

## **The Leadership Influence of Entrepreneurs in the Results of SMEs**

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### **Abstract**

*In this research, there were analyzed the transformational leadership, the integrative negotiation strategy and its influence on the perception of prestige and status of SMEs of the State of Guanajuato, México. For that, a sample of 418 leaders of micro, small and medium companies of the State of Guanajuato was used. The methodological design of this research was made through surveys. The objective is to investigate if there is any relationship between the negotiation style, the transformational leadership and the results of the organization according to the perception of prestige and status. In order to test the hypotheses, we used structural equations. As to the results obtained, it was demonstrated that transformational leadership and negotiation strategy both influence positively and significantly on the perception of prestige and status of the SMEs; In addition, the integrative negotiation strategy influences positively and significantly as a mediating variable between: a) transformational leadership and the perception in the market performance and (c) transformational leadership and the perception of prestige and status of SMEs in the State of Guanajuato, México.*

**Keywords:** Transformational leadership, integrative negotiation, perceived organizational performance.

### **Introduction**

Nowadays, small and medium enterprises (SMEs) in Mexico, experiment several turbulent changes in every way, and due to these changes, the role of the leader represents one of the fundamental pieces in the organizational performance as in the performance in the perceived market, because, through the leaders' attitudes, their behaviors and the actions that they perform within the companies, will face and respond to the demands that will appear in a global economy, contributing in this way, to the achievement of the goals and personal success as well as the organizations themselves (De Oliveira, Escrivão, Nagano, Ferraudo, & Rosim, 2015; Lussier & Corman, 2015)generating, a positive perception of prestige and status of the SMEs in the market in which they are positioned.

On the other hand, the strategy of integrative negotiation is another of the important factors that contribute to the organizational success, because it is a strategy that is focused on the win-win between the parties involved in a negotiation (Artinger, Vulkman & Shem-Tov, 2013; Metcalf et. al. 2007; Pedraja-Rejas et al. 2006; Volkema & Fleck, 2012; Willson & Thompson 2014; Yasin et al., 2014).

SMEs, are organizations that are in a constant negotiation both with their internal customers as well as the stakeholders, but also, with other companies with which they form alliances, that is why, the win-win factor is an indispensable factor in the leader of the SMEs, generating trust and loyalty from investors, customers, suppliers, shareholders, etc. obtaining significant achievements and directing them towards the success of both the leader and the own SMEs.

In this respect, if SMEs achieve goals and induce to success, will demonstrate a prestige and status of the organization itself, all these through the perceived organizational performance as well as perceived market performance (Carmeli, Gilat & Waldman, 2007; Yasin et al., 2014). The main purpose for this investigation is to identify the joint influence between the transformational leadership and the strategy of integrative negotiation on the perception of the prestige and status of the organization of the SMEs in the State of Guanajuato, México.

### **1.1 Transformational Leadership**

According to Bass (1985; 1999), Bass and Avolio (2004), they define leadership as a process in which a leader influences on others by the way of his or her behavior to achieve organizational goals and increase growth and adaptation among those involved.

Within organizations, leadership is strongly associated through management and administration in organizations, considering that it can be performed at any level of the organizational chart within the organization itself, which is why the term leader is often confused as an administrator (Stogdill 1974; Yukl, 1989). Since specific characteristics of a transformational leader lie in sharing the vision and mission in the long term, understanding and sharing goals, accepting challenges that are faced in professional development through strategy and shares the role that their followers play within the organization.

An administrator is defined as a person who has an official position of authority and power, has management skills, planning, control, focuses on structure and systems, has a short-term view, accepts and protects the status quo of the organization, as well as, acquires the power through the structure (Bennis & Nanus, 1985; Brilliant, 1986; Zaleznik, 1977).

On the other hand, a leader is a person who can be found anywhere in the organizational structure, his main functions are to be innovative, he seeks to be original in what he develops, focuses on people, inspires confidence, has a long term vision, challenges the status quo of the organization, is a guide and counselor, encourages people to follow their example, motivates, inspires and builds relationships of trust (Bennis & Nanus, 1985; Brilliant, 1986; López-Lemus, 2016; Zaleznik, 1977).

