future board studies as they signal that it is in fact feasible and rewarding to apply concepts from the literature on teams to board studies in order to increase academic understanding about how boards of directors actually operate.

1.3.1 The board of directors as a team: a theoretical model

Team literature has a long history of researchers adopting approaches in which inputs (I) are theorized to lead to processes (P) that in turn lead to outcomes

(O) (I-P-O models) to express the nature of team performance (Ilgen et al., 2005). However, contemporary team scholars recognize that such I-P-O frameworks are unable to rightfully characterize the functioning of teams and have therefore offered Input Mediator Output Input (IMOI) models as more valid alternatives. Drawing upon these recent advancements in academic literature, a theoretical model representing the board as a team (see Figure 1) has been constructed in accordance with such an approach (Mathieu et al., 2008). In IMOI models it is not only recognized that not all intermediate factors are processes and that they are therefore more rightfully denoted as mediators, but, more importantly, also that teams are complex and dynamic entities in which feedback loops cause outputs to subsequently serve as inputs in this system as the result of a learning and adaptation process (Ilgen et al., 2005). Regarding the latter, the solid line from outputs to mediators in the depicted theoretical model denotes, as recognized in team literature (Mathieu et al., 2008), that feedback of this type is likely to be quite influential and readily occurring, whereas the dashed line suggests that output and mediator influences on inputs would likely be less potent as member composition, team structure, and contextual factors are for instance likely to be less malleable. Below, the theoretical model, its constituents, and its implications for the understanding of board functioning will be concisely discussed.

Inputs

Past board studies have linked many of the elements that fall into this category directly to board performance. In adopting an IMOI approach we argue that the way the board team is designed and the characteristics of its members are not
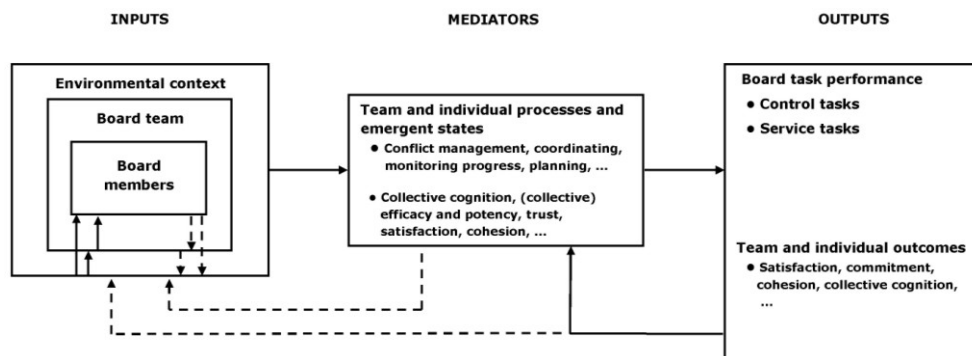
Figure 1: The board of directors as a team: a theoretical model

directly, but, rather indirectly linked to performance as they serve as important determinants of the board's internal functioning. In addition, these matters may be fairly complex as some board inputs can be expected to have multiple and contrasting effects on different mediating constructs (e.g., diversity, see Forbes and Milliken, 1999). In line with team literature, the impact of contextual factors and their nested nature is also acknowledged.

Board members

Team literature has a long history of studies focusing on the attributes of team members and the impact thereof on processes, emergent states, and ultimately outcomes (Mathieu et al., 2008). Within this category, demographic indicators (e.g., age, gender, ethnicity, tenure, etc.) have been at the basis of a large proportion of board studies as well, albeit therein usually directly linked to performance. As such studies have come up with largely inconsistent and inconclusive results (Daily et al., 2003), recognition of the team character of boards and consequently considering the indirect impact of these indicators,

through mediators, is likely to be highly instrumental. In addition, a number of other member characteristics which go beyond mere demography, such as personality (e.g., Big Five), competencies, orientations (e.g., goal, teamwork, and learning orientations), attitudes, values, status positions, and personal identities have been demonstrated to affect team functioning and can be expected to be important determinants of board functioning (Hillman et al., 2008; Kozlowski and Bell, 2003; Mathieu et al., 2008).

Board team

Numerous studies have been devoted to team-level input variables and their impact on team functioning within the literature on teams. Several of these variables, along with a number of board-specific ones, are likely to play an important role in the boardroom as well. For instance, the issue of diversity (e.g., on attributes such as ethnicity, age, gender, function, and education) systematically pops up as an important determinant of many team processes and emergent states, an aspect which the considerable attention devoted to this topic in board research warrants refocusing at. In a related fashion, the notion of faultlines (Lau and Murnighan, 1999; 2005), i.e., the hypothetic dividing lines that split a group into subgroups based upon one or more of common attributes, and its consequences for the team's internal functioning may be particularly pertinent in a board context (Kaczmarek et al., 2011; Tuggle et al., 2010). Indeed, in board teams these faultlines may go beyond the traditional ones and result in subgroups based upon whether directors are also executives or not or which stakeholders they represent. In addition, CEO duality and other structural leadership aspects fall into this category. As past input-output studies in this

area have resulted in largely inconclusive findings (Finkelstein and Mooney, 2003), adopting an IMOI approach with respect to these issues may prove to be more fruitful.

Environmental context

Boards, as any other team, operate within contexts external to the immediate team that have an impact on their functioning. For one, the organization in which a board is embedded can be expected to be influential in this respect as, for example, a company's culture and its climate for openness are likely to have some trickle-down effect to the board as well (Mathieu et al., 2008). In addition, the importance of the wider contextual environment is also widely acknowledged in team literature (Cohen and Baily, 1997). In a board context several studies have already indicated that the broader institutional environment (Aguilera and Jackson, 2003) as well as stakeholders both within and outside the focal firm (Ravasi and Zattoni, 2006) can have a determining influence on what goes on inside the boardroom.

Mediators

As discussed earlier, from a methodological point of view, board research has been dominated by a strict input-output approach, resulting in a fairly limited accumulation of academic knowledge concerning the actual functioning of the board. In team literature it has long been acknowledged that certain mediating mechanisms exist that express the nature of this black box linking drivers to outputs (Mathieu et al., 2008). That is, a series of underlying intervening

dynamics have been identified which result in the conversion of team inputs into team outcomes. These mediators fall into two categories: processes and emergent states. Processes can be defined as "members' interdependent acts that convert inputs to outcomes through cognitive, verbal, and behavioral activities" (Marks et al., 2001, p. 357). Emergent states, on the other hand, describe cognitive, motivational, and affective *states* of teams and individuals, as opposed to the nature of dynamic member interaction (Marks et al., 2001).

Processes

Team processes play a pivotal role in most, if not all, team effectiveness models and cannot be omitted in a team perspective on boards (Ilgen et al., 2005). In developing their well-received taxonomy of team processes, Marks, Mathieu, and Zaccaro (2001) recognize the multiphase character of team processes and offer that some processes may take place more frequently in transition phases (i.e., periods of time when teams concentrate primarily on internal evaluation and planning activities in light of goal accomplishment) and others in action phases (i.e., periods of time when teams perform activities directly aimed at goal accomplishment). Accordingly, the taxonomy distinguishes between three superordinate categories: transition, action, and interpersonal processes. During *transition* phases, processes such as mission analysis, goal specification, planning, and strategy formulation take place. During *action* phases on the other hand, team members concentrate more on activities such as monitoring internal systems and progress towards team goal achievement, coordinating members' contributions and interactions, and monitoring and backing up other team members. Finally, the *interpersonal* category includes processes such as conflict

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management, motivation and confidence building, and affect management, which may take place during both transition and action phases (Marks et al., 2001; Mathieu et al., 2008). The extent to which these processes are carried out in an effective manner within the board team, which is dependent on the inputs brought to the boardroom table by its members, can be expected to constitute an important determinant of board performance (Forbes and Milliken, 1999).

Emergent states

In addition to processes, a host of cognitive, motivational, and affective emergent states, both at the collective and the individual level, have been offered in team literature as potential mediating mechanisms for team outcomes (Ilgen et al., 2005). Among the team-level emergent states, collective efficacy (a team's collective belief regarding its ability to be successful on a specific task) and potency (a team's collective belief regarding its ability to be successful in general) have quite consistently been demonstrated to exhibit a positive relationship with performance (Kozlowski and Bell, 2003). Other potentially important collective emergent states that come to the forefront when conceptualizing boards as teams are, among others, team climate (i.e., the set of norms, attitudes, and expectations that individuals perceive to operate within the team), collective cognition (e.g., shared mental models and transactive memory systems) and collective mood and emotions (Mathieu et al., 2008). In addition, many emergent states at the individual level, such as for example individual efficacy and potency but also satisfaction and cohesion (i.e., member attraction to the group) are likely to constitute powerful explanatory factors with regard to board team performance as well (Forbes and Milliken, 1999; Ilgen et

al., 2005; Kozlowski and Bell, 2003). Highly informative in this respect may be the concept of trust, which has gained a pivotal position in team literature and has been previously demonstrated to contribute to increasing academic understanding concerning actual board behaviour and explaining board task performance (e.g., Bammens et al., 2008; van Ees et al., 2008).

Board outputs[*]

Although task performance is the most commonly studied outcome in team literature, the importance of other team and individual outcomes is widely acknowledged among scholars as well (Cohen and Bailey, 1997; Mathieu et al., 2008). Similarly, conceptualizing the board as a team warrants attention to both board task performance and more 'soft' outcomes such as members' affective reactions and viability outcomes. In acknowledging the complex and dynamic character of board teams, in accordance with the adopted IMOI approach, it is furthermore recognized that board outcomes, through cyclical feedback loops, serve subsequently as inputs to mediators. That is, as boards go through performance episodes, the team's internal dynamics are continuously updated as a result of a learning and adaptation process. For instance, one can expect that excellent board task performance will be positively related to collective efficacy and potency or that increased trust will have an impact on satisfaction and cohesion as well as conflict management processes.

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[*] In line with models of team functioning, team-level board outputs are addressed in this section. On a higher level, these team-level outputs have an impact on various firm outcomes including financial performance, innovation, internationalization, corporate social performance, etc.

Board task performance

As more extensively detailed above, although many different categorizations exist, the broad distinction between control and service tasks is widely embraced among scholars (Forbes and Milliken, 1999; Huse, 2005). Due to the longstanding tradition of agency theory as the principal research paradigm in governance literature, the board's control tasks have been of primary interest in past board studies (Daily et al., 2003). Boards are charged with limiting the discretion of managers, who are supposed to be opportunistic and self-interested, by monitoring their actions and decisions in order to minimize agency costs and maximize shareholders' wealth (Fama and Jensen, 1983). In addition, corporate decision makers need oversight due to their cognitive limitations arising from bounded rationality (Hendry, 2002). Besides control, contemporary board literature generally acknowledges that boards fulfil other important tasks in their respective firms as well (Forbes and Milliken, 1999; Van den Heuvel et al., 2006; Zahra and Pearce, 1989). In making such claims scholars expand their view beyond agency paradigms and adopt a multi-theoretical perspective on board tasks which gives way to more service-related aspects of board work such as participating in strategic decision making, providing advice and counsel, networking, legitimizing, and coordinating stakeholder expectations (Huse, 2005).

Team and individual outcomes

Besides task performance, a number of more 'soft' team and individual outcomes will result from the board team's functioning. As outlined by Marks,

Mathieu, and Zaccaro (2001), these products of team experiences, which can generally be categorized under the abovementioned collective and individual emergent states (e.g., trust, collective cognition, team climate, etc.), are vital from a team perspective as they serve as new inputs to subsequent processes and emergent states and, ultimately, outputs. In the study of these alternative outcomes, members' affective reactions (e.g., satisfaction, organizational and team commitment) and team viability outcomes (e.g., cohesion) (Kozlowski and Bell, 2003; Mathieu et al., 2008) are two of the issues that have attracted considerable interest and have come up as particularly important for future team functioning.

1.4 BOARDS OF DIRECTORS AND LEADERSHIP[*]

Within the literature on teams, there is a long history of scholars investigating what makes teams effective. Within this field, leadership has adopted a prime position as it is generally recognized that leadership has a profound impact on group and team functioning (Cohen and Bailey, 1997; Morgeson et al., 2010). Some scholars even argue that effective leadership represents "the most critical factor in the success of organizational teams" (Zaccaro et al., 2001, p. 452). However, as we will detail below, within board research this remains an underdeveloped area.

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[*] This section is adapted from Vandewaerde, M., Voordeckers, W., Lambrechts, F. & Bammens, Y. 2011. Much more than CEO duality: a behavioural perspective on board leadership. *Proceedings of the 7th European Conference on Management, Leadership, and Governance*, Sophia-Antipolis, 6-7 October, pp. 427-434, Reading: Academic Publishing Limited

1.4.1 Board strategic leadership

The notion of board leadership can be addressed from two distinct perspectives (Lorsch, 2009). On the one hand, the term board leadership may be used to denote the strategic leadership of the firm provided by the board of directors. As mentioned earlier, the board's work domain expands beyond control. Among the more service-related tasks such as advising, legitimizing, and networking, providing strategic direction and leadership for the firm has been put forward as an important task of the board (Huse, 2005). Indeed, boards of directors, while needing to be mindful not to overstep the fine line which separates theirs and management's responsibilities in this area, have an important role to play in shaping the content, context, and conduct of strategy (McNulty and Pettigrew, 1999) and especially in providing hands-on leadership for their firms during times of crisis (Lorsch, 2009). However, as this dissertation's focus is not on the leadership boards provide for their organisations but instead on leadership as it is manifested within the board and among directors, we continue with the latter hereafter and refer the reader interested in a more in-depth discussion of board strategic leadership to some excellent reviews regarding this topic (see, for example, Pugliese, et al., 2009; Finkelstein et al., 2009). However, before addressing actual leadership processes and behaviours within the boardroom, we first examine the traditional way of looking at board leadership in the literature: leadership structure and CEO duality.

1.4.2 The usual suspect: CEO duality

Among all of the board issues that have been affected by the traditional board research paradigms, leadership has adopted a prime position. That is, in line

with the methodologically predominant input-output approach characterizing decades of board research (Daily et al., 2003), scholars have mainly limited themselves to studying easily measurable variables in the field of board team leadership as well, leading to a major emphasis on leadership structure and its relationship to board and firm performance (Heracleous, 1999; Leblanc, 2005). Although some studies have addressed lead directors, presiding directors, and board committee leaders (Conger and Lawler, 2009a), CEO duality, witnessed by its depiction as one of the four usual suspects in board research (Finkelstein and Mooney, 2003), has heavily dominated this scene.

Within this stream of literature, whether or not the roles of Chief Executive Officer and Chair of the board of directors should reside in one person has been addressed from two contrasting perspectives (Dalton et al., 1998). While CEO duality is a quite commonplace phenomenon in corporations, its desirability is often questioned. Emanating from the dominance of agency theory in corporate governance research, and the resulting focus on the board's control tasks, CEO duality has often been considered problematic by board scholars (Dalton et al., 1998). The main underlying argument opposing the CEO simultaneously operating as the Chair of the board is that in such situations it is very difficult for the board of directors to properly monitor CEO and top management performance and to operate independently of them. The risk of managerial domination of the board and the firm is thus argued to be mitigated, at least to some extent, by the separation of both positions (Conger and Lawler, 2009a; Finkelstein and D'Aveni, 1994; Iyengar and Zampelli, 2009). Proponents of CEO duality, on the other hand, generally draw upon stewardship theory to substantiate their claim in favour of the joint structure. According to stewardship

theory, managers are motivated to behave and perform in the best interest of shareholders, functioning as good stewards rather than opportunistic and self-interested agents (Davis et al., 1997). From this perspective, there is no need to control or monitor management, making the separation of the positions of the Chair and the CEO superfluous. Instead, it is argued that unified firm leadership will actually facilitate superior firm performance as it removes any internal or external ambiguity concerning who is responsible for firm processes and outcomes, eliminates the possibility of dysfunctional conflict and power struggles between the CEO and the board Chair, and avoids having two public spokespersons addressing stakeholders (Conger and Lawler, 2009a; Finkelstein and D'Aveni, 1994; Iyengar and Zampelli, 2009).

Nevertheless, despite these plausible arguments and a substantial amount of studies addressing CEO duality, its implications for board and firm performance remain unclear. Indeed, a large-scale meta-analysis conducted by Dalton, Daily, Ellstrand, and Johnson (1998) does not reveal any evidence supporting nor opposing the separation of both roles. Given these findings and the fact that in organizational behaviour literature, as mentioned above, it is generally acknowledged that leadership has a clear impact on group and team effectiveness (Cohen and Bailey, 1997), it is high time, we argue, to move the field beyond structure and agency theory by adopting a behavioural approach to board leadership (Huse, 2005). Getting an insight into how the board team is actually led by addressing leadership behaviours and processes, instead of continuing on the beaten path and giving it yet another shot with CEO duality, would significantly advance our knowledge concerning how (effective) boards function and how they protect and create value for their firms and its wider set

of stakeholders.

1.4.3 Board team leadership

While hitherto "little research attention has been given to systematically exploring behavioural perspectives of board leadership" (Huse, 2005, p. S74), a number of recent studies demonstrate the promising nature of such efforts. For instance, Dulewicz and colleagues' (2007) content analysis of nominations for the UK NED Awards identified a series of competencies and behaviours associated with outstanding Chair leadership. In another insightful study, Gabrielsson et al. (2007) discovered a positive and significant relation between positive team leadership exhibited by the board Chairperson and a constructive team production culture in the boardroom, which in turn was found to positively impact the board's involvement in the strategic decision-making process. Along similar lines, Machold et al.'s (2011) finding that the Chairperson's leadership efficacy is positively related to board strategy involvement in small firms made them conclude that "conceptualizing board leadership as a behavioural and process-based phenomenon has greater explanatory power [] than structural leadership characteristics alone" (p. 11). The common denominator uniting these studies is their focus on the role of the board's Chair in exhibiting leadership for the board team.

However, in this dissertation, we choose to adopt a different and novel approach. Although there exists a deep-rooted tradition within the leadership literature of taking a hierarchical perspective on leadership and consequently focusing solely on the formal or appointed leader, the desirability of such top-down leadership in

a team context has been questioned recently (Pearce and Conger, 2003). Whereas an unadulterated extrapolation of 'theories of leadership' to a team setting is common practice in the literature on team leadership, calls have recently been made to examine 'team leadership theories' as a disparate phenomenon as they are theoretically distinct (Burke, et al., 2006; Morgeson et al., 2010; see table 2). That is, as they focus on leading individuals and are mainly static in kind they are unable to grasp the dynamics and complexities related to team functioning and leadership (Burke et al., 2006; Kozlowski and Bell, 2003). In addition, as table 2 shows, traditional leadership theories emphasize the important role of the individual hierarchical leader who is single-handedly responsible for the team's outcomes and represents the sole source of leadership influence within a collective. Team-centred theories, on the other hand, recognize that team performance is a shared product of team member interactions and focus on the team as a collective entity in providing direction for the team.

Table 2: Comparison of traditional and team-centred leadership (adapted from Yukl, 1989)

Basis for comparison	Traditional	Team-centred
1. Responsibility for team effectiveness	Leader responsible	Responsibility shared by team
2. Control over final choice	Control held by leader	Control vested in team
3. Importance of position power as source of leader influence	Emphasized and guarded carefully	Deemphasized
4. Leader perceives team	As set of individuals	As interacting, collective entity
5. Task-oriented functions	Performed by leader only	Shared by team
6. Team-maintenance functions	Mostly not emphasized	Emphasized and shared by team

Consistent with the dominant view in the leadership literature, we define leadership as a social influence process among interacting individuals whereby intentional influence is exerted with the aim of achieving group and organizational goals (Parry, 1998; Yukl, 2006). In line with this definition and the arguments presented above, in this dissertation we move beyond the role of the board Chair, and focus on leadership influence coming from within the board team and its different members. In recent times, such a more collective form of leadership, which is particularly relevant among interacting individuals, has attracted a fair deal of scholarly attention (Denis et al., 2012). Drawing upon the law of the situation theory[*] (Follet, 1924), shared leadership has been conceptualized as a mutual peer influence process characterized by leadership in teams not being limited to the hierarchical or appointed leader only, but being shared among team members depending on who has the greatest potential to satisfy team needs given the task or situation at hand (Carson et al., 2007; Pearce and Conger, 2003). As such, shared leadership within a team can be regarded as a dynamic and fluid influence process that resembles a " 'whack-a-mole' game in which the person with the most relevant skills and expertise 'pops up' at any given time" (Friedrich, et al. 2009, p. 934). Applied to the context of the board of directors, this leadership conceptualization translates into the board's Chair not always representing the source of wisdom and direction, but leadership (both task- and person-focused) within the board team being fluidly distributed among directors based upon who is the most qualified given the situation at hand. In any instance, one or more directors will be the most apt to

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[*] Already in 1924, Mary Parker Follett proposed the notion of 'law of the situation', which entails that rather than simply following the lead of the person having formal authority in all instances, it makes more sense to follow the lead of the person with the most knowledge regarding the situation at hand (Pearce and Conger, 2003)

lead the team, which makes that the continuing dynamics of sharing leadership will result in more effective use of the human capital present throughout the team and consequently, as can be expected due to similar findings in many other team contexts, increased board task performance. This concept of shared leadership influence among directors directed at board goal fulfilment will be the key focus of this dissertation.

Given the considerations presented in the previous sections, this dissertation is motivated by the recognition that academic knowledge concerning how boards may create value for their firms and its stakeholders is relatively limited (Daily et al., 2003). This statement particularly applies to the field of board leadership, in which studies have mainly focused on leadership structure, however producing little conclusive evidence (Conger and Lawler, 2009a; Dalton et al., 1998). Given the demonstrated importance of leadership for team success (Cohen and Bailey, 1997), the focus of this dissertation is therefore on actual leadership dynamics in the boardroom. In particular, we focus on shared leadership as a viable and valuable form of team leadership which has yielded promising results in numerous team settings but is yet unexplored in the boardroom. In this light, this dissertation presents a series of separate studies aimed at gaining more insight into this phenomenon and thereby enlarge academic insight into board leadership and board functioning in general.

1.5 RESEARCH QUESTIONS AND OUTLINE OF THE DISSERATION

The objective of this dissertation is to enhance the understanding of the inner workings of the board of directors through the study of shared leadership within

this governance mechanism. Within the general team leadership literature, research into shared leadership has only truly taken off fairly recently and although it has produced some promising results in such a short time, the field is still in its infancy (Pearce and Conger, 2003). As we have no knowledge of any prior study attempting to investigate shared leadership in this context, this particularly pertains to the setting of the board of directors. Given we move into uncharted territory we pursue a general research question which is open and comprehensive in nature. That is, in this dissertation we seek to find an answer to the question "*How is shared leadership manifested within the boardroom and how does it reflect on board performance*". Throughout the various chapters of this dissertation, we will present a series of separate studies aimed at addressing different aspects of this general research question.[*] As they all put forward standalone papers, there may be some content overlap between the different chapters, especially in the introduction and theory development sections.

In **Chapter 2**, we report on a cross-disciplinary literature review in which elements from diverse disciplines and fields of study (e.g., leadership, group dynamics, boards of directors, TMTs) are integrated in order to arrive at a general conceptualisation of collective leadership among directors. Specifically, we develop a comprehensive and testable theoretical framework presenting proposed antecedents, moderators, and outcomes of shared leadership within the boardroom based upon an integration of prior relevant literatures.

Although previous conceptual and empirical work has added to a comprehension of shared leadership and its antecedents and outcomes, as reflected in the theoretical framework, relatively little remains known about the underlying dynamics and mechanisms associated with them. In this light, in **Chapter 3**, we seek to develop a more profound insight into these micro-level interactions and processes related to how shared leadership is enacted among directors by means of a qualitative approach. As it allows for the necessary richness and detail to address these issues, an in-depth single case study design, for which we selected the board of a large privately-held Belgian firm to make up the setting of our inquiry, was deemed to constitute the proper research approach for this study.

The last phase of this doctoral research was quantitative in nature. In this stage we aimed to substantiate some of the proposed relationships identified in the theoretical framework, with our primary goal being the assessment of the second part of our general research question: "How does shared leadership reflect on board performance?". As existing scales measuring shared leadership were deemed unfit for the context of the board of directors for reasons of substance and practically, in **Chapter 4**, we set out to develop a new instrument. In this chapter we elaborate upon the procedures (e.g., item generation and refinement, exploratory factor analysis, confirmatory factor analysis) adopted to arrive at a measurement scale demonstrating satisfactory psychometric properties to be used in subsequent research. Employing the newly developed instrument, **Chapter 5** presents the results of the ensuing quantitative study of shared leadership within the boardroom. Data collection resulted in a sample of 36 boards for which 163 director responses were

aggregated in order to allow for, in line with the collective nature of the construct, analyses at the team level. The core hypothesis which is assessed in this chapter is that shared leadership results in superior control and service task performance. In addition, we investigate board members' awareness of each other's knowledge and skills as an enabler for directors to integrate and leverage their differentiated expertise and argue that shared leadership functions as a mediating mechanism in the relationship between directors' understanding of who holds which expertise and board task performance.

Finally, **Chapter 6** concludes this dissertation. In this chapter we present an overarching discussion regarding the findings of this doctoral research, discuss its implications for theory and practice, and provide suggestions for further research.

2. BOARD TEAM LEADERSHIP REVISITED: A CONCEPTUAL MODEL OF SHARED LEADERSHIP IN THE BOARDROOM[*]

2.1 INTRODUCTION

In recent years the interest in corporate governance, not least due to several high-profile corporate scandals (e.g., Enron, Tyco International, WorldCom), has picked up momentum among scholars as well as practitioners and governments. Within this larger field, major emphasis has been on boards of directors as they are one of the primary internal governance mechanisms available to a firm (Daily et al., 2003; Fama and Jensen, 1983) and therefore uniquely positioned to bring about value protection and creation for their firms and its involved actors (Huse, 2007). In this light, shareholder activists' and legislative efforts aimed at improving corporate governance are to a large extent targeted at boards as they are increasingly being pressured to actively fulfil their legal and ethical responsibility of safeguarding the interests of shareholders and, more and more, a wider set of stakeholders (e.g., employees, customers, local societies) (Schwartz et al., 2005). Given the importance of boards of directors

for their businesses and society at large, expanding academic knowledge concerning how they actually operate and function is highly warranted. Indeed, despite the increased focus on corporate boards and the resulting upsurge of empirical studies in the area, there is still hardly any conclusive evidence on what determines a board's effectiveness and how this in turn is related to firm performance (e.g., ROI, revenue growth, market share, CSR) (Finkelstein and Mooney, 2003). Such highly aspired insights have over the years taken on the aura of a unicorn (Johnson et al., 1996) or perhaps, for board critics, the Loch Ness monster. In this light, a growing number of researchers is currently acknowledging that the answers to these 'mythical' issues may in fact be out there, but that they have been cloaked by an overreliance on particular established methodological (i.e., input-output studies) and theoretical (i.e., agency theory) research fortresses (Daily et al., 2003; Gabrielsson and Huse, 2004).

Among all of the board issues that have been affected by these traditional board research paradigms, leadership has adopted a prime position. The majority of studies delving into board leadership have solely focused on structure (mainly CEO duality) and its direct relation to performance (Leblanc, 2005; Lorsch, 2009). However, such a structural preoccupation has turned board leadership into a black box as it has obscured any matter that deals with how the board team is actually led. Therefore, even though a host of contemporary scholars acknowledge that structure constitutes only a minor part of leadership in the boardroom, "little research attention has been given to systematically exploring behavioural perspectives of board leadership" (Huse, 2005, p. S74).

In response to the abovementioned issues, this theoretical paper aims to answer to the call made by several board scholars to focus on board processes and behaviour as a means of overcoming past board studies' limitations (van Ees et al., 2009; Hambrick et al., 2008), by addressing leadership processes within the board team. Within the broad range of possible leadership approaches, a relatively novel perspective on team leadership which can be argued to be highly applicable in the context of the board of directors, i.e., shared leadership, will constitute the core of our study. Specifically, by means of an elaborate and integrative conceptual framework, this article sets out to investigate how this fluid and mutual influence process in which leadership is shared or distributed among team members (Gronn, 2002; Pearce and Conger, 2003) operates inside the boardroom.

Our work contributes to the existing academic literature in several ways. We are the first, to our knowledge, to introduce and discuss shared leadership in a board context and thereby respond to the call made by several leadership scholars to study this promising leadership conceptualization in a wide range of team settings (e.g., Day et al., 2006; Pearce and Conger, 2003). As such, we delve into an underexposed topic in the board literature by showcasing that board leadership entails much more than structure (e.g., whether or not the CEO also holds the position of Chair) and that attention to leadership processes and behaviours that take place within the boardroom is highly needed given the demonstrated importance of leadership for team performance (Cohen and Bailey, 1997). In this light, we advance an ethical form of board leadership, characterized by a high degree of shared decision-making responsibility, which may serve as a promising means in preventing future corporate tragedies and

safeguarding the interests of shareholders and society at large. Offering another contribution, this paper goes beyond commonplace theories and models which are predominantly rooted in the economic tradition of corporate governance (e.g., agency theory), as it conforms and contributes to the more recently proposed behavioural approach to the study of the board of directors (van Ees et al., 2009). By providing substantiation for addressing the board of directors from a team perspective and subsequently adopting a team approach to board leadership, we furthermore show, and aim to inspire other board researchers in the process, that embracing the wealth of literature on teams and their functioning that has been developed over the years is the next step to take in board research. Such a spotlight on the human side of corporate governance and the interactions and behaviours occurring inside the board team is essential in order to improve our understanding of how boards of directors, as key elements in the governance system, can bring about value protection and creation for their respective firms and a wider set of stakeholders (Huse, 2007; Huse et al., 2009).

The rest of our work is organized as follows. First, we address the conceptual foundations underlying our framework by developing the rationale for studying the board from a team perspective and providing a concise review of relevant team leadership literature. In the subsequent section we advance the conceptual model, clarify relevant theoretical concepts, and offer a number of novel propositions related to shared leadership in a board context. The remaining parts of this paper are dedicated to a discussion in which the implications of our work for theory, practice, and further research are elaborated upon.

2.2 THEORETICAL BACKGROUND

2.2.1 The board of directors as a team[*]

The use of teams in organizational settings has increased dramatically over the past few decades, which has resulted in a boost of academic interest into the topic. In the context of the board, however, the concept 'team' has been rarely adopted to depict the collection of individual directors. This may be partly attributed to the methodological limitations of a substantial proportion of previous board studies in which attempts were made to establish a direct relationship between board demographic characteristics and board or firm performance (Gabrielsson and Huse, 2004). Such an input-output approach disregards the importance of processes and behaviours inside the boardroom (Forbes and Milliken, 1999), or at most considers demographic indicators to be good proxies for them (Lawrence, 1997; Pfeffer, 1983), which essentially makes thinking of boards as teams extraneous. On the theoretical side, the dominance of the agency theory paradigm may have served as an additional impediment. In this line of thinking, limiting the discretion of self-serving managers is considered to be the main responsibility of the board, resulting in an almost exclusive emphasis on the board's control tasks (Fama and Jensen, 1983). Absolute director independence is consequently considered to be a prerequisite for effective board performance, which leads to a major focus on the polarized relationship between directors and management, in effect diverting attention away from how the board team in itself functions internally and how directors interact in order to perform their broad set of tasks.

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[*] The case for conceptualizing the board as a team has already been made in the first part of section 1.3

However, upon consulting the academic literature on teams that has amassed over the years, it becomes clear that boards of directors can in fact be conceptualised and, consequently, dealt with as teams. We adopt the definition offered by Kozlowski and Bell (2003) pertaining to teams in an organizational context, which draws upon a host of scholarly contributions and has later on been taken up in various studies (e.g., Kozlowski and Ilgen, 2006; Mathieu et al., 2008), to provide substantiation for this rationale. They define teams as collectives who:

"(a) exist to perform organizationally relevant tasks, (b) share one or more common goals, (c) interact socially, (d) exhibit task interdependencies (i.e., work flow, goals, outcomes), (e) maintain and manage boundaries, and (f) are embedded in an organizational context that sets boundaries, constrains the team, and influences exchanges with other units in the broader entity" (p. 334).

Such a conceptualization of teams, which is generally endorsed in team literature, confirms the validity of a team perspective in the board context. First of all, one can quite straightforwardly establish that the multitude of tasks boards perform, i.e., a variety of control and service tasks, bear relevance in an organizational setting. Second, given that no board team member is likely to possess all of the required knowledge, skills, and abilities to bring these tasks to fruition individually (Gabrielsson et al., 2007), directors are generally speaking (as some activities such as networking and lobbying can be expected to require less interaction) highly dependent on each other in their work. Third, in carrying out their various control and service tasks, directors are working towards a common goal which is ultimately value protection and creation for shareholders

and a broader set of stakeholders (Huse, 2007). Finally, although the board of directors can be characterized as an intact social system which is constructed on the interactions of its members (Cascio, 2004), it is also embedded in a larger contextual environment which has an undeniable impact on its functioning. In fact, several studies have shown that stakeholders both within and outside the focal firm (Huse, 1998; Ravasi and Zattoni, 2006) as well as the broader institutional environment (Aguilera and Jackson, 2003) can have a determining influence on what goes on inside the boardroom.

In line with these observations, it does not have to come as a surprise that board scholars have recently voiced support for a team perspective on boards (e.g., Nadler, 2004; Sonnenfeld, 2002). However, much of these claims are based upon "anecdotal observations or conclusions of boardroom veterans" (Letendre, 2004, p.103). As a consequence, little theoretical development and empirical testing have occurred in this promising research area, apart from a few notable exceptions. For instance, from a theoretical point of view, the application of team production theory to corporate governance has been offered as an appealing approach (Blair and Stout, 1999). In this perspective firms are conceptualized as a nexus of team-specific assets which are provided by a relatively wide array of stakeholders (Gabrielsson et al., 2007). The board is accordingly conceived as a governing body which should reflect this coalition of interests composed of actors "who add value, assume unique risks and possess strategic information" (Kaufman and Englander, 2005, p. 12). The team production approach emphasises that boards, by operating as a team, can effectively coordinate firm activities and utilize different resources to create value for their firms and its respective stakeholders, above and beyond what

could be attained by a mere summarization of individual contributions. The team production approach, while offering interesting insights, takes on a rather normative stance in addressing the board from a team perspective (i.e., boards are teams if they are effective groups), whereas our analysis, in line with team literature (Cohen and Bailey, 1997; Kozlowski and Bell, 2003), does not make such a distinction (i.e., boards are teams by definition, with differing degrees of effectiveness). As such, this article theoretically develops and substantiates the conceptualisation of boards as teams, thereby providing the theoretical grounds to assure academic knowledge about teams can be validly drawn upon in order to improve our understanding of this pivotal governance mechanism and its functioning. In fact, on the empirical side of board team research, some early evidence does indicate that boards exhibit resemblance to many other kinds of teams (e.g., interdisciplinary teams) and that factors that lead to high performance in such teams also contribute to board effectiveness (e.g., McIntyre et al., 2007; Payne et al., 2009).

2.2.2 Team leadership: beyond individualism

Ever since the dawning of the human species, man has been fascinated by the exploits of individual leaders. Narratives describing these triumphant 'heroes' or dreadful 'villains' abound. Such popular conceptions of leadership have also found their way into academic organizational leadership literature in which over time various distinct lines of research have developed (i.e., trait, style, contingency, and 'new leadership'), each approaching hierarchical, standalone leadership from a different perspective (Bryman, 1986). Indeed, Rost's (1993) review of leadership studies confirms the pervasiveness of this top-down perspective in over a century of ongoing leadership research.

Given the deep-rooted tradition of leadership studies with a strictly hierarchical focus, there must be some validity to such an approach. Evidently in some, perhaps even most, organizational situations clear hierarchical leadership is advisable and desirable (Pearce and Manz, 2005; Pearce and Sims, 2000). However in a team context, the picture changes dramatically. Whereas team leadership studies have traditionally been characterized by an unadulterated extrapolation of 'theories of leadership' to a team setting, recently calls have been made to examine 'team leadership theories' as a disparate phenomenon as they are theoretically distinct (Burke et al., 2006; Morgeson et al., 2010). That is, traditional leadership theories are unable to grasp the dynamics and complexities of team leadership as they focus on leading individuals and are mainly static in kind, thereby failing to take into account the adaptive nature, specific task context, and intricate team member interactions that characterize teams (Burke et al., 2006; Kozlowski and Ilgen, 2006).

A very promising leadership conceptualisation, which ties in with the abovementioned issues and originates from the recognition of more collective forms of leadership, is that of shared leadership (Day et al., 2006). Although several definitions concerning this relatively novel leadership conceptualization have been offered in previous research (for a review, see Carson et al., 2007), this article builds on the well-received formulation put forward by Pearce and Conger (2003). They define shared leadership as "a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both". Essential in shared leadership is that "this influence process often involves peer, or lateral, influence and at other times involves upward or downward

hierarchical influence" (p.1). At the core of this approach is thus a focus on *leadership* rather than *leaders* and the acknowledgement that leadership is a socially constructed phenomenon which is not strictly confined to the formal or assigned leader (Hosking, 1988; Uhl-Bien, 2006). Such a conceptualization is highly compatible with functional leadership theory, which is a well-known team leadership approach that will be drawn upon here to provide a general description of leadership. As outlined by Hackman and Walton (1986, p. 75), "the key assertion in the functional approach to leadership is that '[the leader's] main job is to do, or get done, whatever is not being adequately handled for group needs' (McGrath, 1962, p.5)". They continue by pointing out that "if a leader manages, by whatever means, to ensure that all functions critical to both task accomplishment and group maintenance are adequately taken care of, then the leader has done his or her job well". Such a catchall depiction with regard to who performs these functions acknowledges that multiple individuals in a team, and not only the formal leader, possess the ability to exert leadership influence on an as-needed basis (Morgeson et al, 2010). Indeed, according to the law of the situation theory (Follett, 1924), individuals that are endowed with the greatest potential to satisfy team needs in a given situation should embrace the leadership role at that time. As such, in line with the conceptualisation put forward by Friedrich et al., (2009), we regard shared leadership in a team as a dynamic and fluid influence process that resembles a " 'whack-a-mole' game in which the person with the most relevant skills and expertise 'pops up' at any given time" (p. 934).

