Leadership Styles and Their Effects in Northwest Romanian Multinational Companies

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Abstract

Multinational organizations are considered among the best-performing organizations, both through organizational culture, politics, and education. The management functions of these organizations also generate effective leadership that largely determines the organizational performance and success of the companies. The management performance of managers in these organizations is measured by criteria that influence work efforts, effectiveness, and employee satisfaction. The purpose of this paper is an analysis of leadership styles and their effects on Northwest Romanian multinationals. In this sense, the research aims to fill the gaps in the specialized literature in the field. The research was based on instruments specific to the study of leadership styles,by applying a questionnaire to 140 leaders from 24 multinationals operating in NW Romania. The analysis was made through the prism of the correlations between the attributes and behaviors of the leaders and the results of these behaviors, respectively, the performance indicators. These quantitative data have statistics so as to identify the specific relationships between the leadership styles and their results. Also, the

differences in the results were analyzed according to the sectors of activity, industry, and services in which these leaders operate. The results showed extremely small differences, which proves that the effects of leadership styles are significantly equal, regardless of the activity sector of the multinational organizations. The importance of the empirical study resides in the results of the analysis, which can lead to the promotion of effective leadership both in the studied region and in the entire country, as well as in other types of organizations and institutions.

Keywords: Multinational companies, Full-Range leadership development, Leadership styles, Outcomes of leadership

1. Introduction

In the current economic context, there is no organization that is immune to change. Leaders are responsible for making sure that people have the ability to get through difficult times or changes. Burns (2004) defined a leader as someone who rallies people towards a common objective that is embraced by both leaders and followers, while Winston and Paterson (2006) proposed an integrative definition of leadership, viewed as a complex process in which leaders influence people or groups to achieve a common goal. Leadership is crucial for the success of organizations and for building and maintaining effective teams. In every organization, the leader must motivate, improve efficiency, grow, and create a favorable work climate, which is not an easy task in today's world. Leaders are constantly looking to find the most effective leadership styles for improving company results and achieving goals. As the importance of leadership is widely recognized in any organization, where both successes and failures are largely attributed to it, the leadership concept has become very popular among researchers, and it has become the focus for identification and development in organizations. As a result, the literature extended considerably, with many classifications and theories about leadership styles and behaviors. Among the most well-known theories is the Full-Range leadership development model (Avolio, 2010), whose conceptualization was made in 1991 by Avolio and Bass. Many researchers have relied on this theory to clearly characterize leadership styles (Moreno-Casado et. al., 2021), (Angle & Swenson, 2020), and (Morais et al., 2021). Starting from the same theory, we conducted the present study, the purpose of which is to study the relationship between leadership styles and their effects on multinational organizations. Research on leadership and organizational performance in Romania is scarce, with few empirical studies covering all aspects of leadership and its results in Romanian firms. Furthermore, in NW Romania, similar research is virtually absent. This study focuses on the leadership styles and their associated results of 140 interviewees in leadership roles at all levels in multinational organizations. The research hypotheses are as follows: there is a relationship between the leadership styles adopted in multinational organizations from NW Romania and their outcomes; there are no differences in leadership outcomes in manufacturing versus service industries. The added value of this study consists of pioneering research on leadership styles within the multinationals in NW Romania that operate in the industry and service sectors and the evaluation of the correlation by sector and leadership styles with parameters that characterize their results.

2. Premises of Efficient Leadership in Multinational Companies

2.1 Organizational Culture and Leadership

Effective leadership depends heavily on culture, especially in a multinational context. Leaders understood and coped well with these cultural elements in a global environment where companies operate across cultural boundaries. In this respect, most leaders working in multinational organizations have understood that different cultures have different ways of communicating, which can affect the communication of goals, expectations, and feedback. The adaptability of multinational corporate leaders has to be maximized in the way of communication to fit with the demands of cultural diversity and to guarantee clarity and understanding. Lindbladh and Lyttkens (2002) argue that cultural habits influence decision-making processes. Consensus building and participation in decision-making are valued in some cultures, while hierarchical decision-making is more important in others. To promote collaboration and decision-making that is well received across teams, leaders need to understand these cultural preferences. Cultural differences can also be seen in how conflicts are resolved. While some cultures value direct confrontation, others prefer to approach problems through indirect communication. Leaders need to collaborate with different conflict resolution approaches that take cultural differences into account and support multinational teams (Gomez & Taylor, 2018). The varied cultural structure within multinational companies influences people's motivation and the way they want to be recognized for their work. Erez, M. (2008) sustains that successful leaders understand cultural differences and adapt their motivation strategies to inspire and engage a diverse workforce, which drives performance in different cultural contexts. Likewise, confidence is essential for good leadership. The way trust is built is influenced by cultural norms (Flora Hung, 2004). In order to build relationships, promote trust, and cultivate strong links with stakeholders from different cultural backgrounds, multinational company executives must be culturally sensitive. Recognizing how cultural elements influence leadership in a multinational context is crucial to promoting inclusion in organizations to ensure success in a globalized world.

