Leadership Conflict resulting from Combined Leadership Styles and Cognitive Values of Dual CEO's in Nonprofit Arts Companies

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Introduction

Many nonprofit arts organizations have a long tradition of a dual leadership structure. Two leaders (the Artistic Director and the General Manager) jointly occupy the CEO position and report equally to the Board of Directors. This structure usually divides the organization's leadership functions, that is, artistic responsibilities and marketing/funding/financial management.

There are some nonprofit arts organizations where this duo operates in a complementary and productive fashion. Some recent literature has reported that "co-leaders" in other sectors can be very functional (Gronn 1999; Whit ford 2000). In other nonprofit arts situations, however, the toxic quality of the leadership relationship spreads dysfunctional behaviour throughout the organization (Castener 1997). The variation in the viability of the relationship is a key dynamic in understanding the health of these organizations. Without a solid relationship at the top, the strategic vision will become fragmented and conflicted. The lack of clear communication and well developed relationships with stakeholders prevents these resource dependent organizations from being effective (Pfeffer and Salancik 1978; Pfeffer 1981; Heimovics, Herman et al. 1993; Heimovics, Herman et al. 1995). In this theoretical paper, a conceptual framework is developed that attempts to explain some of the variation in the nature of leadership relationships in these organizations. The paper examines two constructs as predictors of levels of conflict between the leaders: leadership style and leadership cognitive values.

In order to enhance understanding of the two independent variables of this framework (leadership style and cognitive values), this paper draws on literature from the leadership field, work on the stakeholder approach, and readings on cognition. First, in looking at the leadership literature, the styles that a leader may manifest are described (charismatic or transformational. versus transactional) (Bass 1960; House 1977; Burns 1978; Bass 1985; Avolio and Bass 1987). In nonprofit arts organizations, the creative product is the result of production; innovation is a key competitive factor. These organizations function in an environment where evaluation is subjective and criteria are changing (Steers 1975; Kanter and Summers 1986). They are in a resource dependent state (Pfeffer and Salancik 1978; Pfeffer 1981). Working with stakeholders is a major activity for the leaders of these organizations (Heimovics, Herman et al. 1993: Heimovics, Herman et al. 1995; Tshirhart 1996). Most academics or practitioners might assume that charismatic or transformational would be the most appropriate leadership style since unusual thinking and inspiration are necessary for innovation. In addition, confidence and moral conviction are useful for the politics of a resource dependent organization. This literature assumes that leadership is embodied in a single person (Gronn 2002). In a dual CEO structure, the various combinations of different or similar styles of the two individuals could have an impact on the congruence or conflict in the leadership relationship.

Second, descriptive stakeholder literature (as opposed to normative or instrumental) (Wood 1994; Mitchell, Agle et al. 1997; Rowley 1997; Agle, Mitchell et al. 1999; Frooman 1999) provides some analysis of how an organization and its stakeholders may interact and why. Authors of this literature hypothesize that an individual CEO's personal cognitive values about self-regarding and other-regarding will affect the CEO's view of stakeholders and how that CEO would work with the variety of stakeholders involved with the company (Wood 1994; Agle, Mitchell et al. 1999). Because nonprofit arts organizations are resource dependent and very environmentally sensitive, the effect of the variation in the combinations of the co-leaders' cognitive values will

also be important to understand. These constructs in a dual leadership combination have not been previously considered.

The approach proposed above should lead to an understanding of how the combinations of leadership styles and cognitive values of the two CEOs would impact on the level of conflict between the dual leadership partners and, therefore, on the effectiveness of the organization's leadership. In order to develop a conceptual framework, the paper is structured in the following manner: first, we examine the context of literature within which the arguments and framework have been developed; second, we provide definitions and further examination of the constructs; third, we develop a framework and propositions; fourth, we comment on research issues; and we conclude with a discussion of potential useful applications.

Literature Review

As mentioned above, this paper draws on literature from three fields: the literature on leadership particularly material regarding transformational (or charismatic) and transactional leadership styles; work using the descriptive stakeholder approach; and cognition.

1. Leadership

a) Transformational or Charismatic versus Transactional Leadership Styles

The literature on leadership during the last four decades has evolved from Burns' study of a number of major historical figures and their leadership styles (Burns 1978). This development has placed a significant focus on transformational or charismatic leadership (Bass 1960; House 1977; Bass 1985; Bennis and Nanus 1985; Tichy and Devanna 1986; Avolio and Bass 1987; Conger and Kanungo 1987; Sashkin 1988; House and Shamir 1993). These theories of transformational, charismatic, values based, or visionary leadership portray leaders as driven by strongly and confidently held values, as articulate and compelling communicators, and as both trust worthy and personally unselfish (Bass 1960; Bass 1985).

The leader is ... someone who must attempt and succeed in raising colleagues, subordinates, followers, clients, or constituencies to a greater awareness about the issues of consequence. This heightening of awareness requires a leader with vision, self confidence, and inner strength to argue successful for what he (sic) sees is right or good, not for what is popular or is acceptable according to established wisdom of the time (Bass 1985) p. 17.

The increasing sophistication in the study of this leadership style has been the result of a concern for change and adaptability that arises from an increasingly dynamic and competitive environment (House and Aditya 1997). The development of transformational leadership into the form of "charismatic" and "values based" leadership (House 1977; House and Shamir 1993; House 1996) demonstrated a heightened interest in the leader's ability to inspire, and thus enhance followers' commitment to the leader and the organization. This commitment motivates performance beyond normal expectations (Bass 1985). The dependence of the leader on the followers' trust and willingness to engage with the vision and values of the leader has been highlighted.

...the charismatic leader is accepted by followers because both the leader and the follower perceive the leader as possessing a certain extraordinary gift. This "gift" of charisma is seldom specified and generally held to be some mysterious quality that defies definition. In actuality the "gift" is likely to be a complex interaction of personal characteristics, the behavior the leader employs, characteristics of followers, and certain situational factors prevailing at the

time of the assumption of the leadership role. The literature on charismatic leadership repeatedly attributes three personal characteristics to leaders who have charismatic effects, namely: extremely high levels of self-confidence, dominance, and a strong conviction in the moral right eousness of his/her beliefs. (House 1977) p. 193

Some scholars have argued that there are noteworthy distinctions amongst each of these variations on transformational leadership (Leithwood, Jantze et al. 1999). However, House and Shamir provided evidence that much of this variation is related and grouped together as charismatic (House and Shamir 1993). The argument in this paper uses the latter definition and makes no distinction between transformational and charismatic.

