

WORKING PAPER

It Takes Two to Make a Team Go Right:
Effects of Dual Team Leaders'
Individualized Consideration and
Initiating Structure on Team Efficacy,
Performance, and Viability

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**It Take Two to Make a Team Go Right: Effects of Dual Team Leaders' Individualized
Consideration and Initiating Structure on Team Efficacy, Performance, and Viability**

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ABSTRACT

Today's teams often have two formal leaders (i.e., dual leaders), yet research has almost exclusively examined the effects of a single, higher-level team leader's behaviors on team members and team outcomes. This is problematic because these findings cannot unequivocally be applied to guide the use of dual-leader team structures. Using 93 professional service (i.e., audit) action teams, we examine effects of partner (i.e., external) and manager (i.e., internal) leaders simultaneously exhibiting initiating structure and individualized consideration leadership behaviors on team efficacy and, ultimately, team performance and team viability. Our findings show that the total capacity of leadership effects for a team with two leaders is only captured after considering the influence from both leaders simultaneously, especially when examining interactive effects between an individual leader's behaviors and across two leaders' behaviors. We find team efficacy is strengthened when the partner alone exhibits both higher structure and consideration, which is further augmented when the manager also exhibits higher consideration simultaneously. Thus, we find dual-leader interactions demonstrating the "Power of the Partner" and "Power of Consideration" effects are critical for building team efficacy, and in turn, team performance and team viability in dual-leader structures, revealing the existence of meaningful leadership interactions that cannot be found in single-leader studies.

Keywords: dual leadership structures; teams; individualized consideration; initiating structure; team efficacy; team performance; team viability

It Takes Two to Make a Team Go Right: Effects of Dual Team Leaders' Individualized Consideration and Initiating Structure on Team Efficacy, Performance, and Viability

Organizations continue to use teams to carry out work and accomplish goals (Mathieu et al., 2019). As team research shows, leadership from a team leader is one critical reason for gains in both team motivation and outcomes (Burke et al., 2006; Ceri-Booms et al., 2017; Judge et al., 2004). Yet, today's teams often have more than one leader to motivate team members and ensure healthy team outcomes. Vidyarthi et al. (2014) estimate that between 24 and 71 million workers in the U.S. report to more than one leader. Similarly, Gallo (2013) reports "dual" leadership structures are commonly found in flatter organizational structures in which teamwork is project-based, like action teams. Yet despite increases in the use of dual team leader structures, research continues to focus mainly on single-leader team designs (Morgeson et al., 2010). Thus, researchers and practitioners must draw insights from single-leader studies that are incomplete and potentially misleading with respect to two formal (i.e., dual) leader team structures.

Considering this limitation, the overarching theoretical framework we use is functional leadership theory, which adheres to one guiding principle for leaders: "to do, or get done, whatever is not being adequately handled for group needs" (McGrath, 1962, p. 5). Two key needs that must be met require that team members: (a) accomplish tasks via taskwork and (b) maintain healthy relations between team members via teamwork. Because all work teams need ways to foster team task accomplishment and enhance interpersonal relationships (Crawford & LePine, 2013; Kozlowski & Bell, 2013), leadership researchers have substantiated the critical role of two leadership behaviors – task-focused and person-focused behaviors (Stogdill, 1974) – to explain a leader's contributions to individual and team success (Judge et al., 2004). Indeed, Burke et al.'s meta-analysis (2006) found task-focused and person-focused team leadership

behaviors explained up to 14% of the variance in team effectiveness (10% and 4%, respectively) and 9% in team productivity (5% and 4%, respectively). This is evidence of a single leader's impact on team success through these two functional leader behaviors.

Contrary to single-leader teams, the total influence from dual team leader structures must consider both leaders' use of task-focused and person-focused leadership behaviors to ensure that all members are focused on the same goals and work well together. Adding to the complexity of accounting for two team leaders, each leader's goals and roles often differ across organizational hierarchies (DeChurch et al., 2010; Likert, 1961). Thus, our study strives to show the cumulative contribution action teams (e.g., audit, aircrew, surgical teams) acquire from these two leadership behaviors by two formal team leaders differing in hierarchical responsibilities. Three streams of research offer competing guidance about the influence dual leaders could have on team success.

First, matrix organization research examines the dynamic interplay between dual leaders, including both functional (i.e., leading from a department) and project (i.e., leading from a project) leaders. Instead of leadership behavior, matrix studies typically assess the quality of each employee's relationship with both leaders (i.e., leader-member exchange, or LMX), as well as gaps between two leaders' LMX (Sahlueller et al., 2022). Thus, matrix studies consider person-focused over task-focused behaviors to establish leaders' cumulative effects on employees. Second, action teams research on leadership behaviors emphasizes task-focused over person-focused behaviors (Farh & Chen, 2018). Thus, matrix and action team research each emphasize a competing leadership behavior. Furthermore, neither literature examines the effects dual leader behaviors have on team success. Third, a study conducted over 70 years ago examined whether effects of task-focused and person-focused leadership behavior combine in a non-additive way, noting that to capture the nuances of these behaviors requires recognition of

their interaction (Fleishman & Harris, 1962). This research asserted person-focused leadership would act as a moderator of the relationship between task-focused leadership and important outcomes (Cummins, 1971, 1972; Fleishman & Harris, 1962) by enhancing teamwork that facilitates the completion of demanding taskwork. Although this approach provides a more complete description of the nature of the relationship between task- and person-focused leadership behaviors than matrix organizations or action teams studies, it does not consider dual team leader structures in today's action teams, nor capture the cumulative leadership effects from these task- and person-focused behaviors, including theoretically relevant interactive effects.

In sum, these three literatures each highlight important, yet different, features related to the dynamic interplay of task-focused and person-focused leadership behaviors across and between dual leaders in action teams. What remains unknown, and to our knowledge, still has never been examined is an all-inclusive test of the conditional interaction of these two functional leadership behaviors when actively applied by two hierarchically differentiated leaders with unique responsibilities and opportunities to collaborate with members to augment team success. This is theoretically and practically problematic, as without a full accounting of the effects that these dual-leader behaviors have on team outcomes, researchers and practitioners have inadequate theory coupled with little guidance on these widely used leadership structures.

This study offers three theoretical and practical implications for team leadership research. First, we extend nascent research by examining the total contribution dual-leader structures have using action teams with two formal leaders, differing in hierarchy, who collaboratively manage teams to attain greater team performance and enhance team viability. Theoretically, we strive to show how and why functional leadership behaviors by two separate leaders drive team success. Practically, we aim to inform higher-level leaders, who are client-oriented, that their leadership

behavior when directed at members of an action team, is as consequential (if not more) to a team's motivation and performance, than the day-to-day manager's leadership behaviors.

Second, we extend research on task-focused and person-focused leadership behaviors' impact on team outcomes by testing interactions between these behaviors for the higher-level leader while accounting for both leaders. We differ from shared leadership theories examining multiple individual team members, rather than team leaders, taking on leadership functions simultaneously (Carson et al., 2007; Zhu et al., 2018) in that we focus on the distribution of team leadership behaviors across two formal leaders with hierarchically different authoritative positions. Theoretically and practically, we seek to revive scholars' awareness that these two leadership behaviors' influence is, in part, dependent upon reciprocal influences each behavior has on the other, and that team success requires a balance between task- and person-focused behaviors across both team leaders.

Finally, our research has implications for functional leadership theory itself, as we develop a more complete understanding of the functional leadership dynamic that results when these two behaviors interact across dual-leader structures to influence team functioning. Morgeson et al. (2010, p. 27) note that team leadership research, by studying single sources of leadership, is limited because "the total leadership capacity of a team is underestimated" and "considering all of the sources of team leadership is essential for developing a complete understanding of team leadership processes and the leadership capacity within the team." Theoretically and practically, we show functional leadership theory must recognize a team's total leadership capacity, which means that each formal leader, differing in hierarchy and authority, considers the functional effects their task- and person-focused leadership behaviors have and, to ensure team success, adjusts their behaviors based on the other leaders' behavioral repertoire.

THEORETICAL DEVELOPMENT AND HYPOTHESES

Functional leadership theory is the theoretical framework we use to explain the unique and interactive influences arising from the behavior of dual leaders with different levels of authority, who share leadership responsibility, and are jointly held accountable for the results of their team. Two of the most important team needs formal leaders strive to fulfill are enabling team members to foster team task achievement via taskwork while augmenting personal relations via teamwork. Leadership researchers have identified two key leader behaviors that match these two primary team needs to drive team success (Judge et al., 2004). *Initiating structure* refers to the “degree to which a leader defines and organizes his [or her] role and the roles of followers, is oriented toward goal attainment, and establishes well-defined patterns and channels of communication”; and, *individualized consideration* refers to the “degree to which a leader shows concern and respect for followers, looks out for their welfare, and expresses appreciation and support” (Judge et al., 2004, p. 36). In numerous individual-level studies, structure and consideration have been linked to satisfaction with leaders and the job, motivation, leader effectiveness, and job performance (Judge et al., 2004). At the team level, albeit with fewer studies, both behaviors have been linked to team effectiveness and productivity (Burke et al., 2006). This shows these behaviors fulfill key needs that equip individuals and teams for success.

In calling for more research on functional leadership theory, Morgeson et al. (2010, p. 28) also suggest that scholars need to explore the degree to which leadership sources simultaneously vary for each leader, and they defined two key sources as: (a) *internal*, or when a leader has responsibility for a team’s day-to-day management; and, (b) *external*, such that a leader has primary responsibility for managing the boundary of a team, both to others in the organization but especially with those external to the firm. Ceri-Booms et al. (2017) found external leaders

who are primarily engaged as boundary spanners have greater impact on performance outcomes than do internal leaders (i.e., managers) involved in directly supervising team members.

Morgeson et al. (2010, p. 28) go further and note that without more research, “we do not have a clear understanding of how these different sources of leadership are interrelated and how they might interact in a dynamic way.” Likewise, they also highlight the importance of verifying how both sources combine across formal team leaders to deliver leadership resources to teams.

