

EFFECTS OF LEADERSHIP STYLE ON JOB SATISFACTION AT HEINEKEN ETHIOPIA



A THESIS SUBMITTED TO OFFICE OF GRADUATE STUDIES OF
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Declaration

I, the undersigned, declare that this study entitled “effects of leadership style on job satisfaction at Heineken Ethiopia” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

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CERTIFICATE

This is to certify that this study, "Effects of leadership style on job satisfaction at Heineken Ethiopia", undertaken by Bezawit Mulugeta for the partial fulfillment of the Requirements for the Degree of Master of Arts in Human Resource Management at Addis Ababa University College of Business and Economics School of Commerce, is an original work and not submitted earlier for any degree either at this University or any other University.

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Effects of Leadership Style on Job Satisfaction at Heineken

Ethiopia

By: Bezawit Mulugeta

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Annex

Acknowledgment

“Life is like riding a bicycle. To keep your balance, you must keep moving”. Albert Einstein.

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List of abbreviations

MLQ = Multifactor Leadership questioner

JSS = Job Satisfaction Survey

SPSS = Statistical Package for Social Science

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Abstract

The main objective of the study is to examine effects of leadership style on employee job satisfaction. A total of 210 respondents completed the MLQ and JSS survey questionnaires. Both descriptive and inferential analysis was done to analyze the responses. The descriptive statistics result shows that the employees exhibited an ambivalent level of job satisfaction and the dominant leadership style at the organization is transformational leadership. The result of the regression analysis indicated that effective kind of leadership style has a positive relationship with employee job satisfaction that shows employee job satisfaction is predicted 52% by the type of leadership style. The multi regression test shows that the variation explained by the model is not due to chance. The researcher suggested that since the effect of leadership style has a significant effect on employee job satisfaction, it is recommended that Heineken management should have a clear communication with their employees on top of that giving a training and development programs to the staff of Heineken Ethiopia will create a higher level of job satisfaction.

Keywords: *Transformational Leadership, Transactional Leadership, Laissez-faire leadership, Job Satisfaction.*

CHAPTER ONE

INTRODUCTION

This chapter introduces the research problems and the associated research questions to be answered and objectives to be achieved. It includes the background of the study, statement of the problem, research objectives and questions, significance of the study, scope and limitation of the study, definitions of terms and finally organization of the paper.

1.1 Background of the study

Leadership is a key component of all organizations but its function and capacity are getting more complicated with increased involvement in globalization and technology development (Punnett, 2004).people that have different experience and also different background probably will have different experience when it comes to leadership and the various styles that leaders follow.

An organizations leadership style is considered to have a direct impact on the relations between superiors and employees, thus affecting both the performance, job satisfaction and commitment and the organizations total coherence (Wilderom, Berg and Peter, 2004).

There are many accounts of literature that demonstrate the relationship between leadership style and job satisfaction. Employee job satisfaction is influenced by the internal organization environment such as leadership styles (Seashore,1975).therefore

employees are more satisfied with leaders who are considerate or supportive than with those who are either indifferent or critical towards subordinates (Yukl,1971). (Yousef, 2000) found that leadership behavior was positively related to job satisfaction and therefore managers need to adopt appropriate leadership behavior in order to improve employees' job satisfaction.

Job satisfaction is a critical and important outcome of having an effective leadership in an organization (Bass & Avolio, 1994). Job Satisfaction is defined as "simply how people feel about their jobs and different aspects of their jobs." (Spector, 1997, p.2). Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004).

Job satisfaction is very important not only for employees but also for the success of the organization (Lim, 2008) because if an employee is not satisfied with his job then he will not be loyal with the organization and dissatisfaction with a job and/or lack of loyalty to the organization, may search for other jobs (Reed et al., 1994).

(Yousef,2000) found that leadership behavior was positively related to job satisfaction and therefore managers need to adopt appropriate leadership behavior in order to improve employees' job satisfaction. The impact of leadership style is very significant on job satisfaction and this relationship do not differ between west and east and therefore leadership is considered an important process for success or failure of any organization (Lok, P., Crawford, J., "2004).

Even though there were different studies that were made under effects of leadership styles on employee job satisfaction, most of the studies done were in local organization profitable and non-profitable but there was not much focus in an international profitable organization in Ethiopia.

After the Heineken acquired two brewery companies namely Bedele and Harar ,they have been operating Ethiopia since 2011 and the company were on the international market for more than 150 years .Heineken management team has an extensive experience working all over the world and also in Ethiopia. This study will help to understand the effects of leadership style in employee job satisfaction using the Multifactor Leadership Questioner and the Job satisfaction survey only from the perspectives of employees under the diversified experience.

1.2 Statement of the Problem

The brewery industry in Ethiopia is a very fast growing industry with a different international organization acquiring different companies including Heineken Ethiopia. There is diversified kind of products with available location closer to customers for a service. Presenting the best product helps to be more competitive and those factors are affected by the input that the company uses including the Human resources mainly the Employees.

Even though the competition is stiff in these industry international companies manage to have a well-qualified and experienced employee's cause of their pay grade systems and the training / development they were providing to their employees.

The company has been giving a different training and development training for those employees who performed well or believes to have a higher potential was being trained at the headquarters of Heineken in Amsterdam and also different training facilities of Europe. Due to the decreasing number of employee who returns to their work places generally to Ethiopia the company close the training and development program outside Africa for most of the employees.

In addition from that employees of Heineken Ethiopia were not promoted as much as expected during the first years of acquisition or years they were hired and they believe that due to communication problems the employees believes that there immediate supervisors are not rating them properly in order to be promoted.

The overall of this research focus on whether there was an effect on the employee job satisfaction cause of the leadership style of their leaders. Since one of the main factors that affects employees job satisfaction is the leadership styles of their leaders (Seashor,1975)

1.3 Research objectives

In this section the general and specific objectives of the study will be given. The study has one general objective and five specific objectives as listed separately in the following lines.

1.3.1 General Objective

The main objective of this research is to investigate the effect of leadership style of the organization on employee satisfaction.

1.3.2 Specific Objective

The specific objectives of the study are:

- To assess the dominant leadership style at the Heineken brewery Ethiopia?
- To identify how the employees view their managers as a leaders and measure the level of employees' job satisfaction
- Determine the relationship between leadership style and Job satisfaction?
- To examine the effect of leadership style (Transformational, Transactional and Laissez-faire) on employee job satisfaction

1.4 Research Questions

The following questions will be answered on this research

- ✓ What is the relation between the leadership style and employee job satisfaction?
- ✓ Which type of leadership style is more effective on the employee job satisfaction?

- ✓ Which leadership styles are highly related to which component or dimensions of employees' job satisfaction?

1.5 Hypothesis

Hypothesis testing is used to explore a problem using several hypotheses (Sekaran, 2000). Using the research questions above, the following hypotheses were tested.

What is the relationship between transformational leadership style and job satisfaction, as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

H01: There is no statistically significant relationship between transformational leadership style and pay.

H02: There is no statistically significant relationship between transformational leadership style and promotion.

H03: There is no statistically significant relationship between transformational leadership style and supervision.

H04: There is no significant relationship between transformational leadership styles on Fringe benefit.

H05: There is no statistically significant relationship between transformational leadership styles on contingent reward.

H06: There is no statistically significant relationship between transformational

leadership styles on working condition.

H07: There no statistically significant relationship between transformational leadership style on coworkers.

H08: There is no statistically significant relationship between transformational leadership styles on nature of work.

H09: There is no statistically significant relationship between transformational leadership styles on communication.

What is the relationship between transactional leadership style on job satisfaction as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

H010: There is no statistically significant relationship between transactional leadership styles on pay.

H011: There is no statistically significant relationship between of transactional leadership style on promotion.

H012: There is no statistically significant relationship between transactional leadership styles on supervision.

H013: There is no statistically significant relationship between transactional leadership styles on Fringe Benefits.

H014: There is no statistically significant relationship between transactional leadership

styles on Contingent Reward.

H015: There is no statistically significant relationship between transactional leadership styles on working Conditions.

H016: There is no statistically significant relationship between transactional leadership styles on coworkers.

H017: There is no statistically significant relationship between transactional leadership styles on nature of work.

H018: There is no statistically significant relationship between transactional leadership styles on communication.

What is the relationship between laissez-faire leadership style on job satisfaction, as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

H019: There is no statistically significant relationship between laissez-faire leadership styles on pay.

H020: There is no statistically significant relationship between laissez-faire leadership styles on promotion.

H021: There no statistically significant relationship between laissez-faire leadership styles on supervision.

H022: There is no statistically significant relationship between laissez-faire leadership style on Fringe Benefits.

H023: There is no statistically significant relationship between laissez-faire leadership style and contingent rewards.

H024: There is no statistically significant relationship between laissez-faire leadership style and working Conditions.

H025: There is no statistically significant relationship between laissez-faire leadership styles on coworkers.

H026: There is no statistically significant relationship between laissez-faire leadership styles on nature of work.

H027: There is no statistically significant relationship between laissez-faire leadership styles on communication.

1.6 Significance of the study

The significant of this study is to show how the leadership styles of the Heineken managers affect the employee job satisfaction level.

1. This research will provide information to the Heineken how the leadership style is affecting employees. This will help the management to identify whether the current leadership style is effective or not.
2. For Academic and other purpose: it will help to identify whether the current international organization leadership style is different from the local organizations. Helps for other organization to either to take and implement the

leadership style that Heineken is following, adjust or take a different direction to fit to their level of organization.

