

Impact of Different Leadership styles on Employees' Job Performance in the Food and Beverage Industry in Myanmar

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ABSTRACT

Effective leadership and human resource management are critical factors influencing organizational success. Employee job performance, which directly impacts productivity, efficiency, and goal achievement, is significantly shaped by leadership styles. Transactional, transformational, and laissez-faire leadership are known to influence employee motivation, engagement, and performance. This study examines how these leadership styles affect employee performance in Myanmar's competitive food and beverage industry. The research utilized the Multifactor Leadership Questionnaire (MLQ) developed by Avolio and Bass (1999) to assess leadership behaviors, focusing on transactional, transformational, and laissez-faire styles. A 5-point Likert scale was used to measure the frequency of leadership behaviors, with transactional leadership focusing on rewards and penalties, transformational leadership inspiring higher performance, and laissez-faire leadership involving minimal managerial interference. A survey of 300 managers from food and beverage companies in Yangon, Myanmar, was conducted using a disproportionate stratified random sampling method to ensure diverse representation. Employee performance was assessed using a multidimensional framework, including work quality, efficiency, teamwork, time management, and adherence to policies. Data were analyzed using SPSS (version 25) with techniques such as demographic analysis, reliability analysis (Cronbach's alpha), and correlation analysis to examine relationships between leadership styles and job performance. The findings revealed a significant positive correlation between leadership styles and employee job performance, with laissez-faire leadership demonstrating the strongest association. This result diverges from much of the existing literature, which typically suggests that

transformational or transactional leadership styles have a greater impact. The findings indicate that, in the context of Myanmar's food and beverage industry, laissez-faire leadership may be particularly effective in enhancing employee performance and achieving organizational objectives.

Keywords: Leadership styles, employee job performance, transactional leadership, transformational leadership, laissez-faire leadership, food and beverage industry, Myanmar.

I. INTRODUCTION

Leadership is widely recognized as a critical determinant of organizational success, acting as the driving force behind the productivity and efficiency of business operations. Without effective leadership, other functions within an organization remain underutilized and ineffective. Leadership plays a pivotal role in motivating employees, guiding organizational culture, and driving shared goals, all of which are essential to organizational effectiveness (Abdulhasanova, 2024). Strong leaders have the ability to enhance organizational productivity and help achieve strategic objectives, while weak leadership can significantly hinder performance, endangering the health and sustainability of the business. A mismatch between leadership style and organizational needs can also have detrimental effects, potentially derailing the organization's progress.

Effective leadership involves a combination of key qualities and approaches. The leadership style practiced by organizational leaders directly influences employee performance and, consequently, the overall success of the organization. Hurdzeu (2015) emphasized that leadership plays a central role in the development of team members and contributes to enhanced

organizational outcomes. Historically, leadership has been a cornerstone of human societies, shaping organizational structures and processes (Skoogh, 2014). Extensive research on leadership has led to the identification of various leadership traits and behaviors, resulting in the development of several influential leadership theories.

Among the foundational leadership theories is Lewin's Leadership Style Theory, which categorizes leadership into three primary styles: democratic, autocratic, and laissez-faire (Basit et al., 2017). Another key model is Hersey and Blanchard's Situational Leadership Theory, which emphasizes the need for flexibility in leadership, proposing that effective leaders must adapt their style to the demands of different situations (McCleskey, 2014). Transformational leadership, first proposed by Burns (1978) and expanded by Bass, emphasizes motivation, vision, and values as central to leadership effectiveness (Siregar et al., 2020). Modern leadership paradigms increasingly emphasize strategic vision, focusing on conflict resolution, communication, and adaptability to meet dynamic organizational needs. Contemporary leadership styles, such as bureaucratic, transformational, charismatic, and ethical leadership, offer nuanced perspectives on addressing human factors like employee needs, emotions, and motivations, which are integral to leadership success in today's complex organizational environments.

This study specifically examines the impact of leadership styles on employee job performance within the food and beverage sector in Yangon, Myanmar. The food and beverage industry plays a vital role in the country's economy, making the examination of leadership styles in this context both timely and relevant.

1.1 Research Objectives

The primary objective of this study is to explore the effect of leadership styles on employees' job performance in Myanmar's food and beverage industry.