In contrast, studies of leadership in teams have focused only on one formal source, the higher-level leader (Conger & Pearce, 2003). For example, in air and boat crew action teams, the captain is the only team leader examined, and leadership effects arising from the first officer are not considered (Bienefeld & Grote, 2014; Ginnett, 1987; Kant et al., 2013). Similarly, in surgery and trauma teams, the surgeon is the only team leader considered (Farh & Chen, 2018; Nembhard & Edmondson, 2006), and leadership effects from the resident surgeon or anesthesiologist are not examined. Because we are dealing with leadership behaviors from a higher-level team leader, research intimates that the single, higher-level leader ultimately has the power and responsibility to lead and motivate team members (Ceri-Booms et al., 2017). Yet, more research is needed to establish the total, cumulative leadership effects resulting from the higher-level leader, but even more so, the total effect of dual team leader sources in action teams.

To address this important call to extend functional leadership theory by considering both sources, our study employs one example of dual-leader structures in an action team setting: audit engagement teams charged with issuing an audit opinion on the financial statements of a client organization (Francis, 2011). Audit teams typically have two leaders who collaboratively manage a team to complete an audit. The first leader, the “partner,” is in the higher-level position and is traditionally viewed as externally-oriented in managing clients. But partners are also

internally-oriented, as they reward team members and retain the responsibility to “sign off” on the audit opinion, having both reputational and legal implications. The second lower-level leader is the “manager,” who is primarily internally-oriented and supervises a team’s day-to-day management. Interestingly, the accounting literature often has focused solely on the role of the partner (Gul et al., 2013; Knechel et al., 2015; Cameran et al., 2022) and only recently have studies recognized both partners and managers may play key leadership roles in their teams (Aobdia et al., 2023; Contessotto et al., 2019). To extend our understanding of functional leadership theory, we recognize the combined influence of two leaders, with one largely externally-oriented and the other internally-oriented, who together collaborate to lead an audit team. Thus, we examine all task-focused and person-focused influences from dual leaders on team functioning and explore whether team members prioritize the partner’s leadership behaviors in a dual-leader structure.

The focus on explaining team motivation and team outcomes implies these leadership behaviors will directly influence mediational motivational mechanisms through which the two leaders’ behaviors ultimately effect team outputs. We contend current leadership models have not adequately examined all the ways in which an externally-focused (i.e., partner) and internally-focused (i.e., manager) team leader’s behaviors are mediated to impact team outputs in a dual-leader structure (Morgeson et al., 2010). To date, nearly all research has only tested the impact of a single team leader’s use of these leadership behaviors in teams. Further, this research has assumed independent leadership effects by just examining the main effects of each behavior separately (Judge et al., 2004). More comprehensive designs, though rare, have jointly tested a linear combination of leadership variables (Bergh et al., 2016) or report a relative dominance analysis (Piccolo et al., 2012). As a result, we have little understanding of combined leadership

effects from dual-leader team structures, especially after accounting for theory-driven interactions between task-focused (i.e., structure) and person-focused (i.e., consideration) behaviors on team motivation and success (Cummins, 1971, 1972). Thus, we examine functional combinations of both leadership behaviors from two leaders in action teams to help shed more light on how these two leadership behaviors may be optimally combined to directly influence a key mediator, team efficacy, and thereby increase team performance and future team viability.

Team efficacy has consistently explained how collective team leadership affects team outcomes (Sivasubramanian et al., 2002). Gibson (1999, p. 138) asserts that *team efficacy* “forms as group members collectively acquire, store, manipulate, and exchange information about each other and about their task, context, process, and prior performance.” Team efficacy is especially relevant for audit teams because their work is episodic throughout various audit phases, as they start and stop multiple times during the audit. Team efficacy is seen as a team emergent state, and thus a dynamic team-level property that emerges from exchanges between teammates and captures a team’s shared perception of its capacity to effectively perform tasks (Marks et al., 2001). In Input-Mediator-Output (IMO) team models (Ilgen et al., 2005), team performance and viability are viewed as distal outputs of team leadership, while team efficacy is a proximal mediator, as shown in Figure 1.

Joint Effects of Partner and Manager Initiating Structure and Individualized Consideration on Team Efficacy

To enhance team efficacy, leaders need to focus on both taskwork and teamwork. For taskwork, leaders can use initiating structure behaviors because they promote completing tasks, such as organizing roles, setting goals, monitoring progress, and creating defined patterns and methods of communication (Fleishman, 1973; Judge et al., 2004). For teamwork, leaders can rely

on individualized consideration behaviors because they enhance aspects of being a teammate, show concern and respect for other members, look out for teammate welfare and, show appreciation and support (Bass, 1990; Judge et al., 2004). Enhanced taskwork will contribute to team members' beliefs that their team is capable of successfully accomplishing tasks because they will have the clarity and guidance needed for getting tasks done effectively. Increased teamwork will also promote team members' belief in their ability to accomplish tasks because it builds confidence about collective member agency to produce high quality team outputs.

To establish the maximum capacity of a team's leadership effects, our study jointly considers key interactions expected between leader structure and consideration behaviors. Fleishman and Harris (1962, pp. 53–54) argued that employees would be more receptive to structure when leaders relied on consideration because such leaders “may establish a climate of mutual trust and that in such a climate, workers are more likely to accept (and apply) challenging standards and role structure initiated by the leader.” In support, research has also found that structure had greater effects on individual and team outcomes when leaders exhibited higher consideration (Cummins, 1971, 1972; Dawson et al., 1972; House et al., 1971). In our study, however, because we focus on teams and our mediator is team efficacy, we emphasize the importance of consideration by advancing the thesis that team leaders must first enact these behaviors to satisfy follower needs for concern, support, and collaboration, which in turn, builds team confidence. And further strengthening team efficacy, once teamwork needs are fulfilled, followers' receptivity to leader behavior demanding structure and taskwork increases.

Although studies have revealed an interaction between structure and consideration behaviors by a single leader (Fleishman & Harris, 1962), it is theoretically problematic that no research has assessed this dynamic for dual team leaders, which again are widely prevalent. We

examine the main dual leadership roles an externally-oriented partner and an internally-oriented manager follow to enhance team efficacy. As noted, both leaders are expected to focus on structure and consideration behaviors. However, given the hierarchical reporting structure of the partner-manager relationship in audit teams, because partners have more status and power than managers (including input on raises and promotions), and partners influence managers through hierarchical responsibilities, team members are likely to favorably respond to cues when partners are seen as providing these leadership behaviors to their audit teams.

Perceiving the partner as having an important influence on team efficacy is consistent with previous action team research adopting the view that the higher-level leader's influence on team outcomes matters in single leader studies (e.g., again, a pilot in air crews, a surgeon in surgical teams; Bienefeld & Grote, 2014; Nembhard & Edmondson, 2014). The accounting literature also supports the impactful role of partners in audit teams (Dennis & Johnstone, 2018; Lennox & Wu, 2018). Thus, we expect that a partner exhibiting high consideration and structure behaviors will be particularly influential in engendering team efficacy. However, in a dual-leader structure, in which both the partner and manager have influence on the team's day-to-day functioning, we consider if when the partner is actively fostering critical teamwork while also directing taskwork, this alone can fully account for building up their team's sense of efficacy, or whether the manager's leadership also matters.

Applying functional leadership theory and because we highlight the importance of consideration, we argue that the positive relationship between an audit partner's higher use of structure leadership behaviors and team efficacy is more strongly positive when the partner's consideration behavior is higher, rather than lower. High consideration partners establish trust and concern for teammates by providing teamwork support, which can overcome directive and

demanding aspects of high structure and enable members to accept and follow the taskwork structure by the partner. In the absence of a partner using consideration, a partner's structure behavior could be viewed as demanding, restrictive, or even threatening (Fleishman & Harris, 1962), which would erode team efficacy. Indeed, deficient levels of consideration can "interfere with employees' need for a supportive work environment" (Lambert, Tepper, Carr, Holt, & Barelka, 2012: 916). We also consider if the manager's influence matters, thus when a manager emphasizes structure, the manager must also exhibit high levels of consideration leadership behaviors before members can experience the necessary gain in efficacy enabling them to accept and follow the manager's goal-oriented demands through taskwork. Decades-old research with single leaders supports our theoretical contention that when predicting team efficacy, an interaction of higher structure and consideration behaviors is associated with more positive outcomes (Cummins, 1971; Dawson et al., 1972; House et al., 1971). Based on our theorizing and tangential evidence from single-leader research, we hypothesize in a dual-leader structure:

H1a: Partner use of individualized consideration and initiating structure interact to predict team efficacy, such that partner reliance on consideration results in greater team efficacy when paired with higher, rather than lower, partner structure.

H1b: Manager use of individualized consideration and initiating structure interact to predict team efficacy, such that manager reliance on consideration results in greater team efficacy when paired with higher, rather than lower, manager structure.

Action team research has habitually examined the leadership behavior of a single high-level leader (e.g., a captain or surgical physician), although there were other leaders in those teams, whether a first officer for air or ship crews (Bienefeld & Grote, 2014; Kant et al., 2013) or a second physician in surgery or trauma action teams (Farh & Chen, 2018). However, to fully

recognize the total leadership potential of a dual-leader structure, we contend that the second leader's *simultaneous* leadership behavior also matters. Applying functional leadership theory, we maintain that interactions likely emerge between these behaviors when applied across both the manager and the partner in action teams.

First, we argue that a team will develop higher team efficacy when both team leaders use higher levels of consideration because there is a synergistic response, such that more consideration will have a favorable impact on followers (Lambert et al., 2012). Thus, the highest team efficacy is expected when partners and managers both use higher consideration, as doing so also increases member receptivity to leader structure behaviors (Schriesheim, 1982). This is particularly crucial with audit teams that adjourn and reconvene throughout consecutive phases of a typical audit, as higher team efficacy is necessary to maintain both the immediate and ongoing collective confidence needed to be successful when reconvening. Second, because the audit follows consecutive phases and standardized, well defined serial procedures required by professional standards, the utility of leader structure behaviors, albeit still important, may not functionally be as critical in these teams. Finally, functional leadership theory must acknowledge there is a cost in using high levels of leader structure, as this can create antagonistic, authoritative demands to emerge when both leaders rely solely on structure (Lambert et al., 2012), further limiting member's team efficacy beliefs. Thus, although we argue both leaders can boost team efficacy by consistently demonstrating genuine concern for all members (Schriesheim, 1982), we do not make the same argument for leader structure behavior when relied upon alone.