1.7 Scope of the Study

This study was done at the head office of Heineken in Addis Ababa and the factories around Addis Ababa. The information gathering system was on this research is a primary data collection method which is the questioner. The questioner was distributed from the First of April till the half of May. This time duration was given the staffs to have enough time to reply to questioners in more effective and accurate information as possible. This study discuss the effect of different leadership style; the perception that the employee have towards the kind of leadership styles that currently implement in addition to that the level of employee satisfaction were evaluated. The evaluation was done through the two kinds of questions that shows how the employees perceive their leaders as a leaders under the Multifactor Leadership Questioner (MLQ 5X) and the job satisfaction level they have towards their job through Job Satisfaction Survey (JSS).

1.8 Limitation of the Study

Limitations were subjected to the listed below factors

The Limitation on the literature review on the case of the Ethiopia to have a clear understanding on the difference between the international organizational in Ethiopia and Ethiopia in general.

During distribution and collection of the data the commitment of the employees to fill the questionnaires effectively and also return the questionnaires to the researcher.

The Knowledge gap that the researcher has on SPSS 23. Was also another limitation that was highly affected the time of the researcher during the researcher.

In this study the respondent's participation was voluntary and was conducted at one organization at Heineken Ethiopia. These factors limit the possibility of generalizing from the study findings. The study results can only be generalized to the identified organization's sales people mostly.

1.9 Definition of terms

Leaders: refers to the management staff of the brewery factory.

Leadership Style: the behavior pattern that the Heineken leaders use to achieve the organization goal.

Job Satisfaction: the level of satisfaction that the employee of the Heineken Company shows on their work place and their jobs

1.10 Organization of the study

These researchers cover five chapters. The first chapter contains the background of the study, statement of the problem, objectives of the study, the research questions, and significance of the study, scope and delimitation of the study, limitation of the study, definition of terms and organization of the paper. In the second chapter existing literatures were reviewed and the conceptual framework. The third chapter presents the research methodology used in this thesis. In the fourth chapter the data presentation analysis and discussion provided. Finally, Chapter five ends the thesis with summary of the findings, conclusions, set of suggestions and finally provides implication for future research.

CHAPTER TWO

LITRATURE REVIEW

This part of the study tries to provide the most important concepts on effects of leadership style on employee job satisfaction. It provides an insight into these concepts as well as their relationships by focusing on previous literatures relevant to this study.

2.1 The Concept of Leadership style

Bass' (1990) theory of leadership states that there are three basic ways to explain how people become leaders. The first two explain the leadership development for a small number of people. These theories are

Some personality traits may lead people naturally into leadership roles. This is the Trait Theory. A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events theory

People can choose to become leaders. People can learn leadership skills. This is the Transformational Leadership Theory. It is the most widely accepted theory today and the premise on which this guide is based

Bass (1990) characterized leadership as a procedure of connection among people and gatherings that incorporates an organized or rebuilt circumstance, individuals' desires and recognitions. Leadership can be clarified as the capacity of a person to have

power that spotlights on the best way to set up bearings by adjusting strengths. As indicated by Northouse (2007) and Yukl (2006) leadership characterized as a procedure where leaders impact their employees to accomplish organizational targets. Diverse leadership styles have been distinguished by that organizations adjust. Having particular leadership style is a key component that effects worker's job satisfaction which prompts hierarchical achievement.

Leaders are anticipated to influence behavior of the others in order to accomplish the overall target of the organization. According to (Northouse's 2007, p3) Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.

(Gary Yukl 2006) defines leadership as “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (p. 8).

(Petter Northouse 2010) defines leadership as “a process where by an individual influences a group of individuals to achieve a common goal” (p. 3). These definitions suggest several components central to the phenomenon of leadership. Some of them are as follows :(a) Leadership is a process; (b) leadership involves influencing others, (c) leadership happens within the context of a group, (d) leadership involves goal attainment, and (e) these goals are shared by leaders and their followers.

The above definition shows as that leadership are those who can influence others in order to attain the organization goal. Influencing in other word means the ability to change the behavior of others to perform in the way the leaders expect them.

2.2.1 Leadership style

A leadership style depends on the situation of the company like nature of the task, the culture, objectives, availability of recourses and also the general environment. Different combinations of leadership styles are appropriate depending on factors such as skill and experience, locus of control, task structure and team dynamics(McShane, Travaglione & Olekalns 2009).

2.2.1.1 Transformational Leadership Style

(Simola et al. 2012) define transformational leadership as a type of leadership in which interactions among interested parties are organized “around a collective purpose” in such a way that “transform, motivate, and enhance the actions and ethical aspirations of followers.” Transformational leadership is a leadership style that seeks positive transformations “in those who follow” and that achieves desired changes through the “strategy and structure” of the organization (Geib and Swenson, 2013).

According to (Jong and Hartog 2007); and (Kent, Crotts and Aziz 2001), transformational leaders are able to stimulate followers to see problems in new ways and help them to develop their full potential and resulted in enhanced creativity of their followers. There are four characteristics under this leadership which are

(A) Idealized Influence (Attributed)

The leader behaves in admirable ways that cause followers to identify with the leader. Usually, charismatic leaders display convictions, take stands and appeal to followers on an emotional level.

(B) Idealized Influence (Behavior)

Leaders tend to be more ethical and have strong sense of mission.

(C) Inspirational Motivation

This component describes the degree to which the leader articulates a vision that is appealing and inspiring to subordinates.

(D) Intellectual Stimulation

This component is the degree to which the leader challenges assumptions, takes risks and solicits followers' ideas. Furthermore, leaders with this trait stimulate and encourage creativity in their followers.

(E) Individualized Consideration

This component shows the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs.

Leaders believe to use this kind of leadership styles when leaders want members to be an active part of the organization and have ownership to it. Leaders are building a sense of purpose and when the organization has a long term plan and need to be motivated.

Table 2.1 – Components of Transformational Leadership (Bass)

The Four I’s –Leaders who display transformational leadership embody some or many of the following behaviors.

Idealized influence	<p>Instill pride in followers(charismatic)</p> <p>Goes beyond their self-interest for the greater good of the organization</p> <p>Displays a sense of power and confidence</p> <p>Talk about their most important values and beliefs</p> <p>Emphasize collective mission</p>
Inspirational motivation	<p>Talk optimistically about future</p> <p>Articulate a compelling vision for the future</p> <p>Talk about what needs to be accomplished; express confidence that goals will be achieved</p> <p>Creates exciting image of what is essential to consider</p> <p>Encourages team-spirit, general enthusiasm</p>
Intellectual stimulation	<p>Seeks differing perspectives</p> <p>Gets others to look at problems from differing angles</p> <p>Encourage non-traditional thinking</p> <p>Suggest new ways of looking at completing assignment</p> <p>Re-examine critical assumptions</p>
Individualized consideration	<p>Spend time coaching and teaching followers</p> <p>Promote self-development</p> <p>Treat team members as individuals</p> <p>Identify differing needs, abilities, and aspirations for team members</p> <p>Listen to others ‘concerns</p> <p>Help develop others’ strengths</p>

Pros and Cons of Transformational Leadership

Bass stated that the transformational leader's task makes an alignment of the organization interests and its member's requirements (Bass, 1999). Transformational leadership style has both strong and weak side. However, evidence from literature shows that weak side is "weak" than strong side. This leadership style changed the concept typical "boss and subordinate" relationship. The transformational leadership style gives emphasis to moral principles, teamwork and community in adding together to the privileged human ethics. The general idea of Transformational Leadership consists some major points. First, the leader's ability to motivate followers by focusing on the needs of principle accordingly higher-order, ethics, and morality (Bass,1985;Burns,1978;Yukl,1998).

Secondly, it generates and articulates a goal which is vision-related. It also gives power to others to move in the direction of the shared goal and concentrate to the concerns and beneficial needs of groups (Robbins,1996). There are some elements of transformational leaderships, which are promising but didn't achieve much attention. They are (a) the ability of transformational leaders to reverse decisions taken by followers (O'Connell, 1995). (b) The follower's capacity to contract with difficulty, uncertainty and insecurity (Robbins, 1996). (c) The transformational leader's favoritism in the direction of action (Bennis,1985).Yukl noticed some major limitations of Transformational leadership(Yukl,1999).Sometimes uncertainty is noticeable in this leadership styles

processes. The major interest of this leadership theory found to clarify a leader's straight influence over individuals.

The theory also needs to include the leader authority on group or organizational procedures. Yukl also noticed that lapse of some transformational behaviors from the original transformational leadership theory, such as inspiring, developing and empowering. Another limitation of this leadership theory is the inadequate measurement of situational variables. A primary statement of transformational leadership theory is that the fundamental leadership procedures and results are effectively the same in all situations.

The theory does not clearly recognize any condition where transformational leadership is unfavorable. Lastly, similar to most leadership theories, transformational leadership theory believes the gallant leadership label. Successful performance by one person or team, or organization is unspecified to depend on leadership by an individual with the ability to discover the accurate path and stimulate others to receive it. However, Yukl also suggests some guidelines to develop Transformational Leadership theory (Yukl,1999):

- a. Build up a challenging and striking vision, mutually with the followers.
- b. Attach the vision to a policy for its success.
- c. Develop the vision, identify and explain it to procedures.
- d. Express determination and hopefulness about the vision and its execution.
- e. Before full implementation of the plan try to understand the vision through small planned steps and small achievements.