1.2 Specific Objectives:

1. To identify the leadership styles employed in the food and beverage industry.
2. To assess the effects of leadership styles on employee performance.
3. To determine the most impactful leadership style on employees' job performance.

1.3 Research Questions

1. What are the leadership styles commonly used in Myanmar's food and beverage industry?

2. How do these leadership styles affect employee performance?
3. Which leadership style has the most significant impact on employees' job performance?

II. 2. LITERATURE REVIEW

Leadership plays a crucial role in shaping organizational culture, motivating employees, and achieving collective goals. Abdulhasanova (2024) highlights that effective leadership is vital for providing direction, fostering collaboration, and creating an environment conducive to employee engagement and productivity. Research indicates that leadership styles such as transformational and democratic leadership are positively correlated with job satisfaction and performance, while more authoritarian or laissez-faire styles may lead to mixed or negative outcomes, depending on the context (Bass & Riggio, 2006; Garzón-Lasso et al., 2024).

To thrive, organizations must have leaders who adapt their leadership approaches to meet the needs of their teams and the challenges of the environment. Leaders must motivate employees, align them with organizational goals, and offer support to maintain accountability (Kouzes & Posner, 2017). By applying these strategies, leaders can unlock the potential of their employees, resulting in both individual and organizational success. Leadership, as defined by Htike (2019), is the process of influencing others toward a shared goal. Kruse (2013) extends this definition by describing leadership as a social influence process that maximizes the efforts of others toward achieving organizational objectives. Effective leadership impacts values, culture, and employee motivation, guiding the execution of strategies for organizational success. As Kruse (2013) suggests, a shared vision empowers individuals and drives organizational benefits.

2.1 Theories of Leadership

Bass's (1990) leadership theory identifies three key pathways through which individuals develop leadership qualities:

1. Increasing awareness of task importance and value.
2. Prioritizing team or organizational goals over personal interests.
3. Activating higher-order needs in individuals (Stogdill, 1989).

Bass further elaborates on transformational leadership, describing it as a style where leaders inspire trust, admiration, and respect among their followers. Transformational leaders

influence their teams by emphasizing task importance, aligning organizational goals with collective interests, and addressing developmental needs. Jago (1982) asserts that effective leaders emerge through continuous self-reflection, education, and experience. Germano (2010) emphasizes that leadership directly shapes organizational values, culture, and employee motivation, influencing strategic outcomes.

2.2 Situational Leadership Theory

Situational leadership theory posits that effective leaders adjust their style based on the context and desired outcomes. Leaders must assess both organizational needs and individual motivations to determine the most appropriate leadership approach. While this theory promotes flexibility, misapplying leadership styles can lead to suboptimal results. More experienced leaders tend to adopt effective styles, such as charismatic, transactional, or transformational leadership, depending on the situation (Germano, 2010).

2.3 Leadership Styles

2.3.1 Transactional Leadership

Transactional leadership is characterized by a reward-based approach, wherein leaders motivate employees through tangible incentives like promotions, raises, or performance reviews. While this style is effective in achieving short-term goals and maintaining compliance, it is often criticized for lacking long-term sustainability, especially during resource constraints. While transactional leadership can help maintain performance standards, it does not inspire the same level of commitment or effort as other leadership styles (Garzón-Lasso et al., 2024).

2.3.2 Transformational Leadership

Transformational leadership focuses on communication, motivation, and vision. Transformational leaders inspire their followers by emphasizing the significance of tasks, aligning organizational goals with collective interests, and addressing developmental needs. This style is linked to fostering innovation, adaptability, and employee satisfaction. Studies show that transformational leadership positively influences employee engagement, satisfaction, and performance (Garzón-Lasso, Serrano-Malebrán, Arenas-Arango, & Molina, 2024). This leadership style helps align individual and organizational goals, fostering greater commitment and improved performance. Research by Hill et al. (2012) found that transformational leaders reduce resistance to change and enhance adaptability within

organizations. Bass's (1990) extension of this theory emphasizes methods where leaders raise awareness of task significance and prioritize collective goals, boosting morale and employee alignment with organizational objectives (Burns, 1978; Steinmann et al., 2018).