While the concept of shared leadership has been studied in a broad range of both team (e.g., Carson et al, 2007; Mehra et al., 2006) and wider collaborative

settings (e.g., Huxham and Vangen, 2000; Lambrechts et al., 2010), board leadership studies have almost solely dealt with leadership structure, resulting in hardly any research attention being devoted to team leadership, let alone shared leadership, in the boardroom. Yet, the corporate board setting is highly likely to provide a fertile ground for shared leadership to flourish. First of all, boards of directors are characterized by a horizontal authority structure. Even the board's Chair, the team's appointed leader, does not have instruction authority over the other board members and thus can be more rightfully conceptualized as a *primus inter pares* than as a commanding chief (Gabrielsson et al., 2007; Gronn, 2002). Such a team architecture in which differences in authority do not exist or are at least downplayed to a large extent (as opposed to hierarchically structured teams headed by a clear authority figure), creates a team environment which makes the prevalence of shared leadership not only more likely, but also more desirable (Barry, 1991). Indeed, a board Chair overstepping his role by being too directive risks endangering cooperation and teamwork inside the boardroom (Pick, 2009). In addition, given the complex and ambiguous environment boards operate in, "no corporate board member is likely to possess the full complement of information and knowledge necessary to achieve desired goals" (Gabrielsson et al., 2007, p. 24), including the Chair. It is exactly in such situations, in which the success of the team is highly dependent on the unique skills, knowledge, and backgrounds that all of its members bring to the table, that shared leadership has been demonstrated to result in more effective team performance and thus can be regarded as a relevant practice (Pearce and Manz, 2005). In congruence with these findings, it has in fact recently been offered that, due to the specific nature of the board, one should think of board leadership as a 'system of leadership', comprised of both formal

and informal elements and actors, in which different directors may need to step forward and provide leadership for the board at different times (National Association of Corporate Directors, 2004; Lorsch, 2009).

2.3 BOARD TEAM LEADERSHIP AS A SHARED PRACTICE

In this section, a theoretical framework detailing the process of shared leadership in the boardroom is developed and elaborated upon. Concerning the outcomes of shared leadership, this framework distinguishes between task-oriented outcomes (i.e., board task effectiveness) and maintenance-oriented outcomes concerned with the board's capacity to continue functioning as a team (i.e., individual and team conditions). These are the classic task and maintenance outcomes studied in prior work on team and board functioning (e.g., Forbes and Milliken, 1999). The framework also details how task characteristics moderate the relationship between shared leadership and board task effectiveness, and how individual and team conditions (i.e., dynamic constructs, such as trust, cohesion, commitment, etc., indicative of the nature and quality of team dynamics that develop as team members interact) mediate this relationship. Concerning the determinants of shared leadership, it is put forward that human capital heterogeneity provides the basis for this collective leadership effort to develop. Yet, this relationship is argued to be contingent upon the Chair's behaviour and the extent to which desirable individual and team conditions are present within the team. Cognizant of recent developments in the team literature (e.g., Ilgen et al., 2005; Mathieu et al., 2008), we thus posit that individual and team conditions within the board team function as both

an input to and an output of shared leadership practices. Figure 2 offers a summary of our framework.
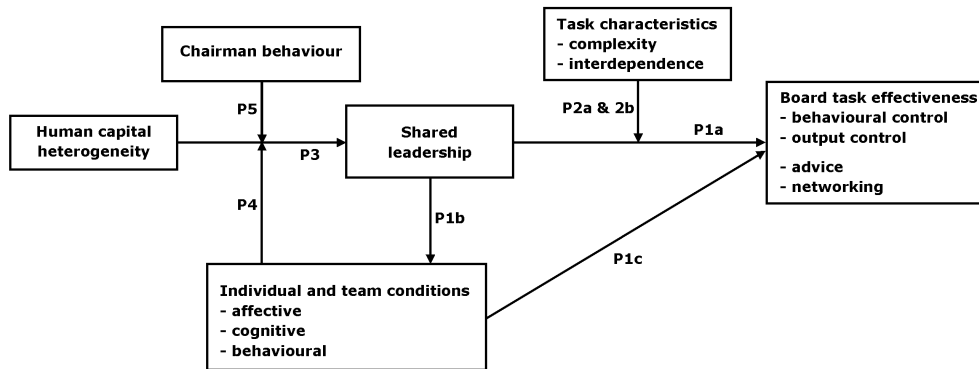
Figure 2: A model of shared leadership in the boardroom

2.3.1 Shared leadership in the boardroom

Boards of directors can be characterized as elite decision-making teams that operate in complex environments and produce output that is mostly cognitive in nature (Forbes and Milliken, 1999). Furthermore, they portray some distinctive features (e.g., meetings are relatively short and only held episodically, board membership is usually only a secondary activity, directors generally possess strong personalities, teams consist of a mix of inside and outside directors) which complicate the already intricate dynamics and processes that take place between interacting individuals. In such a challenging context no single team member, due to the inherent limitations of human competence (Simon, 1947), is likely to be the most proficient individual to lead the team to goal attainment, whether it be task- (i.e., desired board task effectiveness) or maintenance-oriented (i.e., desired individual and team conditions), in every instance. Therefore, performance gains can be expected when directors, who bring a

diversity of experiences, skills, and personalities to the boardroom table, take on leadership functions when they are the most suited for it given the situation or task at hand (Friedrich et al., 2009). Indeed, depending on their task-related and interpersonal capabilities, some directors will have a greater likelihood of ensuring that specific task-oriented and team maintenance needs are being satisfied than others (Hackman and Walton, 1986; Yukl, 1989). As it is related to team task performance in a more direct manner, leadership focused at task accomplishment has been at the centre of attention in the majority of leadership studies. However, individuals who actively strive to ensure that the board operates as a well-functioning social unit, which serves as an essential antecedent of present and future levels of board performance (Forbes and Milliken, 1999), are imperative in a team context as well. Indeed, as evidenced by Barry (1991), teams in which such 'social' leadership is absent will likely degenerate into an ill-functioning mechanism.

In addition, board members adopting leadership functions represents only one side of the story. Leadership is in essence a social construction that lies in the eyes of the beholder. This implies that one can only be considered to be a leader when perceived as such by one or more followers (Hosking, 1988; Uhl-Bien, 2006). If such relational dynamics are not present in the boardroom, directors, in the absence of any formal authority over one another, will lack the ability to guide the team on its way to performance. Indeed, as demonstrated by Mehra et al. (2006), "team performance is not simply a matter of having more leaders. It also matters whether or not the leaders see each other as leaders" (p. 241). Therefore, shared leadership, although this may be hindered by directors' own ambitions and motives, also entails that team members accept their peers'

temporary leadership and become effective 'followers' (Bligh et al., 2006). In line with these arguments, shared leadership in the boardroom can thus be conceptualized as a mutual and fluid influence process in which directors continuously switch between 'leader' and 'follower' roles based on desired capabilities and expertise given the situation at hand, in order to lead the team to outcome achievement.

2.3.2 Outcomes of shared leadership in the boardroom

Board task effectiveness

While a number of team outcomes can be distinguished, as will be addressed below, board scholars have been mainly interested in how effectively the board performs the tasks it has been designed for to do. Corporate governance literature generally acknowledges that boards of directors fulfil several tasks in their respective firms (Hung, 1998). Although many different categorizations exist (e.g., Hillman and Dalziel, 2003; Johnson et al., 1996; Zahra and Pearce, 1989), the broad distinction between control and service tasks is commonly endorsed.

The board's control tasks

Given the predominance of agency theory in governance research, the board's control tasks have received considerable attention in past board studies (Daily et al., 2003). In line with this theory, the board is considered to be an imperative instrument in minimizing the agency costs which arise due to the separation of ownership and control in many corporations (Fama and Jensen, 1983).

Specifically, given the unfeasibility of designing complete contracts, managers are expected to take decisions that are suboptimal from a shareholder point of view because of both parties' differing goals and risk preferences (Eisenhardt, 1989a). The fundamental objective of the board of directors in this perspective is to limit the discretion of managers, who are supposed to be opportunistic and self-interested, by monitoring their actions and decisions in order to maximize shareholders' wealth (Fama and Jensen, 1983; Zahra and Pearce, 1989). However, as indicated in recent literature, this is not the only problem principals face. Their agents also suffer from the limitations of bounded rationality, resulting in what is labelled as 'honest incompetence' (Hendry, 2002; 2005). Therefore, even though managers' behaviours may be well aligned with shareholders' interests, they may still take suboptimal decisions due to cognitive constraints, highlighting the importance of board control in corporations.

Within this fundamental responsibility of the board, two distinct sets of tasks, i.e., behavioural control and output control, can be distinguished (Eisenhardt, 1985). On the one hand, the behavioural control task mainly embodies monitoring, evaluating, and regulating CEO and top manager behaviour (Hillman and Dalziel, 2003), concentrating on the manner in which things are done rather than on the outcomes. This form of control is mainly aimed at ensuring that management behaves and operates in function of shareholders' best interests instead of serving their own or being hampered by their cognitive limitations. However, as boards are increasingly expected to take other stakeholders (e.g., employees, customers, local societies) into account, there is a need for them to assess managerial behaviour with respect to these other parties' needs and objectives as well (Luoma and Goodstein, 1999; Huse, 2005). The output control

task, on the other hand, is specifically directed at the performance outcomes of a firm. In effectuating this task, the board of directors, mainly by means of monitoring based on quantitative information, keeps a check on the congruence between company performance and shareholders' and stakeholders' expectations (Huse, 2005). If performance turns out to be subpar ex post, due to whatever reason, corrective measures can be subsequently adopted.

The board's service tasks

While recognizing the importance of board control, many researchers stress that boards have other important tasks to fulfil in firms (e.g., Bammens et al., 2008; Van den Heuvel et al., 2006; Zahra and Pearce, 1989). In making such claims scholars do not limit their discussion to agency theory but instead draw upon multiple theories such as, among others, stewardship theory, resource-based view of the firm, stakeholder theory, and resource dependence theory (Hung, 1998). Out of this theoretical pluralism, two main sets of service tasks, i.e., advice and networking, can be distilled. First, stewardship theory posits, as opposed to agency theory, that often managers wish to perform their jobs in the best interest of the shareholder, thus acting as good stewards rather than self-serving agents (Davis et al., 1997). This renders the control tasks of the board less essential and in essence encourages the board to become more widely involved in the corporation by sharing their knowledge and experience with top management, thereby, in line with the resource-based view of the firm (Barney, 1991), taking on the shape of a valuable company asset (Hung, 1998). As such, boards of directors have important advisory tasks to fulfil which are ultimately aimed at enhancing the decision-making process in their firms (Huse, 1998).

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Second, stakeholder theory emphasizes the role of the board as a coordinator of the interests of the stakeholders involved in the corporation, which thereby serves as a legitimation mechanism with respect to these various actors (Luoma and Goodstein, 1999). In addition, from a resource dependence perspective the board is seen as an important boundary spanner between the organization and its environment. In this view, board members are expected to secure valuable assets or resources for the firm (Pfeffer and Salincik, 1978). As such, these theories provide a rationale for a last distinct board task, the networking task, in which boards are expected to be occupied with a number of activities such as networking, legitimizing, and lobbying in the firm's interest (Huse, 2005).

Shared leadership and board task effectiveness

A board is often composed of a wide range of competent individuals such as business experts (e.g., current and former senior executives and directors of other firms), support specialists (e.g., accountants, lawyers, bankers, auditors), community influentials (e.g., politicians, academics), and insiders, who all have their own unique expertise and skills to offer to the team (Hillman et al., 2000). In line with shared leadership theory, depending on the subject matter, some directors will be better positioned than others to lead the team in order to effectively fulfil its diverse control and service tasks. For instance, in addressing legal or accounting matters, lawyers and auditors are likely to possess the most relevant expertise and knowledge regarding what needs to be done in order for the board to successfully perform its tasks, making them the most suited directors to take the lead in such instances. A similar argument can be made in favour of an internationally experienced director taking the lead when

considering the decision to expand the firm's activities abroad. Likewise, in the shared leadership process, a director with expertise in the field of marketing taking the lead is likely to be beneficial when the firm's performance with respect to marketing-related outputs (e.g., market share, customer satisfaction, sales growth) is to be scrutinized or when discussing the desirability and content of a new marketing strategy. These continuing dynamics of directors exerting, and accepting, leadership influence based on knowledge and expertise in the team network will have a beneficial effect on the board's problem-solving capabilities and, therefore, board task performance. That is, this mechanism of shared leadership, through concerted effort to access required expertise, share and integrate knowledge, collaborate, and make joint decisions in the network, results in a more effective use of the capabilities present throughout the board which positively reflects on the team's ability to produce problem solutions (Friedrich et al., 2009). As such, given that boards in performing their work address a set of, often complex and ill-structured, problems, this collective leadership effort can be expected to be positively related to board control and service task performance. However, as a cautionary note, this does not imply that the board has to turn into a set of specialists who only contribute within their topic of expertise (Pick, 2009). Instead, directors have to find some sense of complementarity in which they can voice their opinion in all activity domains, but at the same time adopt a more active and leading position in their field of interest and expertise (Wood, 2005).

In diverse contexts ranging from change management teams (Pearce and Sims, 2002), work teams (Barry, 1991), and consulting teams (Carson et al., 2007) to top management teams (Ensley et al., 2006), shared leadership has been shown

to significantly impact team performance. Given the demonstrated performance benefits of shared leadership for teams that perform tasks that are broadly similar in nature to the ones that are performed by the board of directors, shared leadership is expected to be significantly related to board task performance in like manner.

> **Proposition 1a**: *Boards of directors that demonstrate a high level of shared leadership in their team will be more effective in performing their control and service tasks*

Individual and team conditions

Although task performance is the most commonly studied outcome in team literature, as well as in board research, the importance of other individual and team outcomes is widely acknowledged among scholars as well (Forbes and Milliken, 1999; Mathieu et al., 2008). In a similar vein, it is recognized in this framework that shared leadership will not only have an impact on board task effectiveness, which past board research has had an almost exclusive interest in, but also on a number of affective, behavioural, and cognitive director and board team conditions which are dynamic constructs indicative of the nature and quality of team dynamics that develop as team members interact (e.g., trust, cohesion, satisfaction, commitment) (Kozlowski and Ilgen, 2006; Perry et al., 1999). In particular, this collective leadership effort among directors can be expected to foster a socially well-functioning board team as a result of two underlying mechanisms. First, as an extreme case of team member empowerment (Pearce, 2004; Perry et al., 1999), shared leadership can be

considered to be a highly ethical form of leadership (Den Hartog and De Hoogh, 2009). That is, instead of being subordinate to the unitary leadership of a hierarchical leader, team members are allowed the freedom to engage in a mutual peer influence process, thereby fully respecting their personhood (Palmer, 2009) and leaving the opportunity for them to develop and deploy their capabilities (Gandz and Bird, 1996). Therefore, merely functioning in line with the principles of shared leadership will in itself result in beneficial effects for the board team and its members. For example, the increased sense of autonomy and ability to contribute has been indicated to lead to higher levels of satisfaction and commitment among team members (Wood and Fields, 2007).

Second, besides these inherent positive effects on a number of individual and team conditions within the board stemming from the process of shared leadership, there is also a more active component to it. As indicated before, leadership entails ensuring that both task accomplishment and team maintenance needs are taken care of (Hackman and Walton, 1986). Similarly, shared leadership in the board team is not limited to directors adopting leadership functions on task-related matters only, but involves them actively sustaining and fostering desirable individual and team conditions, which are crucial for a team's functioning, as well. As with functional expertise, some directors will likewise, depending on for instance their interpersonal capabilities, personality, past experiences, and backgrounds, be more suited than others to lead the team to need satisfaction in these areas. For example, directors which are perceived by their team members as highly charismatic will be more favourably positioned to inspire and arouse enthusiasm and commitment among followers, while yet others will be more gifted to function as mediators that can

actively guide the board team in minimizing harmful conflict. In the same vein, some directors are inherently more socially sensitive and therefore more inclined to showcase supporting leadership behaviours (e.g., showing appreciation for directors' contributions, being responsive to their needs and feelings, providing encouragement), which have been demonstrated to be positively related to cohesion, satisfaction, and commitment within teams (Yukl, 1989). Therefore, teams in which team maintenance-directed leadership is shared among members on the basis of who is the most appropriate given the situation at hand can be expected to exhibit superior performance with respect to individual and team conditions that characterize the nature and quality of team dynamics (Barry, 1991).

Previous research has in fact linked shared leadership to a wide range of alternative outcomes such as higher levels of member satisfaction (Mehra et al., 2006; Wood and Fields, 2007), trust (Shamir and Lapidot, 2003), commitment (Pearce and Sims, 2000; Perry et al., 1999), cohesion (Ensley et al., 2003), and collective efficacy and potency (Perry et al., 1999). Given that the impact of shared leadership on these individual and team conditions has been established in numerous team settings, similar dynamics can be expected to be prevalent in the boardroom as well:

> **Proposition 1b**: *Boards of directors that demonstrate a high level of shared leadership in their team will perform better with respect to a wide range of individual and team conditions*

Individual and team conditions as a mediating mechanism to board task performance

Team and individual conditions resulting from a collective's functioning have long been recognized in team literature to constitute an important mechanism in explaining task performance (Kozlowski and Bell, 2003; Mathieu et al., 2008). As indicated in previous research, this can be argued to hold in a board context as well (Forbes and Milliken, 1999). In line with these conceptions, we argue that affective, cognitive, and behavioural board team and director responses to shared leadership are essentially intermediate in nature and as such play an important role in the mechanism that results in increased board task performance (Friedrich et al., 2009; Perry et al., 1999).

Many of these individual and team conditions which have been argued to be positively affected by shared leadership in the previous section (e.g., satisfaction, commitment, potency) have been granted considerable attention in team effectiveness studies, in which their importance for team performance has been demonstrated (Kozlowski and Ilgen, 2006; Mathieu et al., 2008). In line with these insights, we put forward that shared leadership in the boardroom, besides its direct effect on board task effectiveness, results in more effective internal team management processes and as such builds capabilities within the board which enable future team performance (Carson et al., 2007; Friedrich et al., 2009). That is, shared leadership positively affects and develops a series of individual and team conditions within the collective that foster a board's ability to effectively perform its tasks. For instance, cohesion has been offered as a central mediator in the relationship between shared leadership and performance,

and can be expected to function so similarly in the boardroom (Ensley et al., 2003). In particular, evidence indicates that individuals in highly cohesive teams are more likely to share uniquely known information and demonstrate a high degree of commitment, resulting in increased effort, towards the team's tasks and goals (Kozlowski and Ilgen, 2006). In addition, as described above, shared leadership may be linked to improved conflict management within the board. Boards that more effectively manage dysfunctional affective conflict and foster cognitive conflict, which has been shown to result in the generation of more and better problem solutions and the mitigation of groupthink in highly cohesive groups through the inclusion of multiple viewpoints, are characterized by an increased team capacity for decision making and, consequently, superior task performance (Forbes and Milliken, 1999). Along the same lines, trust, which can be defined as the willingness of an individual to be vulnerable to the actions of other individuals based on positive expectations regarding the trustee's behaviour (Mayer et al., 1995), has been argued to constitute an important determinant of team performance as it functions as some sort of lubricant in the social system (Costa, 2003). That is, higher levels of trust among board members are likely to increase board task performance as directors will be more willing to engage more closely with each other, which entails risk-taking on their part, thereby facilitating coordinated action, open cooperation, and information sharing (Dirks, 1999).

Therefore, the affective, cognitive, and behavioural individual and team responses to this collective leadership effort can be argued to play a pivotal role in the dynamics of shared leadership in the boardroom as they, exemplified by these illustrations, give way to enhanced internal team mechanisms which

enable boards to handle the situations they come to face in a more effective manner. In line with shared leadership and team literature, in offering the following proposition, the significance of these individual and team conditions affected by shared leadership for board task performance is therefore acknowledged:

Proposition 1c: *Individual and team conditions function as an important mediating mechanism in the relationship between shared leadership and board task effectiveness*

The nature of the task as a moderator

Although shared leadership has been demonstrated to lead to superior team task performance in a number of contexts, it cannot be considered to be a panacea in all organizational settings and at all times (Pearce, 2004). Whether shared leadership is desirable and worthwhile considering its inherent additional interaction costs or process losses (Steiner, 1972) is to large extent dependent on the nature of the tasks performed by the team. In particular, both task complexity and task interdependence have been put forward as critical moderators of its performance implications (Bligh et al., 2006; Cox et al., 2003; Pearce and Manz, 2005).

Task complexity

Task complexity can be conceptualized as the degree to which a number of determinants, i.e., multiple potential paths to arrive at desired outcomes,

multiple desired outcomes to be attained, conflicting interdependence among paths to multiple outcomes, and uncertain or probabilistic links among paths and outcomes, characterize a task (Campbell, 1988). As tasks increase in complexity, higher cognitive demands are placed upon the task-doer (Campbell, 1988). Consequently, it becomes less likely that all of the necessary capabilities to lead the team to successful task fulfilment will reside in a sole person, which makes that sharing leadership in such instances will result in increased task performance. On the opposite side of the same coin, extremely routine and non-complex tasks have been shown to reduce the need for leadership (Kerr and Jermier, 1978). Therefore, task complexity is expected to moderate the relationship between shared leadership and the board's effectiveness in performing its distinct subtasks. For example, as the behavioural control task can be considered to be more complex than the output control task, not in the least due to the information asymmetry between directors and managers and the inherent greater intangibility of human behaviour (Eisenhardt, 1989a), shared leadership is likely to be more strongly positively related to behavioural control effectiveness than to output control effectiveness as the efficiency gains in the use of director's competences will be more outspoken for complex tasks. Similarly, given the complex nature of the corporate decision-making process, a strong positive relationship between shared leadership and advisory task effectiveness can be expected which will, however, be further determined by the level of complexity of the specific matter being handled.

Proposition 2a: *Task complexity will moderate the relationship between shared leadership and board task effectiveness*

Task interdependence

Task interdependence, which refers to the degree to which team members depend on one another for their efforts, information, and resources (LePine et al., 2008), has been offered as a second prime moderating variable in the shared leadership literature (Bligh et al., 2006; Pearce, 2004). Tasks that are characterized by high interdependence require cooperation, coordination, and integration of the efforts of team members (Stewart and Barrick, 2000), whereas in the case of tasks which score low on interdependence, members' contributions are merely pooled rather than integrated (Thompson, 1967). Therefore, performing highly interdependent tasks requires more effective mechanisms to properly coordinate and integrate the efforts of board team members, making such mechanisms more strongly related to team effectiveness as task interdependence increases (Burke et al., 2006; LePine et al., 2008). As shared leadership has been put forward as one of those key mechanisms in improving the coordination and utilization of team members' contributions (Friedrich et al., 2009), board task interdependence is likely to moderate the relationship between shared leadership and the board's effectiveness in performing its disparate control and service tasks. In fulfilling the networking task, for instance, directors operate relatively independent from each other, resulting in pooled rather than integrated contributions, which is likely to limit the benefits accruing from shared leadership. On the other hand, many of the other board tasks generally are, although to differing extent, dependent on the combined input of a wide range of directors to be completed successfully, making shared leadership highly instrumental in such cases.

Proposition 2b: *Task interdependence will moderate the relationship between shared leadership and board task effectiveness*

2.3.3 Determinants of shared leadership in the boardroom

In this section, a number of factors which are likely to affect the prevalence of shared leadership in the boardroom are distinguished. First, we acknowledge that the way the board team is designed, while not being directly linked to performance, has an important impact on its functioning. Specifically, it is put forward that human capital heterogeneity (i.e., the extent to which different board members possess different skills, expertise, experience, etc.) provides the basis for this mutual influence process in which directors take on leadership based on who is the most capable given the situation at hand to develop. In addition, we argue that the degree to which this relationship holds is dependent upon both the Chair's behaviour and the extent to which desirable individual and board team conditions are present within the team.

Human capital heterogeneity

Although boards have sometimes been depicted as old men's clubs, this does not imply that they are necessarily homogeneous in composition. Board members are likely to differ to some extent on job-related (i.e., functional, educational, and industry background) and other (e.g., ethnicity, age, gender) dimensions, resulting in a varied mix of human capital available to the board (Forbes and Milliken, 1999). Board teams that are more diverse are likely to have a wider palette of capabilities at their disposal as their members bring a

broader range of educational, work, and life experiences, knowledge, and expertise to the boardroom table. Inherent to the heterogeneous nature of those boards, these capabilities are spread over the different individuals throughout the team. Given that shared leadership can be regarded as a dynamic and fluid influence process in which the individuals with the most relevant skills and expertise given the situations at hand emerge as temporary leaders, human capital heterogeneity within the board can be argued to constitute an important determinant of this collective leadership effort (Friedrich et al., 2009). That is, the incidence of leadership being shared based upon situational proficiency is likely to increase with the degree of diversity of directors with unique competences and expertise. Given the diverse nature of the corporate decision-making process, boards that have a more heterogeneous collection of human capital to their disposal (e.g., directors with differing backgrounds in marketing, finance, law, etc.) are more likely to showcase different directors adopting leadership positions in different situations. On the other hand, if diversity is low (e.g., all male directors with a background in finance) there is little ground for directors to make credible leadership claims, and consequently receive reciprocal leadership grants, based on situational proficiency, making shared leadership less likely to develop in such instances (DeRue and Ashford, 2010). However, the relationship between human capital heterogeneity and shared leadership can be expected not to be linear given that as boards become more and more diverse, the common frame of reference among its members fades away, resulting in directors failing to recognize and understand their peers' contributions (van Knippenberg and Schippers, 2007). Therefore leadership behaviour expressed by others may not be perceived or accepted as such, making shared leadership in overly diverse board teams less likely to be

witnessed. In line with these insights, team diversity can be argued to operate as a double-edged sword (Milliken and Martins, 1996), indicating that the calls for increased board diversity need to be more nuanced:

Proposition 3: *Human capital heterogeneity is positively related to shared leadership up to a saturation point, after which the relationship turns negative (inverted U)*

Individual and team conditions as a moderator

While human capital heterogeneity is an essential input to shared leadership as it provides the basis for it to develop, a number of factors are likely to moderate the degree to which this relationship holds. Specifically, we argue that shared leadership will more likely emerge when contingencies that enable the team to capitalize on the different types of skills and expertise within the team are present within the board (Friedrich et al., 2009). Individual and team conditions indicative of the nature and quality of the board team's dynamics can be expected to play an important role in this regard. That is, the degree to which shared leadership will develop among directors who bring a diversity of skills, expertise, and experiences to the boardroom, will be dependent on the extent to which they function effectively from an internal team management perspective. Hence we put forward that individual and team conditions within the board moderate the relationship between human capital heterogeneity and shared leadership.

A number of key mechanisms can be argued to be pivotal in this respect. First, for shared leadership to develop out of a heterogeneous collection of human capital within the boardroom, directors need to be motivated and willing to take on and accept leadership based on situational proficiency (DeRue and Ashford, 2010; Friedrich et al., 2009). In this respect, the level of engagement in and commitment to the team and its goals have been argued to be of importance (Friedrich et al., 2009). In addition, the extent to which individuals believe they are able to successfully lead the team to task fulfilment (i.e., self-efficacy) and view themselves as potential leaders has been shown to play an important role in the willingness of team members to claim leadership positions (DeRue and Ashford, 2010). Second, in order for a variety of skills and expertise within the board to result in shared leadership, some degree of awareness among board members of their own competencies and the ones present throughout the team network can be expected to be required to enable them to claim and grant leadership positions based upon who is the most capable given the situation at hand (Friedrich et al., 2009). In this respect, collective cognition, and in particular the extent to which transactive memory (i.e., a set of distributed, individual memory systems that combines the knowledge possessed by directors with an awareness of who knows what) has been developed within the team can be argued to be of importance as this allows directors who bring a diversity of skills, knowledge, and experiences to the boardroom table to judge when it is appropriate to exercise, and accept, leadership influence in particular situations (Kozlowski and Ilgen, 2006). Third, for shared leadership to develop, some sense of psychological safety (Edmondson, 1999) and an atmosphere of openness among board members is needed in order for directors to be willing to share information, cooperate, and adopt highly visible positions within the board

team. The level of trust board members have in other directors' capabilities (competence-based trust) and their integrity (affect-based trust) (McAllister, 1995), for instance, can be argued to function as an important moderator of the relationship between human capital heterogeneity and shared leadership. Board members who experience high levels of affect-based trust in the other directors are more likely to openly express their concerns and opinions and position themselves vulnerably by adopting a leadership role. They will also be more inclined to accept their influence, since the perceived integrity of the other party assures them they will not be taken advantage of (Bligh et al., 2006). With respect to cognitive-based trust, if board members perceive the temporary leader, based on past performance or professional credentials, to have the necessary capabilities they will be more likely to accept his influence when matters in his area of expertise are being handled. In addition, when directors believe that other board members lack the capabilities to perform their tasks, expectancy theory advances that they will not be motivated to take on leadership roles because they assume that such extra effort, which goes beyond mere compliance (Pearce and Manz, 2005), will be unrelated to task performance in such instances (Dirks, 1999). In this light, it can therefore be expected that the degree to which human capital heterogeneity will result in directors mutually influencing each other by sharing leadership based on who is the most capable given the situation at hand, will be dependent on the extent to which directors have developed trusting relations with each other.

In line with these arguments, the importance of individual and team conditions within the board team for the development of shared leadership out of a diversity of skills, expertise, and experiences that directors bring to the

boardroom table is acknowledged. Specifically, we put forward that the extent to which human capital heterogeneity will lead to directors sharing leadership based upon situational proficiency will be contingent upon the degree to which desirable individual and team conditions (e.g., board members committed to the team and its goals, awareness of capabilities among directors, trusting relations within the team) are present within the board.

Proposition 4: *Individual and team conditions will moderate the relationship between human capital heterogeneity and shared leadership*

Chairperson behaviour as a moderator

Shared leadership, although going beyond traditional top-down leadership approaches, does not imply that formal or assigned leadership is irrelevant. In fact, many researchers highlight the critical role the appointed leader, i.e., the board's Chair, plays in making or breaking this effective team leadership practice (Lambrechts et al., 2010; Lorsch, 2009; Pearce, 2004). Specifically, it is put forward here that the extent to which shared leadership will develop out of the diversity of skills and expertise that different board members bring to the boardroom table, will be contingent upon the Chair's behaviour within the board team.

In this respect, a number of formal leader behaviours which are constructive in the light of shared leadership have been distinguished in literature. First of all, the board's Chair, just like any other board member, has the duty of 'taking

action' by adopting leadership roles when appropriate (Hackman and Walton, 1986). In doing so, he or she additionally serves as a visible role model for the other directors through demonstrating desired behaviour, thereby encouraging them to partake in the shared leadership process as well (Pearce and Manz, 2005). Beneficial Chairperson behaviour also includes publicly reinforcing and rewarding appropriate team member leadership behaviour as it will encourage these members to continue on the path taken while also signalling role model behaviour to the other members, thereby creating a virtuous cycle of shared leadership. Furthermore, as not all individuals may have the natural tendency to emerge as leaders in a team (Mehra et al., 2006), inviting and stimulating directors that may be more reserved in nature and therefore do not take the lead when desirable, and keeping others that dominate the rest in line, is essential to ensure that all board members contribute appropriately in the shared leadership process (Pick, 2009). This is particularly important given the fact that directors are peers with respect to formal authority over one another, but not so from a group dynamics perspective. That is, directors bring different influence bases into the boardroom (e.g., tenure, ownership, executive position, prestige) which, if left unbridled, could potentially pose problems for shared leadership to develop (Pettigrew and McNulty, 1995). Therefore, this promoting of equality and shared responsibility within the board team by actively monitoring and, when necessary, regulating and balancing members' contributions is indeed one of the most critical Chairperson behaviours from a shared leadership perspective. Finally, it is the appointed leader's responsibility to judiciously intervene in the team's processes on a strictly as-needed basis in order to make sure that the team does not drift out of direction (Pearce, 2004).

As such the constructive role of the board Chair in a shared leadership approach can in essence be summarized as that of a supportive coach (Morgeson, 2005) who fosters the effectiveness of the board by creating and maintaining the right circumstances in order to get the most out of the heterogeneity of perceptions, competencies, and resources that all directors bring to board (Vansina, 1999), while at the same time functions as a peer within the team. On the other hand, however, improper Chairperson behaviour can form a critical impediment to the development of shared leadership in the boardroom. Specifically, while failing to portray one or more of the aforementioned constructive behaviours may hinder such beneficial processes, the real threat comes from Chairs who overstep their role by being too directive, thereby overcrowding other directors and jeopardizing the effective working of the team (Pick, 2009).

In line with these arguments, we acknowledge the importance of the Chair's behaviour and argue that it will play a decisive role in the development of shared leadership in the boardroom. Specifically, it is put forward that while board team human capital heterogeneity provides the basis for board members taking on leadership depending on who has the most relevant capabilities given the situation at hand, the extent to which this relationship holds is contingent upon the behaviour of the Chair. That is, the degree to which skills, expertise, and experience being spread over different directors will result in directors taking on leadership based on those competencies will depend on the extent to which the Chair creates and maintains the right circumstances for it to thrive or hinders its development by being overly directive in fulfilling his or her function as appointed leader. Therefore, the following proposition is offered:

Proposition 5: *Chairperson behaviour will moderate the relationship between human capital heterogeneity and shared leadership*

2.4 DISCUSSION

2.4.1 Contributions

Leadership scholars are increasingly acknowledging that traditional, unitary approaches to leadership are likely suboptimal in team settings (Day et al., 2006; Gronn, 2002; Pearce and Conger, 2003). In this paper it has been offered that in the context of the board of directors, characterized by its horizontal authority structure, a more collective form of leadership, i.e., shared leadership, will be more appropriate and effective. As such, this work adds to existing academic literature in several ways. First, it answers to the call made by several leadership scholars to study the concept of shared leadership in a wide range of team settings (e.g., Day et al., 2006; Pearce and Conger, 2003) by demonstrating its relevance in the context of the board of directors. Second, it provides additional insights and evidence regarding the appropriateness of describing the board as a team and infusing team concepts into board literature, thereby clearly contrasting previous board research which has largely ignored the existence of a *board team*. Such an understanding is crucial as we, along with other scholars (e.g., Bammens et al., 2011; Hambrick et al., 2008; Huse, 2005, 2007), clearly believe that getting an understanding of how inherently

complex and dynamic board teams function and operate is the next step to take in board research.

Although the importance of boards for their firms and society at large is generally acknowledged, academic knowledge concerning how they actually function is fairly limited due to a major bias towards board demography and agency theory in past board studies (Daily et al., 2003). This knowledge is crucial, nevertheless, as such research has produced largely inconclusive and inconsistent findings with respect to board and firm performance, perhaps most strikingly evidenced by the ofttimes exemplary and even applauded composition of the boards of firms that ended up as some of the most devastating and scandalous corporate meltdowns in history (e.g., Enron and WorldCom) (Finkelstein and Mooney, 2003). Therefore, our work is inspired by and aims to contribute to the expanding stream of research which focuses on behavioural perspectives and board processes in an attempt to overcome past board research limitations. Specifically, drawing upon the recognition that boards can be conceptualized as teams, it shows that board leadership is much more than just structure by investigating how a relatively novel team leadership conceptualization which is characterized by a mutual and fluid distribution of leadership throughout the team, i.e., shared leadership, is manifested inside the boardroom. The focus of this paper is thus on *leadership* rather than leaders (Hosking, 1988), which evidently encompasses much more than just the traditional question of whether or not the CEO should also hold the position of Chair. Likewise congruent with this behavioural and process-oriented stream of board research is this paper's attention to individual and team conditions within the board which develop as directors interact. Specifically, we put forward that

the extent to which human capital heterogeneity will result in directors taking on leadership depending on the situation at hand, will be contingent upon the degree to which desirable individual and team conditions (e.g., board members committed to the team and its goals, trusting relations among directors) are present within the team. In developing a dynamic process model of shared leadership in the boardroom we furthermore acknowledge the impact of this collective leadership effort on a wide range of conditions indicative of the nature and quality of team dynamics within the board. In doing so, the complex, dynamic, and adaptive character of board team functioning, regulated by cyclical feedback loops, is recognized (Ilgen et al., 2005; Mathieu et al., 2008). For instance, shared leadership can be expected to more likely develop out of a heterogeneous collection of human capital when directors are motivated, committed, and engaged in the board team. As shared leadership is likely to result in increased levels of commitment among team members (Pearce and Sims, 2000), these mechanisms give rise to a cyclical adaptation process which sustains and fosters this collective leadership effort among directors.

Finally, with regard to the traditionally most prominent board outcome, our work provides interesting insights which conceptually expand the contributions made by previous theoretical board models (e.g., Forbes and Milliken, 1999; Zahra and Pearce, 1989). Specifically, we advance that a more fine-tuned delineation of the board's tasks is required as the impact of shared leadership, and most likely many other board processes as well, is not uniform for all the distinct tasks the board performs.