Emphasizing the importance of consideration could seem surprising, as people often argue structure is more important to leadership than consideration (Frost & Robinson, 1999). In part, this is because people often hold a "bottom-line" focus, stressing productivity, sales, and

financial outcomes over other goals (Barrett-Howard & Tyler 1986; Greenbaum et al., 2012). Indeed, meta-analyses do report somewhat larger main effects for structure over consideration on team outcomes (Burke et al., 2006; Judge et al., 2004). However, given the functional centrality that teamwork, concern, and support have for building team efficacy, we argue there is power in the consistency of a message when both leaders exhibit higher levels of consideration. Members get reinforcement about the importance of teamwork and receive support and encouragement from both leaders (Dawson et al., 1972). From a sensemaking perspective, consistency in leader behavior encourages members to internalize a higher level of team efficacy (Mignonac et al., 2018). Thus, we argue when both the partner and manager use higher levels of consideration, these leader behaviors will positively interact to predict greater team efficacy.

In contrast, when dual leaders differ in exhibiting consideration behaviors, particularly if the higher-level partner, who also has boundary spanning responsibilities, demonstrates lower consideration behaviors and the manager displays higher levels of consideration, we expect team members likely perceive the lack of uniformity about the two leaders' beliefs in their team's capabilities. This will ultimately be reflected in the members holding lower beliefs in their team's efficacy. Consequently, by applying functional leadership theory, we argue that higher levels of team efficacy are more likely to result when both leaders, but especially the more powerful partner, display higher levels of consideration behavior.

Second, we also posit that the positive relationship between an audit partner's consideration behaviors and a team's level of efficacy is more strongly positive when the manager's structure behavior is higher, rather than lower. Partners with higher consideration establish trust and concern for teammates by providing teamwork support, which can overcome demanding aspects of higher manager structure that enables members to accept and follow the

structure by a manager. In the absence of partner consideration, a manager's structure behavior could be viewed as demanding, restrictive, or threatening (cf. Fleishman & Harris, 1962), which would erode team efficacy. Such treatment by a manager, without a balance of consideration from the higher-level partner, weakens the positive relationship between a manager's structure behaviors and team efficacy. As noted, lower levels of consideration can interfere with employee desires for a supportive work environment (Lambert et al., 2012). Applying the reverse logic, we also expect that when the partner uses more structure behaviors, team efficacy will be higher if the manager exhibits higher levels of consideration. Based on our theorizing we posit:

H2a: Partner use of consideration and manager use of consideration interact to predict team efficacy, such that partner reliance on consideration results in greater team efficacy when paired with higher, rather than lower, manager consideration.

H2b: Partner use of consideration and manager use of structure interact to predict team efficacy, such that partner reliance on consideration results in greater team efficacy when paired with higher, rather than lower, manager structure.

H2c: Partner use of structure and manager use of consideration interact to predict team efficacy, such that partner reliance on structure results in greater team efficacy when paired with higher, rather than lower, manager consideration.

Finally, based on these arguments and by applying functional leadership theory, we also examine a three-way dynamic for dual team leaders, as we argue that the positive effects that result when the more powerful and higher status partner exhibits both higher structure and consideration (as predicted in H1a) are likely to be even stronger when the manager also exhibits higher consideration at the same time. As managers have day-to-day responsibilities for leading audit teams, enacting lower consideration could erode team efficacy. As noted, consistency in

behaviors across two leaders enhances teamwork support and encouragement, which builds team efficacy and sends a unified message about leaders' collective beliefs in their team's ability to accomplish tasks. Yet, when members perceive leader behaviors as influencing team efficacy beliefs, they are also attentive to the overall joint leadership effect arising from both leaders. As a result, we predict that a three-way interaction influences a team's efficacy by recognizing that the more powerful and higher status partner's higher use of consideration and structure behaviors are likely to interact with a manager's consideration behaviors due to their day-to-day oversight of team members. We posit that team efficacy beliefs are strengthened when a partner uses higher task-focused and person-focused behaviors at the same time a manager uses higher person-focused behavior:

H3: Partner use of consideration and structure jointly interact with manager use of consideration to predict team efficacy, such that partner reliance on consideration and structure results in greater team efficacy when paired with higher, rather than lower, manager consideration.

The Mediating Role of Team Efficacy

Team efficacy plays a key role in influencing team success by mediating the influence the dual leaders' taskwork and teamwork behaviors have on two team outcomes, performance, and viability (Chou et al., 2013). We follow IMO models of team effectiveness (Ilgen et al., 2005; Srivastava et al., 2006) that position team efficacy as an emergent state that mediates between team inputs, such as team leadership, and outputs, including team performance and viability. We argue that in audit teams, the interactive effects of both leaders' structure and consideration behaviors work collectively through team efficacy to influence team performance and viability.

Empirically, meta-analyses show when members perceive team leaders as providing support for taskwork and teamwork, team efficacy rises (Judge et al., 2004). Second, prior research has also consistently demonstrated positive effects of collective efficacy on both team performance and team viability. For example, Gully et al.'s (2002) meta-analysis showed that collective efficacy was positively related to team performance; and Stajkovic et al. (2009) replicated these findings. Quinteiro et al. (2016) found a strong relationship between team collective efficacy and team viability. Third, tangential evidence comes from the empowering leadership literature, which demonstrated that team efficacy mediates the effects of empowering leadership on team outcomes (Chou et al., 2013; Srivastava et al., 2006). This led us to propose:

H4a: Partner (Manager) use of consideration and structure interact to predict team performance and team viability via team efficacy, such that partner (Manager) reliance on consideration results in greater team performance and team viability when paired with higher, rather than lower, partner (Manager) structure [H1a (H1b)].

H4b: Partner use of consideration and manager use of consideration interact to predict team performance and team viability via team efficacy, such that partner reliance on consideration results in greater team performance and team viability when paired with higher, rather than lower, manager consideration [H2a].

H4c: Partner use of consideration and manager use of structure interact to predict team performance and team viability via team efficacy, such that partner reliance on consideration results in greater team performance and team viability when paired with higher, rather than lower, manager structure [H2b].

H4d: Partner use of structure and manager use of consideration interact to predict team performance and team viability via team efficacy, such that partner reliance on structure

results in greater team performance and team viability when paired with higher, rather than lower, manager consideration [H2c].

H4e: Partner use of consideration and structure jointly interact with manager use of consideration to predict team performance and team viability via team efficacy, such that partner reliance on consideration and structure results in greater team performance and team viability when paired with higher, rather than lower, manager consideration [H3].

METHODS

Transparency and Openness

In the following sections, we describe our sampling procedure, including reliance on an independent research institute to gather and manage the data, as well as the measures used in the study. Although the surveys are available upon request, given the proprietary nature of our data and consistent with the secure data processing agreement each of the audit firms and authors signed to ensure anonymity (reference is made to the Data Transparency Appendix), the data are not openly available. We used SPSS 26 and AMOS 26 to analyze the data.

Sample and Procedure

In accordance with our Institutional Review Boards, we recruited participants from the 10 largest audit firms in a European country through an independent research institute.¹ Given our focus on studying dual-leader effects in teams, we focused on teams working on client audit engagements. Audit teams typically consist of an audit partner, an audit manager, and audit staff (e.g., assistant managers, senior associates, junior staff) who jointly work on completing annual financial statement audits of organizations (i.e., clients), reflected in the auditor's opinion as part of the clients' audited financial statements. Typical audits are episodic throughout various audit

¹ The identity of this research institute is masked for journal review purposes but has been disclosed to the Editor.

phases in between intervals when teams adjourn. Audit team composition differs across clients, and these are “fluid” project teams with members who differ in skills and hierarchical rank (Hollenbeck et al., 2012), and whose members may change from year-to-year. Audit engagement partners are ultimately responsible for signing the audit opinion on a client’s financial statements, but partners and managers jointly lead teams serving clients (i.e., dual-leader effects).

We collected survey data via two consecutive online surveys, one focused on leadership behaviors and the other on team functioning. To avoid survey fatigue, we distributed surveys over a three- to six-week period completed by partners, managers, and audit staff from a selection of audit teams, sampling among one-third of the audit partners from each of the 10 firms. We selected two teams for each partner that met several criteria, including that the audits involved at least 250 hours of audit work, were from a variety of industries, and consisted of smaller and larger audit clients from listed Public-Interest-Entities (PIE) as well as private companies. Thus, we selected 392 audit teams comprising 2,856 individuals to participate.

Audit team members rated both the partner’s and manager’s leadership style, and we used the aggregate of observer ratings, including matched partners and managers, to depict how leaders typically behave. We then asked participants to assess the audit teams, and we used the aggregate of all team members’ ratings to measure team efficacy. To reduce common source bias and because the partner is the ultimate leader responsible for evaluating team outcomes, we measured team performance and team viability of the target teams through single partner-only-ratings from the team survey. We further reduce common method bias concerns using interaction terms to analyze moderated, and not just mediated, leadership effects (Siemsen et al., 2010).

Our sampling efforts yielded a total of 2,299 observer responses (from 1,950 unique respondents) assessing leadership styles of 235 partners (1,170 responses, yielding a response

rate of 41%) and 371 managers (1,129 responses, yielding a response rate of 39%); and 1,287 observer responses of 379 audit teams for the team survey (from 1,075 unique respondents, with a response rate of 45%). Because our hypotheses focus on the dual leadership of the partner-manager dyad, those partners and managers included in the study had to provide matched partner and manager responses of each other and at least two team-specific observer ratings. Our final sample consisted of 92 dual-leader-team combinations, comprising 77 unique partners and 89 unique managers nested within 93 teams, for which we received matched partner and manager responses. Complete matched observer-ratings for those 93 dual-leader teams resulted in 882 responses assessing the leadership style of the 77 partners (493 unique ratings, mean = 6.40 raters) and 89 managers (389 ratings, mean = 4.37), 448 team member ratings of team efficacy for 93 teams (mean = 4.82), and 93 partner-only ratings of team performance and team viability.

Partners had an average age of 46.5 years (SD = 6.4), average functional tenure of 7.6 years (SD = 6.1), average team tenure of 3.0 years (SD = 1.7), and were 17 percent female (16 female, 77 males [n = 93]; but only 14 unique females and 63 unique males [n = 77]). Managers had an average age of 42.1 years (SD = 7.6), average functional tenure of 5.2 years (SD = 4.7), average tenure on the team of 3.2 years (SD = 2.4), and were 23 percent female (21 female, 72 male [n = 93]; but only 68 unique males [n = 89]). The partners reported working with the matched managers on average 16.4% of their time over the past year; and the managers with the matched partner 30.4% of their time, depicting familiarity between leaders, for which we control.