2.3.3 Laissez-Faire Leadership

Laissez-faire leadership is characterized by a hands-off approach, allowing employees significant autonomy in decision-making and task execution. This leadership style is effective in environments where employees are highly skilled, motivated, and capable of working independently, such as in creative industries or research settings. In these environments, laissez-faire leadership can foster creativity and self-reliance, leading to improved job satisfaction and productivity (Kendoo, 2013; Nawoseing'ollan & Roussel, 2017b). However, in more structured organizational settings, where clear direction and oversight are necessary, laissez-faire leadership may lead to inefficiency, confusion, and poor performance. The absence of direct involvement from leaders in daily operations can result in unclear expectations and diminished accountability (Ngcobo, 2021). When applied effectively, laissez-faire leadership can enhance engagement and job satisfaction by empowering employees to take ownership of their roles. However, this style requires careful consideration of the organizational context and employee capabilities to avoid disengagement and low morale (Garzón-Lasso et al., 2024; Kendoo, 2013; Nawoseing'ollan & Roussel, 2017b).

2.4 Employees' Job Performance

Leadership is crucial in coordinating resources, motivating employees, and fostering an environment conducive to enhanced performance. Effective leadership fosters emotional connections between employees and the organization, leading to higher job satisfaction, lower turnover, and improved performance outcomes (Northouse, 2013). Lee and Chuang (2009) highlight that great leaders inspire their subordinates to reach their full potential, aligning individual goals with organizational objectives. However, Fenwick and Gayle (2008) argue that the relationship between leadership and organizational performance is complex and context-dependent, suggesting that multiple factors may influence this dynamic.

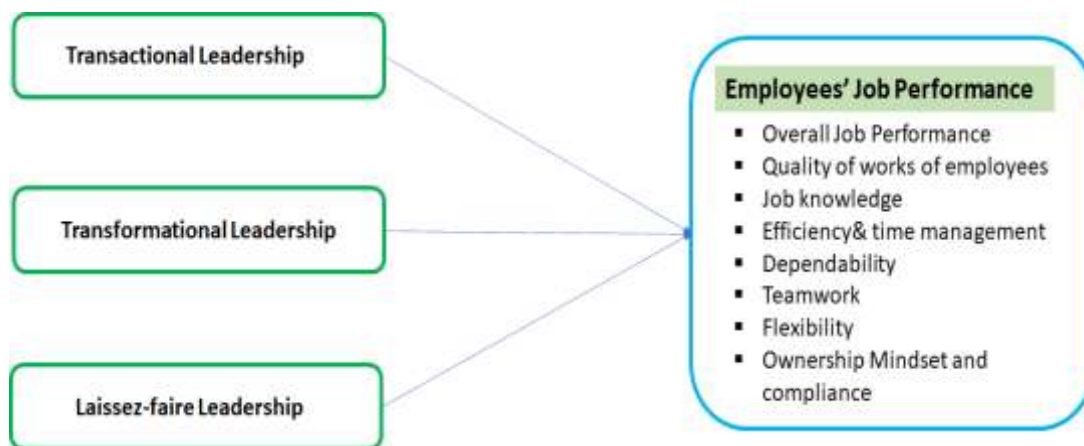
The impact of leadership on employee job performance has been the subject of numerous studies. For instance, Garzón-Lasso et al. (2024) found that transformational leadership had a

positive effect on employee engagement and performance across diverse sectors. Moreover, studies by **Northouse (2019)** and **Lee and Chuang (2009)** underscore that leaders who build strong relationships with their employees tend to have a more significant influence on performance outcomes. In conclusion, the literature indicates that leadership styles and behaviors are essential in enhancing employee job performance, satisfaction, and organizational outcomes. Leaders who exhibit emotional intelligence, particularly

transformational leadership, are more likely to inspire commitment and elevate performance.

2.5 Conceptual Framework

This study conceptualizes **leadership styles** (transactional, transformational, and laissez-faire) as independent variables and **employee job performance** as the dependent variable. Below is a diagrammatic representation of these relationships: Figure (1): Conceptual Framework



Source: Own Compilation

III. RESEARCH METHODOLOGY

This study aimed to examine the influence of leadership styles on employee job performance in the food and beverage industry in Myanmar. The research adopted a descriptive survey design, which is effective for obtaining standardized measurements by enforcing uniform definitions upon the respondents (**Borg, 2006**). A quantitative approach was employed, utilizing a self-administered questionnaire with a 5-point Likert scale. The research was conducted in the Yangon area of Myanmar.