2.2 Leadership Styles and Their Outcomes

The importance of understanding leadership style, i.e., leader traits and behaviors as predictors of leadership effectiveness, helps the organization in leader selection and development. According to Lee (2021), leadership styles are the way a leader interacts with or leads other members of the organization. Leaders demonstrate these types of behaviors, which are relatively constant. Leaders exhibit them as comparatively consistent behavioral patterns (Fischer &Sitkin, 2023). Mohiuddin (2017) also discusses leadership from the "style approach", where leaders behaviors indicate leadership style. Connecting behaviors with traits, Derue et al. (2011) posit that a trait is a consistent and generalized group of correlated behaviors. In their review article, Chouhan and Srivastava (2014) make a pertinence analogy between the behavioral characteristics of leaders and competences, organizational strategy and competence. Additionally, Pellegrini et al. (2020) and Newman et al. (2017) supported the correlation between leader personality traits and actions, indicating that traits and behaviors are associated with leadership.

2.2.1 Leadership Styles and Their Contributing Factors

There are many different categories of leadership styles according to function, which are primarily the result of managerial functions used by various organizations from various regions or countries. The theory of the Full-Range Model of Leadership is based on a framework developed by Avolio & Bass (1991), who postulated this topic in the early '90s and which has been intensively debated ever since. The Full-Range Leadership Model is a comprehensive framework for leadership styles that encompasses gradual levels of the leader's engagement, leading to various levels of leadership effectiveness. In their model, Bass and Avolio included transformational, transactional, and laissez-faire leadership styles. To measure and evaluate the characteristics of these three styles of leadership, the authors developed an integrated assessment tool, namely the Multifactor Leadership Questionnaire (MLQ). The Full-Range of Leadership approach, which is based on a theoretical framework, is frequently endorsed as a topic that presents wide applicability in business, regardless of the type of company or sector of activity (Anderson & Sun, 2017). The characteristics of the leadership styles, together with their components, are similar in all organizations and hence can be generalized in the case of multinational companies as well. Transformational leadership (TL) refers to leaders who continuously promote their followers, empathize with them, and encourage them (Stavros & Seiling, 2015). Moreover, TL focuses on inspiring and motivating employees to transcend their own individual interests for the good of the collective. Transformational leaders are seen as visionary, enthusiastic, passionate, and energetic (Crowley, 2022). This style emphasizes personal and professional development and encourages innovation and creativity (Henker et al., 2015). Transformational leaders often build a culture of trust and adhere to high moral and ethical standards (Ramsey et al., 2017). Transformational leadership is a style that involves significant changes in mindsets and behaviors. It focuses on motivating and inspiring team members to reach their full potential (Crowley, 2022). According to the Full-Range of Leadership Model, the components of transformational leadership are idealized influence (IA) (attributes), idealized influence (IB) (behavior), intellectual stimulation (IS), individual consideration (IC), and inspirational motivation (IM). Transactional leadership (TZ) is based on a system of rewards and punishments. Transactional leaders are highly task- and structure-oriented; they set clear goals and pursue their effective fulfillment. The relationship between leaders and employees is seen as a transaction: work for reward (Jensen et al., 2019). This leadership style is often effective in establishing order and procedures but can limit employee autonomy and innovation (Hughes et. al., 2018). The transactional leadership style focuses on the clear exchange of roles and rewards between the leader and team members. It involves clearly setting expectations, closely monitoring performance, and offering rewards or sanctions based on how team members meet those expectations (Kark et al., 2018). Components of transactional leadership are contingency reward (CR) and management by expectation (MBEA) (active). Laisse faire (LF) leadership, also known as hands-off leadership, is characterized by an approach in which the leader gives substantial freedom to team members to take responsibility and make decisions without actively interfering (Broyles, 2022). In this case, a leader is present in the group but does not provide support or direction. Instead, creativity and innovation can develop, but there can also be a sense of confusion or lack of