Measures

We used 5-point, Likert-type scales (1 = strongly disagree, 5 = strongly agree) for all measures. Items were slightly adapted to the audit team context where appropriate to ensure understanding by our participants.

Individualized Consideration. In the leadership survey, we asked participants to describe the behavior of their leader by responding to six items adapted from the LBDQ consideration scale (Lambert et al., 2012; Rosen et al., 2019; Stogdill et al., 1962). Items assessed included: “This leader is concerned for personal welfare, builds mutual trust and collaboration; provides encouragement and support; and emphasizes collaboration” ($\alpha = .88$; ICC(1) = .15, .23 and ICC(2) = .54, .57 and $r_{wg(j)} = .84$ and .82 for partners and managers, respectively).

Initiating Structure. Participants rated leaders’ initiating structure behavior using four items based on Rosen et al. (2019) and Lambert et al. (2012), including: “assigns tasks, roles and responsibilities, and coordinates team activities; checks on progress, maintains definitive performance standards” ($\alpha = .84$; ICC(1) = .16, .22; ICC(2) = .55, .56 and $r_{wg(j)} = .72$ and .78 for partners and managers, respectively).

Team Efficacy. In the team survey, participants rated the degree to which team members share a sense of confidence in their team’s capacity to mobilize task-specific team competence using five items adapted following Riggs et al. (1994) and used by Chen et al. (2005) and Hoyt et al. (2003). Example items included: The team “is totally competent and capable of performing all of our audit tasks” and “is confident about its ability to complete the audit successfully” ($\alpha = .81$; ICC(1) = .17, ICC(2) = .50; $r_{wg(j)} = .90$).

Team Viability. In the team survey, the partner rated each team’s capability to maintain team viability over time. We used the 3-item team viability scale employed by Barrick et al. (1998), and sample items included: “This team should not continue to function as a team” (reverse-scored), and “This team is capable of working together again in the future” ($\alpha = .83$).

Team Performance. In the team survey, the partner rated the team's overall performance using Barrick et al. (1998) 5-item team performance scale, e.g., "This team completes its tasks on time" and "This team makes sure that audit services meet or exceed service standards," ($\alpha = .84$).

Control Variables. To account for possible confounding effects, we controlled for leaders' gender in line with previous research (Barrick et al., 1998). To capture familiarity between the dual leaders jointly leading the teams, we measured their familiarity with each other through self-ratings. We broadly considered familiarity, assessing both familiarity and liking. We examined each of these facets separately, but as the results were similar, we report our results using the aggregated 4-item familiarity scale (Barrick et al., 1994), including: "I believe I know this manager very well professionally," and "I really enjoy working with this person" ($\alpha = .86$).

To test for potential non-independence concerns related to the 77 partners and 89 managers leading the 93 teams, we compared results from a partial team-level OLS regression to a two-level HLM regression analysis with partners as the level 2 grouping variable and team as level 1, and found similar results to those reported below, whether predicting team efficacy or team performance and team viability, after accounting for full mediation. Thus, we found robust results for comparative regression results of partner consideration and partner initiating structure on team performance and team viability, allaying non-independence concerns.

RESULTS

Table 1 presents the descriptive statistics for the study variables. As expected, significant positive correlations are reported between the leadership styles and team efficacy, as well as between team efficacy and team performance and team viability. To test the hypothesized model shown in Figure 1, we compared a series of nested models through path modeling (see Table 2). We gauge model fit by reporting the standardized root mean square residual ($SRMR < .10$ are

acceptable; $< .08$ are excellent), the Comparative Fit Index (CFI $> .90$ are acceptable) and chi-square values to test the relative fit of nested models (Mathieu et al., 2019); and we use one-tailed tests because all hypotheses were directional and theory-driven (Pedhazur, 1997). Adding the mediating variable of team efficacy (model 1, SRMR = .076; CFI = .799) enhanced the fit of the data to the same model just with control variables and without the mediating variable (SRMR = .180; CFI = .091, untabulated). Fit improved further after including the hypothesized two-way leader interactions for the partner and manager (model 2, SRMR = .067; CFI = .825), especially after adding the three hypothesized interactions between the two dual leaders (model 3, SRMR = .060; CFI = .892). Yet, the best fit indicators were reported with the hypothesized model, including the three-way combined leadership interaction (model 4, SRMR = .057, CFI = .905).

Path coefficients for the leadership behaviors in our dual leader structure throughout all analyses reported in Table 2 shows the importance of the partner's use of individualized consideration for building team efficacy ($b =$ between .36 to .42, $p < .01$ in models 1 to 4). This effect occurs even after accounting for the manager's consideration behaviors ($b =$ between .01 and .17, all *ns* in models 1 to 4) and either leader's initiating structure prior to including any of the dual leader interactions ($b =$ is between .07 and .21, all *ns*, except the managers use of structure on team efficacy only in model 1, $b = .21$, $p < .05$). Results also show team efficacy is an important mediator of the leadership effects arising from the dual leaders' behaviors, even after accounting for our proposed interactions, as we discuss next.

Hypotheses 1a and 1b examine whether a single leader complementary interaction exists, that either the partner's or manager's use of structure and consideration behaviors jointly interact to predict team efficacy. Results failed to support hypothesis 1a or hypothesis 1b, as both the

partner's leadership behaviors (Table 2, model 2, $b = .08$, *ns*), and the manager's leadership behaviors (consideration with structure) did not interact as posited (Table 2, model 2, $b = .09$, *ns*).

Hypotheses 2a – 2c examined the interactive effects of leadership behaviors across the two leaders, acknowledging the full potential of the dual-leader setting. Hypothesis 2a predicted a supplementary effect in that team efficacy would increase when both the partner and manager exhibited higher consideration. As shown (Table 2, model 3, $b = .32$, $p < .05$), the results support the “Power of Consideration.” Figure 2 shows the positive influence partner consideration has on team efficacy becomes even more strongly positive when simultaneously working with a manager who is also higher on consideration (simple slope: *Higher Manager Consideration*, $b = .20$, $p < .01$), while the positive effect of the partner's consideration is not significant when combined with a manager lower on consideration (*Lower Manager Consideration*, $b = .03$, *ns*). This reveals that when *both* leaders are higher in consideration, this interaction (H2a) accentuates the increase in team efficacy.

Hypotheses 2b and 2c tested complementary interactions that the relationship between one leader's consideration behaviors and team efficacy would be more positive when the other leader uses high structure behavior. Although we do not find support for H2c ($b = .05$, *ns*), the results of model 3 in Table 2 show a significant effect of manager structure behavior moderating the positive effect of partner's consideration on team efficacy (H2b). Yet, contrary to our thesis, we find a negative moderating effect ($b = -.28$, $p < .05$), which suggests a substitution interaction rather than an accentuating interaction. Figure 3 shows the partner's higher use of consideration is positive on team efficacy regardless of whether the manager exhibits higher or lower levels of structure. At the same time, in the absence of the manager's use of structure, gains in team efficacy are largely due to the partner's increased use of consideration (simple slope: *Higher*

Manager Structure, $b = .04$, *ns*; *Lower Manager Structure*, $b = .19$, $p < .01$). This demonstrates the use of consideration by the partner is important. Yet, Figure 3 also reveals when partner consideration is lower, higher manager use of structure preserves team efficacy compared to when the manager is lower in structure. Thus, structure by the manager may substitute for the partner's lower use of consideration, but not when the partner's use of consideration is higher.

Analysis of hypothesis 3 reveals some evidence for the importance of the partner's complementary interaction between the two leadership behaviors (model 4, partner consideration and structure, $b = .23$, $p < .05$), as the single leader's (partner) interaction did accentuate the relationship with team efficacy, but only after accounting for the interactions posited across the two leaders. The positive influence of the higher status partner's consideration on team efficacy, found throughout our analyses, becomes even greater when the partner uses higher levels of structure (simple slope: *Higher Partner Structure*, $b = .18$, $p < .01$; *Lower Partner Structure*, $b = .08$, *ns*, untabulated) supporting hypothesis 1a, but only after accounting for the dual team leader structure. In contrast, although the partner's interaction effect between consideration and structure thus is significant, the manager's interaction between consideration and structure behaviors, when treated as a single leader in model 4, is not ($b = .13$, *n/s*, untabulated). This provides more evidence that the higher status partner's behaviors ("Power of the Partner") are particularly important to team efficacy.

Second, continuing the analysis of the three-way interaction, the partner's use of consideration and structure jointly interact with manager's use of consideration to predict team efficacy, yielding a significant effect (model 4, $b = -.31$, $p < .05$). Careful inspection of this three-way interaction (Figure 4) finds further evidence supporting the "Power of the Partner," as the positive relationship between partner consideration and team efficacy is accentuated by

higher partner structure when the manager is simultaneously higher in consideration (simple slope: *Higher Partner Structure, Higher Manager Consideration*, $b = .17$, $p < .01$), but we also see this effect regardless of whether the manager is higher or lower in consideration (*Higher Partner Structure, Lower Manager Consideration*, $b = .18$, $p < .01$). At the same time, results also show evidence for the “Power of Consideration,” as the positive relationship that partner consideration has with team efficacy is accentuated by higher manager consideration, regardless of whether the partner is higher (simple slope: *Higher Partner Structure, Higher Manager Consideration*, $b = .17$, $p < .01$) or lower in structure (*Lower Partner Structure, Higher Manager Consideration*, $b = .14$, $p < .05$). The one instance when the positive relationship between partner consideration and team efficacy is not accentuated occurs when there is neither a powerful partner (partner is lower in structure) nor does the power of consideration (manager is lower in consideration) reside in the dual-leader structure (simple slope: *Lower Partner Structure, Lower Manager Consideration*, $b = .01$, *ns*). Results for Hypothesis 3 reveals a substitution effect, thus either the combined enhancing effects predicting team efficacy emerge from the interaction of two leadership behaviors of the single leader, depicting the “Power of the Partner”, or when both leaders exhibit higher consideration behaviors, underscoring the “Power of Consideration.”

Conditional Indirect Effects (H4a – H4e)

Hypotheses 4a to 4e examined the mediating role of team efficacy between the task-focused and person-focused leadership behaviors in our dual leader team structure by testing conditional interactions for the hypothesized combinations of behaviors to two key team outcomes: team performance and team viability. Results reported in Table 2, model 1, confirmed that team efficacy was strongly and positively related to both team performance ($b = .35$, $p < .01$) and team viability ($b = .53$, $p < .01$). Furthermore, consistent with mediation, our results showed

relatively modest correlations between leader behaviors and team outcomes (Table 1), as there were no direct effects found for these two leader behaviors on either team performance or team viability once team efficacy is introduced as mediator in the model, while significant direct effects and leader behavior interactions do relate to team efficacy (model 1 to model 4).

