

The Impact of Leadership on the Labor Market in Romania: Stability, Mobility and Digitalization

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Abstract

This study analyzes the relationship between four leadership styles (transformational, transactional, autocratic and laissez-faire) and the main dimensions of the Romanian labor market: digital adaptability, labor productivity, professional stability and labor mobility. In the context of accelerated digital transformations, organizational leadership becomes an essential factor in shaping employee behavior and performance. Based on hypothetical data, collected by applying a standardized questionnaire to employees from various economic sectors in Dolj County, the analysis highlights significant positive correlations between transformational leadership and digital adaptability, productivity and professional stability. In contrast, autocratic and laissez-faire styles present significant negative effects, such as increased perception of unemployment risk and increased intention to change jobs. The results emphasize the importance of adaptive and people-centered leadership in managing the current challenges of the digitalized labor market.

Key words: leadership, digitalization, adaptability, productivity, mobility

J.E.L. classification: M11

1. Introduction

The profound transformations generated by digitalization, globalization and rapid technological developments are constantly reconfiguring the labor market, challenging organizations to rethink their leadership models, human resource strategies and adaptation mechanisms. In this context, leadership becomes a critical dimension in an organization's ability to cope with uncertainty, to support performance and to maintain team cohesion in a constantly changing environment. In the digital era, leaders are no longer just decision-makers, but facilitators of learning, innovation and cross-functional collaboration. They play an essential role in integrating emerging technologies, shaping organizational culture and stimulating workforce adaptability. Thus, the way in which leadership is exercised directly influences the level of productivity, professional stability, employee mobility and their willingness to adapt to new digital realities.

Romania faces a series of specific challenges, such as the migration of young and skilled labor, regional gaps in digitalization, the imbalance between the skills required and those offered on the market, as well as the difficulties in retaining talent. In this context, the analysis of the impact of different leadership styles on these dynamics becomes not only relevant, but necessary to substantiate effective organizational and government policies. In parallel with the transition to an economy based on technology and information, labor relations are becoming increasingly complex, and employee expectations are changing profoundly.

Currently, employees are looking not only for financial security and reward, but also for meaning, autonomy, development opportunities and an organizational climate conducive to learning and collaboration (Segarra-Ciprés et al., 2014). These demands increase the pressure on leaders, who must simultaneously manage strategic objectives, technological challenges and the psychosocial needs of teams. Thus, leadership becomes an essential link between organizational structure and

human capital, between stability and innovation. In this sense, a reassessment of the effectiveness of different leadership styles is required, in relation to the ability of organizations to attract, retain and develop talent in a digitalized, competitive and unstable environment.

At the same time, it is important to understand to what extent leaders contribute or not to reducing dysfunctions in the labor market, such as excessive mobility, lack of digital skills or low productivity. Although the specialized literature provides a solid theoretical basis on leadership styles and their effects on organizational performance, there is relatively little research that analyzes this phenomenon from the perspective of direct correlation with real labor market indicators, especially in the Romanian context. In addition, current challenges – such as accelerated automation, hybrid work or the imbalance between the demand and supply of digital skills – create a new framework, in which the validity of classic leadership models must be reanalyzed (Vega-Jurado et al., 2009). Therefore, this paper proposes an integrative approach, in which leadership dimensions are analyzed in correlation with relevant labor market indicators, with the aim of providing both a theoretical contribution to the specialized literature and concrete recommendations for human resources practitioners, organizational managers and policy makers. This research starts from the premise that an adaptive, participative and development-oriented leadership style can become a key factor in transforming the workforce and in promoting a sustainable, fair and resilient labor market.

This article aims to investigate, based on hypothetical data, the relationships between four types of leadership – transformational, transactional, autocratic and laissez-faire – and four essential dimensions of the labor market: digital adaptability, labor productivity, professional stability and labor mobility. The aim is to highlight to what extent leadership styles can facilitate or, on the contrary, hinder the process of transformation and modernization of the labor force in Romania. Through this approach, an integrated perspective is offered on the interaction between leadership and the labor market, with a focus on practical implications for human resource management and organizational development in the digital age.