2.2.1.2 Transactional Leadership Style

Transactional Leadership, also known as managerial leadership, focuses on the role of supervision, organization, and group performance; transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishment. (Bass 1990) defines Transactional Leadership as:

(a) **Contingent Reward:** contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments, these rewards are connected to the performance of the employee. If employee puts efforts it is recognized by their rewards.

(b) **Management-By-Exception (Active):** watches and searches for deviations from rules and standards, takes corrective action. It takes the notice of any deviations from the rules and regulations, and if there is it takes the action for correction. Whenever there is deviation from the rules and regulations management but expectation happens and the actions for corrections are also taken. The leader „fallow followers to work on the mission and doesn't interfere unless goals aren't being achieved in a proper time and at the reasonable cost. Transactional leadership means the leaders or the bosses who leads primarily by using social behavior exchanges for maximum benefit at low cost.

(c) **Management-By-Exception (Passive):** intervenes only if standards are not met. This implies that the relationship under this leadership style is based on transaction between

the leaders and followers are reward punishments, reciprocity, exchanges (economic, emotional, and physical) and also following the rule and regulation that will imply that the leaders are inflexible. That means focuses on the accomplishment of tasks & good worker relationships in exchange for desirable rewards.

Inflexibility of leadership is a characteristic of this model, so any attempt to change this leadership style is difficult and almost unsuccessful, because the leadership style is part of human person, his personal characteristics and that is something unchangeable.(Nikezic, S.,Dasic, P., Bojic, B.2012).

The overall use of this leadership style is that the leaders want to be in charge of the situation in addition to that the deadline must me meet on time.

According to (Bass,1998)

Pros and Cons of Transactional Leadership

It is true that transactional leadership style is easy to implement and give directions. Punishment and reward, these two words are key of this leadership style. Because people motivate easily for work with the rule of "rewards and punishments", and transactional leadership just utilize it in workplace. Leaders do not need much training, in short run there is minimum need to train leaders. Leaders merely need to tell followers to follow the rules for rewards or else they will get punishment. A well-defined chain of command needs to be established, where each person knows whom the leader is and who is following. Employee's do their duty or accomplish goals throughout

organizational objectives; they are aware of the leader and each organizational member leaves their all self-determination and control. In workplace, transactional leaders treat their followers as subordinates, whereas transformational leader treat as followers. Subordinates just need to obey their leader in work place; nothing more is essential. It is easy and effortless to give rewards and punishments, only need to observe that how well subordinate obeys. Transactional leadership theories don't need to think about the difficulty of divergence in intelligence, passions, or task difficulty.

A transactional leader does not usually try to find out subordinates good work or they don't give compliments for expected good work. This is the nature of transactional leaders; their view for job is simply exchange. Exchange of work for money. A transactional leader never feels the necessary to give compliments or praise his subordinates when they do well. Sometimes extraordinary performance noticed and rewarded by the leader. A transactional leader is inflexible in his expectations about the working relationship; he considers subordinates duty is only follow the instructions. Transactional leader apply his official power to instruct subordinates on what to do, and he only consider the traditional organizational hierarchy. Therefore, subordinates must follow their leaders plan or instructions without asking question and they should realize their position. The dependence on this one-way approach makes transactional leaders unwilling to talk about own ideas or consider others idea. This attitude keeps away transactional leaders to discover his creativity; even it takes away the ability to think something new when things are not going as plan.

The transactional leader does not accept any responsibility when tasks are not going as estimated. Leader's responsibility is assigned the task and gives instructions only. After assigning the task if anything goes wrong, subordinates will be responsible for that. Because this kind of leader hardly will appreciate or give thank, but always ready to blame the employee for anything happened wrong. No doubt, that this leadership style makes subordinates feel frustrated, unsecured and miserable. However, transactional leader do not give importance to subordinates feelings, all he want is complete the task. Transactional leaders must always be present to guarantee that the work will get done properly.

Transactional leadership, by its true personality, does not puts leadership and the subordinates on same sides. Continuous pressure of punishment for any fault may unintentionally cause manipulation and game playing by subordinates in intention to save them from punishment. This makes subordinate sticky in workplace, when the leader is absent. Subordinates don't recognize the significance of shared goal, because the leader focused on task only. This is the reason of subordinate's unawareness about organizations mission. When subordinates work without any motivation, they work only for rewards or to avoid punishment, this habit kills their creativity. They work only to follow instructions, not with love and respect for work.

2.2.1.3 Laissez Faire Leadership style

(Robbins 2007) explained the laissez-fair style as “Abdicates responsibilities avoid making decisions” .Similar (Luthans 2005) .Defined laissez-fair style as “Abdicates responsibilities avoid making decisions” .Laissez-Fair is uninvolved in the work of the unit. It’s difficult to defend this leadership style unless the leader’s subordinates are expert and well-motivated specialists, such as Scientists. “Leaders let group members make all decision” (Mondy&Premeaux, 1995).

The laissez-faire leadership style is also known as the "hands-off style. It is one in which the manager provides little or no direction and gives employees as much freedom as possible. Basically, this style looks simple and easy-going between leaders and subordinates.

Robbins (2007) explained the laissez-fair style as “Abdicates responsibilities avoid making decisions” .Similar Luthans (2005), defined laissez- fair style as “Abdicates responsibilities avoids making decisions”(p.562).Laissez- Fair is uninvolved in the work of the unit. It is difficult to defend this leadership style unless the leaders’ subordinates are expert and well-motivated specialists, such as Scientists. “Leaders let group members make all decision” (Mondy&Premeaux,1995, p.347).“Behavioral style of leaders who generally give the group complete freedom, Provide necessary materials, participate only to answer questions, and avoided giving feedback” (Bartol &Martin, 1994, p.412).The concept to laissez was also given by Osborn as “Abdicates responsibilities and avoiding decisions”(Osborn,2008,p.258).

Above All the Authors defines the Laissez - Fair Leadership with their own words according to their given definitions the idea of this type of leadership is same. Authors define that in this style the Leaders normally don't want their interference in decision making process. They normally allowed to their subordinates that they have power to get their personal decisions about the work. They are free to do work in their own way and they are also responsible for their decision. Normally Leaders avoids to making decision and don't involve in working units because the leaders gives to subordinates to completely freedom to do decisions. Sometimes the leaders provide them to important material and they just involve the answer & question but avoiding feedback.

The laissez -faire use when employees are highly skilled, experienced, and educated, Employees have pride in their work and the drive to do it successfully on their own, Outside experts, such as staff specialists or consultants are being used And Employees are trustworthy and experienced

2.2 Job Satisfaction

Different writers suggested different definition of about job satisfaction but most of them has the same grounds on it is how employees feel about their jobs. According to (Spector 1997) refers to job satisfaction in terms of how people feel about their jobs and different aspects of their jobs. (Ellickson and Logsdon 2002) support this view by defining

job satisfaction as the extent to which employees like their work.(C.R.Reilly 1991) defines job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one's job. (J.P. Wanous and E.E. Lawler 1972) refers job satisfaction is the sum of job facet satisfaction across all facets of a job.

Job satisfaction is defined as harmonizing the people's understanding of needs and what they receive from their jobs and is recognized as one of the most important re-search variables belonging to organizational behaviors and also as a crucial variable in the organization's researches and theories(Lu H, While A, Barriball L. 2005)

2.2.1 Factors that Affects Job Satisfaction

Job satisfaction is concerned with several attitudes including attitudes about the job characteristics, compensation and benefits, status, social security, advancement opportunities, technological challenges and respect (Tella A., Ayeni CO., &Popoola SO 2007).The most widely used factors of job satisfaction are work, pay, promotion, supervision and coworkers (Luthans F 2005).. The factors conducive to job satisfaction are: pay, work, environment, co-workers. (Robbins SP 1998). Similarly, "having adequate work equipment, resources, and training opportunities and an equitable workload distribution – also significantly and positively affect employee job satisfaction."(Ellickson MC, Logsdon K 2001).

Many studies show that job satisfaction has been related to co-workers and supervisors behaviors, promotion and salary or pay and also the level of fairness in the organization in general.

Working environment and Job Satisfaction

Since employees spent most of their times at work place. A healthy working environment includes cooperative colleagues, supportive seniors, open communication, etc. according to (Denton, Z., 2005) environment plays an important roles in employees in staying or leaving the organization.

Pay and Promotion and Job Satisfaction

Payment is another factor that plays vital role in satisfying an employee. An employee who gets right amount of payment according to their job is motivated to continue working. But, when employees are paid inadequately they are dissatisfied with the job and can even discontinue working in a long run.

Job Security and Job Satisfaction

Job security is the chance that a person or an employee will keep his or her job.

Relationship with Co-workers and Job Satisfaction

The social interaction in the work places plays a vital role. A hostile environment with rude and unpleasant coworkers is one of the major factors that develops negative attitude towards workplace, while the opposite is known to have satisfied employees to

a higher extent as there is very less chance of conflicts and grievances in workplace which has employees with high morale.

Relationship with Supervisor and Job Satisfaction

According to (Hussami, M.A.,2008)employees want supervisors who have a bond with them and who trust them, understand them and show fairness. According to (Williams, E., 2004) supervisors play such an important role in jobs that it would not be wrong to say that employees leave their bosses, not their job.