3.1 Population and Sampling

The study targeted all employees in the food and beverage industry in Yangon, Myanmar. According to **Sekaran (2001)**, a population is the entire group of individuals, events, or items that the researcher seeks to investigate. Given time and financial constraints, the study focused on employees working in selected organizations such as Danone Central Team, DKSH Myanmar, Mo Asia Company, Mega Lifesciences Limited, Coca-Cola Pinya Myanmar, Carlsberg's Myanmar, Unilever Myanmar, SaeDaw Group of Company, Color Care Company and others. The target population consisted of 2,530 management employees in the head offices of these companies.

Disproportionate stratified random sampling was employed to obtain the sample size, as the strata sizes were not proportional to the population. Stratified random sampling ensures that specific subgroups within a population are adequately represented (**Fox & Bayat, 2007**).

3.2 Data Collection Procedure

Data collection was conducted using a structured questionnaire distributed through the Human Resource departments of the targeted companies. In addition, Google Forms was utilized to facilitate data collection online. **Chandran (2004)** emphasized that data collection transforms the research design into operational instruments to meet research objectives. The questionnaire included 25 questions and was distributed to 300 managers from the head offices of the selected companies in **August and September 2024**. A total of 263 responses were returned (87.67%), of which 243 (81.0%) were fully completed and deemed usable.

3.3 Ethical Considerations

Ethical considerations were integral to this study to ensure the integrity and fairness of the research process. Participants were informed about the purpose and nature of the study, its expected

outcomes, and any potential risks. Informed consent was obtained before participation. Confidentiality was maintained throughout the research by anonymizing participant data and ensuring that no identifying information was disclosed in the study's reports or publications. Privacy was preserved by restricting access to the data exclusively to the researcher. Ethical principles also ensured that the research had no hidden agenda and respected participants' rights throughout the process.

3.4 Limitations of the Study

This study focused exclusively on the leadership styles of executives and managers in Yangon's food and beverage companies and their impact on employees' job performance. It emphasized three primary leadership styles: transactional, transformational, and laissez-faire. The findings may not fully generalize to other industries or regions.

IV. FINDING AND DISCUSSION

4.1 Data Analysis

Data analysis was conducted using SPSS software (version 25), employing various statistical techniques to explore the relationships between leadership styles and employee performance. These methods included demographic analysis, normality testing, reliability analysis (Cronbach's Alpha), descriptive statistics, and correlation analysis. The leadership styles were assessed using the Multifactor Leadership Questionnaire (MLQ) developed by Avolio and Bass (1999), utilizing a 5-point Likert scale. Employee performance was evaluated through several indicators, including job knowledge, efficiency, time management, dependability, teamwork, flexibility, ownership mindset, compliance, and overall job performance.

4.2 Demographic Characteristics of the Respondents

The demographic characteristics of the respondents are presented in Table 1. The sample consisted of 243 individuals, providing a balanced representation of gender, age, job position, and educational background.

Table 1: Demographic Profile of the Respondents

No.	Variable	Description	Frequency	Percentage (%)
1	Gender	Male	128	53%
		Female	115	47%
		Total	243	100%
2	Age	Under 30 years	115	47%
		31 to 40 years	73	30%
		41 to 50 years	44	18%
		Above 50 years	11	5%
		Total	243	100%
3	Position	Supervisor / Executive	110	45%
		Assistant Manager	70	29%
		Manager	36	16%
		General Manager	19	8%
		Director/CEO	5	2%
		Total	243	100%
4	Education Level	Undergraduate	51	21%
		Graduate	115	48%
		Post Graduate Diploma	61	25%
		Master's Degree	16	6%
		Ph.D.	0	0%
		Total	243	100%

The sample exhibited a slightly higher proportion of male respondents (53%) compared to female respondents (47%). In terms of age distribution, the largest group consisted of individuals under 30 years (47%), followed by those between 31 and 40 years (30%). The majority of respondents held supervisory or executive positions (45%), with a small proportion occupying higher managerial positions such as General Manager or Director/CEO (10%). Regarding educational qualifications, the respondents were

highly educated, with the majority holding a graduate degree (79%), including 6% with a master's degree.