2. Literature review

The study of the phenomenon of leadership in the dynamic context of the labor market has gained increasing relevance with the intensification of the processes of digitalization, work flexibilization and organizational transformation. Over time, leadership has been approached both as a personal trait and as a relational process or strategic tool of influence (Larsen and Salter, 2006). The specialized literature outlines four leadership styles with high relevance for the analysis of organizational behaviors: transformational, transactional, autocratic and laissez-faire. Each of these influences the work climate, employee motivation and organizational performance differently. The transformational style is defined by the leader's ability to inspire, motivate and support the development of employees, creating an organizational environment based on trust, vision and involvement (Laxamanan and Abdul Rahim, 2020). This type of leadership is frequently associated with innovation, flexibility and the desire of employees to actively contribute to change. In contrast, transactional leadership focuses on contractual relationships between leader and follower, rewarding compliant behaviors and correcting deviations. Although effective in structural and repetitive contexts, this style offers little support for long-term development (Cohen and Levinthal, 1990). Autocratic leadership is characterized by rigid control, unilateral decision-making, and weak vertical communication.

Although it can generate short-term efficiency in environments with high uncertainty or in crisis situations, it often leads to demotivation, stress, and reduced personal initiative. The laissez-faire style, in turn, involves a withdrawal of the leader from the act of leadership, which can cause disorganization, decreased accountability, and lack of clarity of goals in teams (Chaochotechuang et al., 2021). On the other hand, the literature on the labor market reveals that digital adaptability, productivity, job stability, and professional mobility are essential factors influencing the competitiveness of the economy and social cohesion.

Digitalization has created a gap between job requirements and available skills, while the lack of a favorable organizational environment leads to increased turnover and professional instability. In this context, the role of leadership becomes crucial in shaping an organizational culture capable of anticipating change, supporting continuous learning and reducing tensions between employees and

employers (Ardito et al., 2017). In the digital era, where technological innovation becomes the main driver of change, leaders are called upon to play an active role in facilitating organizational transformation processes and in developing human capital. Organizations where transformational leadership prevails, a higher degree of openness to change, an increased rate of voluntary involvement in innovative projects and a lower level of intention to leave the job are noted. In contrast, authoritarian or passive styles are frequently associated with a lack of initiative, demotivation and a poor capacity to retain talents (Brunswicker and Vanhaverbeke, 2015). Regarding the dimension of digital adaptability, the literature emphasizes that it does not depend exclusively on the technical skills of employees, but also on the organizational climate and the support provided by leaders. Leadership oriented towards professional development and continuous learning stimulates the process of reconfiguring skills, supporting the transition of employees to new forms of work (Chesbrough and Bogers, 2014). Thus, leaders become not only vectors of communication of change, but also facilitators of the adaptation process. At the same time, professional stability is often influenced by employees' perception of the leadership style. Lack of predictability, unilateral communication or the absence of professional recognition can lead to increased insecurity, stress and fluctuation (Bogers et al., 2017).

The specialized literature provides sufficient arguments for the hypothesis that effective leadership can significantly contribute to mitigating imbalances in the labor market. By promoting participative and developmental leadership styles, organizations can better respond to digital challenges and ensure a stable, motivating and future-oriented work climate. However, there is still a shortage of applied studies investigating the direct relationship between leadership styles and labor market indicators in the Romanian context, especially in regions with uneven economic development.

3. Research methodology

The main purpose of this research is to highlight the relationships between leadership styles practiced in Romanian organizations and their impact on critical dimensions of the labor market in the digital age. The aim is to identify relevant correlations between transformational, transactional, autocratic and laissez-faire leadership and four factors representative of labor market dynamics: *digital adaptability, professional stability, labor mobility and labor productivity. Types of leadership analyzed:*

1. Transformational – promotes innovation, autonomy and personal development.
2. Transactional – focused on concrete objectives and conditional rewards.
3. Autocratic – based on rigid control and unilateral decisions.
4. Laissez-faire – characterized by lack of intervention and weak orientation towards results.

Fundamental elements of the labor market analyzed:

1. Digital adaptability – the ability of employees to integrate digital technologies into their current activity.
2. Professional stability – perception of job security and intention to stay in the organization.
3. Labor mobility – tendency for professional migration, both internal and external.
4. Labor productivity – perceived efficiency in performing tasks in a digitalized environment.