(Buckingham & Coffman , 1999) have found that the talented employee may join an organization for many reason, but how long that employee stays and how productive he/she is while there is determined by the relationship with the immediate supervisor.

Level of Fairness and Job Satisfaction

(Noor, M.S., 2009) there exist a good and positive relationship between fairness of work policies, insurance policies and working hours and job satisfaction through a course of action based on work-life principle.

According to (Locke, 1976) Locke classified jobs into nine dimensions.

Work variety, opportunities for growth and learning, amount, difficulty.

- **Pay** --amount, equity, method of payment.
- **Promotion**--fairness, opportunities for.
- **Recognition**--celebrations, praise, criticism.
- **Benefits**--pension, leave time, vacations, health.

- **Working conditions**--hours, breaks, physical layout, temperature, location.
- **Supervision**--style, skill, ability, human relations.
- **Co-workers**--friendliness, competence, support.
- **Communication** --employee relations, benefit packages.

2.3 The Relationship between Leadership Style on Employee Job Satisfaction

In a historical overview of the concept of job satisfaction, (Holland1989) suggested that satisfaction with one's particular job is a by-product of meeting different motivational needs within the employee. (Holdank, Harshand Bushardt1993) labeled leadership behavior as one of the two styles found in the Ohio State studies, either consideration (relational) or initiating structure (task). Then, they compared leadership style with job satisfaction and found two correlations: a positive relationship between consideration behavior and satisfaction and an inverse relationship between initiating structure and job satisfaction.

Leadership style is an important determinant of employee job satisfaction. The reactions of employees to their leaders will usually depend on the characteristics of the employees as well as on the characteristics of the leaders (Wexley&Yukl 1984).

Employee job satisfaction is influenced by the internal organization environment, which includes organizational climate, leadership types and personnel relationships (Seashore and Taber 1975).

The quality of the leader-employee relationship – or the lack thereof - has a great influence on the employee's self-esteem and job satisfaction (Chen & Spector 1991; Brockner 1988; DeCremer 2003).

Employees are more satisfied with leaders who are considerate or supportive than with those who are either indifferent or critical towards subordinates (Yukl 1971).

As (Wilkinson & Wagner 1993) argued, it is stressful for employees to work with a leader who has a hostile behavior and is unsupportive. If subordinates are not capable of figuring out how to perform the work by themselves they will prefer a leader who will provide adequate guidance and instructions (Wexley&Yukl 1984).

Negative leader-employee relations reduce productivity and increase absenteeism and the turnover to the organization can be quite high (Keashly, Trott, & MacLean 1994; Ribelin 2003).

According to (Robbins 2003), the employee resign rate with transformational leadership is less than with transactional leadership. Improving the employees' working situations, fulfilling their needs, and helping them perform better are positively related to transformational leadership (Liu et al. 2003).

Based on (Bass 1994)

According to Bass, a leader will exhibit each of the three main styles in combination. Built on an empirical examination of effective leaders, however, he has proposed an optimal mix, which he argues should be preferred in order to perform active

and effective leadership (Bass 1994). A related issue in transformational leadership is the importance of charisma.

According to Bass, transformational leadership is an extended version of charismatic leadership. Thus, charisma is about the leader as an individual. The charismatic leader is an idol, a hero, or even a spiritual figure. While this can also be true of the transformational leader, it is not enough. To be transformational, trust, respect, and empowerment must also be a part of the art. In the latter, focus is on leadership as a process, which may very well be shared between the leader and the followers (Bass 1994; Yukl 1989). This point is congruent with the original message from Burns that leadership may be exhibited by anyone in the organization in any type of position (Yukl 1989).

Ever since its introduction, various attempts have been made to criticize, test, and/or develop the content of the Full Range Model as well as the Multi Factor Questionnaire (MLQ) on which it is based (Rost 1991; Tracey 1998). Some opponents conceive it as an important weakness that more factors measuring transformational leadership seem to be correlated, while others highlight the fact that factors measuring transactional leadership are missing in the MLQ questionnaire (Yukl 1989). More broadly it has been discussed whether transformational leadership can, as revealed by Bass, be displayed at all levels in an organization or if it is only executives who display transformational leadership (Yukl 1989).

2.4 Empirical review of related studies

Javed, Balouch and Hassan (2014) established that there is a significant relationship between transactional leadership style and employees' job satisfaction and this transactional leadership style is more adopted by the leaders as compared to transformational leadership style. The authors recommend the research results to the senior leadership of banks for them to improve their employees' job satisfaction. This they offer can be done through training their leading staff in branches to adopt transactional leadership style. The study involved 230 people working in five selected private banks of four districts of the Punjab province of Pakistan. From the analysis of strong and weak point of these transformational and transactional leadership styles, it is evident that more empirical work is required to achieve clearer understanding of these two concepts. This study will look at a combination of both and values based leadership style.

In the UAE Verma (2014) in her study, the influence of leadership styles of principals on teachers' job satisfaction in private schools in UAE, establishes that there was significant influence of transformational leadership styles of principals on the job satisfaction of teacher. Further she specifies that inspirational motivation and individualized consideration leadership styles showed positive significant predictive relationship with job satisfaction of teaching faculties.

Bushra, Usman and Naveed (2011) investigated the relation between transformational leadership and job satisfaction among 133 bank employees in Lahore, Pakistan. They found that transformational leadership has a positive influence on the general job satisfaction experienced by 42% of participants, indicating their preference for this particular leadership style.

In their study of two hundred Malaysian executives working in public sectors, Voon, et al.,(2011) establishes that transformational leadership style has a stronger

relationship with job satisfaction. This implies that transformational leadership is deemed suitable for managing government organizations. The study in Malaysia sought to define the aspects of transactional and transformational leadership that affect employee's job satisfaction in the public sector in Malaysia

In Iran, Hamidifar, F. (2009) A Study of the Relationship between Leadership Styles and Employee Job Satisfaction at Islamic Azad University Branches in Tehran, Iran leadership styles (the independent variable) influence employee job satisfaction (the Dependent variable). Findings were the dominant leadership styles were transformational and transactional and employees were moderately satisfied with their job. The different leadership style factors will have different impacts on employee job satisfaction components. Individualized consideration and laissezfaire are strong predictors of all the job satisfaction factors.

Indonesia, Miftahuddin, MA.A.A.P.M. (2016) .The Effect of Transformational Leadership and Job Satisfaction on Employee Performance To determine the effect of Transformational leadership and job satisfaction to employee performance. Transformational leadership and job satisfaction influence to performance positively and significantly either partially or simultaneously.

Bangladesh Rana, Md. S. (2015) Job Satisfaction Effecting Factors of Employees in Bangladesh Banking Sector To determine the impact of various human resource management practices like job autonomy, team work environment and leadership behavior on job satisfaction. It also investigates the major determinants of job satisfaction in Bangladeshi banking sector. This study further evaluates the level of difference in job satisfaction among male and female employees. There is a positive and significant link between job satisfaction and human recourse management practices like team work environment, job autonomy and behavior of leadership. From the findings of the study, it is also inferred that male and female workers have significantly different levels of job satisfaction.

2.5 Conceptual frame work

Miles and Huberman (2014) define the conceptual framework as a visual or written product that explains in the form of a narration; graph of what is to be studied as the main factor. Leshem and Trafford (2007) offer that conceptual frameworks serve the purpose of providing theoretical amplification of what the study wants to investigate and allow readers understand the objectives of the research and how these will be achieved. The conceptual framework presents the independent and dependent variables.

