



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

The impact of leadership styles on the social responsibility of industrial companies in Romania

Raghad Raaed Mohammed ¹ and Carmen Costea Eugenia ²

¹ The Bucharest University of Economic Studies Romania

² The Bucharest University of Economic Studies Romania

Abstract. This study aimed to examine the impact of leadership styles on the social responsibility of industrial companies in Romania. To achieve these objectives the study used a descriptive-analytical approach through develop a questionnaire to collect data from the sample which consists (357) managers who work in industrial companies in Romania. A total of (340) suitable questionnaires were retrieved for statistical analysis, the study used Statistical Package for the Social Sciences software (SPSS. 25) to analyses the collecting data and test the hypothesis. The study results showed that there is an impact of Authoritative leadership on the social responsibility of industrial companies in Romania, there is an impact of Democratic leadership on the social responsibility of industrial companies in Romania, there is an impact of Facilitative leadership on the social responsibility of industrial companies in Romania, and there is no impact of Situational leadership on social responsibility of industrial companies in Romania. In light of these findings, the study recommended the need to pay attention to the quality of leaders who are appointed in industrial companies in Romania due to the clear impact of the quality of leadership at the level of social responsibility practices of companies.

Keywords: Leadership Styles, social responsibility, industrial companies, Romania.

JEL Codes: A13, C12, C83, L10.

How to cite : Mohammed, R.R, Costea, C.E- The impact of leadership styles on the social responsibility of industrial companies in Romania, *Journal of Economic Development, Environment and People*, 12(1), 41-56, doi: <https://doi.org/10.26458/jedep.v12i1.798>

1. Introduction

Leadership is widely acknowledged as one of the most powerful aspects on employees' success in businesses (Pradeep & Prabhu, 2011; Shafie et al., 2013; Torlak & Kuzey, 2019). Furthermore, executives serve as inspiring role models to raise awareness and acceptance of the company's goals (Dess & Robinson, 1984). Stogdill (1950) defined leadership as influencing the process by which people achieve organisational goals. Social responsibility is a growing concern all over the world, and it refers to the wide range of strategies and operational procedures that a company adopts in order to deal with and build connections with its multiple stakeholders and the natural environment (Waddock, 2004).

⁺ Corresponding author. Tel.: + 40 770 382 183, E-mail address: radghadraeed@yahoo.com



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

Managers' actions do not totally determine how Social Responsibility (SR) is implemented. If a company leader values sustainable development and assures advantages for stakeholders, communities, and society, SR activities will be carried out more effectively, and vice versa. Numerous prior researchers have found that SCR actions have a favourable impact on financial performance (Hasan et al., 2018).

Several studies have been conducted to support the correlation between leadership and Social Responsibility (SR) (Du et al., 2013). Several theories, including agency theory (Dunlop & Lee, 2004), institutional theory (Resick et al., 2013), management values theory (Schaubroeck et al., 2000), stakeholder theory (Coombs & Gilley, 2005), and upper echelon theory, have been used to explain the links between leadership and SR (Manner, 2010). Despite the use of several theories, scholars continue to debate whether leadership has an important impact on SR choices or not; the link between leadership and SCR has not reached a consensus (Lewis, 2014).

As a result, the purpose of this research is to evaluate how leadership styles influence a firm's SR practices, especially in the industrial sector. In this regard, the study fills a vacuum and adds essential research to the organisational leadership literature because little is known about such links, particularly how leadership influences an organization's strategy and workers' views about social activities.

The research is organised into five parts. We mentioned the primary research problem in the first part, titled introduction. In the second section, we developed a theoretical framework that expands on past research on this topic. The methodology of the investigation was detailed in the third part. Data analysis and hypothesis testing are proposed in the fourth part. Finally, in the fifth part, findings are provided, along with a summary of past research.

1.1. Research objectives

The study aimed to examine the leadership styles of the social responsibility of industrial companies in Romania. The study also considered how leaders could collaborate to safeguard the outside environment, improve the working environment, and promote shared collaboration with community institutions. Further, the study investigated leaders' views and perceptions regarding social responsibility in the workplace in relation to social and community activities.

1.2. Research hypotheses

The study seeks to test the following hypothesis:

H0₁: There is no impact of Authoritative leadership on the social responsibility of industrial companies in Romania.

H0₂: There is no impact of Democratic leadership on the social responsibility of industrial companies in Romania.

H0₃: There is no impact of Facilitative leadership on the social responsibility of industrial companies in Romania.

H0₄: There is no impact of Situational leadership on the social responsibility of industrial companies in Romania.