Through these differences, leadership is considered to play an important role within the organization, since, through them; they will be elements that will guide their team with proactivity in the activities they develop within the company, and in this way, to achieve its objectives established through the mission and vision. According to the leadership model of Bass (1985; 1999) and Bass and Avolio (2004), they consider three main factors that define leadership, in this sense; the emphasis is placed on transformational, transactional and Laissez Faire.

*1.1.1 Transformational Leadership.* It is a leadership style that focuses primarily on helping members of the organization recognize their strengths and capabilities, contributes to professional growth and development, and shows visionary behaviors. Likewise, it fosters a culture of creativity where participation, ideas and suggestions of the followers, exerts a shared leadership, as the leader does not pretend to stand out. (Antonakis, Avolio & Sivasubramaniam, 2003; Bass, 1999; Bass & Avolio, 2004; López-Lemus, 2016).

One of the characteristics or benefits of this style of leadership, is to enhance the skills, knowledge and attitudes of the followers and collaborators of the leader, generating a multiplier effect or cascade effect, stimulating individual and collective development of people.

According to Bass and Avolio (2004), they consider that there is another style of leadership that is specifically to reward or to punish the performance of their followers, in this case they refer of transactional leadership.

*1.1.2 Transactional leadership.* It is a leadership style in which a leader focuses on the administration of the system as well as tasks, becomes a receiver of complaints, as he recognizes what the follower wishes to obtain through his work and seeks to ensure always to obtain it as long as its performance justifies it (Bass, 1999; Bass & Avolio, 2004; Burns, 1978; López-Lemus, 2016).

In addition to transformational leadership styles and transactional leadership, there is a third style of leadership that shows absence of a leader, avoiding their involvement in the development and management of organizational performance. According to Bass and Avolio (2004) they are people who, in many cases, occupy a position where they permeate power and authority and therefore do not take their role as leader of the organization, in this case, referring to Laissez Faire leadership.

*1.1.3 Laissez Faire Leadership.* Laissez faire leader contributes little to help, direction and support, avoids making decisions, allows others to make decisions, shows little interest in people, processes, and results, avoiding any responsibility and looking for guilty in the emergence of problems (Antonakis, Avolio & Sivasubramaniam, 2003; Bass, 1985; Bass & Avolio, 2004; López-Lemus, 2016). Also, Bass and Avolio (2004), consider that transformational leadership is a construct that is formed through four dimensions: (1) idealized attributed and behavioral influence, (2) inspired motivation, (3) intellectual stimulation, and (4) individualized consideration.

*Idealized attributed influence:* It is the ability of a leader to influence followers through high moral standards, as well as a vision and mission to the organization; Inspires pride, respect, pursuit of achievement and confidence, increases optimism.

*Idealized Behavioral Influence.* Influence on the behavior of followers toward achieving goals and objectives, leaders are strong ethical models, which their followers try to emulate.

*Inspirational motivation.* It is the motivation that the leader focuses on his followers to have high expectations and commitment to the organization.

*Intellectual Stimulation:* To offer new ideas challenging old paradigms allowing their followers to be innovative, creative and to challenge standards. According to Yasin et al. (2014), represents a key component in enhancing the subordinate's ability to generate innovative ideas and how to solve problems in order to improve organization through creativity in a way that represents a sustainable competitive advantage.

*Individualized consideration.* They provide a supportive climate in order to assist their followers so the leaders pay attention to the individual developmental needs of each individual follower, the follow up is personalized, accompanied but not seen as a control.

Also, implementing transformational leadership contributes to establishing effective leadership that allows the ability to conceive and develop multiple roles (Conger & Kanungo, 1988; Denison, Hooijberg & Quinn, 1995; Hooijberg 1992) for the achievement of organizational goals.

## **1.2 Integrative Negotiation Strategy.**

Negotiation is defined as a process involving two or more parties, who are subject to offer and receive benefits through a transaction, whose purpose is to resolve a conflict of interests or have a business agreement between the parties involved (Da Conceição-Heldt; 2006; Lax & Sebenius; 1986; Moravcsik; 1993; Rubin & Brown, 1975). According to Walton and McKersie (1965), Two types of negotiation strategies have been identified: 1) integrative negotiation and 2) distributive negotiation. These two types of negotiation strategies represent the two dimensions of which the negotiation is formed (García, 2004; Guttman & Maes, 1999; Walton & McKersie, 1965).