Transactional leadership, on the other hand, appeared less attractive, especially in situations where change is involved (Bass 1960; Bass 1985), but also in nonprofit and arts organizations where inspiration and innovation were important. The transactional style involved a negotiation of the nature of activities and expected outcomes, related to the followers' instrumental interests and the organization's needs.

Transactional leaders mostly consider how to marginally improve and maintain the quantity and quality of performance, how to substitute one goal for another, how to reduce resistance to particular actions, and how to implement decisions (Bass 1985) p. 27

Bass explained that leaders may combine the two styles, that is, transformational and transactional in varying degrees along a continuum (Bass 1985). Kuhnert and Lewis (1987) developed Bass's notion. Transactional leadership style may be more nuanced, with two levels of development: one that is purely focused on specific achievements and remuneration or status improvements, and the second more rooted in a values orientation. At the second level, mutual respect and understanding played a role. However, they did portray the transformational style as the highest evolution of maturity and development (Kuhnert and Lewis 1987).

House, Avolio, and others focused exclusively on the one "charismatic" leadership style, and implied that there is no alternative to this approach (Avolio and Bass 1987; House and Shamir 1993). This more recent emphasis on the charismatic style appeared to have removed the transactional style from favour and left it with a negative sheen. It will be useful in the context of this paper to recall Bass's proposition of a continuum of styles or a couple of levels of this approach (Bass 1985; Kuhnert and Lewis 1987), and to consider the rehabilitation of the transactional style in combination with a different but compatible style in a co-leader; the result may be low conflict.

b) Single versus Dual Leadership Structure

Among recent criticisms of the charismatic theory of leadership, the emphasis on one single person who is in the limelight has been mentioned (Bass 1960; House 1977; Bass 1985; Avolio and Bass 1987; House and Aditya 1997). Observers of contemporary leadership practices in both for profit and nonprofit organizations have reported rare examples of co-leadership that is either completely equal or nearly so (Heenan and Bennis 1999; Heenan and Bennis 1999; Whitford 2000). These practices were used as examples that provide normative perspectives about why this can work.

"Distributed" leadership has been a recently developed theory of leadership that counterbalances the singularity of the charismatic or transformational style (Gronn 1999; Gronn 2002). The choice of "distributed" leadership, which is more democratic in nature, implies that substantial

sharing of the senior management/leadership responsibilities (most often a CEO with a significant number two or two people anywhere in the organization) is a more effective mode for profit or nonprofit organizations in the context of complex and dynamic external environments. Gronn (1999) was inspired by a study of the management of the Timbertop private school (made famous by Britain's Prince Charles as a student) during the 1970's and 1980's where the founder and the head master of the annex section of the school worked closely together. At that time, Gronn developed a theoretical frame to understand distributed leadership in a variety of structures (Gronn 2002) but his work is without other empirical support. His underlying point of view has been normative. He has framed leadership sharing only as a beneficial effect on the organization. There has been no acknowledgment that there may be conflict and variation in the congruity and viability of this leadership structure.

Heenan and Bennis (1999) used a different examples in order to demonstrate a similar point: that sharing leadership between a CEO and a significant second would be beneficial to the organization. Also normative in tone, their work looked at a range of examples of co-leadership and characterized the nature of the relationships as positive for the organization; this encouraged consideration of the benefits of "co-leadership" (Heenan and Bennis 1999; Heenan and Bennis 1999). The criticism of the work by Heenand and Bennis (1999) is similar to that of Gronn (2002). There is no analysis of variation in conflict in "co-leadership".

In the academic literature, the qualities of a single leader studied were derived from the historical interest in theoretical explanations for "great men" as important influences on major changes in politics, social movements, and corporations (Bass 1985; Krohe 2000). The late 20^{th} century was the occasion of a tremendous increase in the focus on "star" CEOs in the media and with the general public (Krohe 2000; Editor 2002). On the practitioner side of business, generally accepted principles indicated that any kind of power sharing by a CEO worth the job would not work (Troiano 1999). However, the possibility for sharing has presented itself more extensively than in the past because of the increase in the number of mergers and acquisitions (Troiano 1999). There have been a few examples of two CEOs working out their relationship in order that they may share the power once the merger has taken place, but the skepticism remains within the larger practitioner community (Troiano 1999; Whitford 2000). The question of why one partnership worked and another didn't has not been researched in a balanced manner, even in the work by Heenan and Bennis (1999) and Grohn (2002).

It is within the context of the discussion about mergers and acquisitions that a look at the dual CEO model of the majority of nonprofit performing arts organizations becomes interesting and useful. As well, these are not the only organizations with this structure (e.g., hospitals, universities, journalistic media, engineering firms, etc.) and so interest may be quite widespread.

c) Ethics, Self-Interest, and Narcissism

A possible negative side of charismatic leadership has been little explored by the literature. Even though the literature described this kind of leader as personally unselfish, the leader's power and influence might allow for subtle manipulation for personal ends disguised as concem for a cause. While some authors classified negative figures in history as transformational, others did not. Bass (Bass 1985) mentioned this issue as part of a debate with Burns (Burns 1978) and House (1977) (House 1977). Bass weighed in on the inclusion side of the argument; he argued that Hitler made significant change happen in his particular context on the basis of some clearly articulated values. He argued that, for many Germans at the time, Hitler's leadership was a validating and invigourating experience, at least in the initial years of his leadership (Bass 1985).