Table 3 reports the (conditional) direct, indirect, and total effects for the hypothesized interactions for which we found support in our results. First, the indirect and total effects reported are consistent with the direct interactive effects found for hypotheses 1a, 1b, 2a, 2b, 2c, and 3. Second, following Edwards and Lambert (2007), results support that the indirect and total simple effects of high and low levels of the moderators of our hypothesized interactions are significant, confirming the indirect effects significantly differ consistent with our main findings at different levels of partner or manager structure (H4a), manager consideration (H4b and H4e), and manager structure (H4c). Third, we used the index of moderated mediation (Hayes, 2015) to test the significance of our hypothesized interactions, confirming that the indirect effects on both team performance and team viability are significantly different at different levels of the hypothesized moderators, except for H4e and team viability. Although the indirect effects for H4e on team performance are significantly different at different levels of manager consideration behavior ($IMM = -.04, p < .05$), they are not on team viability ($IMM = -.06, ns$). Thus, our results show full mediation of team efficacy, as the hypothesized interactive effects of partner structure and manager consideration moderate the positive relationship between partner consideration behaviors (found in all hypotheses, except H2c, that was never supported) and team efficacy, ultimately affecting team performance and team viability through team efficacy.

Robustness Checks

To better understand our findings and ensure no other dual leader interactions existed, we tested alternative three-way non-hypothesized models. As Table 4 shows, the fit of our best fitting hypothesized model was slightly better than the non-hypothesized alternative three-way interactions shown in models S1 and S2. In model S1, results did not support an alternative three-way interaction model ($b = -.10, ns$) that structure would have to come from the manager rather than the partner when both leaders use consideration, further supporting the “Power of the Partner.” In model S2, results also did not support a second alternative three-way interaction ($b = -.27, ns$), proposing that team efficacy is higher when both leaders show higher structure while higher consideration is exhibited by the partner but not the manager, mirroring hypothesis 3 with high consideration from both leaders when the partner exhibits high structure.

We also test a non-hypothesized two-way interaction for partner and manager use of structure behaviors, mirroring hypothesis 2a for consideration behaviors, and fail to support this interaction (model S2, $b = .04, ns$). This finding coupled with the failure to find meaningful results for a manager’s use of structure and consideration behaviors (Table 2, model 2, $b = .09, ns$), shows the manager does not match the partner’s influence. After conducting our robustness checks, we have repeatedly found that alternative three-way interactions were non-significant. This coupled with our hypothesized results fails to support either the “Power of the Manager” or the “Power of Structure” effects across the two leaders. Although the alternative three-way interactions were not significant (e.g., models S1 and S2), the results for hypotheses 1a, 2a, and 2b again were significant. This combined with earlier findings confirming the importance of our hypothesized interactions shows that the higher-status partner’s use of structure has more impact than the manager’s use of structure when building team efficacy (“Power of the Partner,” models

S1, S2) and that both leaders use of consideration (“Power of Consideration”) is more impactful than both leaders use of structure, as “task masters” do not enhance team efficacy (models S2).

DISCUSSION

A key feature of today’s teaming arrangements in organizations is that they are often led by two different leaders in what are known as dual team leader structures. Although over 50 years of research on team leadership has led to a convergence around the effects of single team leaders on team outcomes, problematically little research exists examining effects of dual team leaders. This leaves scholars and practitioners in the dark as to the efficacy and viability of *two* team leaders in dual-leader structures. Our results clearly reveal single leader teams do not show the total leadership effect achievable in dual-leader teams, which must account for interactive effects between the higher-level leader’s behaviors and across both leaders’ teamwork behaviors.

Single-leader studies primarily focus on the higher-level leader and often omit effects from other leaders (captain or lead surgeon; not the first officer or another doctor). By applying functional leadership theory as our overarching theoretical framework, we advance understanding of the effects partner and manager leaders’ use of relationship-oriented teamwork via consideration and goal-demanding taskwork via structure behaviors have on team efficacy. We find partial evidence that the higher status partner does have greater leadership influence in a dual-leader team but only after recognizing interactive effects across the two leaders’ behaviors. These results functionally suggest that when the higher-level partner chooses to focus on their internal managerial responsibilities by leading the team via the use of more consideration and structure, and not just pursue an external focus working with clients, the audit action team attains the highest levels of team efficacy, supporting the “Power of the Partner” effect. But this effect only emerges after accounting for the dual leader interactions across behaviors, underscoring the

importance of considering both leaders' influence in dual leader teams. For example, we do find that, as expected, team efficacy is especially likely to increase when either the partner or both leaders use more consideration behaviors and thus establish strong bonds with team members, especially when the partner actively structures team taskwork. This reveals that when *both* leaders exhibit higher consideration by providing support and coaching to team members, they find it easier to accept and follow the strong directive and demanding aspects of taskwork structure initiated by the partner, underscoring the "Power of Consideration" leadership behaviors. This highlights the inadequacy of treating studies with multiple formal team leaders as having one single leader. Next, we discuss key theoretical implications and limitations.

Theoretical Implications

Our findings have several important implications for team leadership research. First, we extend classic research on dual-leader structures in matrix organizations, which often focuses on the "dual-boss" conflict that can exist between functional and project leaders, as they pursue different objectives. This research found that matrix organization employees often reported being pulled in different directions, and thus primarily focused on how to overcome this "dual-boss" conflict and reconcile competing goals being promoted by these leaders (Dunne et al., 1978). In contrast, our audit team context allowed us to examine the effects of two leaders with the same objective: to oversee successful audit team performance and team viability by completing a high-quality financial statement audit that also satisfies clients. This enables us to move beyond the quality of these relationships to focus on the effects from team leaders' leadership behaviors.

We make a substantive theoretical contribution by applying functional leadership theory to establish why positive teamwork and taskwork leadership behaviors, from two unique leaders with different levels of authority who must share leadership responsibility while being jointly

held accountable for team outcomes, are able to improve team performance and team viability via enhanced team efficacy. Note that our research differs from that on shared leadership, which centers on how team members, rather than formal team leaders, share leadership responsibilities in a team (Carson et al., 2007; Zhu et al., 2018). Importantly, understanding how leader behavior-team outcome relationships occur in dual-leader structures can provide actionable guidance on ways leadership from two functioning leaders can have positive synergistic effects on team efficacy. This extends research that almost exclusively examined the dual-boss conflicts inbuilt in matrix structures to show that two leaders' leadership jointly enhances team outcomes.

Second, we extend the seminal research that has been conducted on initiating structure and individualized consideration behaviors. Nearly all existing research on these two leadership behaviors has been conducted only in single team leadership contexts, and prior single-leader meta-analyses that show both leadership behaviors positively relate to important team outcomes, such as team productivity and effectiveness (Burke et al., 2006). What was currently unknown is whether two formal leaders' total influence, including interactive effects between structure and consideration, predicts team outcomes when they are jointly directed at building team efficacy.

Guided by functional leadership theory, we recognized that partners have an important influence on team functioning due to their externally-oriented focus on clients and greater hierarchical authority, which in turn strengthens their internally-oriented managerial actions directed at team members and managers, even though such actions may be relatively limited. We find gains in team efficacy and, ultimately, team performance and viability are maximized in our dual leader setting when the high status, more powerful leader (i.e., audit partner) exhibits a higher level of structure and a higher level of consideration ("Power of the Partner"). However, these findings were only significant when we also accounted for the manager's day-to-day

contributions. We also break new ground by demonstrating interactive effects across two different leaders, such that team efficacy is greater when both leaders are high in consideration (“Power of Consideration”). Together, these two effects underscore the need to explore the influence of both leaders’ leadership behaviors. Although we find the higher-level leader is particularly important to building team efficacy, to discover this we must account for both leaders’ behaviors, especially their use of consideration.

A key question we raised is team success maximized when the two leaders both exhibit one leadership behavior at the same time (consideration), or when they exhibit different leader behaviors simultaneously (consideration and structure)? We did find supplementary support for higher team efficacy when both leaders are higher in consideration and complementary support when the partner is lower in consideration and the manager is higher in structure, but we did not find support for the reverse (i.e., when the partner is higher in structure and the manager is lower in consideration). Building on this theorizing, we also found a three-way interaction when both leaders were highly considerate or the higher-status partner used both higher taskwork and higher teamwork, team efficacy had the greatest gain. Thus, we support a supplementary approach with higher consideration behaviors from both leaders, revealing the “Power of Consideration,” while also finding complementarity, especially when the higher status leader uses both higher taskwork and teamwork behaviors, revealing the “Power of the Partner.”

A finding that warrants more discussion results when both the partner and manager used higher levels of consideration behavior, team efficacy was significantly enhanced. This is a clear departure from existing research on consideration because single team leadership studies clearly could not have demonstrated this effect. To our knowledge, we are the first to show this “Power of Consideration” effect in a dual-leader team structure, meaning that team members will

respond more positively when there are multiple sources of consideration aimed at them. And consistency of these behaviors likely makes collaboration easier between team members and team leaders. As we argued, building up a team's sense of collective efficacy is closely tied to the consideration behaviors of coaching, demonstrating support, and displaying encouragement to team members. In contrast to much of the single team leadership research that showed structure was more important for team success, we argue (and our findings show) that functionally it is teamwork or consideration alone, and not taskwork or structure alone, that is critical for team efficacy to thrive. These findings underscore the need to study the joint effects of both leaders, as examining the manager alone does not show evidence of a main effect for the manager's use of consideration. Only after we consider the total leadership capability of both team leaders (Morgeson et al., 2010) do we fully realize the impact of consideration behaviors. Clearly, consistency in consideration in dual-leader structures matters, as does the more powerful partner's behavior via teamwork and taskwork behaviors directed towards a team.

Finally, our study has implications for the overarching theory we used to develop our theoretical model – functional leadership theory. Morgeson et al. (2010) applied functional leadership theory as a lens to critique existing team leadership research. One key limitation they identified, and that served as an impetus for our research, is that almost all existing team leadership research examined single sources of leadership. As a result, prior research often has underestimated the total leadership capacity of teams and, problematically, left the field with little understanding about how different sources of leadership “interact in a dynamic way” (Morgeson et al., 2010, p. 28). We took this critique to heart in designing our study to be able to directly examine how different hierarchical sources and responsibilities of leadership in an audit team context influence team efficacy and, ultimately, team performance and viability.