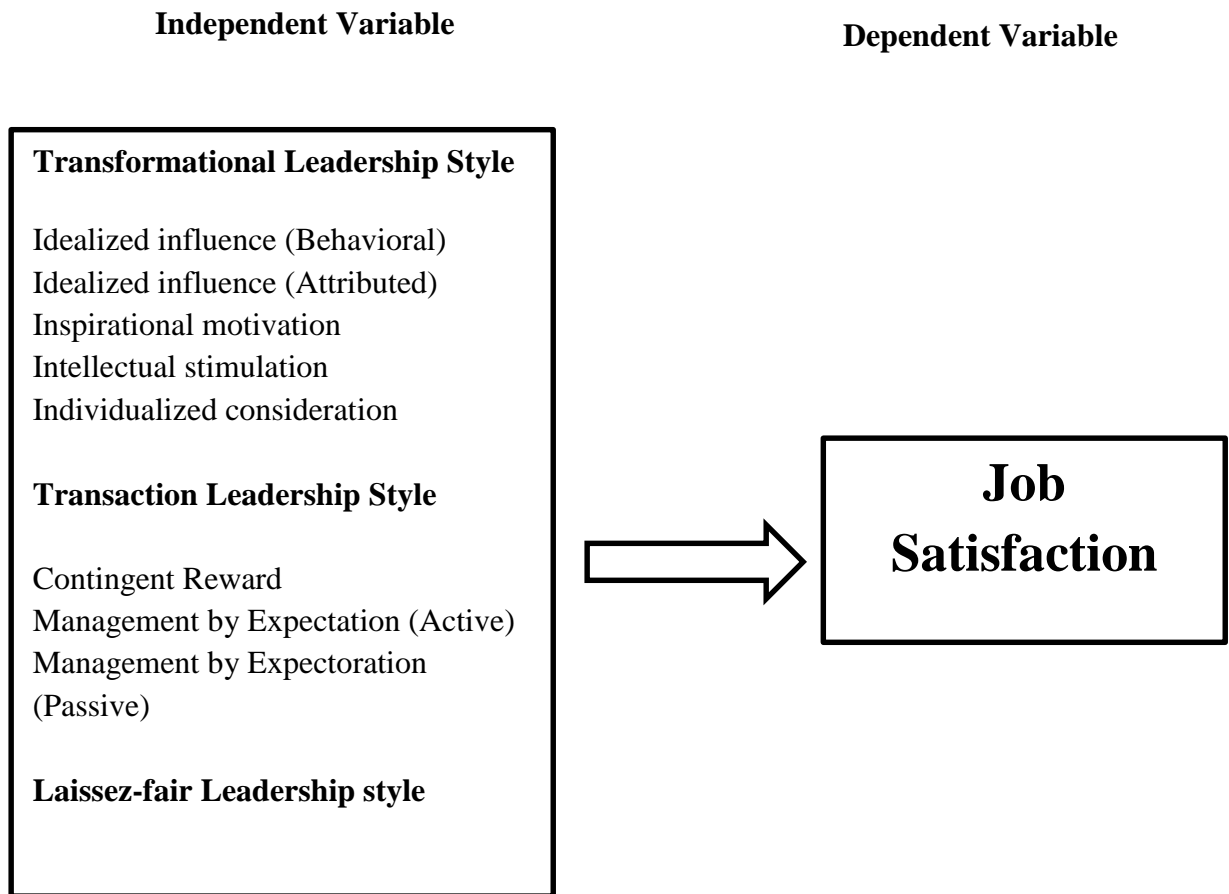
This Conceptual framework was developed based on literature and findings from different researchers. It was mainly based on Bass and Riggio's (2006) and others' writings that leadership style influences job satisfaction. The model shows that three leadership styles are related to job satisfaction. The three styles are transformational, transactional and laissez-faire. There are five dimensions of transformational leadership style namely idealized influence (behavior), idealized influence (attributed), inspirational motivation, intellectual stimulation and individualized consideration. It is assumed that each of these styles relates to job satisfaction in a certain way.

There are three dimensions of transactional leadership style that relate to job satisfaction. These are contingent rewards, management by exception (active) and management by exception (passive). Each of the three dimensions is also assumed to be related to job satisfaction in a certain way.

The third style in the figure is laissez-faire leadership style. It is also assumed that this style is related to job satisfaction of employee.

In this model, leadership styles are regarded as independent variables and of job satisfaction are taken as dependent variables.

Figure 2.1 Conceptual framework



Sources: Literature Review

CHAPTER THREE

RESEARCH METHOD

This chapter is to describe the research methodology and techniques that were used to conduct the study. It illustrates an overview of the research study area, the research approach, design and method, population and sample, data source and type, description of the data collection instrument, data collection procedure, ethical considerations and finally the methods of data analysis.

3.1 Research Design

The study applied both descriptive research designs with the explanatory giving a narration of the relationship and influence of the leadership variables to employee job satisfaction (Saunders, Lewis & Thornhill, 2007). In descriptive research, the essential focus is to describe specific views or opinions, and to examine the relationships and variations in the relevant variables by studying a large sample of the population (Lee & Ling, 2008).

According to Creswell (2003) descriptive study design allows a researcher to gather information, summarize, present data and interpret it for the purpose of clarification.

3.2 Data Type and Sources

In this study both primary and secondary data sources were used. The Primary data sources were the survey Questionnaire. Through the questionnaire data's were collected on the MLQ and JSS which help to identify what employee perceived about their leaders and employee jobs satisfaction. The Secondary data sources were mainly used to review the related literature on the topic under study and to get the human resource related data of the Heineken Ethiopia. These include: books, publications, research studies, referred journal articles and company documents.

3.3 Sample Design

The source of data that was use by the researcher is a primary source of data. The staff of Heineken was directly participating on the questioners'. According to the data available the total number of employee at Heineken Ethiopia are around 530 employees including all level Management , sales and the factory employees out of this 250 were sales forces.

Using the formula

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

 N = Population size

 E = Level of precision or acceptable sampling error (0.05)

Source: Yemane Tore (1973)

n= 213 number of employees where participant on this research, 3 of the participant didn't return the questioner so the researcher used 210 number of employees respondents.

3.4 Data Collection Instrument and Methods

There were two kinds of data collection method that the researcher used under this study .the Multifactor Leadership Questionnaire (MLQ) and Job Satisfaction Survey (JSS).

Multifactor Leadership Questionnaire" (MLQ From 5x) developed by (Bass and Avolio 1997).The Multifactor Leadership Questionnaire (MLQ-5X) is the standard instrument for assessing transformational and transactional leadership behavior (Bass &Avolio, 2000; Avolio& Bass, 2004).MLQ will help the researcher to rate the leadership rates leadership behaviors utilized by leaders/supervisors. MLQ was presented into 9 factors of leadership (5 for transformational style; 3 for transactional and 1 factor for laissez faire style).

Job Satisfaction Survey (JSS) is a questionnaire used to evaluate nine dimensions of job satisfaction related to overall satisfaction. According to (Spector 1999) JSS is that assesses employee attitudes about the job and aspects of the job. Means the researcher will use the JSS to clearly identify the job satisfaction level related to the overall working condition and environment.

This research identified how the leadership style measured by MLQ relates to employees' satisfaction with pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work and communication as measured by Job Satisfaction Survey (JSS).

The measuring instrument for this research is questionnaire, the questionnaire consist of two parts.

The first part is the demographic which will help us to identify the participant gender, age, educational background.

The second part for the MLQ consist of 36 types of questions which will help us to identify what kind of leadership style that the employee practice in the organization.

The raring for the MLQ starts from Not at all (0), Once in a while (1), Sometimes (2) fairly often (3) , frequently, if not always (4)

Bass stated that if the transformational leadership style mean rate is less than 3 and the laissez faire leadership style it means that the leadership style is ineffective leadership style.

Table 3.1 Leadership style Subscale and Items

Leadership style	Subscale	Items
Transformational Leadership Style	Idealized Attributes	10,18,21,25
	Idealized Influence	6,14,23,24
	Inspirational Motivation	9,13,26,36
	Intellectual Stimulation	2,8,30,32
	Individualized Consideration	15,19,29,31
Transactional Leadership Style	Contingent Reward	1,11,16,35
	Management by Expectation (Active)	4,22,24,27
	Management by Expectation (Passive)	3,12,17,20
Laissez- Faire		5,7,28,33

Source: MQL 5X questioner (Bass and Avoilo 2006)/Literature reviews

The second type of questioner was used to identify the different factors of Job satisfaction level using JSS. JSS contain two parts, demographic part which include Gender, Age, Educational background of the participants.

The second part contains 36 questions which will help us to identify the nine factors of job satisfaction with the rating from 1=Disagree very much, 2=Disagree moderately, 3=Disagree slightly, 4=Agree slightly, 5=Agree moderately, 6= Agree very much.

According to Spector (1999) the rate from 1-3 shows that employees are dissatisfied about their job, 3 they are ambivalent and 4-6 shows that they are satisfied about their jobs comparing to the nine factors in the questioners.

Table 3.2 Job satisfaction scales and Items

JOB SATISFACTION FACTORS	ITEMS
Pay	1,10,19,28
Promotion	2,11,20,33
Supervision	3,12,21,30
Fringe Benefits	4,13,22,29
Contingent Rewards	5,14,23,32
Working Condition	6,15,24,31
Co-worker	7,16,25,34
Nature of the work	8,17,27,35
Communication	9,1,26,36

Source: JSS questioner Spector (1999)/Literature reviews

MLQ and JSS are a standard type of questioner which was developed by Bass and Spector .The below table will show us the reliability and Validity of the questioners.

Table 3.3 Summery Measurements

Variable	Measure	No. of Items in the Scale	Cronbach's Alpha Result <i>a</i>
Job Satisfaction	Spector 1999	36	0.86
Leadership Style	Bass and Aoilo 1997	36	0.85

Sources : Questioner Data (2017).

The most common reliability coefficient is the Cronbach's alpha, which estimates internal consistency based on the average inter - item correlation. This is an important test and it is commonly understood that Cronbach's alpha reliability coefficient ordinarily ranges between 0 and 1. The closer the value is to 1, the greater the internal consistency of the items (variables) in the scale. Since the Cronbach Coefficients are greater than 0.7 the constructs of leadership are good measures (Field, 2009).

3.5 Ethical consideration

The researcher addressed ethical considerations of confidentiality and privacy throughout the research process. A written guarantee was given to the respondents that their names will not be revealed in the questionnaire and the research report. Moreover, the participants were given a verbal and written description of the study, and informed consent was obtained before the survey. Participation in the study was made only voluntarily and also they were assured that the responses will be kept confidentially and only be used for the purpose of this study. Finally, a copy of the final report could be given to the organization if demanded.