*1.2.1 The Integrative Negotiation.* It is a negotiation strategy designed to increase profits or interests jointly between the parties involved. In other words, it is a negotiation style where the parties are subject under a win-win scheme (Bazerman, Magliozzi & Neale, 1985; Da Conceição-Heldt; 2006; Garcia, 2004; Metcalf et. al., 2007; Walton & McKersie, 1965; Wilson & Thompson, 2014).

The main focus of this negotiation strategy is to: (1) focus the common interests of the parties involved, (2) tend to proactively avoid confrontation, (3) tend to achieve qualitative objectives, (4) provide necessary information, and as a result of this comprehensive strategy, (5) profits are maximized, profits and interests together stimulate the creation of value (Lax & Sebenius, 1986; Tiessen, 1996) between the parts. Likewise, if people use this type of integrative strategy in the negotiations between those involved, will facilitate a closer and consolidated relationship of trust and commitment in the short and long term (Lax & Sebenius, 1986; O'Connor & Arnold, 2001; Saorin, 2006). For this reason, a strategic leader should consider this strategy as a factor that will allow him to achieve personal goals as organizational, contributing little by little in the success of the company and as a result to influence in the perception of prestige and organizational status (Artinger et al., 2013; Wilson & Thompson, 2014)

*1.2.2 Distributive Negotiation.* This strategic method of negotiation is focused through competitive behavior, the intention in using this style of negotiation is that; A part earns enough in terms of its interests, while the counterpart loses them, in this case is referred to a negotiation under a win-lose scheme (Bazerman, Magliozzi & Neale, 1985; Da Conceição-Heldt, 2006; Garcia, 2004, Metcalf et al., 2007, Walton & McKersie, 1965).

Also, people using this type of negotiation strategy are mainly focused on: (1) to win or to be the most beneficial in the negotiation, (2) to confront the counterparty, (3) to induce the concealment of information, (4) Is focused on quantitative objectives, and as the result of the use of this strategy leads to (5) maximization of individual profits, benefits and interests (Lax & Sebenius, 1986; Tiessen, 1996).

Therefore, by employing this negotiation strategy there are certain implications and difficulties to achieve some agreement between the parties, and if achieved, it is difficult to have a short- and long-term commitment (Lax & Sebenius, 1986; Connor & Arnold, 2001; Saorin, 2006). Because of this, if a leader employs this type of strategy through the small business from which he manages, will have difficulties in establishing and consolidating trust and commitment in the short or long term, which will affect the prestige and organizational status perceived.

On the other hand; Integrative and distributive negotiation strategies are bipolar dimensions that individuals adopt within the negotiation process between the parties (Metcalf et al., 2007). Likewise, both strategies are considered as factors that contribute to personal success as well as organizational, turning into situational business strategies, if properly managed; Otherwise, it would represent one of the factors that will influence in a negative way in the perception of the prestige and organizational status.

### **1.3 Perception of prestige and organizational status.**

The leader plays an important role in organizations because, through their attitudes, behaviors, and their developed actions within companies, they contribute to the achievement and performance of personal as well as organizational goals. In this sense, if an organization achieves goals and demonstrates performance, through the work of its collaborators, it reflects a status and prestige of the organization itself.(Carmeli, Gilat & Waldman, 2007).

On the other hand, the perception of performance in the organization is an important factor, because it is the basis that determines the trust and loyalty of investors, customers, suppliers, stakeholders, etc. Showing in them prestige and status in the performance, as well as in the market to which the company is developed. In other words, the performance of the perceived organization will reflect the status and prestige of the organization in the market (Carmeli, Gilat & Waldman, 2007).

However, Delaney & Huselid (1996) consider that the prestige and status of an organization is measured through perceived organizational performance. Likewise, this construct is formed by two dimensions: 1) Perceived organization performance and 2) Perceived market performance (Kalleberg, Knoke, Marsden, & Spaeth, 1991, 1994).

Likewise, the prestige and status or performance of the perceived organization is a multidimensional construct that is shaped by social indicators of prestige versus the elements that constitute the economic indicators (Carmeli, 2005). On the other hand, Fombrun Gardberg and Sever (2000) consider that the construct is formed by dimensions such as emotional attractiveness, products and services, social responsibility and the environment.