Another specific area Morgeson et al. (2010) pointed to in need of theoretical and empirical investigation is to directly examine how both externally-focused and internally-focused leaders work together to influence critical team outcomes. Our audit team context provided fertile ground for just such an investigation, as we incorporated the influence of both externally-focused partner leaders and internally-focused manager leaders on audit team outcomes. Such investigations of leadership sources coming from both outside and inside teams are rare, and we answer Morgeson et al.'s call to investigate a broader set of leadership sources in teams. In doing so, we extend research that only examined either externally-focused (e.g., sponsor, coach) or internally-focused (e.g., team leader, supervisor) team leadership, by demonstrating that team outcomes can be enhanced by a dynamic interplay between both external and internal leaders' leadership behaviors simultaneously. We also find evidence that the external leader may be more influential, posited and shown by "Power of the Partner" effects. By incorporating both sources, we move closer to capturing Morgeson et al.'s conception of the team's total leadership capacity.

Managerial Implications

Because so many teams today are led by more than one team leader, our findings have actionable recommendations for organizations using dual team leadership structures. First, organizations should ensure that both initiating structure and individualized consideration receive strong emphasis by dual team leaders, with audit partners (in our setting) directing action by applying structure and both leaders (partners and managers in our setting) using consideration. That is, "it takes two to make a team go right." Leaders can be trained on both leadership behaviors, and they should coordinate their actions in such a way as to complement each other.

Second, to take fruit of the "Power of Consideration" that we found, organizations should ensure that both leaders exhibit high levels of consideration behaviors to build up team member

team efficacy beliefs. This finding is contrary to that taken in research on action teams, which has focused on the effects of taskwork or structure behaviors (Farh & Chen, 2018). Unlike structure behaviors, when two leaders both use consideration, they send a powerful, consistent message to their team members to have the confidence to tackle their performance challenges head-on. Like our audit action teams, who experience dynamic membership changes over time, building up team efficacy through consistent use of consideration behaviors from both leaders is particularly critical for teams that have fluid and ever-changing membership, whose work is episodic, and starts and stops multiple times during phases of taskwork. Such behaviors could include actively listening to team members, building mutual trust, emphasizing collaboration, showing concern for team members' welfare, while also providing encouragement and support.

Finally, in team structures that have leaders with higher hierarchical responsibilities that are externally-oriented and team leaders that are internally-oriented with more day-to-day team involvement, our "Power of the Partner" findings support organizational efforts to ensure that the externally-oriented partner leaders exhibit both structure and consideration behaviors, while the internally-oriented managers use more consideration. Our findings are particularly surprising, as audit partners often report not having much to do with audit employees below the manager level, as they typically choose to focus on external client relations. Yet, our results reveal that the audit team's dominant leader, the partner, needs to be more collaborative in nature. Hence, when both the partner and manager are more fully engaged with leading the audit team, it attains more success. Practically, this is a critical finding as our results provide evidence not only to the firm, but to inspectors and regulators asking (e.g., the new ISA 220, International Standard on Auditing, effective December 2022) that partners should embrace the leadership role in the team and in doing so, we find teams perform better and are more viable in the future. That is, team

efficacy benefits most when teams are led by the “Power of the Partner,” particularly when both leaders also employ “Power of Consideration” leadership behaviors for better performance.

Limitations and Future Research

Notwithstanding our main theoretical and managerial contributions, as with all research, ours is not without limitations, which can provide fruitful avenues for future research. First, although we collected our data through two consecutive surveys and used distinct sources of data (i.e., team members, managers, and partners), accounted for leadership by two different leaders, and examined interactions between these leadership behaviors to reduce common method bias, we cannot unequivocally demonstrate causation. Yet, we did rely on the commonly used IMO framework of team effectiveness to justify the positioning of constructs in our theoretical model. Nevertheless, we do recommend that future research use experimental designs to support the causal nature of the dual leadership behavior variables on our mediator, team efficacy.

Second, as we collected our data in the specific team context of audit engagement teams, questions about generalizability could arise and, even though we theorized the greater importance of consideration over structure behaviors, our results may be due to the specific “fluid” nature of an audit team in combination with the standardized structuredness of an audit. Yet, we would note that dual team leadership structures are used in a wide variety of industries and contexts, and so our expectation is that the audit team context does represent a common approach to team leadership functioning and is similar to other knowledge intensive teams (e.g., consulting, law) in which leaders interact and collaborate towards a common goal. We do encourage future researchers to replicate and extend our findings in other dual-leader teams.

Third, although team efficacy is a widely examined construct illustrating agency and motivation in the teams literature (Tasa et al., 2007), particularly as a mediator of leadership and

other team input effects, there are other theoretically plausible choices for team mediating mechanisms between leadership and team performance and viability (e.g., team trust, empowerment, cohesion, psychological safety). We encourage future researchers to expand the nomological network of mediators of dual team leadership effects on team outcomes. Similarly, we included only team performance and viability as team outcomes largely because they capture both current and future success, yet we encourage researchers to examine a wider array of team outputs (e.g., proactivity, satisfaction, customer service). Also, we focused exclusively on initiating structure and individualized consideration as our two leadership behaviors. Despite their close theoretical alignment with the two primary team needs of taskwork and teamwork, there are other functional leadership behaviors (e.g., authentic, empowering, transformational, transactional leadership) that could conceivably influence team efficacy as well as other team mediators and outcomes, and we encourage future researchers to examine these possibilities.

Finally, although we did examine and found moderation effects in terms of leadership behaviors emanating from different leaders, including a complex three-way interaction effect, while controlling for several team leader attributes, there could be contextual or situational moderators potentially influencing the effect of these leadership behavior interactions on team outcomes. For example, the effects of structure and consideration behaviors could be influenced by aspects of organizational structure, such as more mechanistic or organic arrangements. Similarly, aspects of organizational culture, such as tight vs. loose cultures, could also play a role. We urge future researchers to explore the moderating role of the organizational context.

Conclusion

Our research reveals that single-leader studies of team leadership cannot inform scholars or practitioners about the influence two team leaders have in dual-leader team structures. The

growing prevalence of dual team leader structures in today's complex teaming arrangements in organizations underscores the need for additional study on how and why unique leadership behaviors from two hierarchically distinct team leaders, arising from two differing sources of responsibilities, can drive team efficacy. We respond to the call to "ensure that we are capturing and embracing the complexities of current team arrangements and seeking to better understand them" (Mathieu et al., 2008, p. 463), by conducting our study with dual leaders in audit action teams. Our findings expand our understanding of (dual) leadership theory, with evidence of the "Power of the Partner" and the "Power of Consideration" shown in a three-way interaction.

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TABLE 1
Descriptive statistics and correlation among variables

Variables	Mean	s.d.	1	2	3	4	5	6	7
1 Team Performance	3.96	0.51							
2 Team Viability	4.05	0.56	0.78 **						
3 Team Efficacy	3.90	0.30	0.39 **	0.55 **					
4 Partner Individualized Consideration	3.78	0.34	0.21 *	0.25 **	0.58 **				
5 Partner Initiating Structure	3.41	0.42	0.16	0.27 **	0.49 **	0.68 **			
6 Manager Individualized Consideration	3.77	0.49	0.24 **	0.27 **	0.44 **	0.39 **	0.35 **		
7 Manager Initiating Structure	3.83	0.46	0.23 *	0.26 **	0.39 **	0.26 **	0.24 *	0.77 **	
Partner Gender	0.17	0.38	0.04	-0.06	-0.13	-0.12	0.00	-0.12	-0.10
Manager Gender	0.23	0.42	0.00	0.03	0.17	0.13	0.07	0.18 *	0.10
Leaders' Familiarity with each other	4.08	0.48	0.31 **	0.26 **	0.31 **	0.40 **	0.29 **	0.37 **	0.12

Notes: $n = 93$ teams. ** $p < .01$; * $p < .05$ (one tailed)

TABLE 2
Comparative moderated mediation path models

Variables	Model 1		Model 2	Model 3	Model 4
	Team Efficacy	Team Performance	Team Viability	Team Efficacy	
Leaders' Familiarity with each other	0.09 (0.09)	0.21 (0.10) *	0.10 (0.09)	0.09 (0.09)	0.09 (0.09)
Partner Gender	-0.06 (0.08)	0.10 (0.09)	0.02 (0.09)	-0.06 (0.08)	-0.06 (0.08)
Manager Gender	0.09 (0.08)	-0.06 (0.10)	-0.07 (0.09)	0.10 (0.08)	0.10 (0.08)
Partner Consideration	0.36 (0.12) **			0.37 (0.12) **	0.42 (0.12) **
Partner Structure	0.15 (0.11)		0.11 (0.11)	0.12 (0.12)	0.10 (0.13)
Manager Consideration	0.02 (0.14)		0.02 (0.14)	0.17 (0.16)	0.16 (0.17)
Manager Structure	0.21 (0.13) *		0.21 (0.14)	0.07 (0.15)	0.10 (0.14)
Mediation: Team Efficacy		0.35 (0.10) **	0.53 (0.09) **		
Hypothesized 2-way moderated mediations:					
<i>Hypothesized Within-leader interactions</i>					
Partner Consideration X Partner Structure (H1a)				0.08 (0.07)	0.23 (0.10) *
Manager Consideration X Manager Structure (H1b)				0.09 (0.07)	
<i>Hypothesized Dual-leader interactions</i>					
Partner Consideration X Manager Consideration (H2a)				0.32 (0.17) *	0.11 (0.13)
Partner Consideration X Manager Structure (H2b)				-0.28 (0.15) *	
Partner Structure X Manager Consideration (H2c)				0.05 (0.15)	0.09 (0.17)
Hypothesized 3-way moderated mediations:					
Partner Consideration X Partner Structure X Manager Consideration (H3)					-0.31 (0.07) *
SRMR		0.076		0.067	0.057
CFI		0.799		0.825	0.905
Chi-square (CMIN/DF)		8.388		5.971	4.784

Notes: n = 93 teams. ** p < .01; * p < .05 (one-tailed). All variables are standardized in analyses, thus values in parentheses are standard errors. SRMR = standardized root mean square residual. CFI = comparable fit index.

