



Influence of transformational, transactional, and laissez-faire leadership styles on corporate social responsibility, image, and reputation, as well as on organizational outcome variables

Influencia de estilos de liderazgo transformacional, transaccional y laissez faire en la responsabilidad social corporativa, la imagen y reputación, así como en variables de resultado organizacional

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Abstract

From their origins, the Nonprofits in Mexico were thought as an instance that should create public value or social utility, which contributes to promoting development. Therefore, the importance of knowing the influence of their leadership in the management of their projects is critical. Method: With the objective to determine the influence of transformational, transactional and laissez faire leadership factors on image and reputation, as well as on corporate social responsibility; to subsequently influence the result variables (satisfaction, extra effort, efficiency), in the perception of 303 employees distributed among managers and subordinates of nonprofits with practice of corporate social responsibility in Mexico, who were provided with the instruments "Adaptation of the MLQ" and "Social Responsibility Practices". The study is ex post facto, non-experimental, cross-sectional. Results: Instruments showed adequate levels of reliability and validity. With the data collected and the use of structural equation models and partial least squares with

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latent variables, the causal influence was analyzed graphically and statistically, the test was complemented by bootstrapping, observing that the hypotheses trajectories are benefited in the statistical significance test at an interval of 95%. Conclusions: the research hypotheses were verified. Transformational leadership (0.819) influences image and reputation, explaining 67.2% of its variance, and these, in turn, affect (0.778) the result variables, explaining 60.5% of its variance. On the other hand, transformational (0.741) and transactional leadership (-0.073) influence corporate social responsibility, explaining 49.3% of its variance.

JEL Code: M14, L31, L84

Keywords: transformational; transactional and laissez faire leadership; image and reputation; corporate social responsibility; result variables

Resumen

Antecedentes: Desde sus orígenes las Organizaciones de la Sociedad Civil (OSC) en México fueron pensadas como instancias que deben crear valor público o utilidad social, que contribuya a promover el desarrollo. Por ello la importancia de conocer la influencia de su liderazgo en la gestión de sus proyectos. **Método:** con el propósito de determinar la influencia de los factores del liderazgo transformacional, transaccional y laissez faire en la imagen y reputación, así como en la responsabilidad social corporativa que pueden incidir en las variables de resultado (satisfacción, esfuerzo extra, efectividad), en la percepción de 303 trabajadores distribuidos entre directivos y subordinados de fundaciones con prácticas de responsabilidad social corporativa en México, a quienes se les suministraron los instrumentos “Adaptación del MLQ” y “Prácticas de Responsabilidad Social”. El estudio es *ex post facto*, no experimental, transaccional. **Resultados:** los instrumentos mostraron niveles adecuados de confiabilidad y validez. Para contrastar la hipótesis general de investigación se empleó un modelo PLS-SEM con variables latentes, en el que se analizó de forma gráfica y estadística la influencia causal, la prueba se complementó procesando un re muestreo, observando que las hipótesis de trayectorias son beneficiadas en la prueba de significancia estadística a un intervalo del 95%. **Conclusiones:** el liderazgo transformacional (0.819) influyó en la imagen y reputación, explicando el 67.2% de su varianza, las que, a su vez (0.778) inciden en las variables de resultado manifestando el 60.5% de su varianza. Por otro lado, el liderazgo transformacional (0.741) y el liderazgo transaccional (-0.073) influyeron en la responsabilidad social corporativa, contribuyendo con el 49.3% de su varianza.

Código JEL: M14, L31, L84

Palabras clave: liderazgo transformacional; transaccional y laissez faire; imagen y reputación; responsabilidad social corporativa; variables de resultado

Introduction

In Mexico, there are institutions known as Civil Society Organizations (CSOs) identified as the “Non-Profit Sector,” which are located outside the economic and governmental sphere, pursue different purposes, and are linked to civil society objectives. This sector is often called the solidarity or third sector, among others, and is dedicated to promoting development (Butcher, 2014). Their presence in Mexico is recent (three decades), and their objective is to contribute to the country’s social development by creating value (Contreras-Medina et al., 2020).

Some theoretical and empirical approaches record their presence in economic, social, and cultural activities, including findings of influence on variables such as efficiency and equity. Among the relevant characteristics of CSOs is their belonging to an uncommon institutional dimension: the non-state public (Cunillgran & Bresser, 1998). Another is that associations providing services to the community tend to satisfy needs associated with non-monetary use values, usually intangible goods (Caselli, 1998; Donatti, 1996; Fiorentini, 1997). What distinguishes these organizations is the human and financial resources with which they carry out their work (Salamon, 1999); they generally operate with donations, and the people who provide their services participate as volunteers, distinguished by their ideals and motivation. This allows organizations to fulfill the founding mission and the role of the CSO leader becomes essential to achieve their objectives (Mitchel, 2015). CSOs have different leadership styles. Studies show that transformational leadership generates followers' attachment to their organization (Peng et al., 2019; Mendoza et al., 2014). This study aims to find which type of leadership can influence their followers' attitudes and commitment to their organization, generating greater satisfaction and, therefore, better organizational results.