direction if the leader does not intervene at all (Boddy, 2017). This style can be effective if the team members are highly skilled and motivated, but it can lead to decreased performance if the team needs more direction and feedback. The negative effects of laissez-faire style on followers are manifested by contradictory tasks or responsibilities, hesitation in making decisions on time, or poor orientation even on a short time horizon; it has been called destructive leadership behavior because it is correlated with ambiguity and conflicts with colleagues (Burns, 2021). Components of laisse-faire leadership are management by expectation (passive) (MbeP) and laisse-faire (LF).

3. Methodology

This empirical study was based on the assessment of the Full-Range leadership model through the development and application of a combined multifactor leadership questionnaire (MLQ) (Bass, B. M. & Avolio, B. J., 1995) with the LTT questionnaire (Psiho-Profile, www.psihoprofile.ro) adapted and tailored to the specific features of multinational companies' leadership and then employing statistical analysis using SPSS 29 software.

3.1 Target Group

Employees in management positions within multinational organizations in NW Romania at all hierarchical levels (junior, middle, and senior), at various ages (under 30, between 30 and 45, and over 45 years), and with various levels of company experience (under 5 years, between 5 and 15 years, and over 15 years) represented the target group of the study.

3.2 The Survey

In the study, the MLQ questionnaire was used as a tool to collect the necessary data because it is the least expensive and also saves time and financial resources (Brace, 2018). Moreover, the questionnaire provides more anonymity because there is no face-to-face interaction between the participants and the researcher. (Heath et al., 2018). The questionnaires used to assess the dominant leadership styles of multinationals in NW Romania have proven their validity and reliability as leadership tools and are popular among many researchers around the world (Anderson, 2017). The MLQ uses the three leadership styles of transformational leadership, transactional leadership, and passive-avoidant leadership.

3.3 Data Collection and Data Processing

The questionnaire has three parts: the first part consists of questions to capture and classify occupational attributes at the management level, years of experience in the multinational, and sector of activity of the participants; and the second part has the aim of evaluating leadership styles. The measuring scale is a Likert scale 1–5, in which 1 is never, 2 is sometimes, 3 is often, 4 is most of the time, and 5 is always. The questionnaire includes 45 questions that measure the transformational factors of leaders' behavior. The executives of the 24 chosen multinational companies received the questionnaire via email. 141 leaders completed the questionnaire made through the Google Forms application. There were 140 valid responses. Scores for the various variables served as a representation of the data obtained through the questionnaire. The database was then prepared for analysis (Table 1). The data were imported

into SPSS version 29 to record the variables and their corresponding numerical values. The program operates by referring to items identified by the variable name and its corresponding numerical value. The variable business sector was entered as "SEC". The data with nominal and ordinal characteristics were inputted into the SP SS program. The values linked to "SEC" are 1 for production and 0 for services. Table 1 displays the database structure.

Table 1. Structure of database

Variable	Variable Symbol/Code	Variable Description	Variable Type
Activity Sector	SEC	1=Production 0=Services	Nominal 1
Laisse-faire leadership style	LF	Numerical Value of LF obtained as average of 8 independent variables , (LF, MbeP)	Ordinal 8
Transactional leadership style	TZ	The numerical value of TZ obtained as an average of 8 independent variables (CR, MbeA)	Ordinal 8
Transformational leadership style	TL	TL Numeric Value obtained from 20 independent variables, respectively 5 leadership vectors (IA,IB,IC,IM,IS)	Ordinal 20
Leadership ~~effect~~ effectiveness	EF	Numerical Value obtained from 4 independent variables	Ordinal 4
Leadership effect job satisfaction	JS	Numerical value obtained from 2 independent variables	Ordinal 2
Leadership effect extra-effort	EE	Numerical value obtained as the average of three independent variables	Ordinal 3

The survey for this research was applied between July 2023 and August 2023 (Table 2).