Avolio and others would argue, however, that the definitional of charismatic leadership included a check on the possibility for personal gain. This kind of influential leadership did not occur simply as a result of individual traits. The circumstances and the followers provided the context within which the leadership would be possible (Avolio and Bass 1987). Demonstrated integrity and honesty, a concern for the larger enterprise, and the ability to engender followers' trust, it has been argued, were essential for an effective charismatic leader (Avolio and Bass 1987; Avolio and Locke 2002). Self-interest would not be tolerated by followers. However, "impression management" has also been acknowledged as part of the charismatic leadership style (Choi and Mai-Dalton 1998; Avolio and Locke 2002; Sosik, Avolio et al. 2002) and this aspect of the style could become manipulative, even to the extent of becoming "Machivelian" (Christie and Geis 1970; Sosik, Avolio et al. 2002). This potential for abuse presents a question about the presumed altruism of charismatic leaders.

Psychologists, using psychotherapeutictheory, have also considered the narcissistic potential of charismatic leaders (Maccoby 2000; Lubbit 2002). In their practitioner oriented work on "narcissistic" leaders, Maccoby (2000) and Lubit (2002) examined the parallels between the traits of charismatic leadership and narcissism. Their cautionary and didactic work with regard to the psychological profile of narcissism has been an anecdotal, not empirical, substantiation for their points of view, that is, narcissistic leaders could "move mountains" because they are convinced of their own point of view, would fight regardless of the opposition, and would devote tremendous energy to the accomplishment of the mission. Yet, at a certain point in time, their motivation was self-interested, and this became counter-productive for the organization and abusive of the followers involved (Maccoby 2000; Lubbit 2002). The authors did not make direct reference to charismatic theory, but they appeared to address the popular notion of a leader with charisma and used examples of high profile, dynamically successful leaders to demonstrate their points. Viewing charismatic leaders through the lens of narcissism darkened the positive sheen that underlay the normative orientation of charismatic leadership theory.

Finally, on another front, but reflecting a similar concern, literature on nonprofit organizations has most often assumed that the self-interest described in agency theory applied to for-profit organizations only, and that the mandate of the nonprofit sector ensures that this behaviour didn't appear there (Golden-Biddle and Rao 1997). The authors of a recent ARNOVA Abstract acknowledged this limitation and commented on the "limited explicit attention given to negative aspects of nonprofit organizations and the nonprofit sector" (page 1) in the "Dark Side of Nonprofits" (Christensen, Clerkin et al. 2002). While overtly self-interested behaviour in this sector would probably be censored, a situation could be used for the purposes of legacy in the name of a cause, especially in an arts context. Evaluations in the nonprofit field are subjective, that is, not profit driven, and nonprofit organizations are political by nature (Heimovics, Herman et al. 1995). Therefore, impression management might be subtly used in this context to gain credibility, greater power, and further personal legitimacy. Commentators seemed reluctant to address this notion, except in cases of overt criminal negligence. Still, concerns expressed regarding accountability in the sector reflected some unease.

In summary, there are many facets of self-interest in a leader. The leadership literature has only recently addressed this, and the nonprofit literature is nervously concerned about the ethics involved. Neither had faced it and its implications fully. The stakeholder literature provides another perspective on self-interest and its implication for stakeholder relations. It is the stakeholder definition that this paper extends in order to find a more neutral fashion to understand its implications for this issue.

2. Stakeholder Theory and Cognition

As mentioned earlier, the construct of self-interest has had a long tradition in the literature through agency theory (Berle and Means 1932; Jensen and Meckling 1976; Fama and Jensen 1983; Eisenhardt 1989). The consistency of this trait from one leader to another has been the focus of an interesting debate throughout the literature on organization theory (Granovetter 1985; Perrow 1986). The literature of stakeholder theory has assumed that this cognitive value differs from one CEO to another, and that this variation will influence how CEOs view the salience of different stakeholders vis-à-vis the organization (Mitchell, Agle et al. 1997; Agle, Mitchell et al. 1999). These authors developed the notion of self-interest for application within stakeholder theory. They have developed the labels of "self-regarding" and "other-regarding," in a continuum from "profit-maximization-firm-centered" values on one end, to "other-regarding-system-centered" values on the other (Wood 1994; Agle, Mitchell et al. 1999).

For artists, the notion of "art for art's sake," which developed during the 19th century and was refined during the 20th century in Western high art circles (Becker 1982), is an extension of this construct of self-interest. In the context of this tradition, artistic directors may be motivated to view nonprofit arts organizations narrowly as vehicles for producing new creations or exceptional performances that contribute to "great art" and a legacy. Their interest in these achievements may not be related to the financial health of the organization. Even general managers of nonprofit arts organizations may find opportunities to build a personal legacy, such as the development of a large audience and/or major financial security for the organization. Such initiatives demand compromises from the artistic director.

Pfeffer (1979) would argue that, in a highly resource dependent organization, the leader has limited influence on the organization's strategy. In contrast Hambrick and Mason (1984) acknowledged the influence of the organization's environment and stakeholders but they also theorized that there was at least some singular influence on strategic decision making by the leaders of an organization. These decisions are shaped by the background and values of the individuals involved in "upper echelon" decision making (Hambrick and Mason 1984).

The empirical research on nonprofit organizations done by Heimovics, Herman and Jurkiewicz (Herman and Heimovics 1990; Heimovics, Herman et al. 1993; Heimovics, Herman et al. 1995) also acknowledged the resource dependence and political nature of these organizations. However, they too have analyzed the central leadership role that the CEO played in successful nonprofit organizations. In the debate in the literature on the nonprofit sphere regarding the preeminence of the CEO or the Board of Directors, these writers came down firmly on the side of the CEO as key in shaping a successful organization. Others have claimed that the board, as the governance body, is the primary policy maker in the organization (Carver 2000). This approach assumed a rational process that was contrary to most research in these organizations. While the board is an important means of defining boundaries and connections with the external partners and funders, the CEO must be effectively managing and directing the board's involvement in the organization and with stakeholders (Herman and Heimovics 1990; Herman and Heimovics 1991; Heimovics, Herman et al. 1993). Therefore, the individual values of the CEO would have an effect on how the CEO plays the political role.