3.6 Data analysis

The Quantitative data has been analyzed using the Statistical Packages for Social Science (SPSS-23). The researcher used a descriptive statistics. The mean value in this research shows which leadership style is the dominate factor and also in job satisfaction survey states whether employees are satisfied, ambivalent or dissatisfied. Using Pearson Coefficient of Correlation helps to measure correlation between the leadership style and Job satisfaction. Linear Regression does a set of predictor variables do a good job in predicting an outcome variable.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

The objective of this research paper is to examine effects of leadership style on employee job satisfaction at Heineken Ethiopia. This chapter presents and analyzes the data collected from the participants. The findings about the relationships/effects of leadership style with employee job satisfaction relevant statistical analysis to answer the research questions will also be presented and analyzed.

The total number of questioner that was distributed was 214 out of it 210 was properly filled and returned finally used for analysis purpose .The 210 is more than the 95% and the data was analyzed using the SPSS version 23.

Out of the total of 213 questionnaires that were distributed to the selected sample of employees 210 (98%) properly filled questionnaires were collected and used for the analysis. The data collected from the target population was analyzed using SPSS version 23. As a result of this, the responses of the participants regarding the independent and dependent variables were summarized using the mean and standard deviation whereas the demographic profile of the respondents is summarized using frequencies and percentage. In addition, regression analysis was used to identify the effect of independent variable on the dependent variable.

4.1 Demographic Characteristics of the Participants

In this section, the personal and job related profile of the participants is presented. As it is presented in the following two tables the gender, age, educational back ground of the participant presented using a descriptive statistics of frequency and percentage.

4.1.1 Personal profile of Participants

TABLE 4.3: Gender Information of the Participant

Gender	Percent
Male	65.7
Female	34.3
Total	100.0

Source: Survey Data (2017)

The above table shows that the major participant on this questioner was male 65.7%, and the number of female respondent I slightly lower than the male, the total participant was 34.3% were female.

TABLE 4.4 Age information of the Participant

Age	Frequency	Percent
Below 20 Years old	0	0
21-25 Years Old	47	22.4
26-30 Years Old	67	31.9
31-35 Years Old	87	41.4
36-40 Years Old	4	1.9
Above 41 Years Old	5	2.4

Sources: Survey Data (2017)

The majority of the respondents are in the age of 31-35 which is 41.4%, in the table as shown there is no respondent below 20 years old but that doesn't mean there is no employee under 20.

TABLE 4.5 Educational Level of the Participant

Description	Frequency	Percent
Certificate	8	3.7
Diploma	16	7.6
BA/BSc/Bed	161	76.7
MA/MSc/Med	25	11.9

Sources: Survey Data (2017)

As per the above table the majority of the participants have a first degree 76.70%, and diploma holders and Master's Degree holder's follows by 7.6 % and 11.9 % consecutively.

4.2 Descriptive Statistics of the Variables

The descriptive statistics was used to examine the mean and standard deviation of the responses of respondents on the MLQ and JSS. The MLQ scale contains 36 questions that ask the respondents their perception in the three dimensions of Leadership style. Table 3.1 clearly stated which question states what kind of leadership style. The JSS contains the nine factors of employee job satisfaction. Table 3.2 stated which question identifies which of the nine factors on the job satisfaction.

4.2.1 Dominant Leadership Style

Table 4.6 Mean Score on the dimension of Leadership

	Min.	Max	Mean	Std. Deviation
Transformational Leadership style	.85	3.25	2.4414	.85565
Idealized Influence (Attributed)	.50	3.50	2.4474	1.04161
Idealized Influence (Behavior)	.75	3.00	2.3049	.82163
Inspirational Motivation	1.00	3.50	2.8372	.65710
Intellectual Stimulation	.75	3.25	2.3516	.88540
Individualized Consideration	.50	3.50	2.2711	.96680
Transactional Leadership	1.60	2.83	2.0674	.26246
Contingent Reward	.50	3.50	2.5689	1.05633
Management-By-Exception (Active)	.50	3.25	1.9404	.87627
Management-By-Exception (Passive)	.50	2.75	1.6939	.72821
Laissez-Faire Leadership Style	.25	2.75	1.2313	.93491

Sources : Questioner Data (2017)

To indicate the dominant leadership style used by the managers of Heineken Ethiopia, mean scores of all the dimensions of leadership styles were computed. From above table, the highest mean score was that of Inspirational Motivation (M= 2.83, SD= 0.65) followed by Contingent Reward (M= 2.56, SD= 1.05). The third highest mean score was that Inspirational Motivation (M= 2.35, SD= 0.65). From this one can conclude that the dominant leadership styles were transformational followed by transactional leadership styles. Thus, the data shows that transformational leadership

style was the most frequently used style followed by transactional leadership style. Therefore, it can be concluded that the dominant leadership style was transformational leadership style (Inspirational Motivation).

Mean scores can also use to identify the effectiveness of a leader. The above table also portrays that the mean scores of leadership styles along with corresponding standard deviation. The minimum scale for transformational leadership style was .85 whereas the maximum scale was 3.25. The mean score for transformational leadership style was 2.44 (SD= .85). The mean score of transformational leadership style dimensions ranges from 2.27 to 2.44. From the dimensions of transformational leadership style, Individualized Consideration had the lowest mean score (M= 2.27, SD= 0.96) whereas Inspirational Motivation had the highest mean score (M= 2.83, SD= 0.65). However, Bass and Avolio (1999) suggested that the ideal mean score required for good leadership is greater than 3 for all the dimensions of transformational leadership style. From this one can infer that the leaders of Heineken Ethiopia were not effective transformational leaders as such, because the mean score of all the dimensions of transformational leadership style were below the required level for effectiveness of leadership. Having transformational leaders in an organization is particularly essential in today's fast changing environment. Transformational leaders are necessary because they motivate others to work beyond what they think is possible. Transformational leadership is about motivating and raising the morals of both the leader and the followers. Such leaders pay great attention to the need and interest of those whom

they lead. They strive to support their followers to reach their fullest potential (Bass, 1997; Northouse, 2013; Bass and Riggio, 2006).

The minimum scale for transactional leadership style was 1.60 while the maximum scale was 2.83. The average score (mean) for transactional leadership style was 2.0674 (SD= .26246). From the dimensions of transactional leadership style contingent reward had the highest mean score (M= 2.5689, SD=1.05633). This result match with score suggested by Bass and Avolio for effective leadership. These writers suggested that the mean score for contingent reward should be greater than 2. The suggested mean score for Management by Exception (Active) was less than 1.5 and for Management by Exception (Passive) it was less than 1 (Antonakis, 2001). In line with this, the styles can also be arranged based on effectiveness. (Bass,1997) The arrangement according to effectiveness is transformational, contingent rewards, Active Management by Exception, Passive Management by Exception and Laissez-faire leadership. That means all the dimensions of transformational leadership are equally important for effectiveness In the literature, it is indicated that contingent reward is transformational when the reward can be psychological such as praise (Bass and Riggio, 2006). That means, when managers frequently use the psychological rewards, the subordinates become motivated and do more. And the findings of this research show that contingent reward was usually used in the organization.

The table also shows that laissez-faire leadership has the minimum scale of 0.0 and maximum scale of 3.50. The mean score of laissez-faire leadership was 2.32 (SD= 0.76). When the mean score is less than 1 as suggested by Bass and Avolio (1999) the Laissez-

faire is effective, but it is slightly greater than what Bass and Avoilo puts at Heineken Ethiopia Mean 1.23, it can be concluded that the Liassez fair leadership were not effective as per Bass and Avoilo .

4.2.2 Job Satisfaction and Dissatisfaction of Employees

The below table shows the satisfaction and dissatisfaction level of employees at their jobs using the nine factors pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworkers, nature of work and communication.

Table 4.7 Mean and standard deviation Score on the Job Satisfaction

	Minimum	Maximum	Mean	Std. Deviation
Pay	2.00	4.00	3.3932	.36750
Promotion	1.75	3.75	3.1831	.63639
Supervision	2.50	4.00	3.3592	.56332
Fringe Benefit	3.25	4.75	3.9143	.51107
Contingent rewards	3.00	4.50	3.8509	.45534
Working Conditions	2.00	5.00	3.4190	.73183
Co-worker	3.75	6.00	4.7347	.41072
Nature of the Work	1.00	4.00	3.5559	.46168
Communication	2.25	5.00	2.9628	.51321

Sources: Survey Data (2017)

The lowest scale for job satisfaction sub variables was 2.96 and the maximum scale was 4.7. The mean score for coworker was (M= 4.7, SD= 0.41). This mean score was the highest mean score among all the other facets of job satisfaction. The next highest mean score from the sub-variables was that of Fringe Benefit mean score of 3.9143 (SD= .51107). The third highest mean score was that of Contingent rewards (M= 3.8509, SD= .45534). The fourth highest mean score was Nature of the Work (M= 3.5559, SD=.46168). The lowest mean score was that of communication (M= 2.9628, SD= .51321). The remaining job satisfaction factors had mean scores 3. For analysis purpose, Spector (2011) recommended that the six scales can be recoded into three. The scholar suggested that the average score from 1 to 3 is recoded into dissatisfied, from 3 to 4 as ambivalent and from 4 to 6 as satisfied (Bateh and Heyliger, 2014).

In the table 4.7 above, most of the factors fall in to the ambivalent. All the other sub-variables had mean score between 1 and 3. Employees were dissatisfied with communication in the company. They are satisfied about their coworkers. The general implication is that employees were neutral about their work.