2. Literature Review

Guarnieri and Kao (2008) defined social responsibility as a company's ongoing commitment to act ethically and contribute to economic development while enhancing the workforce's and their families quality of life, as well as the local community and society at large. According to Aguinis and Glavas (2012), SR entails the social actions of organisations among themselves, their workers, and the general public. Given these



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

definitions, this study supports Türker (2009) description of SR and interprets it as the company's and workers' encouragement of non-governmental market activity.

SR actions may raise public awareness of a company, resulting in increased performance and attracting more consumers from the market. Yet, according to Friedman (2007), managers must be smart when employing firm resources for the benefit of the public, which cannot offer more value to the corporation. He said that the purpose of every organisation is to maximise the profit of its owners. Scholars, on the other hand, noted that an optimal level of using or acting in social activities in the market is necessary to avoid any conflict among stakeholders (who are affected by the organization's activities; customers, suppliers, governmental agencies, financial institutions, and local organisations, etc) (Freeman et al., 2004; Jensen, 2001; McWilliams & Siegel, 2001). This ideal, according to Waldman et al. (2006), might be elucidated by strategic cost and benefit analyses. This evaluation is characterised as stakeholder theory, which says that although a company's profit increases, stakeholders must be pleased in the long run through these activities as well (Freeman, 1999).

Scholars have traditionally focused on the attitudes and behaviours of successful leaders due to their critical role in the functioning of the business (Ivancevich et al. 1990; Walumbwa and Lawler, 2003; Yukl, 2008). They attempted to identify common features or behaviours shared by leaders that enable them to encourage staff effectiveness (Colbert et al., 2012; Derue et al., 2011).

In this setting, academics first agreed that leaders are born, not manufactured (Borgatta et al., 1954; Gehring, 2007). Following this, it is proved that to be a leader, these attributes must originate from forebears and be encoded in DNA (Hutchens, 2015). Second, the Ohio State and Michigan University research concentrated on the contextual factors that influence leaders' behaviour. They primarily claimed that leaders in organisations embody job-oriented and employee-oriented behaviours (Certo & Certo, 2011).

Moreover, Vecchio et al. (2006) stated that the success of leadership is dependent on three major factors: followers, leaders, behaviours, and situations. This notion might be simplified by stating that a leader's efficacy occurs only under the proper conditions and with the right workers. Moreover, Stogdill (1948) highlighted some of the most important attributes of great leaders as follows: intellect, emotional maturity and consistency, engagement in social activities and groups, and a drive to succeed (Certo & Certo, 2011).

In contrast, Moten (2011) argued that there is no one optimal leadership style that would be successful in all types of businesses or circumstances. Additionally, Fiedler's contingency method (Chemers, 2000) and Evans' path-goal theory (Evans, 1996; Budur, 2018) have advanced alongside leadership studies during the previous two decades. Lastly, in contrast to the Great Men thesis, modern management believes that leadership qualities and behaviours can be learned and developed via education and training (Bass, 1990; Yukl, 2002). In this regard, the present literature has sufficient research on modern leadership theories such as transformational leadership, transactional leadership, servant leadership, ethical leadership, genuine leadership, and virtue-based leadership.

There are some studies looks at the roles of leadership styles in general Social Responsibility (SR). Waldman et al. (2006), for example, investigated the influence of transformative leadership (excluding the charisma factor) on corporate SR practices. Trong (2012) investigated leadership styles and SR principles using Carrol (1979) theory and discovered that, while transactional leadership is associated with the legal and economic aspects of CSR, transformational leadership is more associated with the ethical side of SR activities, which leads to brand equity. Du et al. (2013) investigated the roles of leadership styles in SR practices in



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

organizations in another study in this topic. They discovered that transformational leadership had a considerable influence on SR practices, but transactional leadership had little impact.

Moreover, Mazutis and Zintel (2015) found that leadership has a direct, indirect, and moderating influence on an organization's social duties. Moreover, DiSegni et al. (2015) discovered that firms' effective management and active social responsibility were favorably connected with financial performance. Alonso Almeida et al. (2017) investigated gender and leadership style differences for SR practices of organizations in Spain and discovered that transformational leadership and females are more likely to be effective in SR activities, whereas dominance leadership was the lowest level of leadership style for the company's SR.

Similarly, Lin and Liu (2017) discovered that ethical leadership moderates the association between CSR and workplace engagement. Additionally, some research has revealed that ethical leadership has a favourable influence on firms' socially responsible operations (De Hoogh & Den Hartog, 2008; Mazutis & Zintel, 2015), however empirical studies on this subject need to study these effects more thoroughly.