The work by Logsden and Yuthas (Logsdon and Yuthas 1997) enhances the above argument. Their work has extended the construct of the moral development of the individual to the firm as a whole. They felt comfortable with this approach since, they argued, the individual "is" the firm at the senior level. Their model marked the stages of development from self-interest to concerns

for the system and broad social issues. Their work indicated that the personal social values of the leader are very important for the strategic orientation of the firm.

In conclusion, the literature examined as background in this paper provides a useful context for the framework that will be developed later. Although a dual CEO leadership is a structure present in the nonprofit sector, the leadership literature speaks to it only as an anomaly or an ideal, and rarely at that. However, it has been a core concept and practice in the nonprofit sector that required reflection because of its relationship to the central tension between mandate and market. It will be argued in this paper that by deconstructing the combination of leadership styles of the co-leaders, insight about the variable dynamic between the leaders will be provided and, therefore, their mutual effectiveness in leading the organization may be predicted.

The literature shows that cognitive values have an impact on the organization's sense of relationship with its stakeholders. Therefore, this paper also explores the co-leadership's values around self- and other-regarding in order to understand impact of these values on stakeholder relationships. Given the nature of the traditions in the Western high arts regarding "art for art's sake," and the tremendous influence possible with certain leadership styles, this is a particularly salient cognitive value to explore. A framework that enables a closer analysis of the combination of cognitive values and leadership styles may provide some understanding of the level of conflict within the dual leadership dynamic in nonprofit arts organizations (and other similar organizations).

Further elaborations of the key constructs, their limitations in this context, and their potential interaction are examined in the next section, followed by an outline of the framework and a discussion of a number of propositions.

Conceptual Framework and Some Propositions

Constructs and Assumptions

1) Leadership Styles

The two leadership styles that are being examined in this paper are transformational and transactional. These have been defined in previous sections of this paper. There are a variety of conflicts that result from the combination of the two styles. In order to understand the dynamic outlined in this paper's argument, some of the dimensions of these leadership styles need to be explored with reference to conflict.

One of the most important considerations for leaders is the difference in the rate of change that they embrace. Transformational is about radical or revolutionary change, while transactional involves slow incremental or evolutionary change (Bass 1985). When the combination of two leaders involves different styles, the result may be conflicts of priorities and timing. Neither of these would be irreconcilable conflicts, unless other concerns are involved. Conflict would escalate if the difference in style becomes hard to reconcile. For example, the transformational leader might become very impatient with the transactional leader. This person would appear pedantic, plodding, and too rational, compared to the emotional, passionate appeal of the transformational leader. This would affect the ability of the two to negotiate differences in priorities and timing. Ultimately it might paralyze the organization or frustrate one or the other to the degree that that person would leave.

Conflict could also escalate because of the level of support from "followers" within the organization. Differences in power could become a significant factor in a conflictual situation. The power of a transformational leader would be enhanced by support from internal followers and external stakeholders. Although the external stakeholders would probably be resource providers and artistic collaborators, they have become "followers" through leaps of faith generated by the charismatic presence of the leader. As Heimovics and Herman (1995) have indicated, these are very political situations. The conflict about power could become really significant as a result. Ginette Laurin is a celebrated choreographer in Montrreal with her own company. Her general manager is atrained accountant with a very transactional approach to her work. During a maternity leave by this person, Ginette worked with a very charismatic replacement. For a time, the presence of this new person prompted Ginette to make moves to retire the accountant on leave, until the Board members intervened.

Proposition 1a) The pairing of transformational and transactional leaders will result in medium to high levels of conflict

The stereotype of an Artistic Director is most often as a charismatic or transformational figure. The Artistic Director is the personification of the organization's mandate in the context of very subjectively conceived and changing criteria for success (Steers 1975; Kanter and Summers 1986). In such a context, transformational leaders would persuade people through the brilliance of their taste and vision and their confidence in their convictions. They would be very passionate about their personal view regarding the organization's development, according to how they interpret its mandate. This image contrasts with that of the General Manager, who would be stereotyped as charismatic or transformational less often. In this paper, there is no value placed on one style or the other and the appropriateness of one or the other for the role. It will be the combination of the two that becomes the important focus. However, if a General Manager is very charismatic, and the Artistic Director is not, the expectation that most Artistic Directors are charismatic could affect the stakeholders' expectations, and there might be confusion. If a General Manager appeared more in public and was a better communicator than the Artistic Director (as can happen with an Artistic Director whose language is not English), the manager's profile might highlight the perceived limitations of the Artistic Director. This would generate further conflict about power. As an example, Jukka Pekka Saraste, Music Director of the TSO until recently, was a reticent figure when speaking in public. This was highlighted by the very public profile sought by a new TSO manager from New York. Many considerations were involved, but the result was that both left the organization and the relationship was short-lived.

As Heimovics and Herman (1995) have indicated, there is a need in most nonprofit organizations for a politically astute CEO who can manage the board and the major funding stakeholders. It would be very tempting for a Board of Directors to hire someone to fill the position of General Manager with a charismatic individual if the Artistic Director is not so disposed. This would contribute to the public profile of this person and the head-to-head or jealousy driven differences between the two leaders.

Proposition 1b) Because there is an expectation that an Artistic Director will be charismatic, if the Artistic Director is not and the General Manager is, there will be heightened conflict.

2) Self- and Other-regarding Cognitive Values

"Self-regarding," in the descriptive stakeholder literature, means that management concerns itself most with the development of the organization's most immediate objectives, such as improving shareholder value in a for-profit organization. Agle *et al.* (1999) refer to this view as "profit-maximization-firm centred" values. In a dual CEO structure, particularly in the nonprofit domain, this leader would identify exclusively with the particular responsibilities of the role as

outlined in Figure 1. The leader would derive perspectives and a sense of legitimacy from the role, and from the most closely related stakeholders (Figure 2). A leader embracing this value would require that the organization address those responsibilities most effectively.