Table 2. Information about the application of the questionnaire

Target Group	140 Leaders from multinational organizations in NW Romania
Sections of Survey	Professional attributes (level of experience, seniority, sector in which they operate), Leadership Results (EE, EF & JS), Leadership Indicators (TZ, TL & LF) and 9 leadership components (IA, IB, IC, IM , IS, CR, MbeA, MbeP & LF)
Benef.	24 multinational organizations from NW Romania (production and services sector)
Period	July- August 2023
Purpose	To assess leadership styles and their outcomes

The numerical values related to the answers to the questions regarding the leadership style and the results corresponding to the leadership were processed in such a way as to obtain scores for the MLQ leadership factors and the results specific to the leadership, namely efficiency, extra-effort, and job satisfaction. The SPSS 29 program facilitated the description of data like standard deviation, central tendency, measure of mean, and median distributions, which can be presented in a histogram (Morgan, 2019). Pearson Coefficient (PC) analysis was used to test the bivariate relationship between variables such as TL, TZ, and LF with EE, EF, and JS, respectively. This analysis determined if there is a relationship between the leadership style shown by the leaders of the multinationals in NW Romania and the leadership results and what its strengths are. PC as a statistical analysis is considered appropriate for addressing the first hypothesis, namely if there is a relationship between the

leadership styles TL, TZ, and LS, manifested by the leaders of multinational companies in NW Romania, and the leadership results. Next, ANOVA mean comparison analysis was used to statistically test for significant differences in means by leadership factors and leadership styles between two categories of leaders: manufacturing industry leaders and service industry leaders. An ANOVA was used to test the significant difference in the means of management outcomes in the manufacturing and service sectors. Data downloaded directly from the Google Forms application was coded for analysis. Through the prism of this research, the data collected from 141 leaders working in multinational companies in NW Romania was analyzed through a questionnaire sent and completed online. The questionnaire returned 140 valid answers. Among the 140 leaders, 88 are active in the production sector and 52 in the service sector. The analyses carried out are data testing and descriptive statistical analysis, Pearson correlation analysis to answer the first question and ANOVA analysis to answer the second question.

4. Analyses and Results

4.1 Data Testing and Descriptive Analysis Results

To test the reliability of the internal consistency of the measuring instruments (Clark & Watson, 2019), the calculation of the Cronbach alpha coefficient was used. Thresholds of Cronbach's alpha is argued in different works. Most of the authors consider Cronbach's alpha values above 0.9 as very good reliability, then values >0.8 are scored with good reliability, values >0.7 are acceptable, while Cronbach's alpha <0.6 is acceptable for empirical research (Taber, 2018). These results are shown in Table 3.

Table 3. Cronbach's Alpha Reliability Coefficient

Leadership types	Leadership style and outcomes	Code	Cronbach's Alpha
Transformational	Transformational leadership style	TL	0.899
Transactional	Transactional leadership style	TZ	0.702
Laissez-faire	Laissez-faire leadership style	LF	0.701
Outcomes	Extra-effort	EE	0.649
	Effectiveness	EF	0.818
	Job satisfaction	JS	0.811

The internal consistency and reliability of the 45 questions associated with 9 driving components resulted in an average Cronbach alpha value of 0.873. Transformational leadership showed very good reliability (Cronbach's alpha = 0.899). Transactional leadership recorded acceptable reliability (Cronbach's alpha =0.702). Laisse-faire leadership recorded acceptable reliability (Cronbach's alpha =0.701). All nine and three driving components and outcomes generated from the 45 questions of the MLQ (5X Short) were analyzed using descriptive methods. This research used the mean and standard deviation to assess central tendency and variability (George & Mallery, 2018). Table 4 depicts the overall mean score and standard deviation for the three leadership styles and the leadership outcomes, namely: efficiency, extra-effort, and job satisfaction.

Table 4. Mean and standard deviation of TL, TZ, LF, EF, EE, JS

Indicator	N	Minimum	Maximum	Mean	Std. Deviation	Variance
LF	140	1.00	4.00	1.8500	0.68633	0.471
TZ	140	3.00	4.88	3.9875	0.44839	0.201
TL	140	2.70	4.95	4.1582	0.40173	0.161
EF	140	3.00	5.00	4.1036	0.41659	0.174
EE	140	2.67	5.00	4.3786	0.52774	0.279
JS	140	2.50	5.00	4.3071	0.55160	0.304
Valid N	140					

4.2 Correlational Analysis and Results Obtained

Pearson correlation analysis was used to test bivariate relationships between TL, TZ, LF, and, respectively, EE, EF, and JS. Specifically, the analysis was used to address the first hypothesis. Table 5 presents the results of the Pearson coefficient, which was used to identify the relationships between transformational leadership, transactional leadership, and laisse faire with extra effort, effectiveness, and job satisfaction, respectively. These coefficients show the correlations and the strength of the relationship between the variables. To visualize the intensity of these factors and their related components, Figure 1 presents a graph with the intensity of correlations between all variables and sub-variables, by color and shape. The codification of the factors was made in Section 2.1.