3. Research methodology

Quantitative research refers to a rigorous examination of social issues using quantitative methodologies or number-crunching. Quantitative research includes developing and using numerical models, hypotheses, and questions about topics. Since it provides a compelling bridge between experimental experience and scientific representation of quantitative relationships, estimate preparation is at the heart of quantitative research (Sekaran, 2010). This research depended on the descriptive analytical approach, referring to theoretical literature linked to the current study's issue, as well as designing a questionnaire as a significant instrument for data collection from the study population.

3.1. Research Respondents

The term "research community" refers to all persons of the phenomena researched by the researcher, as well as the complete set of individuals to whom the researcher hopes to generalise the conclusions of the problem studied. The present study's respondents are persons who work at the administrative level in industrial enterprises in Romania, with the grounds for selecting the respondents being from the people who are most impacted by this system. Furthermore, the researcher examined the crucial information that may be gathered from this community, which comprises around (5000) individuals.

3.2. Sample of the Research

The needed sample size for this research was (340), based on the sample size decision procedures published by Krejcie and Morgan (1970). According to Leveugle (2009), the study sample consisted of (357) persons in the case of incomplete data, with a 95% certainty level and +/-5% margin of error. Purposive judgemental sampling, also known as judgmental, selective, or subjective sampling, was utilised in the study. It is a type of non-probability sampling in which researchers use their own discretion in selecting people from the public to participate in surveys (Zikmund et al., 2013). 357 questionnaires were distributed to respondents by the researcher. A total of 340 valid questionnaires were recovered for statistical analysis, representing (95.23%) of the total disseminated questionnaires, and an acceptable rate for scientific study. The table below depicts the distribution of the research sample based on demographic factors.



Table 2: Characteristics of the study sample according to the demographic variables

Variable	Categories	Frequency	Percentage %
Gender	Male	220	64.70%
	Female	120	35.29%
Age	20-29 years	62	18.23%
	30-39 years	113	33.23%
	40-49 years	90	26.47%
	50 and above	75	22.05%
Education Level	bachelor's degree	160	47.05%
	Master	115	33.82%
	PhD	65	19.12%
	Total	340	100%

3.3. Research Model

The current study contains two types of variables, independent variables and dependent variables, as follows:

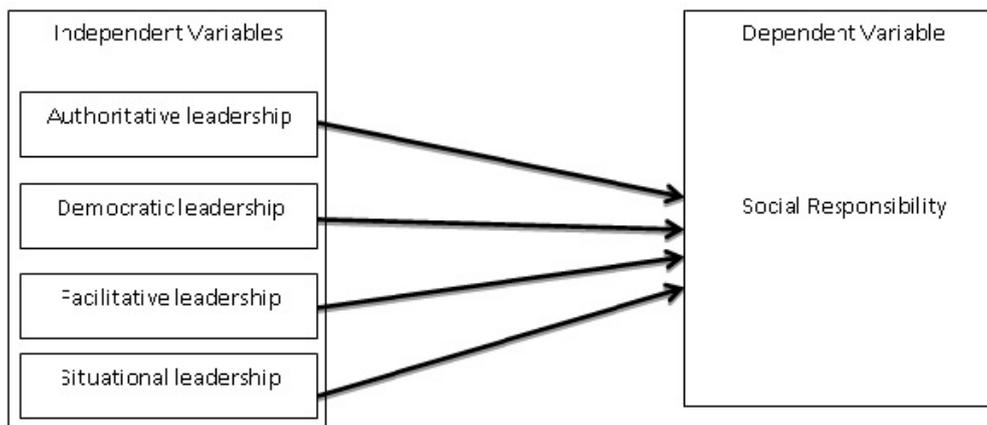


Figure 1: Research Model, prepared by the researcher relied on the previous works

3.4. Study Instrument

The questionnaire was the primary data collection technique used by the researcher in the current investigation. The questionnaire consists of a series of questions that are connected to each other in such a way that they fulfill the goal that the researcher seeks via the challenge provided by her investigation. The questionnaire's quantity of questions should be sufficient and appropriate to meet the study objectives. Furthermore, the questionnaire is a search tool, that includes a series of questions as well as other data



requests to gather information from the individuals under consideration, and the questionnaires from the rest of the search tools are low cost and do not require much effort, the questionnaire frequently has standard answers that make it easy to collect and organize data.

A questionnaire based on the Likert scale was employed in this study; with five options ranging from strongly agree to strongly disagree to a relative weight (5-1). The questionnaire was broken into three components, which are as follows:

First Section: concerned with the personal data of the respondents.

Second Section: concerned with the independent variable (leadership styles) across all aspects (Authoritative leadership, Democratic leadership, Facilitative leadership, and Situational leadership), the researcher relies on empirical review to create this instrument.

Third Section: concerned with the dependent variable (social responsibility), the researcher relies on empirical review to create this instrument.