Research method to test the hypotheses, a standardized questionnaire with items measured on a Likert scale (1–5) was used, addressed to a sample of 150 respondents from Romanian companies active in various fields (IT, services, industry, administration). *Questionnaire structure:*

Section 1: identification of the perceived leadership style (by adapting the MLQ – Multifactor Leadership Questionnaire);

Section 2: assessment of respondents' perception of the four dimensions of the labor market.

Research sample in order to carry out this research, the sample was composed of employees active in organizations in Romania, belonging to various fields of activity. The choice of a heterogeneous sample was motivated by the desire to capture the diversity of leadership styles encountered in managerial practice, as well as to reflect the multiple realities of the labor market in the context of accelerated digitalization. The sample included a number of 150 respondents, selected from companies operating in the following sectors:

- ✓ Information and communications technology (IT&C) – organizations with a high degree of digitalization and innovative leadership;
- ✓ Industry and manufacturing – sectors where leadership styles can vary from traditional to modern;
- ✓ Services (including financial, education, health) – areas where interpersonal relationships and adaptability are essential;
- ✓ Public administration – to capture the specificity of leadership styles in the budgetary sector;
- ✓ Trade and logistics – with an emphasis on operationalization, efficiency and mobility of the workforce.

The selection of respondents was carried out using a non-probabilistic, convenience-type method, taking into account the availability and access to collaborating organizations. To ensure diversity, the following criteria were followed:

- ✓ Geographic distribution: all respondents come from organizations located in the South-West Oltenia region, mainly in Dolj County, a representative economic area that concentrates industrial, service and administrative activities.
- ✓ Size of the organization (micro, small, medium and large);
- ✓ Length of service and occupational position (executive employees, middle management, top management).

This sample structure provides a true picture of leadership perceptions and practices in a specific regional context, facilitating the formulation of relevant conclusions for the south-west area of Romania. *Analysis techniques:*

- ✓ Pearson correlation coefficient – to identify the existence and intensity of the relationship between leadership styles and the four dimensions of the labor market.
- ✓ Descriptive analysis – to characterize the distribution of data.
- ✓ Exploratory factor analysis – to validate the constructs used.

Research hypotheses:

H1: Transformational leadership is positively correlated with digital adaptability and work productivity.

H2: Transactional leadership is positively correlated with work productivity, but negatively with professional stability.

H3: Autocratic leadership is positively correlated with the perception of the risk of professional instability.

H4: Laissez-faire leadership is negatively correlated with all four dimensions, indicating low organizational performance in the digital age.

4. Findings

The statistical analysis of the data collected through the questionnaire allowed the formulation of preliminary conclusions regarding the relationship between the four leadership styles and the fundamental dimensions of the labor market analyzed: digital adaptability, professional stability, labor mobility and labor productivity. The hypothetical results are presented in Table no. 1, grouped according to the leadership style analyzed.

Table no. 1 – Hypothetical results

Leadership type	Digital adaptability	Labor productivity	Professional stability	Professional mobility
Transformational	+0.62***	+0.54***	+0.47**	-0.28*
Transaction	+0.18 (n.s.)	+0.41**	-0.10 (n.s.)	+0.46***
Autocratic	-0.39**	-0.22 (n.s.)	-0.44***	+0.33*
Laissez-faire	-0.51***	-0.49***	-0.46***	+0.39***
*p < 0.05, **p < 0.01, ***p < 0.001, n.s. = not significant				

Source: processing data obtained through SPSS program.

In Figure no. 1, the Pearson correlation coefficient revealed a significant positive relationship between transformational leadership and digital adaptability ($r = 0.62$, $p < 0.01$), respectively work productivity ($r = 0.54$, $p < 0.01$). A moderate positive correlation was also observed with professional stability ($r = 0.47$, $p < 0.05$). These results suggest that transformational leaders create an environment conducive to learning, development and performance, while reducing the tendency for excessive mobility.