Review of the literature

In the literature, it is possible to observe various conceptual contributions to the term leadership; some authors emphasize the subject, others the organization. It has even been described as a process of influence between leaders and followers to obtain a common objective. Emphasizing the characteristics that link the subject with the object, both Management and Organization Theory consider the subject as an object of the organization, whereas for Organizational Studies the organization functions as an object of the subject (Barba, 2013). Analyzing it in a timeline, Burns (1978) conceives it as "a relation of mutual stimulation and elevation that turns followers into leaders and can turn leaders into moral agents." On the other hand, Bass and Avolio (1990) consider it as a process that focuses on stimulating the conscience of the participants to turn them into productive followers who accept and commit themselves to the scope of the organizational mission, setting aside their particular interests and focusing on the collective interest. Lussier and Achua (2008) also see it as a process of influence between leaders and followers leading to achieving an organization's objectives through change.

The theoretical framework that supports the evolution of the construct explains the factors involved in its nature and *raison d'être*. It begins with the trait approach (1920-1950) and is aligned with the Great Man theory, which suggests that certain characteristics in people differentiate those who can be considered leaders from those who are not. Meanwhile, the behavioral approach emerged in the 50s of the last century and focuses on analyzing the behavior of leaders, as in the findings reported by Ohio State

University where they identified the independent dimensions of the leader's leadership; others focused on specifying those related to performance effectiveness measurements (University of Michigan); and studies were even carried out that analyzed two dimensions, namely interest in people and interest in production, through which it was possible to determine more than 80 different leadership styles (managerial matrix).

The situational approach considers that different behavior patterns are conducive to effectiveness in various situations. Nevertheless, the same behavior is not usually suitable for all of them. The theories that support this approach are Fiedler's Contingency Theory (1965-1967), Evans and House's Goal Theory (1970-1971), Kerr and Jermier's Leadership Surrogate Theory (1978), Vroom and Yetton's Normative Decision Theory (1973), and Fiedler and Garcia's Cognitive Resource Theory (1987), based on Blake R. and Mounton J (1964). The last approach is based on transformational leadership, shaped by House's contributions to charismatic leadership, determining the traits and behaviors that make people different. Burns (1978) founded this theory as a process of the leader's influence on the followers. To this effect, Bass (1985) gathers the contributions of previous contributors to the field and outlines the first conceptual approach to the construct in question.

Transformational leadership motivates followers to provoke change and development, fostering a healthy work environment, using ethics, values, and principles that lead collaborators to follow their leader's example, developing their potential so that these characteristics are involved with the organizational goals to be achieved. Transactional leadership is usually seen as an exchange (cost-benefit) between the leader and the followers; the leaders' challenge is establishing goals and defining the relation between rewards and punishments. Laissez-faire leadership avoids any influence on followers; supervision is null and the team is not motivated or directed, i.e., no intervention exists.

Based on the full-range model defined by Bass, the following is the adaptation made by Mendoza Martínez et al. (2012).

Transformational leadership scale

- Idealized influence (Attribute): The personal attributes of the leader's charisma that make him/her respected are distinguished.
- Idealized influence (Behavior): Promotes deep identification with followers. It establishes high standards of moral and ethical conduct.
- Motivational inspiration: Communicates high expectations, uses symbols to focus efforts, and expresses important purposes with great simplicity.
- Intellectual stimulation: Awakens a new way of conceiving problems, thoughts and imagination, and a recognition of the new beliefs and values of the followers.

- Individual consideration: Advises and provides personalized support and feedback on performance so that each member accepts, understands, and improves.
- Psychological tolerance: The leader's sense of humor enables the resolution of conflicts in human relations.

Transactional leadership scale

- Contingent Award: Rewards followers for achieving specified performance levels. The award is dependent on the effort and performance level of achievement.
- Management by active exception: Controls and seeks to ensure no deviations from the rules and regulations, taking corrective measures. Constantly monitors the performance of the followers.
- Management by passive exception: Only occurs when deviations and irregularities have occurred. It appears when expected standards still need to be met.

Laissez-faire is personalized with a subscale and is described as the most extreme form of passive or non-directive management. It abdicates responsibilities and avoids making decisions.