3.5. Validity of the Study Instrument

The validity of the study tool was verified by using the validity of the internal construction, where the instrument was applied to an exploratory sample, randomly chosen from within and outside the study community, totaling (50) individuals, and the correlation coefficient was calculated between the individual's degree on the paragraph and its overall score on the tool, as shown in Table (2).

Table 4: Correlation coefficients among the instrument paragraphs

Item No.	Correlation coefficient	Item No.	Correlation coefficient	Item No.	Correlation coefficient
1.	.476**	10.	.413*	19.	.399*
2.	.434*	11.	.449*	20.	.462*
3.	.542**	12.	.544**	21.	.348*
4.	.465*	13.	.602**	22.	.568**
5.	.604**	14.	.379*	23.	.593**
6.	.375*	15.	.443*	24.	.611**
7.	.456*	16.	.374*	25.	.436*
8.	.567**	17.	.432*	26.	.387*
9.	.423*	18.	.572**	27.	.543*

* means significant at the level ($\alpha \leq 0.05$)

** means significant at the level ($\alpha \leq 0.01$)

From Table (2), it appears that suitable scale indicators have been achieved for the study instrument, as correlation coefficients ranged between (.611- .348), all of which are statistically significant at the level ($\alpha \leq 0.05$).

3.6. Reliability of the Study Instrument

The internal consistency coefficient based on Cronbach's Alpha will be used to determine the consistency of the study instrument. The internal consistency coefficient of the study instrument will be extracted by



randomly selecting (50) respondents. Table No. (3), displays the Cronbach Alpha reliability coefficient for the parameters of the study instrument.

Table 3: Cronbach's Alpha for the variables of the study instrument

Variable	Dimensions	Cronbach alpha coefficient
Influencing Factors	Authoritative leadership	0.82
	Democratic leadership	0.81
	Facilitative leadership	0.80
	Situational leadership	0.82
Social Responsibility	Social Responsibility	0.81

Table (3) shows that Cronbach's Alpha coefficients for the dimensions of the independent variable were from (0.80 - 0.82), while Cronbach's Alpha coefficients for the dependent variable are (0.81), which are regarded acceptable for scientific research purposes.

3.7. Data Analysis Techniques

For the analysis of the study, data will be analyzed with Statistical Package for the Social Sciences software (SPSS. 25), through:

- Descriptive statistic measures to describe the characteristics of the study sample in percentages, answer the study questions and arrange the dimensions in descending order.
- Multiple regression analysis to test the validity of the study model and the effect of the independent variable on the dependent variable.
- Variance Inflation Factory (VIF) test and Tolerance test to ensure that there is no high correlation (Multicollinearity) between the independent variables.
- Skewness test to ensure that the data follows a normal distribution.
- Cronbach's alpha coefficient to verify the stability of the study tools.

4. Findings and discussion of findings

4.1. Descriptive Analysis

This section provides a descriptive assessment of the construct under consideration in the current investigation. The Minimum, Maximum, Mean, and Standard Deviation scores on the 26 questions in this study were derived according to the characteristics of leadership styles and social responsibility outlined below.

Table 4: Descriptive Analysis for leadership styles Variable

Rank	No.	Dimensions	Min	Max	Mean	SD
3	1	Authoritative leadership	1.00	5.00	3.65	.779
1	2	Democratic leadership	1.00	5.00	3.68	.787



2	3	Facilitative leadership	1.00	5.00	3.67	.707
4	4	Situational leadership	1.00	5.00	3.58	.744
Average mean score of leadership styles					3.65	.578

Table 4 shows the results of the descriptive analysis for the leadership styles variable; the respondents indicate a moderate level of agreement for leadership styles with a mean (3.65) and standard deviation (.578), while at the dimensions level the (Democratic leadership) came at first rank with a mean (3.68) and at a high level, followed by (Facilitative leadership) with a mean (3.67) and at a moderate level, while (Authoritative leadership) came at third rank with a mean (3.65) and at a moderate level, finally (Situational leadership) came at fourth rank with a mean (3.58) and at a moderate level.