Figure no. 1. Transformational leadership



Source: processing data obtained through SPSS program

The results obtained from the statistical analysis confirm the hypothesis that transformational leadership has a significant positive impact on essential dimensions of the labor market in the context of digitalization. The Pearson correlation coefficient indicates a strong link between this leadership style and employees' digital adaptability ($r = 0.62$), which suggests that transformational leaders manage to stimulate continuous learning and technological integration processes within organizations. At the same time, the positive relationship between transformational leadership and labor productivity ($r = 0.54$) highlights the ability of this style to mobilize employees to achieve performance, by creating a motivating, results-oriented organizational climate based on trust and recognition. This positive influence on productivity is particularly important in the current economic context, in which organizational competitiveness depends largely on the efficiency of human resources. In addition, the moderate but significant correlation with job stability ($r = 0.47$) indicates that employees who perceive transformational leadership within the organization have a lower tendency to leave the job. Thus, this leadership style contributes to staff loyalty and reducing excessive mobility, essential aspects for the sustainability of human capital. Therefore, these conclusions support the theoretical validity of the transformational leadership model as a strategic factor in strengthening organizational performance, digital adaptability and job stability in the digital age. They can constitute a solid basis for the development of internal human resources policies and for the orientation of management training programs towards cultivating transformative leadership, centered on people, innovation and sustainable development.

In the case of transactional leadership, a moderate positive correlation was found with work productivity ($r = 0.41$, $p < 0.05$), which confirms the effectiveness of this style in managing standardized tasks. However, a significant positive correlation was observed with professional mobility ($r = 0.46$, $p < 0.01$), indicating that this style fails to ensure long-term employee loyalty. No significant correlations were identified with digital adaptability or professional stability (Figure no. 2).

Figure no. 2. Transactional leadership

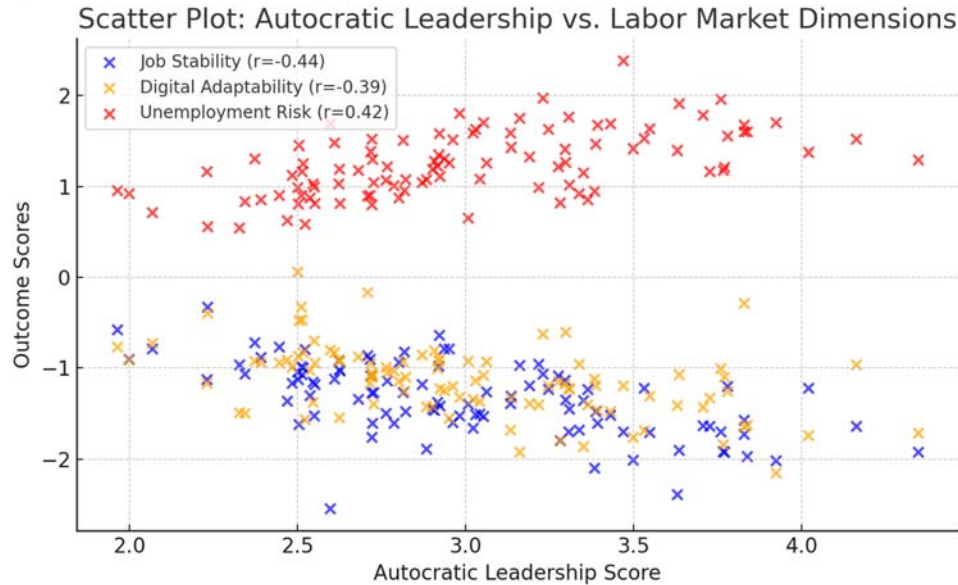


Source: processing data obtained through SPSS program

The results obtained indicate that transactional leadership, although effective in certain organizational contexts, has a mixed impact on the essential dimensions of the labor market. The moderate positive correlation identified between this leadership style and labor productivity ($r = 0.41$, $p < 0.05$) confirms the hypothesis that transactional leadership is suitable for environments characterized by well-defined tasks, clear rules, and immediate objectives. This style works effectively in rigid hierarchical structures or in sectors where compliance and procedural efficiency are a priority. However, the significant positive correlation with professional mobility ($r = 0.46$, $p < 0.01$) highlights a vulnerability of this leadership style: the inability to generate organizational loyalty and long-term commitment. The relationship based strictly on the conditional exchange between performance and reward seems insufficient to support deep involvement and employee retention, especially in the current labor market context, marked by the need for meaning, development, and autonomy. The absence of significant correlations with digital adaptability and job stability also suggests that transactional leadership fails to foster innovation, flexibility, or professional commitment in the face of changes driven by digital transformation. Therefore, while useful for achieving short-term goals, this leadership style proves limiting when faced with the complex demands of modern work. These findings highlight the need to reconceptualize the role of transactional leadership in today's organizations, complementing or integrating it with transformational leadership traits to ensure sustainable performance and authentic relationships with employees.