Outcome variables

- Satisfaction: The leader's actions elicit gratification in the workgroup. The followers feel very good about the leader's decisions. There is a healthy organizational climate for the good development of activities.
- Extra Effort: The leader's actions provoke greater participation from the followers in terms of thrust in their daily work. Followers are encouraged to participate actively whenever the leader needs their collaboration.
- Effectiveness: The leader's actions lead followers to achieve objectives and goals. Jointly, work teams participate harmoniously.

Like leadership, the literature shows that social responsibility does not have a single conceptual definition, and some authors even point out that it can be analyzed as a multidimensional construct, i.e., that it does not mean the same thing to everyone. Garriga and Melé (2004) state its multiple meanings: complying with legal obligations and responsibilities, being socially responsible in an ethical sense, and contributing with donations to social causes, among others.

Bowen (1953, p.6) refers to Social Responsibility as “the obligations of entrepreneurs to carry out those policies, to make those decisions, or to follow those courses of action, which are desirable in terms of the goals and values of our society.”

Image is conceived as the mental representation different stakeholders have of the organization (Alvarado & Schlesinger, 2008). It is considered a strength of an organization that behaves based on certain ethical and innovative standards. It is conceived that image is the starting point for reputation. Image reflects what the organization stands for, as opposed to reputation, which reflects what good or bad it has done in the eyes of those involved (Walsh & Beatty, 2007).

According to Gray and Balmer (1998), the image is the mental representation formed by the different stakeholders in relation to the company and is, therefore, considered the mental picture held by the stakeholders.

Fombrun (1996) conceives corporate reputation as the idea generated when past actions are remembered and compared with future expectations. It can be considered that reputation has to do with the capacity to satisfy the expectations formed by the different stakeholders (Becker et al., 2020). For Orviz and Cuervo (2020), reputation has two dimensions: objective and subjective. Nevertheless, people take the sum of reputations or each reputation from its subjective aspect.

Du et al. (2013) observed that the interaction of companies that use stakeholder-oriented marketing, in coordination with transformational leadership, influences institutional corporate social responsibility (CSR) measures and, together with transactional leadership, explains organizational results; they reached this conclusion by conducting a national survey among managers of 440 American organizations, contacted through an e-Rewards market research company. The instrument consisted of the following constructs: transformational leadership, by Bass and Avolio (2000); stakeholder-oriented marketing, by Brookes and Palmer (2004), Coviello et al. (2002) and Ferrell et al. (2010); and institutional CSR measures (Maignan et al., 1999), Turker (2009).

The results revealed that transformational leadership is positively and significantly correlated with CSR, while transactional leadership was not significant. On the other hand, the coefficient of stakeholder-oriented marketing was positively and significantly associated with CSR measures and transformational leadership.

Manzoor et al. (2019) studied the influence of transformational leadership on job performance, using corporate social responsibility as a mediating variable, with the participation of 130 employees working in small or medium-sized companies in Pakistan. The socio-demographic data revealed that 37.7% were between 25 and 30 years old, with more than 5 years of work experience (43%), 66.7% were male, and more than half had a master's degree.

Regarding the instrument's reliability, Cronbach's alpha obtained more than 0.60 for all variables. The findings indicated that the transformational leader explains 74% of the variance of work performance and 78% of the variance of corporate social responsibility, correlating positively and significantly in both cases. It was inferred that leadership style is predictive of organizational behavior. The theoretical assumptions that both transformational and transactional leadership had a positive relation with work performance were confirmed. At the same time, a mediating role of social responsibility between transformational leadership and the participants' job performance was observed.

Meanwhile, the team of researchers led by Allen et al. (2017) analyzed the mediating effects of perceptions of corporate social responsibility (CSR) and organizational identification in the relation between transformational leadership and affective organizational commitment, for which they surveyed 218 subjects, observing predominance in men; meanwhile, 60% work in companies with staff over 1000 employees and more than 50% had been working in the organization for less than five years.

They used an instrument that included the transformational leadership subscale, that is, only 20 items of the MLQ 5X by Bass and Avolio (2004); organizational identification, made up of 6 items, by Mael and Ashforth (1992); affective organizational commitment, with 8 items, by Allen and Meyer (1990); CSR perception with 8 items, by Glavas and Kelley (2014); the instrument was distributed through social network groups with students belonging to two universities in the United States.

The authors demonstrated by testing their research hypotheses that CSR and organizational identification showed a mediating effect between transformational leadership and affective organizational commitment. Moreover, transformational leadership significantly increases the perception of CSR, and CSR significantly increases organizational identification. Additionally, transformational leadership and CSR perception significantly increase affective organizational commitment.