2.4.2 Practical implications

Although this paper's contributions are primarily to be found in the theoretical realm, a number of resultant insights will be of relevance for practitioners as well. For instance, this article provides general and preliminary indications that installing shared leadership principles in the boardroom will prove to be rewarding with regard to board task effectiveness as well as individual and team conditions within the board team. As such, shared leadership within the team may be one of the much sought-after tools by which boards can bring about value protection and creation for their firm and its wide set of involved actors. Shared leadership may be of particular use in the prevention of corporate scandals like the ones that have shaken market confidence and stirred outrage throughout societies worldwide as well as smaller-scale corporate abuses. As elaborated upon earlier, such a collective leadership effort within the board team can be expected to result in boards being able to more effectively control the firm's internal actors (mainly the CEO and top management). In addition, as in this process leadership and power are distributed throughout the team instead of centralised in one person, it provides a leadership system of checks and balances in which decision-making responsibility is shared and domination over the decision-making process by a sole director, for instance the board's Chair, is precluded (Pearce et al., 2008b). Therefore, shared leadership will likely lead to a more robust control system as it will have less to suffer from unethical or illegal actions stemming from single, authoritative individuals whose behaviour may be guided by direct or indirect conflicts of interests (e.g., personal financial gain, business relationship with the firm, personal links to management). By taking up their responsibilities in such a correct and fiduciary way, boards of

directors moreover fulfil an implicit signalling and role-modelling function by setting the tone at the top (Driscoll and Hoffman, 1999; Schwartz et al., 2005), which has been shown to have an important trickle-down effect on the ethical behaviour of other corporate actors (Posner and Schmidt, 1987; Soutar et al., 1994).

Second, while acknowledging that structural characteristics will not impact performance directly to a great extent, this paper does indicate that how the board of directors is composed serves as an important determinant of its functioning. As such, we uphold that in forming the board team and selecting individual members, the discussion should not be limited to some heavily advocated issues such as director independence and non-CEO duality, but instead needs to be directed at ensuring that the board is composed in a manner (e.g., adequate human capital heterogeneity) that will enable it to function as an effective team and that will foster effective team processes such as, for instance, shared leadership. Such topics should furthermore continue to receive the necessary attention and, if necessary, polishing, making it essential for them to play a major role in periodic board and director evaluations (Minichilli et al., 2007).

Besides in the selection and dismissal of directors resulting from unveiled compositional flaws, such evaluations also have a valuable role to play in the team's internal functioning as they provide relatively tangible inputs for the learning and adaptation processes that regulate the team's working. Indeed, disciplined reflection and learning moments (Edmondson, 2008) built into the regular working of the board can be argued to be highly important in this

respect. For example, periodically, a board might reflect on questions such as: What did we set out to do? How did we enact our control and service tasks as a team? Concerning our way of relating to one another, what worked well and how can we sustain this? What did not work well in this respect and how can we improve on this? The goal of these moments is to 'pause the action', allowing time to learn from joint board team experiences regarding the team's dynamics and the way of working together. In doing so, directors explicitly surface and discuss individual and team conditions within the team that have developed during their interactions, making them cognizant of these matters and allowing them to learn and improve in this regard. As such, board evaluations might constitute an important instrument in facilitating shared leadership as engaging in such systematic learning practices can help board members to develop into a team of 'true peers', which goes beyond them just being peers with respect to formal authority over one another. That is, these practices may aid in fostering the development of a board team in which team members act as co-creators of value within an equal relationship characterized by reciprocity between directors' contributions (versus one-sided influence) (Lambrechts et al., 2011) and lived interdependence as the mutually negotiated and accepted way of interacting among directors who recognize and appreciate each other's perspectives, expertise, contributions, and identity (Bradford et al., 1964; Bouwen and Taillieu, 2004).

In addition, as the board team has been put in place, its members may need supplementary training, also on the interpersonal level, to ensure they will be able to function properly within the team. In order for directors that join the board at later stages to be able to effectively contribute to the board team, such

training should, moreover, be included in director induction programmes as well (Higgs, 2003). Specifically with respect to shared leadership, directors, although usually at least to some extent experienced in leading individuals, may need to be trained to cope with this mutual and fluid influence process which they may not be accustomed to. This can be expected to be of particular importance for Chairs, not in the least given their decisive role in the development of shared leadership, as they may need to be aided in how to deal with their new roles and responsibilities as appointed, but not authoritative, leaders. As a caveat, however, before specific interventions addressing these practical insights can be developed, elaborate empirical testing will be required. Moreover, although a number of contributing factors are identified here, specific research with respect to *how* to actively foster shared leadership in the boardroom will be necessary.

2.4.3 Further research

This paper has clearly advocated that boards can be rightfully conceptualized as teams and therefore should be studied as such. This recognition opens up a whole world of research perspectives and opportunities which have the ability to result in a perpetual stream of theoretical and empirical contributions. In drawing upon the vast amount of team literature, board scholars will be equipped with the necessary tools to go beyond traditional, ofttimes equivocal, board research by investigating how processes and behaviours inside the boardroom impact board decision-making and performance (Huse, 2007). As highlighting all possible research avenues at this point is beyond the scope of this work, the discussion in this section will be limited to a number of issues that we find of particular interest. Given that boards have been recognized as

dynamic social systems, it will be highly rewarding to apply dynamic process models, as we have done in this paper, in future board studies in order to do honour to the complex and adaptive nature of board teams. Specifically, investigating how cyclical feedback loops unfold within the board team as outcomes of its functioning serve subsequently, through a learning and adaptation process, as determinants of its future functioning is bound to result in interesting insights. As is indicated in this paper as well, in order to develop a more comprehensive understanding of board teams and their functioning, research attention to board outcomes should furthermore not be limited to whether or not task performance is enhanced, but should also include implications for individual and team conditions within the board such as trust, collective efficacy and potency, shared mental models, commitment, cohesion, and a host of other concepts that have been distinguished in team literature (e.g., Kozlowski and Bell, 2003; Mathieu et al., 2008). Research delving into the relationship between these non-task-related team and individual outcomes and board task performance may further add to this knowledge, which is crucial given the important responsibilities boards have towards their firms and its involved actors.

Specifically with respect to shared leadership, this paper provides the theoretical foundations for this relatively novel leadership conceptualization in a boardroom setting and as such opens up the door for a wealth of future studies investigating this promising board leadership approach. Additional conceptual efforts may be aimed at expanding the offered theoretical framework by providing other antecedents or outcomes which may be of importance. However, as any model, including the one put forward here, is by definition a simplified

representation of a more complex phenomenon, more ground-breaking contributions can be expected from studies which provide a fine-grained theoretical analysis of specific fragments that make up the model and thus offer a more detailed account of how shared leadership is manifested inside the boardroom. For instance, investigating the interplay between the Chair as the appointed leader of the board and the numerous emergent leaders is destined to yield interesting insights into the true leadership dynamics that unfold in the boardroom. Moreover, although this paper has addressed Chairperson behaviour which will play a constructive or destructive role in developing shared leadership among directors, relatively little is known about the specific actions that these appointed leaders would need to display (e.g., *how* Chairs may invite and stimulate more reserved directors to take the lead when appropriate). Getting an in-depth understanding of these issues, given their critical importance, would be a major step forward, both for theory and for practice. The novel insights which would result from such studies, along with the propositions offered in this paper, should furthermore be subjected to rigorous empirical testing. Although empirical studies on the topic of shared leadership have been relatively scarce, a number of distinct quantitative approaches have demonstrated promising results and may serve as a guide in this process (e.g., Bligh et al., 2006; Carson et al., 2007; Ensley et al., 2006). Furthermore, detailed board-in-action qualitative research will most likely serve as an appropriate and rewarding, though challenging and time-consuming, research method as it will allow researchers to study leadership processes as they unfold in real time (Samra-Fredericks, 2000).

2.5 CONCLUSION

Past board leadership studies have been mainly preoccupied with assessing the relationship between a number of structural board leadership characteristics, chiefly CEO duality, and board and firm performance (Finkelstein and Mooney, 2003). However, in a team context, it is widely recognized that leadership encompasses much more than just structure. In this light, this paper has offered an alternative perspective on board leadership by addressing how actual leadership processes and behaviours are manifested among directors. Specifically, it has been advanced that the corporate boardroom is a prime setting in which a relatively novel leadership conceptualization, i.e., shared leadership, will be able to flourish and consequently result in superior board team performance. From an overarching perspective, our theoretical discussion thus provides further indication that a focus on the human side of corporate governance, which acknowledges that boards are made up of interacting individuals, is highly rewarding and commendable in the light of increasing our understanding of this important governance mechanism (Huse, 2007).

3. LEADERSHIP DYNAMICS AMONG DIRECTORS: A QUALITATIVE INQUIRY INTO SHARED LEADERSHIP IN THE BOARDROOM

3.1 INTRODUCTION

Much of current-day organizational work is performed by teams which are brought together with the ultimate purpose of achieving something beyond the capabilities of individuals working alone (Marks et al., 2001). As teams have proliferated in organizations, so have studies delving into what makes them effective. Within this stream of research, leadership is considered to be a key determinant of team success (Cohen and Bailey, 1997; Morgeson et al., 2010) and some scholars have even argued it to be the most critical one (Zaccaro et al., 2001). While team leadership has traditionally been conceptualized as emanating solely from single authoritative individuals, developments within the corporate landscape are posing challenges to these classic individual-based models of leadership (Pearce, 2004; Pearce and Conger, 2003). Intensified global competitive pressures and increasingly demanding business environments have driven organizations towards flatter and more complex ways of organizing, giving rise to entities such as cross-functional and self-managed teams (Pearce, 2004). It is increasingly acknowledged that in such dynamic and complex settings, solitary leadership by a formal leader, boundedly rational like any other individual (Simon, 1957), is likely to have its limitations. That is, under such

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circumstances it is highly unlikely that one individual will possess the knowledge and skills to lead the team to goal fulfilment in every instance, suggesting performance benefits are likely to arise from more collective approaches to leadership (Friedrich et al., 2009; Cox et al., 2003).

A very promising leadership conceptualisation, which is particularly relevant in groups of interacting individuals and emanates from this relatively novel focus on plural leadership (Denis et al., 2012), is that of shared leadership. Pearce and Conger (2003, p.1) define shared leadership as "a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both". Its distinctive character resides in the fact that this influence process is not strictly confined to the formal or assigned leader as it "often involves peer, or lateral, influence and at other times involves upward or downward hierarchical influence". Shifting the focus from *leaders* to *leadership* (Parry, 1998; Yukl, 2006), shared leadership is rooted in the recognition that multiple individuals, not only the formal leader, possess the ability to exert leadership influence within a team (Morgeson et al, 2010). In particular, resembling a " 'whack-a-mole' game in which the person with the most relevant skills and expertise 'pops up' at any given time" (Friedrich et al., 2009, p. 934), a core feature of this collective leadership effort is that different team members, in a mutual and fluent process, emerge as temporary leaders based upon on situational proficiency, not hierarchical position (Pearce and Conger, 2003).

Empirical support for the beneficial effects of such leadership dynamics on team functioning and performance is consistently emerging within the nascent but

growing literature on shared leadership. That is, in a variety of settings, shared leadership has been found to be positively related to a wide range of favourable individual (e.g., satisfaction, self-efficacy, skill development), team (e.g., cohesion, potency, coordination, team performance) and organizational outcomes (e.g., corporate social responsibility, firm financial performance) (Carson et al., 2007; Ensley et al., 2006; Klein et al., 2006; Pearce and Manz, 2011). In addition to these outcomes, prior work on shared leadership has also made progress in identifying its antecedents, which can be roughly classified into three broad categories: formal leader behaviour, team structure and internal dynamics, and team environment. First, the formal or appointed leader is generally bestowed a pivotal role in creating the conditions for team members to emerge as temporary leaders by showcasing particular behaviours (e.g., role-modelling, reinforcing desirable leadership behaviour, managing team member contributions) which serve to manage the development of shared leadership within the team (Cox et al., 2003; Pearce, 2004). Second, scholars have established that individual and group affective, behavioural, and cognitive states and processes within the team (e.g., social support, trust, cohesion, collective efficacy) as well as several features associated with the team's structure and composition (e.g., diversity, ability, maturity, proximity) affect the emergence and unfolding of collective approaches to leadership among team members (Carson et al., 2007; Friedrich et al., 2009; Vandewaerde et al., 2011). Finally, a series of situational factors related to the team's environment have been suggested to impact the development of shared leadership (e.g., organizational culture, training and reward systems) and its effects on team effectiveness (e.g., task complexity, task interdependence) (Denis et al., 2012; Pearce, 2004; Vandewaerde et al., 2011).

While a deeper understanding regarding shared leadership and its antecedents and outcomes has begun to develop from recent conceptual and empirical work, relatively little remains known about the underlying dynamics and mechanisms associated with them (Denis et al., 2012). In this light, moving beyond current rather coarse-grained descriptions (Denis et al., 2012), the aim of this study is to develop a more profound insight into these micro-level interactions and processes related to how shared leadership is produced and performed. For instance, although a broad comprehension regarding the phenomenon of shared leadership at the team level has been established, still fairly little is known about how and why individuals partake in this collective process and how it is shaped in interaction by its actors. In order to address such issues, we opted for a 'deep' and 'instrumental' single case study design (Dyer and Wilkins, 1991; Stake, 2000) as it allows for the sought-after richness and detail required for an in-depth examination regarding the leadership phenomenon and the subtle and complex dynamics associated with it (Yin, 2003). As it can be argued to provide a particularly fruitful context for learning about shared leadership due to its non-hierarchical architecture and the complexity of the work it performs (Vandewaerde et al., 2011), the board of directors, in particular the one of a large privately-held Belgian firm, was selected to constitute the setting for this study.

The resultant findings of this study contribute to the literature in several ways. A first uncovering of our qualitative analysis is that while shared leadership is generally regarded and even promoted as beneficial for team functioning and performance (Denis et al., 2012), which our case study largely attests to, there is also a potential dark side to it. In particular, we found that shared leadership,

as it entails different individuals taking on leadership depending upon the situational adequacy of their knowledge and skills, constitutes a potent activational trigger for the formation of different subgroups in teams in which latent information-based faultlines are present (Bezrukova et al., 2009; Lau and Murnighan, 1998). This until now unexplored potential by-product of leadership being shared based upon situational proficiency may partly overshadow its documented benefits as faultline research has demonstrated that the emergence of separate and distinct groupings of individuals within a single team brings about the emergence of a series of adverse processes (e.g., disrupted team communication, decreased team cohesion, higher levels of intrateam conflict, deteriorating group relations) which have a detrimental impact on the team's outcomes (Jehn and Bezrukova, 2010; Lau and Murnighan, 2005; Li and Hambrick, 2005). Second, extending our understanding of the nature of the phenomenon, we found that while shared leadership is generally conceptualised as a fluid influence process among different individuals (Pearce and Conger, 2003; Friedrich et al., 2011), leadership structures and formalities nonetheless remain to play an important role in this regard as we found them structurally predisposing particular individuals to exert influence in particular areas of the team's work. In addition, we propose that current theorizing about shared leadership as taking place rather uniformly among team members, and by extension the use of aggregate indicators in empirical studies, neglects its complexity. Our findings suggest that it not solely matters whether or not and to what extent leadership is shared among team members, but that aspects such as the pattern of leadership distribution and the relative strength of individuals' influencing need to be included in a broadened understanding of shared leadership and its impact on team functioning and performance. Another main

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contribution to the literature on shared leadership is that whereas it emphasizes the role of the appointed leader as manager and maintainer of shared leadership within the team (Cox et al., 2003; Pearce, 2004), our data indicate that depending on the strength and health of team member interrelations and the team's resultant internal dynamics, active vertical leader intervention may not be as essential for the development of collective leadership among team members as proposed.

Finally, when it comes to board leadership, scholarly attention has hitherto been mostly limited to what is readily measurable (i.e., board leadership structure), leading to largely equivocal findings (Dalton et al., 1998) which are, moreover, empirically distant from the actual leadership dynamics taking place among directors (Pettigrew, 1992). Responding to recent calls for more process- and behaviour-oriented research into corporate governance and boards of directors (Daily et al., 2003; van Ees et al., 2009), our in-depth case study therefore also contributes to board literature as this first empirical account of shared leadership within the boardroom joins a growing stream of research which aims to shed more light on the black box of actual board functioning (Huse, 2005; Leblanc and Schwartz, 2007).

The remainder of this paper is structured as follows: First, we provide a background to the empirical case and the methodology employed, including data collection and analysis. Next, with the aim of augmenting academic knowledge concerning this phenomenon, the main part of this paper is devoted to an account and interpretation of the empirical findings regarding shared leadership

within the case study board. Finally, in the discussion section, theoretical and practical implications as well as directions for further research are put forward.

3.2 METHOD

Consistent with the dominant view in the leadership literature, we define leadership in this paper as a social influence process among interacting individuals whereby intentional influence is exerted with the aim of achieving group and organizational goals (Parry, 1998; Yukl, 2006). Due to its nature it has been advanced that qualitative methods are particularly suited for studies into leadership (Parry, 1998). That is, leadership scholars increasingly acknowledge that the richness of leadership phenomena and the variety and range of variables involved in these influence processes are of a complexity that is particularly well grasped by qualitative examination (Conger, 1998). In a similar vein, Denis and colleagues (2012, p. 21) acknowledge that the traditional use of quantitative methods in the study of shared leadership "may have limitations when it comes to examining in finer detail the nature of shared leadership in organizations and the processes associated with its emergence and development". Given the objective of the current study, adopting an in-depth qualitative approach may prove to be particularly insightful as it has the potential to elicit rich, detailed, and evocative findings. Moreover, as recently put forward by Shondrick and colleagues (2010), leadership studies have been shown to be prone to bias emanating from respondents' implicit leadership theories, resulting in findings reflecting the rater's information processing and sense making rather than genuine leadership behaviour. Well-crafted qualitative

research has been advanced as a fruitful approach to tackle this problem and surface actual leadership dynamics within a group (Shondrick et al., 2010). Given the above arguments, it will be the methodology of choice for this study.

3.2.1 The case study

We opted for the board of directors, in particular the one of a large Belgian firm, to constitute our research setting because of its learning potential regarding shared leadership as well as its relevance for corporate practice (Vandewaerde et al., 2011). Corporate boards are elite decision-making teams operating at the apex of the organisation (Forbes and Milliken, 1999). Understanding board leadership and the inner workings of the board, hitherto under-researched due to difficulties in gaining access (Leblanc and Schwartz, 2007), is therefore particularly important as history has shown (e.g., Enron, WorldCom) that director passivity and leadership failure at this ultimate level of decision making may have far-reaching adverse corporate and societal consequences (Huse, 2005). At the highest level of authority in a firm, the board of directors, which can therefore be regarded as an extreme case of a self-managed team, is also likely to constitute a particularly fruitful context for learning about shared leadership (Vandewaerde et al., 2011). That is, although accountable to shareholders, there is no hierarchically elevated leadership or direct supervision over the board, resulting in the need for leadership influence to originate from within the team. In addition, within corporate boards, even the board's Chair, the team's appointed leader, does not have instruction authority over the other board members (Gabrielsson et al., 2007). This horizontal authority structure, also ofttimes prevalent within cross-functional and self-managed teams, gives rise to a team climate which by its nature facilitates the emergence of shared

leadership among team members as it precludes differences in formal authority to constitute a dominant basis for deference within the team. Moreover, as boards operate in highly complex and ambiguous environments, "no corporate board member is likely to possess the full complement of information and knowledge necessary to achieve desired goals" (Gabrielsson et al., 2007, p. 24). It is exactly in such circumstances, in which team success is highly dependent on the unique and diverse skills, knowledge, and backgrounds that its members bring to the table, that shared leadership has been demonstrated to be a particularly relevant and effective practice (Carson et al., 2007; Pearce, 2004).

Given the context-specific nature of leadership (Bryman et al., 1996), a qualitative in-depth case study addressing the phenomenon in its naturalistic context constitutes an appropriate and desirable approach. We opted for a 'deep' and 'instrumental' single case study (Dyer and Wilkins, 1991; Stake, 2000) as it allows for the thick description and richness of accounts essential for our research purposes. Single case studies have been demonstrated to be a suitable research strategy for generating and refining theory (Dyer and Wilkins, 1991; Stake, 2000; Yin, 2003) and have produced some of the most interesting and enlightening contributions to both leadership (Bryman et al., 1996) and board literature (e.g., Brundin and Nordqvist, 2008; Samra-Fredericks, 2000).

Given the aim of our study, and the fact that statistical sampling is irrelevant for a single case design, we followed up on Stake's (2000) advice to select a case which holds a high potential for learning opportunities concerning the nature of, and micro-processes associated with, shared leadership within teams. Theoretical sampling in this study was informed by a larger research project out

of which the case company was targeted for the current in-depth study considering its learning potential stemming from the uniqueness of the case, the presence of the phenomenon of interest and the extent of board access granted (Eisenhardt and Graebner, 2007; Stake, 2000; Yin, 2003). Knowledge about the case company emanating from earlier research efforts, as will be described in more detail below, signalled that particular leadership dynamics were prevalent within the board which would make it a valuable resource for empirical learning regarding the sharing of leadership among team members. In addition, while often problematic in board research (Leblanc and Schwartz, 2007), the case study board's openness and willingness to participate in the study, evidenced by full access to board documents, board meetings, and individual directors, provided the opportunity and means for an in-depth understanding of the leadership dynamics within the board.

Schoenen Torfs NV (hereafter 'Torfs') is a Belgian, privately-held, third generation family firm that operates in the mature footwear retail market. Founded in 1948, it nowadays is a well-known and highly respected firm in Belgium, where it has established itself as the market leader (based on sales) within its sector. Especially in the past decade, the company has experienced significant growth, evidenced by an increase in the number of stores from 35 to 66 and the number of employees passing the five hundred mark. Compared to the year 2002, turnover has nowadays nearly quadrupled to € 93.2 million, while net profit has risen from 0.6 to 4.1 million euro. Particularly heedful of its responsibilities towards society, Torfs is renowned for its approach to doing business, which is reflected in the company nationally being elected 'Retailer of the year in the category footwear' for the sixth consecutive time and 'Employer

of the year' for the fourth time in the past five years. Further external recognition of the uniqueness of the firm is granted by the Great Place to Work Institute which has consistently elected Torfs among the best large workplaces in Europe (Great Place to Work Institute, 2012). Owing to this uniqueness and its highly successful approach to doing business, the company and its governing bodies can be argued to hold a high potential for case-based learning (Yin, 2003). In fact, underscoring this potential, Torfs' CEO is regularly invited to speak at universities and business network meetings, often specifically with regard to its governance system, as the company is widely considered to be a best practice example within the Belgian corporate landscape.

Following the Belgian corporate governance system, part of the Latin subgroup (Weimer and Pape, 1999), the board at Torfs operates in accordance with the one-tier board model, which makes that its responsibilities involve both control (e.g., evaluating management and corporate performance, financial and legal monitoring) and service-related aspects (e.g., providing advice and counsel to top management) (Huse, 2005). Its composition (see table 3) is intimately tied in with the familial character of the firm. As sole owners of the firm, the four family branches each elect one director among their midst (i.e., Chair, CEO, F_1, F_2). Together with two external directors (i.e., E_1, E_2), who were attracted in 2008 in light of further board professionalization and were selected for their complementary competences and personal fit with the family and its values, they constitute the board of directors at Torfs. To further enhance familial engagement and support, each family branch also selects an additional director who is allowed to attend and participate in the meetings (i.e., F_3, F_4, F_5, F_6).

These directors de jure have no voting rights but in practice are allowed to voice their opinion and participate in the decision-making process.

Table 3: Board composition at Torfs

	Educational background	Professional background
Chair	Business – general management	Bank executive – accounting and finance
CEO	Law	Torfs TMT - general management (CEO)
External director (E$_1$)	Civil engineer, MBA	Consultancy - general management, accounting, finance
External director (E$_2$)	Business – marketing	Apparel retail – general management (CEO)
Family director (F$_1$)	Medicine	Psychiatrist
Family director (F$_2$)	Steiner Waldorf education	Torfs TMT - general management: purchasing [a]
Additional family directors (F$_{3,4,5,6}$)	Linguistics, medicine, teaching	Torfs administration, doctor, teacher, dentist

[a] F$_2$ stepped down from the TMT after the second board meeting observation

3.2.2 Data collection

In-depth case studies allow for and at the same time call for the use of different sources of evidence (Eisenhardt, 1989b; Yin, 2003). In order to ensure the credibility and accuracy of our findings, we gathered data from a wide range of sources to allow for the development of "converging lines of inquiry" (Yin, 2003, p. 98) by triangulating the data in a corroboratory fashion (Jick, 1979). Our study into the peculiarities of shared leadership and the micro-processes associated with it is predominantly based upon the analysis of primary

observational, interview, and survey data collected at the case study board. Archival data, while at times employed in data analysis, primarily served as background information. These included a book about the company written by the CEO (Torfs, 2010), board meeting minutes and agendas, the family and board charter, the company website, and newspaper reports.

Non-participant board meeting observations commenced after several informal and formal meetings with the Chair and the CEO (which provided preliminary insight into the internal workings of the board in addition to what was learned from previous experiences), and official approval of the research project by the full board. While thus far only a limited number of researchers have been able to actually observe boards in action owing to difficulties in gaining access (Leblanc and Schwartz, 2007), observational research is particularly useful in gaining an understanding of the internal workings of the board due to its profound and first-hand (as opposed to respondents' perceptions) closeness to the phenomenon (Leblanc and Schwartz, 2007). In particular, our yearlong longitudinal research effort, in which four board meetings of three to four hours were attended by at least one researcher, allowed us to "*see* what is going on in the boardroom" and study board processes as they happen (Samra-Fredericks, 2000, p. 247). Following previous observational board research, extensive process notes focusing on verbal and non-verbal (e.g., gestures, facial expressions, tone of voice) director interactions demonstrative of leadership as a social influence process documented during board meetings were supplemented by reflection notes immediately after the meetings (Huse and Zattoni, 2008).

To establish a degree of trust and rapport with the researchers, interviews with board members took place after the first boardroom observation. One of the additional board members did not agree to an interview, which was not deemed to compromise the study as theoretical saturation for this category of directors had been reached at that time. Interviews lasted between 60 and 100 minutes and followed a semi-structured process allowing for a focused, yet at the same time open probing into the respondent's take on the phenomenon (Yin, 2003). Exemplifying that data collection and analysis often occur simultaneously and iteratively in case study research (Eisenhardt, 1989b), both leadership processes observed during the earlier board meeting as well as a pre-test with the Chair informed the final interview protocol, which was further fine-tuned as interviews proceeded and tailored to tie in with the specific situation of the different director categories. To avoid the problems associated with leadership studies described earlier, we deliberately constructed the interview to elicit responses that reflect actual leadership behaviour and processes rather than the interviewee's information processing (Shondrick et al., 2010) by asking respondents to focus on a number of recent explicit events in addressing the questions (Parry, 1998; Shondrick et al., 2010). This focus on critical incidents during board meetings has the additional benefit that, despite the retrospective nature of the accounts, the validity and reliability of such descriptions have been shown to be strong owing to the self-selected nature of salient events and the great level of detail that is sought after (Ronan and Latham, 1974). Furthermore, as the study of leadership is particularly prone to presentational data (Conger, 1998), we were cautious not to explicitly present our inquiry as a leadership study and instead asked questions along the lines of: 'Who do you consider to be a driving force in your board?' and 'How do the different directors

contribute to this board' to tease out the interactional influence processes of our interest. To cross-validate the data obtained from director interviews with an external perspective, two additional interviews were conducted with members from the firm's top management team who regularly attend board meetings to present updates concerning their area of responsibility within the firm. All interviews, characterized by remarkable content consistency among respondents, were transcribed to allow for easier and more accurate triangulation with other materials.

The last of our primary data collection efforts consisted of a survey that was sent out and responded to by all board members in the period between the third and fourth board meeting observation. The survey was designed to further increase confidence in our findings by using validated scales to measure several constructs that emerged from the interview and observational data as important for understanding the leadership dynamics within the case study board (see appendix A.2).

3.2.3 Data analysis

Data analysis for this paper occurred in several stages. As mentioned earlier, there was considerable overlap between data analysis and data collection in the beginning of our study (Eisenhardt, 1989b). In line with the qualitative tradition, we entered the field with an open, yet not empty mind to ensure maximal learning from the case study (Siggelkow, 2007). What can be described as the earliest data collection efforts of this study (i.e., the larger research project and informal discussions with the firm's Chair and CEO regarding the board's working

style), along with the first and third author's intimate knowledge of the leadership literature, suggested that the case study board was likely to provide a fertile ground for a more detailed investigation. In particular, there was a strong indication, confirmed in subsequent in-depth stages of data analysis, that leadership within Torfs' board did not solely emanate from the Chair (i.e., its appointed leader) but from the other directors as well, thereby signalling leadership dynamics corresponding to what has been described as shared or collective leadership (Pearce and Conger, 2003).

This recognition informed both further data collection (cf. supra) as well as subsequent data analysis efforts which were designed to allow for a better understanding of how and why shared leadership is portrayed within the case study board in order to advance existing knowledge of the phenomenon. We thus adopted Yin's (2003) approach to case study research in letting theory guide the study and its research design, as opposed to for example grounded theory which was deemed to provide less opportunity for learning given the existing conceptual basis (e.g., Cox et al., 2003; Pearce and Conger, 2003; Vandewaerde et al., 2011). Consequently, following Yin's (2003) advice, we employed a pattern matching logic in the second and most extensive stage of the analysis (Gibbert and Ruigrok, 2010; Trochim, 1989). The approach involved the comparison of empirically based patterns grounded in our data with those predicted in shared leadership theory in order to develop an in-depth understanding of this leadership phenomenon (Yin, 2003). In order to be able to do so, after several thorough readings, transcribed interviews and digitalized observational notes were encoded using Nvivo software (see appendix A.1 for a coding excerpt). Going through the documents line by line, we employed a

mixture of both concept-driven (e.g., drawing upon initial hunches, previous experiences with the case study company, and existing literature) and data-driven coding which generated a series of first-level categories (Gibbs, 2007). Sorting, synthesizing, and conceptualizing the data, further scrutiny of these categories led us to identify a limited set of higher-order constructs and themes, and the relationships between them, resulting in a comprehensive and analytic account of the leadership dynamics within the case study board. These codified data and resultant patterns were subsequently subjected to an intense comparison with the predicted patterns in the shared leadership literature, focusing on similarities as well as rival explanations, in order to extend and deepen existing theory (Trochim, 1989; Yin, 2003).

In the third and final stage of the data analysis, the collected survey data were used to further substantiate and fine-tune the findings derived from the pattern matching approach in the previous stage. The survey's findings were compared to those of other studies using the same validated scales in other team contexts (see appendix A.2). While these data evidently did not allow for statically robust conclusions, they did provide further insight regarding the extent to which certain phenomena that emerged as important in earlier analyses were actually prevalent in the case study board. During all stages of data collection, analysis, and reporting, we proceeded with great care to ensure our research lived up to the quality criteria that make a rigorous case study (Gibbert and Ruigrok, 2010). The different procedures that were adopted in this regard to establish internal, construct, and external validity as well as reliability are documented in appendix A.3 (Gibbert and Ruigrok, 2010; Yin, 2003).

3.3 FINDINGS

In this section we present an account and interpretation of this study's findings in three consecutive stages. Before we go into what we can learn about shared leadership from the board at Torfs, we first illustrate and provide corroboratory evidence for the prevalence of the phenomenon among its directors. Next, delving more profoundly into our data, we analyze how leadership is being shared within the case study board and advance several resultant implications for our understanding regarding the intricate nature of shared leadership within teams. Finally, taking a closer look at why this collective leadership process takes place among board members, we provide new insights into the antecedents of shared leadership and, in particular, the micro-processes associated with them.

3.3.1 Leadership as a shared phenomenon within the board at torfs

Corroboratory evidence regarding the presence of the leadership dynamics for which the case company board was specifically targeted given its anticipated learning potential consistently emerged from board meeting observations, individual interviews and the administered survey. In particular, our inquiry unveiled that leadership within the boardroom at Torfs was by no means the prerogative of a single individual. As one of the external directors put it:

"There is no one individual taking the floor and deciding everything. Everyone speaks up when he or she wants to, you know. There is no hierarchy [in this board]."

Instead, during meetings, we experienced multiple directors stepping up to the plate, intentionally exerting influence within the board in order for it to successfully carry out its tasks (Pearce and Conger, 2003). The following two excerpts from board meetings exemplify this mutual and fluent influence process taking place among directors within the board at Torfs (some data have been censored, designated by brackets, in light of their confidential nature).

<u>Illustration 1</u>

Chair   Let's move on to last year's numbers now. Let me start with our inventory. All indicators in this regard turn out to be historically good.

CEO   That can probably to some extent be explained by [a very successful sales promotion]

[The Chair continues analyzing the financial report and accounts, for example providing year-to-year comparisons, highlighting noteworthy results, etc. . The CEO steps in from time to time when some operational background is required (e.g., detailing and explaining the evolution in the different cost categories)]

E_1 That makes sense as turnover has sharply increased and inventory levels have come down in the past year. However, when taking a closer look at the numbers of the last couple of months something struck me as odd. [The external director at this point hands out and discusses an analysis concerning this matter which he has prepared in advance]

E_2 That margin on brand footwear seems quite high. At our company, we are not able to reach this level when it comes to brands, for example.

E_1 [The external director spontaneously addresses and advances an explanation for this matter, again drawing upon the abovementioned analysis he has prepared]

Chair   Ok, so returning to this series of numbers advanced here, this means that [ ]

This first illustration concerns the discussion regarding the financial statements of the past fiscal year. After starting off the observed serial emergence of leadership influence with an activational claim to get the work underway, the Chair, given his financial expertise, adopted a leading position in presenting the key financial data to the board (Lord, 1977). At several times during the handling of this topic, however, we witnessed smooth and reciprocal transitions of the leadership role between the Chair and the CEO where the latter took charge of matters which warranted an operational perspective. At one point, one of the external directors (E_1), a financial expert, joined this ongoing exchange of leadership influence as he acted upon a peculiarity in the data which he believed warranted further attention by the board. In particular, he stepped up to the plate by advancing and explicating an analysis regarding the anomaly which he had prepared in advance, thereby actively steering the board towards goal fulfilment regarding its control responsibilities.

Illustration 2	
Chair	Ok let's move on to the next topic on the agenda, which is the SWOT analysis of [company X]. Perhaps you can remind the board why you have requested for such an investigation?
E_2	Well, in my opinion, [company X] is potentially the most important competitor for Torfs' business. It has demonstrated considerable growth in recent years with quite a few store openings and attempts to cater to the same segments, even in a similar fashion, as Torfs does. I therefore think it is a very useful strategic mental exercise for Torfs to perform a SWOT analysis regarding [company X] in order to be on top of things.
CEO	Even though it has been quite busy for us lately, we have been able to come up with a report for this meeting.

[The CEO then advances and clarifies the content of the competitor's SWOT analysis to the full board. A family director (F_2), member of the TMT responsible for purchasing, assumes part of this task by putting forward information on both firm's collections]

CEO   Given the goal of our board, I think it is very good that such questions are aired.

E_2 I do feel Torfs performs very strongly in the areas of [Y and Z] and at this point has the competitive advantage over [company X]. I think that, at least for now, we should be able to stay ahead of the game by continuing with and keep developing the way Torfs distinguishes itself and conducts business at this time.

Chair   I think this is a very interesting discussion to have here. Can we now move on to our next point, last month's numbers?

During this SWOT analysis of one of the firm's main competitors, the Chair's influencing behaviour did not emanate from the content of the matter addressed but was more of a facilitating nature as he initiated the topic during the board meeting, directed and coordinated director's actions in calling upon the external director to provide some background to his request and brought the discussion to a close (Lord, 1977). Instead, it was the CEO, assisted by an executive director, who took charge of advancing and clarifying the SWOT analysis to the board. The main catalyst in this process, however, was the second external director (E_2). While also actively influencing the board during the meeting in evaluating the analysis presented and thereby facilitating directors' understanding of it (Morgeson et al., 2010), this board member had called and strived for the SWOT analysis to be performed as he felt the competitor in question posed a particular potential strategic threat to the firm. Leadership within the board at Torfs is thus, as the above illustrations exemplify, not confined to a single individual but instead taken up by different directors at different times in order to steer the board to goal fulfilment.

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Further evidence and additional insight regarding this dispersion of leadership within the case study board emerged from the social network approach to measuring leadership adopted in our survey. Using the instrument developed by Carson et al. (2007, see appendix A.2) and adopting the procedure followed by these authors and Mayo and colleagues (2003), we constructed a leadership sociogram which visualizes the leadership relations present within the board. Specifically, director's leadership ratings of one another on a 5-point scale were first dichotomised such that values of 3 or less were assigned a value of 0 and values of 4 or 5 were assigned a 1. Only the latter category was depicted in the below sociogram in which the circles denote the different board members and the arrows represent these leadership relations. The arrow pointing from F_2 to CEO, for example, indicates that the CEO is perceived as a source of leadership by that family director. Two-headed arrows signal that two individuals perceive one another as sources of leadership influence (Carson et al., 2007).
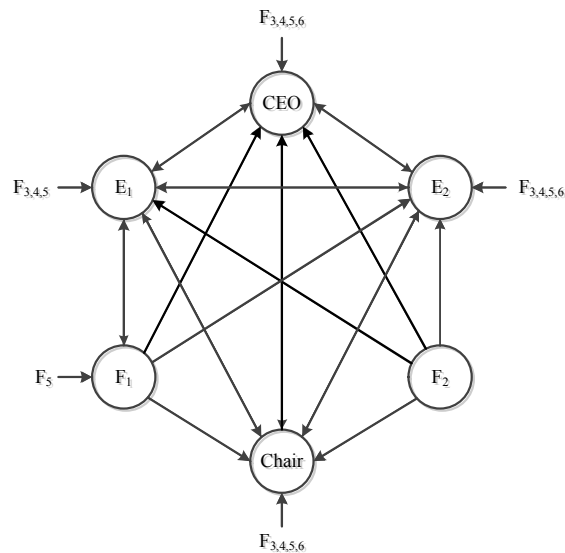
Figure 3: Leadership sociogram of the case study board

As Figure 3 clearly shows, there is a group of directors, rather than a single individual, which is by and large responsible for leadership within the case study board. The leadership sociogram furthermore signals, confirmed in survey data calculations (see appendix A.2), a relatively high level of leadership density within the board (especially when the 'additional' directors are not accounted for) indicating a fair degree of leadership sharedness among directors (Carson et al., 2007). In addition, the nature of the leadership relations within the board corresponds to what Mehra and colleagues (2006, p. 235) describe as a 'distributed-coordinated' team leadership structure. As opposed to its distributed-fragmented counterpart, in such a leadership network leaders see each other as leaders (evidenced by the multiple two-headed arrows) which makes that such teams "should be better able to synchronize their leadership efforts so that decision making and action are more effectively channelled within the group". However, while informative, this visualization is only limited in its ability to pick up the peculiarities of the leadership dynamics in the boardroom. In this regard, individual interviews and board meetings observations, but also a closer examination of the survey data, allow for more profound insights.