Because these responsibilities have to do with either the artistic or the market/financial health of the company, each CEO is addressing one or the other of the most fundamental issues for the organization and so would be able to root arguments in favour of this point of view in a morally grounded manner. Because of the fundamental nature of this priority, the rest of the organization would be influenced to accept this perspective as having first claim. For nonprofit arts organizations, "self-regarding" views expressed by the Artistic Director could require a focus on the quality and originality of artistic ideas as developed by the current Artistic Director, regardless of audience or funding interest. For an Artistic Director with this orientation, the long-standing "art for art's sake" legacy becomes a part of the organization's cause. In contrast, a "self-regarding" stance by the General Manager, throughout an annual budget exercise, for example, could require a dominating concern for a budget surplus, or a strong market orientation for the purposes of enhancing the organization's financial well being.

If both leaders are self-regarding, and have the desire to dominate the organization, a conflict of moral values would ensue - not an easy conflict to resolve. The compromises necessary to achieve a high quality and innovative program of interest to an audience large enough to generate a balanced budget would not be easily achieved, if at all, and the organization could quickly evolve into a battleground for the two leaders. Depending on the organization's history of financial health and the strength of its environmental supports, it could linger on or become seriously unstable.

Proposition 2a) The combination of two self-regarding leaders would generate a high level of conflict of values.

"Other-regarding" refers to "other-regarding-system-centred" or, in other words, a concern for the interests of the larger community of stakeholders (Wood 1994; Mitchell, Agle et al. 1997; Agle, Mitchell et al. 1999). Not only would each leader value the responsibilities of the other partner, the leaders would also find the interests of both close and far flung stakeholders ("secondary" in Figure 2) valuable in the organization's strategic decision-making processes. For instance, in the development of its new facility in the east end of Montréal, Cirque du Soleil took great pains to consult with and involve the local community in its building project. However, in financially frugal times, the other-regarding value would be a particularly difficult point of view to maintain (just as it seems to be in the for-profit context), since financial constraints would demand more stringent and narrowly defined priority setting and trade-offs. The General Manager at the Stratford Festival recently was proactive and undertook a major review of salaries, with a resulting increase in salary costs. The Festival has experienced significant surpluses over the past five years.

Proposition 2b) The combination of a self-regarding and an other-regarding leader would generate a high level conflict around values and questions about the boundaries of the organization.

Proposition 2c) The combination of two other-regarding leaders would generate a harmonious and compatible leadership duo with little conflict.

Proposition 2d) If the organization were facing financially restrained circumstances, the leader espousing othe- regarding values would become less influential and conflict between the leaders would ensue.

3) Combining leadership style and cognitive values

Figure 3 provides descriptive profiles for each combination of leadership style and cognitive values for the Artistic Director and the General Manager. These profiles name a number of dimensions that are inherent in the constructs of leadership style and cognitive values. These dimensions include the degree, the speed and nature of change, the extent of growth, attitudes regarding risk, and the nature of the role that the individual leader would play in the organization and within the duo

The first three dimensions listed above relate to leadership style and are closely linked. As mentioned earlier, the two leadership styles have a key difference about relating to change. The other two dimensions, that is growth and risk, also relate to change. At this point in the paper, the three dimensions of change, growth and risk are being kept separate. Empirical work must confirm their distinct natures. The dimension that looks at the role of the leader relates most to the leader's cognitive values. The translation of the cognitive frame held by the leader is seen through how the leader conceives a role and place in relation to others and the leader's responsibilities in the organization. These profiles, which are informed by the previous definitions and clarifications, become the basis from which the paper understands the nature and extent of the conflict between the leaders.

a) Change

The cross-effects of the self- and other-regarding cognitive values might have an interesting effect on the attitude towards change. Self-regarding transactional leaders might view change demanded from other sources as a threat to the security of the financial or artistic well being of the organization; this is the leader's prime concern. This demand exaggerates atransactional leader's resistance to speedy change. The leader would have a very cautious and protective response to the demand for change, especially one coming from a partner. The leader would perhaps view the demand as arbitrary and self-serving. This leader might question the need for any change whatever – especially if it threatens the security of the leader's domain.

Other-regarding and transactional would probably be more open to the notion of change, but the speed with which the organization and the art should approach this change may be a cause for concern. Regardless, other-regarding leaders would be concerned with those interested in making the change and would be willing to negotiate.

Other-regarding and transformational styles would be well suited to someone interested in major strategy that is broad and concerned with the art form and the larger community. The change could be sweeping and transforming. As mentioned earlier, a leader who is interested in this kind of change might be very impatient with someone who did not have this view and who required a rational and analytical approach to change.

b) Growth

Growth is another dimension to consider when developing the profiles. Often growth is intrinsic to the idea of change, although not always. Financial growth is the more obvious manifestation of this notion. Artistic or qualitative growth often involves financial growth because it may require more rehearsal time, hiring performers with higher fees, or using better quality materials.

Yet growth can also be simply qualitative. This kind of growth requires taste and judgment on the part of the Artistic Director or General Manager. If a person chooses to work incrementally within the structure and resources of the organization overtime, there may be very little growth. This person would probably be a transactional leader who is other-regarding. A leader who is less demanding of the organization's resources and, hence, less confrontational, would generate less conflict.

Significant financial growth might well reflect the scope of vision and the ambition of a transformational leader who is intent on major change. This would have a "making waves" effect on the organization, and may well be cause for conflict, depending on the partnership with this kind of leader and depending on the nature of the cognitive values of the ambitious leader. The inclusive vision of an other-regarding leader would consider a broad range of perspectives, be more open to the organization's other needs, and, as such, less conflict generating.

c) Risk

Notable in these profiles is the growing interest in risk that is manifested as one moves from transactional, self-regarding to transformational other-regarding. The variation also occurs across roles. Because other-regarding transactional leaders would consider the views of followers and others involved in the organization, they would negotiate the degree and extent of risk that could be tolerated by the organization. Thus, they would be less demanding of the resources of the organization. The self-regarding transactional leader might be intransigent regarding risk, especially risk that impacts on the artistic quality or financial balance of the organization. These leaders would find the notion of risk to be quite challenging, and would no doubt demand extensive analysis or big hedges in case of failure. Cautious and slow incremental change may be the manner that these leaders use to insure against risk.