Rojas and Di Fiore (2021) analyzed the influence of transformational leadership on social responsibility in school institutions. This study was analytical, non-experimental, and cross-sectional. 23 directors, 109 teachers, and 15 educational community members participated. Expert judgment and discriminant analysis determined the validity of the instruments used.

Among the findings, the authors noted that similarly to how transformational leadership is observed in the business environment, in academic institutions, management characterized by the process of planning, organization, direction, and control of processes is important, as occurs in the managerial context. The authors stated that there is a slight line of application of transformational leadership in the work context, which is insufficient to move toward implementing social responsibility.

Problem statement

This research analyzes how transformational, transactional, and laissez-faire leadership influence the image and corporate reputation of CSOs in Mexico, taking into consideration relevant elements such as the following: approximately three decades ago, CSOs emerged in Mexico to complement development promotion programs. Not all those focused on health care have social responsibility programs in their strategy, which can affect the organization's image and affect their effectiveness and institutional reputation due to the distrust generated (Willems et al., 2016). This is a delicate matter, considering that the purpose for which these organizations were created is the preservation of life.

Considering the nature and *raison d'être* of CSOs in Mexico, strengthening their institutional and leadership capacities is necessary to fulfill the objectives and goals for which they were created. The literature shows studies similar to this one with positive results. Therefore, it is hoped that the results of this study will contribute to the development of CSOs and thus contribute to social development in Mexico.

Therefore, the following research question arises: Which of the structural equation model (SEM) subscales more fully explains the influence of transformational, transactional, and laissez-faire leadership styles on reputation and corporate image in the subjects investigated?

Research objective

To determine the influence of transformational, transactional, and laissez-faire leadership factors on image, reputation, and corporate social responsibility; to subsequently influence the outcome variables (satisfaction, extra effort, effectiveness) in collaborators of foundations with corporate social responsibility philosophy and practice in Mexico.

Research hypothesis

According to the theoretical reference on transformational leadership and corporate social responsibility, the following research hypothesis is presented:

Hi: "Transformational, transactional, laissez-faire leadership factors will impact image and reputation, as well as corporate social responsibility; subsequently, the latter will influence outcome variables."

From this assessment, the following specific research hypotheses are proposed:

- H1: “Transformational leadership makes a significant direct contribution to image and reputation.”
- H2: “Transactional leadership has a significant direct influence on image and reputation.”
- H3: “Laissez-faire has a significant inverse impact on image and reputation.”
- H4: “Transformational leadership makes a significant direct contribution to corporate social responsibility.”
- H5: “Transactional leadership has a significant direct influence on corporate social responsibility.”
- H6: “Laissez-faire has a significant inverse impact on Corporate Social Responsibility.”
- H7: “Image and reputation make a significant direct contribution to the outcome variables.”
- H8: “Corporate social responsibility has a significant direct impact on outcome variables.”

Figure 1 presents each of these using the multivariate partial least squares structural equation modeling method, Structural Equation Modeling / Partial Least Squares (PLS / SEM).

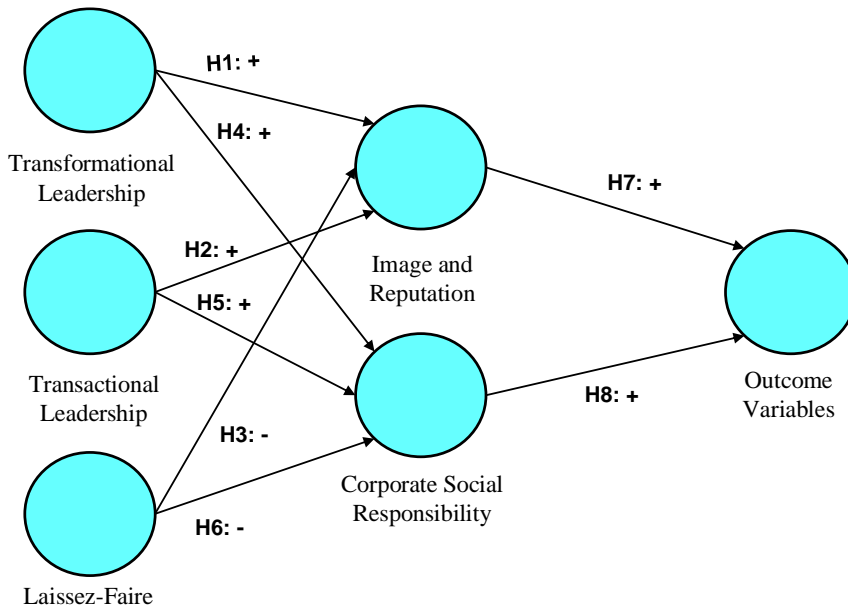


Figure 1. PLS-SEM model representing the research hypothesis
Source: created by the authors

Justification

The present study is relevant in the identification of leadership styles that directly influence the image and reputation, as well as the corporate social responsibility of CSOs in Mexico, for which a theoretical study of these constructs is undertaken, among which it is expected to observe the behavior presented in the research model, which will generate further research in this regard, or even help identify new lines of research.