3.3.2 Beyond the surface: a more profound insight into the nature of shared leadership within teams

Delving deeper into the nature of shared leadership within the case company board, the data reveal that current theorizing about shared leadership as occurring rather uniformly within teams, also translated into the persistent use of aggregated indicators in empirical research (Denis et al., 2012), neglects and masks the subtleties involved in this collective leadership effort. Our findings suggest that it not solely matters whether leadership is shared to a greater or

lesser extent among team members, but that the pattern of leadership distribution and the relative strength of individuals' influencing are also pivotal elements which warrant inclusion in our understanding of shared leadership and its impact on team functioning and performance. During the research, we discovered that shared leadership within the case company boardroom was not synonymous to every director fully participating in the collective leadership effort (e.g., several of the family directors are hardly perceived as leaders by other directors). Moreover, among the directors that did actively take part in this process there were gradations in the extent to which leadership was adopted. Accordingly, directors at Torfs could be roughly classified in a number of what we label 'leadership tiers' (i.e., i) the Chair and the CEO, ii) the external directors, and iii) the rest of the board; see also appendix A.2), characterized by a successive descending degree of exhibited leadership within the board.

The Chair and the CEO conjointly surfaced as the most significant sources of leadership influence within Torfs' board. Referred to by the Chair as 'the Twin Towers' and by one of the family directors as a 'tandem bicycle', they are both considered to be the most prominent driving forces within the boardroom. Upon closer examination, a number of interesting findings emerged in this regard. Both the Chair and the CEO are largely responsible for what can be described as the board's 'formal leadership activities'. The Chair, for example, takes charge of devising the board's agenda and presides over the meeting (e.g., time management, making sure all topics have been covered). In addition, both play a very important role in preparing the information directors receive in advance and providing background and further explanation regarding those reports during board meetings in order to ensure the board is able to perform its work.

In this regard, there exists some sort of arrangement between the both of them in which they share this responsibility based on their expertise regarding the topic. As the CEO and one of the external directors explain:

"That is shared between the Chair and me. He will be the driving force when it comes to financial issues, taxation, succession, ... But commercial and strategic matters, that is my area." [CEO]

"With regard to the commercial aspects, the CEO really masters those whereas the Chair is more distant from them. He will look more into the broad picture and the numbers. So in that sense they complement each other very well." [E$_1$]

We witnessed these provisions regarding who takes charge of these formal leadership activities to have far-reaching implications for the actual leadership dynamics within the board as they resulted in the Chair and the CEO being structurally predisposed to exert influence towards the attainment of the board's goals in particular areas of board work. Therefore, while shared leadership is generally conceptualized as a fluid influence process (Pearce and Conger, 2003), we posit that leadership structures and formalities will affect the emergence of temporary leaders which guide the team's work in different domains. That is, such structurally-based influence, which as our data show may also be vested in other individuals than the formally appointed leader, impacts how leadership is enacted within the team as the bestowment of particular responsibilities on particular team members makes those individuals naturally inclined to emerge, and be deferred to, as leaders in handling those responsibilities.

As they were often witnessed to adopt a prominent position regarding matters beyond these formal activities as well, the Chair and CEO can be regarded as prominent sources of leadership influence within the case study board. However, as one of the family directors advances, *"this does not mean that the CEO and Chair claim it all for themselves. They don't ask for that, they want it to be sufficiently shared"*. In this regard, while somewhat less pronounced, both external directors regularly stepped in to provide leadership for the board. As can also be discerned in the board meeting excerpts, their contribution within the case study board thereby often went beyond simply providing advice when called for (Huse, 2005) towards actively influencing others in order to advance board performance. These manifestations of leadership behaviour were intimately tied in with the specific expertise and competencies the external directors bring to the boardroom table and were explicitly attracted for. One of the external directors, CEO of a large apparel retailer and therefore highly knowledgeable when it comes to doing business in the retail sector, for instance proved to be a major catalyst in the successful revision of the firm's collection to better suit the needs of the current-day customer. More generally speaking we witnessed that, in the words of the Chair, *"when it comes to areas such as purchasing or marketing, he does in fact help to set out the path to take"*. Similar behaviour could be witnessed with regard to the other external director, in his case however, as he does not possess any relevant retail experience, predominantly in the areas of general management and financial reporting. As the CEO exemplifies:

"When we are thinking about how our profit and loss budget for the next year will look like and how accounts need to be grouped etcetera ... well then of

course that external director who is a civil engineer and holds, by matter of speech, 24 MBA's takes the word. However, when it comes to our collection for example, he will usually be more reserved".

More evidence of these dynamics can be found in the following two board meetings excerpts which are exemplary of both external directors taking on leadership in accordance with their commercial/strategic and financial expertise, respectively.

Illustration 3

Chair   We will now continue with one of the smaller bundles, which provides an historical comparison. [The Chair clarifies the financial analysis set out in the report and discusses the evolution in numbers.]

E_2 I suggest restricting the comparison to a maximum of five years. This is the strategic window in which decisions are made or, in other words, the period which is of importance for our strategy.

Illustration 4

Chair   Ok, can we close this topic? Let's move on to the financial report. For the first time, this has been entirely composed at the headquarters. [The Chair then moves on to offer some details regarding the differences compared to previous reports]. So what do you all think about it?

E_1 Yes I have seen it. It was very good, a good improvement. However, I would like to see some simplifications with regard to inventory reporting. To draw conclusions, it would be much easier for us to just compare one thing to another instead of having all these different methods of inventory valuation.

The above clearly shows that the external directors joining the board in 2008 has had a major impact on the team's functioning as it has enlarged the board's

leadership base with two individuals who bring in specific and complementary knowledge and skills which they draw upon in leading the board to goal fulfilment in particular instances. As exemplified by the leadership sociogram, the four directors which have been discussed in more detail so far consistently emerged from all data sources as the most prominent providers of leadership for the board. Interestingly, these individuals also made up the remuneration and nomination committee (i.e., a subcommittee within the full board responsible for matters related to (familial) recruitment and compensation within the firm) which appeared to further reinforce these dynamics. Decisions made by this small group of directors had important repercussions for board and firm policy in particular domains, which, once more, underscores the important role leadership structures and formalities are likely to play when it comes to how leadership within teams is portrayed.

While we have mainly focused on the Chair, the CEO, and both external directors as they unmistakeably surfaced as its main driving forces, this does not mean the other directors never engaged in any leadership behaviour. During interviews and meeting observations, as also can be discerned in appendix A.2, we learned that a number of these family directors to some extent provided direction for the board regarding matters related to their expertise or interests as well. For instance, we experienced that when it came to family related matters, the family forum in particular, particular family board members stepped up and adopted a much more leading role in getting things done. Similarly, as put forward by one of the family directors, *"there is one family branch that is very socially engaged and that will make sure that whenever something passes by where a social engagement is desirable or possible they will speak up"*.

However, as these influencing behaviours appeared to take place mostly in areas with less immediate pertinence to the business, the frequency and experienced significance of such leadership acts were relatively low, explaining why this category of directors occupies a significantly less prominent position when it comes to exhibiting board leadership.

As the above account details, the leadership dynamics within the case study board proved to be of such a nature that chiefly a group of directors, not a single individual, exerted intentional influence to lead the board to goal attainment in different instances. In line with one of the central tenets of shared leadership theory, director interviews and board meeting observations unveiled these director leadership behaviours to be related to their specific knowledge and skills in particular areas of board work (Friedrich et al., 2009; Vandewaerde et al., 2011). That is, during our case study, we witnessed continual shifts between 'leader' and 'follower' roles depending on the content matter being handled with directors adopting a leading role in alignment with their knowledge and skills but also deferring to others when those individuals proved to be more apt. Such dynamics are also apparent in the first two excerpts from the observed board meetings. While during the discussion of the financial statements the board clearly deferred to external director E_1, a financial and accounting expert with no retail experience, as he provided leadership for the board, in handling the second, more strategic, topic he noticeably abstained from adopting such a leading position and in his turn deferred to other directors who had a proven track record and expertise in those matters.

While a case study methodology is inherently unable, and unintended, to irrefutably demonstrate the impact of a particular phenomenon on team performance, our findings do suggest such leadership dynamics have likely contributed to the board's success (a survey part of the larger research project referred to earlier, as well as director interviews, signalled a high level of congruence between the board's performance and the goals set out for it). Strict hierarchical and unitary leadership by for example the Chair or the CEO would inevitably imply a suboptimal utilization of the available human capital within the board as they, while highly capable in their fields of expertise, do not possess the full range of knowledge and skills board work demands (Friedrich et al., 2009; Gabrielsson et al., 2007). Instead, we witnessed a more collective approach to leadership within the board which entailed several board members, in accordance with their specific competences and expertise, exerting leadership influence in order to ultimately lead the team to goal achievement, thereby likely resulting in superior task performance compared to board leadership being concentrated in a single individual (Vandewaerde et al., 2011). In this regard, the CEO explains:

"The professionalization with regard to the financial statements driven by [the Chair] is absolutely a very positive experience. Measuring is knowing as they say. I really feel the professionalization he has brought about regarding our financial reporting and the thoroughness by which that has happened is an added value for this company. And in addition, drawing upon his financial expertise, there are of course the contributions brought forward by [E$_1$]. This all very much complements my knowledge as I'm no financial guy at all. That is absolutely valuable for the board."

Serving as a similar example, clearly elevating the level of board service task performance, the second external director, building upon his experience as a top retailer, has actively provided direction for the board and the firm in more strategic areas such as purchasing and marketing on numerous occasions (e.g., a successful refocus of the collection).

3.3.3 Beyond the surface: what makes shared leadership develop within teams

Human capital heterogeneity: diversity as a basis and potential pitfall of shared leadership

As table 3 shows, the board at Torfs shows a fair degree of diversity with regard to board members' educational and professional background. Given we observed directors taking up leadership within the boardroom was clearly tied in with their specific expertise in particular areas, it can be argued, in line with shared leadership theory, that human capital heterogeneity (i.e., the extent to which different team members possess different skills, expertise, experience, etc.), provides the basis for this collective leadership phenomenon to develop (Perry et al., 1999; Vandewaerde et al., 2011). That is, as expertise is more widely dispersed within the team, it allows for more directors to make leadership claims based upon situational proficiency in different board work domains (Friedrich et al., 2011). The two external directors joining the board a number of years ago is highly informative in this regard as the specific knowledge and skills they bring into the boardroom has resulted in a broader base of expertise available within the team. During interviews, this consistently surfaced as a critical event that has significantly upgraded the board's working process. Where, as advanced by

one of the family directors *"it used to be mostly coming from the Chair and the CEO, the two external directors, each from a different perspective, make important contributions"*.

While diversity on a series of job-related characteristics such as education and work experience is essential for the development of shared leadership as it allows for different team members to take on leadership based upon situational proficiency (Friedrich et al., 2009; Vandewaerde et al., 2011), it also gives rise to a potential dark side to collective approaches to leadership. As detailed in the previous section, our investigation unveiled the existence of a split into two distinct subgroups within the case study board: one group of directors which clearly steered the board in fulfilling its tasks (i.e., the Chair, the CEO, and the two external directors) and another one which adopted a more passive and following role. A re-examination of table 3 shows that this divide parallels a gap in the nature of expertise which exists between these two sets of directors. This schism corresponds to what Lau and Murnighan (1998; 2005) describe as faultlines: "hypothetical dividing lines that split a group or a team into two or more subgroups based on one or more individual attributes" (Thatcher and Patel, 2012, p. 970). Having more pervasive effects when multiple dimensions align, faultlines have been found to manifest along demographic (e.g., race, sex, age), geographic (e.g., work location), and personality characteristics (e.g., narcissism) as well as informational attributes (e.g., function, education, tenure) (Thatcher and Patel, 2012).

While several of the family directors, although generally highly educated and qualified in their professions, possess only limited knowledge and expertise that

is pertinent to the board's work, the Chair, CEO, and both external directors on the other hand master particular facets of the content matter addressed by the board. As put forward in faultline theory, such information-based alignment of individuals based upon education and work experience (Bezrukova et al., 2009), which in our case study was strengthened by one set of directors also constituting the nomination and compensation committee (Lau and Murnighan, 1998), creates the potential for the formation of subgroups within a single team. Whether such faultlines remain dormant or alternatively become activated and actually result in separate and distinct groupings of team members is dependent upon whether features of the context in which a team operates highlight and trigger it (Jehn and Bezrukova, 2010). We propose that in teams in which latent information-based faultlines are present, shared leadership, precisely because it entails different individuals taking on leadership depending on the situational utility of their knowledge and skills, constitutes a potent activational trigger for the formation of different subgroups. Within the case study board, we observed their collective approach to leadership made salient the schism in expertise characterizing the different sets of directors as it resulted in the creation of two distinct clusters of directors with one actively guiding the board towards task completion and another one deferring to their leadership. As the following quotes exemplify, during interviews directors recurrently referred to the existence of these subgroups, signalling the faultline was psychological active among board members (Jehn and Bezrukova, 2010):

"And because of this heterogeneity within the board ... I mean, they are not peers. They come from totally different perspectives. What I mean by that is that they are not peers at the level of competence and business knowledge." *[CEO]*

"But when it comes to purely financial issues it is sometimes difficult for us to keep up, especially after the external directors joined the board. And when I think about the others, such as F_5, F_4, or F_6, I mean the other people on the board who are not actively involved within the company; I think we are all roughly in the same boat." [F_1]

In line with these observations, we posit that whereas the literature generally advances shared leadership to be beneficial for team functioning and performance (Denis et al., 2012), which our case study largely attests to, there is also a potential dark side to it as it promotes the formation of subgroups within teams in which information-based faultlines are present. Past theorization and empirical evidence suggest such schisms to have a detrimental impact on team outcomes as they bring about the emergence of a series of adverse processes within the team which intensify as faultline strength (indicative of how cleanly demarcated subgroups are) and distance (indicative of how divergent subgroups are) increases (Bezrukova et al., 2009; Lau and Murnighan, 1998). For one, the formation of subgroups within a single unit disrupts team communication as it has been shown that group members are more likely to communicate within rather than across their subgroups, thereby inhibiting information sharing and team learning (Lau and Murnighan, 1998; 2005). Moreover, research has demonstrated that activated faultlines promote the formation of intrateam coalitions (Jehn and Bezrukova, 2010). As members of such faultline group coalitions are inclined to primarily cooperate with other ingroup members and favourably influence their own outcomes at the expense of outgroup members, they are less likely to exhibit behaviour and make decisions that benefit the entire team (Bezrukova et al., 2009; Jehn and

Bezrukova, 2010). Ingroup favouritism and outgroup hostility in teams characterized by rifts among team members also negatively affect the capacity of the team to continue working together as it results in lower morale and satisfaction, decreased team cohesion, higher levels of intrateam conflict and deteriorating group relations (Li and Hambrick, 2005).

As the unfolding of such adverse processes within the team will ultimately negatively reflect on team performance, our case study signals a potential dark side to leadership being shared among team members, thereby extending academic understanding of shared leadership and its implications for team functioning and performance as it is generally regarded to be unequivocally beneficial (Denis et al., 2012). We should note, however, that although a clear separation into two distinct and distant groups of directors was apparent within the case study board, the potential adverse dynamics between the subgroups only minimally materialized. Faultline research has shown that a strong superordinate workgroup identity and common goal within the team overrides the detrimental processes associated with activated faultline subgroups (Bezrukova et al., 2009; Jehn and Bezrukova, 2010). At Torfs, fairly recently great effort had been devoted to devising a family charter in which, among other things, the desired course for the firm was conjointly set out and agreed upon by all family members (Torfs, 2010). Regarding this collective exercise, the CEO and a family director testify:

"*In a very short time, we managed to reach agreement on a number of important issues. Of course we had good counselling, but you still have to do it as a family. So that gave me a good feeling that, even though there may be*

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some differences in opinion sometimes, there is a deeper layer of consensus within the family regarding the desired way to go for the company." [CEO]

"We are all different people, but we were still able to do it. We now have one goal in our minds and it is the same goal." [F$_3$]

Board members' unified vision regarding the team's goals therefore can be expected to have mitigated the negative effects of ingroup-outgroup biases as it strengthened directors' identification with the collective rather than their respective subgroups (Bezrukova et al., 2009).

Vertical leader behaviour and team dynamics: separate but interdependent

Within a given team environment, two distinct determinants have been identified in the literature to constitute critical elements in the emergence and development of shared leadership within teams. On the one hand, the formally appointed or 'vertical' leader (Pearce and Conger, 2003) is considered pivotal by shared leadership scholars in creating the conditions which make team members emerge as temporary leaders and exert lateral influence within the team (Denis et al., 2012; Pearce, 2004). On the other hand, a series of team processes and emergent states (i.e., team cognitive, motivational and affective modes of being; Marks et al., 2001) have been argued to impact the extent to which collective leadership will manifest among team members (Vandewaerde et al., 2011). While the data attest to the importance of both determinants in the development of shared leadership within the board at Torfs, our case extends

current theorizing in two important ways as it not only provides a more in-depth insight into the peculiarities of these determinants but also suggests an interdependent relation between these so far separately considered categories.

As already indicated, within the case study board, the Chair (its formally appointed leader) was found to fulfil a prominent role. Some of his primary responsibilities include highly important activities such as devising the board's agenda and presiding over its meetings. He also actively takes charge of matters in the domain of financial reporting and as such exhibits effective role-modelling behaviour for other directors by taking up leadership within the board in accordance with his specific knowledge and skills. In contrast, most of the other vertical leader behaviours theorized to be instrumental for the development of shared leadership within the teams (Cox et al., 2003; Pearce, 2004), in particular reinforcing desirable leadership behaviour and managing team member's contributions, constitute little or no part of the Chair's repertoire. Whereas the literature generally emphasises that "shared leadership can (and indeed should) be 'managed' " (Denis et al., 2012, p. 15) and maintained (Pearce, 2004), our case study suggests that depending on the strength and health of team member interrelations and resultant internal team dynamics such supportive behaviour emanating from the appointed leader may be less essential for the development of collective leadership among team members. That is, we propose an interdependent relation between the extent to which team processes and emergent states conducive to team members sharing leadership are present within the team and the necessity of collective leadership management and maintenance by means of active vertical leader intervention.

Within the case study board, these products of team members' interactions appeared to partly emanate from the extensive family involvement and resultant infusion of family social capital into the board (Arregle et al., 2007), translating into highly mature interrelationships between directors. While a number of, often interrelated, team processes and emergent states may impact the extent to which shared leadership is manifested among team members (Perry et al., 1999; Vandewaerde et al., 2011), a limited set of patterns consistently and most noticeably emerged from the data as important conditions for its development (see also appendix A.2). In particular, our inquiry points out that an open team atmosphere allowing for interpersonal risk taking, team members' awareness and confidence in their own and others' capabilities, and their motivation and commitment towards achieving a common goal are pivotal in order for different individuals to emerge as temporary leaders based upon situational proficiency within teams.

First, the open and respectful manner in which directors approached other directors and their viewpoints created an atmosphere which allowed and encouraged different individuals to step up and adopt a visible leadership position within the board. Indeed, what appeared to be a critical condition for making shared leadership work was the common feeling within the board, called psychological safety, that it provided a safe environment for interpersonal risk taking. As advanced by Edmondson (1999, p. 354) "team psychological safety involves but goes beyond interpersonal trust; it describes a team climate characterized by interpersonal trust and mutual respect in which people are comfortable being themselves" and feel confident that "the team will not embarrass, reject, or punish someone for speaking up". Psychological safety

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facilitates shared leadership within teams as it mitigates team members' concerns about others' reactions to behaviour which potentially evokes embarrassment or threat (Edmondson, 1999). That is, given the interpersonal risk in adopting a highly visible leadership role, especially within a board context which usually involves high status individuals, psychological safety will be pivotal in order for individuals to take that step. Team members who do not feel psychologically safe within the team are more likely to opt to stay under the radar and defer to others, even when their leadership is actually warranted, to avoid negative personal repercussions. Exemplifying the importance of this sense of interpersonal safety, evidenced by interview and survey data to be strongly present within the case study board, an external director and one of the family members stated:

"When I have something to say, I will do so. And I think everyone can do that within this board. There has never been made a remark to anyone along the lines of: 'you are posing a very stupid question right now'. Everyone can ask and put forward whatever they want." [E_1]

"I really believe people are not afraid to do so, but well it is ... you need to be able to advance your opinion. It is of course a bit absurd to advance your opinion when you know nothing about it. But I think people definitely dare to speak up. If something is relevant, I will do so too." [F_4]

This last statement also ties in with the next salient finding which emerged from the data. While an open atmosphere and psychological safety within the board team creates an enabling environment, individuals will also require an

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understanding of their own and others' capabilities in order to be able to take on leadership based upon situational proficiency. In the case study board, emanating from their longstanding working and personal relations, family directors expressed a clear awareness of each others' strengths and weaknesses. Given they were bestowed with a highly discernible profile as they were specifically attracted for their expertise, such an understanding also holds concerning the external directors within the board. As the Chair testifies:

"We know each other well. And we know each other's profiles. We know that there are very strong and somewhat less strong among those. Yet we all sit around the table and take care of each other."

This collective cognition regarding who knows what within the team (Lewis, 2004) can be argued to be of importance for the development of shared leadership as it provides team members with cues regarding the appropriateness of accepting others' leadership claims and making their own (DeRue and Ashford, 2010). However, what surfaced to be the main driver behind the latter in our research was directors' understanding of and confidence in their own competencies. During our study it became apparent that directors contributing and engaging in leadership behaviour strongly depended upon whether or not they believed to possess the right knowledge and expertise to do so, evidenced for example by the fact that the extent to which board members took on leadership was clearly related to their self-efficacy beliefs regarding board work (Chen et al., 2001; see appendix A.2).

A final aspect of board functioning that emerged as an enabler of shared leadership within the boardroom was a strong commitment towards the board and achieving a common goal. The board at Torfs is not just a passive organ. Instead, board members, particularly those most prominently emerging as temporary leaders, were very active and motivated to contribute to board and firm success, including the external directors. As a family director explains about one of the latter:

"I think he fulfils his task very well. I find that he puts a lot of effort into it ... he doesn't just come to the meeting and sit out his time."

Given its impact on exerted effort, a sufficient amount of motivation, involvement and commitment is likely to be necessary in order for directors to take up such an active position in guiding the board towards the achievement of its objectives (May et al., 2002). In addition, regarding these objectives, a shared drive towards common goals can be argued to be pivotal. The widespread agreement and commitment regarding the firm's goals, emanating from the joint development of the family charter, surfaced to be highly important for board functioning as it entailed board members pulling the same rope, making it possible for leadership influence aimed at attaining these goals to be shared within the team. Indeed, as has been hinted at by Edmondson and colleagues (2003), sharing leadership in teams in which its members have irreconcilable conflicting aspirations is highly problematic as different individuals with different interests taking the lead would result in an ambiguous and conflict-laden internal team environment and, consequently, defective team functioning.

As the above account details, a series of team processes and emergent states conducive to the emergence and development of shared leadership were prevalent within the case study board. Under such circumstances, the role of the formal leader as the 'manager' of shared leadership responsible for creating the right conditions for it to flourish as put forward in the literature is likely to be less important, even redundant. Indeed, as advanced by several board members, when it comes to making sure everyone speaks up when matters within their expertise are being handled "*[the Chair] actually does not have to intervene because that happens automatically*". Infusing insights from situational leadership theory (Hersey and Blanchard, 1977) into the understanding of collective forms of leadership, we posit that the degree to which the formal leader will need to actively promote shared leadership in order for it to develop among team members can be expected to be contingent upon the extent to which the team in question is characterized by strong and healthy interrelations and team dynamics, suggesting an interdependent relation between these so far separately considered antecedents.

3.4 DISCUSSION

3.4.1 Implications for shared leadership literature

Teams are vital elements in the functioning of many modern-day organizations (Marks et al., 2001). A series of trends in the corporate landscape (e.g., high environmental complexity, increasingly stringent customer demands, intense and global competition) and the emergence of new ways of organizing (e.g.,

cross-functional and self-managed teams) pose challenges to traditional notions of how such teams are most effectively led (Friedrich et al., 2009; Pearce and Conger, 2003). That is, these circumstances make it highly unlikely for any one individual, regardless particular personal traits or leadership styles, to be the most apt to lead an organizational unit to goal fulfilment in every instance (Carson et al., 2007; Pearce, 2004). Accordingly, a relatively new but growing stream of research has moved beyond a narrow conceptualisation of leadership as emanating from a single, heroic leader and focuses on more collective forms of leadership (Pearce and Conger, 2003). Whereas existing work has been mainly conceptual or quantitative in kind (Denis et al., 2012), we opted for a qualitative case study methodology as this study's aim was to enlarge academic understanding regarding the nature of, and micro-processes associated with, shared leadership within teams. As it provided a particularly fruitful context for the investigation of shared leadership due to its non-hierarchical architecture and the complexity of its work (Vandewaerde et al., 2011), the board of directors, in particular the one of a large Belgian firm, was selected to constitute the research setting for this endeavour.

Our study's findings, elaborated upon in the previous section of this paper, extend and deepen shared leadership theory in several ways. Confirming the presence of shared leadership dynamics, we witnessed that leadership within the case study board was not the prerogative of the Chair, but was instead taken up by several directors based upon their knowledge and skills in particular domains. Extending our understanding of the nature of the phenomenon, we found that while shared leadership is generally theorized to be a fluid influence process among different individuals (Friedrich et al., 2009; Pearce and Conger, 2003),

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leadership structures and formalities nonetheless remain to play an important role in this regard. That is, our analysis indicates that the extent to which particular team members will take on leadership within their teams will also be tied in with the presence of particular formal arrangements and activities (e.g., agenda setting, committee working, demarcated responsibilities) as it results in particular individuals being structurally predisposed to exert influence in particular areas of the team's work.

In addition, we propose that current theorizing about shared leadership as occurring rather uniformly within teams neglects its complexity. Our findings suggest that it not solely matters whether leadership is shared to a greater or lesser extent among team members, but that elements such as the pattern of leadership distribution and the relative strength of individuals' influencing need to be included in a broadened understanding of shared leadership due to the differential impact they are likely to have on team functioning and performance. For instance, a hypothetical team in which all team members exert leadership to a moderate extent is likely to operate in an entirely different manner than our case study board in which a group of directors clearly steered the team while another deferred to their leadership. Also empirically, the study of Mehra and colleagues (2006) being a notable exception, the persistent use of aggregated indicators, which would lead to roughly identical shared leadership scores for the above teams, has resulted in the masking of such subtleties (Denis et al., 2012). In this regard, making more profound use of social network methods (Carson et al., 2007; Mayo et al., 2003), which focus on the influence relationships between different actors within the team network, and their full range of resultant data (e.g., leadership network structure, strength of influence relationships, actor

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centrality) to measure shared leadership is likely to be particularly helpful in unravelling the phenomenon's intricacies (Denis et al., 2012; Gockel and Werth, 2010).

Next, our study suggests that while shared leadership is generally regarded to be beneficial for team functioning and performance (Denis et al., 2012), there is a potential dark side to it. Our case study indicates that shared leadership, as it entails different individuals taking on leadership depending upon the situational adequacy of their knowledge and skills, constitutes a potent activational trigger for the formation of different subgroups in teams in which latent information-based faultlines are present (Bezrukova et al., 2009; Lau and Murnighan, 1998). Faultline research has demonstrated that the emergence of separate and distinct groupings of individuals within teams has a detrimental impact on its outcomes as it brings about the emergence of a series of adverse processes (e.g., disrupted team communication, decreased team cohesion, higher levels of intrateam conflict, deteriorating group relations) which further intensify as faultline strength and distance increase (Jehn and Bezrukova, 2010; Lau and Murnighan, 2005; Li and Hambrick, 2005). Although the large differential in pertinence of expertise within the case study board resulted in a very clear information-based alignment of team members to be triggered by them sharing leadership, similar effects are likely to emerge in many different team contexts as well. For instance, consider a team, comprised of representatives from both companies, set up to bring a merger to a good end or alternatively a product development team composed out of individuals from both a firm's marketing and its manufacturing department. Similarly in these cases, team members taking on leadership in accordance with their specific professional background,

knowledge, and skills is likely to activate the dormant information-based faultline existent in these teams, exacerbated by potential differing factional interests (Li and Hambrick, 2005), and result in the formation of two distinct subgroups. That is, shared leadership in these teams will result in members of the different factions taking a more leading role when matters in their field of expertise are being addressed, thereby confirming and accentuating their differing subgroup identities (Lau and Murnighan, 1998). Moderately diverse groups are by their nature particularly prone to the emergence of faultlines, whereas the chances of them occurring in groups characterized by very high or very low diversity have been shown to be minimal (Lau and Murnighan, 1998). Therefore, as it provides the basis for different individuals to take up leadership in accordance with situational proficiency in different instances, we posit that a relatively high level of human capital heterogeneity, up to the point where a common frame of reference among team members fades away (van Knippenberg and Schippers, 2007), is likely to be constructive with regard to shared leadership and its impact on team functioning and performance as it precludes potential information-based alignments that may arise in moderately diverse teams. In teams which have already been formed or in which faultlines are inevitable due to the nature of the work (e.g., the hypothetical merger team), stressing similarities and promoting a superordinate team identity has been shown to be a successful strategy to counteract the detrimental effects associated with subgroup formation as it creates a 'social glue' which assists the team in maintaining constructive team processes (including shared leadership) and collaborating towards the attainment of common goals (Bezrukova et al., 2009; Jehn and Bezrukova, 2010).

A final contribution of this study is that it advances an interdependent relation between the so far separately considered categories of vertical leader behaviour on the one hand and team processes and emergent states on the other in explaining the development of shared leadership within teams. Whereas the literature emphasises the importance of shared leadership being managed and maintained by the appointed leader (Cox et al., 2003; Pearce, 2004), our data indicate that depending on the strength and health of team member interrelations and resultant internal team dynamics, such active vertical leader intervention may be less essential for the development of collective leadership among team members. As it takes time for interpersonal dynamics conducive to shared leadership to develop within a team (Cox et al., 2003; Perry et al., 1999), it can be argued that supportive leader behaviour emanating from the appointed leader (e.g., role-modelling, reinforcing desirable leadership behaviour, managing team member's contributions) is likely to be essential for shared leadership to take place in the beginning stages of team development. However, as time progresses, the role of the formal leader as the 'manager' of shared leadership responsible for creating the right conditions for it to flourish, as put forward in the literature, is likely to gradually diminish in importance and even become redundant as the team matures and different team members taking on leadership at different times becomes a natural part of the team's working repertoire. Over time, the formal leadership role may thus shift from an initiating up-front role to a facilitating stand-back one (Lambrechts et al., in press) characterized by judicious intervention on an as-need basis only (for instance when the team drifts out of direction or when member relations deteriorate).

3.4.2 Implications for board literature and practice

While the implications discussed in the previous section evidently also pertain to the board context and board leadership as they emanate from it, we would like to highlight a few findings which are particularly pertinent to board literature and practice. First, when it comes to understanding board leadership, there has traditionally been a strong tendency among scholars to measure what is readily measurable (i.e., board leadership structure), leading to largely equivocal findings (Dalton et al., 1998) which are, moreover, empirically distant from the leadership behaviours and processes taking place among directors (Pettigrew, 1992). In view of the demonstrated relevance of leadership for both group and organizational performance in other settings (Cohen and Bailey, 1997), this study therefore aimed to supplement a small number of recent studies that have begun to delve into actual leadership dynamics within the boardroom (e.g., Gabrielsson et al., 2007; Machold et al., 2011). However, we clearly deviate from this previous work, and thereby provide an important contribution to board literature and academic understanding of board leadership, by not limiting our inquiry to the role of the board Chair but instead taking the nature of leadership as a social influence process among interacting individuals into account (Parry, 1998; Yukl, 2006). In particular, our analysis of the case study board's leadership dynamics showed that leadership did not solely emanate from the Chair but from the other directors as well, thereby corresponding to what has been described as shared or distributed leadership. While this promising leadership conceptualization has been recently addressed theoretically in a board context (Vandewaerde et al., 2011), this study provides the first empirical account of shared leadership in the boardroom that allows for a more in-depth

understanding regarding this phenomenon. On a more general level, we thereby respond to recent calls for more process- and behaviour-oriented research into corporate governance and boards of directors as a means of shedding more light on the black box of board functioning (Daily et al., 2003; van Ees et al., 2009).

From a practical point of view, this case study shows that when it comes to board leadership, although this applies to other areas as well, current-day corporate governance regulations and guidelines may need rethinking. Our research provides additional evidence that structural factors such as CEO duality, dominant in corporate governance codes worldwide, "at best condition rather than determine board effectiveness" (Ng and Roberts, 2007, p. 308). We therefore advocate for policy makers to focus more on behavioural-oriented aspects to board functioning as the current-day check-box approach is not supported by empirical evidence. Second, for board practitioners, this in-depth qualitative inquiry allows for case-based learning regarding a novel and promising approach to board leadership. While our detailed account aims to encourage readers' own interpretations and resultant transfer of insights to their naturalistic contexts (Stake, 2000), we would like to highlight a number of implications for board practice which we deem to be of particular importance as well. In line with recent calls for increased board diversity, we witnessed that for shared leadership to develop within the boardroom, a degree of heterogeneity among directors is required. However, as particularly well exemplified by the case study board, such diversity needs to be pertinent to the firm's and board's activities in order to allow for a basis for directors to make leadership claims upon, thereby pointing out the missed opportunity, inutility, and potential danger of increasing board diversity only as an aesthetic measure to please

diverse stakeholder groups and the necessity to periodically reassess directors'
ability to contribute to the board. In this regard, for boards that lack the
necessary expertise in some areas, our study shows that attracting external
directors may be particularly desirable as it can foster a broader leadership
base. We thus provide some insight as to how and why adding external directors
may have an important impact on the board's decision-making process and its
ability to fulfil its tasks effectively (Ng and Roberts, 2007).

3.4.3 Limitations and further research

While we believe that the insights emanating from this in-depth qualitative study
have advanced academic understanding regarding the relatively unexplored
phenomenon of shared leadership within teams (and by extension board
leadership), we acknowledge that its main limitation lies in that one must
proceed with care when applying its findings in other team contexts, and even to
other boards of directors, in the traditional sense of statistical generalization.
The unique setting in which the case study board operates and the specific
individuals that constitute it, while providing the basis for its learning potential,
can be argued to be case-specific determinants of the leadership behaviours and
processes among its directors. For instance, the firm's excellent business
performance and its people-oriented culture may have created specific
conditions fostering the emergence of shared leadership which may not be
present in other teams. However, as previous research has indicated that
leadership is likely to vary on a continuum ranging from strictly confined to a
single individual to fully shared among all team members (Carson et al., 2007),
we expect our findings in many cases to allow for 'naturalistic generalization'

whereby this study's vicarious account is assimilated into the understanding of similar teams' leadership dynamics (Stake, 2000). In addition, while case studies are not generalizable to populations, they are to theoretical propositions (Gibbert and Ruigrok, 2010; Yin, 2003). Using a pattern matching approach, our rich and detailed analysis of leadership within the case study board pursued 'analytical generalization' to "expand and generalize theories [ ], not to enumerate frequencies" (Yin, 2003, p. 10).

Regarding further research, academic understanding of shared leadership within teams is to date largely rooted in a number of conceptual contributions and would significantly benefit from more empirical investigation. While opportunities for quantitative approaches have been documented elsewhere (Gockel and Werth, 2010), the use of qualitative methods in future research, especially given the stage of development of the field, may prove to be particularly meritorious (Eisenhardt and Graebner, 2007). Our study suggests that notwithstanding previous theorization regarding the antecedents and consequences of shared leadership in the literature, the intricate dynamics and micro-processes associated with its emergence and development, particularly well grasped by qualitative examination, warrant further theoretical elaboration and refinement. Second, current scholarly enthusiasm regarding the notion of collective leadership has resulted in a rather one-sided positive, at times normative, academic stance on leadership being shared among team members. Indeed, as Denis and colleagues (2012, p. 64) point out, while shared leadership theory refutes the tendency to see leaders as heroic individuals which determine the successes and failures of organizations, referred to by Meindl and colleagues (1985) as the 'romance' of leadership, "leadership in the plural does not avoid

its own form of romanticization". Therefore, mindful of this study's results, although we acknowledge and find evidence for its anticipated benefits, we encourage scholars to not solely dwell on the bright side of shared leadership but also be attentive of its potential negative consequences and boundary conditions with regard to team functioning and performance in order to gain a fuller understanding of the phenomenon.