Table 5. Correlation between LT, LF, TZ, and EF, EE, and JS

		Transforma-tional	Transac-tional	Laisse-fair	Effective-ness	Extra effort	Job satisfaction
Transformational	Pearson Correlation	1	.623**	.071	.647**	.595**	.620**
	Sig. (2-tailed)		<.001	.401	<.001	<.001	<.001
	N	140	140	140	140	140	140
Transactional	Pearson Correlation	.623**	1	.118	.440**	.404**	.410**
	Sig. (2-tailed)	<.001		.164	<.001	<.001	<.001
	N	140	140	140	140	140	140
Laisse fair	Pearson Correlation	.071	.118	1	.094	-.051	.023
	Sig. (2-tailed)	.401	.164		.267	.547	.783
	N	140	140	140	140	140	140
Effectiveness	Pearson Correlation	.647**	.440**	.094	1	.557**	.530**
	Sig. (2-tailed)	<.001	<.001	.267		<.001	<.001
	N	140	140	140	140	140	140
Extra-Effort	Pearson Correlation	.595**	.404**	-.051	.557**	1	.574**
	Sig. (2-tailed)	<.001	<.001	.547	<.001		<.001
	N	140	140	140	140	140	140
Job Satisfaction	Pearson Correlation	.620**	.410**	.023	.530**	.574**	1
	Sig. (2-tailed)	<.001	<.001	.783	<.001	<.001	
	N	140	140	140	140	140	140

**. Correlation is significant at the 0.01 level (2-tailed).
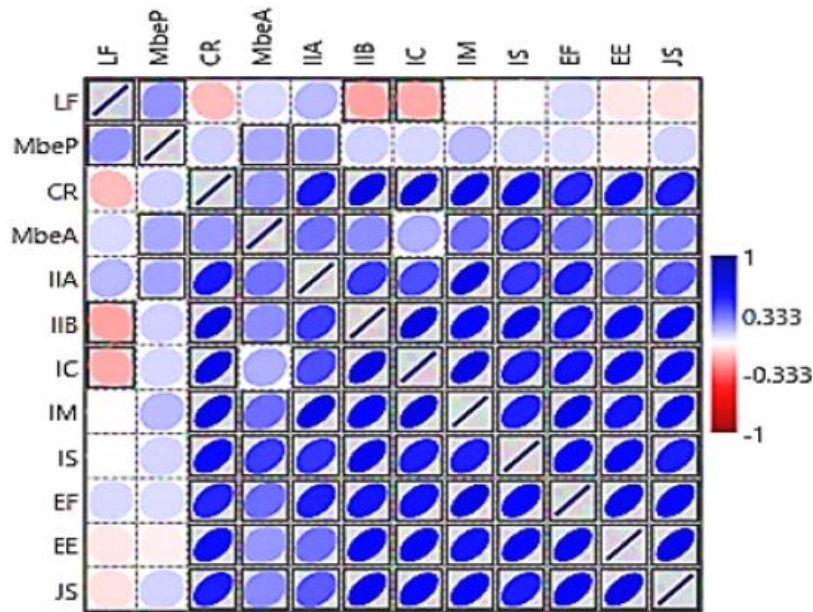
Figure 1. Intensity of correlations between all leadership vectors and results

For the interpretation of the results, the correlation coefficient r was used in the intervals described in table 6.

Table 6. Strength of the dependency relationship between variables

Pearson Correlation Coefficient (r)	Value	The Power of Relationship
	+/- 0.10 to +/- 0.29	Small/Weak
	+/- 0.30 to +/- 0.49	Average/Moderate
	+/- 0.50 to +/-1.00	Big/Strong