In the methodological aspect, each stage made it possible to contrast the research hypothesis in question to accept or reject it and to strengthen what is established in the theory that supports the research or contradicts it. In the social aspect, it is urgent to have findings that strengthen the work team and the management within the CSOs, thus contributing to better institutions capable of offering better services and identifying areas of opportunity that will facilitate their daily activities.

Methodology

Type of study

The present study is ex post facto, non-experimental, cross-sectional, and explanatory, using structural equation models with latent variables (Hair et al., 2022).

Participants

Two groups of 105 managers (middle and senior management) and 198 subordinate workers participated in the study. Their socio-demographic data were: in both groups, there was a higher percentage of women (70 and 71%), the most frequent age range in the “Bosses” group was between 35-55 years old, equivalent to 52%, while the highest percentage in the “Followers” group was 26-35 years, which represents 36% of the total population studied, followed by the 18-25 years category with 21%. 55% of the “Bosses” group were married, while in the “Followers” group, the highest frequency was of single people, with 54%.

The educational level of the “Bosses” group was a bachelor’s degree in half of the cases and a graduate degree in 38%; something similar occurred in the “Followers” group, where 58% had a bachelor’s degree and 19% had a graduate degree. Regarding their work situation, the “Bosses” had between 1 and 20 people in their charge (74%), with between 4 and 10 people being the most common with 32%. For the “Followers” group, 54% had between zero and ten people in their work team. For the

group of managers, 60% had more than six years of service in their job, while in the group of immediate workers, it was less than three years, with a frequency of 44%.

In terms of income received, the middle and senior managers earn between 10 and 30 000 pesos (25%), and 32% do not receive any income because their work is voluntary. For the group of immediate workers, 54% have between none and ten people in their work area, half of them have a budget of between 1 000 and 30 000 pesos per year, and, in 45% of the cases, they have no income because they are volunteers in the organization. In the “Bosses” group, more than half have the legal status of civil associations (AC; Spanish: Asociaciones Civiles), and in the “Followers” group, more than half are private assistance institutions (IAP; Spanish: Instituciones de Asistencia Privada).

The instrument was sent to 189 CSOs representing all of Mexico, obtaining responses from 49.6% of CSOs that deal with childhood cancer in the majority of the states. 22.0% were small foundations with 11 to 20 people, and 18.0% with more than 50 people. 23.0% had branches in Mexico, and 9.0% were on an international scale. More than 70.0% had a Unique Registration Key for Civil Society Organizations (CLUNI; Spanish: Clave Única de Inscripción al Registro de Organizaciones de la Sociedad Civil), which allowed them to access public sector resources.

Instruments

The Multifactor Leadership Questionnaire by Bass and Avolio (2000) was used through the adaptation made by Mendoza and Torres (2008). The following subscales were used: transformational leadership, transactional leadership, and laissez-faire. Regarding the “Social Responsibility Measures” (Vidales, 2021), the following subscales were considered: organizational reputation and corporate image, which are written as statements and answered according to a semantic differential scale: 1. Never, 2. Rarely, 3. Usually, 4. Very often, and 5. Always.

Procedure

Employees were invited to participate voluntarily in the study and were asked to answer the instrument designed in Google Forms, which contains the “Adaptation of the MLQ” (Mendoza & Torres, 2008) and the subscales of the “Social Responsibility Measures” (Vidales, 2021).

Considering that the research was carried out during the COVID-19 coronavirus pandemic, it was decided to design and administer the assessment instrument using electronic means (Google form). Its advantages are the reduction of costs and travel time, control over the items by not allowing progress to the next section until all the items have been answered, the uses and customs of social networks derived

from the pandemic, and the ease of data capture times. As for its disadvantages, the great challenge was not being able to administer the instrument to both groups (bosses and followers) at the same time; it first had to be sent to the bosses, and once their response was received, the second instrument had to be sent to be distributed among their followers. Despite the complexity of the distribution of the instrument, 198 responses were obtained from the second group of followers. Finally, it helped to get reactions by informing both managers and followers of the absolute confidentiality of their data and the strictly academic use of the same. The information collected was integrated into a database that was edited and analyzed in the statistical package for the social sciences (IBM SPSS), Version 21, and later in SmartPLS, Version 3.

The format for the Bosses evaluated their leadership styles, while the format for the Followers allowed them to assess the leadership styles of the Bosses based on their perceptions.