3.5 CONCLUSION

In this study, we sought to develop a more in-depth understanding of the nature of shared leadership and the micro-processes associated with its development. Employing a qualitative case study methodology and using the board of directors as a research setting, we were able to generate insights which extend and deepen existing knowledge regarding the phenomenon in several ways. Given that it is increasingly acknowledged that in current-day complex and dynamic business environments, the traditional take on leadership as the prerogative of single, heroic individuals may be troublesome (Pearce, 2004; Pearce and Conger, 2003), our study suggests that research aimed at comprehending collective leadership, its antecedents, and its boundary conditions warrants a prominent place on the research agenda as there remains a lot to learn about this promising approach to team leadership.

4. MEASURING SHARED LEADERSHIP WITHIN TEAMS: SCALE DEVELOPMENT AND VALIDATION

4.1 INTRODUCTION

Plural forms of leadership (Denis et al., 2012), extending beyond the traditional notion of it emanating solely from a single hierarchical individual, have gained interest within the scholarly community in recent years (Day et al., 2006; Gronn, 2002). This development reflects several trends in the corporate landscape which pose challenges to established hierarchical models of leadership (Carson et al., 2007; Pearce and Conger, 2003). Increased global competition and more demanding business environments have stimulated flatter and more complex ways of organizing, resulting in an increased use of teams, its cross-functional and self-managed forms in particular, in an organizational context (Pearce, 2004). It is increasingly acknowledged that in such dynamic and complex settings, it is highly unlikely for one individual to possess the knowledge and skills to lead an organizational unit to goal fulfilment in every instance, suggesting more collective approaches to leadership may be more befitting (Cox et al., 2003; Friedrich et al., 2009). In addition, today's educated workforce, especially in knowledge-based work settings, is made up of individuals possessing high levels of specialized expertise who desire and seek autonomy in how they apply their knowledge and skills and increasingly expect

to have a meaningful impact on their unit's work, decisions, and direction (Carson et al., 2007; Fitzsimons et al., 2011; Pearce, 2004).

Recognizing and responding to these organizational shifts, within the study of plural forms of leadership, one movement of scholars has specifically focused on the manifestation of shared leadership within teams (Denis et al., 2012). Shifting the spotlight from *leaders* to *leadership* (Parry, 1998; Yukl, 1989), shared leadership is rooted in the recognition that multiple individuals, not solely the formal leader, possess the ability to exert leadership influence within the team (Morgeson et al, 2010; Pearce and Conger, 2003). Such a collective approach to leadership among team members, due to its beneficial effects on individual and team functioning, has been proposed to give rise to improved team and organizational performance (Denis et al., 2012). However, as to date "many theoretical and relatively few empirical articles have been published about shared leadership" (Gockel and Werth, 2010, p. 172), more research aimed at providing evidence for the phenomenon's hypothesized effects as well as its antecedents and moderating conditions is highly warranted.

The main goal of this paper is to assist future scholars in such research endeavours by developing and validating a new scale to measure shared leadership which can be used to tap into the construct in the field by means of a questionnaire (Hinkin, 1995). While other measures have been developed and used in previous studies, current quantitative efforts to measure shared leadership come with several disadvantages which may hinder the build-up of an extensive knowledge base regarding the phenomenon. In a first major approach to measuring shared leadership, which Gockel and Werth (2010) label 'rating the

members', social network methods are used to determine the strength of mutual influence among team members (e.g., Carson et al., 2007; Mehra et al., 2006). This measurement method focuses on the relationships between the different actors within the team and assesses how much influence they exert on one another as a way of conceptualizing shared leadership (Mayo et al., 2003). One of the main disadvantages of this technique is that it requires team members rating the leadership exhibited by every individual member of the team, making data collection and analysis challenging (Gockel and Werth, 2010). In a related fashion, as it may prove to be too time-consuming and complex for individuals to rate each other on multiple kinds of leadership behaviours by means of multi-item measures (Gockel and Werth, 2010), in practice this approach will likely remain limited to its current singular and therefore restricted assessment of shared leadership (e.g., "To what degree does your team rely on this individual for leadership"; Carson et al., 2007, p. 1125). Moreover, using the technique in a field study targeting a random sample of respondents may be problematic as information about each team member's identity is necessary in order for them to be able to rate one another in a consistent and valid manner.

Given the (practical) problems associated with this approach to measuring shared leadership, we adopt the most widely used technique, 'rating the team' (Gockel and Werth, 2010), in which team members are asked to assess leadership behaviours displayed by the team as a whole to arrive at a shared leadership score (e.g., Avolio et al., 1996; Ensley et al., 2006; Pearce and Sims, 2002). One of the shortfalls of current studies within this stream, however, is the unadulterated extrapolation of traditional individual leadership theories (e.g., directive, transformational, transactional, and empowering leadership) to the

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team context in conceptualizing shared leadership. As advanced by Burke and colleagues (2006), "[t]his is a concern because classical leadership theories have often been criticized for failing to fully appreciate and model the dynamism and complexities of team leadership" (p. 302). In addition, existing measures developed in these studies are generally very lengthy, containing up to seventy items, which may not only introduce response bias but also makes their use in the field troublesome (Hinkin, 1995).

Addressing these pitfalls of current measures of shared leadership, this paper, drawing upon the well-known and widely applied functional leadership theory, sets out to develop a scale which is rooted in team leadership literature, easily administrable, widely applicable, and concise yet able to tap into the full range of shared leadership behaviours within teams. Concluding with a discussion section, the structure of this paper parallels the steps in scale development and validation recommended by Hinkin (1995) and Spector (1992). That is, after we define shared leadership and clarify the theoretical foundations of our measure, we provide insight into how we proceeded to generate the items and design the scale. Subsequently, we report on the test procedures followed to develop an internally consistent measure (Spector, 1992). Finally, using another sample, the new scale is subjected to a psychometric examination to further demonstrate its validity and reliability (Hinkin, 1995).

4.2 SHARED LEADERSHIP WITHIN TEAMS: CONSTRUCT DEFINITION AND SCALE DESIGN

Before any scale can be developed one needs to be clear on what it is intended to measure, making the precise delineation of the construct of interest a crucial step in the process (DeVellis, 2003; Spector, 1992). In this section, we first present an overview of shared leadership theory, offer a definition of the phenomenon, and provide the rationale for drawing upon functional leadership theory in conceptualizing it. Building upon these theoretical foundations, we then describe the procedure adopted with regard to item generation and scale design.

4.2.1 Shared leadership defined

Although a series of development in the fields of leadership, psychology, and organizational behaviour (e.g., human relations and social systems perspectives, role differentiation in groups, social exchange theory, participative goal setting) starting as early as the 1930s have laid its historical roots, only less than two decades ago a true development of shared leadership theory has commenced (Pearce and Conger, 2003). A review of existing definitions and work within this growing stream of research (see e.g., Carson et al., 2007; Denis et al., 2012) reveals a converging general understanding within the literature of what shared leadership entails.

Leadership can be broadly defined as "influence processes involving determination of the group's or organization's objectives, motivating task behaviour in pursuit of these objectives, and influencing group maintenance and

culture" (Yukl, 1989, p. 5). Leadership thus entails individuals' influencing behaviours targeted at both the classic task and maintenance dimensions of team functioning (Bales, 1958; Gladstein, 1984) in order to achieve particular group or organizational goals. This notion of leadership as a deliberate influence process aimed at goal achievement is also at the basis of how shared leadership is viewed and understood. However, distinguishing shared leadership from its traditional, hierarchical counterpart, "this influence process often involves peer, or lateral, influence and at other times involves upward or downward hierarchical influence" (Pearce and Conger, 2003, p.1). Within this approach, leadership is thus not viewed as the prerogative of a single authoritative individual, but instead as a team property emanating from within and carried out by the collective (Ensley et al., 2006; Pearce and Sims, 2002). Shifting the focus from *leaders* to *leadership* (Yukl, 1989), shared leadership involves an ongoing, mutual influence process among team members characterized by the emergence of multiple, both designated and informal, leaders within the team (Mehra et al., 2006; Pearce, 2004).

As advanced by Hackman & Wageman (2007, p.46), "shared leadership is far more than just a partnership or the use of a "participative" style. Instead, it raises the possibility, first suggested decades ago by McGrath (1962), that *anyone* who fulfills critical system functions, or who arranges for them to be fulfilled, is exhibiting leadership". Shared leadership is thus intimately tied in and highly compatible with functional leadership theory, which is widely endorsed and utilized in the leadership literature to describe and assess team leadership (Burke et al., 2006; Morgeson et al., 2010). "The key assertion in the functional approach to leadership", Hackman and Walton (1986) put forward, " is that '[the

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leader's] main job is to do, or get done, whatever is not being adequately handled for group needs' (McGrath, 1962, p.5). If a leader manages, by whatever means, to ensure that all functions critical to both task accomplishment and group maintenance are adequately taken care of, then the leader has done his or her job well" (p. 75). This functional perspective on team leadership is deliberately inclusive with regard to who satisfies these team needs (Morgeson et al., 2010). That is, in line with shared leadership theory, it is acknowledged that multiple individuals in a team, and not only the formal leader, possess the ability to exert leadership influence on an as-needed basis (Hackman and Wageman, 2007; Morgeson et al, 2010; Vandewaerde et al., 2011). Building upon the above, we conceptualize shared leadership within teams as a dynamic and mutual influence process among individuals characterized by the emergence of multiple team members leading one another in the fulfilment of both task- and maintenance-oriented critical team functions with the aim of achieving team and organizational goals.

In many team settings it is highly unlikely for one individual to be the most knowledgeable and skilled to bring all of these leadership functions to fruition in every instance, implying more collective approaches to leadership are bound to result in increased team performance (Friedrich et al., 2009; Cox et al., 2003). In addition to being conceptually sound, recent studies into the phenomenon provide empirical evidence for the existence of such hypothesized beneficial effects. For instance, Pearce and Sims (2002) and Ensley and colleagues (2006) found shared leadership to be positively related to and better predict team performance (compared to vertical leadership) in change management and top management teams respectively. In addition, both utilizing social network

methods, Carson et al.'s (2007) study revealed that consulting teams which relied on multiple individuals for leadership showcased superior team performance, while Mehra and colleagues (2006) discovered the nature of leadership decentralization to matter as distributed-coordinated sales teams (in which leaders recognized each other as leaders) were found to outperform those characterized by a leader-centred or distributed-fragmented leadership structure.

Besides task performance, shared leadership has also been linked to a series of individual and group affective, behavioural, and cognitive maintenance-oriented outcomes associated with the nature and quality of the team's dynamics (Cox et al., 2003; Vandewaerde et al., 2011). For instance, Solansky (2008) showed teams exhibiting shared leadership to have motivational and cognitive advantages (i.e., higher levels of collective efficacy and transactive memory) over teams relying on a single leader. A number of other studies have also suggested and found the phenomenon to be positively related to several constructs which within the team literature have been advanced to be important for effective team functioning such as satisfaction, trust, cohesion, and organizational citizenship behaviour (Avolio et al., 1996; Pearce, 1997; Wood and Fields, 2007). Therefore, while shared leadership directly contributes to improved team performance, it is also likely to do so indirectly by fostering more effective interactions among team members through the facilitation of various team processes (Vandewaerde et al., 2011). In sum, preliminary empirical evidence consistently supports the theoretical argument that team members exerting leadership influence on one another in the fulfilment of critical team functions has positive effects on both team functioning and performance,

making shared leadership a particularly worthwhile phenomenon to pursue in future research.

Shared leadership: what it is not

Having defined shared leadership and described its nomological network, it is useful to briefly go into similar, but different, constructs such as team cooperation, participative decision making, empowerment, self-leadership, and emergent leadership in order to clearly delineate the phenomenon and consequently ensure the scale under development measures what it is intended to measure (DeVellis, 2003).

First, related to shared leadership, *team cooperation* refers to team members contributing personal efforts and useful behaviours towards the completion of interdependent tasks and the achievement of a common goal (Kozlowski & Bell, 2003). However, although individuals' cooperative behaviours contribute to effective team functioning and performance as well, they lack the active influence component that is essential to (shared) leadership (Carson et al., 2007). Team members could exhibit high levels of cooperation within a team with each individual just focusing on his or her own part of the task, thereby not exhibiting any (mutual) leadership influence over one another (Ziegert, 2005). Second, *participative leadership* or decision making involves subordinates being allowed some degree of influence over the leader's decisions, resulting in a more democratic approach to team management (Vroom and Yetton, 1973; Yukl, 1989). However, as it are the decisions made by the leader or manager which bestow followers with differing degrees of decision latitude (e.g., ranging from

autocratic decision to delegation; Yukl, 1989), leadership is still very much person-centred in this approach and cannot be regarded as a genuine group quality. In addition, as decision making constitutes only part of the leadership functions essential for team performance (Morgeson et al., 2010), shared leadership is not only more far-reaching but also more comprehensive than participative decision making. Somewhat similar as it is also often associated with power decentralization, *team empowerment*, which can be defined as "team members' collective belief that they have the authority to control their proximal work environment and are responsible for their team's functioning" (Mathieu et al., 2006; p.98) is another construct which is in several ways related to, yet different from, shared leadership. Team empowerment may facilitate the emergence and development of shared leadership by motivating and making team members feel entitled to exercise influence within the team, while on the other hand the practice of shared leadership within a team setting is likely to instil a sense of empowerment among its members (Carson et al., 2007). Although related, given that a team may experience a substantial degree of empowerment yet still have a single individual taking charge of most of the leadership functions, a main difference between the two constructs is that shared leadership includes an activational component with team members actively engaging in the leadership process and exhibiting leadership behaviour (Carson et al., 2007; Pearce and Conger, 2003).

Self-leadership can be defined as "a process through which people influence themselves to achieve the self-direction and self-motivation needed to perform" (Houghton et al., 2003, p. 126). Building upon the substitutes for leadership framework, self-leadership is characterized by leadership influence aimed at

attaining particular goals emanating from within the individual itself and not from a hierarchical leader, making it similar in nature to shared leadership (Pearce and Conger, 2003). However, in addition to self-leadership being manifested at the individual and shared leadership at the team level, the main difference between both conceptualisations of leadership is that while leadership influence is focused at oneself in the former approach, it is directed at fellow team members in the latter (Bligh et al., 2006; Houghton et al., 2003). Finally, *emergent leadership* is perhaps most closely related to shared leadership as it refers to team members exerting significant influence over other members belonging to the team even though no formal authority has been vested in them (Schneider and Goktepe, 1983). The term emergent leadership, however, is usually adopted to denote the emergence of one or two leaders within leaderless groups, while shared leadership can take place in teams with and without designated leaders and concerns the mutual influencing behaviours of all team members (Carson et al., 2007; Pearce and Sims, 2002).

Table 4: Concepts related to shared leadership

Concept	Main difference(s) with shared leadership
Team cooperation	Lacks active influence component essential to (shared) leadership
Participative leadership	Degree of decision latitude of team members still determined by formal leader
	Decision making constitutes only a part of leadership
Team empowerment	Lacks an activational component (team members may feel empowered without exerting leadership influence)
Self-leadership	Manifested at the individual level
	Focused on leading oneself, not fellow team members

Emergent leadership	Refers to the emergence of one or two leaders in leaderless groups, not mutual influencing behaviours among team members

4.2.2 Scale design

As it is firmly rooted within team leadership and highly compatible with the notion of shared influence, functional leadership theory was selected to provide the theoretical foundation for the scale and its items to be constructed upon. As early as 1954, Gibb argued that "leadership is best conceived as a group quality, as a set of functions which must be carried out by the group" (p. 884). This functional perspective is nowadays the most prominent and well-known team leadership model and provides the basis for contemporary contributions on leadership among interacting individuals (e.g., Burke et al., 2006, Fleishman et al., 1991; Hackman & Wageman, 2007; Morgeson et al., 2010; Zaccaro et al., 2001). The popularity of functional leadership theory emanates from its appreciation of the dynamic and complex nature of teams and their functioning as opposed to traditional leadership theories which generally adopt a single-source view on leadership and do not transcend surface-level dyadic role exchanges (Burke et al., 2006). In addition, as detailed before, functional leadership theory is consistent with the phenomenon of shared leadership as it acknowledges that multiple individuals in a team, not only the formal leader, possess the ability to exert leadership influence aimed at fulfilling critical team functions on an as-needed basis (Hackman and Wageman, 2007; Morgeson et al, 2010).

Item generation

We used both deductive and inductive approaches to generate an initial comprehensive set of items tapping into team members' functional leadership behaviours. Classic models of team functioning uphold that both task (i.e., related to the team's work output) and maintenance-oriented (i.e., related to the team's internal dynamics and group life) team needs require to be taken care of in order for the team to be able to progress effectively (Bales, 1958; Gladstein, 1984). Based on an extensive review of the literature on functional leadership within teams, particularly benefitting from the work of Fleishman et al. (1991), Lord (1977) and Morgeson et al. (2010), we developed a series of items addressing both of these distinct dimensions and representing a universal set of leadership functions to be performed within teams. In addition, part of another research project, we interviewed nine directors of a large privately-owned firm and questioned them about leadership within the board (which can be considered to be a knowledge-based work team[*]; Vandewaerde et al., 2011) and what makes that an individual is considered to be a leader within the team. Transcripts of these interviews were analysed for instances of functional behaviour, which were subsequently subjected to item generation. Providing initial evidence for the appropriateness of our new shared leadership measure being two-dimensional, director responses closely matched the task/maintenance categories of leadership behaviour referred to above.

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[*] In line with established definitions of teams (Kozlowski and Bell, 2003), the board of directors can be considered to be a team as it is a collection of interdependent individuals that interact socially in order to fulfill one or more common goals within certain contextual boundaries (Vandewaerde et al., 2011).

This initial pool of items was subsequently scrutinized and refined by the research team to arrive at a final set retained for further analysis. That is, independent individual reviews of the items and several rounds of team discussion resulted in the deletion or rewording of items which were for instance deemed redundant due to strong overlap with other items, ambiguous in wording, or of limited relevance for the measure's intended team context. This concise, yet comprehensive instrument tapping into a wide range of functional leadership behaviours exhibited by team members was subsequently subjected to review by a number of researchers not involved in this study, which led to further amendments and resulted in a measure intended for testing comprised of 17 items (of which 11 and 6 items addressed task- and maintenance-oriented shared leadership, respectively; see appendix B.1). In line with the 'rating the team' approach (Gockel and Werth, 2010), team members are asked to assess leadership behaviours displayed by the team as a whole to arrive at a shared leadership score. All items are measured on a 7-point Likert scale in this study to allow for the necessary variability in respondents' answers (DeVellis, 2003).

4.3 SCALE TESTING AND EVALUATION

4.3.1 Study 1

The 17-item shared leadership instrument was administered to an undergraduate business student sample at a Belgian university. Respondents worked on a team-based project which required primarily cognitive-based output (i.e., a research report). Individuals were free to decide on team composition

and no positions of authority or team roles (e.g., secretary, time keeper) were assigned to specific team members a priori. Out of a total of 316 questionnaires sent, useable data were obtained for 206 participants, corresponding to a response rate of 65% (students did not receive any benefits in return for their participation). Respondents were on average 19.4 years old and roughly evenly distributed gender-wise (56% male, 44 % female). Regarding prior education, respondents demonstrated moderate diversity with 57 % of them having a background in economics and the remainder primarily stemming from science and linguistic-oriented disciplines.

Although well embedded within the general leadership literature, no previous empirical work has attempted to measure shared leadership by adopting a two-dimensional (task and maintenance-oriented) functional perspective on the phenomenon and conceptual work in this area has only recently begun to develop (e.g., Vandewaerde et al., 2011). Therefore, in order to begin establishing the validity of the scale and assess the dimensionality of the shared leadership construct, the wide range of leadership behaviours identified in the previous stage of the scale development process were subjected to an exploratory factor analysis (EFA) using the SPSS statistical software. In the beginning stages of scale development, it is generally considered to be good practice to perform an EFA in order to empirically appraise the underlying factor structure of the instrument (Worthington and Whittaker, 2006). In line with previous research, including studies into shared leadership (Hiller et al., 2006), individual-level responses were used in the factor analysis to ensure a maximal response-to-item ratio (12:1 in this study, which exceeds commonly recommended levels of 5:1 or 10:1 for factor analysis; Hair et al., 2006).

Results

Prior to conducting the factor analysis, we performed a preliminary item analysis which confirmed the data's factorability. That is, a significant Bartlett's test of sphericity ($p < 0.01$) and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy considerably exceeding the meritorious 0.8 level (0.946), as well as relatively high inter-item correlations and low partial correlations signalled the data set's suitability for factor analysis (Hair et al., 2006; Worthington and Whittaker, 2006; see table 5 and appendix B.2 and B.3).

Table 5: Overall MSA (KMO) and Bartlett's test of sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.946
Bartlett's Test of Sphericity	Approx. Chi-Square	2850.256
	Df	136
	Sig.	0.000

In line with scale development recommendations (Worthington and Whittaker, 2006), common factor analysis (i.e., principal axis factoring) was chosen as the factor extraction method in this study as it is particularly appropriate when the objective of the factor analysis is to identify latent dimensions or constructs represented in the data (principal components analysis was performed as a robustness check and yielded roughly identical results) (Hair et al., 2006). As previous work has suggested task and maintenance-oriented dimensions of shared leadership are interrelated (Hiller et al., 2006; Vandewaerde et al., 2011), which entails, confirmed empirically ($r = 0.70$), that extracted factors

may be correlated, an oblique rotational method (i.e., oblimin) was selected to facilitate factor interpretation.

In line with our expectations, factor analysis resulted in a two-factor solution, explaining a total variance of 67 percent, as evidenced by a visual examination of the scree plot, an assessment of factor eigenvalues exceeding unity as well as Horn's parallel analysis (O'Connor, 2000; see appendix B.4). In general, individual items loaded on these respective factors as anticipated, with items SL1 to SL11 showcasing high loadings on factor 1 and items SL12 to SL17 loading highly on factor 2. Consequently, factor interpretation was quite straightforward as they corresponded to task-oriented (factor 1) and maintenance-oriented (factor 2) shared leadership among team members (see appendix B.5). An assessment of individual factor loadings for insignificance or cross-loading signalled the inclusion of item SL12 in the instrument to be problematic as it showed relatively high loadings for both factor 1 (0.42) and 2 (0.49). This particular item pertained to promoting team member motivation and appeared not to be able to discriminate between temporary team leaders fostering motivation directed at specific task work on the one hand and functioning of the team as a whole (which it intended to measure) on the other, as it loaded quite similarly on both factors. Therefore, we deleted this item and reran the factor analysis with the remaining 16 items. This yielded no significant changes with regard to the abovementioned results. That is, the data demonstrated good factorability and resulted in two correlated factors (task-oriented shared leadership, $\alpha = 0.930$, 11 items & maintenance-oriented shared leadership, $\alpha = 0.946$, 5 items), which explained 67 percent of the total variance and were comprised of items which loaded in a similar fashion and as expected

(see appendix B.6). Given the relatively large number of items measuring the task-oriented dimension and its very high coefficient of internal consistency, we followed prior scale development studies as well as methodological recommendations (DeVellis, 2003; Liden et al., 2008; Worthington and Whittaker, 2006) and next optimized the scale's length. That is, on the basis of a number of parameters we examined whether items could be deleted in order to place less of a burden on respondents without sacrificing scale quality to a significant extent (DeVellis, 2003; Worthington and Whittaker, 2006). First, three items with communalities lower than the recommended threshold of 0.50 (SL7, SL10, and SL11) were excluded as this indicates they are relatively poorly accounted for by the factor solution (Hair et al., 2006). Next, in the trade-off between brevity and reliability, we deleted another 3 items (SL2, SL3, and SL9) in order to arrive at a balanced two times 5-item scale to measure shared leadership on the basis of these items' lower factor loadings and contribution to the internal consistency of the scale. Finally, to ensure the factor solution did not change after deletion of these items, we performed another EFA on the retained set of items (Worthington and Whittaker, 2006). As expected, this resulted in a correlated ($r = 0.66$) two-factor solution explaining 70 percent of the variance with 5 items measuring task-oriented shared leadership and 5 items measuring maintenance-oriented shared leadership (see appendix B.7).

Although confirmatory research is necessary to fully assess the psychometric properties of the scale, in this stage of the analysis EFA can be used to begin assessing the extent to which the instrument is able to discriminate between different constructs (Clark et al., 1995; Schriesheim and Cogliser, 2009). In order to evidence sufficient discriminative power, items from the newly

developed scale and items measuring distinct constructs were jointly subjected to exploratory factor analysis. To provide support for the scale's discriminant validity (i.e., the extent to which the measure of the construct under study is distinct from measures of other constructs), the different constructs should load on different factors and if cross-loadings occur, the loading should be significantly higher on the factor corresponding to the construct group to which the item belongs (Clark et al., 1995; Ferratt et al., 1981; Lewis-Beck et al., 2004). With this aim, we included measures of two pivotal related but distinct constructs for which validated measurement scales were available in prior literature in our survey. Accordingly, different factor analyses where performed in which the shared leadership items were jointly analysed with items measuring *empowerment* (adapted from Kirkman et al., 2004; 6 items, $\alpha = 0.866$) as well as *participative decision making* (Lam et al., 2002; 5 items, $\alpha = 0.924$). Following the test procedures as described above, all analyses for both the separate task and maintenance dimensions as well as the full instrument resulted in, besides shared leadership items loading on their respective factor(s) as expected, the emergence of one additional factor comprising the empowerment/participative decision making items (see appendix B.8). These tests signal that the shared leadership scale demonstrates good discriminability, but also provide additional evidence of construct validity (i.e., whether the measure of the variable behaves as it should in relation to other constructs) as task and maintenance factors showed moderately high correlations with both empowerment (0.743; 0.601) and participative decision making (0.247; 0.323) factors which corresponds to prior literature (cf. supra) suggesting them to be related but distinct constructs (DeVellis, 2003; Lewis-Beck et al., 2004)

Concluding study 1, this phase in the scale development process resulted in a two-dimensional factor solution with factor 1 measuring task-oriented shared leadership ($\alpha = 0.888$, 5 items) and factor 2 measuring maintenance-oriented shared leadership ($\alpha = 0.946$, 5 items). The newly development instrument behaves as expected and strived for and was therefore cleared by the research team for the next stage in the process which is scale validation by means of confirmatory factor analysis (CFA).

4.3.2 Study 2

To validate the results from the exploratory phase of the scale development process, we conducted a CFA on a different sample which stemmed from an organizational context. In particular, we administered the measurement scale to corporate boards of directors, which can be considered to be knowledge-based work teams (Vandewaerde et al., 2011), in order to assess its hypothesized factor structure and psychometric properties (DeVellis, 2003; Spector, 1992). To overcome the difficulties in gaining access to boards and acquire sufficient data for this study (Leblanc and Schwartz, 2007), the survey was conducted with the cooperation and endorsement of one of the leading Belgian employers' organisations, which resulted in responses from 38 boards representing a total of 185 directors. Again, in line with prior (shared leadership) research, individual-level responses were used in the factor analysis to ensure a maximal response-to-parameter[*] ratio (8.8:1 in this study, which meets recommended levels of at least 5:1 for CFA; Hair et al., 2006; Worthington and Whittaker, 2006).

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[*] The number of parameters to be estimated in the model equals 21 (10 beta values, 1 covariance, and 10 residuals

Once a theoretically meaningful factor structure for the measurement instrument has been established by means of carefully crafting items and subjecting them to an exploratory factor analysis, assessing it using CFA is the next logical step to take in the scale development process (Spector, 1992; Worthington and Whittaker, 2006). In particular, making use of the EQS statistical software package (Bentler, 2006), we evaluated how well the hypothesized model fitted the data collected from the new sample and compared it with alternative models.

Results

In line with well-established guidelines for confirmatory factor analysis, we used multiple goodness-of-fit indices to assess model fit (Hair et al., 2006). In particular, we employed commonly used standards of goodness of model fit including the comparative fit index (CFI); standardized root-mean square residual (SRMR), root-mean-square error of approximation (RMSEA), chi-square (χ^2) and the chi-square to its degrees of freedom ratio (χ^2/df). Although there is no single cut-off value for what constitutes adequate fit, some consensus has emerged within the methodological literature in this regard (see appendix C.1). Given these considerations, the following values were selected as indicative of adequate model fit: CFI $\geq$ 0.95, SRMR $\leq$ 0.08, RMSEA $\leq$ 0.06, and $\chi^2/df \leq$ 3.0 (Hair et al., 2006; Hu and Bentler, 1999).

Using the organizational sample of corporate board members (n= 185), we compared the fit of three alternative factor structures. The first was a one factor model, in which all items were indicative of one global shared leadership factor.

The second presented a two-factor model in which the 5 task-oriented and the 5 maintenance-oriented items were allowed to load on their respective factors. The third, our hypothesized model, was a two-factor model in which items were loaded onto their respective factors and factors were correlated with each other. All models were estimated using maximum likelihood estimation (MLE).

Fit statistics for the three alternative models are displayed in table 6. For the hypothesized model, the chi-squared value was 104.199 (df= 34, p < 0.001). Given the relatively small sample size, the Yuan-Bentler residual-based F statistic was also calculated (Bentler and Yuan, 1999). This goodness of fit test, which has been shown to perform better in small samples (Bentler and Yuan, 1999) is F distributed and interpreted in the same way as the chi-square goodness of fit test in that a nonsignificant F represents good fit. For the hypothesized model, the F-statistic was 1.289 (p < 0.15). Other robust fit indices demonstrated good overall fit as well (CFI = 0.962, SRMR = 0.044, X^2/df = 3.0). Only the RMSEA is slightly higher than the strictest recommended cut-off value (RMSEA = 0.070).

In addition, the results indicate that the two-factor correlated model is the best-fitting model. The considerable improvement in the goodness-of-fit statistics compared to the two alternative models, especially the one-factor model, suggests the hypothesized model is preferable. In addition, the chi-squared difference tests reveal that the hypothesized two-factor model fits the confirmatory data significantly better than the other models.

Reliability of the two-factor solution was satisfactory as internal consistency coefficients (Cronbach's alpha) for the task-oriented and maintenance-oriented dimensions of shared leadership were 0.890 and 0.898, respectively. Appendix C.2 presents the standardized factor loadings of the hypothesized two-factor model. Attesting to the validity of the measurement scale, all factor loadings are significant ($p < 0.05$) and considerably exceed the minimally required threshold of 0.5 (Hair et al., 2006).

Table 6: CFA results for the shared leadership scale (board of directors sample)

Model	X^2	[a] ΔX^2	X^2/df	CFI	SRMR	RMSEA
2-factor (hypothesized)	104.20	-	3.0	0.962	0.044	0.070
2-factor (uncorrelated)	225.97	121.77**	6.5	0.869	0.335	0.128
1-factor	270.98	166.78**	7.7	0.830	0.075	0.146

CFI = comparative fit index; SRMR = standardized root-mean square residual; RMSEA = root-mean-square error of approximation
[a] All alternative models are compared to the hypothesized model
n= 185   ** p< 0.01

In sum, the results of both the exploratory factor analysis and the confirmatory factor analysis provide support for the newly developed measurement scale tapping into shared leadership within teams. In order to further assess its validity, the new instrument is subjected to additional analyses (Hinkin, 1995; Spector, 1992). That is, in order to establish support for the construct validity of the measurement scale, we assessed the extent to which it was associated with measures of constructs which prior literature has identified to be related but

distinct concepts in a final scale validation study (Hinkin, 1995). In addition, chapter 5 serves as a further validation of the instrument as it is used in that study to examine the performance effects of shared leadership within the boardroom (i.e., testing it in its nomological network to establish criterion-related validity).

4.3.3 Study 3

To further assess construct validity, we made use of the data obtained from the organizational sample of corporate boards of directors. Besides the new shared leadership scale, we included multiple validated measures of constructs in our survey which prior theory suggests to be associated with collective leadership within teams (Spector, 1992). As these constructs are phenomena which are manifested at the team level, gathered individual data were aggregated prior to testing. That is, all constructs being conceptualised according to a referent-shift consensus model (Chan, 1998), we performed our analyses on a team score calculated for each individual board. Therefore, the sample size for this study is 38. Response rates for each board varied from 40 to 100 percent, with a median response rate of 84.5 percent.

Measures

To assess the measurement scale's performance with regard to constructs related to, but distinct from, shared leadership, we included measures of empowerment, cooperation, and autocratic leadership in our study. As in the exploratory study, *empowerment* was measured using 6 items adapted from

Kirkman and colleagues (2004; α = 0.820). *Cooperation*, on the other hand, was operationalised using 5 items tapping into cooperative behaviours and norms within teams (Chatman and Flynn, 2001; α = 0.772). Finally, autocratic leadership refers to highly centralized decision making and control along with power which is concentrated in the hands of one or a few individuals (Yukl, 1989). *Autocratic leadership* was measured using 4 items adapted from De Cremer (2007) and Sorenson (2000) which assessed the degree to which there were one or more individuals within the board which a) are very dominating, b) sometimes manipulate others, c) take decisions in an autocratic manner, and d) always push their opinion (α = 0.893). *Shared leadership* was measurement as detailed above using 5 items measuring task-oriented shared leadership (α = 0.890) and 5 items measuring maintenance-oriented shared leadership (α = 0.898).

All individual data were aggregated to the board level to arrive at a team score for each of the constructs used in the analysis. Following prior scale development research (e.g., Lewis, 2003), we therefore tested the statistical adequacy of aggregation by assessing the within-group agreement by means of the rWG(J) statistic (James et al., 1984). The rWG(J) statistic measures the extent to which team members' ratings are interchangeable for a scale composed of multiple items (Bliese, 2000), with median rWG(J) values of .70 or greater providing evidence of acceptable agreement among individuals' responses (James et al., 1984). In this study, rWG(J) values were 0.950 (empowerment), 0.917 (cooperation), 0.800 (autocratic leadership), 0.904 (task-oriented shared leadership), and 0.908 (maintenance-oriented shared

leadership), which justifies the aggregation of director responses to the board level for these variables.

Results

In our discussion of what shared leadership is and what it is not in a previous section of this paper, we signalled that both empowerment and team cooperation share some common ground with the concept of shared leadership, although the overlap is only partial. As these constructs are related but distinct phenomena, we would find evidence supporting the construct validity of our new measurement scale if the measures of these different constructs demonstrated moderate positive correlations. Autocratic leadership, on the other hand, is at odds with the concept of shared leadership within teams (Carson et al., 2007; Pearce and Conger, 2003). We therefore expect to find a significant negative correlation between autocratic leadership and our new instrument in the confirmatory data.

The results of this correlation analysis can be found in table 7[*]. All findings support the construct validity of the new shared leadership measurement instrument as correlations demonstrate the hypothesized pattern. That is, empowerment and cooperation are significantly related to both the dimensions of task-oriented and maintenance-oriented shared leadership, respectively. In

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[*] A popular way of assessing construct validity is making use of a multitrait-multimethod (MTMM) as it allows to differentiate covariation that truly reflects similarity (or dissimilarity) of constructs from covariation that is an artifact of applying similar measurement procedures (Campbell and Fiske, 1959). However, the risk of the latter being problematic for our findings has been minimized in this study as we adopted several procedural remedies to mitigate potential common method biases (Podsakoff et al., 2003; for more details see also Chapter 5)

addition, as expected, we found a significant negative correlation between autocratic and shared leadership.

Table 7: Correlations between the new measure of shared leadership and related constructs

	Empowerment	Cooperation	Autocratic leadership
Task – oriented shared leadership	0.683**	0.494**	-0.389*
Maintenance – oriented shared leadership	0.651**	0.767**	-0.413**

** p < 0.01 (2-tailed) * p < 0.05 (2-tailed)
n= 38

4.3.4 Summary

Drawing upon functional leadership theory, we constructed a broad array of items assessing shared leadership in teams which was first administered to a development sample. Exploratory factor analysis yielded, as hypothesized, two distinct dimensions: task-oriented (5 items) and maintenance-oriented (5 items) shared leadership. Confirmatory factor analysis on an organizational sample of corporate board of directors demonstrated good model fit and thus provided support for the proposed structure of the measurement instrument. In a final study, the scale functioned as anticipated in relation to a number of related but distinct constructs. In sum, all three empirical studies support the reliability and validity of the new measurement scale. Nevertheless, future studies adopting

the instrument will boost confidence in this study's findings. Chapter 5, which explores the performance effects of shared leadership within corporate boards, presents a next step in this process as it examines the phenomenon (and its measurement instrument) within its nomological network (DeVellis, 2003).

4.4 DISCUSSION

Several trends in organizational ways of organizing as well as developments within today's workforce put a premium on collective leadership within organizations at the expense of traditional, hierarchical models of leadership (Carson et al., 2007; Pearce and Conger, 2003). Within the context of teams, such a collective approach to leadership in which multiple individuals, not only the formal leader, take up leadership responsibilities and guide the team to goal fulfilment has been suggested to result in improved team and organizational performance due to its beneficial effects on individual and team functioning (Denis et al., 2012; Friedrich et al., 2009). Currently, the literature on shared leadership within teams is largely conceptual in nature and would benefit from additional empirical verification (Gockel and Werth, 2010). This study was designed to develop and validate a new scale to measure shared leadership which addresses the limitations of prior instruments and can be used to tap into the construct in the field by means of a questionnaire (Hinkin, 1995). Following established scale development procedures (DeVellis, 2003; Spector, 1992), our efforts resulted in a 10-item scale measuring shared leadership within teams which demonstrated excellent psychometric properties and may be used to advance collective leadership research.