Because transformational leaders are interested in dramatic change, risk is necessarily present for these leaders – particularly artistic directors. Once they are persuaded of the vision, followers would perceive it as thrilling and stimulating. Self-regarding transformational leaders would want to take big but calculated risks regarding their own turf; risks that impact other further flung concerns in the organization would be less worrisome or of little interest to this kind of leader unless they addressed the leader's particular interests in the organization. The commitment of followers to transformational, particularly other-regarding, visionary leaders would give them the capability to take these risks. The risks would inevitably involve personal gambles by many of the followers, such as artists or funders. Belief in the ideas of the leader would enable them to overcome the hurdles that their own temperaments might bring to the situation. Erik Bruhn was the Artistic Director of the National Ballet of Canada during the early 1980's. He used the metaphor of "falling off the stage" to describe his challenge to the dancers to take artistic risks on stage. He counterbalanced this risk through an atmosphere of trust that he felt he had generated with the dancers. "I will be there to catch them," he would indicate.

A General Manager would truly embrace risk only in the mode of other-regarding, transformational. Risks involving financial concerns would inevitably remain problematic for these leaders, even in the transformational mode, since financial balance is this leader's central concern and risk could challenge this.

The Artistic Director embraces risk to some degree in all modes. The creation or production of art necessarily involves risk, since it is newly created or newly shaped in a performance or a recording/film. The Artistic Director's sense of risk ranges from "low risk" to "balanced risk" as a transactional leader, through the viewthat the "judgment of critics and peers is feared" to

"critics and peers are partners" as a transformational leader. In the first range, the director would choose work and a style of performance that was closely rooted in the past without much innovation. The past could mean a stylistic past, or the past of the organization. This would be a known approach, and seeking high quality in the status quo or traditional artistic activities would generally be appreciated by stakeholders who have a long association with the organization. Balancing risk, as an other-regarding, transactional leader, involves working with innovation within the status quo or the known. This protects them personally from the tension of external judgments and makes them somewhat self-sufficient. Andre Lewis is the Artistic Director of the Royal Winnipeg Ballet and is a good example of a transactional, other-regarding leader. As a former dancer in the company he appreciates the dancers' strengths and limitations. He has been an acting director on two occasions, and the company's Board of Directors accepted his competence as a result of this experience. His approach to repertoire and the company involves new works that are rooted in the company's skills and talents, including the talents of choreographers, works that are easily toured, and ballets that tell a story. Audiences around the continent are pleased to be entertained by the company, but New York audiences and critics would find the company somewhat lacking in innovation.

The approach of transformational leaders contrasts with that described in the previous discussion. Because their interests would involve significant innovative change, they would be desirous of placing the company in competition with the highest quality performance and cutting edge innovation – in short, in making a contribution to the art. These leaders would be playing for high stakes. Self-regarding leaders would be most dependent on the opinions of peers and critics, who are the tangible external validation of their legitimacy. The need that many Artistic Directors have to perform in New York is a reflection of this dynamic. In contrast, the other-regarding leader would probably generally accept the input from critics and peers as collegial and helpful.

The degree of risk and how it should be managed is inevitably a regular topic of discussion by the leadership duo. In the transactional, other-regarding mode, an Artistic Director would be most able to compromise. However, the moral high ground that a transformational leader would embrace (Bass 1985) would be a potent manner to obtain wide political support for significant risk to the organization.

d) Role in the organization

The leader's role in the organization relates most directly to the cognitive values held by the respective leaders. As transactional, the Artistic Director and the General Manager are more rational and apolitical. Their roles are conservatively conceived, and range from "implementer" to "facilitator" as General Managers and from "placeholder" to "educator" as Artistic Directors. These roles reflect their limited interest in change, but, if they were other-regarding, the roles reflect their interest in others and the degree to which the whole system is part of the leader's organizational view. A "facilitator" indicates a General Manager who is willing to engage with others' ideas and to move the organization forward while considering all issues. In the for-profit world, this person would make a very good Chief Operating Officer. In a similar manner, an "educator" is an Artistic Director who is concemed with the larger community and would be open to engaging with the audience and the artist in order to reveal unique aspects of the art. Yet the role of an educator also implies a reliance on limited risk since new audiences and long term relations would be involved. An interesting example of this last kind of leader was Urjo Kareda, the Artistic Director of the Tarragon Theatre in Toronto for over 20 years until his death a year ago. A dramaturge by profession, he nurtured many new plays into existence at the theatre, but

also generated a strong and regular audience for the organization. His role as educator embraced both the art and the audience in a consistent quality of work over the years that he was leader. The company presented new work, but it was thoughtful and quality based, never sensational. The audience knew what to expect and understood the role of the theatre through the regular nature of the playbill.

An "implementer" or "placeholder" keeps the shop in place and moves forward cautiously, if at all. This role does not exclude deep concern for quality, but the definition of quality is traditionally conceived. Flexibility is limited and, because of that, compromise is difficult. These features appear because of the "self-regarding" orientation. An example of this approach as a General Manager was Gary Thomas at the Stratford Festival. A long-time member of the staff as the accountant, Mr. Thomas was the leader of the administrative affairs for many years. After Richard Monette became the Artistic Director, Thomas's stolid, conservative approach was viewed as too intransigent for the leadership needs of the organization at the time. The conflict between the two resulted in the selection of a new General Manager who is parallel with Mr. Monette in his ideas about the changes needed in the organization.

The transformational leadership palette is an interesting contrast to the mix described above when the roles these people play are examined. Innovation and change, along with growth, are major concerns, and define the essence of these leaders' concerns. Therefore, their roles range from "initiator of internal change" to "entrepreneur" and "network builder" as a General Manager, and from "innovator" and "star" to "visionary for the art form" and "leader who attracts stars" as Artistic Director. In each case, the leaders are increasingly aware of the political nature of the type of organizations in which they are involved. They respond to this awareness with varied instincts (Heimovics, Herman et al. 1995) and use a vision in increasingly broad terms to lead organizations' staffs, artists and stakeholders.