The sample used in the present study was $n = 303$ (Bosses and Followers), being appropriate for the use of Structural Equation Modeling under the Partial Least Squares (PLS) method, considering the criteria of Hair (2017) regarding a statistical power of 80% and with the use of arrows (hypotheses) pointing to the constructs of independent variables toward dependent variables. According to the above, for a maximum of 10 arrows, a sample of 129 would be needed; a sample of at least 200 cases is considered adequate for using PLS, which was exceeded in the present investigation.

Statistical analysis and hypothesis testing

In order to perform the reliability analysis of the instruments, Cronbach's Alpha, Rho A, and Composite Reliability (CR) coefficients were used, and in order to evaluate the validity of the instruments, the factor load analysis, the analysis of the Average Variance Extracted (AVE), and the discriminant validity were used. The research hypothesis was developed and contrasted using the structural modeling with latent variables PLS-SEM (Hair et al., 2022) using the reflective method according to the established theoretical foundations, integrating the eight specific hypotheses, which allowed the causal influence of the proposed model to be analyzed both graphically and statistically.

Results and discussion

In the case of descriptive statistics, the mean reveals a minimum result in E2: Laissez-faire (1.49) and a maximum value in E5: Corporate social responsibility (4.73). In the case of standard deviation, the lowest value is found in E5: Corporate social responsibility (0.58), and the highest value in E3: Transactional leadership (1.13). In the Reliability section, the results fluctuate between E2: Laissez-faire (0.77) and E5:

Corporate social responsibility (0.96), which confirms that the instrument has very good levels of reliability, with internal consistency in its results (Dionne et al., 2003).

Regarding convergent validity, the average extracted variance (AVE) is between the following ranges: E2: Laissez-faire (0.68) to E3: Transactional leadership (0.87). Meanwhile, the discriminant coefficients (square root of AVE) range from a minimum located in E2: Laissez-faire (0.82) to a maximum located in E3: Transactional leadership (0.93), which confirms the validity of the instrument at the optimal level, i.e., it measures what it should measure.

The Pearson moment-product correlation coefficients showed positive and negative correlations between transformational, transactional, laissez-faire, reputation, and image leadership subscales. Regarding the positive correlations, the lowest Pearson coefficient was obtained between image and reputation and transactional leadership with 0.43. In contrast, the highest Pearson coefficient was obtained between image and reputation and transformational leadership with a value of 0.81. In the same vein, the negative correlations show that the lowest Pearson's coefficient was obtained between laissez-faire and transformational leadership, with a value of -0.15, and the highest Pearson's coefficient was obtained between laissez-faire and transactional leadership, with a value of 0.01. The highly significant and positive correlations confirm a convergent validity of the instrument, consistent with the theoretical model. Table 1 shows the behavior of the data mentioned above. The discriminant validity is observed through the square root of AVE (values recorded on the diagonal) and are the correlations between indicators that measure the same subscale and are higher than the correlations that measure different subscales and also very close to unity; the above satisfies the discriminant validity criteria of Fornell and Larcker, commented by Hair J. (2017). The results are noted in Table 1.

Table 1
 Descriptive statistics, reliability, and validity of the instruments

Subscales	Mean	DS	CA	RHO	CR	AVE	E1	E2	E3	E4	E5	E6
E1 Image and reputation	4.63	0.60	0.91	0.92	0.93	0.70	0.84					
E2 Laissez-faire	1.49	0.87	0.77	0.82	0.86	0.68	-0.09	0.82				
E3 Transactional leadership	3.87	1.13	0.95	0.96	0.96	0.87	0.433**	0.01	0.93			
E4 Transformational leadership	4.52	0.74	0.92	0.93	0.94	0.81	0.819**	-0.152*	0.572*	0.90		
E5 Corporate Social Responsibility	4.73	0.58	0.96	0.96	0.97	0.75	0.82**	-0.10	0.351**	0.699**	0.86	
E6 Outcome variables	4.78	0.75	0.91	0.91	0.94	0.74	0.777**	-0.139*	0.648**	0.879**	0.661*	0.86

** Correlation is significant at the 0.01 level (bilateral)
 CA = Cronbach's Alpha

RHO = RHO coefficient
CR = Composite Reliability
AVE = Average explained variance
Main diagonal = Discriminant coefficient
Source: created by the authors

The results of the factor loadings of the complementary items for validity are presented in Table 4. These items were grouped according to the theory of each of the subscales. They obtained regression scores equal to or higher than 0.70 in each of them, being adequate in structural equation modeling with latent variables and being able to complement the convergent validity. It is important to note that the loadings of each item that constituted each latent variable were not included in Figure 2; to make the visualization of the SEM more flexible, it was decided to include them in Table 4.