The most powerful correlations between transformational leadership style and the three key leadership outcomes: effectiveness, extra-effort, and job satisfaction, indicated by statistics correlation coefficients: 0.647, 0.595, respectively 0.620. This shows the powerful impact of a transformational leadership style on human resources and teams. The leaders that were respondents to our survey in the analyzed multinational companies understand very well the dynamics of their organizations' context and manage to inspire their teams with critical thinking and creativity by sharing their passion and vision in business. They lead by personal influence, serving as ideal models and investing individually in their team members' consideration, exposing them to challenges to activate their intellectual stimulation. They inspire the teams to become more involved in the business, dedicated to their professional lives, and boost their internal motivation. All these aspects of transformational leadership are strongly correlated with the results of leadership outcomes such as extra effort, job satisfaction, and effectiveness, validating once again the presumptions of the literature. For the transactional leadership style, we can also observe high correlations between effectiveness (0.770), extra effort (0.595), job satisfaction (0.410), and the contingency reward, one of the two components of this style. This suggests that within the analyzed

companies, reward is significantly present and highly associated with effectiveness, extra effort, and job satisfaction among employees. The in-depth diagnosis of the 24 companies that participated in the study offered us the possibility to associate it with the objectives of their big projects. For example, the major objective in the energetic industry (the industrial sector investigated in this study) requires a consistent extra effort from all employees involved, which, in many situations, is regularly awarded through a competitive and motivational system. On the other hand, it can be observed that there is a seamless correlation between transactional leadership style and job satisfaction. This can be explained by the poor relationship that has developed between transactional leadership leaders and their teams. In many cases, material reward alone is not sufficient. Leaders need to empathize with and understand their employees' needs and objectives to build strong relationships and facilitate collaboration. The continuous chase to achieve targets and objectives in the long term may be threatened if transactional leadership leaders omit the importance of their employees' extra effort and don't cultivate it. The luck of considering it can be translated into burnout for these teams. In regard to laissez-faire leadership styles, we can observe a minor correlation between effectiveness (0.094) and job satisfaction (0.023). This type of leadership is a non-authoritarian one, where leadership is limited to minimizing guidance. In this study, we identified a laisse faire leadership style in the services sector, marketing, advertising, or sales departments, where reward is strictly based on the commission. In these cases, the employees know exactly what they must do without being coordinated or led. The negative correlation between laissez-faire leadership style and extra effort demonstrates that inside the multinational companies that were studied, this leadership style will not generate any extra effort from employees because the objectives and tasks are not realized in a regimented rhythm or according to some imposed rules but based on individual willingness. The results obtained during the study are aligned with most of the research performed in other industries based on the Full-Range of Leadership Model (Djourova et. al., 2020), (Monje-Amor et. al., 2020), (Labrague et. al., 2020) and (Asgari et. al., 2020).

4.3 Analysis of Variance (ANOVA) and Findings

To address the issue of the variations in leadership outcomes between leaders in multinational firms in NW Romania from the service and manufacturing sectors. The study used ANOVA analysis to evaluate the mean differences in leadership outcomes between leaders of multinational businesses in NW Romania from the industrial sector and those from the services sector. Leadership outcomes, including extra-effort, work satisfaction, and effectiveness, were examined among leaders in the industrial and service sectors. Testing the differences between the two groups was done by analyzing the degrees of freedom df (in this study between 1 and 139) and the F statistic, which represents the ratio between the mean sum of squares between the groups (calculated by dividing the sum of squares between the groups by the between-group degrees of freedom) and the error mean sum of squares (calculated by dividing the sum of squares within the groups by the error degrees of freedom) at a critical probability of 0.05. Analyzing further the relationship for the three management results (table 10) between the activity sectors, we obtain for JS an $F_{(1,138)} = 0.106$ and a $p = 0.746 >$ critical $p = 0.05$, for EF an $F_{(1,138)} = 0.066 > p$ critical $= 0.05$, and for EE an F

(1,138) = 0.297 > p critical = 0.05, so we can say with a risk of being wrong of 0.05% that there are no significant differences between the leadership results of the leaders, depending on the activity sector. Therefore, this study concludes that regardless of the activity sector, leaders motivate employees to demonstrate effort beyond expectations and build strong relationships in a satisfactory manner so that they are satisfied with the job and have high efficiency with their endives.

Table 8. ANOVA for Services and Production Leaders

		Mean sum of squares	df	Error mean square	F	Sig.
Job satisfaction JS	Between Groups	0.032	1	0.032	0.106	0.746
	Within groups	42.26	138	0.306		
	Total	42.293	139			
Effectiveness EF	Between groups	0.012	1	0.012	0.066	0.798
	Within groups	24.112	138	0.175		
	Total	24.123	139			
Extra-Effort EE	Between groups	0.083	1	0.083	0.297	0.587
	Within groups	38.63	138	0.28		
	Total	38.713	139			

The one-way ANOVA statistical analysis was run with the sector of activity as the independent variable and the results of the leadership activity, namely effectiveness, extra-effort, and job satisfaction as dependent variables. The purpose of the analysis was to compare the differences between the extra effort, effectiveness, and job satisfaction of the employees depending on the activity sector of the managers, services, or production. Thus, the average scores between the three constructs were tested to identify their differences (Table 9). The graphic representation of these scores can be found in Figure 2.