*1.3.1 Organization Performance.* It is a variable that is focused on measuring the quality of products or services offered by the organization, it also considers customer satisfaction and the development of new products, so this factor is related to the prestige of the organization.

*1.3.2 Market Performance.* It is a variable that is specifically focused on the economic results of the organization itself, such as profitability and participation in the market in which it is developed, so this dimension refers to the perception of the status of the organization.

The uses of both variables provide a broad assessment of perceived organizational performance (Delaney & Huselid, 1996; Kalleberg, Knoke, Marsden, & Spaeth, 1991, 1994), in this case, prestige and status of SMEs.

## **1.4 Objectives**

### **1.4.1 General Objective**

Identify if there is a joint influence between transformational leadership and the integrative negotiation strategy on the perception of prestige and status in the SMEs.

### **1.4.2 Particular objectives**

- Identify if there is influence between the transformational leadership and the perception of the prestige and status of the SMEs.

- Identify if there is an influence between the strategy of integrative negotiation with the perception of prestige and status in the SMEs.

Likewise, considering the stated objectives, the following hypotheses were established for the analysis of the information

H1. Transformational leadership has a positive and significant effect on the perception of the prestige and status of the SMEs of the State of Guanajuato.

H2. Transformational leadership has a positive and significant effect on the strategy of integrative negotiation of the leaders of the SMEs of the State of Guanajuato.

H3. The strategy of integrative negotiation has a positive and significant effect on the perception of the prestige and status of the SMEs of the State of Guanajuato.

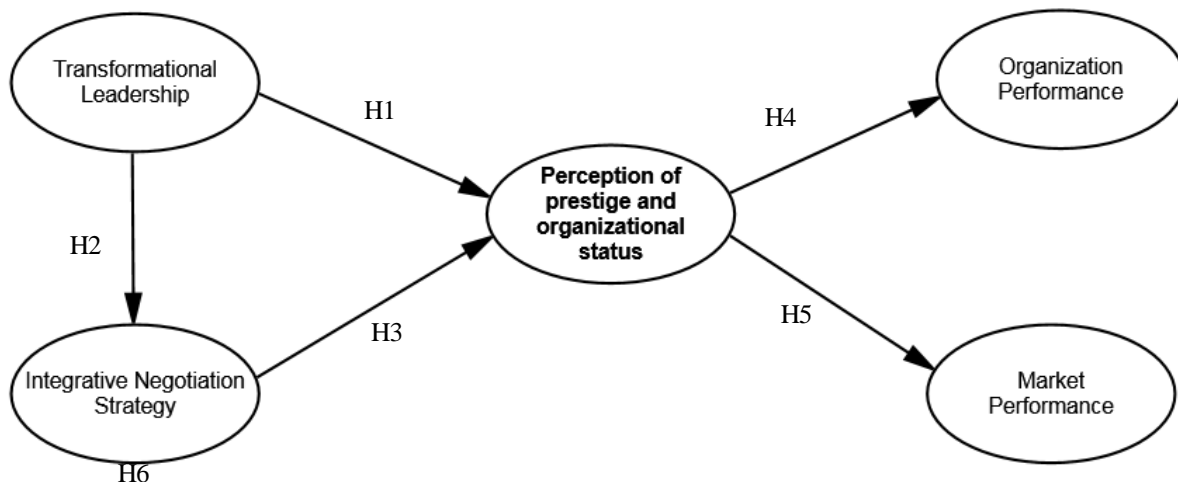
H4. The strategy of integrative negotiation influences positively and significantly as a mediating variable between the transformational leadership and the perception of the performance of the SMEs of the State of Guanajuato.

H5. The strategy of integrative negotiation influences positively and significantly as a mediating variable between the transformational leadership and the perception in the market performance of the SMEs of the State of Guanajuato.

H6. The strategy of integrative negotiation influences positively and significantly as a mediating variable between the transformational leadership and the perception of the prestige and status of the SMEs of the State of Guanajuato.

To evaluate the hypotheses mentioned above, a hypothetical structural model was developed. See Fig. 1.