4.3 Correlation analysis

The correlation analysis result was performed to see the association between Leadership style and job satisfaction. Therefore, the correlation analysis revealed the relationship between leadership styles with overall job satisfaction factors. If the correlation result lies between -1 and 0, the two variables are negatively related. But if the correlation result of the two variables lies between 0 and 1, the two variables are positively related. Furthermore, according to Field (2005) general guidelines correlations of 0.1 – 0.29 are considered small, correlations of 0.30 – 0.49 are considered moderate and correlations above > 0.5 are considered large. The correlations of the variables are shown in Table 4.3, however, each variable correlates perfectly with itself, as evidenced by the coefficients of +1.00 at the intersection of a particular variables' row and column.

Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Field, 2005). The correlation coefficient squared (known as the coefficients of determination, R^2) is a measure of the amount of variability in one variable that is explained by the other.

The correlation table below shows that laissez-faire leadership style has a strong relationship with the employee working condition with a significant value of $P .000^{**}$.

Table 4.8 Correlation between Leadership style and Job satisfaction

		Transformational leadership style	Transactional Leadership style	laissez-faire leadership style
Pay	PC Sig. (2-tailed)	.130 .058	.787** .000	.407** .000
Promotion	PC Sig. (2-tailed)	.351** .000	.262** .000	.405** .000
Supervision	PC Sig. (2-tailed)	.320** .000	.277** .000	.458** .000
Fringe Benefit	PC Sig. (2-tailed)	.695** .000	.135* .048	.709** .000
Contingent rewards	PC Sig. (2-tailed)	.588** .000	.226** .001	.623** .000
Working Conditions	PC Sig. (2-tailed)	.755** .000	.207** .002	.889** .000
Co-worker	PC Sig. (2-tailed)	.016 .817	.589** .000	.215** .002
Nature of the Work	PC Sig. (2-tailed)	.558** .000	.130 .059	.602** .000
Communication	PC Sig. (2-tailed)	.412** .000	.320** .000	.298** .000

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Sources : Questioner Data (2017)

4.4 Regression Analysis

Regression analysis shows that independent variables explain the dependent variable, a regression analysis was performed. The regression was made between the independent variables which are the three different dimensions of Leadership style (transformational ,transactional and laissez-faire leadership) with the nine factors of Job satisfaction (pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworkers, nature of work and communication).

The multiple regression model is the Model Summary table. This table provides the R, R^2 , adjusted R^2 , and the standard error of the estimate, which can be used to determine how well a regression model fits the data. The multiple correlation coefficient, R, can be considered to be one measure of the quality of the prediction of the dependent variable. The R^2 value (also called the coefficient of determination) is the proportion of variance in the dependent variable that can be explained by the independent variables.

The second table of the multiple regression is the ANOVA table. The F-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data.

4.9 Table of Model Summary of Regression Analysis

Model	R	R-square	Adjusted R-square	Sig.
Transformational Leadership style	.759 ^a	.576	.574	.000
Transactional Leadership Style	.237 ^a	.056	.051	.000
Laissez-faire leadership style	.754 ^a	.568	.566	.000

Predictors: (Constant), Transformational, Transactional and Laissez -fair Leadership style
Sources: Questioner Data (2017)

4.10. Table of the Overall Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 ^a	.522	.520	.17312
a. Predictors: (Constant), Leadership Style				

Sources: Questioner Data (2017)

The adjusted R square explain that 52% change in job satisfaction can be predicted by the combination of the three leadership styles

Table 4.11, these finding imply that transformational leadership, Transactional Leadership style , Laissez -fair Leadership style are positively related to employee job satisfaction and a unit improvement in transformational leadership would lead to about 0.317,0.797,0.516 respectively increases in employee job satisfaction. The findings encourage Heineken to endeavor hiring transformative leaders because their characters increase employee job satisfaction while it is a wake-up call to organization not to discard transactional leadership in favor of other styles, but rather improve on supervision of employees during production process, to ensure that company goals are met in time.

Table 4.11 **Coefficients^a** of Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Transformational Leadership style	.317	.036	1.090	8.844	.000
	Transactional Leadership style	.797	.052	.803	15.202	.000
	Laissez -fair Leadership style	.516	.034	1.922	15.334	.000
a. Dependent Variable: Job Satisfaction						

Sources : Questioner Data (2017)

The results for ANOVA reveals that F is 142.827 with a p value of 0.000 implying that there is a significant influence of value-based leadership on job satisfaction.

Table 4.12 **ANOVA^a** regression analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.406	1	7.406	273.569	.000 ^b
	Residual	5.631	208	.027		
	Total	13.038	209			
a. Dependent Variable: Job satisfaction						
b. Predictors: (Constant), Leadership styles						

Sources : Survey Data (2017)

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant. This indicates that the variation explained by the model is not due to chance.

The result of regression analysis based on three independent variables (Transformational Leadership style, Transactional Leadership style and Laissez -fair Leadership style) is presented in the table 4.11. The leadership styles (independent variables) in contributing to the variance of the overall Job satisfaction (dependent variable) were explained by the standardized Beta coefficient.

4.5 Summery of Hypothesis Tested

What is the effect of between transformational leadership style and job satisfaction, as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

Table 4.13 Hypothesis summery

Hypothesis	Analytical Model	Out comes
H01: There is no statistically significant relationship between transformational leadership styles on pay.	Correlation analysis	Accepted
H0.2: There is no statistically significant relationship between transformational leadership style and promotion.	Correlation analysis	Rejected

H03: There is no statistically significant relationship between transformational leadership style and supervision.	Correlation analysis	Rejected
H04: There is no statistically significant relationship between transformational leadership styles on Fringe benefit	Correlation analysis	Rejected
H05: There is no statistically significant relationship between transformational leadership styles on contingent reward.	Correlation analysis	Rejected
H06: There is no statistically significant relationship between transformational leadership styles on working condition.	Correlation analysis	Rejected
H07: There is no statistically significant relationship between transformational leadership styles on coworkers.	Correlation analysis	Rejected
H08: There is no statistically significant relationship between transformational leadership styles on nature of work.	Correlation analysis	Rejected
H09: There is no statistically significant relationship between transformational leadership styles on communication.	Correlation analysis	Rejected

What are the relationship between transactional leadership style on job satisfaction as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

Hypothesis	Analytical Model	Out comes
H010: There is no statistically significant relationship between transactional leadership styles on pay.	Correlation analysis	Rejected
H011: There is no statistically significant relationship between transactional leadership style on promotion	Correlation analysis	Rejected
H012: There is no statistically significant relationship between transactional leadership styles on supervision.	Correlation analysis	Rejected
H013: There is no statistically significant relationship between transactional leadership styles on Fringe Benefits.	Correlation analysis	Accepted
H014: There is no statistically significant relationship between transactional leadership styles on Contingent Reward.	Correlation analysis	Rejected
H015: There is no statistically significant relationship between transactional leadership style on working Conditions.	Correlation analysis	Accepted
H016: There is no statistically significant relationship between transactional leadership style on coworkers.	Correlation analysis	Rejected

H017: There is no statistically significant relationship between transactional leadership styles on nature of work.	Correlation analysis	Rejected
H018: There is no statistically significant relationship between transactional leadership style on communication.	Correlation analysis	Rejected

What is the relationship between laissez-faire leadership style on job satisfaction, as measured by pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworker, nature of work and communication?

Hypothesis	Analytical Model	Out comes
H019: There is no statistically significant relationship between laissez-faire leadership styles on pay.	Correlation analysis	Rejected
H020: There is no statistically significant relationship between laissez-faire leadership styles on promotion.	Correlation analysis	Rejected
H021: There is no statistically significant relationship between laissez-faire leadership styles on supervision.	Correlation analysis	Rejected
H022: There is no significant effect of laissez-faire leadership style on Fringe Benefits.	Correlation analysis	Rejected
H023: There is no statistically significant relationship between laissez-faire leadership style and contingent rewards.	Correlation analysis	Rejected

H024: There is no statistically significant relationship between laissez-faire leadership style and working Conditions.	Correlation analysis	Rejected
H025: There is no statistically significant relationship between laissez-faire leadership styles on co-workers.	Correlation analysis	Rejected
H026: There is no statistically significant relationship between of laissez-faire leadership style on nature of work.	Correlation analysis	Rejected
H027: There is no statistically significant relationship between laissez-faire leadership styles on communication.	Correlation analysis	Rejected

CHAPTER FIVE

SUMMARY, CONCLUSION AND SUGGESTION

This chapter presents the summary of the findings from the analysis, the conclusion drawn from the finding of the study and also suggestions for future practice.

5.1 Summary of finding

The general objective of this study was to investigate the effect of leadership style of the organization on employee satisfaction also specific objectives includes assessing the dominant leadership style at the Heineken brewery Ethiopia, identify how the employees view their managers as a leaders and measure the level of employees' job satisfaction, determine the relationship between leadership style and Job satisfaction and also examine the effect of leadership style (Transformational, Transactional and Laissez-faire) on employee job satisfaction

In order to clarify the given objectives descriptive analysis expressed by the percentage and frequency to analyze the respondents demographic parts while using the mean and standard deviation were able to identify what kind of leaders Heineken has from the employee perspective plus what kind of leaders that employee believes that their leaders are in the company, employee job satisfaction level also measured by the mean and standard deviation. Inferential statistical analysis include the correlation and regression analysis were used to show the relationship between variables and the effect

of leadership style (Independents Variables) and Job satisfaction (Dependent Variable) of this study.