Table 9. One-way ANOVA

|		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Job satisfaction	Service	52	4.3269	0.55026	0.07631	4.1737	4.4801	2.50	5.00
	Production	88	4.2955	0.55521	0.05919	4.1778	4.4131	3.00	5.00
	Total	140	4.3071	0.55160	0.04662	4.2150	4.3993	2.50	5.00
Effectiveness	Service	52	4.1154	0.42143	0.05844	3.9981	4.2327	3.25	5.00
	Production	88	4.0966	0.41597	0.04434	4.0085	4.1847	3.00	5.00
	Total	140	4.1036	0.41659	0.03521	4.0340	4.1732	3.00	5.00
Extra-effort	Service	52	4.4103	0.50967	0.07068	4.2684	4.5521	3.00	5.00
	Production	88	4.3598	0.54014	0.05758	4.2454	4.4743	2.67	5.00
	Total	140	4.3786	0.52774	0.04460	4.2904	4.4668	2.67	5.00
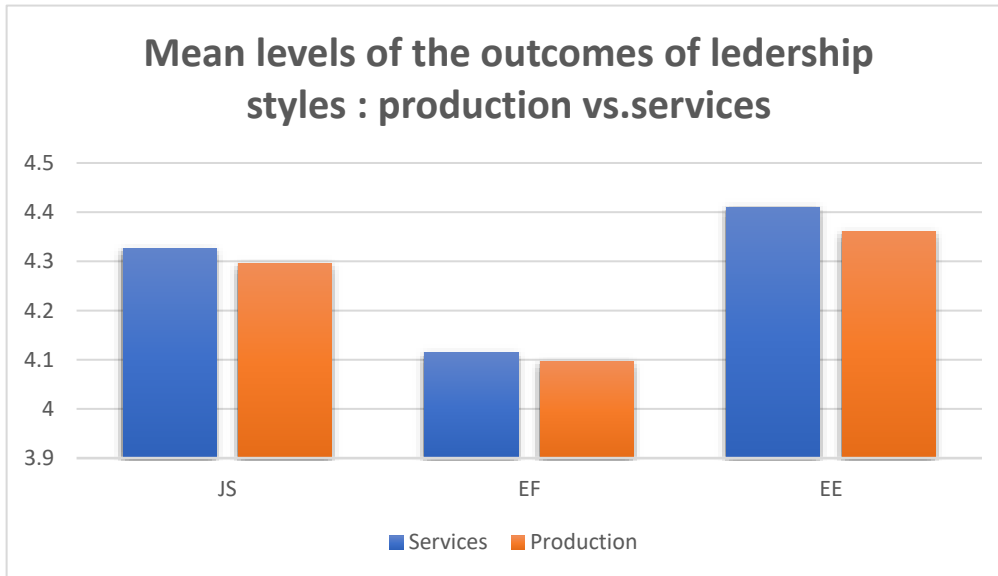
Figure 2. Mean levels of job satisfaction, extra-effort, effectiveness in Production & Services

The results of the analysis indicate that the mean scores for all three leadership outcomes, reflected in extra-effort, job satisfaction, and effectiveness, had higher mean scores for service survey leaders compared to those in manufacturing. The differences are not significant; the leaders from the service area showed an additional effort of (M = 4.4103), average job satisfaction (M = 4.3269), and effectiveness (M =4.1154), these being slightly higher compared to the participants from production who had an average extra effort (M = 4.3598), job satisfaction (M = 4.2955), and effectiveness (M = 4.0966). Therefore, this study concludes that regardless of the sector in which they operate, employees exert effort beyond what is expected of them, and leaders manage to work with employees in a satisfactory manner so that they are satisfied and have high efficiency.