Table 5: Descriptive Analysis for social responsibility

Rank	No.	Items	Mean	SD
1	1	The company have good corporate governance.	3.63	.974
5	2	The company have a formal environmental policy, which includes a commitment to legal compliance and continuous improvements in environmental performance.	3.49	.986
6	3	Company have a written health & safety policy in place, which complies with industry, national and international standards.	3.48	.958
3	4	My company participates in external Corporate Social Responsibility/Sustainability training.	3.52	.953
4	5	Company organises training sessions to enhance the understanding of Corporate Social Responsibility/Sustainability.	3.51	.986
3	6	The company publishes a Corporate Social Responsibility (CSR)/ Sustainability Report.	3.52	.972
6	7	The company has a management person responsible for Social responsibility.	3.48	.995
6	8	The company has a policy of respect for human rights (e.g. fair treatment).	3.48	1.009
7	9	The company has work procedures to manage the use of restricted substances and chemicals.	3.46	.978
6	10	The company has community investment and employee volunteering.	3.48	1.009
2	11	The company supports human rights initiatives.	3.61	.941
Average mean score of social responsibility			3.52	.760



Table 5 shows the results of the descriptive social responsibility for the compatibility variable; the respondents indicate a moderate level of agreement for social responsibility with a mean (3.52) and standard deviation (.760), while at the items level, the item (1) which states (The company has good corporate governance) came at first rank with mean (3.63), standard deviation (.974), and at a high level, while item (9) which states (The company has work procedures to manage the use of restricted substances and chemicals) came at last rank with a mean (3.46), standard deviation (.978), and at a moderate level.

4.2. Test of Hypothesis

The hypotheses developed to support the study objectives are tested here.

Before starting the application of the regression analysis to test the hypotheses of the study, some tests were conducted, in order to ensure that the data are appropriate to the assumptions of the regression analysis, as it was confirmed that there is no high correlation between the independent variables (Multicollinearity) using the Variance Inflation Factor (VIF) test (Variance Inflation Factory), and the tolerance test for each variable of the study, taking into account that the variance inflation coefficient (VIF) does not exceed the value (10) and the value of the tolerance test is greater than (0.05), and it was also ensured that the data follow the normal distribution by calculating the skewness coefficient, taking into account that the data follows a normal distribution if the skewness coefficient value is close to (0). Table No. (6), shows the results of these tests.

Table 6: Test the Variance Inflation Factor, the tolerance and the skewness coefficient

Dimensions	Variance Inflation Factor	Tolerance	Skewness
Authoritative leadership	2.283	.438	0.372
Democratic leadership	2.264	.442	-1.702
Facilitative leadership	2.942	.340	-1.673
Situational leadership	1.613	.620	-.868

We note that the values of the variance inflation coefficient (VIF) test for all variables are less than 10 and range between (1.613- 2.942) and that the values of the tolerance test ranged between (0.340- 0.620), which is greater than (0.05). This is an indication of the absence of a high correlation between the independent variables (Multicollinearity), and it has been confirmed that the data follows a normal distribution by calculating the Skewness coefficient, as the values were close to the value (0), meaning less than (1), so it can be said that there is no real problem with the normal distribution of the study data. Accordingly, we can test the hypotheses of the study as follows:

H0₁: There is no impact of Authoritative leadership on the social responsibility of industrial companies in Romania.



Table 7: Model summary of the impact of Authoritative leadership on social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761	.579	.577	.43946

Table (7) shows that the value of the correlation coefficient for the independent variable (Authoritative leadership) and the dependent variable (social responsibility) combined amounted to (0.761), and the value of the coefficient of determination was (R²) (0.579), meaning that the model explained (57.9%) of the total variance in (social responsibility), while the rest is explained by other factors.

Table 8: Results of multiple regression analysis of the impact of Authoritative leadership on social responsibility ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	39.390	1	39.390	203.958	.000
Residual	28.583	148	.193		
Total	67.973	149			

Table (8) shows that the value of F amounted to (39.390), and that the level of statistical significance reached (0.00), meaning that it is less than (0.05), and thus the null hypothesis was rejected and the alternative hypothesis was accepted, which is that there is positive statistical significance impact at ($\alpha < 0.05$) of authoritative leadership on social responsibility.

Table 9: Results of multiple regression analysis to test the effect of the independent variable on dependent variable

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.223	.182		6.713	.000
Authoritative leadership	.692	.048	.761	14.281	.000

The statistical results presented in Table (9) indicated that the significant value was (0.000), that is, the null hypothesis of the dimension (Authoritative leadership) will be rejected, and that means there is a positive impact of this variable on social responsibility. The table shows that the dimension influential in social responsibility with a value of Beta (0.692).

H₀₂: There is no impact of Democratic leadership on the social responsibility of industrial companies in Romania.



Table 10: Model summary of the impact of Democratic leadership on social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710	.505	.501	.47701

Table (10) shows that the value of the correlation coefficient for the independent variable (Democratic leadership) and the dependent variable (social responsibility) combined amounted to (0.710), and the value of the coefficient of determination was (R²) (0.505), meaning that the model explained (50.5%) of the total variance in (social responsibility), while the rest is explained by other factors.