TABLE 3
Conditional indirect interaction effects

Variables	Team Performance				Team Viability			
	First stage effect	Second stage effect	Indirect effect	Total effect	First stage effect	Second stage effect	Indirect effect	Total effect
2-way moderated mediations:								
H4a (1): Partner Consideration X Partner Structure (H1a)	0.08	0.35 **	0.03	- 0.03	0.02	0.53 **	0.04	- 0.04
Lower level of Partner Structure	0.31 **	-	0.11 **	- 0.11 **	0.02	-	0.17 **	- 0.17 **
Higher level of Partner Structure	0.42 **	-	0.15 **	- 0.15 **	-	-	0.22 **	- 0.22 **
Difference	0.11	-	0.04	- 0.04	-	-	0.05	- 0.05
H4a (2): Manager Consideration X Manager Structure (H1b)	0.09	0.35 **	0.03	- 0.03	0.02	0.53 **	0.05	- 0.05
Lower level of Manager Structure	-0.05	-	-0.02	- -0.02	-	-	-0.02	- -0.02
Higher level of Manager Structure	0.08	-	0.03	- 0.03	-	-	0.05	- 0.05
Difference	0.13	-	0.05	- 0.05	-	-	0.07	- 0.07
H4b: Partner Consideration X Manager Consideration (H2a)	0.32 *	0.35 **	0.11 *	- 0.11 *	0.10 *	0.53 **	0.17 *	- 0.17 *
Lower level of Manager Consideration	0.09	-	0.03	- 0.03	-	-	0.05	- 0.05
Higher level of Manager Consideration	0.65 **	-	0.23 **	- 0.23 **	-	-	0.34 **	- 0.34 **
Difference	0.56	-	0.20 *	- 0.20 *	-	-	0.30 *	- 0.30 *
H4c: Partner Consideration X Manager Structure (H2b)	-0.28 *	0.35 **	-0.10 **	- -0.10 **	-0.09 *	0.53 **	-0.15 *	- -0.15 *
Lower level of Manager Structure	0.62 **	-	0.22 **	- 0.22 **	-	-	0.33 **	- 0.33 **
Higher level of Manager Structure	0.12	-	0.04	- 0.04	-	-	0.06	- 0.06
Difference	-0.50 *	-	-0.17 *	- -0.17 *	-	-	-0.27 *	- -0.27 *
H4d: Partner Structure X Manager Consideration (H2c)	0.05	0.35 **	0.02	- 0.02	0.02	0.53 **	0.03	- 0.03
Lower level of Manager Consideration	0.07	-	0.03	- 0.03	-	-	0.04	- 0.04
Higher level of Manager Consideration	0.17	-	0.06	- 0.06	-	-	0.09	- 0.09
Difference	0.09	-	0.03	- 0.03	-	-	0.05	- 0.05
3-way moderated mediations:								
H4e: Partner Consideration X Partner Structure X Manager Consideration (H3)	-0.31 *	0.35 **	-0.11 *	- -0.11 *	-0.04 *	0.53 **	-0.17 *	- -0.17 *
Lower level of Manager Consideration	0.28 *	-	0.10 *	- 0.10 *	-	-	0.15 *	- 0.15 *
Higher level of Manager Consideration	0.04	-	0.02	- 0.02	-	-	0.02	- 0.02
Difference	-0.24	-	-0.08 *	- -0.08 *	-	-	-0.13	- -0.13

Notes: n = 93 teams. ** p < .01; * p < .05 (one-tailed), analyses based on bias corrected bootstrap percentile method. H4a based on model 2 of Table 2, H4b, H4c, and H4d based on model 3 of Table 2, and H4e based on model 4 of Table 2.

TABLE 4
Robustness test on alternative mediation path models

Variables	Model S1	Model S2
	<i>Team Efficacy</i>	
Leaders' Familiarity with each other	0.12	0.105
Partner Gender	-0.06	-0.08
Manager Gender	0.10	0.10
Partner Consideration	0.39 **	0.39 **
Partner Structure	0.12	0.15
Manager Consideration	0.19	0.00
Manager Structure	0.15	0.22
<i>Mediation: Team Efficacy</i>		
Partner Consideration X Partner Structure (H1a)		0.29 *
Manager Consideration X Manager Structure (H1b)	0.15	
Partner Consideration X Manager Consideration (H2a)	0.37 *	
Partner Consideration X Manager Structure (H2b)	-0.35 *	0.03
Partner Structure X Manager Consideration (H2c)		
<i>Alternative 3-way moderations tested:</i>		
Manager Consideration X Manager Structure X Partner Consideration	-0.10	
Partner Structure X Manager Structure		0.04
Partner Consideration X Partner Structure X Manager Structure		-0.27
<i>SRMR</i>	0.059	0.058
<i>CFI</i>	0.885	0.900
<i>Chi-square (CMIN/DF)</i>	5.161	5.049

*Notes: n = 93 teams. ** p < .01; * p < .05 (one-tailed). All variables are standardized in analyses. SRMR = standardized root mean square residual. CFI = comparable fit index.*

Figure 1 – Theoretical model

The dominant role of partner individualized consideration in a dual team leader context moderated by partner initiating structure (H1a, H1b) and manager's individualized consideration and initiating structure behavior (H2a, H2b, H2c, H3), on team efficacy, and ultimately (H4) on team performance and team viability.

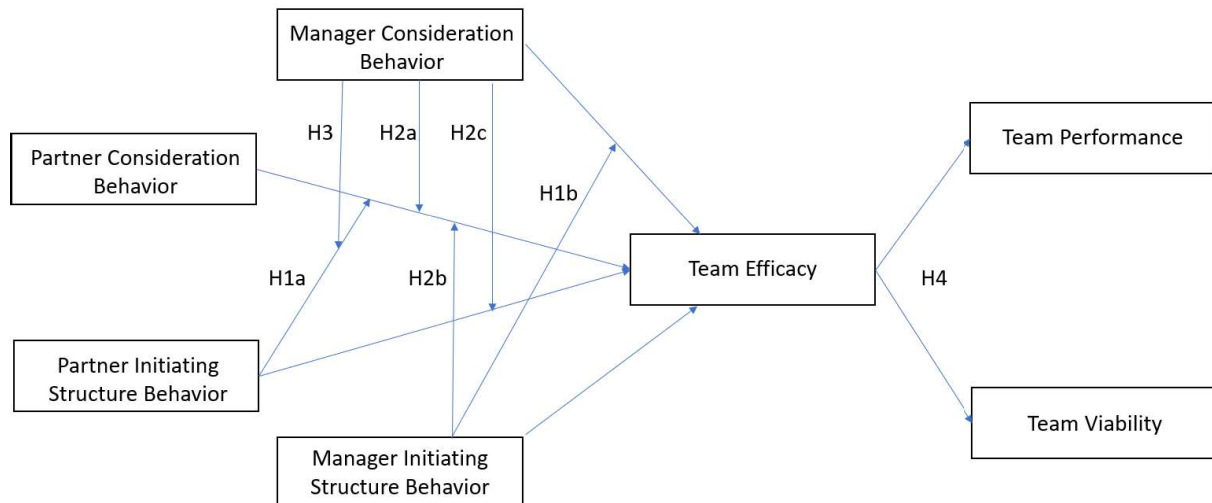
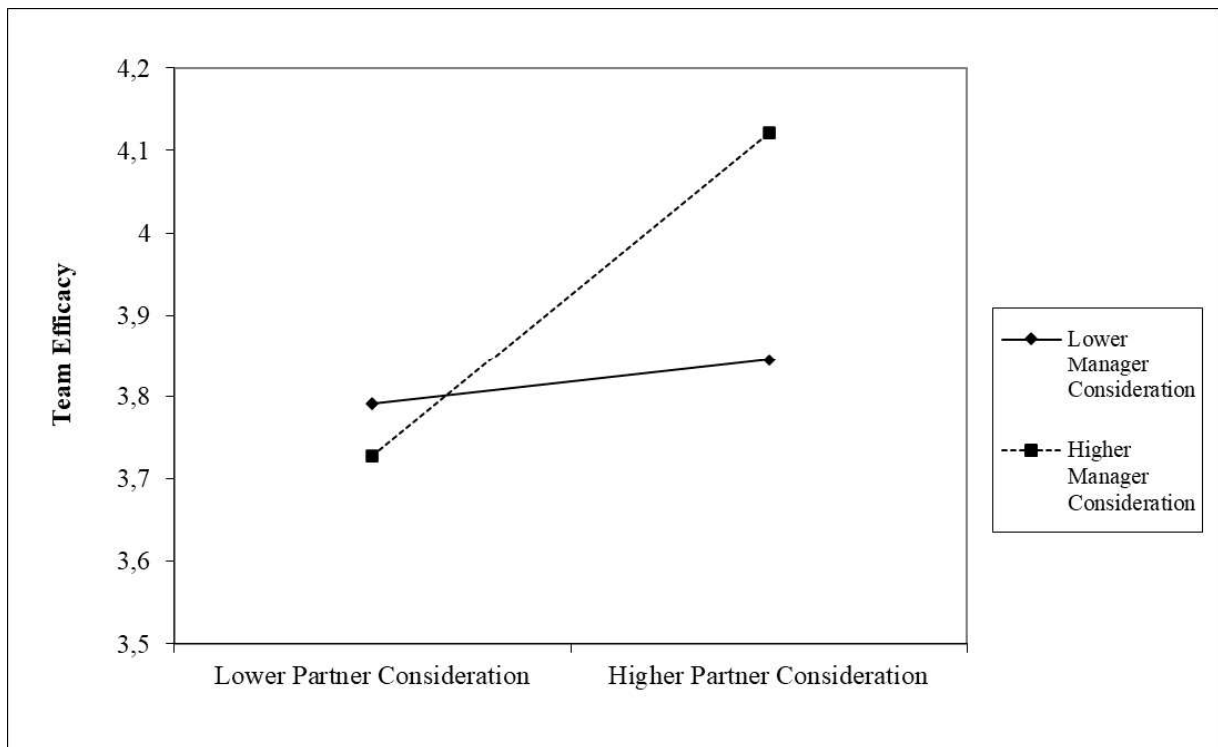
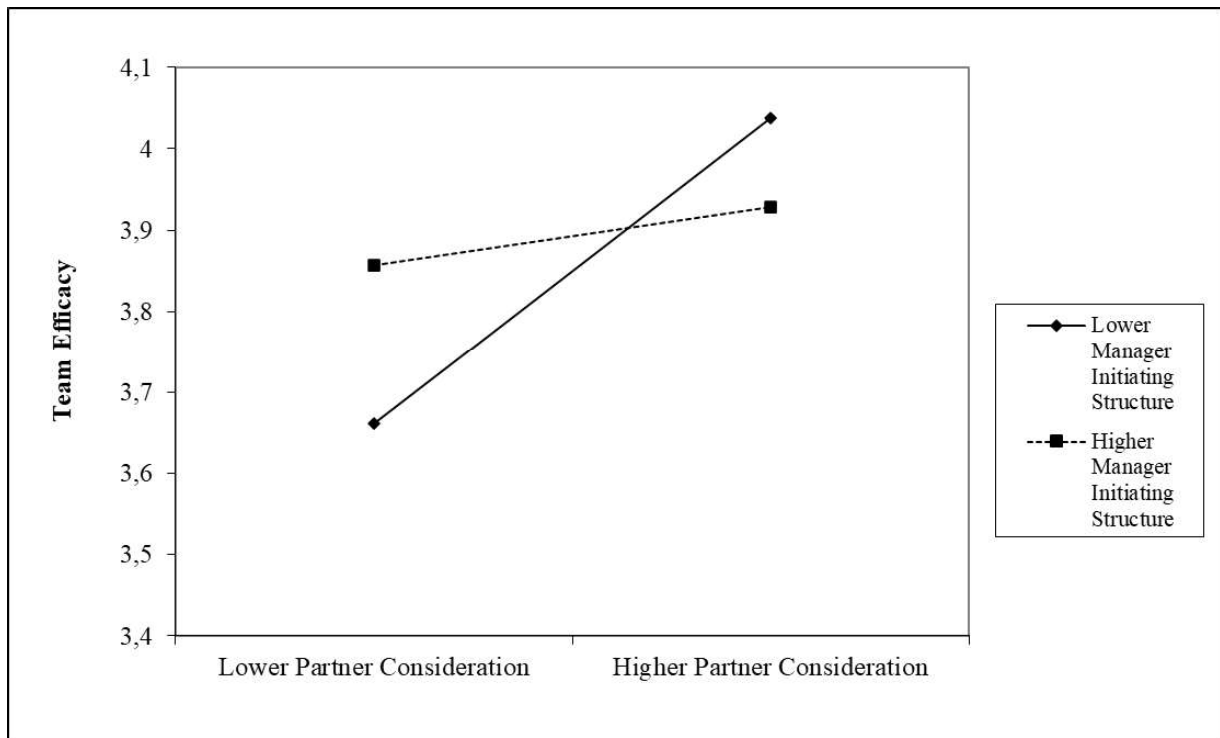