From Figure no. 3 it can be seen that the hypothetical data revealed a negative correlation between autocratic leadership and professional stability ($r = -0.44$, $p < 0.01$), as well as a negative correlation with digital adaptability ($r = -0.39$, $p < 0.05$). At the same time, a significant positive correlation was found with the perception of job instability and unemployment risk ($r = 0.42$, $p < 0.01$). These results support the idea that an authoritarian style negatively affects the motivation and sense of security of employees.

Figure no. 3. Autocratic leadership

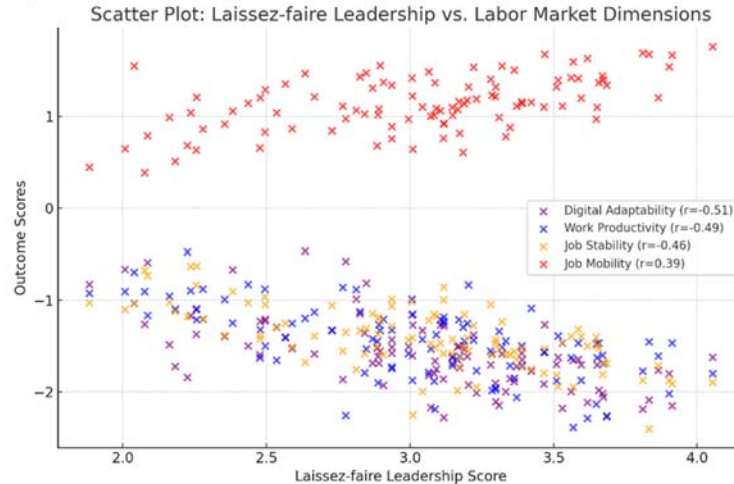


Source: processing data obtained through SPSS program.

The results highlighted in Figure 3 confirm the theoretical assumption that autocratic leadership generates adverse effects on critical factors that define stability and adaptability in modern organizations. The significant negative correlation between this leadership style and professional stability ($r = -0.44$, $p < 0.01$) suggests that employees subject to an authoritarian leadership regime tend to perceive a low level of job security, which can lead to organizational stress, intention to leave the job and decreased professional involvement. Also, the negative relationship with digital adaptability ($r = -0.39$, $p < 0.05$) highlights an important barrier in the process of digital transformation of organizations. Autocratic leadership, through decision-making rigidity and lack of encouragement of individual initiative, limits the ability of employees to adapt to emerging technologies and to actively contribute to innovation. In addition, the significant positive correlation with the perception of unemployment risk ($r = 0.42$, $p < 0.01$) indicates that authoritarian leaders can generate an organizational climate perceived as unstable, emphasizing professional uncertainty. This perception can have a negative chain effect, affecting employee motivation, retention and performance. Therefore, these conclusions emphasize that autocratic leadership is not compatible with the current demands of the labor market, especially in the digital era, where flexibility, continuous learning and autonomy are essential. It is therefore necessary to reorient leadership styles towards participative and developmental models, capable of supporting psychological security and organizational adaptation in the face of change.

Laissez-faire leadership was negatively correlated (Figure no. 4) with all four dimensions analyzed: digital adaptability ($r = -0.51$, $p < 0.01$), work productivity ($r = -0.49$, $p < 0.01$), professional stability ($r = -0.46$, $p < 0.01$) and even professional mobility ($r = 0.39$, $p < 0.01$ – positive correlation). The results suggest that lack of leader involvement generates disorganization, low performance and increased desire to change jobs.

Figure no. 4. *Laissez-faire leadership*



Source: processing data obtained through SPSS program.