Table 11: Results of multiple regression analysis of the effect of Democratic leadership on social responsibility ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.298	1	34.298	150.733	.000
Residual	33.676	148	.228		
Total	67.973	149			

Table (11) shows that the value of F amounted to (34.298), and that the level of statistical significance reached (0.00), meaning that it is less than (0.05), and thus the null hypothesis was rejected and the alternative hypothesis was accepted, which is that there is positive statistical significance impact at ($\alpha \leq 0.05$) of Democratic leadership on social responsibility.

Table 12: Results of multiple regression analysis to test the effect of the independent variable on the dependent variable

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.660	.176		9.407	.000
Democratic leadership	.588	.048	.710	12.277	.000

The statistical results presented in Table (12) indicated that the significant value was (0.000), that is, the null hypothesis of the dimension (Democratic leadership) will be rejected, and that means there is a positive impact of this variable on social responsibility. The table shows that the dimension influential in social responsibility with a value of Beta (0.588).

H₀₃: There is no impact of Facilitative leadership on social responsibility of industrial companies in Romania.

Table 13: Model summary of the impact of Facilitative leadership on social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709	.503	.500	.47774

Table (13) shows that the value of the correlation coefficient for the independent variable (Facilitative leadership) and the dependent variable (social responsibility) combined amounted to (0.709), and the value



of the coefficient of determination was (R²) (0.503), meaning that the model explained (50.3%) of the total variance in (social responsibility), while the rest is explained by other factors.

Table 14: Results of multiple regression analysis of the effect of Facilitative leadership on social responsibility ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.195	1	34.195	149.822	.000
Residual	33.779	148	.228		
Total	67.973	149			

Table (14) shows that the value of F amounted to (34.195), and that the level of statistical significance reached (0.00), meaning that it is less than (0.05), and thus the null hypothesis was rejected and the alternative hypothesis was accepted, which is that there is positive statistical significance impact at ($\alpha \leq 0.05$) of Facilitative leadership on social responsibility.

Tale 15: Results of multiple regression analysis to test the effect of the independent variable on the dependent variable

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.319	.204		6.458	.000
Facilitative leadership	.669	.055	.709	12.240	.000

The statistical results presented in table (15) indicated that the significant value was (0.000), that is, the null hypothesis of the dimension (Facilitative leadership) will be rejected, and that means there is a positive impact of this variable on social responsibility. The table shows that the dimension influential in social responsibility with a value of Beta (0.669).

HO₄: There is no impact of Situational leadership on the social responsibility of industrial companies in Romania.

Table 16: Model summary of the impact of Situational leadership on social responsibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.660	.435	.431	.50939

Table (16) shows that the value of the correlation coefficient for the independent variable (Situational leadership) and the dependent variable (social responsibility) combined amounted to (0.660), and the value of the coefficient of determination was (R²) (0.435), meaning that the model explained (43.5%) of the total variance in (social responsibility), while the rest is explained by other factors.



Table 17: Results of multiple regression analysis of the effect of Situational leadership on social responsibility ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	29.571	1	29.571	113.963	.000
Residual	38.403	148	.259		
Total	67.973	149			

Table (17) shows that the value of F amounted to (29.571), and that the level of statistical significance reached (0.00), meaning that it is less than (0.05), and thus the null hypothesis was rejected and the alternative hypothesis was accepted, which is that there is positive statistical significance impact at ($\alpha \leq 0.05$) of Situational leadership on social responsibility.

Table 18: Results of multiple regression analysis to test the effect of the independent variable on independent variable

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.603	.208		7.725	.000
Situational leadership	.593	.056	.660	10.675	.000

The statistical results presented in Table (18) indicated that the significant value was (0.000), that is, the null hypothesis of the dimension (Situational leadership) will be rejected, and that means there is a positive impact of this variable on social responsibility. The table shows that the dimension influential in social responsibility with a value of Beta (0.593).

5. Conclusion

The purpose of this research was to better understand the effects of leadership styles on the SR of industrial enterprises in Romania. To do this, we gathered information from around 340 managers from various firms and asked them to complete a questionnaire. A regression test was proposed to assess the obtained data. The study achieved the following results the respondents indicate a moderate level of agreement for leadership styles with mean (3.65) and standard deviation (.578), the respondents indicate a moderate level of agreement for social responsibility with mean (3.52) and standard deviation (.760), there is positive statistical significance impact at ($\alpha \leq 0.05$) of authoritative leadership on social responsibility, there is positive statistical significance impact at ($\alpha \leq 0.05$) of Democratic leadership on social responsibility, there is positive statistical significance impact at ($\alpha \leq 0.05$) of Facilitative leadership on social responsibility, there is positive statistical significance impact at ($\alpha \leq 0.05$) of Situational leadership on social responsibility.