**Fig. 1: Hypothetical structural model of exogenous and endogenous variables. Own Design**



## 2 Methodology

The present is an explanatory study, due to the measurement characteristics presented by the chosen variables, which are intended to give a general and approximate view of a certain reality, in this sense, the perception of the prestige and the status of the organization. It was also observational, since it was intended to describe the phenomenon, without any intervention or manipulation of the variables that determined the research process. The type of study was transversal, due to the period and sequence of the study, for it there were applied instruments in a single occasion, at a same moment to the subjects of the study, tin other words, a cut was made in the time, with the purpose to obtain the necessary information for the analysis and measurement of the variables.

### 2.1 Sample

The type of sampling was intentional non-probabilistic, because it was required to obtain the largest number of participants, as for the criteria of inclusion and exclusion of the sample were leaders, managers, managers and representatives of micro, small and medium enterprises, Men and women with a minimum of one year in the position. The sampling frames used in this research were leaders of micro, small and medium enterprises of the State of Guanajuato, Mexico. For that, a platform was designed hosted to an Internet server where the participants entered to answer the instruments used for the quantitative analysis of the present investigation. Thus, a sample of 418 participants was obtained, of which, 47.9% (n = 200) were women, while 52.1% (n = 218) were men.

Also, according to the Official Gazette of the Federation (2009) the stratification of the size of the companies in Mexico, is established through its rank of the number of workers, annual sales rank, as well as the combined maximum cap, in this Research, we considered the stratification of the size of the company according to the number of workers that counts the same, in other words, from 1 to 10 workers represent the micro, from 11 to 50 workers represent the small and more than 50 workers represent the medium company. According to the sample obtained, 42.8% (n = 179) represent micro companies, 36.8% (n = 154) small and 20.3% (n = 85) medium enterprises in the State of Guanajuato. Stata software v.12.0 was used for the analysis of the obtained data, and a structural equation model (SEM) was developed through the statistical software Mplus v.7.0 to verify the established hypotheses. Likewise, a correlation was carried out between the studied variables, so it is demonstrated that there is a positive and significant relationship between the variables: transformational leadership, integrative negotiation, as well as the prestige and the perceived organizational status, measured by the correlation coefficient. See Table 1.

## 2.2 Instruments.

*2.2.1 Transformational Leadership.* To measure this entrepreneurs' construct, the CELID-A leadership tool of Castro Lozano et al. (2011) was used. This inventory only considered the transformational dimension. This dimension is made up of 17 items. The reagents have a Likert format with 5 response points, where 1 represents "Total disagreement" and 5 "Total agreement". To evaluate the reliability of this instrument, the Cronbach's alpha ( $\alpha = .86$ ) as well as the composite reliability ( $\rho_c = .86$ ) of Dillon-Goldstein were used, which were satisfactory (Cronbach, 1951; Hair et al., 2014). Regarding the validity of the CELID-A inventory, a confirmatory factor analysis (CFA) based on Castro Lozano et al. (2011) was developed through a structural equation model. The Chi-square test ( $\chi^2 = 76.226 / gl = 35$ ), the comparative index of fit (CFI = .967), the Tucker-Lewis index (TLI = .958) were considered for the validation of the SEM. Index of the Square Root Approximation of the Mean Squared Error (RMSEA = .053) and finally, the Standardized Mean Square Root Mean (SRMR = 0.033), so that the goodness and fit indexes of the model proved to be satisfactory. Likewise, seven items were eliminated from which they did not have satisfactory factorial loads, therefore, the inventory was finally composed by 10 items. See Table 2.

*2.2.2 Integrative Negotiation.* To measure this construct, we used the scale of the negotiation tendencies of Metcalf et al. (2007). Only the integrative negotiation strategy was considered from this scale. This instrument is made up of 3 items and uses a 5-point Likert scale, where 1 represents "strongly disagree" and 5 "strongly agree". To evaluate the reliability of this instrument, Cronbach's alpha ( $\alpha = .71$ ) as well as Dillon-Goldstein's composite reliability ( $\rho_c = .72$ ) were used, which were satisfactory (Cronbach, 1951; Hair et al., 2014). As for the validity of the negotiation instrument, a CFA based on Metcalf et al. (2007) was developed, through a structural equation model. For the validation of the SEM, the index of goodness and fit of the model (CFI = 1,000, TLI = 1,000, RMSEA = 0.00, SRMR = 0.00) were considered satisfactory (Bollen, 1989; Jöreskog & Sörbom, 1981; Muthén & Muthén, 1998-2007, Muthén, 2001, 2002, Rigdon, 1996). See Table 3.