Figure 2 and Table 2 show the results of the PLS-SEM with latent variables. These variables consider the influence of transformational, transactional, and laissez-faire leadership on image and reputation and their trajectory toward the outcome variables. The standardized regression coefficients of each exogenous (independent) variable and the R-squared on the endogenous (dependent) variables are highlighted.

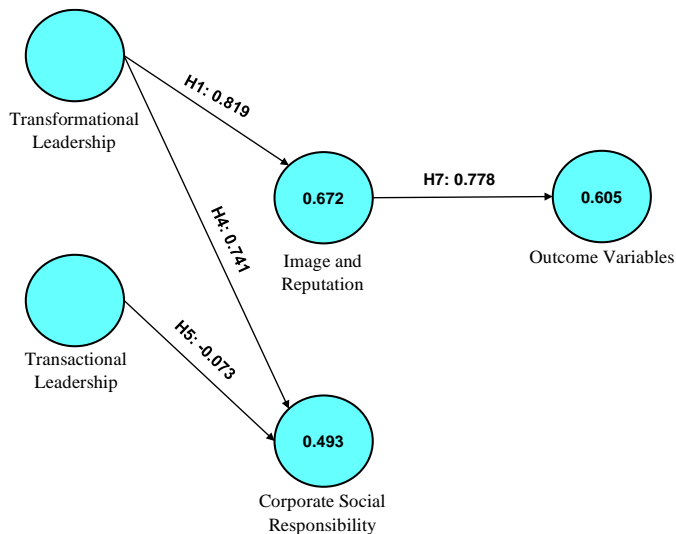


Figure 2. Results of structural modeling with PLS-SEM latent variables
Source: created by the authors

Additionally, a bootstrapping with 500 samples was carried out to re-sample the results of the proposed PLS-SEM model research hypotheses. All the trajectories' hypotheses are favored in the

statistical significance test at 95%, while Hypothesis 5 could be accepted at a confidence interval of 90%. The behavior of the data is presented in Table 2.

Table 2
 Bootstrapping of the research hypothesis

Hypothesis	Subscales	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-statistics ((O/STDEV))	P Values
H7:	image and reputation -> outcome variables	0.778	0.779	0.036	21.429	0.000
H5:	transactional leadership -> corporate social responsibility	-0.073	-0.071	0.039	1.853	0.064
H1:	transformational leadership -> image and reputation	0.819	0.820	0.034	23.961	0.000
H4:	transformational leadership -> corporate responsibility	0.741	0.737	0.069	10.670	0.000

Source: created by the authors

The findings identified in the PLS-SEM model are the following:

- Transformational leadership directly influences image and reputation with a standardized regression coefficient of 0.819; therefore, hypothesis H1 is accepted.
- Transformational leadership directly influences corporate social responsibility, with a standardized regression coefficient of 0.741; thus, hypothesis H4 is accepted.
- Image and reputation directly influence the outcome variables with a standardized regression coefficient of 0.778; given this behavior, hypothesis H7 is accepted.
- Transactional leadership has a significant inverse influence on corporate social responsibility, with a standardized regression coefficient of -0.073. Hypothesis H5 could be accepted statistically at a 90% interval; nevertheless, considering the initial proposal, a direct influence was expected. Given that it did not occur empirically, hypothesis H5 was rejected.
- As shown in Figure 2, research hypotheses 2, 3, 6, and 8 were rejected because they were not significant.
- Transformational and transactional leadership explain corporate social responsibility, with the former having a significant positive influence. In contrast, the latter has a significant inverse influence, which can be interpreted as follows: while transformational leadership increases corporate social responsibility, transactional leadership reduces it. Overall,

corporate social responsibility is explained by 49.3% of transformational and transactional leadership, based on their R^2 .

- In turn, transformational leadership significantly and directly influences image and reputation and, based on its R^2 , explains 67.2%.
- Image and reputation contribute positively and significantly to the outcome variables, explaining 60.5% of their variance based on their R^2 .
- Laissez-faire was not significant in the study, and since it did not influence the study variables, it was eliminated from the model.

Finally, Table 3 shows the result of each research hypothesis included in this study.