Waldman et al. (2006) discovered that transformational leadership had a favourable influence on organisational SR practises. Similarly, Du et al. (2013) discovered a considerable influence. Nonetheless, the new study validated the previous researchers' conclusions at this point, and we also propose that transformative leadership has a major influence on organisations' SR practises.

According to certain research (De Hoogh & Den Hartog, 2008; Mazutis & Zintel, 2015) the ethical aspects of leadership styles have a considerable influence on organisations' CSR efforts. Similarly, the current study



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

supports the notion that leadership styles have a major influence on organizations' SR practises. The SR practises are considered to have an impact on the business's financial success. Based on these findings, we recommend that corporations select ethical leaders or managers who will manage firms ethically, which will promote SR practices and, as a consequence, favourably influence the organization's financial return.

The study does have certain drawbacks. Originally, the amount of data employed in this study was minimal. Moreover, it exclusively applies to Romanian industrial institutions. It cannot be applied universally. Next research needs to include gathering data from other institutions in another sector in Romania in order to be more generic.

6. References

- [1] Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management*, 38(4), 932-968.
- [2] Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18(3), 19-31.
- [3] Borgatta, E. F., Bales, R. F., & Couch, A. S. (1954). Some findings relevant to the great man theory of leadership. *American Sociological Review*, 19(6), 755-759.
- [4] Budur, T. (2018). The impact of Al-Ghazali's virtues on organizational commitment and performance: A case Study at private education institutions in Kurdistan Region of Iraq. *ICABEP, Erbil-Iraq*, Vol.2, p21.
- [5] Certo, S. C., & Certo, S. T. (2011). *Modern Management Concepts and Skills*. New Jersey: Prentice Hall
- [6] Chemers, M. M. (2000). Leadership research and theory: A functional integration. *Group Dynamics: Theory, research, and practice*, 4(1), 27.
- [7] Colbert, A. E., Judge, T. A., Choi, D., & Wang, G. (2012). Assessing the trait theory of leadership using self and observer ratings of personality: The mediating role of contributions to group success. *The Leadership Quarterly*, 23(4), 670-685.
- [8] Coombs, J. E., & Gilley, K. M. (2005). Stakeholder management as a predictor of CEO compensation: Main effects and interactions with financial performance. *Strategic Management Journal*, 26(9), 827- 840.
- [9] De Hoogh, A. H., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness and subordinates' optimism: A multi-method study. *The Leadership Quarterly*, 19(3), 297-311.
- [10] Derue, D. S., Nahrgang, J. D., Wellman, N. E. D., & Humphrey, S. E. (2011). Trait and behavioral theories of leadership: An integration and meta- analytic test of their relative validity. *Personnel Psychology*, 64(1), 7-52.
- [11] Dess, G. G., & Robinson Jr, R. B. (1984). Measuring organizational performance in the absence of objective measures: the case of the privately held firm and conglomerate business unit. *Strategic Management Journal*, 5(3), 265-273.
- [12] DiSegni, D. M., Huly, M., & Akron, S. (2015). Corporate social responsibility, environmental leadership and financial performance. *Social Responsibility Journal*, 11(1), 131-148
- [13] Du, S., Swaen, V., Lindgreen, A., & Sen, S. (2013). The roles of leadership styles in corporate social responsibility. *Journal of Business Ethics*, 114(1), 155-169.
- [14] Evans, M. G. (1996). RJ House's "A path-goal theory of leader effectiveness". *The Leadership Quarterly*, 7(3), 305-309.