4.4.1 Contributions and implications

By means of developing and validating a new scale to measure shared leadership within teams, this study has provided several contributions to this field (which have implications for both theory and practice). The scarcity of empirical studies examining shared leadership may be partly attributed to the shortfalls of current ways of operationalising the phenomenon. Our new instrument was designed to address these limitations and allow for the build-up of a robust knowledge base. A notable strength of the new measurement scale is its embeddedness in team leadership theory. That is, we constructed a theory-driven instrument, operationalised by items generated on the basis of both extant literature and interviews (Hinkin, 1995), which is firmly rooted within functional leadership theory. We thereby depart from prior measures of shared leadership which have been criticized for their mere extrapolation of traditional leadership theories (e.g., directive, transformational, transactional, and empowering leadership) to the team context as those focus on leading individuals and fail to grasp the dynamism and complexities inherent to leadership within teams (Burke et al., 2006; Morgeson et al., 2010). Drawing upon the most prominent and well-known team leadership model, functional leadership theory, we developed and validated a concise, yet comprehensive, measurement scale tapping into a wide range of functional leadership behaviours exhibited by team members (Fleishman et al., 1991; Lord, 1977). Therefore, our measure of shared leadership addresses the limitations of traditional theories which focus on what makes individuals leaders within teams by assessing how leadership is enacted among team members through focusing on a set of universal leadership functions to be performed within a team. That is,

the emphasis switches from "what leaders should do [to] what needs to be done for effective performance" (Hackman & Walton, 1986, p. 77). Given the latter, another advantage of our instrument is therefore that it is relatively task-independent, allowing for a comparison between different teams and organizational settings, as well as easily administrable in a field study. Existing measures of shared leadership tend to be very lengthy (up to seventy items) as they aim to grasp various forms of traditional individual leadership theories or on the opposite provide only a singular assessment of collective leadership among team members, while some approaches can be expected to run into difficulties when performed outside the boundaries of a controlled setting due to the methods' inherent complexity (Gockel and Werth, 2010). In sum, the main contribution of this study is the development of a measurement scale for the advancement of shared leadership research which is rooted in the team leadership literature, easily administrable, widely applicable, and concise yet able to tap into the full range of shared leadership behaviours within teams as it presents a set of universal leadership functions to be fulfilled.

In line with the (functional) leadership literature (Hackman and Walton, 1986; Lord, 1977), our scale development efforts resulted in measurement items reflecting two distinct dimensions of leadership (i.e., task- and maintenance-oriented) that may be shared among individuals. Task-oriented leadership, on the one hand, relates to team members' influence directed at the team's work output, while maintenance-oriented leadership, on the other, concerns influencing the team's internal dynamics and group life. This task-maintenance dichotomy constitutes the basis of classic models of team functioning which emphasize the importance of both in order for teams to function and perform

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effectively (Bales, 1958; Gladstein, 1984). A particular strength of our measurement scale of shared leadership is therefore that it is highly aligned with teams and how they operate as it assesses the extent to which team members share in influencing these distinct essential dimensions with the aim of achieving team goals. This distinction also has important implications for thinking about shared leadership. Most notably, the multi-dimensional nature of the construct implies that the different subdimensions of shared leadership may have different antecedents and outcomes. It is for instance not unlikely that task- and maintenance-oriented leadership will require different sets of team member abilities and competencies. Potentially even more insightful, this acknowledgement implies that the relationship between shared leadership and team performance may not simply be a direct one but may involve a more complex mechanism. That is, functional leadership theory suggests task-oriented leadership may have a direct positive effect on team effectiveness, while team maintenance-focused leadership may contribute more indirectly, and reinforce this effect, by satisfying critical team 'social' needs which enable effective team functioning (Burke et al., 2006; Lord, 1977).

In their assessment of a commonly used leader-member exchange instrument, Schriesheim and Cogliser (2009, p. 734) demonstrate that for the measurement of leadership phenomena "construct validity is of the utmost importance because we are typically measuring constructs or latent variables (i.e., variables that are hypothetical and not directly measurable)". Construct validity broadly refers to the extent to which an operationalisation measures the concept it is supposed to measure (Bagozzi et al., 1991). We adopted several procedures to ensure our new measure of shared leadership lived up to this standard (Schriesheim and

Cogliser, 2009). In constructing the scale, great care was taken to ensure the theoretical adequacy of the measurement items by rooting them firmly within functional leadership theory. Second, the instrument's factor structure was tested on two independent samples which both yielded results that are consistent with the dimensions specified in the construct's theoretical definition. In addition, all analyses demonstrated appropriate reliability levels for both shared leadership dimensions. Finally, our study revealed that the measurement scale showed associations with other constructs as would be expected from shared leadership's nomological network. One of the most interesting findings of the scale evaluation process relates to Denis and colleagues (2012, p. 63) concern expressed in their recent review of plural perspectives on leadership in which they warn that "through generalization the very notion of leadership might become meaningless and that alternative concepts [(e.g., empowerment, participative decision making)] might sometimes be more useful in capturing the phenomena studied". This study substantiates collective leadership scholars' theoretical arguments that these alternative concepts are different from shared leadership (e.g., because are not about influencing individuals, are person-centred, or lack an activational component) and that shared leadership is a phenomenon in its own right, as our analyses show they are related, but nevertheless distinct constructs.

Finally, while not its main intent, this study also offers some implications for organizational practice. Following prior research into the phenomenon, we suggest that shared leadership is beneficial for team functioning and performance, which positively reflects on organizational success (Carson et al., 2007; Ensley et al., 2006). The newly developed scale offers practitioners a

reliable and valid instrument based on easily administrable self-report items which they can use to diagnose the extent to which organizational teams collectively fulfil critical leadership responsibilities. In the event that this diagnostic tool detects that remedial action is warranted, training and development of both formal leaders and team members as well as a proper reward system have been suggested to be particularly useful instruments by which organisations may foster shared leadership within their teams (Pearce, 2004). Because the scale's items are relatively task-independent as they represent universal leadership functions to be performed within teams, the measurement scale is of use in a wide range of team settings and organizational contexts.

4.4.2 Limitations and directions for future research

Despite its important contributions, this study is not without limitations. First, as both studies were cross-sectional in nature, inferring causality about the relationships represented within shared leadership's nomological network was not possible. Given such a cross-sectional design is customary in shared leadership research (e.g., Carson et al., 2007; Ensley et al., 2006), future studies will particularly benefit from applying the newly developed measurement instrument in longitudinal research efforts. Second, variables were gauged on the basis of self-report measures in both samples, which introduces the possibility of common method bias inflating the correlations in study 3. Although we a priori applied several procedural remedies (e.g., guaranteeing anonymity in our cover letter, scrutinizing all measures and pretesting the questionnaire in order to reduce item ambiguity and minimize the likelihood of social desirability

bias) and a statistical assessment (i.e., Harman's one factor test) suggested common method bias does not pose a threat to the validity of our study, future studies could collect ratings using different formats or multiple sources in order to avoid this potential confound (Podsakoff et al., 2003). Third, given the present studies were conducted in a single country, and leadership is context-sensitive (Bryman et al., 1996), replication of the findings and support for the validity of the newly developed shared leadership instrument in different contexts and institutional environments is required. However, given Belgium scores relatively high on the cultural dimensions of power distance and individualism (Hofstede, 2001), both hardly promotive of collective leadership among organizational members (Carson et al., 2007), we expect our measure of shared leadership to perform as desired in different cultural settings. Finally, future studies into shared leadership in different samples and settings will contribute to confirming the measurement scale's psychometric properties and validity. To date, relatively few empirical studies have addressed shared leadership within teams (Denis et al., 2012; Gockel and Werth, 2010). We therefore encourage empirical work aimed at confirming proposed relationships within the phenomenon's nomological framework, thereby concurrently assessing the instrument's criterion-related validity, as well as extending current thinking about shared leadership. For instance, as prior empirical studies on collective leadership within teams have predominantly focused on its effects on team performance, studies addressing different potential outcomes (i.e., affective, cognitive, and behavioural individual and team responses; Kozlowki and Bell, 2003; Marks et al., 2001) is called for. Studies examining the antecedents of shared leadership within teams would similarly be particularly meritorious as they have been scarce hitherto (Carson et al., 2007) and have to

capacity to generate potentially actionable insights on how to foster collective leadership among team members.

4.5 CONCLUSION

Although a respectable amount of theoretical work has addressed shared leadership within teams, empirical studies into the phenomenon have been lagging behind. The goal of this study was to develop and validate a measure of shared leadership that would facilitate and promote field research into collective team leadership. Our scale development efforts resulted in a well-performing instrument which, firmly rooted in team leadership theory, can be applied to a wide range of team and task settings and is therefore particularly suited for advancing academic understanding of shared leadership.

5. SHARED LEADERSHIP IN THE BOARDROOM: A QUANTITATIVE ASSESSMENT

5.1 INTRODUCTION

"We are in a period of experimentation and change when it comes to leadership in the boardroom. Largely gone are the days when the CEO "held court" as the board's sole leader. Today boards need multiple leaders and a shared leadership approach. Effective corporate governance simply cannot be achieved by relying on the CEO to lead the board." (Conger and Lawler, 2009a, p. 51)

Operating at the upper echelons of the organisation and serving as its primary internal governance mechanism, the board of directors is generally considered to constitute a pivotal element of an effective corporate governance system and has consequently received a fair deal of scholarly attention (Daily et al., 2003). Adopting multiple theoretical perspectives, scholars have identified boards of directors to be potential valuable instruments for their firms and its network of stakeholders by exercising control over management as well as performing more service-related tasks such as advising management, networking, and legitimising (Hillman and Dalziel, 2003; Huse, 2005; Zahra and Pearce, 1989). However, despite being extensively researched, there is still little evidence on what determines whether or not corporate boards live up to their potential (Daily

et al., 2003; Forbes and Milliken, 1999). Prior studies attempting to gain insight into the determinants of board effectiveness have predominantly done so by making grand inferences about a series of (easily measurable) structural characteristics, but have been largely unable to identify any systematic performance effects associated with board attributes such as board team size or outside director ratio (Dalton et al., 1998; He and Huang, 2011, Johnson et al., 1996).

Hitherto, failing to produce much conclusive evidence (Dalton et al., 1998), scholars have predominantly limited themselves to studying easily measurable variables (mainly CEO duality) and its relation to board and firm performance in the field of board leadership as well (Heracleous, 1999; Leblanc, 2005). However, extrapolating well-established insights from the literature on teams (Cohen and Bailey, 1997; Morgeson et al., 2010), it can be expected that "the presence or absence of effective leaders is critical in determining how well boards can carry out their responsibilities" (Lorsch, 2009, p. 29). In this light, we respond to Heracleous' (1999) largely unanswered decade-old call to integrate the separate board and leadership literatures as a potent means of increasing academic understanding of leadership dynamics within the boardroom and assessing its implications for performance (Huse, 2005; Leblanc, 2005). In particular, drawing upon recent developments in the team leadership literature, we focus on a form of collective leadership (i.e., shared leadership) that can be considered particularly relevant and advantageous in the context of the board of directors (Conger and Lawler, 2009b; Vandewaerde et al., 2011). Addressing one of the main shortcomings of past board leadership studies, we adopt a behavioural and process-oriented perspective on boards of directors and propose

that the extent to which leadership is shared among directors, as opposed to a number of structural leadership characteristics, constitutes an important determinant of board effectiveness.

Corporate boards are elite decision-making teams, generally made up of a set of competent high-ranking individuals, which perform a wide range of often complex and interdependent tasks and operate in highly intricate and dynamic environments (Forbes and Milliken, 1999; Payne et al., 2009). This makes it highly unlikely for one individual to invariably be the most apt to lead the team, signalling the merit of board leadership not only emanating from the Chair, its appointed leader, but from other directors as well. In line with prior literature, we define this notion of *shared leadership* within the boardroom as a mutual and interactive peer influence process among directors in which they lead one another to the achievement of board and firm goals (Friedrich et al., 2009; Pearce and Conger, 2003). Uncoupling the phenomenon from the individual (Parry, 1998; Yukl, 2006), leadership is conceived as an emergent team property collectively brought to fruition by its members, not as the prerogative of a single authoritative leader (Carson et al., 2007). Shared leadership thus contrasts with the conventional leadership paradigm, referred to as 'vertical leadership' (Pearce, 2004; Pearce and Sims, 2002), which emphasizes top-down influence emanating from the formal leader who, elevated by hierarchy, is solely responsible for the team's processes and outcomes (Carson et al., 2007; Friedrich et al., 2009). Recent empirical work has demonstrated shared leadership to be associated with higher team performance in various settings (e.g., Carson et al., 2007; Ensley et al., 2006; Hiller et al., 2006; Pearce & Sims, 2002). In order to gain more insight into the determinants of board

effectiveness, this study therefore sets out to explore the following central question: "*How does shared leadership among board members influence board performance?*".

Similar to cross-functional teams, boards are collections of individuals which often bring specialized expertise to the boardroom table (Forbes and Milliken, 1999; Hillman et al., 2000). In order to maximize its potential, directors need to fully utilize their unique expertise and integrate the differentiated knowledge and skills of other board members in performing the board's tasks (Lewis, 2003). Research has shown that, in addition to the presence of the necessary knowledge and skills, it is therefore critical for team members in such settings to have a clear understanding of who holds which expertise within the team in order to perform effectively (Faraj and Sproull, 2000; Lewis, 2003). That is, in order to be able to coordinate board members' specialized expertise, directors need to be aware of each other's knowledge, experience, and abilities (Faraj and Sproull, 2000). In this paper we argue that as directors are more knowledgeable with regard to these aspects, they are more likely to share leadership as it enables them to better judge when it is appropriate to exercise, and accept, leadership influence in particular situations (Friedrich et al., 2009; Vandewaerde et al., 2011). Such a collective approach to leadership has been shown to be a very effective mechanism of integrating and capitalizing on team members' expertise and competencies (Denis et al., 2012; Friedrich et al., 2009). In the board setting, given the breath and complexity of matters addressed and the variety in functional backgrounds generally existent among directors, the board Chair is usually at a knowledge disadvantage as his or her expertise represents only one of the functional specialities required for board work (Friedrich et al.,

2009; Pearce and Conger, 2003). Therefore, the core argument of this paper is that shared leadership, as it involves a team setting in which leadership is not determined by authority positions but rather by "an individual's capacity to influence peers and by the leadership needs of the team in a given moment" (Pearce and Conger, 2003, p. 2), is associated with a more effective deployment of the human capital present within the board and, consequently, superior board task performance (Carson et al., 2007; Friedrich et al., 2009).

In this study we tested our hypotheses on a unique sample of 36 boards for which multiple director responses were gathered. Our findings contribute to the literature on shared leadership and boards of directors in several ways. First, making use of a newly developed scale to measure shared leadership, this study distinguishes between task and team maintenance-oriented shared leadership and demonstrates that these dimensions have differing effects on team task performance. In particular, while task-oriented shared leadership was found to positively reflect on board task performance, no such direct effect could be established for maintenance-oriented shared leadership. Second, our analyses demonstrate that board members' awareness of each other's knowledge and skills results in higher board service task performance as it enables board members to better leverage their specialized expertise. Finally, we find that shared leadership serves such a coordinative and integrative function as it fully mediates the positive relationship between awareness of knowledge and skills and service task performance. Contributing to a line of research which focuses on board processes and behaviour as a means of gaining an understanding of what determines board effectiveness (Forbes and Milliken, 1999; Huse, 2005),

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our analyses confirm our core hypothesis that shared leadership among directors is associated with improved board task performance.

5.2 THEORY AND HYPOTHESES

Operating at the uppermost organizational echelon, boards of directors perform a range of critical tasks through which they may influence corporate performance (Hillman and Dalziel, 2003; Zahra and Pearce, 1989). Although there is some debate about the number and content of board tasks, prior board literature typically distinguishes two fundamental sets of board tasks (Forbes and Milliken, 1999; Huse, 2005): a) control tasks, by which boards monitor top management and firm performance in order to safeguard stakeholders' interests, and b) service tasks, by which boards provide advice and counsel to top management and secure valuable resources for the firm.

Largely rooted in agency theory, control is generally considered to be a principal board responsibility (Forbes and Milliken, 1999; Johnson et al., 1996; Zattoni et al., 2012). Agency theory emphasizes that decision makers may not act in the best interests of the firm and its shareholders. From this theoretical perspective, the board of directors is conceived as a key internal control mechanism for ensuring that decision makers maximize firm value. That is, boards are to limit the discretion of managers by scrutinizing their actions and decisions (e.g., determining top executives' compensation, hiring and firing the CEO and other top-level managers, ratifying and overseeing important decisions) and actively monitoring firm performance in order to maximize shareholders' wealth (Hillman

and Dalziel, 2003; Zahra and Pearce, 1989). In addition, due to the limitations of human cognition, management also suffers from what has been described as 'honest incompetence', making board control as a organizational system of checks and balances imperative even in the absence of managers' self-serving acts (Hendry, 2002; 2005).

Second, from a resource dependence perspective (Pfeffer and Salancik, 1978), the board's service tasks relate to its ability to bring different types of supplementary resources to the firm (Hillman and Dalziel, 2003). Boards are usually made up of competent individuals who bring various experiences, competences, and viewpoints to the boardroom table and can therefore, for instance by providing advice and counsel to management and actively participating in the formulation and refinement of strategic proposals, considerably enhance the firm's strategic decision-making process (Forbes and Milliken, 1999; Johnson et al., 1996; Westphal, 1999). In addition, directors function as boundary spanners between the firm and its external stakeholders as their social status and extended personal networks may be utilized for the benefit of the firm, for instance by securing critical external resources (e.g., access to critical information or financial resources) or increasing its legitimacy and reputation (Hillman et al., 2000; Pfeffer and Salancik, 1978; Zahra and Pearce, 1989).

Boards of directors are collections of interacting individuals operating at the highest level of decision making within organizations. Board task performance, defined as "the board's ability to perform its control and service tasks effectively" (Forbes and Milliken, 1999, p. 492) is increasingly acknowledged to

be dependent upon the extent to which a board functions as an effective team (He and Huang, 2011; Payne et al., 2009). Indeed, several studies have found that factors which have been associated with increased performance in the team literature also contribute to board effectiveness. For instance, Payne and colleagues (2009) demonstrated that several team attributes, including higher levels of knowledge, more available company information, more time spent on relevant activities, and sufficient power, contribute to effective board functioning. Along similar lines, other studies have shown that board processes such as cognitive conflicts and constructive effort norms positively impact control and service task performance (Minichilli et al., 2012; Zattoni et al., 2012).

As emphasized in prior team and board literature, boards require a high degree of specialized knowledge and skills among its members in order for them to be able to fulfil their tasks effectively (Forbes and Milliken, 1999). However, although "an implicit assumption often made in the management literature is that expertise will be used, assuming it is present, psychological research clearly indicates that the availability of expertise in a group does not guarantee the use of that expertise" (Jackson, 1992, p. 359). Instead, expertise must be managed and coordinated effectively in order to leverage its potential (Faraj and Sproull, 2000). In this regard, team members' awareness of each other's knowledge and skills has been offered as a crucial factor as it enables them to fully utilize their unique expertise and integrate the differentiated expertise of other members (Lewis, 2003). What is missing in this description, however, is the mechanism by which knowing about each other's knowledge and skills serves a coordinative and integrative function of managing expertise and thereby fosters task

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performance. In this paper we propose and test that shared leadership mediates the relationship between board members' knowledge about who holds which expertise within the boardroom and board task performance. A shared approach to board leadership, in which directors collectively take responsibility for the team's direction and performance and emerge as temporary leaders based upon the leadership needs of the team at a given moment, has been advanced to enhance board task performance (Vandewaerde et al., 2011). We hypothesize that knowledge about each other's expertise fosters shared leadership as it enables directors to judge in which situations it is appropriate to exert, and accept, leadership influence within the board (Friedrich et al., 2009; Vandewaerde et al., 2011), which has been shown to be a highly effective way of channelling plurality among team members (Denis et al., 2012). The full research model of this study is presented in figure 4.
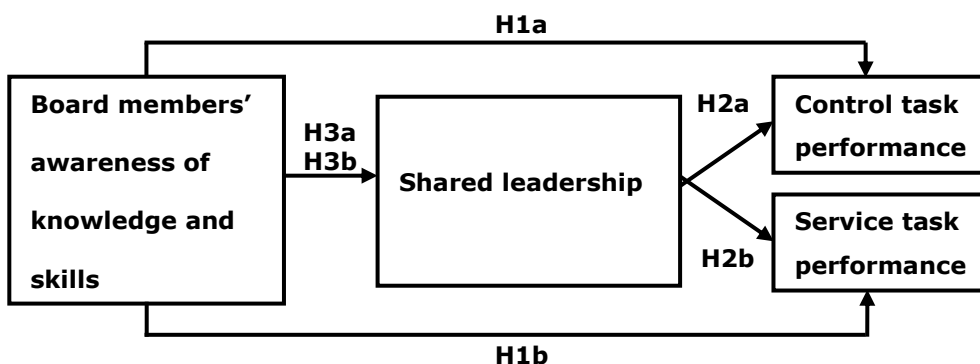
Figure 4: The research model

5.2.1. Board members' awareness of each other's knowledge and skills and board task performance

Boards are often composed of a wide range of individuals such as business experts (e.g., current and former senior executives and directors of other firms),

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support specialists (e.g., accountants, lawyers, bankers, auditors), community influentials (e.g., politicians, academics), and insiders, who all contribute to the board by drawing upon the specific expertise and abilities they bring to the boardroom table (Hillman et al., 2000). Because board work mostly involves knowledge work producing cognitive-based output (Forbes and Milliken, 1999), expertise is one of the board's most important resources and board members are often attracted for their knowledge and skills in particular areas of board work.

This cross-functional makeup of boards "provides the advantages of multiple sources of communication, information, and perspectives" (Keller, 2001, p. 574). However, the presence of director knowledge and skills is a necessary but insufficient condition for high-quality board performance (Forbes and Milliken, 1999; Minichilli et al., 2012; Zattoni et al., 2012). As many team resources, director expertise must be managed within the board in order to result in effective performance (Faraj and Sproull, 2000; Lewis, 2003). Prior team research shows that teams in which members hold a clear understanding of who possesses which knowledge and skills within the team perform better as "knowing the area of expertise of other team members serves as an important integrative and coordinative function by stressing metaknowledge about expertise location" (Faraj and Sproull, 2000; p. 1157). In particular, board members' awareness of each other's knowledge and skills enables them to better manage and leverage their differentiated expertise, which has been shown to result in increased team performance (Faraj and Sproull, 2000; Lewis, 2003). Therefore, we hypothesize:

Hypothesis 1a: *The extent of board members' awareness of each other's knowledge and skills is positively related to board control task performance*

Hypothesis 1b: *The extent of board members' awareness of each other's knowledge and skills is positively related to board service task performance*

5.2.2 Shared leadership within the boardroom and board task performance

In line with functional leadership theory, which is the most prominent and well-known team leadership model (Fleishman et al., 1991; Zaccaro et al., 2001), we view leadership as a social influence process among interacting individuals whereby intentional influence is exerted with the aim of team need satisfaction (Morgeson et al., 2010; Parry, 1998; Yukl, 2006). As described by Hackman and Walton (1986, p. 75):

> "The key assertion in the functional approach to leadership is that '[the leader's] main job is to do, or get done, whatever is not being adequately handled for group needs' (McGrath, 1962, p.5). If a leader manages, by whatever means, to ensure that all functions critical to both task accomplishment and group maintenance are adequately taken care of, then the leader has done his or her job well."

Effective board leadership thus involves the satisfaction of critical team needs which, consequently, fosters board team effectiveness and is conducive to the achievement of board and organizational goals (Morgeson et al., 2010; Vandewaerde et al., 2011). Given its broad and complex nature, the board's Chair, as is any given other board member, is usually at a knowledge and competence disadvantage in leading the board to goal fulfilment in the different aspects of board work as an individual director's expertise represents only one facet of the functional specialties required (Friedrich et al., 2009; Pearce and Conger, 2003). Therefore, boards in which directors take up leadership collectively benefit from the cognitive and behavioural capabilities of a larger number of individuals (Crevani et al., 2007) which enables them to better perform their tasks. When leadership is shared, "important decisions about what to do and how to do it are made through the use of an interactive process involving many different people who influence each other" (Yukl, 2006, p.4). It entails a team setting in which the board as a whole, not solely its Chair, guides the team in fulfilling critical team functions (Morgeson et al., 2010) and leadership is determined by a director's capacity to influence fellow board members based upon the team's leadership needs (both task and team maintenance-oriented) in a given moment, not formal authority (Friedrich et al., 2009; Pearce and Conger, 2003). Reflecting on the merit of different board members leading the board on the basis of its leadership needs in a given moment, Josh Weston, former CEO of Automatic Data Processing (ADP), commented:

"I am on the JCREW board. Stuff with JCREW, I'll get very involved
in at the board meeting. But then when they get into style

discussions, I know enough to know that there are a lot of people there that know more. In other words, I'm not the lead director in that dialogue. They have the guy who is the CEO of Federated Stores; he knows more about it than I do. It isn't the same person all the time; I don't think it should be." (Finkelstein and Mooney, 2003, p. 108)

Such patterns of reciprocal influence characterizing shared leadership, in which directors continuingly exert, and accept, leadership influence based on knowledge and expertise in the team network boost the team's ability to effectively perform its critical organizational tasks of monitoring managerial and firm performance and securing various additional resources for the firm (Carson et al., 2007; Vandewaerde et al., 2011). That is, as it entails concerted action to access required expertise, share and integrate knowledge, collaborate, and make joint decisions in the network (Friedrich et al., 2009; Gronn, 2002), shared leadership results in a more effective use of the board's human capital which positively reflects on the team's problem-solving and decision-making capabilities as well as its ability to function well as a collection of individuals (Friedrich et al., 2009). Shared leadership thus presents a highly effective way of "channelling plurality" within the boardroom (Denis et al., 2012, p. 66).

Hitherto, only a limited number of studies assessing the performance effects of shared leadership in organizational teams have been conducted, but the results are promising. A handful of these studies have addressed the phenomenon in contexts similar in nature to the board of directors as they involved knowledge worker teams carrying out complex and interdependent tasks related to

strategic decision making. Pearce and Sims (2002) examined the relationship between shared leadership and change management team effectiveness at a large automotive manufacturing firm and found shared leadership to be a more useful predictor of superior team performance relative to its traditional vertical counterpart. Both Ensley and colleagues (2006) and Hmieleski, Cole, and Baron (2012) found that the collective enactment of leadership within top management teams resulted in increased team effectiveness as reflected in higher new venture firm performance. Finally, Carson, Tesluk, and Marrone (2007) discovered that shared leadership among consulting team members was a strongly positive predictor of client-rated team performance. Taken together, these studies suggest that shared leadership results in performance benefits for teams performing non-routine and complex work which requires the integration of a variety of viewpoints, backgrounds, and expertise. Therefore, transferring these insights to the setting of the board of directors, we predict:

Hypothesis 2a: *The degree of shared leadership among board members is positively related to board control task performance*

Hypothesis 2b: *The degree of shared leadership among board members is positively related to board service task performance*

5.2.3 Shared leadership in the boardroom as a mediator between directors' awareness of each other's knowledge and skills and board task performance

As detailed above, prior team research shows that teams in which members hold a clear understanding of who possesses which knowledge and skills within the team perform better as they are theorized to be better able to manage their

specialised expertise (Faraj and Sproull, 2000; Lewis, 2003). In this paper we propose and test the hypothesis that shared leadership presents a mediating mechanism by which awareness of directors' expertise results in superior board task performance as it serves such a coordinative and integrative function.

The leadership literature suggests that leadership emergence within teams results from a social construction process in which team members claim and grant leader and follower identities on the basis of a number of personal and situational determinants (DeRue and Ashford, 2010). Shared leadership within the boardroom entails a team setting in which leadership is not the prerogative of a single authoritative leader (e.g., the CEO or Chair), but instead shared among directors in a collective process depending on the leadership needs associated with the situation at hand (Friedrich et al., 2009; Pearce and Conger, 2003). In this regard, directors' understanding of each other's knowledge and skills can be considered a pivotal antecedent of shared leadership as it provides them with the cues necessary to judge the appropriateness of exerting or accepting leadership influence in different situations (Vandewaerde et al., 2011). That is, as board members are more aware of each other's knowledge and skills, they are better able to selectively put to use their differing expertise in distributing the leadership role within the board (Friedrich et al., 2009). As documented above, shared leadership presents a very effective way of channelling plurality in the boardroom (Denis et al., 2012) as it entails leadership being determined by a director's capacity to influence fellow board members based upon the team's leadership needs given the particular situation. Thus, we propose that as directors are more knowledgeable about each other's competences, the board will perform better as it enables different individuals to

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adopt leadership within the boardroom based on situational proficiency which allows board members to more effectively integrate and capitalize on their differentiated expertise. This reasoning implies that the impact of board members' awareness of each other's knowledge and skills on board task performance is realized via them sharing leadership in the boardroom. Therefore, we hypothesize:

Hypothesis 3a: *The degree of shared leadership among board members mediates the relationship between the extent of board members' awareness of each other's knowledge and skills and board control task performance*

Hypothesis 3b: *The degree of shared leadership among board members mediates the relationship between the extent of board members' awareness of each other's knowledge and skills and board service task performance*

5.3 METHODS

5.3.1 Sample and data collection

All hypotheses were tested through a quantitative analysis of survey data drawn from a sample of Belgian non-listed firms. The choice to collect primary survey data stems from this study's objective to assess actual board behaviour and processes as a means of understanding what determines board effectiveness,

which is at odds with the traditional use of secondary data as proxies for these intermediate mechanisms in board research (Daily et al., 2003; Pettigrew, 1992). Due to difficulties in gaining access to process data on boards of directors, board studies using primary data are typically based on a single respondent, usually the CEO (e.g., Minichilli et al., 2012; Zattoni et al., 2012). However, given the collective nature of the core construct under study (Carson et al., 2007; Pearce and Conger, 2003), we opted to diverge from this methodological tradition and collected multiple director responses for each board, resulting in a unique dataset which measures board team processes at the group level.

Following previous upper echelon research (Eddleston et al., 2008; Ling and Kellermans, 2010), in order to surmount the documented difficulties in obtaining board process data (Leblanc and Schwartz, 2007), the survey was conducted with the cooperation of one of the leading Belgian employers' organisations which provided the mailing list used to solicit board participation and explicitly endorsed this study. As our research required 'active' boards in order to assess the implications of team functioning for board effectiveness, to avoid artifactual effects confounding our findings, boards that likely only existed to fulfil a firm's legal obligations ('paper' boards) were excluded from the sample a priori based on an assessment of a number of board characteristics (e.g., board size, number of meetings, presence of outside directors) available in the organisation's database.

These data collection efforts resulted in responses from 185 directors representing 38 boards. The deletion of responses with missing data and two

non-profit boards from our database yielded 163 useful responses and a final sample size of 36 boards of directors to be used in the analyses. Participating boards ranged in size from 3 to 10 directors and had an average size of 5.44. The response rate for each board varied from 40 to 100 percent, with a median response rate of 85.7 %.

As this study's design and research objective make it prone to potential common method biases (Podsakoff et al., 2003), we applied a number of procedural remedies in the survey development and administration phase. First, given the sensitive nature of evaluating board processes and functioning (Minichilli et al., 2007), to avoid socially desirable and lenient responses, our cover letter guaranteed anonymity and confidentiality and explicitly encouraged directors to answer questions as honestly as possible. Second, the survey instrument was subjected to several rounds of research team review in order to improve the scale items by reducing item ambiguity and minimizing the likelihood of social desirability bias (Podsakoff et al., 2003). Survey pre-tests, which involved several board members assessing the instrument and its items, further aided in fine-tuning the questionnaire and enhanced the construct validity of the measures included (DeVellis, 2003).

In addition, following the advice of Podsakoff and colleagues (2003), a number of statistical tests and remedies were performed in order to make sure common method bias does not pose a problem in our data. First, we performed Harman's one factor test. The exploratory factor analysis of the items measuring all perceptual variables yielded five distinct factors (with the first factor accounting for 39 percent of the total variance), indicating that the majority of the variance

between the variables cannot be accounted for by one general factor (which would indicate common method variance; Podsakoff et al., 2003). Second, responses for all perceptual measures were averaged over multiple directors which mitigates the impact of perceptual bias of individual respondents.

5.3.2 Measures

Both dependent and independent variables were operationalised as multiple-item constructs measured using 7-point Likert-type scales. Where possible, the items used to measure the different variables were drawn or adapted from prior research on boards of directors and team functioning.

Dependent variable

Measures of board task performance were developed on the basis of seminal theoretical work on boards of directors (e.g., Hillman and Dalziel, 2003; Huse, 2005; Johnson et al., 1996, Zahra and Pearce, 1989) and operationalised using items developed in prior empirical studies.

Board control task performance (Cronbach's α = 0.712) refers to the board's contribution in monitoring management and firm performance. It was measured using three items (adopted from Westphal, 1999) assessing the extent to which the board (a) monitors top management strategic decision making, b) formally evaluates managerial performance, and (c) critically assesses management's strategic decisions.

Board service task performance (Cronbach's α = 0.737) refers to the board's contribution in bringing different types of supplementary resources to the firm. It was measured using five items developed by Van den Heuvel and colleagues (2006) assessing the extent to which the board (a) advises management, (b) networks and maintain relations, (c) builds organisational reputation, (d) provides access to additional resources, and (e) formulates and ratifies organizational strategy.

Independent variables

Shared leadership

As existing measures of shared leadership (e.g., Carson et al., 2007; Ensley et al., 2006; Pearce and Sims, 2002) were deemed unfit for the context of the board of directors for reasons of substance (e.g., item content generally directed at worker teams, often mere extrapolation of items measuring leadership over individuals instead of within teams) as well as practically (e.g., too lengthy, impractical to administer in a field study), a new measurement instrument was created for this study following well-established scale development procedures (DeVellis, 2003; Hinkin, 1995; Spector, 1992). Drawing upon functional leadership theory (Fleishman et al., 1991; Morgeson et al., 2010; Zaccaro et al., 2001), a comprehensive list of items representing a universal set of leadership functions to be performed within teams was composed based on prior literature as well as director interviews. Resulting in the deletion or rewording of several items (e.g., due to redundancy, ambiguous wording, or limited relevance), this preliminary list of items was scrutinized and refined by the members of the

research team as well as researchers not involved in the study and subsequently subjected to an exploratory factor analysis using data gathered from undergraduate students working on a team-based project which required primarily cognitive-based output (DeVellis, 2003; Hinkin, 1995). These scale development efforts resulted in a concise but comprehensive set of items which, in line with the (functional) leadership literature, reflected two distinct dimensions of shared team leadership directed at the team's work output on the one hand and the team's internal dynamics and group life on the other (Hackman and Walton, 1986; Lord, 1977; Yukl, 2006). Confirmatory factor analysis on this board of directors sample confirmed the underlying structure and validity of the scale.

Consequently, *shared leadership* was measured in this study by asking directors, on the basis of 10 items, to evaluate the extent to which board members shared in task ($\alpha = 0.893$) and maintenance-oriented ($\alpha = 0.901$) leadership within their respective boards (see chapter 4 for the items as well as scale development and validation).

Board members' awareness of each other's knowledge and skills

In order to assess the extent to which directors were knowledgeable about each other's capabilities, we adopted three items from Faraj and Sproull (2000). That is, *board members' awareness of each other's knowledge and skills* ($\alpha = 0.906$) measures the extent to which board members (a) have a good map of each other's talents and skills, (b) know what task-related knowledge and skills they

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each possess, and (c) know who on the board has specialized skills and knowledge which are relevant to their work within the board.

Control variables[*]

Board-level control variables were included in our analysis in order to control for the systematic variance in board effectiveness not attributed to the board characteristics and processes discussed above. Due to sample size limitations we focused on board-level controls as their impact on board functioning and performance can be expected to be the most profound. In particular, we controlled for two of the 'usual suspects' in board research which have been the subject of many studies into board effectiveness (Dalton et al., 1998; Finkelstein and Mooney, 2003). That is, we controlled for (a) *board size*, measured as the number of board members and (b) *CEO duality*, coded as 1 if the CEO was also Chair of the board.

Aggregation analysis

For both the dependent and the independent variables, multiple director responses were collected and then aggregated into one score for each board. All variables were conceptualised according to a referent-shift consensus model (Chan, 1998), with board members assessing the construct at the team level. In order to statistically test whether aggregation to the board level was

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[*] A jury member rightfully pointed out that the length of time board members have been working together may have an effect on shared leadership and how it is portrayed within the boardroom. Therefore, as a robustness check, we also controlled for the duration the board had been functioning in its current constellation. This did not impact any of the findings presented in the next section.

appropriate, we assessed the rWG(J) within-group agreement statistic (James et al., 1984). This statistic measures the extent to which team members' ratings are interchangeable for scales composed of multiple items (Bliese, 2000). Median rWG(J) values of .70 or greater provide evidence of acceptable agreement among individuals' responses and justify aggregation thereof to the group level (James et al., 1984). rWG(J) values for all variables included in this study exceed this threshold as they are 0.948 for board members' awareness of each other's knowledge and skills, 0.903 for task-oriented shared leadership, 0.904 for maintenance-oriented shared leadership, 0.747 for control task performance, and 0.768 for service task performance.

5.3.3 Results

Table 8 shows the means, standard deviations, and correlations for the variables included in our analyses. We tested our hypotheses using multiple regression analysis. To verify that our results were not distorted by multicollinearity, we calculated variance inflation factors (VIF). The maximum VIF found within our models was 2.294, indicating that multicollinearity does not pose a threat to our findings (Hair et al., 2006). Heteroskedasticity was assessed using the Breusch-Pagan and the White test. Both tests suggest heteroskedasticity is not an issue in our analyses as test statistics were insignificant at the 0.05 level (White, 1980).