- The demographic analysis revealed that the majority of the employees who participated in this study were male (65.7%), Female (34.3%) shows the majority of the respondents who participated were male.
- The majority of the employee were in the age of 31-35 years old which is (41.4%) while there was no participant under the age of 21 years old. The majority of the participant were BA/BSc/Bed.
- The mean that was used to identify the dominant leadership style was transactional leadership dimension of inspirational motivation (M=2.8372,SD=.65710)
- The means on the employee job satisfaction shows the level of satisfaction, employee were satisfied about their coworkers (M=4.7347, S=.41072) while they are dissatisfied about the communication (M= 2.9628, S=.51321) in the company.
- The result of person correlation revealed that significant positive relationship is found between Leadership style and factors of job satisfaction. All the leadership dimension has a significant relationship between the three dimensions of leadership style and employee job satisfaction.
- The result of the liner and multi regression analysis shows that the model that was used good fit for the data.

5.2 Conclusion

Based on the findings of this study the following conclusions are drawn.

Transformational leadership was seen to have a positive effect on the significant subscales of job satisfaction. Transactional leadership also had a positive effect on the significant subscales of job satisfaction and laissez-faire leadership had a positive effect as well on the significant subscales of job satisfaction. The subscales of leadership style were that were significant to Job satisfaction.

Since various factors of leadership styles affect various aspects of employee job satisfaction, which in turn affect job performance, managers, supervisors, leaders and organizational heads should not stick to only one form of leadership style. A combination of the various leadership styles will bring more satisfaction and enhance employee performance. They should therefore find the appropriate combinations of the leadership styles that would achieve the organizational goals together with the individual targets or objectives of the employees.

5.3 Recommendation

Based on the major findings and the conclusions made, the following recommendation were forwarded.

The findings encourage Heineken to endeavor hiring transformative leaders because their characters increase employee job satisfaction while it is a wake-up call to organization not to discard transactional leadership in favor of other styles, but rather

improve on supervision of employees during production process, to ensure that company goals are met in time.

More effective results can be accomplished through job training, which includes modifying organizational objectives and developing new methods of coordination such as, planned progression, job rotation, re-assigning supervision and temporary promotion until the employee has proven himself up the new task assigned.

5.4 Implication for future research

Since Heineken leaders have a different background in both educational and experience wise, for future study does having a different background on leadership has effect on Employee job satisfaction.

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ANNEX

ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF HUMAN RESOURCES MANAGEMENT

Dear! Respondent,

The purpose of the questionnaire is to assess the leadership style of your managers and your job satisfaction. The questionnaire is designed to collect data for master's thesis with the title

"The Relationship between Leadership Style and Job Satisfaction: Heineken Ethiopia".

So, you are kindly requested to give genuine and appropriate response. The researcher would like to assure you that the information you give will be kept confidential and used only for academic purpose. The researcher is interested to thank you in advance for your cooperation and kindness.

General Direction:

- ◆ You are not required to write your name.
- ◆ Read the statements carefully.
- ◆ For the general background information, respond by putting a "√" mark in the blank space beside your choice.
- ◆ For the part that describes leadership styles, respond by circling the number on the scale that describes the leadership styles of the person you are rating.

1. General Background Information/Demographics:

- ◆ Sex: M _____ F _____
- ◆ Age: Below 20 years _____ 21-25 years _____
26-30 years _____ 31-35 years _____
36-40 years _____ 41years and above _____
- ◆ Highest Degree Held: Certificate _____ Diploma _____

BA/BSc/BEEd ____

MA/MSc/MEd ____

Questions on Leadership Styles

This part of the questionnaire is to describe the leadership style of your managers as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?

I am at a higher organizational level than the person I am rating.

The person I am rating is at my organizational level.

I am at a lower organizational level than the person I am rating.

I do not wish my organizational level to be known.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing.

Use the following rating scale:

Not at all always	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

The Person I am Rating:

No.	Statement	Scale				
1	Provides me with assistance in exchange for my efforts.	0	1	2	3	4
2	Re-examines critical assumptions to question whether they are appropriate.	0	1	2	3	4
3	Fails to interfere until problems become serious.	0	1	2	3	4
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.	0	1	2	3	4
5	Avoids getting involved when important issues arise	0	1	2	3	4
6	Talks about their most important values and beliefs.	0	1	2	3	4
7	Is absent when needed.	0	1	2	3	4
8	Seeks differing perspectives when solving problems.	0	1	2	3	4
9	Talks optimistically about the future.	0	1	2	3	4
10	Instills pride in me for being associated with him/her	0	1	2	3	4
11	Discusses in specific terms who is responsible for achieving performance targets.	0	1	2	3	4
12	Waits for things to go wrong before taking action.	0	1	2	3	4
13	Talks enthusiastically about what needs to be accomplished.	0	1	2	3	4
14	Specifies the importance of having a strong sense of purpose.	0	1	2	3	4
15	Spends time teaching and coaching.	0	1	2	3	4

16	Makes clear what one can expect to receive when performance goals are achieved.	0	1	2	3	4
17	Shows that he/she is a firm believer in "If it ain't broke, don't fix it."	0	1	2	3	4
18	Goes beyond self-interest for the good of the group.	0	1	2	3	4
19	Treats me as an individual rather than just as a member of a group.	0	1	2	3	4
20	Demonstrates that problems must become chronic before taking action.	0	1	2	3	4
21	Acts in ways that builds my respect.	0	1	2	3	4
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures.	0	1	2	3	4
23	Considers the moral and ethical consequences of decisions.	0	1	2	3	4
24	Keeps track of all mistakes.	0	1	2	3	4
25	Displays a sense of power and confidence.	0	1	2	3	4
26	Articulates a compelling vision of the future	0	1	2	3	4
27	Directs my attention toward failures to meet standards.	0	1	2	3	4
28	Avoids making decisions.	0	1	2	3	4
29	Considers me as having different needs, abilities, and aspirations from others.	0	1	2	3	4
30	Gets me to look at problems from many different angles.	0	1	2	3	4
31	Helps me to develop my strengths.	0	1	2	3	4
32	Suggests new ways of looking at how to complete assignments.	0	1	2	3	4
33	Delays responding to urgent questions.	0	1	2	3	4

34	Emphasizes the importance of having a collective sense of mission	0	1	2	3	4
35	Expresses satisfaction when I meet expectations.	0	1	2	3	4
36	Expresses confidence that goals will be achieved.	0	1	2	3	4

Questions on job satisfaction

The following statements are designed to assess your satisfaction. Read each statement carefully and respond by circling the level of scale that describes your satisfaction. The scales are defined as follows:

1=Disagree very much, 2=Disagree moderately, 3=Disagree slightly, 4=Agree slightly, 5=Agree moderately, 6= Agree very much

No.	Statements	Scales					
1	I feel I am being paid a fair amount for the work I do.	1	2	3	4	5	6
2	There is really too little chance for promotion on my job.	1	2	3	4	5	6
3	My supervisor is quite competent in doing his/her job.	1	2	3	4	5	6
4	I am not satisfied with the benefits I receive.	1	2	3	4	5	6
5	When I do a good job, I receive the recognition for it that I should.	1	2	3	4	5	6
6	Many of our rules and procedures make doing a good job difficult.	1	2	3	4	5	6
7	I like the people I work with.	1	2	3	4	5	6
8	I sometimes feel my job is meaningless.	1	2	3	4	5	6
9	Communications seem good within this organization.	1	2	3	4	5	6
10	Raises are too few and far between.	1	2	3	4	5	6
11	Those who do well on the job stand a fair chance of being promoted.	1	2	3	4	5	6
12	My supervisor is unfair to me.	1	2	3	4	5	6

13	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5	6
14	I do not feel that the work is appreciated.	1	2	3	4	5	6
15	My efforts to do a good job are seldom blocked by red tape.	1	2	3	4	5	6
16	I find I have to work harder at my job because of the incompetence of people	1	2	3	4	5	6
17	I like doing the things I do at work.	1	2	3	4	5	6
18	The goals of this organization are not clear to me.	1	2	3	4	5	6
19	I feel unappreciated by the organization when I think about what they pay	1	2	3	4	5	6
20	People get ahead as fast here as they do in other places.	1	2	3	4	5	6
21	My supervisor shows too little interest in the feelings of subordinates.	1	2	3	4	5	6
22	The benefit package he have is equitable.	1	2	3	4	5	6
23	There are few rewards for those who work here.	1	2	3	4	5	6
24	I have too much to do at work.	1	2	3	4	5	6
25	I enjoy my coworkers.	1	2	3	4	5	6
26	I often feel that I do not know what is going on with the organization.	1	2	3	4	5	6
27	I feel a sense of pride in doing my job.	1	2	3	4	5	6
28	I feel satisfied with my chances for salary increases.	1	2	3	4	5	6
29	There are benefits we do not have which we should have.	1	2	3	4	5	6
30	I like my supervisor.	1	2	3	4	5	6

31	I Have too much paperwork	1	2	3	4	5	6
32	I don't feel my efforts are rewarded the way they should be.	1	2	3	4	5	6
33	I am satisfied with my chances for promotion.	1	2	3	4	5	6
34	There is too much bickering and fighting at work.	1	2	3	4	5	6
35	My job is enjoyable.	1	2	3	4	5	6
36	Work assignments are not fully explained.	1	2	3	4	5	6