Figure 2 – Moderating Effect of Manager Individualized Consideration on the Relationship between Partner Individualized Consideration and Team Efficacy (Hypothesis 2a)



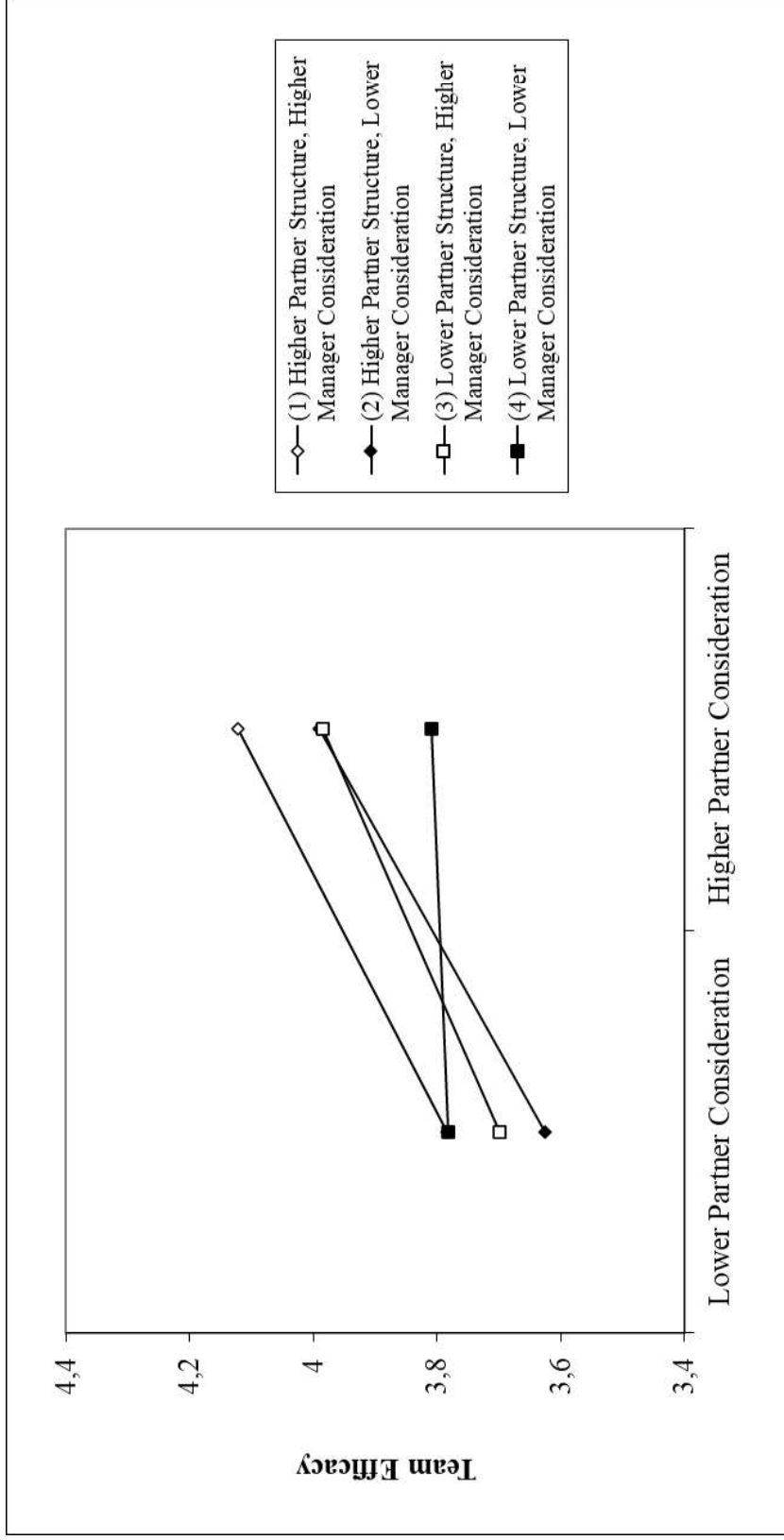
Notes: $n = 93$ teams. The moderating effect of the manager's consideration (± 1 SD) on the relationship between the partner's consideration on team psychological efficacy (Hypothesis 2a): simple slope *Lower Manager Consideration*: $b = .03$, *ns*; simple slope *Higher Manager Consideration*: $b = .20$, $p < .01$.

Figure 3 – Moderating Effect of Manager Initiating Structure on the Relationship between Partner Individualized Consideration and Team Efficacy (Hypothesis 2b)



Notes: $n = 93$ teams. The moderating effect of the manager's structure (± 1 SD) on the relationship between the partner's consideration on team psychological efficacy (Hypothesis 2b): simple slope_*Lower Manager Structure*: $b = .19$, $p < .01$; simple slope_*Higher Manager Structure*: $b = .04$, *ns*.

Figure 4 – Three-Way Moderating Effect of Partner Initiating Structure and Manager Individualized Consideration on the Relationship between Partner Individualized Consideration and Team Efficacy (Hypothesis 3)



Notes: n = 93 teams. The moderating effect of both partner's structure and manager's consideration (+/- 1 SD) on the relationship between the partner's consideration on team psychological efficacy (Hypothesis 3): simple slope_Higher Partner Structure, Higher Manager Consideration: $b = .17, p < .01$; simple slope_Higher Partner Structure, Lower Manager Consideration: $b = .18, p < .01$; simple slope_Lower Partner Structure, Higher Manager Consideration: $b = .14, p < .05$; simple slope_Lower Partner Structure, Lower Manager Consideration: $b = .01, ns$.

Data Transparency Appendix

Our data comprise survey data from and with regards to employees from the 10 largest audit firms in a European country², gathered anonymously through an independent research institute³. This research institute is an independently operating scientific research institute that is committed: a) to deliver excellent academic research, b) conducted by the best academics within the audit field, that c) focuses on enhancing the knowledge of what makes a good audit today and d) improving the sustainability of audit practices. The institute pursues these objectives by conducting relevant and rigorous academic research on the drivers of audit quality, in collaboration with the 10 currently affiliated audit firms in this European country.

By applying specific protocols and established methods geared towards working with confidential data, the 10 affiliated audit firms provide researchers access to research subjects needed for defined research projects. In addition to Sampling and Procedures reported in the paper, we note that the survey invitations were distributed through the research institute and included a personalized survey link to safeguard anonymity of both the respondents and the preloaded leader and team (and firm) reference name. The resulting data were anonymized in such a way that names and other identifiers of individuals, teams, or clients were replaced by unique anonymized IDs. Hence, the data made available to the authors has been anonymized.

The research team received full access to the data through the research institute's remote secure research environment. Each audit firm is designated with an individual data platform and cannot access any other firms' platforms. This means that, once data are uploaded, the authors were able to access the same platform and access (but not download on their local machines) the

² These audit firms are the Big 4 (Deloitte, EY, KPMG, and PwC) and the Next 6 mid-tier firms (are Accon AVM, Bakertilly, BDO, Flynth, Grant Thornton, and Mazars).

³ The identity of this research institute is masked for journal review purposes, but disclosed to the journal editor.

data, secured by individual passwords for each access, but only in the remote research environment. All the data analyses are processed within this virtual environment through a fully equipped “remote desktop.” This remote secure research environment is managed under application of a Data Processing Agreement signed by each of the 10 audit firms. The data continue to be stored securely at the research institute for a period of 10 years.

Given the sensitivity of the data, all data are subject to strict confidentiality agreements. Each of the authors signed a Non-Disclosure Agreement. Apart from these confidentiality agreements, there were no restrictions laid upon the authors to publish certain results. We note, however, that the proprietary nature of the data and the confidentiality agreements also imply that the neither the data nor the syntax used to analyze the data in the remote secure environment can be shared openly.