Table 8: Descriptives and Pearson correlation coefficients

	Mean	s.d.	1	2	3	4	5	6
1. Duality	.31	.47						
2. Board size	5.44	1.81	-.030					
3. Awareness K&S	4.92	.57	-.027	-.232				
4. SL_task	5.00	.73	-.192	-.200	.590**			
5. SL_maintenance	5.45	.72	-.041	-.171	.476**	.662**		
6. Control	4.39	.79	-.161	-.033	.086	.212	.118	
7. Service	4.50	.50	.125	-.372*	.400*	.440**	.288	.439**

* Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)
n = 36
All perceptual variables are measured on a 7-point Likert-type scale
1= CEO duality, 2=Board size, 3 = Board members' awareness of each other's knowledge and skills, 4= task-oriented shared leadership, 5= team maintenance-oriented dimensions of shared leadership, 6 = control task performance, 7 = service task performance

Table 9: Regression results – control task performance

	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
(Constant)							
Duality	-0.162	-0.159	-0.125	-0.157	-0.121	-0.157	-0.120
Board size	-0.037	-0.019	0.001	-0.019	-0.004	-0.013	-0.004
Awareness K&S		0.077			-0.045	0.034	-0.043
SL_task			0.188		0.215		0.224
SL_maintenance				0.109		0.094	-0.015
R^2	0.027	0.033	0.060	0.039	0.061	0.040	0.061
Adj. R^2	-0.032	-0.058	-0.028	-0.051	-0.060	-0.084	-0.095
F	0.463	0.362	0.680	0.430	0.506	0.319	0.392

All coefficients listed are standardized betas.
$^+ p < 0.10$ * $p < 0.05$ ** $p < 0.01$

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Table 10: Regression results – service task performance

	Model 10	Model 11	Model 12	Model 13	Model 14	Model 15	Model 16
(Constant)							
Duality	0.114	0.125	0.198	0.125	0.186	0.129	0.192
Board size	-0.369*	-0.291+	-0.282+	-0.328*	-0.266+	-0.284+	-0.267+
Awareness K&S		0.335*			0.144	0.286	0.153
SL_task			0.421**		0.337+		0.384+
SL_maintenance				0.237		0.108	-0.078
R²	0.152	0.258	0.315	0.206	0.328	0.267	0.331
Adj. R²	0.100	0.188	0.251	0.131	0.241	0.172	0.220
F	2.948+	3.708*	4.902**	2.764+	3.782*	2.822*	2.972*

All coefficients listed are standardized betas.

+ p < 0.10 * p < 0.05 ** p < 0.01

In order to test our hypotheses, we analyzed different models[*]. Tables 9 and 10 present the models and results that are relevant for hypotheses 1a and 1b. Examining model 4 (table 9), we find no support for hypothesis 1a as no significant effect on control task performance can be distinguished. Hypothesis 1b, however, is fully supported. That is our results (model 11, table 10) show a significant positive relationship between board members' awareness of each other's knowledge and skills and service task performance (B = 0.335 $p < 0.05$).

Models 5 and 6 (table 9) and models 12 and 13 (table 10) test hypotheses 2a and 2b, respectively. Our data provide partial support for hypothesis 2b. That is, our results show a significant positive relationship between task-oriented shared leadership and service task performance (B = 0.421 $p < 0.01$). For the maintenance-oriented dimension, no significant effect can be distinguished. We do, however, find a significant negative effect of the control variable board size on service task performance. This is in line with findings from prior board studies (e.g., Minichilli et al., 2009; 2012), which have reported board size to negatively reflect on service task performance. Larger boards have been argued to perform worse in this regard due to them being less participative, less cohesive, and less able to reach consensus (Dalton et al., 1999). Judge and Zeithaml (1992), for instance, found that larger boards were less likely to become involved in strategic decision making. Hypothesis 2a is not supported as neither dimension of shared leadership is significantly associated with control task performance.

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[*] All models presented in this section include control variables. In Appendix D, these models can be found without the control variables.

Finally, in order to test hypotheses 3a and b, we followed the procedure suggested by Baron and Kenny (1986). First, from the regression results in table 11, we find that board members' awareness of each other's knowledge and skills is a significant variable explaining both task- (B = 0.568, p < 0.001) and maintenance-oriented (B = 0.460, p < 0.01) shared leadership in the boardroom. Second, model 14 (table 10) shows the coefficient associated with board members' awareness of knowledge and skills drops and its significance disappears when we include task-oriented shared leadership in the analysis (which is positive and significant) when testing for the impact on board service task performance. Therefore, task-oriented shared leadership fully mediates the relationship between board members' awareness of each other's knowledge and skills and service task performance. Maintenance-oriented shared leadership, on the other hand, does not function as such a mediating mechanism (model 15). Our findings therefore provide partial support for hypothesis 3b. For control task performance, we do not find a significant relationship with awareness of knowledge and skills (hypothesis 1a). We could therefore not demonstrate a true mediation effect in our data. Hypothesis 3a is thus not supported.

Next, we estimated models which examined the mediation effect of the task and maintenance-oriented dimensions of shared leadership simultaneously. The advantage of analyzing both mediators simultaneously is that one can assess if the mediation is independent of the effect of the other mediator. Models 9 (table 9) and 16 (table 10) present the results of this analysis. Including both mediators simultaneously, our findings show an increase in the coefficient for task-oriented and a decrease in the coefficient for maintenance-oriented shared

leadership. That is, our results signal that the mediation effect of task-oriented shared leadership is larger when considered on its own.

Finally, we tested whether the indirect effect of board members' awareness of each other's knowledge and skills on control and service task performance via both mediators is significant or not. For this purpose, we utilized the Preacher and Hayes method for testing multiple mediation (Preacher and Hayes, 2008), which performs a bootstrapping procedure in order to assess the significance of both the total indirect effect as the indirect effect associated with the different mediators. Examining whether the 90 percent confidence interval includes zero, we find that for service task performance both the total indirect effect for both dimensions of shared leadership as the indirect effect solely associated with task-oriented shared leadership are significant (see table 13). Maintenance-oriented shared leadership does not mediate the relationship between board members' awareness of knowledge and skills and service task performance. Similarly, confirming the results documented above, we find no evidence of mediation for control task performance (table 12).

Table 11: Regression results – shared leadership

	SL_task	SL_maintenance
	Model 1	Model 2
(Constant)		
Duality	-0.179	-0.031
Board size	-0.074	-0.065
Awareness K&S	0.568***	0.460**
R²	0.384	0.232
Adj. R²	0.327	0.160
F	6.658***	3.216*

All coefficients listed are standardized betas.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 12: Multiple mediation bootstrap results for indirect effects control task performance

	Data	Boot	Bias	SE
TOTAL	0.1326	0.1416	0.0090	0.1578
SL_task	0.1400	0.1582	0.0182	0.1959
SL_maintenance	-0.0074	-0.0166	-0.0092	0.1608
Bias corrected confidence intervals				
	Lower	Upper		
TOTAL	- 0.1087	0.3819		
SL_task	-0.0957	0.5457		
SL_maintenance	-0.3125	0.1995		

Level of Confidence for Confidence Intervals: 90
Number of Bootstrap Resamples: 1000

Table 13: Multiple mediation bootstrap results for indirect effects – service task performance

	Data	Boot	Bias	SE
TOTAL	0.1278	0.1338	-0.0060	0.0876
SL_task	0.1528	0.1692	0.0164	0.1170
SL_maintenance	-0.0250	-0.0354	-0.0104	0.0953
Bias corrected confidence intervals				
	Lower	Upper		
TOTAL	0.0215	0.3141		
SL_task	0.0044	0.3811		
SL_maintenance	-0.2003	0.1062		

Level of Confidence for Confidence Intervals: 90
Number of Bootstrap Resamples: 1000

5.4 DISCUSSION

This study was designed to gain more insight into the determinants of board effectiveness by revisiting the relationship between board leadership and performance from a behavioural and process-oriented perspective. It tested the proposition that collective leadership within the boardroom, characterized by

multiple directors fulfilling critical team leadership functions, resulted in a more effective use of the human capital within the board as reflected in superior board task effectiveness. Making use of a unique dataset measuring board team processes at the group level, our empirical analyses provide support for this central proposition. That is, we find that task-oriented shared leadership within the boardroom is positively related to the board's service task performance. Second, we hypothesized that board members' awareness of each other's knowledge and skills reflects positively on board task performance as it enables them to better integrate and coordinate their expertise and found a significant positive relationship with service task performance. A final set of results demonstrates that shared leadership serves as this coordination and integration mechanism as it fully mediates the relationship between board members' knowledge of each other's capabilities and service task performance. These findings have some important implications for both academic research and governance practices.

First, this study is grounded in and contributes to a growing stream of research adopting a behavioural and process-oriented perspective on the board of directors in arguing that intermediate board team mechanisms and processes are pivotal when it comes to what determines board effectiveness (Forbes and Milliken, 1999; Zattoni et al., 2012). Hitherto, largely producing equivocal evidence, studies of board performance have predominantly focused on a number of board structural characteristics assumed to be associated with the mitigation of a firm's agency issues (Daily et al., 2003; Huse, 2005). However, this structural preoccupation has obscured the fact that fundamentally, as this study shows, boards are "human groups and that the effectiveness and

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efficiency of group interactions is critical for boards' contributions to their firms"
(He and Huang, 2011, p. 1133). In this regard, we have empirically
demonstrated that integrating concepts from the board and team effectiveness
literatures holds great promise when it comes to gaining more insight into what
makes corporate boards effective (Payne et al., 2009). This study has addressed
one of the subdomains of board research in which such reflections are
particularly pertinent given that even though structure (e.g., CEO duality) is
acknowledged to constitute only a minor part of leadership in the boardroom
(Machold et al., 2011; Pick, 2009), "little research attention has been given to
systematically exploring behavioural perspectives of board leadership" (Huse,
2005, p. S74). As research on teams has shown that leadership is a critical
determinant of team success (Morgeson et al., 2010; Zaccaro et al., 2001), such
neglect is regrettable. This study contributes to the board literature by
supplementing a small number of recent studies that have begun to examine
actual leadership dynamics within the boardroom (e.g., Gabrielsson et al., 2007;
Machold et al., 2011). However, contributing novel insights to the understanding
of board leadership, we departed from these studies' emphasis on the role of the
board's appointed leader (i.e., the Chair) and focused on leadership influence
emanating from the board as a whole. In particular, we found that task-oriented
shared leadership, in which directors collectively take charge of fulfilling a
number of critical team leadership functions directly associated with the board's
work output, positively reflects on board service task performance. In line with
prior board research which suggests a board's performance on different sets of
tasks may be differently influenced by board processes (Zona and Zattoni,
2007), we did not, however, find a significant effect on control task
performance. A potential explanation for the absence of this relationship in our

data is that shared leadership is particularly beneficial for team tasks which score high on complexity and interdependence and therefore require the effective integration of team members' specialized expertise (Bligh et al., 2006; Pearce, 2004; Vandewaerde et al., 2011). Given the complex nature of corporate decision making, shared leadership can therefore be expected to be more strongly linked to performance on the board's service tasks which include providing advice on a diverse set of strategic matters and participating in the decision-making process (Forbes and Milliken, 1999; Huse, 2005). Board control, on the other hand, for a considerable part entails less interdependent and more routine elements as it includes activities such as scrutinizing firm financial performance, hiring and firing top management, and determining executive compensation (Hillman and Dalziel, 2003; Zahra and Pearce, 1989). Finally, as expected, we did not find a significant effect of board leadership structure (i.e., CEO duality) on board performance.

Second, we contribute to the debate regarding the importance of directors' knowledge and skills within the boardroom. Boards of directors are generally composed of a number of individuals who bring specialized expertise and experiences to the table (Forbes and Milliken, 1999; Hillman et al., 2000). However, as prior board research has suggested, the mere presence of director knowledge and skills does not guarantee effective board performance (Forbes and Milliken, 1999; Minichilli et al., 2012; Zattoni et al., 2012). The board's available human capital needs to be put to use in an effective way in order for it to perform well. This study shows that board members' awareness of each other's knowledge and skills is a pivotal factor in this regard. We find that as directors are more knowledgeable about each other's competences, the board

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performs better as it allows them to more effectively coordinate and integrate their differentiated expertise. That is, our data show that the better directors know who holds which expertise within the team, the better the board performs its service tasks as board members are better able to effectively channel the plurality within the boardroom via the mechanism of shared leadership.

Third, this study extends the literature on collective leadership within organisations in several ways (Denis et al., 2012). Responding to calls to examine shared leadership in different contexts (Carson et al., 2007; Pearce and Sims, 2002), we confirmed its proposed performance effects in a somewhat atypical team setting as the board of directors can be conceived as a decision-making team composed of high status individuals which operates at the apex of the organization and meets only episodically to perform a wide range of highly complex tasks (Forbes and Milliken, 1999; Payne et al., 2009; Vandewaerde et al., 2011). In addition, drawing upon functional leadership theory, shared leadership was operationalised in this study, in line with prior conceptual work (Morgeson et al., 2010; Yukl, 2006), as different board members sharing in the fulfilment of critical team functions instead of this being the sole responsibility of a single individual. Moving beyond the criticized conventional procedure of merely extrapolating traditional leadership theories to the team setting (Burke et al., 2006), we thus made use of new measure of shared team leadership based upon genuine team leadership theory which allows for a fuller appreciation of the complexities related to leadership within teams (Burke et al., 2006; Morgeson et al., 2010). In particular, we find that the dimensions of task and maintenance-oriented shared leadership have differing effects on team performance. While our data show a direct effect of task-oriented shared

leadership on board task performance, no such direct relationship is found for maintenance-oriented leadership. Team maintenance-oriented shared leadership has, however, been suggested to have a positive impact on a number of team conditions related to the nature and quality of the team's dynamics which may indirectly impact team performance (Cox et al., 2003; Friedrich et al., 2009; Vandewaerde et al., 2011). For instance, shared leadership has been linked to higher levels of collective efficacy, cohesion, and organizational citizenship behaviour (Avolio et al., 1996; Solansky, 2008; Wood and Fields, 2007), which contribute to more effective team interactions and have been shown to positively reflect on team success. This indirect effect, therefore, warrants further examination in order to fully understand the performance effects of shared leadership. Finally, this study also contributes to an initial understanding of the antecedent conditions that enable shared leadership to develop within teams as this has thus far been mainly addressed in a conceptual manner (Carson et al., 2007). In particular, we show that team members' awareness of each other's knowledge and skills is an important determinant of shared leadership within teams. Knowledge regarding who possesses which capabilities within the team provides team members with cues regarding the appropriateness of exerting, and accepting, leadership influence in different situations (Friedrich et al., 2009; Vandewaerde et al., 2011), which is essential in order for different team members to step up based on situational proficiency.

5.4.1 Practical implications

This study challenges traditional thinking about upper echelon leadership by pointing out the, perhaps somewhat counterintuitive, possibility and desirability

of shared leadership within the boardroom. Leadership discourse is largely associated with great individual leaders such as Winston Churchill, George Washington, and, more recently, aspired business moguls such as Jack Welch and Bill Gates (O'Toole et al., 2002; Pearce and Conger, 2003). This study shows, however, that a more collective approach to leadership within this team operating at the apex of the organisation is associated with higher board performance and therefore contributes to good corporate governance.

Second, our findings suggest board practitioners would benefit from paying more attention to factors related to the board's ability to function effectively as a team (Forbes and Milliken, 1999; Payne et al., 2009). Drawing upon insights from the literature on organizational teams, we argue and show that in order for boards to perform effectively, directors require a sufficient level of awareness of each other's knowledge and skills in order for them to be able to effectively integrate and capitalize on the human capital present among its members. Given that boards meet only episodically, becoming sufficiently knowledgeable about one another's expertise and abilities may be challenging for directors (Forbes and Milliken, 1999). In this regard, periodically evaluating board performance and the contribution of individual board members will be insightful. Such periodic assessment may be used to 'map' the knowledge, skills, and abilities that are relevant to the particular board and assess how the current composition meets these needs. The director profiles which would materialize from such an exercise may aid directors in assessing who holds which expertise within the boardroom and provide them with helpful cues to assess whether it is appropriate for them to claim or grant leadership and follower identities in particular situations. In addition, in order for directors who join the board at

later stages to be able to effectively contribute to the board team, such director profiles should be included in director induction packages as well (Higgs, 2003).

5.4.2 Limitations and direction for future research

As all empirical research, this study is not without limitations, which creates several opportunities for further research. First, as is commonplace in corporate governance research (Gabrielsson and Huse, 2004), this study is cross-sectional in nature and does therefore not allow for any definitive claims about the causality of the relationships studied. Future board research would benefit from a longitudinal design as it does more justice to the dynamic character of board team functioning (Kozlowski and Bell, 2003; Vandewaerde et al., 2011) and may validate causal assumptions such as the ones identified in this study. However, complex and demanding as our current research design already is, similar longitudinal efforts will prove to be a real challenge (Hillman et al., 2008). Another potential limitation of this study is its relatively modest sample of 36 boards used in the analyses. Notwithstanding this study has produced significant results and sample sizes of that order are not uncommon for small group studies into shared leadership nor upper echelon performance (Buyl et al., 2011; Carson et al., 2007; Mehra et al., 2006), studies utilizing larger samples may bolster confidence in our findings. In addition, while our data collection approach (i.e., the cooperation with the employers' organisation) unmistakably contributed to breaking into a corporate stronghold which has been proven very difficult to penetrate (Daily et al., 2003; Leblanc and Schwartz, 2007), it may have introduced some degree of sample selection bias which may warrant careful interpretation of empirical findings (Buyl et al., 2011).

Second, boundary conditions under which shared leadership may be more or less effective (or even ineffective) within the board should be examined. For instance, it has been argued that cultural values, in particular power distance and collectivism (Carson et al., 2007), may have an impact on the development and implications of shared leadership within teams suggesting the merits of studies stemming from different institutional environments. Next, while the results of this study confirm the hypothesized performance benefits of shared leadership, they do not imply that vertical leadership (i.e., leadership influence emanating from the board's Chair) is entirely redundant within board teams (Pearce, 2004; Pearce and Sims, 2002). On the contrary, in order to gain a fuller understanding of the leadership system within the board (National Association of Corporate Directors, 2004; Vandewaerde et al., 2011), future board studies will benefit from examining these two important sources of board leadership in combination (Carson et al., 2007). As suggested by the National Association of Corporate Directors in the report of their Blue Ribbon Commission on board leadership (2004, p. 3):

"It would be a fundamental mistake to think about board leadership in terms of just two roles, however structured. An effective board requires a dynamic system of leadership. That leadership system has both formal and informal elements. In addition to the CEO, chair, and lead director roles, there are critical roles played by committee chairs. In addition, there are times when different independent directors may need to step forward and provide leadership for the board."

Finally, our study encourages board scholars to leave the beaten path of input-output models (Daily et al., 2003; Pettigrew, 1992) and focus on board internal mediating processes and mechanisms related to board leadership (and by extension board functioning in general) as a way of gaining insight into how boards can be effective and contribute to good corporate governance (Forbes and Milliken, 1999; Huse, 2005). From a methodological point of view, adopting a qualitative research design may be particularly meritorious for board (shared) leadership research as leadership scholars increasingly acknowledge that the richness and complexity of leadership phenomena are particularly well grasped by qualitative examination (Conger, 1998). A recent study by Bailey and Peck (2013) demonstrates the benefits of such an approach as their qualitative multiple-case study pointed at the consequences of board Chair leadership for the board's decision-making style and identified a number of Chair qualities which have an impact on the latter.

5.5 CONCLUSION

Boards of directors are key instruments in an effective corporate governance system as they perform critical firm functions related to the monitoring of top management and firm performance on the one hand and the provision of valuable firm resources on the other. Comprehending what determines a board's effectiveness is therefore essential. In this regard, this study provides an important contribution by highlighting the importance of board leadership for board team performance. More specifically, boards in which leadership functions were taken up collectively were found to be more effective in carrying out their

service tasks, signalling the importance of conceiving the board as a collection of interacting individuals to advance the study and understanding of boards of directors.

6. CONCLUSION

6.1 OUTLINE

The objective of this dissertation was to enhance the understanding of the inner workings of the board of directors through the study of shared leadership within this governance mechanism. This concluding chapter summarizes the empirical findings of this dissertation and discusses its main theoretical and practical implications while also pointing out promising avenues for further research.

6.2 EMPIRICAL FINDINGS

In this doctoral dissertation, we have investigated how shared leadership is manifested within the boardroom and how this reflects on board performance. In chapter 2, we have developed a theoretical framework providing a general understanding of shared leadership among directors based upon an integration of prior relevant literatures. In the subsequent chapters, empirical studies have contributed to an expansion as well as confirmation of those insights. These will be summed up below.

6.2.1 Findings Chapter 3

In this chapter we set out to develop a more profound insight into the micro-level interactions and processes related to how shared leadership is enacted

among directors as relatively little remains known about the underlying dynamics and mechanisms associated with it. We conducted a qualitative case study, for which we selected the board of a large privately-held Belgian firm to constitute the setting of our inquiry. This study yielded insights that extended the current understanding of the phenomenon in several ways (see table 14).

First, while shared leadership is generally conceptualised as a fluid influence process among different individuals (Friedrich et al., 2011; Pearce and Conger, 2003), leadership structures and formalities nonetheless remain important in explaining leadership within the team as we found them structurally predisposing particular directors to take up leadership in particular areas of the board's work. In addition, we propose that current theorizing about shared leadership as taking place fairly uniformly among team members does not do justice to its complexity. Our findings suggest that it is important to look beyond whether or not and to what extent leadership is shared among team members, as aspects such as the pattern of leadership distribution and the relative strength of individuals' influencing have an influence on its effects on board functioning and performance. Third, whereas the role of the appointed leader as the manager of shared leadership within the team is generally emphasized (Cox et al., 2003; Pearce, 2004), we find that depending on the health of the team's internal dynamics, active vertical leader intervention may not be as essential for the development of collective leadership among team members as proposed. Finally, while shared leadership is generally advanced to be beneficial for team functioning and performance (Denis et al., 2012), a claim which our case study largely supports, there is also a potential dark side to it. In particular, we found shared leadership to constitute a potent activational trigger for the formation of

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different subgroups in teams in which latent information-based faultlines are present (Bezrukova et al., 2009; Lau and Murnighan, 1998). Such faultlines have been shown to result in the emergence of a series of adverse processes within teams which negatively reflect on team performance.

Table 14: Summary of main findings Chapter 3

Content area	Current understanding	Empirical extension
Nature	Fluid and dynamic process: leadership emergence dependent upon situational proficiency	Fluid and dynamic, but structures and formalities remain important determinants of leadership emergence
	Occurring uniformly within the team	Pattern of leadership distribution and relative strength of individuals' influencing are pivotal w.r.t. team functioning
Outcomes	Unequivocally beneficial for team functioning and performance	Beneficial, but trigger of information-based faultlines which may bring about adverse processes in teams
Antecedents	Formal leader needs to maintain and manage shared leadership	Interdependent relation between team dynamics and necessity of formal leader intervention
	Quality of team dynamics affect leadership emergence	

6.2.2 Findings Chapter 4

The goal of this chapter was to develop a new scale to measure shared leadership that is of practical use and relevance in the context of the board of

directors. Drawing upon functional leadership theory, we developed a comprehensive 10-item scale measuring shared leadership among team members which demonstrated excellent psychometric properties.

Functional leadership theory was selected to provide the theoretical basis for the new scale as it is firmly rooted within the team leadership literature and highly compatible with the notion of shared leadership. Based on a thorough review of the literature on functional leadership as well as director interviews, a series of items measuring shared leadership within teams was developed. These items were consequently, after several rounds of refinement, subjected to exploratory factor analysis in a first study intended to test and evaluate the scale.

Exploratory factor analysis is generally conducted in the beginning of the scale development process in order to empirically appraise the scale's hypothesized underlying factor structure and remove potential inadequate items (e.g., on the basis of low factor loadings, cross-loadings, low communalities, etc.) (DeVellis, 2003; Worthington and Whittaker, 2006). Using a student sample (n=206), the exploratory factor analysis confirmed the two-dimensional nature of the construct as it resulted in two separate factors, comprised of 5 items each, measuring task and team maintenance-oriented shared leadership respectively. The analysis also provided preliminary evidence of an internally consistent scale (i.e., the items comprising the subscales are closely related to each other, providing indirect evidence of measuring the same construct), indicated by Cronbach's alphas of 0.888 and 0.946. As study 1 also revealed the measurement instrument to demonstrate convergent validity and good discriminability (evidenced by moderately high correlations with both

empowerment and participative decision making which loaded on different factors), it was deemed fit for further testing.

Confirmatory analyses of the measurement scale were performed using an organizational sample of corporate boards of directors. Data collected from 38 boards, representing a total of 185 individual board members, were subjected to confirmatory factor analysis. Confirmatory factor analysis is generally used in the scale development process following an exploratory factor analysis in order to provide support for the new measurement instrument by assessing whether the hypothesized model derived in prior stages fits the structure present within the data (Worthington and Whittaker, 2006). Attesting to the validity of the scale, the hypothesized model demonstrated excellent fit (based on multiple goodness-of-fit indices), which was, moreover, superior to that of alternative models. As it also unveiled high and significant factor loadings as well as satisfactory internal consistency coefficients for both dimensions ($\alpha = 0.890$; 0.898), the confirmatory factor analysis provides support for the newly developed measurement scale tapping into shared leadership within teams. Further evidence in support of our scale came from a final set of analyses carried out in this chapter in which the measurement scale's performance with regard to constructs related to, but distinct from, shared leadership was assessed. That is, our measure of shared leadership correlated with measures of empowerment, cooperation, and autocratic leadership as would be expected from prior literature. A more technical summary of these findings can be found in table 15.

Table 15: Summary of main findings Chapter 4

Study	Findings
Exploratory factor analysis (EFA) – Student sample	Two-factor solution (r = 0.66) - Task-oriented (α = 0.888; 5 items) - Maintenance-oriented (α = 0.946; 5 items) Joint EFA of shared leadership scale and items for empowerment & participative decision making respectively loaded on distinct factors (discriminant validity) which showed moderately high correlations (0.743; 0.601 and 0.247; 0.323; construct validity)
Confirmatory factor analysis (CFA) – Board sample	Hypothesized model demonstrated good fit - CFI = 0.962 ($\geq$ 0.95), SRMR = 0.044 ($\leq$ 0.08), RMSEA = 0.070 ($\sim\leq$ 0.06), and χ^2/df = 3.0 ($\leq$ 3.0) - High and significant factor loadings Good scale reliability (α = 0.890; 0.898)
Correlational analysis – Board sample	Scale correlates as anticipated with the related but distinct constructs of empowerment (r = 0.683**; 0.651**), cooperation (r = 0.494**; 0.767**), and autocratic leadership (r = -0.389*; -0.413**): construct validity

6.2.3 Findings Chapter 5

In this final empirical chapter, we employed the newly developed instrument and conducted a quantitative study into shared leadership within the boardroom. The main goal of this chapter was to quantitatively address the second part of this dissertation's general research question and assess the relation between shared leadership and board performance.

We tested our hypotheses through a quantitative analysis of survey data drawn from a sample of Belgian non-listed firms. Given the collective nature of the core construct under study (Carson et al., 2007; Pearce and Conger, 2003), we opted to diverge from the methodological tradition in board research of having the CEO as a single respondent and collected multiple director responses for each board. This resulted in a unique dataset of 36 boards used in the analyses for which board team processes are measured at the group level.

We tested three main hypotheses in our research model. A first set of hypotheses proposed that board members' awareness of each other's knowledge and skills is positively associated with board control and service task performance as it enables board members to better coordinate and integrate their specialized expertise. Full support for this claim was found for service task performance. For the board's control tasks, however, such a relationship could not be established. Second, the goal of this chapter was to examine the performance effects of shared leadership. As hypothesized, our findings show a positive and significant relationship between (the task-oriented dimension of) shared leadership and service task performance. We did not, however, find any significant relationship in the case of control task performance. Finally, we hypothesized that as directors are more aware of each other's competences, the board performs better as it allows them to more effectively coordinate and integrate their differentiated expertise by means of sharing leadership among its members. Our findings provide partial support for this final set of hypotheses as we find that (task-oriented) shared leadership fully mediates the relationship between directors' awareness of each other's knowledge and skills and service task performance. For control task performance, however, no mediating effect

presents itself in our data. An overview of the hypotheses and results of chapter 5 can be found in table 16.

Table 16: Summary of main findings Chapter 5

Hypothesis	Finding	Comment
Hypothesis 1a: The extent of board members' awareness of each other's knowledge and skills is positively related to board control task performance	Not supported	
Hypothesis 1b: The extent of board members' awareness of each other's knowledge and skills is positively related to board service task performance	Supported	
Hypothesis 2a: The degree of shared leadership among board members is positively related to board control task performance	Not supported	
Hypothesis 2b: The degree of shared leadership among board members is positively related to board service task performance	Partially supported	Significant positive effect for the task-oriented dimension of shared leadership
Hypothesis 3a: The degree of shared leadership among board members mediates the relationship between the extent of board members' awareness of each other's knowledge and skills and board control task performance	Not supported	

| Hypothesis 3b: The degree of shared leadership among board members mediates the relationship between the extent of board members' awareness of each other's knowledge and skills and board service task performance | Partially supported | The task-oriented dimension of shared leadership fully mediates this relationship |

6.3 THEORETICAL IMPLICATIONS

As theoretical implications of the individual studies and results have been reported in their respective chapters and will therefore not be reiterated here, this section addresses some of this dissertation's overarching implications for board and shared leadership theory.

6.3.1 A team perspective on the board of directors

In this doctoral research we have explicitly adopted and advocated for a team perspective on the board of directors. Although some scholars have questioned this in the past, in this dissertation we have substantiated the claim that the board can rightfully be conceptualized as a team and that elements that have been shown to result in increased team performance also contribute to board effectiveness. This conceptualization is highly compatible with a growing stream of research focusing on processes and behaviour within the boardroom as a means of overcoming past board studies' limitations (van Ees et al., 2009; Gabrielsson and Huse, 2004; Huse, 2005). In response to largely inconclusive and inconsistent prior empirical results, these scholars aim to move beyond

traditional input-output approaches in order to enhance the understanding of the sometimes complex and indirect relationship between these easily observable variables and board and firm performance (Daily et al., 2003; Pettigrew, 1992). In this regard, we demonstrate in this dissertation that an integration of models of team functioning into the understanding of the board of directors is highly meritorious.

Classic models of team functioning generally adhere to an I-P-O configuration in which inputs are theorized to lead to processes that in turn lead to outcomes (Ilgen et al., 2005). Recently, scholars have moved a step further and have offered input mediator output input (IMOI) models as more valid alternatives in which it is recognized that teams are complex and dynamic entities in which feedback loops cause outputs to subsequently serve as inputs in this system as the result of a learning and adaptation process (Day et al., 2004; Ilgen et al., 2005). In this dissertation we have advanced such a general IMOI-model pertaining to the board context and have demonstrated its applicability in understanding the manifestation of shared leadership within the boardroom.

The application of such advanced IMOI-models to the understanding of board functioning is important in order to gain more insight into how boards operate and create value for their firms. Within the behavioural literature on boards of directors, much has been written about boards being 'special' work teams as they are "large, elite, and episodic decision-making groups that face complex tasks pertaining to strategic-issue processing" (Forbes and Milliken, 1999, p. 492). However, there is relatively little known about the impact of these unique features of boards, if any, on team functioning. Empirical research on the

distinctiveness of boards as teams and its impact on team processes and outcomes is therefore warranted as the accumulated knowledge in particular content domains about what makes teams effective may or may not apply to the boardroom setting. IMOI-models of board functioning, as presented in this dissertation, are likely to contribute to such an understanding.

6.3.2 A behavioural perspective on board leadership

Among all of the board issues that have been affected by the traditional methodological limitations of past board studies, and may therefore particularly benefit from a renewed perspective as described above, leadership has adopted a prime position. That is, scholars have mainly limited themselves to studying easily measurable variables in the field of boardroom leadership, leading to a major emphasis on leadership structure (mainly CEO duality) and its relationship to board and firm performance (Heracleous, 1999; Leblanc, 2005). While thus hitherto "little research attention has been given to systematically exploring behavioural perspectives of board leadership" (Huse, 2005, p. S74), a number of recent studies demonstrate the promising nature of such efforts (e.g., Dulewicz et al., 2007; Gabrielsson et al., 2007; Machold et al., 2011). Consistent with this handful of studies, this dissertation confirms that "conceptualizing board leadership as a behavioural and process-based phenomenon has greater explanatory power [] than structural leadership characteristics alone" (Machold et al., 2011, p.11). Our research signals the value of moving beyond leadership structure and CEO duality by studying actual leadership behaviours and processes that take place among directors in order to take its nature as a social influence process into account and gain an understanding of this crucial determinant of board team functioning. In doing so, we respond to Heracleous'

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(1999) largely unanswered decade-old call to integrate the separate board and leadership literatures as a fruitful approach to increase our understanding of leadership dynamics in the boardroom and at the same time demonstrate the merit of such efforts.

6.3.3 A deeper understanding of shared leadership within teams

The literature on shared leadership, although growing, is still in the beginning stage of its development (Denis et al., 2012; Pearce and Conger, 2003). This dissertation has produced several insights which have wider implications for the understanding of this collective leadership phenomenon. That is, through the study of boards of directors, we were able to contribute to the scholarly understanding of leadership being shared in a team setting in several ways.

Contemporary contributions on shared leadership generally conceptualize the phenomenon along the lines of the influential definition offered by Pearce and Conger (2003). These authors define shared leadership as "a dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both". They continue by emphasizing that "this influence process often involves peer, or lateral, influence and at other times involves upward or downward hierarchical influence" (p.1). In this dissertation, we have broadly conformed to this tradition. However, prior literature on shared leadership has generally been rather vague in describing what shared leadership among team members actually stands for (reflected in the use of notions such as 'influence' and 'influence processes'), which has resulted in the concept's meaning being

somewhat fuzzy. Contributing to the literature on shared leadership, we have drawn upon functional leadership theory in order to make the phenomenon more tangible (Lord, 1977; Morgeson et al., 2010). That is, making use of this well-known and widely applied team leadership theory, we have concretized what leadership in teams entails and how it can be shared among team members by collectively taking up a series of critical team functions based upon situational proficiency. In this dissertation we have pursued this approach both theoretically and empirically, in the case of the latter thereby stepping away from the criticized method of directly applying individual leadership theories to a team context. Instead, we have distinguished between task and maintenance-oriented dimensions of shared leadership which is, as put forward in classic models of team functioning, highly aligned with how teams operate and perform (Gladstein, 1984).

Second, differentiated expertise and heterogeneity among team members have emerged as core elements associated with shared leadership in this dissertation. Given the rise of the use of cross-functional and knowledge-worker teams in contemporary organizations (Pearce, 2004), these findings have implications outside the boardroom setting as well. That is, similar to boards, the main asset of these teams is their members' specialized expertise (Faraj and Sproull, 2000). In this dissertation we have upheld that a particular degree of human capital heterogeneity, resulting in different board members possessing differentiated knowledge and skills, is necessary in order to allow for different team members to take on leadership based on situational proficiency. However, the presence of diverse capabilities is insufficient as directors need to be able to leverage the leadership potential within the team (Lewis, 2003; Faraj and Sproull, 2000). Our

findings show that team members require an awareness of each other's expertise in order for them to be able to judge when it is appropriate to exert or accept leadership influence in particular situations. Expertise heterogeneity and team member knowledge thereof are thus essential aspects to shared leadership, the latter constituting an excellent mechanism to coordinate and integrate this expertise. That is, through the effective selective utilization of expertise associated with team members taking on leadership depending on who is the most capable given the situation at hand (Friedrich et al., 2009), teams better capitalize on the human capital present among their members and consequently perform better (Carson et al., 2007; Pearce and Conger, 2003). This dissertation thus points at the critical importance of expertise diversity and the effective management thereof in the understanding of shared leadership in teams.

Third, this study emphasizes the significant role the team's internal group dynamics play in the development of shared leadership among team members. We uphold and find that a series of cognitive, affective, and behavioural team conditions such as psychological safety, commitment, and trust are conducive to collective leadership within teams. However, for such a supportive group atmosphere to develop, the team requires a certain degree of maturation. That is, in line with the classic stages of group development, shared leadership will most likely flourish in teams which have evolved into an interdependent task group (Bennis and Shepard, 1978; Srivastva et al., 1977). In this final, interdependent stage of group development the issue of intimacy within the group is a central underlying theme. Members of such teams are able to openly and productively deal with conflict and express support and affection towards

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their fellows (Srivastva et al., 1977). Team members' interactions are based on an understanding of mutual trust and a shared drive towards goal accomplishment, which allows for a different perspective on authority. That is, in this final stage of group development, "the members' relation to the authority and to the organizational environment are an ideal of cooperative interdependence. The leader is a fully functioning member contributing to task accomplishment according to his expertise" (Srivastva et al., 1977, p. 106). The power problem in such groups is resolved by it being defined in terms of member responsibilities (Bennis and Shepard, 1978), resulting in a move from authority- to resource-based influence relationships within the team (Denis et al., 2012). Teams which have moved into such an interdependent stage thus provide very fertile ground for shared leadership to thrive.

Finally, this dissertation highlights the importance of studying potential boundary conditions of shared leadership. As noted by Denis and colleagues (2012), there is a lot of enthusiasm for notions of plural leadership in the leadership literature and research within the field generally takes a positive, even normative, stance on the phenomenon. Hardly any studies, on the other hand, have investigated factors which may inhibit its positive effects on team outcomes or may even result in it negatively reflecting on performance. Scarce examples of studies documenting negative consequences associated with collective leadership include the studies by O'Toole and colleagues (2002) which presented a series of examples in which partnership at the top ended in failure (e.g., Steve Jobs and Steve Wozniak at Apple in the 1980s) and Spillane (2006) which demonstrated the potential for dysfunctional conflict among distributed leaders. This study adds to this limited, often anecdotal, evidence as it provides

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empirical substantiation of a number of boundary conditions associated with shared leadership. First, finding significant performance effects for board service task performance but not for control task performance, our findings indicate that shared leadership's performance benefits only fully materialize for tasks which are of a complexity which requires the effective leveraging of team members' differentiated knowledge and skills. Tasks which score low on complexity and interdependence, on the other hand, are likely to benefit minimally from leadership being shared among team members as the team gains far less from coordinating and integrating specialized expertise. Second, our case study suggests shared leadership may result in the emergence of different subgroups within teams in which information-based faultlines are present. As prior research has shown that subgroup formation has the potential to result in a series of adverse processes which negatively reflect on team performance, this dissertation points at a potential dark side associated with shared leadership. We thereby concur with Denis and colleagues (2012) in stating that the literature on shared leadership has much to gain from studies which include a more nuanced perspective on the phenomenon. For instance, particularly relevant for the board setting, it is still unexplored whether shared leadership is meritorious within teams facing a crisis situation. One could make the argument that shared leadership remains a worthwhile practice as in critical and urgent situations the need for the optimal use and coordination of team members' capabilities is even more pronounced. On the other hand, however, prior research has shown that in uncertain and stressful environmental situations, strong charismatic leadership by a single individual is associated with higher firm performance (de Hoogh et al., 2004; Waldman et al., 2001). The current literature on shared leadership

does not provide an answer to such issues which are highly relevant for organizational practice.