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

- [15] Freeman, R. E. (1999). Divergent stakeholder theory. *Academy of Management Review*, 24(2), 233-236.
- [16] Freeman, R. E., Wicks, A. C., & Parmar, B. (2004). Stakeholder theory and the corporate objective revisited. *Organization science*, 15(3), 364-369.
- [17] Friedman, M. (2007). The social responsibility of business is to increase its profits. In *Corporate ethics and corporate governance* (pp. 173-178). Springer, Berlin, Heidelberg
- [18] Gehring, D. R. (2007). Applying traits theory of leadership to project management. *Project Management Journal*, 38(1), 44-54.
- [19] Guarnieri, R., & Kao, T. (2008). Leadership and CSR-a perfect match: How top companies for leaders utilize CSR as a competitive advantage. *People and Strategy*, 31(3), 34.
- [20] Hasan, I., Kobeissi, N., & Wang, H. (2018). Corporate Social Responsibility and Firm Financial Performance: The Mediating Role of Productivity. *Journal of Business Ethics*, 149, 671 - 688.
- [21] Hutchens, C. (2015). Look at your ancestors to discover your character! *Leading the Way*, 12(2), 18.
- [22] Ivancevich, J. M., Matteson, M. T., & Konopaske, R. (1990). *Organizational behavior and management*.
- [23] Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. *Journal of Applied Corporate Finance*, 14(3), 8-21.
- [24] Krejcie & Morgan (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, #30, pp. 607-610.
- [25] Leveugle, R., Maistri, P & Vanhauwaert, P. (2009). *Statistical Fault Injection: Quantified Error and Confidence*. Conference: Design, Automation and Test in Europe, DATE 2009, Nice, France, April 20-24, 2009.
- [26] Lewis, L. (2014). *Change management*. In V. D. Miller & M. E. Gordon (Eds.), Meeting the challenge of human resource management: A communication perspective, 134-144.
- [27] Lin, C. P., & Liu, M. L. (2017). Examining the effects of corporate social responsibility and ethical leadership on turnover intention. *Personnel Review*, 46(3), 526-550.
- [28] Manner, M. H. (2010). The Impact of CEO Characteristics on Corporate Social Performance. *Journal of Business Ethics*, 93, 53–72.
- [29] Mazutis, D., & Zintel, C. (2015). Leadership and corporate responsibility: A review of the empirical evidence. *Annals in Social Responsibility*, 1(1), 76-107.
- [30] McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.
- [31] Moten, A. R. (2011). Leadership in the West and the Islamic World: A Comparative Analysis. *World Applied Sciences Journal*, 339-349.
- [32] Pradeep, D. D., & Prabhu, N. R. V. (2011). The relationship between effective leadership and employee performance. In *International Conference on Advancements in Information Technology*, 20, 198-207.
- [33] Resick, C. J., Martin, G. S., Keating, M. A., Dickson, M. W., Kwan, H. K., & Peng, C. (2011). What ethical leadership means to me: Asian, American, and European perspectives. *Journal of Business Ethics*, 101, 435–457.
- [34] Schaubroeck, J. M., Hannah, S. T., Avolio, B. J., Kozlowski, S. W. J., Lord, R. G., et al. (2012). Embedding ethical leadership within and across organization levels. *Academy of Management Journal*, 55(5), 1053–1078
- [35] Sekaran, U. (2010). *Research Methods for Business: A Skill-Building Approach*. 4th Edition, John Wiley & Sons, UK.



(online) = ISSN 2285 – 3642

ISSN-L = 2285 – 3642

Journal of Economic Development, Environment and People

Volume 12, Issue 1, 2023

URL: <http://jedep.spiruharet.ro>

e-mail: office_jedep@spiruharet.ro

- [36] Shafie, B., Baghersalimi, S., & Barghi, V. (2013). The relationship between leadership style and employee performance: Case study of real estate registration organization of Tehran Province. *Singaporean Journal of Business, Economics and Management Studies*, 51(1119), 1-9.
- [37] Stogdill, R. M. (1948). Personal factors associated with leadership: A survey of the literature. *The Journal of Psychology*, 25(1), 35-71.
- [38] Stogdill, R. M. (1950). Leadership, membership and organization. *Psychological Bulletin*, 47(1), 1.
- [39] Torlak, N. G., & Kuzey, C. (2019). Leadership, job satisfaction and performance links in private education institutes of Pakistan. *International Journal of Productivity and Performance Management*, 68(2), 276-295.
- [40] Trong, L. (2012). Corporate social responsibility, leadership, and brand equity in healthcare service. *Social Responsibility Journal*, 8(3), 347-362.
- [41] Turker, D. (2009). Measuring corporate social responsibility: A scale development study. *Journal of Business Ethics*, 85(4), 411-427.
- [42] Vecchio, R. P., Bullis, R. C., & Brazil, D. M. (2006). The utility of situational leadership theory: A replication in a military setting. *Small Group Research*, 37(5), 407-424
- [43] Waddock, S. (2004). Parallel universes: Companies, academics, and the progress of corporate citizenship. *Business and Society Review*, 109, 5–42.
- [44] Waldman, D. A., Siegel, D. S., & Javidan, M. (2006). Components of CEO transformational leadership and corporate social responsibility. *Journal of Management Studies*, 43(8), 1703-1725.
- [45] Walumbwa, F. O., & Lawler, J. J. (2003). Building effective organizations: Transformational leadership, collectivist orientation, work-related attitudes and withdrawal behaviours in three emerging economies. *International Journal of Human Resource Management*, 14(7), 1083-1101.
- [46] Yukl, G. A. (2002). *Leadership in organizations*. New York: Prentice Hall.
- [47] Zikmund WG, Babin BJ, Carr JC, Grifn M (2010) *Business research meth - ods*. South Western Cengage Learning, Mason OH