Table 3
Results of the research hypotheses

Exogenous variables	Number	Hypothesis	Standardized regression coefficients	Endogenous variables	Square	Decision
Transformational leadership	H1:	"Transformational leadership has a significant direct influence on image and reputation."	0.819			Accept
Transactional leadership	H2:	"Transactional leadership directly influences reputation."	Not significant	Image and reputation	0.672	Reject
Laissez-faire	H3:	"Laissez-faire has a significant inverse influence on image and reputation."	Not significant			Reject
Transformational leadership	H4:	"Transformational leadership has a significant direct influence on Corporate Social Responsibility."	0.741			Accept
Transactional leadership	H5:	"Transformational leadership has a significant direct influence on corporate social responsibility."	-0.073	Corporate Social Responsibility	0.493	Reject
Laissez faire	H6:	"Laissez-faire has a significant inverse influence on corporate social responsibility."	Not significant			Reject
Image and reputation	H7:	"Image and reputation have a significant direct influence on outcome variables."	0.778			Accept
Corporate Social Responsibility	H8:	"Corporate social responsibility has a significant direct influence on outcome variables."	Not significant	Outcome Variables	0.605	Reject

Source: created by the authors

Regarding the influence of leadership on image and reputation, it was observed that only Transformational Leadership showed a significant impact with 0.82, while Transactional Leadership and Laissez-faire were not significant. The same behavior was observed regarding the influence on the Corporate Social Responsibility variable. Transformational Leadership was influenced with a regression coefficient of 0.74, while the other two leadership styles were not significant. Only Image and reputation were significant for the Outcome Variables, with 0.78, while social responsibility did not influence this variable. Table 4 shows the results of the factor loadings with their respective variables.

Table 4
Items and their factor loadings

Items	Image and reputation	Laissez faire	Transactional leadership	Transformational leadership	Corporate Social Responsibility	Outcome variables
IMAG_2	0.792					
IMAG_3	0.817					
IMAG_4	0.837					
REP_1	0.818					
REP_3	0.84					
REP_4	0.905					
LSSF_2		0.709				
LSSF_3		0.902				
LSSF_4		0.846				
LTS_1			0.917			
LTS_2			0.957			
LTS_4			0.908			
LTS_5			0.95			
LTSF_1				0.899		
LTSF_3				0.869		
LTSF_4				0.9		
LTSF_5				0.923		
RESPECO_1					0.817	
RESPECO_3					0.86	
RESPET_1					0.901	
RESPET_5					0.923	
RESPFIL_1					0.727	
RESPFIL_3					0.81	
RESPLEG_2					0.904	
RESPLEG_3					0.88	
RESPLEG_5					0.924	
RESPLEG_6					0.876	
VARES_1						0.878
VARES_2						0.86
VARES_3						0.844
VARES_4						0.866
VARES_6						0.856

Source: created by the authors

Conclusions

The objective of the research was accomplished, which consisted of establishing the influence of transformational, transactional, and laissez-faire leadership factors on image and reputation, as well as on corporate social responsibility, and finally on outcome variables, in CSO collaborators in Mexico, under structural modeling with latent variables, concluding that:

1. The results obtained from the research model allowed validation of the internal consistency, convergent validity, and discriminant validity mentioned as cut-off points or reference parameters (Carmines & Zeller, 1979; Fornell & Larcker, 1981; Nunnally & Bernstein, 1994).
2. The structural modeling with latent variables was sufficiently robust to guarantee reliability and validity by combining several satisfactory indices, among which Cronbach's Alpha registered values above 0.7; the convergent validity through the AVE shows that in all the subscales, it registers values above 0.5. Concerning the Confirmatory Factor Analysis, the factorial

regression loadings obtained scores equal to and higher than 0.70, thus guaranteeing convergent validity in each subscale.

3. The results obtained in the research for R^2 show the predictive capacity of transformational leadership, transactional leadership, image, and reputation, with significant positive and negative influence according to the previously mentioned standardized beta coefficients, considered as relevant scores in the field of social sciences.
4. The results obtained in the research model indicate that the following processes take place within CSOs:
 - a. In general terms, transformational leadership strengthens the image and reputation. This goal is achieved through the actions that the leader implements so that followers feel trust, admiration, loyalty, and respect for their leaders; they manage to transcend their interests for the good of the organization and develop a collective sense of the company's mission, or because they invite their collaborators to generate innovative and creative solutions to problems; also because they pay attention to their individual needs; and because they observe in their leaders the ability to communicate and solve problems.
 - b. Actions linked to transactional leadership cause a decrease in corporate social responsibility: rewarding followers for achieving objectives or goals, having control so that there are no deviations away from the rules and regulations, or, when necessary, taking corrective measures, it being evident that the leader appears when irregularities have occurred.
5. Further studies are recommended to contrast the PLS-SEM and analyze its influence on socio-demographic variables, such as gender, marital status, and level of education.
6. Future studies should compare the results of the same SEM under the covariance method with the present study, which focuses on an SEM under the partial least squares method. Therefore, the present study did not include information on goodness of fit indices, measurement errors, covariances, etcetera.

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