6.4 FUTURE RESEARCH

While our study has contributed to an enlarged understanding of shared leadership within the boardroom and board functioning in general, we would like to point out a number of promising avenues for future board and leadership research and hope to have inspired scholars to pursue them in studies to come.

First, adopting a team perspective on the board of directors and drawing upon insights from the team literature, as this dissertation has shown, bestows researchers with the possibilities to go beyond traditional research fortresses and open up the black box of board functioning by focusing on actual human behaviours and processes within the boardroom. In their efforts of doing so, board scholars are invited to draw upon the integrative board team model, or parts thereof, offered in the introduction of this dissertation and make use of the wide array of instruments that have been developed in the team literature over the years to assess it. For one, many processes and emergent states can be measured using questionnaires administered to board members by adopting scales that have been developed, validated, and often used quite extensively in research on teams (Cohen and Bailey, 1997; Kozlowski and Bell, 2003).

In a related fashion, board research is likely to benefit from the integration of board and leadership literatures (Heracleous, 1999). In this light, the

dominating traditional research streams, with their clear focus on the hierarchical leader, may be informative for studies that aim to understand leadership exhibited by the Chair as the appointed leader of the board. For instance, researchers may set out to discover certain personal traits or qualities that distinguish effective from less effective Chairs when it comes to leading their boards or focus on identifying particular Chairperson leadership styles and behaviours that are consistently more or less effective for board leadership. In addition, as leadership scholars generally acknowledge the impact of situational factors on leadership (Yukl, 1989), adopting a contingency approach in these studies might be particularly fruitful. For example, one might expect the complexity of the board's tasks, among many other contextual determinants, to act as a moderator as routine tasks are likely to require a different leader or leadership approach than highly complex undertakings. Alternatively, as the board can be considered to be a collection of interdependent individuals that interact socially in order to fulfil one or more common goals within certain boundaries (Kozlowski and Bell, 2003; Vandewaerde et al., 2011), infusing insights from genuine team leadership theories, besides these top-down approaches, into the understanding of board leadership may be particularly fruitful. In this dissertation, we have demonstrated that one of these team leadership approaches, shared leadership, provided a rewarding avenue to pursue. We therefore expect particular merit to come from studies that operate at the intersection of board, team, and leadership literatures.

From a methodological point of view, our research evidences the value of adopting a qualitative approach in studying actual board behaviour and processes, especially with regard to leadership. As it has generated some of the

most interesting and illuminating insights in academic literature (Eisenhardt and Graebner, 2007), we applaud qualitative research being increasingly embraced by governance scholars (for example evidenced by the recent special issue (vol. 21, (2)) in 'Corporate Governance: An International Review'). In particular, we argue for in-depth qualitative case studies which allow for a profound, context-sensitive understanding of the usually relatively unexplored nature of board behaviour and processes. As our and previous studies illustrate (e.g., Brundin and Nordqvist, 2008; Huse and Zattoni, 2008; Parker, 2007), while gaining the up-close board access essential to such a research strategy has been documented to be difficult (Daily et al., 2003; Leblanc and Schwartz, 2007), this should not refrain researchers from attempting to pursue it. Leblanc and Schwartz's (2007) recommendations, of which we in our qualitative study mainly relied upon the 'gate-keeper' strategy in enthusing and establishing trust with the firm's Chair and CEO to gain access to the full board, are likely to be helpful starting points in this regard.

From a quantitative perspective, in this dissertation we have developed and validated a new instrument which can be used in future research to measure shared leadership in a variety of team contexts. We believe this instrument presents a needed and valid alternative to current measures of shared leadership as the scale is rooted in team leadership literature, easily administrable, widely applicable, and concise yet able to tap into the full range of shared leadership behaviours within teams. As opposed to prior instruments, the newly developed scale is especially suited for contexts in which researchers aim to target a random sample of individuals (as opposed to teams in an experimental setting or associated with a fixed research site) and need to

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minimize the burden on respondents, such as TMTs or boards of directors. Regarding the latter, we encourage empirical research which further explores the theoretical framework identified in this dissertation. While it would be interesting to duplicate the quantitative study presented in the previous chapter (for instance in other cultural settings) to verify our findings, we particularly encourage longitudinal research efforts aimed at providing evidence for the causality of the relationship between shared leadership and board performance.

As detailed above, we opted to develop a scale representing a set of universal leadership functions to be fulfilled within teams. This approach provides the advantage of the scale being widely applicable and allowing for a comparison between different team contexts. A potential drawback, however, is that what it offers in generalizability, it lacks in specificity. The current scale can therefore be regarded as grasping a threshold level of shared leadership: i.e., basic conditions that evidence the presence of shared leadership within different kinds of teams. However, in order to get a better understanding of the workings of shared leadership in particular contexts, different scales measuring the specifics of (shared) leadership in different settings may be worthwhile to develop. This dissertation provides a good starting point for such an instrument targeted at the board context. That is, it not only provides an example of how to develop a measurement scale on the basis of established methodological conventions, but also offers inspiration for the content of the instrument's items. Instead of referring to general leadership functions, such items would be more closely associated with the board's top-level strategic decision-making character. Potential items would for instance assess the degree to which matters such as

deciding on resource allocation or initiating organizational changes are shared among board members or centred in an individual.

6.5 PRACTICAL IMPLICATIONS

Several of the findings and conclusions of this dissertation are also of use for governance and board practitioners. As those of individual studies have been discussed in previous chapters, in this section we would like to point out a number of overarching or particularly salient implications for practice this dissertation has to offer.

In this dissertation we have advanced theoretical arguments, as well as provided empirical substantiation, that a collective approach to leadership, entailing directors sharing the lead based upon who is the most capable given the situation at hand, is positively related to board team performance. Given the challenging context boards operate in, it is highly unlikely for any team member, due to the inherent limitations of human competence (Simon, 1947), to be the most proficient individual to lead the team to goal attainment in every instance. Therefore, performance gains can be expected when directors, who bring a diversity of experiences, skills, and personalities to the boardroom table, take on leadership functions when they are the most suited for it given the situation or task at hand (Carson et al., 2007; Friedrich et al., 2009). In particular, our findings show that shared leadership, as it enables directors to better integrate and coordinate their differentiated expertise, results in increased board service task performance.

Our empirical results also provide some guidance with regard to practical recommendations on how boards can foster shared leadership within their boardrooms (see table 17 for an overview of a number of key practical guidelines). Our in-depth qualitative inquiry presented in chapter 3 is likely to be particularly helpful in this regard as it allows for case-based learning and the transfer of detailed insights as well as readers' own interpretations to their naturalistic contexts (Stake, 2000). In addition, in line with the team perspective on boards adopted, we advance that the way the board of directors is composed and structured has an impact on its functioning. In this regard, we urge boards to strive for sufficient human capital heterogeneity in their midst in order to allow for different directors to be able to take up leadership in accordance with their specific knowledge and skills in different situations. That is, a diverse group of individuals with expertise in different domains of the board's work provides the basic condition for shared leadership to develop among directors. As moderately diverse groups are by their nature particularly susceptible to the emergence of faultlines (Lau & Murnighan, 1998), which our research points out shared leadership is a potent activational trigger of, we posit that boards should strive for a relatively high level of human capital heterogeneity, up to the point where a common frame of reference among team members fades away (van Knippenberg and Schippers, 2007). Our qualitative study shows that the addition of independent or external directors, as called for in corporate governance codes and regulations, can be highly instrumental in this regard as they may bring in complementary and specific expertise into the boardroom which expands the team's leadership base. One should be wary that even after boards have been composed, a periodic assessment of the appropriateness of

director profiles needs to be conducted as changes in the board's or firm's environment may make particular sets of knowledge and skills obsolete.

Board evaluations may thus be used to obtain an overview of the knowledge, skills, and abilities contributed to the team by its different members and assess the extent to which they meet the board's needs. The director profiles which would materialize from such an exercise also serve an additional role as making them visible to board members may aid them in assessing who holds which expertise and provide them with helpful cues to assess whether it is appropriate for them to claim or grant leadership and follower identities in particular situations.

Besides assessing the relevance of directors' expertise and making director profiles more visible to fellow board members, board evaluations also have an important role to play in the team's internal functioning as they provide tangible inputs for the learning and adaptation processes that regulate the team's working. That is, when boards introduce evaluation moments to reflect on how they have been functioning, it allows directors to learn from joint board team experiences regarding the team's dynamics and the way of working together. Periodically reflecting on such issues and making them discussable in a specific arena contributes to a well-functioning board team and may foster shared leadership among directors as these systematic learning practices promote a team situation in which directors recognize and appreciate each other's perspectives, expertise, contributions, and identity. Given boards only meet episodically and usually have a cramped agenda when they do (Forbes and

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Milliken, 1999), introducing such disciplined reflection and learning moments can be expected to particularly useful in the board context (Edmondson, 2008).

The findings of this doctoral research also provide practioners insight into how shared leadership may be fostered once an appropriate leadership base has been established. Healthy team member relations resulting in a team environment in which individuals know each other's competencies and feel safe and motivated to take on an active and highly visible leadership role when appropriate are key in this regard. While it may take time and interpersonal interaction for this to develop, which can be challenging in a board context, a number of mechanisms may be conducive in this regard and speed up or manage this process. The board's Chair, its appointed leader, is likely to play an important part in this. That is, Chairs which are overly directive and lead the board in an authoritative fashion will overcrowd other directors and consequently endanger the development of shared leadership within the team (Pick, 2009). On the other hand, constructive Chairs function as peers within their boards and operate as supportive coaches (Morgeson, 2005) who foster the effectiveness of the board by creating and maintaining the right circumstances in order to get the most out of the heterogeneity of perceptions, competencies, and resources that all directors bring to the board (Vansina, 1999). Second, board members may need supplementary training to ensure they will be able to function properly within the team. Specifically with respect to shared leadership, directors, although often having experience in leading individuals, may need to be trained to deal with this mutual and fluid influence process which they may not be accustomed to. This particularly applies to board Chairs as they may need to be aided in how to deal with their new roles and responsibilities as

appointed, but not authoritative, leaders. Third, besides training, external board consultants may be hired to aid boards in the transition from a set of individuals to an effective team. Without focusing on the task content, these process consultants act as boardroom facilitators who aim to help boards deal with interpersonal issues and foster effective team and meeting processes.

Table 17: Practical guidelines in order to foster shared leadership in the boardroom

Domain	Guideline
Board composition	Promote human capital heterogeneity (e.g., by attracting external directors) in order to foster a strong leadership base
Board evaluation	Evaluate director profiles for relevance w.r.t. the board's activities Make director profiles visible to board members in order to foster directors' awareness of each other's knowledge and skills Create dedicated moments for the board to reflect on its functioning and how to potentially improve it
Board training	Train board members (in particular the Chairman) to handle this collective approach to leadership which they may not be accustomed too Seek help from experts (i.e., process consultants) to improve board functioning
Chairman behaviour	Act as a supportive coach: be a role-model, reinforce and support effective director leadership behaviour, manage director contributions, judiciously intervene in the team's processes Avoid being overly directive at all costs

Besides board professionals, our study may also be of interest to policy makers. In line with previous research, we find that that structural factors such as CEO duality, dominant in corporate governance codes worldwide, "at best condition rather than determine board effectiveness" (Ng & Roberts, 2007, p. 308). We therefore advocate for policy makers to focus more on behavioural-oriented aspects of board functioning and at the same time would like to point out to directors and board professionals that blind adherence to the current-day check-box approach to corporate governance does not necessarily result in good corporate governance practice, but can in fact be detrimental without adequate attention to behavioural dynamics within the boardroom. That is, current corporate governance codes are often only loosely connected to whether or not a board functions properly, perhaps most strikingly evidenced by the ofttimes exemplary and even applauded structure of the boards of firms that ended up as some of the most scandalous corporate meltdowns (e.g., Enron and WorldCom) in history (Finkelstein and Mooney, 2003). However, these behavioural insights may be hard to translate into enforceable regulations or comply-or-explain principles. Therefore, there may be greater merit in diffusing these best practice recommendations through publications emanating from for instance business or director associations (see for example the National Association of Corporate Directors' (2004) 'Report of the NACD Blue Ribbon Commission on board leadership') in order to educate directors and bring about better boards (Aguilera and Cuervo-Cazurra, 2004).

APPENDICES

A. Case study

B. Exploratory Factor analysis

C. Confirmatory Factor analysis

D. Regression analysis

A. CASE STUDY

Appendix A.1: Nvivo coding excerpt

This appendix shows an excerpt of the coding scheme applied to a number of interview fragments related to the board's formal leader's behaviour. The original interview fragments as well as their coding (both in Dutch) are presented below.

Interview excerpt	Code
Ik vind <u>niet dat hij het zeer strak doet</u>. Ik vind niet dat hij daar echt … . Hoe ge het ook draait of keert, het blijft daar ook familie onder elkaar eh. Ik kan mij voorstellen dat bij andere raden van bestuur het er daar toch een stuk formeler aan toe gaat dan bij Torfs.	VZ- leiding vergadering
Ik denk dat de voorzitter zijn rol goed vervult. Hij <u>zorgt ervoor dat we de documenten hebben</u>. Eerst en vooral dat er <u>vergaderingen gehouden worden, op tijd</u>. Dat er een <u>agenda</u> is, dat we de documenten hebben en dat er een goede opvolging gegeven wordt. En de <u>vergaderingen zelf, dat die goed verlopen</u>.	VZ- formaliteiten VZ- leiding vergadering VZ- formaliteiten VZ- leiding vergadering
Nee, <u>elke interventie is welkom</u> en wordt geapprecieerd. Maar nu <u>aandringen</u> van alé zegt gij nu eens iets , nee.	VZ- openheid VZ- uitnodigen
Door tijd te maken. Soms <u>nog eens een rondvraag</u>: zijn er bemerkingen, opmerkingen. Soms rond bepaalde topics zelfs <u>expliciet vragen:</u> wat denkt jullie tak daar van. Alé dat gaat dan over <u>meer fundamentele zaken</u>. <u>Over louter financiële zaken gaat men niet zo expliciet</u>	VZ- uitnodigen VZ- uitnodigen VZ- uitnodigen

vragen … Maar als er bepaalde beslissingen dienen te worden genomen die toch voldoende gedragen moeten worden door een raad van beheer dan is er toch wel die rondvraag hoor. Zonder er een protocol of een standaard van te maken … <u>Sowieso, iedereen kan zijn zeg doen</u>.	VZ- openheid
Nee hij doet niet iets speciaals ... <u>Hij nodigt de andere familieleden niet echt uit denk ik</u> om kritische reflecties te maken. Misschien wel, misschien niet. Maar zoals ik zei, ik denk dat ze .. ge kunt dat ook niet forceren. <u>En de anderen, die pakken het woord als ze vinden dat ze het woord moeten hebben</u>, dus. Ik denk dat hij dat goed doet. Hij doet dat correct, hij doet dat goed.	VZ- uitnodigen

VZ- uitnodigen overbodig |
| Ja, <u>modereren</u> … Maar eigenlijk <u>moet hij daar niet zo in tussenkomen want dat gebeurt sowieso</u>. | VZ- modereren VZ- uitnodigen overbodig |
| Vooreerst <u>leidt hij de vergadering</u>. En hij houdt de cijfers heel goed bij. En hij oefent eigenlijk niet alleen vanuit de raad van bestuur maar ook voor zichzelf een <u>controle op die cijfer</u>s uit. Plichtsbewust en trouw aan zichzelf volgt hij dat op. | VZ- leiding vergadering VZ- inhoudelijk |
| Al is het maar het <u>leiden van de vergadering</u> eh. Ze stellen ook de <u>agenda</u> op. Zij maken ook veelal de rapporten, alé <u>[de voorzitter] van zijn kant, bedrijfseconomisch</u>; [de CEO] die rapporteert hoe het loopt binnen de firma. En dat is eigenlijk … Dat zijn de basiselementen. Het is van daar uit dat de vergadering verder loopt. Het <u>cijfermateriaal en de gegevens liggen eigenlijk bij hen</u>. Bij [de CEO] voornamelijk, maar ook bij [de voorzitter]. | VZ- leiding vergadering VZ- formaliteiten VZ- inhoudelijk

VZ- inhoudelijk |

Appendix A.2: Survey results

Construct	Instrument used	Nature of sample	Mean	S.D.	Results for Torfs' board	
					Core board	With 'additional' directors
Shared leadership (leadership density)	Carson et al. 2007	MBA consulting teams	3.16	0.35	3.90 Individual scores:	3.02 - CEO (4,89), Chair (4,67) - E$_2$ (4.11), E$_1$ (4.00) - F$_1$ (3.33), F$_2$ (2.67), F$_3$ (2.00), F$_6$ (1.67), F$_4$ (1.44), F$_5$ (1.44)
Psychological safety	Edmondson 1999	Functional and cross-functional work teams	5.25	1.03	6.00	5.86
Transactive memory	Lewis 2004	MBA consulting teams	3.63	0.38	4.22	4.11
			3.71	0.41		
Commitment (affective)	Allen and Meyer 1990	Two manufacturing firms and a university[a]	4.63	1.33	5.85	5.55
Self-efficacy	Chen et al. 2001	Undergraduate students	3.87	0.54	Highest scores: E$_2$ (4.00), Chair & CEO (3.88)	
		MBA students	4.14	0.48	Lowest scores: F$_4$ (1.75) ,F$_2$ (2.25), F$_5$ & F$_1$(2.63)	

All constructs were measured on a 5-point scale, except for psychological safety and commitment (7 point-scale). rWG(J) exceeded 0.85 for every construct.
[a] Original items measuring organizational commitment were translated to a team context.

Appendix A.3: Procedures adopted during the different research stages to ensure case study rigor

	QUALITY CRITERIA			
	Internal validity	**Construct validity**	**External validity**	**Reliability**
Data collection	Insights gained from observation and interviews 'tested' in subsequent interviews (constant comparative method)	Collection of data from a variety of sources to allow for data triangulation Interview protocol explicitly designed to elicit actual leadership behaviours	Choice of case study board informed by its ability to allow for in-depth learning concerning the phenomenon	Meticulous collection of evidence in case study database Tape-recording and careful transcription of interviews to reduce human error Researcher triangulation during interviews and observation
Data analysis	Research framework explicitly derived from (shared) leadership literature Pattern matching logic adopted to match empirical and predicted patterns Comprehensive and systematic scrutiny of data, including that of a deviant nature	Data triangulation to corroborate findings Review of drafts of this paper by peers (e.g., on conferences, colloquia) Respondent validation of drafts of this paper by the firm's Chairman and CEO		Researcher triangulation during coding and further analysis Use of qualitative software to reduce chance of human error
Write-up		Clear rendering of the 'chain of evidence' leading up to the presented findings Detailed portrayal of data collection procedures Extensive explanation of different stages in the data analysis process	Case study findings allow for both naturalistic and analytic generalization, not statistical generalization Appropriateness of case study selection elaborated upon Detailed portrayal of case study context	Case company explicitly identified Transparency in documenting entire research process.

B. EXPLORATORY FACTOR ANALYSIS

Appendix B.1: Shared leadership questionnaire items

Particular functions within a team can be performed by a single individual or shared among different team members. To what extent do members within this team share in: (all items are measured on a 7-point scale)

Task-oriented shared leadership

SL1   establishing expectations and goals for the team's work

SL2   encouraging information exchange among team members

SL3   facilitating the team's understanding of relevant problems, situations and events

SL4   planning how the team's work gets done

SL5   advancing solutions for the team's work problems

SL6   taking actions to get or keep the work going

SL7   deciding on team member roles and responsibilities

SL8   obtaining the information and resources required in order for the team to be able to carry out its work

SL9   monitoring team and team member performance with respect to established plans and goals

SL10   providing performance feedback to team members

SL11   making decisions regarding the team's composition

Team maintenance-oriented shared leadership

SL12   fostering team members' motivation with respect to the team's work

SL13   looking out for the personal well-being of team members

SL14   taking actions to avoid and resolve interpersonal conflicts within the team

SL15   doing things to make it pleasant to be a member of the team

SL16   fostering a cohesive team atmosphere

SL17   creating a team environment in which people feel 'safe' to participate

Appendix B.2: Correlation matrix

	SL1	SL2	SL3	SL4	SL5	SL6	SL7	SL8	SL9	SL10	SL11	SL12	SL13	SL14	SL15	SL16	SL17
SL1	1.00	.664	.650	.653	.608	.531	.493	.592	.532	.443	.451	.532	.459	.445	.499	.451	.478
SL2	.664	1.00	.715	.585	.578	.543	.557	.581	.502	.457	.417	.609	.504	.506	.559	.567	.564
SL3	.650	.715	1.00	.592	.600	.568	.464	.579	.531	.427	.380	.629	.540	.519	.600	.568	.587
SL4	.653	.585	.592	1.00	.680	.649	.531	.563	.555	.484	.500	.529	.438	.429	.503	.494	.434
SL5	.608	.578	.600	.680	1.00	.720	.583	.591	.577	.527	.466	.557	.477	.489	.523	.540	.497
SL6	.531	.543	.568	.649	.720	1.00	.559	.570	.588	.541	.454	.590	.382	.394	.446	.462	.415
SL7	.493	.557	.464	.531	.583	.559	1.00	.526	.524	.437	.528	.512	.499	.464	.511	.497	.520
SL8	.592	.581	.579	.563	.591	.570	.526	1.00	.576	.487	.489	.542	.484	.370	.496	.437	.499
SL9	.532	.502	.531	.555	.577	.588	.524	.576	1.00	.658	.575	.616	.523	.440	.571	.516	.528
SL10	.443	.457	.427	.484	.527	.541	.437	.487	.658	1.00	.610	.663	.515	.425	.532	.461	.475
SL11	.451	.417	.380	.500	.466	.454	.528	.489	.575	.610	1.00	.614	.505	.455	.546	.470	.468
SL12	.532	.609	.629	.529	.557	.590	.512	.542	.616	.663	.614	1.00	.703	.631	.706	.680	.683
SL13	.459	.504	.540	.438	.477	.382	.499	.484	.523	.515	.505	.703	1.00	.773	.784	.712	.767
SL14	.445	.506	.519	.429	.489	.394	.464	.370	.440	.425	.455	.631	.773	1.00	.733	.726	.742
SL15	.499	.559	.600	.503	.523	.446	.511	.496	.571	.532	.546	.706	.784	.733	1.00	.862	.823
SL16	.451	.567	.568	.494	.540	.462	.497	.437	.516	.461	.470	.680	.712	.726	.862	1.00	.851
SL17	.478	.564	.587	.434	.497	.415	.520	.499	.528	.475	.468	.683	.767	.742	.823	.851	1.00

Appendix B.3: Anti-image correlation matrix

	SL1	SL2	SL3	SL4	SL5	SL6	SL7	SL8	SL9	SL10	SL11	SL12	SL13	SL14	SL15	SL16	SL17
SL1	**.955**	-.246	-.167	-.252	-.122	.059	.010	-.122	-.071	.027	-.055	.002	.018	-.047	-.038	.123	-.045
SL2	-.246	**.948**	-.328	-.049	.025	.019	-.205	-.121	.062	-.063	.072	-.110	.070	-.052	.054	-.119	.002
SL3	-.167	-.328	**.949**	-.089	-.087	-.097	.112	-.083	-.064	.125	.137	-.164	-.010	-.006	-.124	.076	-.085
SL4	-.252	-.049	-.089	**.959**	-.188	-.189	-.041	-.045	-.040	-.006	-.129	.063	-.014	.001	-.019	-.111	.138
SL5	-.122	.025	-.087	-.188	**.953**	-.334	-.137	-.113	-.028	-.107	.035	.087	-.006	-.101	.054	-.127	.052
SL6	.059	.019	-.097	-.189	-.334	**.934**	-.170	-.055	-.118	-.100	.072	-.222	.159	-.038	.065	-.060	.079
SL7	.010	-.205	.112	-.041	-.137	-.170	**.956**	-.055	-.072	.092	-.217	.072	-.090	-.101	.003	.034	-.114
SL8	-.122	-.121	-.083	-.045	-.113	-.113	-.055	**.960**	-.114	.011	-.105	.011	-.120	.186	-.033	.136	-.153
SL9	-.071	.062	-.064	-.040	-.028	-.118	-.072	-.114	**.968**	-.296	-.111	-.017	-.029	.072	-.068	.000	-.043
SL10	.027	-.063	.125	-.006	-.107	-.100	.092	.011	-.296	**.938**	-.222	-.261	-.065	.058	-.074	.101	-.018
SL11	-.055	.072	.137	-.129	.035	.072	-.217	-.105	-.111	-.222	**.942**	-.218	.036	-.067	-.124	.036	.061
SL12	.002	-.110	-.164	.063	.087	-.222	.072	.011	-.017	-.261	-.218	**.955**	-.218	-.030	-.001	-.105	-.049
SL13	.018	.070	-.010	-.014	-.006	.159	-.090	-.029	-.029	-.065	.036	-.218	**.936**	-.398	-.251	.099	-.173
SL14	-.047	-.052	-.006	.001	-.101	-.038	-.101	.186	.072	.058	-.067	-.030	-.398	**.949**	-.059	-.097	-.160
SL15	-.038	.054	-.124	-.019	.054	.065	.003	-.033	-.068	-.074	-.124	-.001	-.251	-.059	**.943**	-.492	-.107
SL16	.123	-.119	.076	-.111	-.127	-.060	.034	.136	.000	.101	.036	-.105	.099	-.097	-.492	**.908**	-.458
SL17	-.045	.002	-.085	.138	.052	.079	-.114	-.153	-.043	-.018	.061	-.049	-.173	-.160	-.107	-.458	**.941**

Diagonal elements correspond to individual Measures of Sampling Adequacy (MSA)
Off-diagonal elements correspond to item partial correlations

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Appendix B.4: Analysis of factors to be retained

Total variance explained

Factor	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	9.829	57.816	57.816
2	1.581	9.297	67.113
3	.971	5.709	72.823
4	.613	3.603	76.426
5	.562	3.307	79.733
6	.481	2.830	82.563
...	...	...	...
17	.101	.596	100.000

Horn's parallel analysis[*]

N_{cases} 206 N_{vars} 17 $N_{datsets}$ 500

Random Data Eigenvalues

Root	Means	95 Percentile
1.00	1.533397	1.631202
2.00	1.421544	1.495176
3.00	1.338331	1.408868
4.00	1.261243	1.319852
5.00	1.198087	1.247773
6.00	1.137629	1.187695
...	...	...
17.00	.562729	.618909

---

[*] The procedure involves extracting eigenvalues from random data sets that parallel the actual data set with regard to the number of cases and variables. Factors are retained as long as the ith eigenvalue from the actual data is greater than the ith eigenvalue from the random data (currently the 95 percentile value is generally used).

Appendix B.5: Factor loadings for two-factor model (17 items)

	Factor	
	TASK	**MAINTENANCE**
SL1	**.772**	.020
SL2	**.645**	-.155
SL3	**.609**	-.199
SL4	**.861**	.099
SL5	**.838**	.037
SL6	**.908**	.166
SL7	**.591**	-.140
SL8	**.757**	.015
SL9	**.658**	-.128
SL10	**.553**	-.174
SL11	**.483**	-.226
SL12	<u>**.417**</u>	<u>**-.486**</u>
SL13	.026	**-.847**
SL14	-.007	**-.831**
SL15	.062	**-.873**
SL16	.038	**-.861**
SL17	-.001	**-.907**

Appendix B.6: Factor loadings for two-factor model (16 items)

	Factor	
	TASK	**MAINTENANCE**
SL1	**.772**	.017
SL2	**.646**	-.154
SL3	**.611**	-.196
SL4	**.862**	.095
SL5	**.839**	.033
SL6	**.906**	.170
SL7	**.593**	-.142
SL8	**.758**	.015
SL9	**.663**	-.121
SL10	**.559**	-.155
SL11	**.490**	-.211
SL13	.039	**-.832**
SL14	.001	**-.826**
SL15	.070	**-.871**
SL16	.044	**-.860**
SL17	.005	**-.907**

Appendix B.7: Factor loadings for final factor solution (10 items)

	TASK	MAINTENANCE
	Factor	
	TASK	MAINTENANCE
SL1	**.701**	.069
SL4	**.841**	-.032
SL5	**.831**	.024
SL6	**.848**	-.083
SL8	**.667**	.081
SL13	.000	**.855**
SL14	-.011	**.836**
SL15	.036	**.894**
SL16	.030	**.877**
SL17	-.027	**.929**

Appendix B.8: Discriminant validity assessment

Shared leadership & participative decision making – factor loadings

	Factor		
	TASK	**PARTICIPATIVE DECISION MAKING**	**MAINTENANCE**
SL1	**.709**	.034	.040
SL4	**.834**	-.009	-.025
SL5	**.828**	-.090	.064
SL6	**.827**	-.021	-.047
SL8	**.677**	.110	.020
SL13	-.008	.069	**.830**
SL14	-.017	-.015	**.843**
SL15	.049	-.057	**.899**
SL16	.045	-.046	**.884**
SL17	-.019	.072	**.895**
Partic_1	-.067	**.842**	-.030
Partic_2	.051	**.871**	-.051
Partic_3	.020	**.845**	-.070
Partic_4	.031	**.811**	.129
Partic_5	.006	**.810**	.103

Shared leadership & empowerment: factor loadings

	Factor		
	TASK	**MAINTENANCE**	**EMPOWERMENT**
SL1	**-.610**	-.040	.145
SL4	**-.815**	.028	.029
SL5	**-.885**	-.050	-.094
SL6	**-.826**	.077	.028
SL8	**-.628**	-.090	.029
SL13	.064	**-.837**	.096
SL14	.001	**-.841**	-.023
SL15	-.083	**-.894**	-.056
SL16	-.057	**-.866**	-.010
SL17	.033	**-.919**	.026
Emp_1	.038	.010	**.812**
Emp_2	-.031	.055	**.924**
Emp_3	.011	-.033	**.832**
Emp_4	-.031	.009	**.572**
Emp_5	-.192	-.267	**.360**
Emp_6	-.034	-.058	**.475**

C. CONFIRMATORY FACTOR ANALYSIS

Appendix C.1: Goodness-of-fit indices - thresholds

	1	2	3	4*	5
χ²	Significant values possible even with good fit	Insignificant			
χ²/*df*	< 3:1	< 2:1; 3:1	< 2:1; 3:1		
CFI	> 0.95	> 0.95	> 0.95	> 0.95	> 0.95
SRMR	< 0.08	< 0.08	< 0.08	< 0.12	< 0.08
RMSEA	< 0.08	< 0.06; 0.08	< 0.07	< 0.06	< 0.06

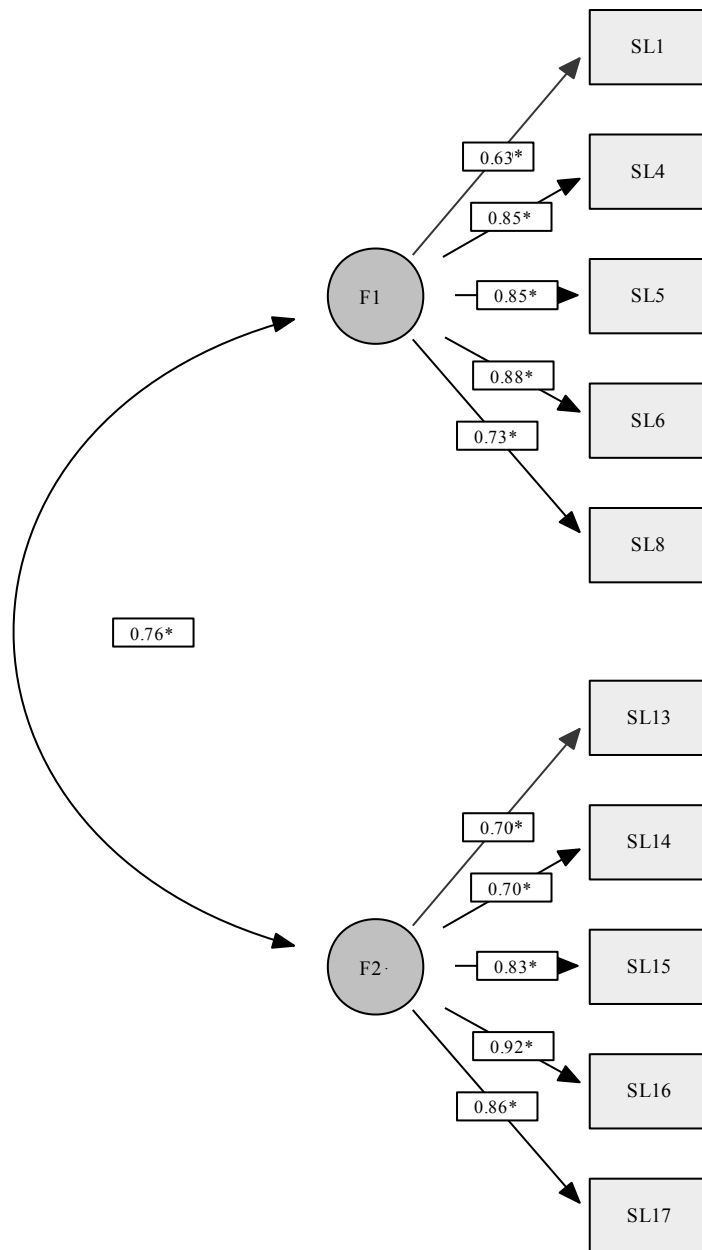1 Hair, Black, Babin, Anderson, and Tatham (2006)
2 Schreiber, Stage, King, Nora, and Barlow (2006)
3 Hooper, Coughlan, and Mullen (2008)
4 Sivo, Fan, Witta, and Willse (2006) * for N=150
5 Hu and Bentler (1999)

Appendix C.2: CFA – standardized factor loadings hypothesized two-factor model

D. REGRESSION ANALYSIS

Appendix D.1: Regression results – shared leadership (without controls)

	SL_task	SL_maintenance
	Model 1*	Model 2*
(Constant)		
Awareness K&S	0.590***	0.476**
R²	0.348	0.227
Adj. R²	0.329	0.204
F	18.149***	9.977**

All coefficients listed are standardized betas.
** $p < 0.01$, *** $p < 0.001$

Appendix D.2: Regression results – control task performance (without controls)

	Model 3*	Model 4*	Model 5*	Model 6*	Model 7*	Model 8*	Model 9*
(Constant)							
Duality							
Board size							
Awareness K&S		0.086			-0.061	0.038	-0.057
SL_task			0.212		0.248		0.266
SL_maintenance				0.118		0.100	-0.031
R²		0.007	0.045	0.014	0.047	0.015	0.048
Adj. R²		-0.022	0.017	-0.015	-0.010	-0.045	-0.041
F		0.251	1.601	0.483	0.820	0.253	0.536

All coefficients listed are standardized betas.
$^+$ p < 0.10 * p < 0.05 ** p < 0.01

Appendix D.3: Regression results – service task performance (without controls)

	Model 10*	Model 11*	Model 12*	Model 13*	Model 14*	Model 15*	Model 16*
(Constant)							
Duality							
Board size							
Awareness K&S		0.400*			0.215	0.340$^+$	0.220
SL_task			0.440**		0.313		0.336
SL_maintenance				0.288$^+$		0.126	-0.040
R²		0.160	0.193	0.083	0.223	0.172	0.224
Adj. R²		0.135	0.170	0.056	0.176	0.122	0.152
F		6.461*	8.149**	3.064$^+$	4.749*	3.425*	3.086*

All coefficients listed are standardized betas.

$^+$ p < 0.10 * p < 0.05 ** p < 0.01

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**Appendix D.4: Multiple mediation bootstrap results for indirect effects –
control task performance (without controls)**

	Data	Boot	Bias	SE
TOTAL	0.1567	0.1670	0.0103	0.1647
SL_task	0.1729	0.1796	0.0067	0.2019
SL_maintenance	-0.0162	-0.0126	0.0035	0.1594
Bias corrected confidence intervals				
	Lower	Upper		
TOTAL	- 0.0863	0.4574		
SL_task	-0.1088	0.5679		
SL_maintenance	-0.3597	0.1701		

Level of Confidence for Confidence Intervals: 90
Number of Bootstrap Resamples: 1000

**Appendix D.5: Multiple mediation bootstrap results for indirect effects –
service task performance (without controls)**

	Data	Boot	Bias	SE
TOTAL	0.1256	0.1326	0.0070	0.0828
SL_task	0.1390	0.1571	0.0181	0.1072
SL_maintenance	-0.0134	-0.0244	-0.0111	0.0992
Bias corrected confidence intervals				
	Lower	Upper		
TOTAL	0.0105	0.2766		
SL_task	0.0007	0.3495		
SL_maintenance	-0.1797	0.1127		

Level of Confidence for Confidence Intervals: 90
Number of Bootstrap Resamples: 1000

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