The self-regarding perspective could generate a slightly defensive stance, especially as an Artistic Director, when dealing with critics, on whom the Artistic Director depends for legitimacy. This could limit this leader as a transformational leader. Compromise of their vision for either the General Manager or the Artistic Director would be difficult, and the moral high ground is familiar territory.

In contrast, the "other-regarding" leader has an expansive view of the organization, its place in the community and the larger art form. Connections with the larger community and visionary, humanistic ideas are normal for these leaders. They embody an ideal of an artistic leader. However, there may be concern about how practical this leader might be. As mentioned earlier, they could be impatient with others who do not exhibit the same sense of vision and energy regarding ideas, and there would certainly be conflict as a result. For those artists or staff who report directly to these leaders, the experience would be very stimulating and inclusive, and would provide a political base from which to fight battles, or it would be quite terrifying and threatening if too much risk is involved.

The following section provides the final step in the development of the conceptual framework intended as the work of this paper. The understanding of the combined effect on each role by the two constructs is now in place and Figure 4 can be examined with greater clarity.

4) Conceptual Framework of Leadership Conflict and Propositions

Figure 4 provides an overview of the conflict resulting when the two constructs of leadership style and cognitive values are placed together. The following discussion provides a description of

types of scenarios derived from Figure 4. This exercise provides sometentative insights into the resulting conflict or relative effectiveness of the leadership duo. Each scenario is defined by the combination of leadership styles. Cognitive values of self- and other-regarding are then varied within that scenario.

The dependent construct involves three levels of conflict, that is, high, medium and low. High conflict would be a dysfunctional state generated by conflicts of values, style, and power. These relationships do not generally have a long life and can affect the health of the organization. Medium level conflicts, such as conflicts of timing or priorities, might be able to be negotiated, if the styles if the two leaders are compatible or these conflicts can be unstable and escalate, depending on the nature of the combination of leaders' styles and values. Low conflict reflects a relatively healthy, functional relationship that allows for negotiation, coherent communication, and leadership that motivates a wide range of stakeholders.

High conflict is a dominant feature of the charts, and appears in two of the combinations of almost all the scenarios. These partnerships are not easy to develop in a healthy way.

Low conflict appears in five locations only out of a possible sixteen scenarios. In the majority of the low conflict combinations, the values are both other-regarding. This is intuitively obvious. However, whether these are good combinations for the organization is an interesting question. If both leaders are transformational there is low conflict, but both are also very oriented to risk, and there may not be a great balance in the organization that enables the management of risk. Similarly, the combination of other-regarding and transactional would tend to create an organization that may not be terribly exciting with which to be engaged. Yet there are examples where this is not the case, such as the Tarragon Theatre with Urjo Kareda as Artistic Director.

Probably the most interesting combination to observe is the combination where the General Manager is transactional and the Artistic Director is transformational. Both are playing to stereotype, and the more charismatic of the two is supported and facilitated by the other. Similar to this is the combination where the Artistic Director is self-regarding and transformational, and the General Manager is other-regarding and transactional. Examples of this have occurred at both the Shaw Festival with Christopher Newton as Artistic Director, and at the Canadian Opera Company with Richard Bradshaw as Artistic Director. These are very different personalities, but both are transformational and self-regarding. They have been partnered, over time, with General Managers who facilitate their work. These General Managers are all very competent but were chosen without wide searches and were purposely matched with the Artistic Director.

The final partnership with a projected low conflict rating is the jointly transactional partnership of leaders. A self-regarding General Manager would ensure that the organization was stable financially, and the Artistic Director, as other-regarding, would be capable of compromise for this kind of management. This is not a thrilling organization from an artistic point of view, but in difficult times, this may be an appropriate combination to have for some organizations. As referred to earlier, the Royal Winnipeg Ballet is probably a good example of this.

Proposition 3a) Jointly other-regarding leaders are low conflict partnerships, except for the scenario where the Artistic Director is transactional and the General Manager is transformational.

Proposition 3b) A self-regarding transformational Artistic Director with an other-regarding transactional General Manager would be a low conflict relationship.

Proposition 3c) An other-regarding transactional Artistic Director with a self-regarding transactional General Manager would be a low conflict relationship.

Medium conflict appears in several interesting scenarios. In the scenario with two transactional leaders, it seems appropriate that the negotiable conflicts would appear most. These are reasonable leaders who function from a rational point of view. In the scenario where both are transformational, the only consideration that might enable this lower level of conflict would be the fact that the General Manager is other-regarding. But because both are grounded in emotionally held values, this conflict would be an unstable one. The other unstable medium conflict situation is one wherethe General Manager is transformational and the Artistic Director is transactional, and both are other-regarding. The other-regarding aspect allows this relationship to function, but it would also be unstable since the General Manager may have a more dynamic presence, going against expectations.

Proposition 3d) An unstable, medium conflict relationship would appear both in a jointly transformational scenario, with the Artistic Director as self-regarding and the General Manager as other-regarding, in a scenario with a transactional Artistic Director and a transformational General Manager, where both are other regarding.

Proposition 3e) A more stable, medium conflict relationship would appear in a jointly transactional scenario with the Artistic Director as other-regarding.

The high conflict situations appear most often where both leaders or one leader is self-regarding, and either one or both are transformational. As soon as one is self-regarding and transformational, the potential is very great for a conflict over deeply held values and moral high ground. These situations are stereotypical and generate the notion that joint leadership cannot work. They also inevitably contribute to the stereotypical notion that the nonprofit arts are unstable and poorly managed.

Proposition 3f) If both leaders or one or the other leader is self-regarding, and one or the other is transformational there is probability that there will be high conflict in the relationship.

The propositions developed in this paper are tentative, and in need of empirical confirmation. But the framework provides a manner of understanding that would stimulate further development of the topic of dual leadership. The next sections examine limitations and possible implications in theory and practice.