*2.2.3 Prestige and status of the perceived organization.* To measure these constructs, the perceived organization performance scale of the National Organization Survey (NOS) was used, a special module of the General Social Survey (GSS), is an instrument for commercial establishments and Organizations in the United States, developed by Kalleberg, Knoke, Marsden, & Spaeth, 1994). This scale considers two factors: (1) Performance of the perceived organization, made up of 7 items and (2) Perceived market performance, this dimension is formed through 4 items. This instrument uses a Likert scale of 4 points, ranging from 1 "Worse" to 4 "Much better". In order to evaluate the reliability of this instrument, Cronbach's alpha ( $\alpha = 0.83$ ) and Dillon-Goldstein composite reliability ( $\rho_c = .84$ ) were used, which were satisfactory (Cronbach, 1951; Hair et al., 2014). As for the validity of the entrepreneurial self-efficacy tool, a CFA based on Kalleberg, Knoke, Marsden, and Spaeth (1994) was developed through a structural equation model. For the validation of the SEM, the index of goodness and fit of the model were considered ( $\chi^2 = 64.297 / gl = 33$ , CFI = 0.968, TLI = 0.956, RMSEA = 0.048, SRMR = 0.032), which proved to be very satisfactory (Bollen, 1989; Jöreskog & Sörbom, 1981; Muthén & Muthén, 1998-2007, Muthén, 2001, 2002; Rigdon, 1996). See Table 4.

**Table 1: Descriptive statistics: Averages, standard deviation, variance, and correlation of variables**

VARIABLES	Mean	D.S.	Variance	1	2	3
Transformational Leadership	3.14	0.728	0.530	1.000		
Integrative Negotiation	3.77	0.765	0.585	0.410**	1.000	
Organizational Prestige and Status Perceived	3.07	0.455	0.207	0.327**	0.174**	1.000

\*\*  $p < 0.001$

**Table 2: Standardized factor loadings, Dillon-Goldstein composite reliability, and Cronbach's alpha of strategic leadership. Based on Castro Lozano et al. (2011)**

VARIABLE	LOAD	RESIDUAL	COMPOUND CONF.		α- CRONBACH
<b>TRANSFORMATIONAL LEADERSHIP (LTF)</b>					
LTF1	0.544	0.704			
LTF2	0.616	0.621			
LTF3	0.534	0.715			
LTF4	0.663	0.560			
LTF5	0.619	0.619	<b>0.862</b>		<b>0.859</b>
LTF6	0.542	0.617			
LTF7	0.727	0.706			
LTF8	0.68	0.471			
LTF9	0.703	0.703			
LTF10	0.544	0.544			
<b>CFI</b>	<b>TLI</b>	<b>RMSEA</b>	<b>SRMR</b>	<b>COMP. CONF.</b>	<b>α- CRONBACH</b>
<b>0.967</b>	<b>0.958</b>	<b>0.053</b>	<b>0.033</b>	<b>0.862</b>	<b>0.859</b>

Table 3. Standardized factor loadings, composite reliability of Dillon-Goldstein and alfa of Cronbach of the integrative negotiation strategy. Based on Metcalf et al. (2007).