5. Discussion

In our approach to demonstrating the existence of correlations between leadership styles and their results, we have used the Full-Range of Leadership Model theories. The evaluation has been done by analyzing the perceptions of leadership styles and their results by applying a questionnaire to 140 leaders from 24 multinational organizations located in northwest Romania. Based on our results, the first hypothesis of the existence of correlations between the leadership styles and their results is partially validated. We can conclude that only transformational and transactional leadership styles have strong correlations with the three leadership results: effectiveness, job satisfaction, and extra effort, whereas laissez-faire leadership styles have poor correlations with effectiveness, job satisfaction, and negative correlations with extra effort. These results generate important practical implications for the adopted methodology of influencing behavior within the studied multinational organizations by using the appropriate leadership style. Because of the multicultural character of multinational organizations, employees have different expectations, aspirations, standards, and values that leaders can capitalize on and shape, exactly through the adaptation of the two

leadership styles (transformational and transactional leadership) that are perfect for this type of organization. The study results for the second hypothesis validate it as well. There is no consistent difference between the results of transformational and transactional leadership styles in the two industry sectors (production and services), and by extrapolating the applicability domain, we can conclude that these leadership styles are functionally independent of the sector or activity areas. They have the same influence in the production sector as in services. No matter where they are applied, the results are expected to be the same, in highly direct correlation. Although we noticed a slightly higher impact in services for all three results than in production, we believe it is due to the character of the projects going on in the services industry, which require a lot of intellectual effort for innovation and effectiveness, offering the possibility for these results to extend to a higher degree. This is a direction open for further research to determine if the current context of individual projects has determined these slightly increased results or if the difference is generally felt. However, the limitations of this study must also be taken into account, since the generalization of the results can only be done by substantially increasing the sample and testing on much larger geographical areas. The strategic choices made by multinational company executives must have a global impact. To succeed, you need to be aware of geopolitical risks, economic trends, and market changes worldwide.

6. Conclusions

This study aimed to provide a theoretical and practical contribution to the knowledge of leadership styles and their effects in NW Romanian multinational businesses. Starting with Full-Range leadership, the study was developed within 24 multinational companies in Romania to investigate whether, between the three types of leadership identified in Full-Range and their outcomes, there are correlations and, on the other hand, if there are significant differences between the results of management and the sector in which the multinationals operate. Previous studies developed by Dura & Driga, (2017) and Obrad & Gherghes (2018) highlighted the impact of multinational corporations on Romania's social and economic aspects. As a result, it's critical to understand that the success and long-term viability of multinational corporations are directly correlated with the management styles and employee leadership styles of these companies. Gaining an empirical understanding of how leadership affects organizational performance is equally vital. The study's findings demonstrate the potential of all forms of leadership and their applications in raising organizational performance through the adoption of a leadership stance that confers a competitive advantage to the business. Utilizing tools for leadership assessment like MLQ and LTT questionnaires and tailored feedback, managers or practitioners may interact with the whole spectrum of leadership strategies in their operations and improve organizational performance through effective leadership. It would seem that leaders may improve the efficacy of collaboration by implementing a suitable style of leadership. Based on this study, the most successful method for increasing team performance in international corporations is the transformational leadership style. The present study's findings align with those of prior research (Martinez et al., 2020), which suggested that the leader's transformation would significantly improve organizational performance. According to situational theory (Thomson

& Glaso, 2018), there isn't one leadership style that works in every circumstance. Instead, various team settings call for different kinds of leadership, depending on the circumstances. As a result, a team's operational environment greatly affects how a leader uses their style. It is evident that the leadership style used is suitable when followers react favorably to a certain style. The dynamic and complicated nature of the business environment, whether in manufacturing or services, calls for a dynamic leader with the ability to manage an evolving organizational culture. Success within multinational companies depends on a specific understanding of business practices and leadership development. In this regard, multinationals must adapt to different regulations, markets, or consumer behavior. Leaders need to be able to quickly adapt their strategies to succeed in different situations. In addition, multinational companies work in different cultures, which can generate misunderstandings and conflicts. That is why business practices should be able to adapt easily to these cultural differences. To sum up, effective management leadership is a necessity for successful businesses. Therefore, we will continue our research on the advancement of frameworks and programs for leadership development that may be used to enhance current leadership techniques and promote effective leadership. Multinational companies can use a wide range of talent. In order to improve innovation and competitiveness, leadership development programs should focus on identifying, cultivating, and retaining talent from different backgrounds. Our belief is that this study will increase interest in other studies that will contribute to this body of knowledge, helping decision-makers and practitioners cultivate the next generation of leaders for high-performing businesses.

Publication Ethics (COPE).

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Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

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