4.3 Reliability Tests

Table 2 presents the Cronbach's alpha coefficients for the study variables. Cronbach's alpha is used to assess the internal consistency of the scale items. According to the guidelines provided by George and Mallery (2003), values above 0.7 indicate acceptable reliability.

Table 2: Reliability Coefficients (Cronbach's Alpha)

Variable	No. of Items	Cronbach's Alpha
Transactional Leadership	4	0.723
Transformational Leadership	5	0.781
Laissez-faire Leadership	5	0.801
Employees' Job Performance	6	0.748

The Cronbach's alpha values for all variables exceeded the threshold of 0.70, indicating acceptable reliability for the scales. Among the leadership styles, Laissez-faire leadership demonstrated the highest internal consistency ($\alpha = 0.801$), followed by Transformational leadership ($\alpha = 0.781$), and Transactional leadership ($\alpha = 0.723$). These values suggest that the survey items were

reliable and valid for measuring the intended constructs.

4.4 Descriptive Statistics

Descriptive statistics were calculated to examine the central tendencies and variability of each variable. Table 3 summarizes the mean and standard deviation for the leadership styles and employee performance.

Table 3: Descriptive Statistics for Study Variables

Variable	Minimum	Maximum	Mean	Std. Deviation
Transactional Leadership	3	5	3.499	0.32438
Transformational Leadership	2	5	3.951	0.61694
Laissez-faire Leadership	3	5	4.102	0.44365
Employees' Job Performance	2	5	3.911	0.74321

The mean score for Employees' Job Performance was 3.911, indicating that employees generally exhibited a positive performance level. Among the leadership styles, Laissez-faire leadership had the highest mean ($M = 4.102$), suggesting that respondents perceived this style more favorably compared to others. Transactional leadership, on the other hand, had the lowest mean ($M = 3.499$), indicating less favorable perceptions. The relatively higher standard deviation for Employee Job Performance ($SD = 0.74321$) implies

greater variability in the respondents' views on job performance, whereas the lower standard deviations for the leadership styles suggest a higher level of consensus on those variables.

4.5 Correlation Analysis

The Pearson correlation coefficients were calculated to assess the relationships between leadership styles and employee job performance. The results are presented in Table 4.

Table 4: Pearson Correlation Coefficients Between Leadership Styles and Employees' Job Performance

Variable	N	JP	TL	TFL	LFL
Employees' Job Performance	243	1			
Transactional Leadership	243	0.563**	1		
Transformational Leadership	243	0.695**	0.515**	1	
Laissez-faire Leadership	243	0.717**	0.472**	0.536**	1

Note: $p < 0.01$ indicates statistical significance at the 1% level.

The correlation analysis reveals significant positive relationships between all leadership styles and employees' job performance. Among the leadership styles, Laissez-faire leadership exhibited the strongest positive correlation with job performance ($r = 0.717$, $p < 0.01$), followed by Transformational leadership ($r = 0.695$, $p < 0.01$). Transactional leadership demonstrated the weakest correlation with job performance ($r = 0.563$, $p < 0.01$). These results suggest that, contrary to conventional literature, Laissez-faire leadership plays a significant role in enhancing job performance within the specific context of Myanmar's food and beverage industry.

V. CONCLUSION

The findings of this study provide important insights into the impact of leadership styles on employees' job performance. While transformational leadership is widely regarded as a driver of motivation, creativity, and organizational success (Bronkhorst et al., 2015; Kim & Yoon, 2015), and transactional leadership is associated with short-term satisfaction and organizational goal alignment (Epitropaki & Martin, 2005; LePine et al., 2015), this study reveals a significant and unexpected relationship between Laissez-faire leadership and employee job performance in the Myanmar food and beverage industry.

The results suggest that Laissez-faire leadership, often criticized for its lack of guidance and decision-making, may be perceived positively in this context, possibly due to a high level of autonomy and empowerment afforded to employees. However, these findings challenge traditional perceptions of Laissez-faire leadership's ineffectiveness and warrant further investigation into the specific cultural and organizational factors that contribute to its success in this setting. Future research should explore this phenomenon in other industries or regions to determine whether these findings are context-specific or have broader implications for leadership theory and practice.

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