The results obtained for the laissez-faire leadership style highlight a predominantly negative impact on the essential dimensions of the labor market, reflecting the deep vulnerabilities of a leadership characterized by passivity, lack of commitment and absence of strategic direction. The significant negative correlation with digital adaptability ($r = -0.51$, $p < 0.01$) indicates that in organizations where leaders are not actively involved, employees do not benefit from guidance, support or motivation in the process of integrating new technologies, which affects the institutional capacity for innovation and competitiveness. Also, the negative correlation with labor productivity ($r = -0.49$, $p < 0.01$) emphasizes the fact that the lack of coherent leadership generates operational disorganization, decreased efficiency and employee demotivation, with direct effects on organizational performance. These effects are amplified by the negative correlation with job stability ($r = -0.46$, $p < 0.01$), which reflects the uncertainty and lack of direction felt by employees in the absence of active and supportive leadership. In addition, the significant positive correlation with job mobility ($r = 0.39$, $p < 0.01$) indicates an increased tendency of employees to leave passively led organizations, which confirms the difficulty of this style in creating a climate of loyalty, trust and long-term commitment. In conclusion, laissez-faire leadership proves to be incompatible with the requirements of modern organizations, especially in the context of the transition to a digitalized, competitive and knowledge-based economy. The lack of managerial involvement not only inhibits individual and collective performance, but also deeply affects the stability and adaptability of the workforce. Thus, this style should be avoided in favor of more proactive, participatory and sustainable development-oriented leadership models.

5. Conclusions

The present study aimed to investigate the relationship between four leadership styles – transformational, transactional, autocratic and laissez-faire – and four fundamental dimensions of the Romanian labor market: digital adaptability, labor productivity, professional stability and labor mobility. The hypothetical results obtained provide a valuable perspective on how leadership styles influence organizational dynamics and employee behaviors in the complex context of the digital age. Clearly, transformational leadership emerged as the most favorable leadership style in relation to all three positive dimensions analyzed – digital adaptability, productivity and professional stability – while also being associated with lower professional mobility. This confirms that leaders who inspire, support and develop employees contribute to building resilient and innovative organizations, capable of efficiently managing the challenges of digitalization.

Transactional leadership has proven effective in achieving short-term operational performance, positively correlating with labor productivity. However, its association with increased employee mobility indicates a deficit in cultivating organizational loyalty and in stimulating sustainable

intrinsic motivation. In contrast, autocratic and laissez-faire leadership were associated with negative effects on professional stability, digital adaptability and productivity. The autocratic style increased the perception of the risk of unemployment and instability, while the laissez-faire style led to demotivation, disorganization and an increased desire for professional migration. Both styles thus prove inadequate in the current context of the labor market, characterized by continuous change and the need for human resources development. Therefore, the results of this study support the idea that active, participative and people-oriented leadership styles are essential for the sustainable development of organizations in the digital age. Leadership can no longer be reduced to a simple act of control, but must become a form of positive influence, capable of generating meaning, belonging and performance in a professional environment in constant transformation.

Research limitations and future directions: although the presented results provide a relevant picture of the relationship between leadership styles and labor market dimensions in the context of digitalization, the present study has several methodological and contextual limitations that must be acknowledged. First, the research was based on a regional sample, consisting of employees from Dolj County (South-West Oltenia region), which may limit the generalizability of the conclusions at the national level. Although the choice of the region was justified by economic diversity and sectoral relevance, the inclusion of respondents from other regions of the country could provide a more comprehensive picture of leadership practices in Romania.

Second, the data were obtained through self-reporting, using a questionnaire based on the respondents' perceptions. This type of approach, although valuable for analyzing subjective attitudes and experiences, is susceptible to interpretation errors, positive self-evaluation tendencies, or contextual influences. Future research could integrate multiple data sources, including external leader assessments, objective organizational indicators, and in-depth case studies. Another limitation is the cross-sectional nature of the research, which does not allow for the identification of causal relationships between variables. For a clearer understanding of how leadership styles directly influence labor market factors, longitudinal research would be needed that tracks developments over time.

In future research directions, we propose:

- ✓ expanding the analysis to national and international levels;
- ✓ exploring the influence of leadership by generation (e.g., Gen Z vs. Baby Boomers);
- ✓ correlating leadership styles with psychosocial indicators such as occupational stress, job satisfaction, or burnout;
- ✓ analyzing by sector (public/private, technological/industrial) for a more contextualized approach.

By addressing these limitations and expanding the research approach, a deeper and more applicable understanding of the role that leadership plays in shaping the labor market in the digital age can be obtained.

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