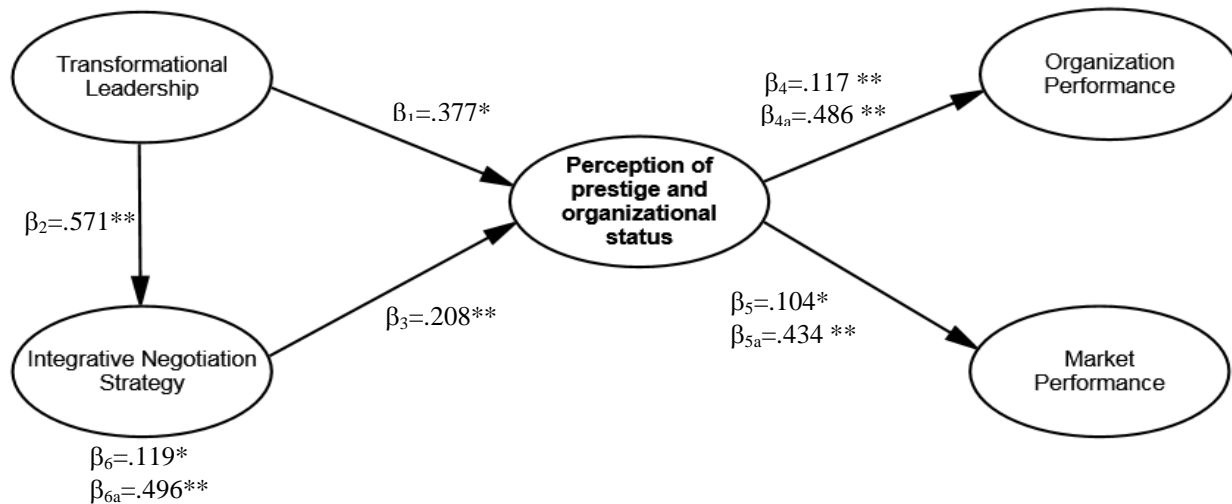
VARIABLE	LOAD	RESIDUAL	COMPOUND CONF.		α- CRONBACH
<b>INTEGRATIVE NEGOTIATION (IN)</b>					
NI1	0.616	0.621			
NI2	0.746	0.444	<b>0.720</b>		<b>0.717</b>
NI3	0.673	0.547			
<b>CFI</b>	<b>TLI</b>	<b>RMSEA</b>	<b>SRMR</b>	<b>COMP. CONF..</b>	<b>α- CRONBACH</b>
<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.720</b>	<b>0.717</b>

Table 4. Standardized factor loadings, compound reliability of Dillon-Goldstein and alfa of Cronbach fromNOS, Perceived organizational performance. Based on Kalleberg, Knoke, Marsden, andSpaeth (1994)

VARIABLE	LOAD	RESIDUAL	COMPOUND CONF.		α- CRONBACH
<b>PERFORMANCE OF THE ORGANIZATION PERCEIVED (POP)</b>					
DEO1	0.602	0.638			
DEO2	0.662	0.562			
DEO3	0.629	0.604			
DEO4	0.539	0.710	<b>0.762</b>		<b>0.762</b>
DEO5	0.548	0.700			
DEO6	0.558	0.688			
<b>MARKET PERFORMANCE PERCEIVED (MPP)</b>					
REM1	0.612	0.625			
REM2	0.633	0.600			
REM3	0.589	0.653	<b>0.704</b>		<b>0.702</b>
REM4	0.608	0.631			
<b>CFI</b>	<b>TLI</b>	<b>RMSEA</b>	<b>SRMR</b>	<b>CONF. COMP.</b>	<b>α- CRONBACH</b>
<b>0.968</b>	<b>0.956</b>	<b>0.048</b>	<b>0.032</b>	<b>0.848</b>	<b>0.830</b>

### 3 Results

To evaluate the hypothetical structural equation model (SEM), the following indices of goodness and fit were considered: Chi-square ( $\chi^2 = 731.318$  gl = 225), so the Chi-square test ( $\chi^2 / Gl = 1.65$ ,  $p < 0.05$ ) proved to be satisfactory, the Comparative Adjustment Index (CFI = .947 and TLI = .940) as well as the Square Root Approximation of the Mean Squared Error (RMSEA = .039), and finally, The Standard Root Mean Residual Root (SRMR = 0.042), so the model proved to be absolutely desirable and acceptable (Jöreskog & Sörbom, 1981; Muthén & Muthén, 1998-2007; Rigdon, 1996). See Figure 2.



$**p < 0.001$      $*p < 0.01$

**Fig. 2: Structural loads of the hypothetical model. Own Design.**

The results obtained using the hypothetical model of structural equation (see Figure 2), demonstrate that there is statistical evidence to affirm that transformational leadership has a positive and significant effect ( $\beta_1 = .377$ ;  $p < 0.001$ ) on the perception of prestige and status of the SMEs of the State of Guanajuato. Therefore, the hypothesis H1 is accepted.