Concluding Discussion

1. Other Factors and Research to Consider

The conceptual framework outlined in this paper has considered two causal factors and focused narrowly on the relationship between the two CEOs in nonprofit arts organizations. Many observers of the arts sector would argue that the two leaders constitute only part of the story (Herman and Heimovics 1991). The leadership style of the president of the Board of Directors, and, perhaps, the functioning of the Board as a whole (Herman 2000) are also important factors in the ability of the organization to communicate coherently and negotiate with the rest of the organization and its stakeholders. There is also the consideration that many Artistic Directors in smaller organizations are actually founders of the organization. This fact inevitably affects the type and power of the General Manager who is hired, and the power they would have in the organization. The relationship between the two leaders would be quite particular.

As has been mentioned earlier in the paper, these organizations are resource dependent (Pfeffer and Salancik 1978), and so any significant change in the level of or criteria for resources can have a major impact on the strategies necessary for survival. As well, the type of leader may have to change radically if the environment requires significant adjustments and the leaders are not open to speedy change or to the newly required orientation for the organization. The drive to make this kind of change would certainly create a situation with ample tension generating high conflict as the leader(s) resisted their own demise.

Finally, there may be variations of quality in the execution of each leadership type. This introduces a question of variability that is not considered in this framework. It is assumed in this paper that each type of leader considered is a fully developed version of that type. Bass (1985) also indicated that the difference between transactional and transformation may be a question of degree and that leaders may be flexible between one and the other – following along a continuum and depending on the requirements of the situation. This paper assumes only that each leader is one or the other leadership style, and that there is no variation in that style by that leader in any situation. These factors of quality and variation might have some effect on the nature of the framework. But for the sake of exploiting the ideal states, the argument in this paper does not examine the variation.

In any empirical work that would make this conceptual framework operational, there would need to be control variables to consider these factors in the analysis. What is intended with this work is a focused look at the specific nature of the relationships within this particular structure in nonprofit arts organizations. The ability to generalize this argument may be limited to a few other types of nonprofit organizations, or to those organizations where professional integrity is an issue (i.e., newspapers and other journalistic media). Further empirical work would be necessary to test how and why the argument may be applied.

2. Implications of this Conceptual Framework

There are a number of implications that result from the analysis developed with the conceptual framework in this paper. First, this framework should be useful within the leadership and stakeholder literature. It extends both through the dual CEO and the interaction between the two domains. Second, it provides an understanding of a phenomenon normally dismissed as universally dysfunctional or as normatively ideal. Third, Boards of Directors may find this work useful in their selection of and deliberations about new and effective leaders for their organizations. Fourth, it may provide the dual CEOs in these organizations some insight as to the nature of the factors that affect their relationships. That insight may motivate some leaders to change or adjust their values or style, or to choose their next partner with greater insight. Fifth, those nonprofit organizations with a single CEO may find the results of this research helpful if they wish to deconstruct their leadership (mandate and financial/market) and to understand how certain combinations of factors in context might enable them to be more effective. Finally, there are other organizations (advertising organizations, consulting engineering firms, etc.) where a dual leadership structure is implicit; this study may have useful applications for them, since it investigates a rarely considered combination of factors affecting recruitment, selection, and evaluation of leadership.

Figure 1

Dual Leadership Responsibilities

• General Manager responsible for:

Accounting and financial planning HR policies Board relations Marketing and fundraising strategies Government relations

Industry & community relations

• Artistic Director responsible for:

Artistic quality
Program planning
Artistic resources and relations with artistic community
Educational programming
Public face of organization
Fundraising "asking"

• Jointly Responsible for:

Integrated strategic and operational planning and implementation Internal and external communication Evaluation of organizational risk

Figure 2

Stakeholder Classification

ARTISTIC DIRECTOR

GENERAL MANAGER

PRIMARY

ARTISTIC JUDGES

Artistic patron donors

Critics

Artistic Community

Distributers /programmers of

product

Government jury members

Knowledgeable audience

members

Knowledgeable Board

members

FINANCING SOURCES

Corporate sponsors

Individual donors – large and

small

Foundations

Audience

Multiple government funders

Board

Creditors

Industry associations

Colleagues

Competitors

ARTISTIC COLLABORATORS

Employees

Technical & artistic support Rental theatre facilities Artistic training programs

Suppliers

ADMIN/MARKETING

SUPPORT

Employees

Suppliers

SECONDARY

SOCIAL

Cultural and other special interest communities

Future generations

SOCIAL

General media

Government policy makers Government regulators

Local community

Table 3 Leadership Profiles

General Manager

	TRANSACTIONAL	TRANSFORMATIONAL
SELF	Carefully managed growth Change resistant Risk resistant Implementer Apolitical and rational	Financial growth is a career imperative Change if necessary for growth Calculated risks Initiator of internal change Mandate fulfiller
OTHER	Careful regarding growth Analytic of mgmt of risk Cautious evolution Facilitator of other's ideas COO type	Growth through mandate expansion Risk lover Entrepreneur Network builder Community oriented

Artistic Director

	TRANSACTIONAL	TRANSFORMATIONAL
SELF	Change to ensure financial	Artistic growth top priority
	health	– moral high ground
	Low Risk	Change for arts sake
	Placeholder of traditional	Critics are major risk
	standards of quality	Incapable of compromise
Rational		Leader as star
		Innovator
OTHER	Innovative through	Growth for art but balanced
	controlled change	Change through mandate
	Balanced risk	expansion
	Educator	Critics are partners
	Capable of compromise	Reluctant to compromise
		Leader attracts stars
		Visionary for artform

Factors to consider in the characterization of leader profiles

Interest in growth
Need for change and the speed involved
Tolerance for risk
Role with others

Table 4

Effect of Combinations of Leadership Styles and Cognitive Values

AD Transformational GM Transformational

		Artistic Director	
		Self	Other
General Manager	Self	High conflict	High conflict
	Other	Medium conflict	Low conflict

AD Transformational

GM Transactional

		Artistic Director	
		Self	Other
General Manager	Self	High conflict	High conflict
	Other	Low conflict	Low conflict

AD Transactional

GM Transformational

		Artistic Director	
		Self	Other
General Manager	Self	High conflict	High conflict
	Other	High conflict	M edium conflict

AD Transactional

GM Transactional

		Artistic Director	
		Self	Other
General Manager	Self	Medium conflict	Low conflict
	Other	Medium conflict	Low conflict

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