Likewise, it is demonstrated on a statistical basis that transformational leadership has a positive and significant effect ( $\beta_2 = .571$ ;  $p < 0.001$ ) on the strategy of integrative negotiation of the leaders of the SMEs of the State of Guanajuato. So, the H2 hypothesis is accepted.

On the other hand, there is statistical evidence to affirm that the integrative negotiation strategy influences positively and significantly ( $\beta_3 = .208$ ;  $p < 0.001$ ) in the perception of the prestige and status of the SMEs of the State of Guanajuato. Therefore, the hypothesis H3 is accepted.

As for the hypotheses H4, H5 and H6; The direct and indirect effects of the selected variables were evaluated (Bollen, 1987; Sobel, 1987). Based on the results of the SEM, it is demonstrated that there is a positive and significant effect of mediation of the integrative negotiation strategy (indirect effect:  $\beta_4 = .117$ ;  $p < 0.001$ ; direct effect:  $\beta_{4a} = .486$ ;  $p < 0.001$ ) between the variables of the transformational leadership and the perception of the performance of the SMEs. Therefore, the H4 hypothesis is accepted.

In addition, there is statistical evidence to affirm that there is a positive and significant effect of mediation of the integrative negotiation strategy (indirect effect:  $\beta_5 = .104$ ;  $p \leq 0.01$ ; direct effect:  $\beta_{5a} = .434$ ;  $p \leq 0.001$ ) between the variables of the transformational leadership and the perception in the market performance of the SMEs of the State of Guanajuato. Based on the above, the hypothesis H5 is accepted.

Similarly, there is a positive and significant effect of mediating the integrative negotiation strategy (indirect effect:  $\beta_6 = .119$ ;  $p < 0.01$ ; direct effect:  $\beta_{6a} = .496$ ;  $p < 0.001$ ) between transformational leadership and perception of the prestige and status of the SMEs of the State of Guanajuato. H6 is therefore accepted.



Based on the above, it is demonstrated that there is statistical evidence to affirm that the integrative negotiation strategy influences positively and significantly as a mediating variable between: (a) transformational leadership and perception of organizational performance; (b) transformational leadership and perceptions of market performance and (c) transformational leadership and the perception of the prestige and status of the SMEs of the State of Guanajuato

#### 4 Discussion

It is important to consider that the role of the leaders in the SMEs is fundamental in the performance of the perceived organization, that is, in the perception of the prestige and status of the SMEs, because before the diverse turbulent changes that face the same, requires that leaders develop a flexible and situational style of leadership, that is, a style of transformational leadership that contributes to the achievement of both personal and organizational goals.

Likewise, it is necessary to consider that the exercise of a transformational leadership style will reflect a positive and significant perception in the prestige and status of the SMEs itself, as a poor performance in the leadership exercise will influence an unfavorable perception both of the prestige and status of the Organization, which will most likely contribute to the failure of the organization and with it to that of the leader himself.

Another factor that influences the perception of prestige and status in SMEs is integrative negotiation. According to this, employing a win-win strategy among people who are directly or indirectly related to the company, will generate loyalty and will also have a status and a prestige earned through the good organizational performance perceived by those who lead micro, small and medium enterprises. It should be noted that integrative negotiation represents a variable of medication that influences positively and significantly between the implementation of transformational leadership and the perception of the prestige and status of the SMEs, as well as between the performance of the organization and, finally, between the SMEs market performance.

Also, some other factors in which transformational leadership influences is in the perception of market performance as well as in integrative negotiation, since the SMEs will create a status and prestige among the organizations that develop and compete in the same market; In this case, they become a competitive advantage that can be taken advantage of by the leaders of the organizations.

Therefore, if a leader of an organization exerts a transforming influence on his or her collaborators, will contribute to the achievement and achievement of personal goals as well as organizational (Bass, 1999; Bennis & Nanus, 1985), and thereby reflect a status and prestige of the organization. Own organization (Carmeli, Gilat & Waldman, 2007). Generating, trust and fidelity of the investors, clients, suppliers, stakeholders, etc. Showing in them prestige and status in the performance, as well as in the market to which the small and medium enterprises is developed.

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